



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: May 16, 2008 **REPORT NO. PC-08-057**

ATTENTION: Planning Commission, Agenda of May 22, 2008

SUBJECT: UNIVERSITY TOWN CENTER - PROJECT NO. 2214.
PROCESS 5

REFERENCE: Initiation of an amendment to the University Community Plan and Progress Guide and General Plan for the University Towne Center, Report No. P-02-022, February 7, 2002.

OWNERS: University Towne Center Venture L.L.C., Nordstrom Incorporated, Sears and Roebuck and Company, CMF University Towne Center South, L.L.C., and CMF University Towne Center North, L.L.C. (Attachment 17)

APPLICANT: Westfield Corporation, Inc.

SUMMARY

Issue(s): Should the Planning Commission recommend to the City Council approval or denial of the phased redevelopment and renovation of the existing 75.86-acre Westfield University Towne Center (UTC) regional shopping center, located south of La Jolla Village Drive, west of Towne Center Drive, east of Genesee Avenue, and north of Nobel Drive in the University Community Plan area?

Staff Recommendations:

1. Recommend the City Council **Certify** Environmental Impact Report No. 2214, **Adopt** the Mitigation Monitoring and Reporting Program, and **Adopt** the applicant's Findings and Statement of Overriding Considerations;
2. Recommend the City Council **Adopt** the rezoning ordinance;
3. Recommend the City Council **Approve** amendments to the Progress Guide and General Plan and the University Community Plan;

4. Recommend the City Council **Approve** Vesting Tentative Map No. 293788 including the associated easements and public right of way vacations, Master Planned Development Permit No. 4103 and Site Development Permit No. 293783.

Community Planning Group Recommendation: On May 13, 2008, the University Community Planning Group (UCPG) voted 11-3-1 to recommend denial of the project. The UCPG denial was based upon the project not complying with the adopted Community Plan.

Other Recommendations: On January 3, 2008, the San Diego County Regional Airport Authority, Airport Land Use Commission determined the proposed project is conditionally consistent with the Marine Corps Air Station Miramar Airport Land Use Compatibility Plan (Attachment 16).

Environmental Review: Environmental Impact Report No. 2214 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, to a level of insignificance, most potential impacts identified in the environmental review process. The applicant has also provided their project's Findings and Statement of Overriding Consideration for significant and unmitigable impacts (Attachment 19).

Fiscal Impact Statement: No cost to the City. A deposit account funded by the applicant recovers all costs associated with the processing of the project application.

Code Enforcement Impact: None with this action.

Housing Impact Statement: The proposed project would result in the addition of 250 to 725 multi-family residential units to the University Community. The applicant will meet the requirements of the Inclusionary Affordable Housing Ordinance by providing ten percent of the total number of residential units on-site as affordable per an agreement with the San Diego Housing Commission.

BACKGROUND

The University Town Center (UTC) property, situated on seven lots comprising a total of 75.86 acres, is located south of La Jolla Village Drive, west of Towne Center Drive, east of Genesee Avenue, and north of Nobel Drive (Attachment 2) within the University Community (Attachment 3). The University Community Plan (Community Plan) identifies the subject site as a Regional Commercial use location. Surrounding land use designations include Office and Visitor Commercial to the north, Office and Residential at a density range of 15-30 dwelling units per net residential acre to the east, Residential at the density ranges of 5-10 and 15-30 dwelling units per net residential acre to the south, and Neighborhood/Community Commercial and Residential at a density range of 45-75 dwelling units per net residential acre to the west.

The project site is surrounded by urban development, including office towers, hotel establishments, commercial/retail uses and high-density residential development. Immediately north of the site along La Jolla Village Drive are multi-story office towers, restaurants and the Embassy Suites tower. To the east are multi-story office developments, a synagogue, and a commercial/retail strip center. West of the site along Genesee Avenue is a commercial/retail strip center, high-density residential structures and developing residential uses associated with the Costa Verde Specific Plan's development. To the south are single-family residences and higher density residential development along Towne Centre Drive and Nobel Drive, including townhome and condominium projects. Higher density residential development also occurs along the Lombard Way driveway on to the project site. Farther from the site along Genesee Avenue is University High School, Rose Canyon open space and single-family residential development representing the south University City area. To the northwest of the site and north of La Jolla Village Drive is the University of California, San Diego (UCSD). Office, industrial park, institutional and residential uses occur farther north of the site along Genesee Avenue and Towne Centre Drive. The airfield for Marine Corps Air Station (MCAS) Miramar is situated approximately five miles east of the UTC site along Miramar Road.

The original 118.72-acre UTC shopping center was approved by City Council on May 8, 1975 under a Planned Commercial Development (PCD) Permit No. 2, and opened in 1977 with three department stores connected by an outdoor pedestrian mall, single level retail shops, surface parking lots, several small retail outbuildings, and 300 residential units. The UTC development was expanded in 1984 with the City issuing PCD Permit No. 83-0117, an amendment to the original permit, to include a fourth department store, several new multi-level shops, two new single level parking decks, and a bus transit center. Copies of the described permits and the subsequent amendments are attached to this report (Attachments 5). The residential units, located within Unit 2, Parcel Map 8333; Unit 3, Parcel Map 8679; and Unit 4, Parcel Map 8502 have been constructed and are privately owned. The existing open-air shopping center features department stores, specialty retail shops, automotive service shops, entertainment venues, multiple dining venues, community meeting facilities, a bus transit center and parking areas, with a total center size of 1,061,400 square feet.

