



Economic Prosperity

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.”

Franklin Delano Roosevelt

Introduction

Economic prosperity is a key component of quality of life. The structure of the City of San Diego’s economy plays an important role in the physical development of the city and also determines the city’s tax base which provides revenue to fund essential services. There have been dramatic changes in the structure of our economy in the last several decades from a production economy to one increasingly based on creativity and innovation. The new economy requires an environment offering opportunities for interaction, expansion, and flexibility.



The establishment of a diverse economy will maintain and enhance the economic stability of the city. The Economic Prosperity Element strives to link economic prosperity with land use distribution and employment land use policies. Employment land includes land utilized by industrial, commercial service, and commercial retail users. This broader term recognizes the importance of commercial activities as a job-generating component of the economy. To address the long-term shortage of available land for employment uses, land appropriate for future employment uses should be designated in key areas throughout the city and also include underutilized land that could be redeveloped for employment uses in urbanized areas. The Regional Center, Subregional Districts and Urban Village Centers will have an important role in the city’s economic prosperity strategies by providing the land and infrastructure needed to support business development and a variety of employment and housing opportunities.

The Economic Prosperity Element also expands the traditional focus of a general plan to include a variety of economic development policies to achieve a rising standard of living which are not directly related to land use. Despite the economic growth that has occurred over the last several years, economic prosperity has not been evenly distributed in San Diego. National and local economic trends have resulted in a combination of fewer middle-income jobs, a concentration and culture of poverty, and more high-end job opportunities creating increased income, social, and spatial disparities. Among the costs of these disparities are the increased service costs incurred by the city and other public agencies and the significant land use impacts which exacerbate these same disparities.



The achievement of economic prosperity goals also relies on policies in the Strategic Framework Land Use Element to appropriately designate land for economic development, the Housing Element to maintain a desirable jobs/housing balance, and the Public Facilities, Services and Safety, and Mobility elements to provide adequate facilities to support economic growth.

A. Industrial Land Use

Goals

- A city with a diversified economy with a focus on encouraging industrial development that provides middle-income employment opportunities
- A city with industrial land sufficiently and appropriately designated to sustain a strong economic base
- A city where industrial land is retained and utilized efficiently

Discussion

The supply and type of employment land uses in the city are significant factors in determining the ability of the city to meet the needs of a rapidly changing economy. In San Diego, the long-term supply of industrial land has greatly decreased. In 2005, only one-fourth of all designated industrial land, or approximately 2,700 acres, were still vacant in the City of San Diego. The vast majority of the vacant industrial land lies in the community of Otay Mesa, accounting for about 70 percent of the total vacant industrial land. The majority of the remaining vacant industrial land within the city is located within the other Subregional Employment Districts. The decrease in industrial land supply is a potential challenge to the growth and retention of middle- and high-wage industries and related job growth in the city. The city should focus on preserving existing available land from the encroachment of other uses.

Economic base industries create wealth for a local jurisdiction by exporting products and services primarily to national and international markets outside of the local area. San Diego's economic base is primarily composed of industries in the manufacturing, accommodation, and public administration (military) sectors. The manufacturing sector is most significant because it supports middle-income employment. The retention of these types of employment land can lead to a more stable economic base and also preserves the city's ability to maintain a healthy revenue base under current state law and therefore achieves higher levels of municipal services for a growing population.

Long-term changes in the economy related to the rapid growth of service sector employment and global industrial production strategies have increasingly favored



San Diego as a location of research and development functions performed in an office setting. The increasing demand for office space supports the intensification of new types of employment uses in some locations. Therefore, in addition to retaining employment lands, the city needs to develop new approaches and strengthen current polices that support more efficient utilization of existing employment lands in some locations.

The high cost of housing in San Diego negatively impacts the local economy by limiting the ability of an industry to maintain the necessary workforce. Policies aimed at increasing the supply of low to moderate-income housing are contained in the Housing Element of the General Plan. The lack of housing near employment nodes has also led to a strain on our roads, freeways, infrastructure, and environment, and affects the quality of life for all San Diegans. In future community plan updates, new opportunities for employment uses should be identified as well as areas appropriate for the collocation of industrial and residential uses. In the interim, as community plan amendments are requested for collocation or conversion, there needs to be a consistent evaluation process which preserves the most important types of industrial land and minimizes land use conflicts.

Globalization and the maturing of key industries have resulted in the loss of manufacturing operations which support middle-income employment both nationally and in the City of San Diego. Protecting manufacturing areas with existing infrastructure for base-sector employment is the principal way that the General Plan and community plans can influence the economic health of the city.

Industrial businesses tend to have lower profit margins than commercial businesses putting them at a disadvantage when competing for sites which allow both types of uses. When retail, office, or residential uses encroach on industrial lands, the industrial users cannot compete. Protection of these areas from encroachment by non-industrial uses creates opportunities for existing industrial users to expand rather than relocate out of the city. Land use designations which are sufficiently refined to protect key employment areas can create conditions which do not further exacerbate the negative effects of these global trends and, where possible, encourage the expansion of manufacturing in the city.

