

**DATE ISSUED:** March 2, 2005

**ATTENTION:** Planning Commission, Agenda of March 10, 2005

**SUBJECT:** **WELLMAN-PECK BUILDING (T.R. PRODUCE) SITE DEVELOPMENT PERMIT NO. 2004-31 AND TENTATIVE MAP - PROJECT NO. 50361. PROCESS 4.**

**OWNER/  
APPLICANT** T.R. Produce, LLC

**FROM:** Beverly Schroeder, Senior Planner

### **SUMMARY**

**Issue(s)** - Should the Planning Commission approve a Centre City Site Development Permit 2004-31 to allow a two-story addition to be constructed above the historic Wellman-Peck Building and a Tentative Map to create 32 commercial condominium units located on a 20,000 square foot site on the southern portion of the block bounded by J Street, Island, 8th and 9th avenues within the East Village District of the Centre City Community Planning Area?

#### **Staff Recommendation:**

- 1) **Approve** Centre City Site Development Permit No. 2004-31 and Tentative Map No. 164827.

**Centre City Development Corporation (CCDC) Recommendation** - This project does not meet the design review threshold of over 100,000 square feet for CCDC Board review and approval.

**Community Planning Group Recommendation** - On October 13, 2004, the Centre City Advisory Committee (CCAC) recommended approval of the project by a vote of 9-7.

**Other Recommendations** - In August 2004, the Preservation Advisory Group (PAG) unanimously approved the Project. On October 28, 2004, the Historical

Resources Board (HRB) recommended approval of the project by a vote of 8-2, with two recusals.

**Environmental Review** - Under the 1992 Master Environmental Impact Report (MEIR) and Final Subsequent Environmental Impact Report (SEIR), an Environmental Secondary Study is prepared for all developments in the Centre City area in order to evaluate the project's compliance with the Community Plan and Centre City Planned District Ordinance and, therefore, the findings and conclusions of the MEIR and SEIR. Unless the project is found to be out of compliance with those planning documents, no further environmental review is required.

A Final Environmental Secondary Study, including specific mitigation measures, has been prepared for the Wellman-Peck Building project in accordance with CEQA, the Redevelopment Agency Procedures for Implementation of CEQA. The Study finds that the project will have no significant effect on the environment, except as identified and considered in the MEIR/SEIR for the Centre City Redevelopment Project. No further environmental review is required.

**Fiscal Impact** - None with this action.

**Code Enforcement** - None with this action.

**Housing Impact Statement** - Not applicable.

## BACKGROUND

### Project Location

The project site is located in the East Village District on a 20,000 square-foot site situated on the southern third of the block bounded by "J" Street, Island, Eighth and Ninth Avenues. The total site is currently occupied by the historic Wellman-Peck building and is currently vacant. The site is within the Sports/Entertainment District (SED) land use district of the Centre City Planned District. The SED is intended to accommodate major recreation areas, commercial development including retail, eating and drinking establishments, office uses, research and development facilities, parking, cultural institutions and residential development. The permitted floor area ratio (FAR) for the district is 6.5.

Surrounding the project site are numerous projects that have recently been completed or will be completed over the next several years. Directly north of the project site on the block is Park Loft, a 11-story condominium project. To the west is Fire Station #4, a historic

building and operating fire station, to the south is Park-at-the-Park and the future East Village Square “Left Field” and “Right Field” developments. The “Left Field” project will include condominiums, underground parking, retail and the incorporation of historic structures. The project’s height will go from 40 feet to 240 feet tall. The “Right Field” project is similar, except it will include office use instead of residential, and the project height will go from 30 feet to 232 feet tall. To the east is Diamond Terrace, a 16-story condominium project now under construction.

### Historical Resource Information

The Wellman-Peck Building, commonly known as the T.R. Produce Warehouse, was built in 1933 and designed by Julius Kraft and Sons. The 1-1/2 story industrial brick building has an exposed brick exterior that expresses the structural bays and the building’s interior functions. The fenestration consists of industrial-steel windows. Brick pilasters extend beyond the parapet, terminating with an art deco stepping of layered brick with irregularly placed ornamental colored tile. A clerestory spine, the result of long-span steel row trusses, illuminates the open interior. Multiple loading docks are located at the southeastern side of the building. The building was in a study area and identified as one of 38 buildings to be evaluated by the Historical Resources Board (HRB) as part of the implementation of the Ballpark and Ancillary Development projects. The building was designated by the HRB in May 1999 as Historical Landmark #382.