DISCUSSION

Project Description: The project proposes the phased redevelopment and renovation of the existing 1,061,400-square-foot University Towne Center (UTC) regional shopping center. The proposed project includes the renovation and expansion of retail uses by 610,000 to 750,000 square feet, and the development of 250 to 725 multi-family residential units. The land use scenarios in the proposed permit would be restricted to a mixture of retail and an option for residential uses that would not exceed 17,800 cumulative Average Daily Trips (ADTs), and 256 in-bound AM peak hour/778 out-bound PM peak hour trips. The maximum structure height would be limited to 325 to 390 feet above grade. Upon completed development, the project proposes 7,163 parking spaces in a mixture of structured and surface parking. Additional project features would include a relocated and expanded bus transit center, a reservation of right-of-way for the proposed transit center and planned extension of a light rail transit line, a new pedestrian bridge crossing La Jolla Village Drive located west of Town Center Drive, and park facilities in

support of the residential development.

The project applicant proposes to create seven land use district's identified as Palm Plaza, Palm Passage, University Central, Towne Center Gardens, Nobel Heights, La Jolla Terrace, and Torrey Trails. Except for the Torrey Trails district, each district may include a mix of retail, commercial, residential, parking, or recreational areas as noted below:

- District One, Palm Plaza consists of the central portion of UTC, where the majority of the existing retail occurs. Currently, 511,000 square feet of retail occurs within this district. Changes in District One could entail the construction of up to 80,000 square feet of additional retail with parking provided in adjacent district areas.
- District Two, Palm Passage currently consists of surface parking, a bus transit center, three department store buildings, and a portion of the retail shops in the vicinity of the department stores. There is currently 450,000 square feet of retail within Palm Passage. As an extension of the District One, the Palm Passage area would involve the addition of up to 470,000 square feet of new retail space on site. The District Two retail expansion would involve construction of two new department stores adjacent to Genesee Avenue and the addition of a third new anchor store building adjacent to La Jolla Village Drive, near the existing Nordstrom building, and one- and two-level retail shops. Parking would be provided in surface parking lots and in parking structures constructed below the retail level in this district. In addition, two or more multi-level parking structures would be constructed within the district's boundaries. In coordination with San Diego Association of Governments (SANDAG), San Diego Metropolitan Transit System (MTS), and the City, the existing bus transit center would be relocated within this district to the street frontage along Genesee Avenue south of Esplanade Court. This transit center location could ultimately be connected with the elevated station for the Mid-Coast Light Rail Transit (LRT) system proposed in the future by SANDAG along Genesee Avenue.
- District Three, University Central, at the corner of La Jolla Village Drive and Genesee Avenue, currently consists of commercial uses and surface parking. District Three could include up to 75,000 square feet of new retail space and a high-rise tower to a maximum of 365 feet above grade due to FAA restrictions. The high-rise may encompass up to 725 residential units. Under the potential land use development scenarios in the Master Planned Development Permit, up to 725 residential units could be built within District Three, as long as the development intensity permitted, based on the traffic impact parameters for the overall site is not exceeded. Alternatively, the University Central district could also be considered to accommodate construction of the relocated and expanded bus transit center and an elevated station for the Mid-Coast light rail transit system proposed in the future by SANDAG.
- District Four, Towne Centre Gardens currently consists of the Sears automotive repair shop, a parking structure and surface parking. Towne Centre Gardens would provide up to 100 courtyard or garden apartment style housing units built over structured parking, along with an additional 20,000 square feet of retail. The maximum height of the structure above grade would be 325 feet due to FAA restrictions. Some surface parking

would also be utilized in the district. The Sears automotive repair shop would be relocated to District Six. Approximately one acre of population-based parkland could be created in this district to serve on-site residents. Under the potential land use development scenarios in the Master Planned Development Permit, up to 725 residential units could be built within District Four, as long as the development intensity permitted, based on the traffic impact parameters for the overall site is not exceeded.

- District Five, Nobel Heights currently consists of 10,000 square feet of retail space and surface parking. The proposed project would include up to 50 residential units, 20,000 square feet of additional retail development and structured or surface parking. Under the potential land use development scenarios in the Master Planned Development Permit, up to 725 residential units could be built in towers within District Five, as long as the development intensity permitted, based on the traffic impact parameters for the overall site is not exceeded. If constructed, the towers would form a gateway to the property for visitors arriving from the corner of Genesee Avenue and Nobel Drive. Approximately one acre of population-based parkland could be created in this district to serve on-site residents. The maximum height of the any structure above grade would be 390 feet due to FAA restrictions.
- District Six, La Jolla Terrace currently consists of 35,000 square feet of retail development and surface and structured parking. The proposed project would include the development of up to 85,000 square feet of additional retail space and parking areas, including up to two multi-level parking structures. The Sears automotive repair shop within District Four would be relocated to this district at the time Towne Centre Gardens is developed as a residential site. Also, consistent with the Community Plan and the North University City FBA, a new pedestrian bridge also would be constructed by Westfield over La Jolla Village Drive (east of the Executive Drive intersection), and would be integrated with future development in the La Jolla Terrace district.
- District Seven, Torrey Trails, an existing passive park area, is located at the southeast corner of the UTC site and is identified as “open space” in the Community Plan. The Torrey Trails area has the potential to be used as public open space with for privately-maintained recreational amenities/facilities to satisfy the project’s population-based park requirements. To create useable park acres, re-grading portions of Torrey Trail may be required. As conditioned by the permit, Westfield would seek community input on the specific types of recreation facilities in the Torrey Trail district. Improvements may include pedestrian lighting, a tot lot, benches, picnic tables, new landscaping and/or other park-like feature amenities; the balance of the district would remain as landscaped open space. The existing childcare facility on site would be relocated to the northern portion of Torrey Trail, just south of the existing ice rink, with a drop-off extension constructed from an existing access road. Additional signage would be provided at the northern and southern ends of Torrey Trail and security lighting also would be provided throughout the area. Stronger pedestrian linkages with Palm Plaza would be implemented to enable visitors to flow more easily into the park from the shopping center.

Development within each district would be required to comply with the CR-1-1 development

regulations, as modified by the development regulations contained in the UTC MPDP.

