



THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: July 14, 2009 REPORT NO. PC-09-057

ATTENTION: Planning Commission
Agenda of July 23, 2009

SUBJECT: Initiation of a General Plan Amendment to redesignate a site from Industrial Employment to Commercial Employment, Retail, and Services; and Initiation of a Community Plan Amendment (CPA) to the Carmel Valley (North City West) Employment Center Precise Plan to redesignate a site from Employment Center to Regional Commercial/Residential Permitted.
Project No. 175557

OWNER/
APPLICANT: Kilroy Realty Corporation

SUMMARY

Issue(s) - Should the Planning Commission INITIATE an amendment to 1) the General Plan to redesignate a site from Industrial Employment to Commercial Employment, Retail, and Services; and 2) the Carmel Valley (North City West) Employment Center Precise Plan to redesignate a site from Employment Center to Regional Commercial/Residential Permitted at a site located at the southwest corner of El Camino Real and Del Mar Heights Road (see Attachment 1, 2, & 3)?

Community Planning Group Recommendation(s) - On May 6, 2009, the Carmel Valley Community Planning Group voted 14-0-1 in favor of initiating the plan amendment.

Environmental Impact - If initiated, the proposed plan amendment and future discretionary actions will be subject to environmental review.

Fiscal Impact - Processing costs would be paid by the applicant.

Code Enforcement Impact - None.

Housing Impact – The project site is currently designated as Employment Center which does not allow residential development. The proposed land use change to Regional Commercial/Residential Permitted would allow the option for an undetermined amount of residential development that may only occur as part of a mixed-use (commercial/residential) project. Residential density would be allowed at a range of 0-74 dwelling units per gross acre within the 23-acre site. Any residential development associated with the proposed plan amendment would also be required to comply with the City's Inclusionary Housing Ordinance.

This initiation request does not constitute an endorsement of the project proposal. A staff recommendation will be developed once the project has been fully analyzed. This action will allow the staff analysis to proceed.

BACKGROUND

Proposed Plan Amendment

The applicant is proposing a Community Plan Amendment (CPA) that would specifically amend the Carmel Valley (North City West) Employment Center Precise Plan to redesignate a vacant 23-acre site from Employment Center to Regional Commercial/Residential Permitted (see Attachments 3 & 4). The Precise Plan amendment would also require an amendment to the General Plan Land Use Map to redesignate the site from Industrial Employment to Commercial Employment, Retail, and Services (see Attachment 5).

The existing General Plan and Carmel Valley Precise Plan land use designations currently allow employment uses on the site. The proposed CPA would broaden the range of allowable uses and permit the applicant to consider multiple uses within the site. The proposed amendment would also allow commercial uses with a regional-serving emphasis. Carmel Valley does not currently have a regional-serving general commercial land use category and the Regional Commercial/Residential Permitted land use category will be added to either the Employment Center Precise Plan or the adjacent Carmel Valley Town Center Precise Plan depending upon which of the two plans is amended to include the subject property. This land use category "serves the region, within five to 25-plus miles, with a wide variety of uses, including commercial service, civic, retail, office, and limited industrial uses. Residential uses may occur only as part of a mixed-use (commercial/residential) project." The density range for residential development is 0 to 74 dwelling units per acre.

The goal of the 1983 Carmel Valley Employment Center Precise Plan is "to create an outstanding example of industrial-office park design through unique and highly controlled planning." The Precise Plan does not contain a land use element and provides for land use control through zoning implementation. The site is within the Carmel Valley Planned District Ordinance (PDO) Employment Center zone which allows for a range of office, scientific research and light industrial uses. The zone's development standards could allow development of an office building of about 500,000 square feet within the 23-acre site. Although the proposed Regional Commercial/Residential Permitted land use category is not intended to require

development of a mix of uses, if the proposed CPA is initiated, the applicant anticipates submitting a development project that would allow multiple uses within the site including a hotel, retail, office, residential, and some public space as well as an increase in buildable square feet. This proposal will likely result in an intensification of use from what is currently permitted.

Community Context

North City West, later renamed to Carmel Valley, is located about 20 miles north of downtown San Diego, northeast of the Interstate 5 & State Route 56 interchange. Carmel Valley is mostly built out with about 34,000 residents and is forecasted to have population growth of 12% in the next 20 years.¹ The community has about 130 acres (3%) remaining for development, and has a balance of residential (35%), commercial/public facilities (25%), and parks & open space (35%) land uses². The community is served by fifteen existing community/neighborhood parks, and is surrounded by canyons and an extensive network of trail systems.

Households are affluent compared to the typical household in the city, with average incomes twice the citywide average.³ Businesses tend to do well, and retail spaces are highly-sought after; vacancy rates are low compared to the county's average, and price per square foot is the highest in the San Diego region.⁴ The employment office area, although not identifiable in the General Plan as prime industrial lands, supports thousands of high-quality jobs, with many businesses tied to the health and the bio-tech industries.