Maintaining an adequate supply of a variety of employment land types contributes to the economic health of San Diego in two major ways – creating a wide range of jobs for the city’s residents, and importing dollars from outside the area. Economic diversity is crucial to a region’s ability to weather economic cycles. While traditional business park development will still be required in the future, increasingly more intense vertical workplaces will occur in some areas. Within the General Plan category of Employment and Commercial Services, proposed community plan land use designations for industrial uses have been created with the goal of providing communities a menu of potential categories to fit individual conditions and community plan objectives while advancing citywide economic prosperity goals.



Policies

- EP-A.1. Increase the allowable intensity of employment uses in Subregional Employment Districts and Urban Village Centers that will be served by transit. This can be achieved by increasing the permitted floor area, increasing transit mode share to increase street capacity, and reducing other restrictions as transit systems and other transportation improvements are provided.
- EP-A.2. Efficiently utilize employment lands through increased intensity without compromising the city's ability to provide a wide range of job opportunities for residents with a diverse range of skills and educational attainment.
- EP-A.3. When updating community plans, both privately and publicly-owned land should be identified where underutilized land could be developed or redeveloped for employment uses, particularly base sector industries.
- EP-A.4. Encourage the retention of industrial land for base-sector, middle-income employment.
- EP-A.5. In older communities, promote the development of infill industrial sites and establish incentives to support job growth by locating compatible industrial uses in existing urban areas.
- EP-A.6. Encourage high technology business facilities that are more broadly geographically distributed throughout the city.
- EP-A.7. Locate regional employment uses in the Regional Center or Subregional Employment Districts.
- EP-A.8. **Expansion of Industrial Uses**
When updating community plans, consider the potential redesignation of non-industrial properties located adjacent to land designated and developed with industrial uses to industrial use based on the following criteria:
- a. The redesignation is required to accommodate the expansion of existing industrial uses to facilitate their retention in areas in which they are located.
 - b. There is no significant disruption or intrusion into existing residential neighborhoods, commercial areas, or other land uses.



- c. There are no adverse environmental impacts (traffic, noise, lighting, air pollution, other) on adjacent land uses because of the proposed industrial use.
- d. There is adequate infrastructure to support the expanded industrial uses.

EP-A.9. When updating community plans, areas should be identified based on a variety of economic, physical, health and safety, and social factors which are appropriate for the collocation of residential and industrial uses and the conversion of industrial land to commercial and/or residential uses.

EP-A.10. Conversion of industrial uses and collocation of industrial and residential uses.

Community Plan Amendments requesting a conversion, a redesignation or change in use of an industrially-designated site to commercial, institutional, mixed-use, or residential use; or a collocation (the geographic integration of residential development into industrial uses located on the same premises) shall be subject to the following policies:

- a. The site should not be located in an area attractive to the following industrial uses: manufacturing, research and development, wholesale distribution, and warehousing. The determination of whether land is attractive to these types of uses is based on a variety of factors including the physical site characteristics, parcel size, parcel configuration, surrounding development patterns, transportation access, and long-term market trends.
- b. Collocation or conversion may be considered in areas characterized predominately by office development, or areas in transition where significant encroachment of non-industrial uses has already occurred. The following issues should be analyzed when considering community plan amendments in these areas:
 - 1) **Site Location**
 - The location of the project within one-third mile of transit.
 - The project's contribution to transit if necessary. The availability of transit when the project is complete.
 - 2) **Public Health**
 - The site's location in an employment area where incompatibilities may result regarding truck traffic, odors, noise, safety, and other external environmental effects.
 - To address potential land use incompatibility, the applicant requesting a conversion to residential or mixed-uses or collocation proposals should provide the necessary information, studies, and reports which indicate whether there are any sources of toxic air contaminants or toxic substances within a quarter mile of the subject property. If so, a distance separation of 1,000 feet between the residential



and industrial property lines should be required. In lieu of the 1,000-foot separation, the applicant may submit a report which provides adequate data to determine the effects upon potential future residents and whether an alternative distance separation would mitigate the effects.

3) **Land Use**

- If the proposal is requesting a commercial-use, a demonstrated need for additional commercially-designated land in the community.
- A community plan amendment which proposes densities that maximize the development potential of the land for residential purposes.

4) **Design**

- The implementation of “smart growth” policies contained in the Strategic Framework Element and Transit-Oriented Development Design Guidelines (TOD) and the incorporation of pedestrian design and connectivity into the project including pedestrian-oriented connections to adjacent properties and transit.

5) **Affordable Housing**

- The provision of housing at a cost which reflects the average wages within approximately a five-mile radius. In addition, the provision of affordable housing which meets or exceed the minimum percentage of affordable housing onsite, as specified by the city’s Inclusionary Housing Ordinance should be required.

6) **Public Facilities**

- The presence of existing and planned public facilities to serve future residents. The project’s payment of its fair share of community facilities required to serve the additional residential units (at the time of occupancy). Concurrent processing of a public facilities financing plan amendment necessary to identify and fund needed facilities may be required.

7) **Public Noticing**

- To increase community participation; public noticing distances should be expanded to 1200 feet and an additional notice should be given subsequent to application submittal.