The phased project requires the approval of an amendment to the Progress and Guide and General Plan and to the University Community Plan; the rezone of the existing Community Commercial, CC-1-3 zone to Commercial Regional, CR-1-1 zone; a Vesting Tentative Map with utility and public right of way easements summarily vacated; and a Site Development Permit and Master Planned Development Permit, an amendment to the existing Planned Commercial Development Permit No. 83-0117.

Community Plan Amendment

The amendment to the University Community Plan would modify both policy text and graphics in the Community Plan to shift La Jolla Village Drive and Genesee Avenue from auto-oriented roadways to components of the urban node pedestrian network and to increase the retail square footage and allow for residential development on the project site (Attachment 15).

Rezone

A majority of the project site is currently zoned Community Commercial, CC-1-3 for community commercial uses, except for a small portion of the existing open space, located on the southeast portion of the development, which is zoned Residential, RS-1-14. Consistent with the Community Plan's designation of the site as Regional Commercial, Westfield proposes to rezone a large portion of CC-1-3 to Commercial Regional, CR-1-1 for regional commercial uses, leaving the smaller portion of the site, designated as Open Space in the Community Plan, zoned CC-1-3 and RS-1-14 (Attachments 11 and 12). The purpose of the CR-1-1 zone is to provide areas for a broad mix of retail and other uses. The zone is intended to accommodate large-scale, high intensity developments located along major streets, primary arterials and major public transportation lines. The zone also allows a mix of regional serving commercial and residential uses, with an auto orientation. Multi-family residential is permitted in the CR-1-1 zone, provided it is part of a mixed-use (commercial/residential) project.

Vesting Tentative Map (VTM)

The project applicant also proposes a VTM to consolidate the existing lots, relocate existing lot lines, subdivide the land into 36 lots (23 ground lots and 13 air rights lots), create a maximum of 725 condominium units, summarily vacate portions of existing City water and sewer utility easements to construct new private services, and summarily vacate City pedestrian and non-motor vehicular easements or right-of-way to accommodate the new development (Attachments 6 and 7). The lots would range in size from 0.14 to 28.57 acres. In addition, public right-of-way dedication is proposed on site for new traffic lanes and bike lanes on La Jolla Village Drive, Genesee Avenue, Towne Center Drive, Lombard Place and Nobel Drive.

Master Planned Development Permit (MPDP)

The proposed phased redevelopment and renovation of the existing 1,061,400-square-foot UTC regional shopping center does not substantially conform to the approved PCD No. 83-0117, and requires an amendment to the approved permit pursuant to SDMC Section 126.0113. The proposed Planned Development Permit (PDP), an amendment to PCD No. 83-0117, would allow for greater flexibility in the application of development regulations for the project where strict application of the base zone development regulations would restrict design options. Also, the

SDMC allows applicants to obtain a “Master” PDP (MPDP) to provide flexibility for projects in which not all of the project components are fixed at the time of approval. The SDMC allows for detailed plans to be submitted in the future. The MPDP would help to implement the City’s objectives for mixed-use projects, such as the proposed revitalization and expansion of UTC. The MPDP proposes development regulations in accordance with Section 143.0480 of the SDMC, including a conceptual site plan, architectural and landscape design guidelines, parking criteria, public transportation facilities, traffic and pedestrian circulation plans. These elements of design review are included within the project’s exhibit of approval, Master Planned Development Permit and Design Guidelines for Westfield UTC (Design Guidelines) [Attachment 10]. As conditioned, the proposed MPDP, amendment to PCD No. 83-0117 would apply only to the property listed in Westfield’s application, and the parcel lots with approximately 300 existing residential units will continue to be subject to the existing PCD No. 83-0117.

Site Development Permit (SDP)

A SDP is required because the UTC property is situated in the Community Plan Implementation Overlay Zone (CPIOZ), Type “A” area of the Community Plan. The San Diego Municipal Code (SDMC) Section 132.1401 indicates the purpose of the SDP regulations is to “provide supplemental development regulations that are tailored to specific sites within community plan areas of the City.” In addition, a portion of the site, identified as the Torrey Trail district, contains approximately 1.92 acres of naturally occurring steep slopes (i.e., 25 percent gradient for a height of 50 feet) and sensitive biological resources that occur between the existing developed land in the southern-most reaches of the district and surrounding residential development. Pursuant to and SDMC Chapter 14, Article 3, Division 1 of the Environmentally Sensitive Lands (ESL) Regulations, any portion of the premises that contains, among others, steep hillsides and sensitive biological resources would be subject to ESL regulations. Other than proposed park improvements as noted in the Design Guidelines, the project does not propose any retail or residential development in the vicinity of the ESL nor would any development encroach into the ESL. Consistent with SDMC Section 143.0140(a), the permit has been conditioned requiring the applicant to grant a covenant easement across the portion of the premises containing ESL to restrict any encroachment.

As noted earlier, the project also includes the construction of a pedestrian bridge from Westfield’s La Jolla Terrace district, across La Jolla Village Drive, north to a landing area between Towne Center Drive and Executive Drive. The north landing area is a dedicated public right of way per Embassy Suites Hotel Map No. 11506. Pursuant to the SDMC, any proposed encroachment that is erected, placed, constructed, established or maintained in the public right-of-way, when the applicant is not the record owner of the property on which the encroachment will be located, requires a Site Development Permit is required in accordance with SDMC Section 126.0502(d)(7).

Community Plan Analysis:

The subject property is an approximate 75.86-acre site designated Regional Commercial by the Community Plan. The Community Plan organizes the community into four major subareas including Torrey Pines, Central, Miramar and South University with the purpose of providing goals and recommendations specific to each subarea. The character of the community's four subareas will be pronouncedly different as reflected by the urban form, landscape, buildings and people. The subject property is located in the Central Subarea which is the most urban of the four subareas of the community. The Community Plan identifies a portion the Central Subarea as an Urban Node which is characterized by a relatively high density, mixed use core in the area of La Jolla Village Drive and Genesee Avenue. Activities such as retail, professional office, medium to high density residential and entertainment are currently concentrated within the Urban Node surrounding to the project site.