The proposed amendment has been presented at several community planning meetings. Board members and audience members have expressed concerns over how the community is missing a true gathering place to serve as a *town center*. The community has limited affordable housing opportunities⁵. The perception that an intensification of land use could lead to increased traffic congestion remains a concern for many members of the community. There is currently no transit serving the area and the community is bisected by El Camino Real and Del Mar Heights Road, two heavily used thoroughfares in the North City.

Community Planning Framework

Carmel Valley has relatively detailed planning documents, beginning with the adopted 1975 **North City West (NCW)/Carmel Valley Community Plan** that formed the basis for any comprehensive planning discussion within the community. The community plan required the preparation of individual precise plans for each neighborhood development prior to proceeding with plan implementation proposals.

Employment Center. The subject site is within the boundaries of the 150-acre Employment Center that extends west to Interstate 5 and south to State Route 56. Developments within this area are guided by **Carmel Valley's (North City West) Employment Center Precise Plan Development Unit Number Two**. Originally approved 29 years ago, the goal of the precise

1 San Diego Association of Governments (SANDAG) Regional Growth Forecast

2 San Diego Association of Governments (SANDAG) Regional Growth Forecast

3 San Diego Association of Governments (SANDAG) Regional Growth Forecast

4 "Retail Market Trends in San Diego." Grubb & Ellis Research 2008.

plan is to guide the development of an employment area that would support the residential growth occurring in Carmel Valley. The plan provides general development guidance as it relates to circulation, grading, and public services & facilities.

Both the community plan and precise plan envisioned the Employment Center as a place “to provide the greatest employment opportunities possible so as to reduce...the dependency or accommodation of personal vehicles.” One of the main goals outlined in the plan is for the employment center to provide “diverse job opportunities” that will “strengthen and advance the overall economic development” of the city. Today, with roughly 4 million square feet of commercial office & industrial, this employment area is one of the larger business districts in the county and employs about 10,000 people.⁶

Town Center. Immediately to the east of the subject site across El Camino Real is a 170-acre area that is within the **Carmel Valley (NCW) Town Center Development Unit Number Nine Precise Plan**. The Town Center Precise Plan was adopted in 1986 and is considered the “most complex and challenging” of all the precise plans because of the “diversity of land use types.” The Commercial Element within this Plan is considered “the singular most important land use element of the (Carmel Valley) North City West Community Plan.”

The focus of the Town Center neighborhood is the existing Del Mar Highlands Town Center, a 280,000 SF community commercial retail center that consists of a major supermarket, drug store, an 8-screen movie theatre, and about 70 shops and eateries (see Attachment 7). The center has entitlements to add an additional 150,000 SF of commercial retail space. Just east of the community commercial center along Carmel Country Road is Carmel Country Plaza, an 80,000 SF neighborhood commercial center made up of local restaurants and specialty stores. The Town Center neighborhood also includes an 18-acre community park, 13,000 SF public library, 22-acre middle school, 10-acre elementary school, and approximately 2,000 multifamily dwelling units.

DISCUSSION

The City is unique among jurisdictions in that the process to amend the General Plan and/or a community plan requires either Planning Commission or City Council initiation before the plan amendment process and any accompanying project may actually proceed. The purpose of the initiation process is to discuss whether the proposed General Plan and community plan amendments comply with the three initiation criteria in the General Plan. The City Planning & Community Investment Department believes that all three of the initiation criteria can be met:

- (1) **The amendment request appears to be consistent with the goals and policies of the General Plan and community plan and any community plan specific amendment criteria.**

The General Plan was adopted in March 2008. It is intended to be a comprehensive and long-range document used to express a citywide vision for the future. However, the General Plan is also designed to be a flexible document to “allow for changes that will assist in enhancing and implementing the community’s vision.”

⁶ “Office Market Trends in San Diego.” Grubb & Ellis Research 2008.

The General Plan lists Guiding Principles to describe the structure of the plan and reflect the core values that guides its development, some of which are to establish: 1) compact and walkable mixed-use villages of different scale within communities; 2) balanced communities that offer opportunities for all San Diegans and share citywide responsibilities; and 3) a clean and sustainable environment.

Some of the main goals and planning concepts established in the Carmel Valley (North City West) community plan are: 1) establish a physical, social, and economically balanced community; 2) establish a self-containment and feeling of community identity among the future residents; and 3) establish a balanced transportation system which is used as a tool for shaping the urban environment.

Approval of the initiation would allow for multiple land uses, including residential, office, and retail uses. The applicant has indicated they would propose the development of a mixed-use, pedestrian-oriented, sustainable district that could consist of retail shops and restaurants, a specialty market, a health-club, a boutique cinema, offices, and public/civic spaces and multifamily housing development. The proposed land use redesignation appears to be consistent with the goals and policies of both the General Plan and community plans listed above.