EP-A.11. Industrial Land Use Designations

When updating community plans or considering plan amendments, apply the following Community Plan Land Use designations to protect key employment areas from encroachment from non-industrial uses while providing areas for secondary employment and supporting uses. Additional qualifications regarding specific uses within these categories could be applied to meet community plan objectives. The industrial designations below address these issues by creating land use designations that strictly limit non-industrial uses as explained below.

Table EP-1
Industrial Land Use Designations

Business Park	This designation is appropriate in areas characterized by office development and also permits research, product development, and light manufacturing with enhanced design features. It is appropriate to apply in limited portions of communities primarily characterized by office development with some light industrial uses.
Business Park/ Residential	This designation is appropriate in areas where employment and residential uses are located on the same premises. The permitted employment uses would include those described above. Limited neighborhood commercial uses could also be allowed to serve the residential uses.
Scientific Research	This designation is appropriate in areas where activities are limited to scientific research, product development and testing, engineering and any other basic research functions leading to new product development with only limited manufacturing. Office uses, including corporate headquarters, would not be permitted, except as accessory to the primary use or as direct support for scientific research uses.
Light Industrial	This designation allows a wider variety of industrial uses than the Business Park designation and Scientific Research designation by permitting a full range of manufacturing activities and adding secondary industrial uses such as warehouse storage and transportation terminals. Only limited office or commercial uses should be permitted which are accessory to the primary industrial use. Heavy industrial uses such as extractive and primary processing industries that have nuisance or hazardous effects are not permitted.
Heavy Industrial	This designation provides for industrial uses emphasizing base-sector manufacturing, wholesale and distribution, extractive, and primary processing uses with nuisance or hazardous characteristics. For reasons of health, safety, environmental effects, or welfare, these uses should be segregated from other uses. The presence of non-industrial uses, particularly office uses, should be significantly limited in these areas in order to preserve land that is appropriate for large-scale industrial users.



B. Commercial Land Use

Goals

- Commercial development which uses land efficiently, offers flexibility to changing resident and business shopping needs, and assures maximum feasible environmental quality
- Viable neighborhood commercial areas that are easily accessible
- New commercial development that does not impede the economic viability of existing commercial areas
- A city with land appropriately designated to sustain a robust commercial base

Discussion

Commercial development provides important services and goods to city residents and businesses. Although the city has approximately 685 acres of vacant land designated for commercial use, most of this land will remain vacant for the next 25 years. Instead, future commercial development in the city will take the form of redevelopment of existing underutilized commercial areas.

Changes in the retail market are accelerating and format types for shopping areas are in constant flux. As we look to the future, it is clear that policies regarding the future of commercial development must be flexible to meet the rapidly changing needs of the population. Traditional shopping centers will be redesigned to accommodate new types of anchor stores, different tenant mixes, and include a wider variety of non-retail uses such as housing, public spaces, civic uses, open space, and entertainment uses.

Long-term market conditions can also result in commercial development in many communities in excess of what the area can support, which result in an inefficient use of land and potential blight. The redesignation of commercial land to residential or mixed-use, particularly in older commercial strips, increases the market for remaining retail properties thereby encouraging reinvestment and improvement of the quality of those properties.

The City of Villages strategy incorporates the growing need for convenience and good design to attract the consumer. Many of the new shopping centers of the 21st century will be designed to resemble a community and will function like a Main Street. The provision of traditionally stand-alone commercial uses within mixed-use development is an important strategy in using the city's land more efficiently. The national trend toward in-migration of population back to the city will be reflected in a growing trend to redevelop underutilized urban sites into distinct shopping areas.



Ethnic and racial diversity will also play a role as Hispanic, Asian, and African-American populations accumulate significant buying power which is concentrated in urban areas.

The globalization of the economy does not affect the viability of retail uses as much as other employment uses. Office jobs will continue to be outsourced which has the potential to reduce the diversity of uses within village development. The small retail and service businesses that often locate in commercial centers make significant contributions to the local economy by reinvesting profits in the area.

Recent market analysis indicates that development of new malls in traditional formats has slowed significantly in the United States. In the City of San Diego, it is not anticipated that any new malls will be developed. Some existing regional commercial centers are being redeveloped by replacing traditional department stores with large scale retail establishments which require that buildings re-orient to front on the surrounding large parking areas. In the future, the enhancement of an urban lifestyle could occur through intensification of regional commercial areas and redevelopment with multi-family residential uses.

In addition, over a period of decades, some malls could expand geographically and begin to mesh with surrounding commercial, office, and multi-family residential uses thereby becoming less discrete regional districts in the City of San Diego. These areas would then better support the development of more comprehensive and inter-connected network of public transit and services.

Unless appropriately located, regional commercial development has the potential to negatively affect community retail and services, with possible significant impacts for transportation and village viability. The successful functioning of all commercial areas is integral to the vibrancy of neighborhoods and performance of the transportation system.

Within the General Plan category of Employment and Commercial Services, proposed community plan land use designations for commercial uses have been created with the goal of providing communities a menu of potential categories to fit individual conditions and community plan objectives while advancing citywide economic prosperity goals. The designations will provide the necessary flexibility to accommodate continual changes in the retail market.