The Development Intensity Element of the Community Plan further divides the community into subareas and assigns land use and development intensities in accordance with the goals and objectives of the Community Plan. The site is located in subarea 43, identified as University Towne Center. The Community Plan currently assigns a total of 1,061,000 square feet of Regional Commercial use for subarea 43. The proposed General Plan and Community Plan amendment would increase the intensity for the site, as identified in the Development Intensity Element of the Community Plan, from 1,061,000 square feet of Regional Commercial use to 1,811,409 square feet Regional Commercial use and 250 multi-family dwelling units. A note would be added in the Development Intensity Element identifying that this property is subject to an approved Master Planned Development Permit (MPDP), which permits adjustment to the levels of retail and residential development (up to 725 units) within the intensity envelope for the property defined by the MPDP.

The following sections summarize the proposed land use change and project consistency with the goals and objectives of the Community Plan to develop the project site and surrounding area as an Urban Node. City staff responses to the issues identified in PC Resolution No. 3235-PC (Attachment 13) have been provided in Attachment 14.

Land Use

The proposed use is compatible with the high intensity uses surrounding the site. This includes office and hotel uses to the north, high density residential (45-75 dwelling units per acre) and retail to the west, medium density residential (30-45 dwelling units per acre) to the south, and office and medium density residential to the east. The area is characterized by relatively high intensity uses which could foster pedestrian walkability and bicycle use; however, development in the Urban Node has focused on vehicular circulation and has created development which turns its back to the streets. The project site is bound by La Jolla Village Drive to the north, Genesee Avenue to the west, Nobel Drive to the south and Town Center Drive to the east. These are four major circulation elements within the community but none provide the pedestrian orientation that the Community Plan calls for within the Urban Node. The Community Plan provides strong language for new and infill development along the Pedestrian Network within the Urban Node, but La Jolla Village Drive and Genesee Avenue were not included as part of this network. The

proposed amendment would include the portions of La Jolla Village Drive and Genesee Avenue that are within the Urban Node boundary as part of the Pedestrian Network. In doing so, new or infill development along these frontages would be required to design projects that focus more on the pedestrian and not the vehicle.

Because vehicular circulation in and around the Urban Node is very poor, it is imperative that accessibility and connectivity for non-motorized transportation be at the forefront of new and infill development in an area where employment, housing, transit, recreation, shopping and entertainment all exist within a relatively compact area. The proposed MPDP and Design Guidelines have included requirements that implement the policies of the Community Plan which when constructed, will improve pedestrian orientation and connectivity between adjacent uses and access to transit. Parkways with non-contiguous sidewalks, new bike lanes along Nobel Drive, open and identifiable project gateways, building facades that are scaled to the pedestrian along street frontages, and accessibility to a new transit facility which will accommodate bus and future Light Rail Transit are some of the project features that implement the design recommendations of the Community Plan within the Urban Node and provide the accessibility and connectivity that does not exist today.

The MPDP includes deviations from the proposed zone (CR-1-1) in order to implement the project. The deviations related to community plan land use include height, setbacks, building elevations and tree placement within the parkway for street frontages where non-contiguous sidewalks are proposed. The project's height exceeds the height limits of the proposed zone which is 60 feet. Retail buildings within 20 feet of the public right-of-way will be limited to 80 feet and all other retail buildings and parking decks will be limited to 100 feet. Residential building heights will be limited to 325 feet to 390 feet depending on location within the project boundaries. Although the proposed zone limits maximum structure height to 60 feet, surrounding building height of existing structures exceed 60 feet. To the west are two 16 story and two 20 story residential towers in the Costa Verde Specific Plan area. A recently approved, un-built residential project (Monte Verde) is located at the southwest corner of La Jolla Village Drive and Genesee Avenue within the Costa Verde Specific Plan area. The project includes one 23 story tower, two 22 story towers and one 21 story tower. To the north are a 15 story hotel and several high-rise office towers, the tallest of which is 17 stories. The proposed retail structures and parking decks which will be limited to 80 – 100 feet will be compatible in height to existing buildings in the immediate vicinity of the proposed project.

The residential structures would exceed the height of existing buildings in the area and have been deemed a significant, unmitigated impact to Aesthetics and Visual Quality in the EIR. However, included in the MPDP and Design Guidelines are requirements to design the residential structures with pedestrian scaled features to minimize the impact at the pedestrian level. Features such as landscaped parkways with non-contiguous sidewalks, awnings, trellises, arcades and porches, varied materials and offsetting planes which transition to the tower component are meant to provide a level of comfort for the pedestrian. Setbacks which allow development to be brought closer to the street will help to create street enclosure and a sense of protection for the pedestrian.

Traffic and Circulation

The proposed project will implement many of the Transportation goals of the Community Plan including the provision of a network of transportation systems that are integrated, complementary and compatible with other city-wide goals, link the entire community to all of its own activity areas and to the San Diego metropolitan area as a whole and encourage alternative modes of transportation. As stated above, the project would retrofit existing sidewalks from contiguous to non-contiguous with landscaped parkways, provide direct connections to adjacent uses through existing pedestrian bridges, construct a new pedestrian bridge over La Jolla Village Drive with development of the La Jolla Terrace planning area of the MPDP, construct new bike lanes along Nobel Drive, relocate and expand the existing bus transit center, and provide right-of-way and linkages for extension of the Mid-Coast LRT line and a new Trolley Station. The new bus transit center will also serve the Super Loop bus service which is anticipated to begin serving the University community in mid to late 2009.