To avoid the filing of litigation by preservationists who might have sought to challenge the Subsequent Environmental Impact Report for the Proposed Ballpark and Ancillary Development Projects (SEIR) over historic issues caused by the Ballpark Project, a Settlement Agreement was entered into in September 1999 between the City of San Diego, Redevelopment Agency, Centre City Development Corporation, San Diego Padres, JMI Realty, Burnham Real Estate, Save Our Heritage Organisation (SOHO), and the National Trust for Historic Preservation. The Settlement Agreement assigned specific Treatment Plans to six historic structures including the Wellman-Peck Building. Also, as part of the Settlement Agreement, a Preservation Advisory Group (PAG) was formed to represent all entities that signed the Settlement Agreement to provide input to developers and the project design team in implementing provisions of the Settlement Agreement (see Attachment B).

### Project Components

The proposed Wellman-Peck project proposes to restore the existing historic Wellman-Peck Building, adapt the existing warehouse for retail/restaurant use, and construct a two-story steel structure that would float over the warehouse to provide ready-to-occupy office suites. The four-story project will be 65 feet tall and include 28,918 square feet of retail/restaurant use in the existing warehouse and 27,004 square feet of office use in the upper

two stories. The permitted FAR for the project site is 6.5. Because the Settlement Agreement only allows two additional stories, the project will result in a total FAR of 2.8. The floor plate of each office level is 13,000 square feet, 7,000 square feet smaller than the 20,000 square feet of existing ground floor warehouse space. The two new floors are set back 10 feet from "J" Street and 10 feet from the northern property line.

#### Project Design and Preservation Plan

The following is the Treatment Plan (from Attachment A of the Settlement Agreement) for the Wellman-Peck Building. It details the construction and design components of the proposed restoration and adaptive reuse of the historic structure and provides the Developer's comment to each item:

#### ATTACHMENT A

#### TREATMENT PLAN FOR RETAINED BUILDINGS WELLMAN PECK WAREHOUSE (TR PRODUCE)

*TREATMENT PLAN LANGUAGE	DEVELOPER'S COMMENT
A. The exterior and interior shell shall be rehabilitated and adaptively reused.	The existing building will be rehabilitated and adaptively reused to restaurant/retail uses.
B. The entire interior shell space shall be restored to the original exposed steel and brick structure. The west office mezzanine spaces and the office/storage mezzanine at the east interior shall be removed.	The entire interior shell space will be restored to original brick and steel condition. The west office and office/storage mezzanines will be removed.
C. The exterior brick walls shall be cleaned in accordance with the Secretary of the Interior's Standards. Miscellaneous tuck-pointing shall also be completed and the exterior stucco base veneer coat shall be repaired, patched and replaced in-kind where necessary.	The existing brick will be tuck pointed and cleaned in accordance with the Secretary of the Interior's Standards. The exterior stucco base veneer will be repaired and a base coat of stucco will be added.

- D. Miscellaneous structural improvements shall be made to stabilize the existing building including required parapet bracing. Minimal seismic improvements shall be made as required by code. Seismic improvements, including parapet bracing, are a part of the scope of this project.
- E. The existing industrial sash windows shall be cleaned, re-glazed as necessary and repainted to restore the windows to their original appearance. Will comply.
- F. The existing roll-up garage doors shall be removed and the openings in-filled with new window walls to compliment the industrial sashes. Will comply.
- G. The roof structure, interior and exterior, shall be cleaned and restored to its original configuration. The Wellman Peck Warehouse (TR Produce) Building shall not be sandblasted. A new roof membrane (including insulating foam) shall be applied over the existing roof. The monitor/clerestory roof and windows shall remain and shall be restored. The facade will not be sandblasted. Some of the existing roof wood framing is charred due to an earlier fire. This wood will be replaced. A new foam insulated roof will be provided. The clerestory windows will remain and be re-glazed and cleaned.
- H. Part of the existing slab on grade may be removed and a new floor may be installed at a lower level to match sidewalk grades at the west end of the Wellman Peck Warehouse (TR Produce) Building to provide disabled accessibility for multiple tenants. Another alternative would be to add new exterior landings and handrails. The design shall be compatible with the brick and steel of the original building. Infill or removal of the loading dock may be done for these schemes. The existing slab-on-grade in the building will be removed. New concrete floor slabs will be provided in three (3) restaurant/retail suites at separate elevations for ADA accessibility. We do not intend to have exterior ramping/handrail. Any grade changes necessary will occur inside the building. The loading dock will be removed and the floor level will be adjusted to the new entrances.