- (2) **The proposed amendment provides additional public benefit to the community as compared to the existing land use designation, density/intensity range, plan policy or site design.**

The 23-acre site is on a vacant lot that is situated at a crossroads, surrounded by a mix of uses that includes retail, employment, and residential. An office park-type of development, which is currently allowed, would act as a barrier between the surrounding uses. An amendment would provide an opportunity to re-evaluate the site and analyze opportunities for connections to surrounding sites and embrace other segments of the immediate area by providing pedestrian and bicycle linkages.

The planning group and community members have expressed concerns about how the community is missing a true focal point. The proposed amendment to the General and Precise Plans would provide an opportunity to provide mixed-use development that could be centered on an active, main street corridor. This would provide opportunities to create public spaces usually not found in office parks.

The proposed plan amendment to change land use and the potential increase in intensity for the site discussed previously would create an opportunity where both the city and community could pursue additional public benefits. These could include on-site inclusionary housing, sustainability features, connections to transit, and additional public space.

- (3) **Public services appear to be available to serve the proposed increase in density/intensity, or their provision will be addressed as a component of the amendment process.**

The site is in Carmel Valley, an urbanized community that currently receives a full range of services from the City of San Diego. As part of the community plan amendment process, the adequacy of the various elements that are part of the public infrastructure, as well as services (roads, sewer, drainage, water facilities, franchise utilities, schools, parks, police and fire service) will be subject to a comprehensive evaluation. The project will need to comply with the Carmel Valley Public Facilities Financing Plan to address the public facility needs.

A change in land use could add new impacts not previously analyzed. An increase in commercial intensity will require analysis of public and fire services. Any increase in the number of dwelling units could cause impacts to schools, library, and parks services & facilities, in addition to public safety services. A key issue is whether there is enough capacity, and this would be analyzed should this plan amendment be initiated.

The CPA constitutes amendments to the General Plan, Carmel Valley Employment Center Precise Plan as well as the option to amend the Town Center Precise Plan to incorporate the site into the Town Center. As outlined above, the proposed CPA meets all of the supplemental initiation criteria as described; therefore, staff recommends that the Community Plan and the General Plan amendment be initiated.

The following land use issues have been identified with the initiation request. If initiated, these issues, as well as others that may be identified, will be analyzed and evaluated through the community plan amendment review process:

- The appropriate land use and zoning designation for the subject property
- More suitable and desirable land use alternatives than the one proposed such as a General Plan *Village* designation
- The appropriate intensity for residential and commercial uses
- Compatibility with the surrounding uses
- Traffic impacts and the type of improvements needed
- Water Assessment
- Revisions to the current Employment Center Precise Plan or amendment of the adjacent Town Center Precise Plan to address the new land uses and future projects
- The provision of on-site affordable housing units that could be incorporated into a future development
- Types of vehicular, pedestrian, and bicycle accesses that could be incorporated within and adjacent to the subject property in order to maximize walkability and establish pedestrian linkages to and from the site to reduce the overall need for auto dependency
- Public services capacity to serve the proposed change in use and potential increase in development intensity
- Address the demand for the following through a comprehensive market study: hotel,

office, and retail

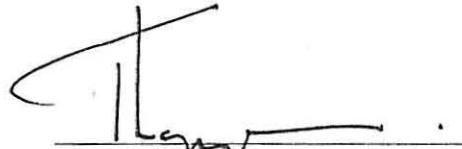
- The availability of transit to serve the site, such as shuttle, Bus Rapid Transit (BRT), etc.
- Inclusion of sustainable features
- Methods that could be used to encourage other modes of transportation as an alternative to fossil fuel-burning vehicles including: electric charging stations, bicycle racks, transit center, transit pass subsidization, or others

Although staff believes that the proposed amendment meets the necessary criteria for initiation, staff has not fully reviewed the applicant's proposal. Therefore, by initiating this community plan amendment, neither the staff nor the Planning Commission is committed to recommend in favor or denial of the proposed amendment.