Although the project would improve pedestrian and bicycle connectivity in and around the Urban Node and access to transit, the increased intensity will increase vehicle trips within the community. One of the goals of the Development Intensity Element is to provide a workable circulation system which accommodates anticipated traffic without reducing the Level of Service (LOS) below D. The traffic study clearly shows there will be segments and intersections below LOS D, but those levels currently exist or will exist in the Horizon Year even without the project. There are only two instances in the Near-Term and Horizon Year, Direct Impact or Cumulative Impact, with Genesee Avenue widening and without, where the project would cause the LOS to drop below D. The first is La Jolla Village Drive, from I-5 to Lebon Drive, in the Near Term Street Segment Operations, and the other occurs along La Jolla Village Drive, from Executive Way to Towne Centre Drive, in the Horizon Year Street Segment Operations without the Genesee Avenue widening.

Public Facilities

Parks: As part of the initial phase of residential development, Westfield UTC would improve the Torrey Trail planning area of the MPDP with park amenities open to the public. Depending on the number of residential units developed under the MPDP, a maximum of 4.1 acres of usable open space and recreational area would be required to serve the maximum residential scenario of 725 units. The park acreage would be located on-site adjacent to the residential, except the Torrey Trail portion, and would be privately owned and maintained with a recreation easement to allow for general public use.

Libraries: A new community library (North University Community Branch Library) has been completed and will serve any new residential units proposed by this project.

Sewer: The Point Loma Wastewater Treatment Facility currently has adequate capacity to serve the project. The existing 10-12 inch gravity sewer line in Genesee Avenue would not have adequate capacity to serve the project and would need to be upgraded to an 18 inch sewer line from the project site to the interceptor line in Rose Canyon. The recently approved Monte Verde project has addressed the need for the sewer line upgrade and the University Towne Center

project will be required to contribute its fair share amount for the upgrade, which may then be used to reimburse the Monte Verde project applicant for any expenses associated with upsizing the sewer line.

Water: The project will be conditioned to require that it not cause an increase in the City of San Diego's planned water demand above existing water usage levels at the site. This will be achieved by 1) off-setting any projected increases in potable water use on-site by retrofitting with reclaimed water one or more existing public off-site facilities that currently use potable water for irrigations, 2) using reclaimed water for on-site irrigation, 3) installing water efficiency measures as part of the project's LEED-ND sustainability program, and 4) monitoring water use for three years following project completion.

Schools: The project is located within the jurisdiction of the San Diego Unified School district (SDUSD). Doyle Elementary School, Standley Middle School, and University High School would serve the project. According to the SDUSD student generation rates per condominium unit, the maximum residential scenario (725 units) would result in a total of 74 students, of which 44 would be elementary, 13 would be middle school and 17 would be high school. Of the three schools, Doyle Elementary school would be over capacity as a result of the maximum residential scenario. According to state law (Government Code Section 65996(b), the applicant's payment of school impact fees will constitute full and complete school facilities mitigation.

Solid Waste: Solid waste from the project site would be taken to Miramar Landfill. According to the City of San Diego's Environmental Services Division, new residential developments that generate more than 60 tons of solid waste per year and new commercial developments that generate more than 52 tons of solid waste per year have the potential to significantly impact the Miramar Landfill capacity. Anticipated solid waste generation following the buildout of the proposed project would result in significant impacts on both a project and cumulative level because more than 52 to 60 tons of solid waste per year would be generated by the project.

Police: The project would be served by the Police Department's Northern Division. The department's goal is for a ratio of officers to population of 1.5 officers per 1,000 persons. The Northern Division encompasses 68.2 square miles and serves a population of 249,873 people, which results in 0.6 officers per 1,000 population, 232 officers less than the goal ratio. The department's goal for responding to emergency priority calls is seven minutes. Response times on average for the Northern Division are 8.9 minutes for emergency calls and 18.4 minutes for Priority One calls. The Northern Division response time exceeds the City's average response time of 7.3 minutes for emergency calls and 13.1 for Priority One calls. At a ratio of 1.5 officers per 1,000 residents, the maximum residential scenario would generate a demand equivalent to 2.2 officers.

Fire: The project would be primarily served by Fire Station 35. Station 35's service district covers 14 square miles, whereas the national standard is a maximum of 9 square miles, and 4 square miles or less in densely populated areas. The national standard for emergency response coverage is to have a first responder arrive on scene within 5 minutes (1 minute turnout, 4 minutes of travel) 90% of the time, for both fire and medical emergencies. The response time to the project site is approximately 2 minutes as the station is located about one and one half miles

from the site. However, the project site does not have the ability of a full first alarm assignment, which consists of three engines and two trucks to reach the site in a prescribed time. In addition, the engine company at Station 35 is over workload capacity in a number of incidents per year which requires response from outlying fire stations. Additional stations that provide backup include Fire Stations 27, 28 and 41. The response time to the project site from Station 27 is approximately 7 minutes, 10 minutes from Station 28 and 5 minutes from Station 41.

Affordable Housing

The applicant will meet the requirements of the Inclusionary Affordable Housing Ordinance by providing ten percent of total residential units as affordable on-site per agreement with the San Diego Housing Commission.

Sustainability

The project applicant proposes to participate in a green building program designed to increase resource efficiency and sustainability. The applicant intends to seek certification within the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, which is the nationally accepted benchmark for the design, construction and operation of high performance green buildings. The project has been accepted as a LEED – ND (Neighborhood Design) pilot project by the U.S. Green Building Council. The LEED – ND pilot program integrates the principals of smart growth, new urbanism and green building. The project applicant has generated sustainability strategies for the redevelopment of the UTC shopping center, including those associated with landscape, lighting, electrical, structural and HVAC systems.