Policies

- EP-B.1. Redesignation of commercial uses.
Reduce excess commercially designated land by providing for appropriate reuse. Consider re-designating commercial land characterized by commercial retail and service uses to residential, mixed-use where the following factors are present:
- a. Where the lot size or configuration is inadequate to develop a viable commercial use for the community in which it is located.
 - b. Where the total area or configuration of the parcel precludes the development of off-street parking where needed.
 - c. Where site driveways could adversely impact traffic flow.
 - d. Where community facilities are accessible for residents.
 - e. Where the existing use is underutilized and there is an adequate supply of community-serving commercial uses.
 - f. Where there is good transit, pedestrian and bicycle connectivity with employment areas.
- EP-B.2. Encourage commercial uses to cluster or intensify at focal points along major arterial streets. Strongly discourage the creation of new auto-oriented strip developments where parking is located between the street frontage and the buildings.
- EP-B.3. Diversify the character of existing strip commercial development by encouraging a variety of types of shopping districts and including a variety of uses to include non-retail uses such as hotel, office, entertainment, recreational, and residential uses arranged to encourage short walking trips.
- EP-B.4. Evaluate the amount of commercial development that is desirable and supportable for a community in a market analysis during the community plan update process and in subsequent community plan amendments.
- EP-B.5. Encourage specialty commercial development to provide unique shopping districts throughout the city as focal points that individualize communities and make them desirable for other types of development resulting in overall neighborhood revitalization.
- EP-B.6. Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.
- EP-B.7. Encourage neighborhood-wide shared parking facilities including parking structures as part of commercial revitalization activities.



- EP-B.8. Determine the appropriate mix and form of residential and commercial uses along Transit Corridors based on the unique character of the community. The types and mix of uses should complement adjacent neighborhoods and extend supporting services to the corridors. The relationship to adjacent development, parcel size and depth, and the need to revitalize economically obsolete uses should be factors.
- EP-B.9. Encourage more intense commercial development in neighborhood and urban villages, transit corridors, and subregional employment centers where transit is available.
- EP-B.10. Reduce opportunities for regional commercial uses in neighborhood commercial areas. Locate regional commercial uses adjacent to major transportation corridors which also have a high level of transit service.
- EP-B.11. Encourage the introduction of telecommuting facilities in dispersed community centers, transit corridors and mixed-used corridors to reduce total vehicle miles traveled (VMT).
- EP-B.12. Retain the city's existing neighborhood commercial activities within walking distance of residential areas.
- EP-B.13. Encourage the development of more intense employment types such as office uses in the urbanized portions of the city.
- EP-B.14. Concentrate other office development in the subregional employment centers which are not characterized by base-sector employment uses, around transit stations, and in neighborhood and urban villages.
- EP-B.15. **Commercial and Mixed-Use Land Use Designations.**
When updating community plans or considering plan amendments, apply the following Community Plan Commercial and Mixed-Use Land Use designations in appropriate areas to increase the vitality of commercial areas, provide goods and services easily accessible to residents, promote community identity, and increase the supply of housing in appropriate locations along corridors and within village areas. Additional qualifications regarding specific uses within these categories could be applied to meet community plan objectives.



**Table EP-2
Commercial Land Use Designations**

Neighborhood Commercial *	This designation is intended to provide neighborhood convenience shopping, civic uses, and services serving an approximate three-mile radius.
Community Commercial *	This designation provides for shopping areas with retail, service, civic, and office uses for the community at large within three to six miles. It can also be applied to Transit Corridors where multi-family residential uses could be added to enhance the viability of existing automobile-oriented commercial uses.
Regional Commercial *	<p>This designation serves the commercial needs of the region, from five to over 25 miles, with a wide variety of uses including commercial service, civic, retail, office, and limited industrial uses. The redevelopment of regional commercial centers can serve as a focal point of regional commerce, activity, and identity. This designation should be applied where:</p> <ul style="list-style-type: none"> • A broad range of uses which include retail, wholesale, office, employment, and public recreational and civic uses will benefit the existing community. • The incorporation of mixed-use structures and multi-family housing, public and private facilities such as parks and other community-oriented facilities can be accomplished. • The type of uses will not adversely impact the viability of nearby community and neighborhood commercial centers, particularly mixed-use corridors and villages. • The site is accessible to the region because of their location adjacent to primary arterials, freeways, and major public transit routes. • The uses will not adversely affect adjacent surrounding land uses with regard to traffic, noise, visual aesthetics, or other environmental effects.
Heavy Commercial	This designation provides for retail sales, commercial services, office uses, and heavier commercial uses such as wholesale, distribution, storage, and vehicular sales and service. This designation is appropriate for transportation corridors which may have previously permitted both industrial and commercial uses.
Office Commercial	This designation provides for office employment uses with limited, complementary retail uses while also allowing medium to high density residential development. This designation should be applied where community employment is desired.
Visitor Commercial	This designation provides for accommodation, dining and recreational uses for both tourists and the local population. It is intended for areas near employment centers and areas with recreational resources of other visitor attractions. Residential uses are also allowed in a mixed-use setting.
Neighborhood Village, Community Village, and Urban Village	Full implementation of the City of Villages strategy will be facilitated by the addition of these three mixed-use designations which will be available for communities to apply at the time of an update or comprehensive amendment. Development consistent with these designations will require residential uses to be located in conjunction with commercial services and/or retail uses, at varying densities and intensities within a range prescribed in the General Plan Land Use Element and further refined at the community plan level.