Respectfully submitted,



Christine Rothman
Program Manager
City Planning & Community Investment

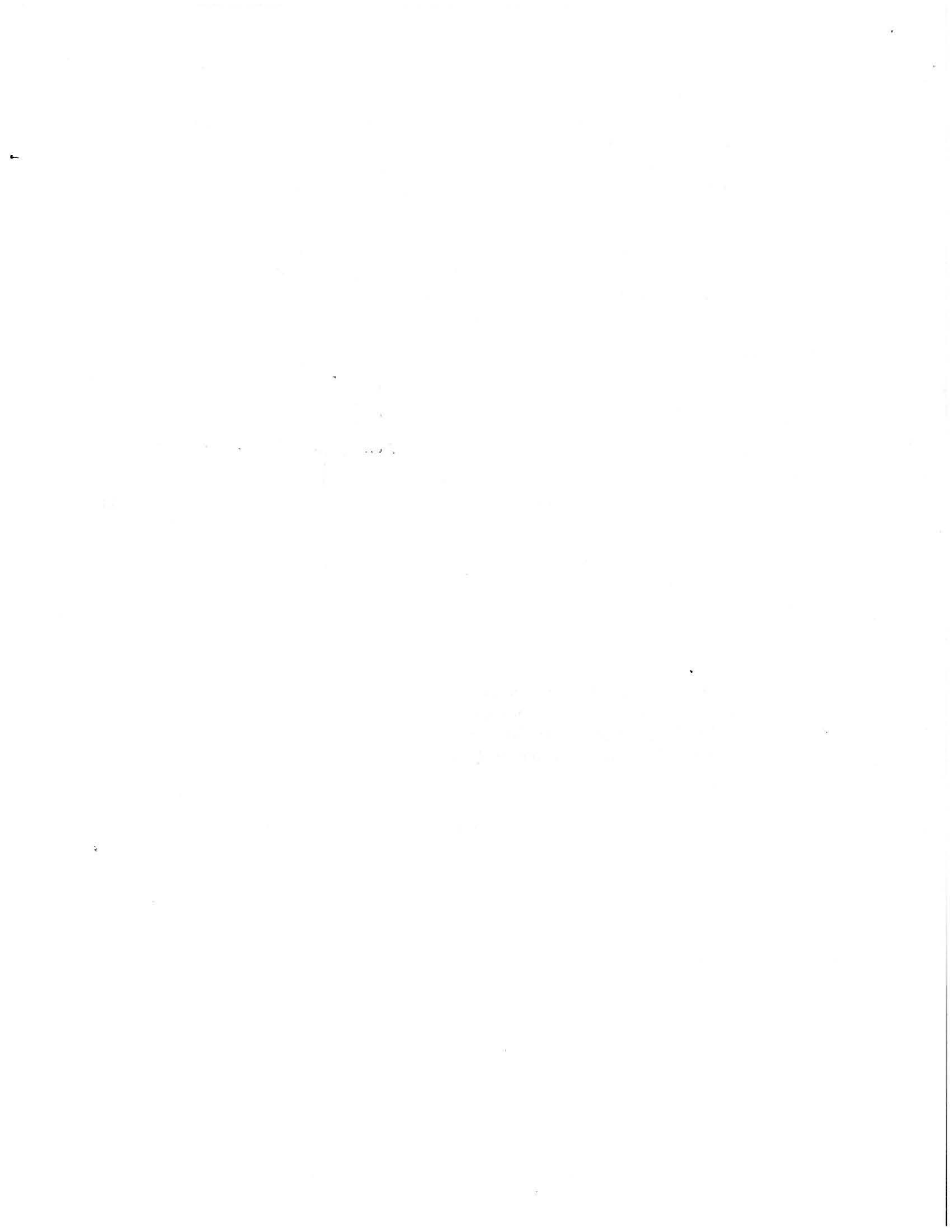


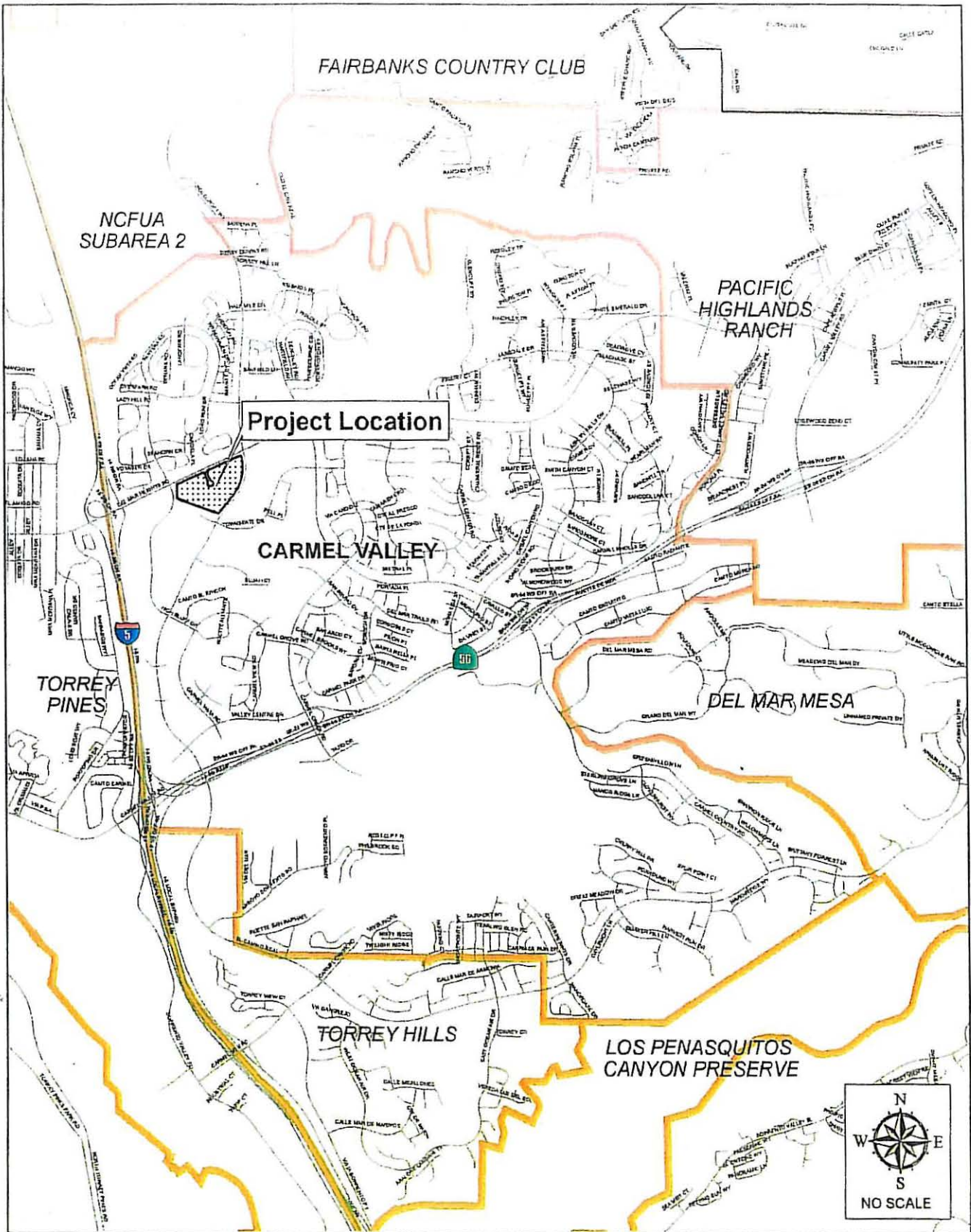
Tim Q. Nguyen
Associate Planner
City Planning & Community Investment