General Plan – Strategic Framework Element

The update to the City's General Plan was recently adopted by City Council on March 10, 2008. Although the project was submitted prior to the adoption of the updated General Plan, many of its goals and policies have been implemented in the design of the project and can be traced to the previously approved Strategic Framework Element (Element) which provided the overall structure to guide the update. The element represents the City's new approach for shaping how the City will grow while attempting to preserve the character of its communities and its most natural resources and amenities. The essence of the element is the City of Villages Strategy. The focus of the strategy is determining where and how new growth and redevelopment occur to ensure the long-term health of the City and its communities. The strategy seeks to target growth in village areas where housing, employment, commercial, recreation and transit all exist. The element identifies University Towne Center and the high density development surrounding it as a potential Urban Village Center. These types of centers have a cluster of intensive employment, residential, regional and sub-regional commercial uses to maximize walkability and support transit.

The University Towne Center project will revitalize and enhance an aging commercial center and provide additional housing opportunities (both market rate and affordable) in an area where intensive employment, regional, community, and neighborhood commercial services,

entertainment, recreation, transit, and high density housing exist within a short walking distance. The project has been designed to focus on the pedestrian in order to promote walkability and street vitality. The project increases pedestrian, bicycle and transit accessibility and provides new and improved connections between existing developments.

Environmental Analysis:

The Environmental Impact Report (EIR) analyzed the environmental impacts of the proposed UTC Project. Implementation of the proposed Mitigation, Monitoring and Reporting Program (MMRP) would reduce the environmental effects of the project to below a level of significance with the exception of significant, unmitigated impacts related to aesthetics/visual quality, traffic and circulation, air quality, and public utilities. Aesthetics/Visual Quality impacts are anticipated to occur for the residential development's proposed maximum structure height limits that would exceed the City's development regulation of the proposed CR-1-1 zone and the existing pattern of development in the surrounding community. Traffic and circulation impacts are anticipated to occur at bordering street segments, Interstate 805 (I-805) between Nobel Drive and State Route 52, and I-805/I-5 freeway ramps. Air Quality impacts are related to fugitive dust emissions during project construction and increased traffic emissions that could affect the air basin. Public Utilities impacts are anticipated to occur from the increase in solid waste generated by the project. The aforementioned impacts would be direct, cumulative, or a combination of both. Implementation of the proposed MMRP would reduce impacts to below a level of significance in the following categories: traffic circulation at the local level, air quality; public utilities; paleontological resources, and construction effects.

Transportation

Implementation of the project would have direct and cumulative impacts to street segments along Genesee Avenue (from Nobel Drive to Decoro Street and from Governor Drive to State Route (SR) 52), various segments of La Jolla Village Drive between I-5 and I-805), and the I-805 freeway mainlines between Nobel Drive and SR 52 (southbound and northbound in the PM peak hour). Five freeway ramp meters also would experience direct and cumulatively significant unmitigable impacts, including I-805 and I-5 ramps with La Jolla Village and Nobel Drive.

Planned improvements in the North University City Facilities Benefit Assessment (FBA), which would include the widening of Genesee Avenue from four to six lanes along the affected segments, would mitigate project impacts from Nobel Drive to Decoro Street and Governor Drive to SR 52 to below a level of significance. However, due to community concern, the City is reviewing the option of not widening the roadway. Currently, no official decision has been made and therefore, direct and cumulative impacts to segments of Genesee Avenue would remain significant and unmitigated.

Significant impacts to segments of La Jolla Village Drive between I-5 and I-805 could be mitigated below a level of significance by the addition of lanes. However, Westfield has indicated that it would not implement all recommended street segment mitigation along La Jolla Village Drive because widening the roadway up to ten thru lanes plus multiple additional turn lanes would be inconsistent with community character and urban design policies in the UCP. Significant impacts would be partially mitigated by providing an additional eastbound lane along

La Jolla Village between Towne Center Drive and I-805 by re-striping and restricting parking and by implementing intersection mitigation at Regents Road, Genesee Avenue, Executive Way, and Towne Center Drive. Impacts to these street segments would remain significant and unmitigated following implementation of the above mitigation.

San Diego Association of Governments (SANDAG) has identified future improvements to both I-5 and I-805 within the project area. These improvements are part of the Mobility 2030 Plan. Payment of fair-share fees by Westfield (totaling \$3.38 million) would contribute funding toward the study, design or implementation of traffic operational improvements (i.e., auxiliary lanes) on I-805 between La Jolla Village Drive and SR-52. Westfield would construct project improvements that would either extend queue storage for existing lanes or provide a High Occupancy Vehicle (HOV) lane at affected freeway ramps. The improvements would not technically mitigate project impacts (i.e., reduce ramp meter delays); rather, they would provide additional queue storage and are deemed feasible. In addition, planned freeway improvements on I-5 and I-805 would offer partial mitigation for ramp meter impacts. However, direct and cumulative impacts to freeway ramp meters would remain significant and unmitigable.

Aesthetics/Visual Quality

The proposed project would conflict with the City of San Diego's significance thresholds for height, bulk, materials and style since it proposes structures that could substantially exceed the maximum structure height limits in the development regulations of the proposed zone (CR-1-1) and the existing pattern of development in the surrounding community. The maximum height limit of the residential development would substantially exceed the bulk and scale regulations and result in a significant and unmitigable impact to visual character. Other than reducing the building heights to levels that are compatible with existing development in the community, no mitigation is available to reduce significant aesthetics impacts to visual character caused by the bulk and scale of the proposed residential development.

Air Quality

Standard dust control mitigation measures would be implemented during both phases of construction to reduce the amount of Particulate Matter (PM) generated during project build out. Dust control measures would be required during grading and demolition activities to partially reduce emissions. Based on the combined control efficiencies associated with the mitigation measures, it was conservatively assumed that fugitive dust emissions from grading and demolition would be reduced by 50 percent, and from materials handling (export) by 50 percent. It was assumed that demolition emissions would be controlled by 36 percent. Therefore, the impact to ambient air quality would remain significant and unmitigable during temporary construction of both phases.