I. New industrial sash window openings shall be added to the south and east exterior walls within the existing brick walls. The new windows shall complement the industrial sashes and shall not significantly alter the pattern of the facades.

New industrial sash windows are being provided at locations indicated.

J. If desired by Developers, a rooftop addition may be added to the Wellman Peck Warehouse (TR Produce) Building as follows:

A new two-story element (office condominiums) is being provided above the existing historical warehouse with the structure grid extending into the new module. After extensive study, the Architect deemed the roof shape should be flat instead of gabled, as the gables do not readily integrate into the neighborhood architecture and the flat roof projects more of an office image rather than a residential image. The materials of the addition are steel frame, corrugated metal siding and metal windows. The rooftop addition is set back on the North and South sides (10 feet). The east and west sides are setback 10 feet, except for exit stairwells that are that infringe upon the setback air space as a necessity for Code exiting.

1. New exposed steel structure (non-fireproofed) shall be added and aligned with the existing structural grid extending through the existing Wellman Peck Warehouse (TR Produce) Building to support two new levels of steel and glass warehouse addition to house future uses. The addition's roof is contemplated to be a series of gables, however, a final decision will be made after further study. The design shall attempt to reduce the size and bulk of the roof top addition.

2. The materials of the addition shall be steel frame, corrugated metal cladding and steel windows which reflect the industrial character of the existing Wellman Peck warehouse (TR Produce) Building.

3. The rooftop addition shall be set back 10 feet from the south, west and east Wellman Peck Warehouse (TR Produce) Building faces and shall not alter the existing south, west and east exterior walls. There need be no setbacks on the North side.

4. The addition of the new stairways, an elevator and other services from grade through the existing Wellman Peck Warehouse (TR Produce) Building to access the new upper levels.

K. One level of underground parking may be added with a garage entry from Eighth Avenue.

We will not be providing underground parking as part of this project.

\*From the Settlement Agreement executed on September 9, 1999.

The Treatment Plan, Item J.3, states that the rooftop addition shall be set back 10 feet from the south, west and east. In August 2003, the Developer presented a preliminary design of the project to the PAG and requested the ability to have stairwells within the 10-foot setback on the east and west sides of the building. The PAG approved the encroachment of the stairs in the 10-foot setback area so that the design could advance to the design development phase and be brought back to PAG for review. A comment was made by a PAG member that the architect should consider including windows on the ends of the stairwells to reduce the massing of the encroachment as much as possible.

In August 2004, PAG met to review the Design Development Drawings. The project architect explained that the reason he did not put windows in the ends of the encroachment was because of the way the stairs are attached to the walls in the stairwell. Any windows that could be added would not be placed where they would correspond to the strong horizontal character to the building which would impact the overall design of the project (see project drawings page 16, longitudinal section C). PAG agreed with the Architect's reasoning on why windows would not be appropriate. Under the Settlement Agreement, "the PAG shall have the right in its reasonable discretion to approve any material changes to the Treatment Plan as set forth in Attachment A which impact the historic significance of the Retained Buildings and which are not a logical evolution of the proposed treatments in the Treatment Plan."

CCDC staff supports the variation from the Treatment Plan (J.3) of a 10 foot setback from the east and west faces of the historic Wellman-Peck Building. Staff comments in favor of the changes are because: (1) the changes impact the warehouse structure to a lesser degree by using the same structural grid system that exists in the historic structure; (2) the east stairs are enclosed in glass and the exposed structural system is light in color, which recedes from the streetwall; and (3) the setbacks only occur where the stairwell and landing

exist. There is no setback requirement for other projects developed on Eighth and Ninth Avenues.

Although the addition of one level of underground parking is allowed pursuant to the Treatment Plan, no parking is provided as part of the project. Neither the Centre City Planned District Ordinance nor the Treatment Plan require the addition of parking to the project site. However, there are over 2,000 public parking spaces within three blocks of the project.

The project requires a Site Development Permit, which will be reviewed by the Historical Resources Board for their recommendation, with approval by the Planning Commission.