CR/BT/TN

Attachments:

1. Location Map
2. Aerial
3. Site photos
4. Community Land Use Map (Existing)
5. Community Land Use Map (Proposed)
6. General Plan Land Use Map (Existing & Proposed)
7. Del Mar Highlands Town Center Site Plan





Map Document: C:\GIS\Projects\Carmel Valley\CA_PROJECTS\projg\locmap.mxd
 BY: GSD - 8/15/07



Location Map
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GIS
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ATTACHMENT 1





PROJECT SITE



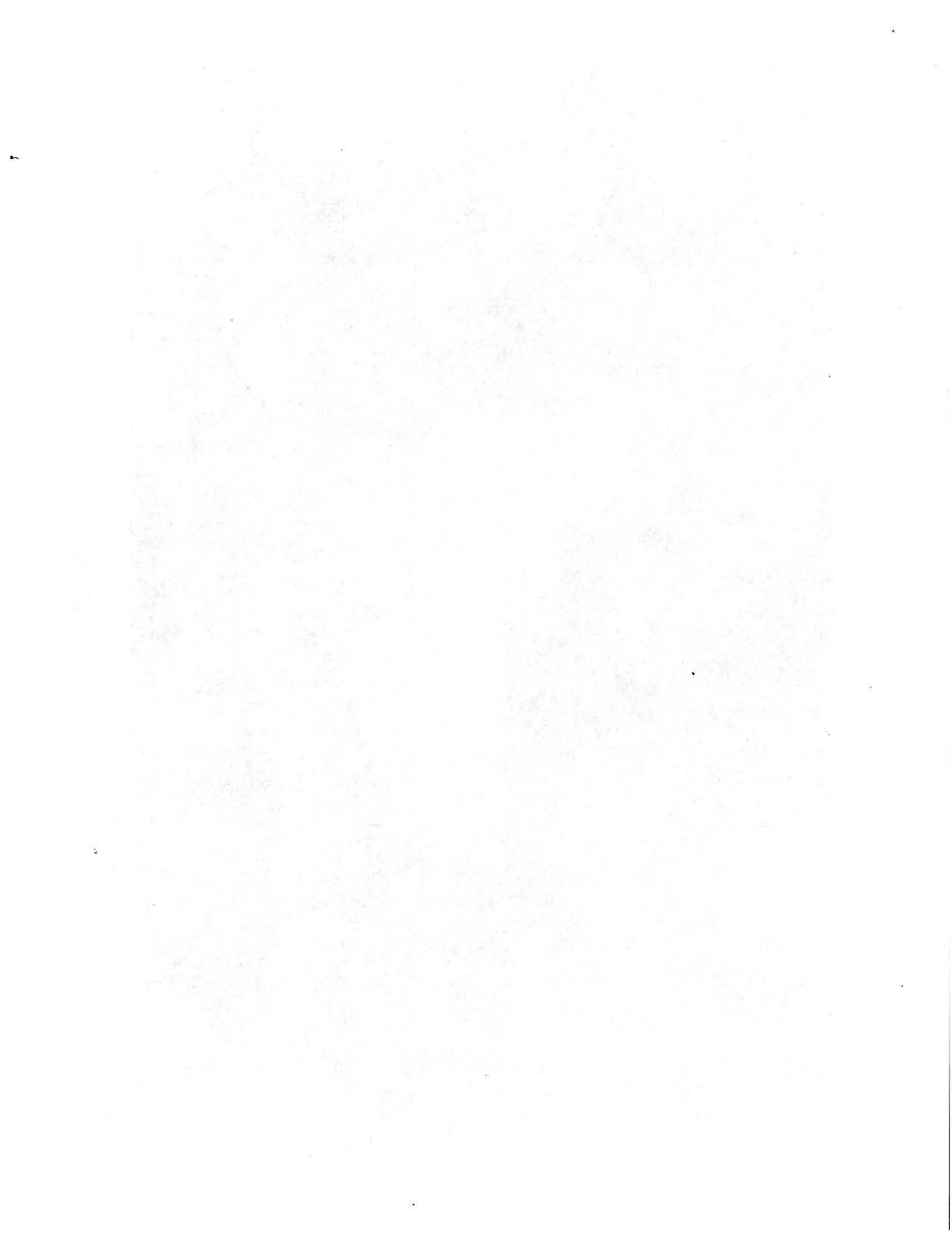
AERIAL PHOTO

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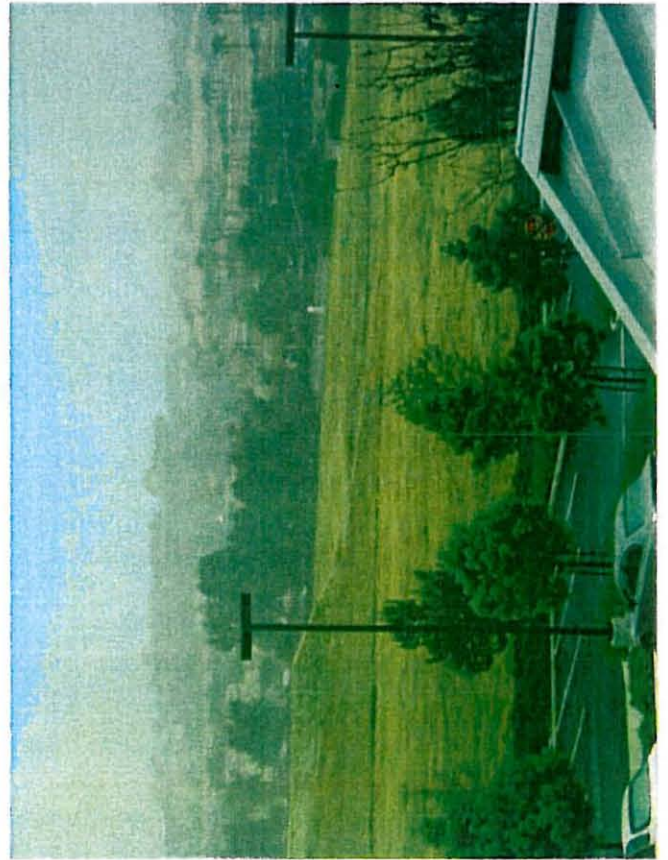
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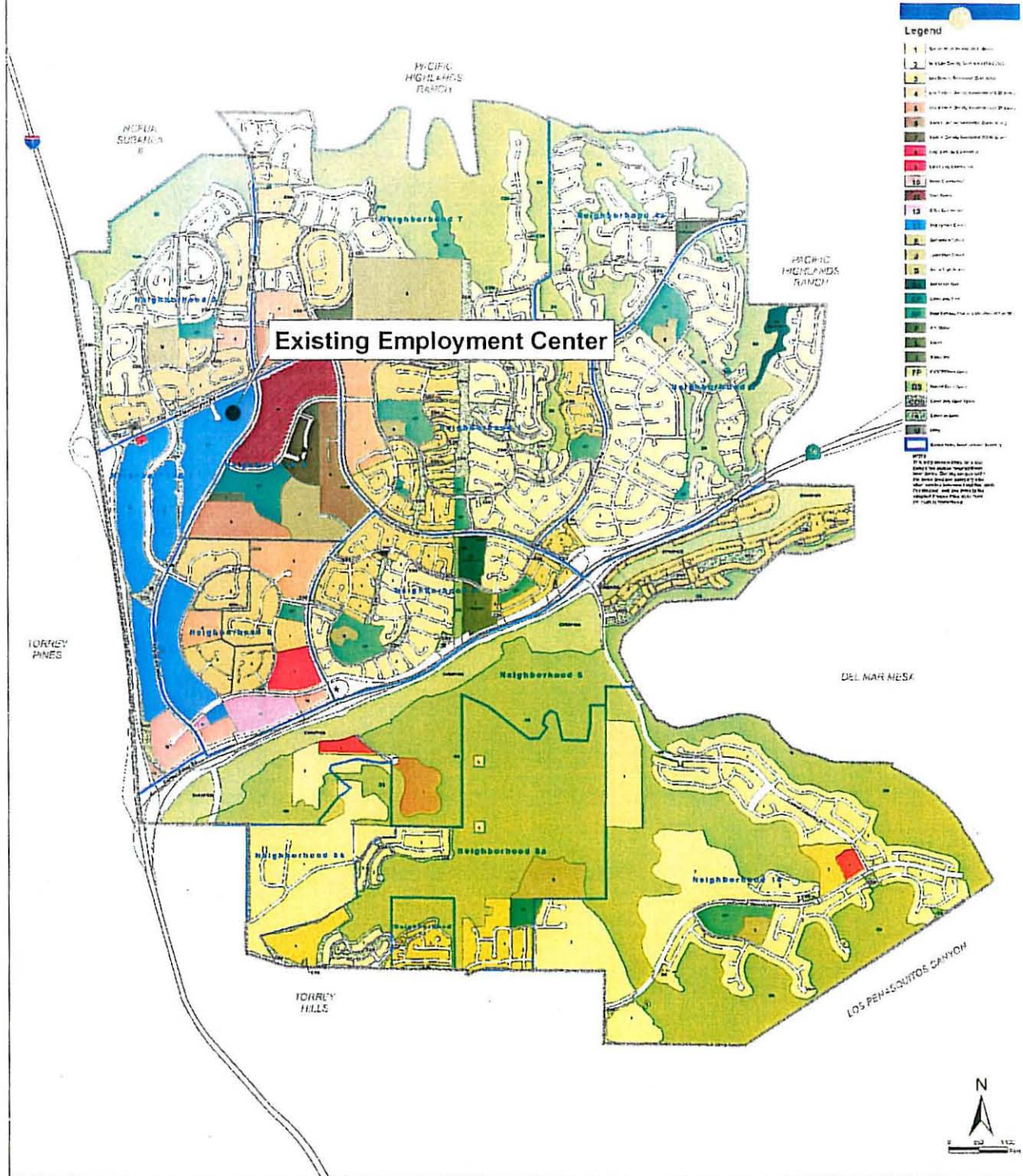
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Photos – Existing Site Conditions