* Where land use conflicts are a concern, or if commercial services are lacking in a community, an alternative commercial designation that prohibits residential uses may be applied.



C. Regional and Subregional Employment Districts

Goal

- A city where new employment growth is encouraged in the existing regional center and subregional employment areas connected by transit to minimize the economic, social, and environmental costs of economic development

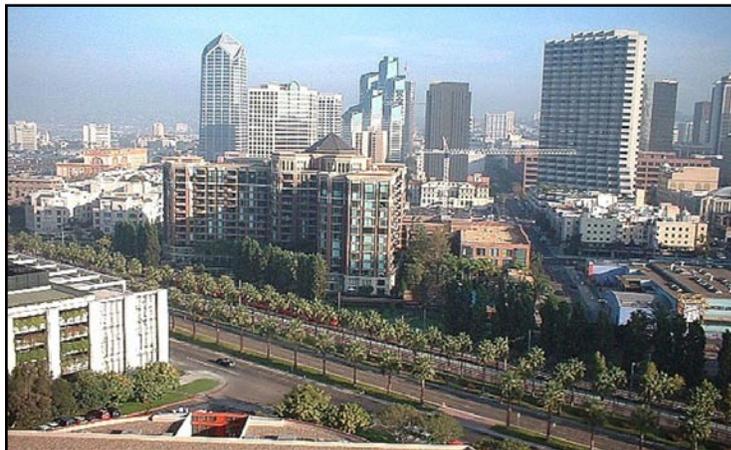
Discussion

As described in the City of Villages Strategic Framework Element and Action Plan, the Regional Center and Subregional Employment Districts will play an important role in the city's economic prosperity strategies by providing the appropriately designated land and infrastructure needed to support business development and a variety of employment opportunities. In the past several decades, development of new areas focused on the creation of "balanced communities" which included an employment land component in each community. With continued build-out of the city, the establishment of Subregional Employment Districts targets new growth of regional and other employment uses in fewer locations so that connections via an improved transportation and transit system are possible. Since much of the city's economic growth potential will be focused in the Subregional Employment Districts, the following general policy guidance regarding its role as an employment node is provided for each of the areas.

Regional Center

Centre City

Over the next twenty years, downtown should consolidate its position as the premier urban village in San Diego. This area is currently the governmental, legal, cultural, convention, and tourism center for San Diego County. The Centre City Redevelopment Area and adjacent Balboa Park contain most of the city's major cultural facilities including museums, symphony, opera and live theaters. The Gaslamp Quarter, Embarcadero and Balboa Park are among the leading entertainment and tourism draws in the region. In the past decade, downtown has also become the fastest growing residential area in the city.





Traditionally, downtown has also been the largest and most important employment center in the region. However, in the past few decades nearly all employment growth has occurred outside of downtown. Currently, only five to six percent of San Diego County jobs remain downtown. There are many reasons for this, including the competing demand to use downtown land for residential use and preference of employers to expand companies in the north city areas where most executive housing is located. The expense of providing parking has also been an impediment to employment growth.

A key goal is to have downtown re-emerge as the most important, prestigious and fastest growing employment center in the city. This is desirable because downtown is the hub of the region's transit system. A related goal is to expand the types of employment attracted to downtown to be much more diverse than the jobs which are currently located there.

The Centre City Community Plan provides for employment to be allowed throughout most areas of downtown with three areas designated as employment required areas. Although non-employment uses would be allowed in these areas, a certain amount of employment must be included on each block in these areas. The largest employment required area is in and around the existing commercial office core along Broadway and C Streets extending north to Ash Street. Two smaller areas in the northeast and southeast corners of downtown are envisioned as employment areas that would encourage industries that need large floor plate spaces.

Policies

- EP-C.1. Encourage the intensification of employment uses downtown.
- EP-C.2. Encourage more diverse types of employment to be located downtown including more private sector companies with a particular emphasis on high technology jobs.



Subregional Employment Districts

The Mission Valley/Morena/Grantville Subregional Employment District



During the last four decades, these three adjacent areas developed individually and independently but are now connected by the Interstate 8 Freeway. The construction of the freeway has resulted in communities that are ideal for commercial developments such as office buildings, hotels, large retail establishments, auto dealerships, and a great variety of smaller retail and service-sector establish-

ments. The Morena and Grantville areas originally developed with industrial uses, but most of the industrial uses have relocated to the northern part of the city because of their inability to compete effectively with commercial uses for land and buildings in these areas, and the changing needs of modern industrial businesses for larger more efficient industrial buildings. Morena is part of the adopted North Bay Redevelopment Project Area and the Linda Vista Community Plan, and Grantville is within a redevelopment study area in the Navajo Community Plan. Despite the fact that these two areas have been historically designated for industrial uses, they have become largely commercialized and no new industrial uses are likely to occur here. In Morena, a goal of the community plan is to maintain the job base of the area by retaining the existing industrial uses in the west and allowing a wide variety of commercial uses, including heavy commercial uses and specialty commercial districts in the remaining areas. In both Morena and Grantville, residential uses are appropriate in targeted locations.