There are no feasible mitigation measures to reduce operational emissions which are mainly associated with traffic. Subsequently, significant impacts to regional air quality (i.e., the ability of the air basin to attain and maintain ambient air quality standards for O3) on both a project and cumulative level would remain significant. However, with improvements in vehicle emission standards and phase out of older vehicles, emissions would decrease with time and ultimately be below the quantitative threshold. In addition, the project would feature transit improvements, transportation demand management measures and enhance pedestrian connections in and around

the UTC area, thus reducing the project's contribution to O3 precursors. Operational emissions of mainly attributable to vehicles on public roads would remain significant and unmitigable.

Public Utilities

The demand for solid waste disposal services would result in significant cumulative impacts. Combined with other projects in the University area and the region, the impact on landfill capacity would be cumulatively significant due to the general shortage of suitable landfill disposal areas. Waste management actions, for example provisions for recycling, taken by the proposed development would help reduce the contribution of the project to solid waste disposal impacts, however, full mitigation of the cumulative impact would require actions which are beyond the control of any one project, which would be the creation of new landfills. Therefore, the project's contribution to cumulative impacts on solid waste disposal would be significant and not mitigated.

MMRP

In an effort to reduce or avoid those direct impacts identified as potentially significant with implementation of the proposed project, the following areas of concern would be included in the MMRP: Transportation/Circulation; Air Quality; Public Utilities; Paleontological Resources, and Construction Effects. For these subject areas, mitigation would be included to reduce the direct impacts to a level below significance.

Alternatives

None of the project alternatives analyzed in this EIR would completely eliminate all of the significant impacts of the project. Selection of any of the project alternatives would, however, reduce the project's contribution to one or more of the significant impacts. All of the alternatives would result in significant, unmitigable impacts to traffic and circulation, visual effects/neighborhood character, and public utilities. Further discussion in greater detail is provided in the final Environmental Impact Report.

Project-Related Issues:

Development Flexibility - The MPDP/SDP would allow the renovation and expansion of retail uses by 610,000 to 750,000 square feet and the development of 250 to 725 multi-family residential units. The land use scenarios in the MPDP would be restricted to a mixture of retail and an option for residential uses that would not exceed 17,800 cumulative average daily trips (ADTs) and 256 in-bound AM peak hour/778 out-bound PM peak hour trips. As conditioned, any proposed office or hotels uses, other than in support of an approved commercial and residential use on the UTC site, will require an amendment to the permit.

Requested Deviations - As noted in the Project Description section, the MPDP would allow the following deviations for greater flexibility in the application of development regulations for the project where strict application of the base zone development regulations would restrict UTC's design options:

- Deviations from the minimum lot standards for the interior lots may include street frontage, lot area, lot dimensions, setbacks and lot coverage. The site will be treated as a single premises with respect to the development regulations; the frontage and setback

standards only apply to the portions of any exterior lot which are adjacent to the public right-of-way;

- Retail buildings within 20 feet of the public right-of-way shall be limited to 80 feet in height where the maximum structure height of the CR-1-1 zone is 60 feet;
- The maximum structure height for all other retail buildings and parking decks shall be 100 feet. In addition, the total cumulative area of any retail floors, which are 80 feet or higher above grade, shall not exceed more than 10 percent of the total amount of square feet allocated to regional commercial use permitted within the MPDP;
- The maximum building height for non-retail uses in the planning areas where they are permitted varies from approximately 325 feet above grade in Towne Center Gardens to approximately 390 feet above grade in Nobel Heights for residential buildings;
- Residential uses and parking will be permitted on the ground floor in the front half of the lot where it is not normally allowed in the CR-1-1 zone;
- All building elevations, within 20 feet of the property line, fronting a public right-of-way will include offsetting planes as described in the MPDP, rather than based on the length of the building façade as required in the Municipal Code;
- Street trees may be placed four feet from the face of curb rather than seven feet as required in the Municipal Code if a non-contiguous sidewalk is proposed as part of a street classified in the Community Plan as a major street, primary arterial, or expressway;
- The proposed private on-site sewer may require a depth of more than 15 feet as is the maximum depth in the Municipal Code. Should a depth of more than 15 feet be necessary, UTC shall design the utility corridor and nearby structure to provide adequate width and clearance for any possible future repair or replacement of the sewer line; and
- Deviation from the required minimum 10-foot setback to a minimum of 5 feet setback along the Genesee Avenue frontage only, and only where required to accommodate the future light rail service and/or the relocated and expanded transit center.

Transit Center - The applicant, in cooperation with SANDAG, MTS, and the City would relocate and expand the existing bus transit center. The expanded transit center would be constructed by the applicant, and added to the University City Facilities Benefit Assessment (FBA) to serve as a benefit to the whole community. The existing bus transit center on site would be expanded from 6 to up to 11 bus bays to allow an expansion in bus service. The proposed project would also reserve right-of-way along its frontage with Genesee Avenue and on site for the proposed transit center and planned extension of a light rail transit line through the University City/Golden Triangle area with a stop proposed at a new station along Genesee Avenue near UTC. Two transit center locations were identified through discussions with SANDAG, MTS and the City of San Diego. As conditioned in the permit, the proposed design and capacity of the center would reflect the needs of SANDAG and MTS. The final location of the transit center has not yet been determined but both locations have been considered by the City and either alternative may be implemented depending on the preferences and requirements of SANDAG, MTS, and the City.

Pedestrian Bridge - Consistent with the Community Plan, the project proposes the construction of a pedestrian bridge from the La Jolla Terrace district, across La Jolla Village Drive, north to a landing area between Towne Center Drive and Executive Drive. The north landing area is an existing dedicated public right of way per Embassy Suites Hotel Map No. 11506. The permit and

Vesting Tentative Map includes conditions requiring the applicant to enter into a Deferred Improvement Agreement and ultimately construct the bridge upon development within their La Jolla Terrace district area.