#### APPLICATION OF SITE DEVELOPMENT PERMIT (SDP) REQUIREMENTS

Because a designated historical resource is present, in order to issue a Site Development Permit for this project, the Planning Commission must make three general findings with reference to the proposed new development. The three findings, and information in support of each, follow:

**1) The proposed development will not adversely affect the applicable land use plan.**

The proposed project is consistent with the objectives of the Sports/Entertainment District, the Ballpark Settlement Agreement, the Centre City Planned District Ordinance and the Centre City Redevelopment Area Project in all respects.

**2) The proposed development will not be detrimental to the public health, safety and welfare.**

The proposed project will restore the existing Wellman-Peck Building, adapt the building for retail/restaurant use, and construct a two-story steel structure to float over the warehouse to provide office use. The permitted FAR under the Centre City Planned District Ordinance for the project site is 6.5. Because the Settlement Agreement allows the development of a two-story structure above the historic structure, the proposed project will result in a total FAR of 2.8.

**3) The proposed development will comply with the applicable regulations of the Land Development Code.**

The proposed project will comply with all development regulations of the Land Development Code, the Centre City Planned District Ordinance, the Ballpark Settlement Agreement, and no variances will be required.



For projects which will substantially alter the historic resource, the Planning Commission must make three specific supplemental findings with respect to the proposed project. The three findings, and information in support of each, follow:

- 1) There are no feasible measures, including a less environmentally damaging alternative, that can further minimize the potential adverse effects to the designated historical resource.**

The proposed work on the Wellman-Peck Building will follow the Secretary of the Interior's Standards. The Building will comply with the Treatment Plan for Retained Buildings established in the Ballpark Settlement Agreement. The Settlement Agreement allowed the future Developers of the building to add a new exposed steel structure to support two new levels of a steel and glass warehouse addition to house future uses. The two new levels have been designed to float above the historic structure to minimize any potential adverse effects to the historic resource.

- 2) The deviation (from standard protective historical resource regulations) 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.**

The Wellman-Peck Building will be adaptively reused. The ground floor will be used for retail/restaurant uses. The new two-story addition will float above the historic warehouse and will be used as offices. The building will comply with the Secretary of the Interior's Standards and the Treatment Plan for Retained Buildings established in the Settlement Agreement.

- 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 in the Sports/Entertainment District (SED) and has been allotted development rights based on a 6.5 FAR, which would allow up to 130,000 square feet of development on the Site. Currently the Site contains 25,292 square feet within the ground floor and mezzanine spaces of the historic building. The proposed project would add approximately 3,600 square feet to the mezzanine level. In order to preserve the Wellman-Peck Building, the Settlement Agreement allowed the future Developer of the historic building to add two additional floors above the historic structure. The additional two floors will add 27,004 square feet for office use to the site,

for a total of 55,922 square feet of building above grade. The FAR for the site will be 2.8. The Developer plans to sell individual office suites in the upper two floors once a condominium map for the site is approved. The office use will be controlled by CC&Rs for the project. Denial of the proposed development would generate an economic hardship as it would not be feasible to derive a reasonable economic return from the property, in accordance with the Settlement Agreement, if the two level addition for office uses were not allowed.

Streetscape Design - The project will be required to install new sidewalks, streetlights, and trees adjacent to the project along Eighth Avenue, Ninth Avenue and J Street.

### SUMMARY/CONCLUSION

While the proposed project will change the spatial relationship of the existing warehouse with a two-story addition above the historic structure, the designated historical resource will be preserved, rehabilitated, and will adaptively reuse the building without detriment to the historic structure, such that the findings necessary for the issuance of a Site Development Permit can be made. The Planning Commission is respectfully requested to approve Site Development Permit No. 2004-31 and Tentative Map No. 164827 for the Wellman-Peck Building.

Respectfully submitted,

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Beverly Schroeder, Senior Planner

Attachments:      Attachment A - Site Plan  
                         Attachment B - Settlement Agreement  
                         Attachment C - Sports/Entertainment District Guidelines  
                         Attachment D - Draft Site Development Permit  
                         Attachment E - Draft Site Development Permit Resolution with Findings  
                         Attachment F - Basic Concept/Schematic Drawings  
                         Attachment G - Draft Tentative Map Resolution with Conditions  
                         Attachment H - Tentative Map Exhibit