Mission Valley developed later and is just now approaching full build-out. This community has only three small pockets of industrially designated land. One, Mission Valley Heights, has been developed predominantly as an office park with retail uses. The second has been developed as a major gasoline distribution terminal, and the third constitutes the *San Diego Union-Tribune* newspaper publishing plant. Future growth in Mission Valley is dependent on improvements to the existing transportation infrastructure. However, the predominant role of Mission Valley as a regional commercial employment center will continue since commercial uses have increased and intensified. In addition, medium to high density multi-family residential uses are encouraged as guided by the Mission Valley Community Plan.



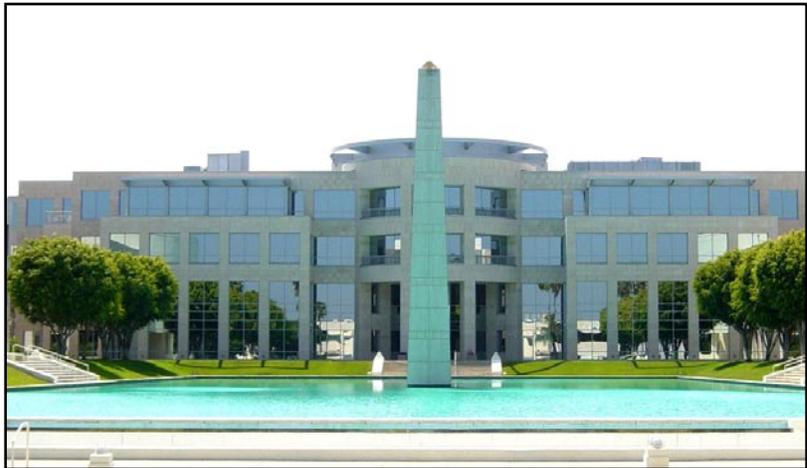
Over the next several years, some infill development proposals are likely, along with expansion proposals from existing developments. The addition of a mixture of employment and residential uses will maximize the value of recent transportation infrastructure improvements, most notably the Mission Valley Trolley Line.

Policies

- EP-C.3. Encourage additional growth in Mission Valley in the form of employment intensity associated with office development and residential density associated with multi-family structures.
- EP-C.4. Encourage redevelopment efforts in Morena and Grantville and apply the appropriate industrial and commercial land use designations to separate and refine the uses permitted in these areas.

The University/Sorrento Mesa Subregional Employment District

University City has developed easterly of the University of California at San Diego (UCSD) and around the regional shopping mall known as University Towne Centre. The northern area is characterized by large low-rise industrial and mid-rise office structures in well planned industrial parks with substantial landscaping and curvilinear streets.



These industrial parks were developed to complement the academic scientific research at UCSD by creating a campus-like atmosphere conducive to the application of scientific research to high technology product development. Residential uses are separated from the Eastgate Technology Park and Campus Point Industrial Park by open space buffer areas. The southerly area has been developed with a balanced mixture of mid- and high-rise office buildings, multi-family housing, hospitals and institutions, retail, and hospitality uses.

This area is currently served by transit and future plans call for major transit improvements in this area by including a trolley line which will provide connections to transit bus routes. The efficient location of high-density employment office uses adjacent to medium and high-density multi-family developments with retail services enhances the potential for pedestrian-oriented village development.



Sorrento Mesa and Sorrento Valley are two industrial areas which, when taken together, constitute the city's largest and most diverse concentration of high technology industrial parks. These are key areas to the city's economic growth. The two areas are linked by Sorrento Valley Road, but each developed separately, under different conditions and during different time periods. Sorrento Valley was largely built out during the late 1960s and 1970s as a series of industrial parks with low-rise, primarily single story, smaller industrial buildings. These buildings originally housed smaller general industrial and service-sector businesses before the onset of high technology growth. By contrast, Sorrento Mesa was developed mostly in the 1980s and 1990s specifically by and for high technology businesses. Therefore the buildings are much newer, larger and have the requisite features for high technology industrial uses. While both areas are inter-related economically and geographically adjacent to each other, Sorrento Valley is part of the Torrey Pines Community, and Sorrento Mesa is part of the Mira Mesa Community. Sorrento Valley is entirely industrial and is geographically separated from the residential area by Peñasquitos Lagoon. Sorrento Mesa is also entirely industrial except for the Wateridge housing project in the western part of this industrial sub-area.

The employment-generating industrial areas of Sorrento Valley and Sorrento Mesa are balanced by a larger area of single-family and low/medium-density multi-family residential units to the east and north. Empirical evidence indicates that a substantial portion of the industrial employees in these areas live in the nearby residential portion of Mira Mesa, and in neighboring residential communities such as Carmel Valley and Rancho Peñasquitos. Some encroachment into these industrial areas by commercial office uses has already occurred, because of permissive light industrial zoning and a strong regional office market. These areas should be protected from further encroachment by non-industrial uses, including residential uses, to preserve the ability of existing industrial users to expand. In addition, the intensity of development permitted under existing regulations provides for more intense manufacturing uses over the next several years as new technological advances are implemented.