MPDP Substantial Conformance Review – All future development on site would have to be determined to be substantially consistent with the conceptual development regulations proposed at the time of MPDP approval. That consistency would be determined during a Substantial Conformance Review (SCR) by City staff. Specifically and as conditioned in the permit, at a point in time when detailed building and landscape drawings are submitted to the City for review, the project applicant would request that they be processed under the SCR process. If the development request is in excess of 50,000 square feet, the SCR would be a Process Two decision with appeal rights to the Planning Commission, whereas development proposals under 50,000 square feet would be subject to a Process One, City staff decision. City staff would have to determine that any future building permit is consistent with the proposed development regulations contained in the MPDP and the exhibits of approval; otherwise, the project applicant may have to apply for an amendment to the MPDP, as necessary.

Economic Analysis - The City's CPCI Economic Development Division has evaluated UTC's Fiscal, Economic, and Market Studies and indicates the expansion and modernization of the University Towne Center shopping mall would provide the City of San Diego with extraordinary public benefits mostly in the form of approximately \$3 million in net new annual General Fund tax revenues. The actual construction process should generate an additional approximately \$1 million in General Fund revenues, and the economic activity associated with the project will also provide benefits to the City in the form of job opportunities for its residents.

Critical Project Features to Consider During Substantial Conformance Review

The permit, as prepared, includes specific conditions of approval requiring the owners and subsequent owner(s) to submit an application for Substantial Conformance Review (SCR), Process One or Process Two depending upon design significance threshold, prior to applying for any construction permit. Specific exhibits of approval have been prepared including the project's UTC Design Guidelines with specific guidance related to zoning requirements, signage, on-site circulation, storage areas, employee amenities, landscape, exterior lighting, and mix of uses for the project within each building. These are important and necessary to conclude the proposed phased development would not adversely impact the University Community Plan; not create unmitigated transportation/circulation impacts; and be consistent with the requirements of the Land Development Code.

Conclusion:

Staff has determined the proposed UTC project, with the adoption of the University Community Plan amendment and the zoning ordinance complies with the applicable sections of the Municipal Code and adopted City Council policies. Staff has determined the required findings would support the decision to approve the proposed project's Vesting Tentative Map, Master Planned Development Permit, and Site Development Permit (Attachments 8 and 9). An Environmental Impact Report has been prepared for this project and the mitigation required

would reduce any potentially significant impact to a level below significance. Findings and Statement of Overriding Consideration must be made to certify the Environmental Impact Report for potential impacts which are direct, cumulative and unmitigated.

ALTERNATIVES

1.

A. Recommend to the City Council **Certification** of the Environmental Impact Report No. 2214, **Adoption** of the Mitigation Monitoring and Reporting Program, and **Adoption** of Westfield’s Findings and Statement of Overriding Consideration; and

B. Recommend to the City Council **Approval** of the resolutions amending the Progress Guide and General Plan, the University Community Plan, **Adoption** of the rezone ordinance, and **Approval** of the Vesting Tentative Map No. with summary vacations of easements and right of way, Planned Development Permit No., and Site Development Permit No., with modifications; or,

2.

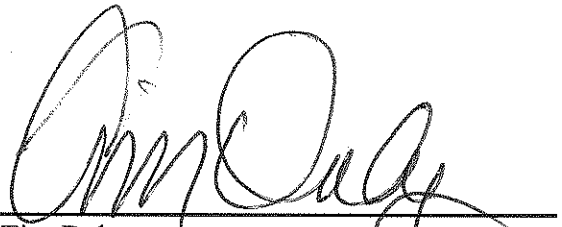
A. Recommend to the City Council they **Do Not Certify** the Environmental Impact Report No. 2214, **Do Not Adopt** the Mitigation Monitoring and Reporting Program, or **Do Not Adopt** Westfield’s Findings and Statement of Overriding Consideration; and

B. Recommend to the City Council **Denial** of the resolutions amending the Progress Guide and General Plan, the University Community Plan, **Deny** the rezone ordinance, and **Deny** the Vesting Tentative Map No. with summary vacations of easements and right of way, Planned Development Permit No., and Site Development Permit No., with modifications, if the findings required to approve the project cannot be affirmed.

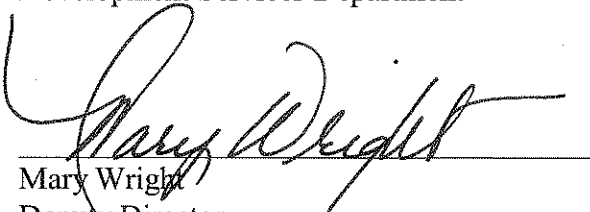
Respectfully submitted,



Mike Westlake
Program Manager
Development Services Department



Tim Daly
Development Project Manager
Development Services Department



Mary Wright
Deputy Director
City Planning and Community Investment Department

BROUGHTON/ANDERSON/TPD

Attachments:

1. Aerial Photograph
2. Project Location Map
3. Community Plan Land Use Map
4. Project Data Sheet
5. Existing PCD Permit No. 83-0117
6. Vesting Tentative Map
7. Draft Map Conditions and Subdivision Resolution
8. Draft Permit with Conditions
9. Draft Resolution with Findings
10. Master Planned Development permit and Design Guidelines for Westfield UTC (separate bound attachment)
11. Draft Rezone Ordinance
12. Rezone - B Sheet
13. PC Resolution No. 3225-PC, Feb. 7, 2002
14. City responses to Initiation of Community Plan Amendment issues
15. Draft Community Plan Amendment Documents
16. San Diego County Regional Airport Authority Resolution No. 2008-0002 ALUC
17. Ownership Disclosure Statement
18. Project Chronology
19. Candidate Findings of Fact and Statement of Overriding Considerations regarding FEIR No. 2214 (separate bound attachment)