Carmel Valley Neighborhoods Composite Plan Land Use



Legend

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Community Plan Land Use(Existing)

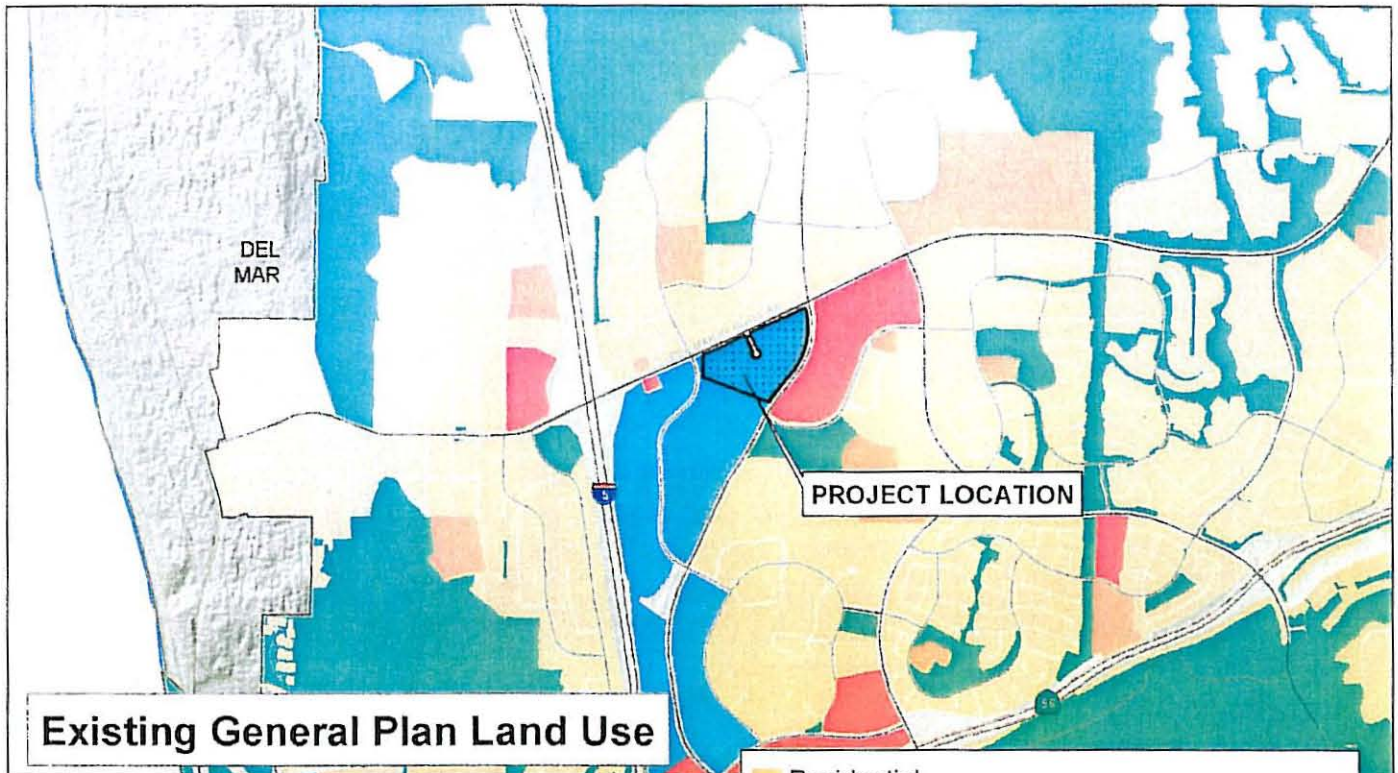
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ATTACHMENT 4