Policies

- EP-C.5. The northern area of the University community should be preserved for high technology manufacturing and research and development uses which are important components to the local economy. Retain the Scientific Research designation to preserve this area for high technology employment uses. Non-accessory office, retail, and other non-industrial employment uses should not be permitted in the areas where this designation has been applied.
- EP-C.6. Encourage high-density office uses and more intense village development in the southerly areas immediately north and south of La Jolla Village Drive where housing and retail services are abundant.



- EP-C.7. Protect the industrial manufacturing, research and development and secondary uses in these Sorrento Mesa and Sorrento Valley. Community plan updates for Torrey Pines and Mira Mesa should apply the appropriate industrial land use designations to preserve existing and encourage new high technology uses in these two industrial areas.

Midway-Pacific Highway Subregional Employment District

The industrial areas of the Midway-Pacific Highway Community are among the oldest in San Diego. The existing structures lack the size and features necessary for modern industrial operations and therefore are not attractive for most high technology or base-sector users. Permissive industrial zoning has also allowed the area to become dominated by large institutional uses and



large retail establishments which have led to high land prices and significant traffic congestion, the combination of which undermines the area's attractiveness to new warehouse or distribution-type industrial users who might have otherwise redeveloped the area because of its proximity to the airport.

The eastern portion of the community is well served by existing transit infrastructure which contributes to the area's suitability for redevelopment with mixed-uses, multi-family residential, office, and retail uses. Lot consolidation, structured parking, and pedestrian-oriented developments will permit better land utilization with higher densities, and lower traffic congestion than currently exists. High land prices, proximity to major institutional uses and tourist attractions can clearly make such re-use economically feasible.

Policy

- EP-C.8. Encourage redevelopment of land which is underutilized or contains obsolete uses to medium to high density mixed-use villages and new office development such as software and web development, telecommunications, engineering and other functions.



Kearny Mesa Subregional Employment District



The Kearny Mesa industrial area was built out mostly during the 1960s and 1970s for a wide range of commercial and industrial uses with a similarly diverse range of structure sizes and types. Kearny Mesa is not characterized by having one predominant development type. Many portions of the community have largely developed as non-industrial commercial, institutional, or office uses much like the industrially-designated areas in the Interstate 8 and Interstate

5 freeway corridors. The redevelopment of the former General Dynamics site has led to the development of new multi-family housing in the center of Kearny Mesa. Certain other areas, such as those to the north and east of Montgomery Field have remained primarily industrial, characterized by both light and heavy manufacturing operations and large-scale distribution centers.

Many of the areas within Kearny Mesa which have been developed with retail establishments have already been redesignated for commercial uses. However, other areas still have an industrial designation, but encroachment by non-industrial uses has rendered many areas unsuitable for base-sector industrial uses, either because the structures are unsuitable for industrial uses, or because the competition from non-industrial uses has driven the land costs so high that industrial use has become infeasible.

Other areas such as those immediately north and east of Montgomery Field should be protected from encroachment by non-industrial uses. These large high technology industrial users are important sources of employment for the surrounding communities and an essential core part of the city's overall economic base.

Policies

- EP-C.9. In areas where encroachment of non-residential uses has already occurred, encourage the collocation of multi-family housing with office and retail commercial uses.
- EP-C.10. Apply industrial land use designations which strictly limit further encroachment of non-industrial uses in targeted areas north and east of Montgomery Field.



Otay Mesa Subregional Employment District

All of the industrial development in Otay Mesa has taken place during the last two decades. Otay Mesa is unique among the city's industrial areas because of its geographic separation from most of the city and location along the Mexican border. This proximity to Mexico, plus the broad flat topography makes it ideal as a location for distribution centers operated by logistics companies and other firms doing business in Mexico.



Although low land prices have led to the development of industrial structures for firms not doing business in Mexico, a significant number of the industrial establishments in this area are one of the two “twin-plants” the maquiladora production sharing system. The vast majority of the industrial plants here are set up to perform the final assembly, testing, packaging, labeling, and distribution of products which are produced in whole, or in part, immediately south of the border. More recently some non Mexico-related manufacturers and distributors have begun relocating to Otay Mesa from other parts of Southern California because of land costs and industrial lease rates. Most structures in this area are modern single story concrete “tilt-up” industrial buildings with large floor-plates, tall clear heights, and loading docks.

Most of the land in Otay Mesa has been designated for industrial uses and utilizes special zoning to provide for purely industrial uses, with discrete areas reserved to support commercial services and limited retail uses. The preservation of areas for primarily industrial uses is essential to provide middle income job opportunities and to contribute to the growth of the city's overall economic base.

Policies

- EP-C.11 Maximize the industrial productivity of Otay Mesa through the application of a land use designation permitting heavy industrial uses in portions of the community to prevent encroachment by non-industrial uses.
- EP-C.12. Provide adequate separation between residential and heavy industrial uses to mitigate land use conflicts.



D. Employment Development

Goals

- A broad distribution of economic opportunity throughout the city
- A higher standard of living through increased wages and benefits in low-wage industries

Discussion

Job creation and retention are directly related to enhanced economic development opportunities. There is a nationwide economic trend away from the production and assembly of physical goods and toward the provision of services and the production of intellectual property. Many jobs associated with manufacturing which are in the middle-income range have moved overseas. Within the United States, long-term trends suggest that workers and firms have been moving to areas in the South and Southwest which have lower costs of living and lower wages.