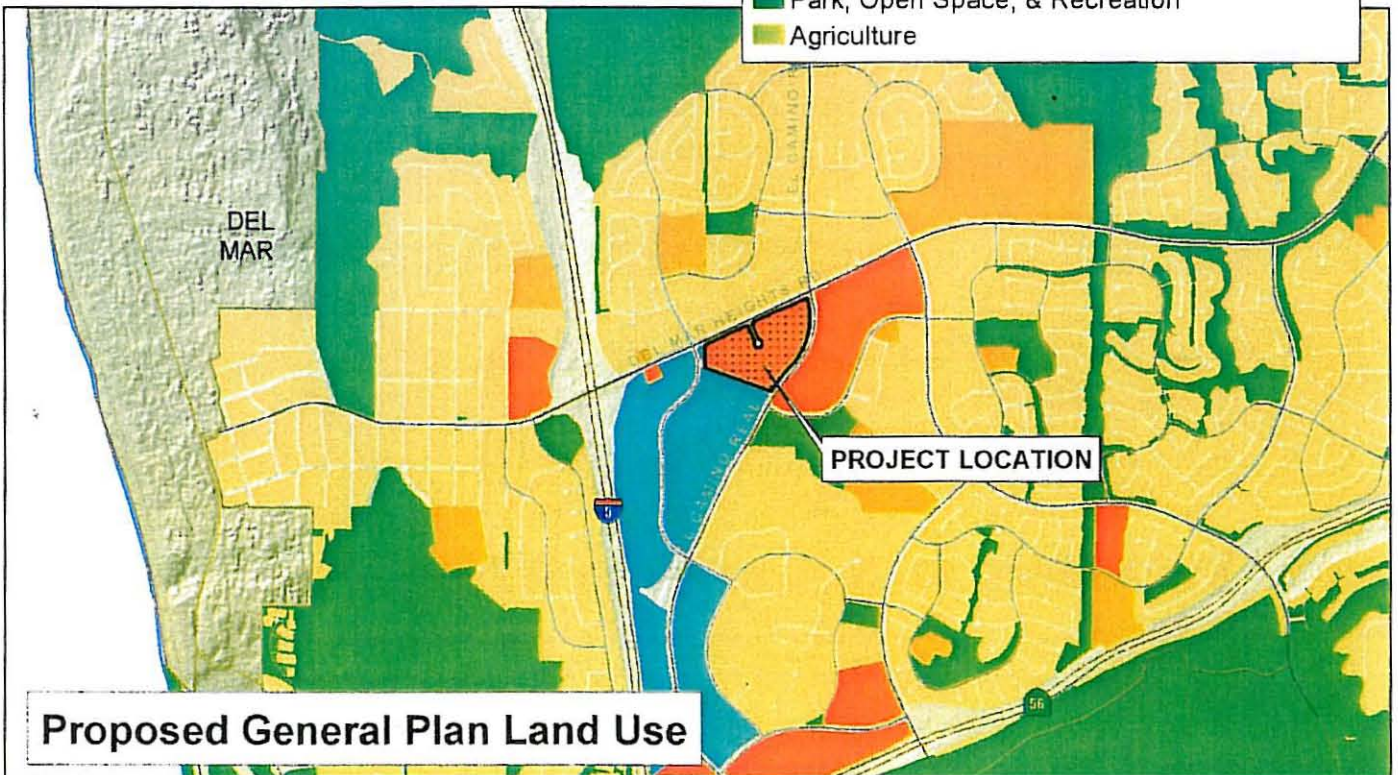




Existing General Plan Land Use

**Figure LU-2
General Plan Land
Use and Street
System**

- Residential
- Commercial Employment, Retail, & Services
- Multiple Use
- Industrial Employment
- Institutional & Public and Semi-Public Facilities
- Park, Open Space, & Recreation
- Agriculture



Proposed General Plan Land Use



Del Mar Highlands Town Center – Site Plan



ATTACHMENT 7