San Diego is one of the top ten cities in the country projected for job growth in the next 20 years. Many new jobs are currently being created by emerging high technology companies including telecommunications, electronics, computers, software, and biotechnology. The expansion of high technology industries in San Diego has successfully created higher income employment opportunities for local residents and has also attracted others outside the region seeking high technology employment. Because these export-driven industries compete in national and international markets, they have favorable long-term growth potential and also support locally-based firms which supply services and products.

However, the majority of the additional jobs over the next few years will be in the services industries. The continued success of the visitor industry and retail/business service occupations has resulted in an increased percentage of lower-wage employment in the city. Unfortunately, the most significant decline in average wages in the region has occurred in low-paying industries. The City of San Diego should increase the quality of these jobs by encouraging the development of career ladders in these low-wage industries.

The shift away from base-sector manufacturing to both service and knowledge-based employment has contributed to an “hourglass” economy in the city. A middle-income job provides benefits, offers full-time employment, and is associated with a career ladder. These jobs pay a wage that will cover the cost of housing, food and healthcare, with some money left over for discretionary spending. Middle-income jobs are central to the city’s economic health because they reduce the burden on social, health, and housing programs and assure an adequate supply of discretionary income resulting in higher sales tax revenue for the city. Savings from public



programs and additional sales tax revenue from discretionary purchases enable the city to invest in education, mobility, conservation, community infrastructure and other areas vital to San Diego's economic competitiveness. These investments are imperative as San Diego competes with low-wage regions and countries to retain middle-income jobs.

San Diego must rely on quality of life, a highly educated and skilled workforce and local ingenuity to continue to retain beneficial industries. In the last ten years, the San Diego region has pursued an economic development strategy that focuses on supporting industry clusters that import dollars. Although a diverse employment mix is the key to a stable economy, a new focus on the attraction and growth of middle-income employment and the development of career ladders in low-wage industries should also be considered when updating incentives.

Policies

- EP-D.1. Employment land shall be preserved for middle-income employment uses including manufacturing, research and development, distribution, and wholesale trade.
- EP-D.2. Invest in infrastructure, educational and skill development, and quality of life assets that support middle-income employment development.
- EP-D.3. Encourage the development of measures that facilitate expansion of high technology business facilities which have the potential to create middle-income jobs likely to be filled by local residents.
- EP-D.4. Through incentives and legislation, the city should pursue the creation of middle-income employment and higher quality jobs in low-paying driver industries such as visitor, entertainment and amusement.
- EP-D.5. Support legislation to increase employee health benefits and address the rising costs of businesses that are providing healthcare for their employees.
- EP-D.6. Support measures to increase wages in low-wage industries including efforts to create career ladders.
- EP-D.7. Support living wage, or similar legislation, to increase the standard of living for lower income residents.
- EP-D.8. Continue to promote job opportunities in low-income neighborhoods.



E. Education and Workforce Development

Goals

- A city which provides life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training for existing residents
- Equitable access to educational opportunities
- A city which provides a variety of job opportunities including middle-income employment opportunities and career ladders for all segments of the population
- A city that will continue to incubate growth and investment by providing a skilled and educated workforce that meets industry needs

Discussion

As the City of San Diego is moving toward a more knowledge-based, global economy, the key to increasing our residents' standard of living and ensuring our economic livelihood is to equip our future workforce with the tools to succeed in the new economy. Forecasted job growth in high technology areas such as biosciences, biomedical, telecommunications, computer and electronics manufacturing, and software and computer services will result in an increase in the demand for highly skilled workers. If the city is to remain competitive in attracting, retaining, and developing businesses that could serve as a catalyst to economic prosperity, we must cultivate a well-trained workforce.

Our residents have higher educational attainment levels than the nation as a whole. This is an optimistic trend, given the significant positive correlation between the average wage a person earns and the level of education that person has completed. But although educational attainment has increased in the last few years, over the next twenty years, our schools will not produce enough graduates to keep up with future employment demand thereby increasing the need to recruit workers from outside the region. Also, despite the region's high educational attainment level, we also have relatively more people with less than a high school education. Our region has disproportionately more well educated and poorly educated residents.

There is also a disparity in educational achievement among races and ethnic groups and an even greater disparity between communities in the city. Programs that target the under-represented, provide training for low-wage earners to move up career ladders, prepare youth for the workforce, alongside programs that encourage growth and retention of skilled workers in the high technology areas are critical to the equitable development of the city. These activities can assist in reducing poverty which impacts the physical characteristics of communities and the overall quality of life for all residents.



The city has been proactive in addressing shortages in our employment market. Currently, efforts are being made in our elementary schools, middle schools, high schools, community colleges and universities, to address existing industry gaps and deficiencies. The city has participated with a private, non-profit agency which strives to create a comprehensive workforce development system that ensures a skilled productive workforce and supports a healthy regional economy.

There are also additional barriers, whether physical, social, cultural or economic, which inhibit segments of the population from fully reaping the economic and intellectual benefits of technology. Coordinated regional technology planning focused on computer ownership and internet access in homes, the quality of technology usage in schools, public access to community technology centers, and the gap between employer needs and the skills of a local workforce, would enable the city to maximize the impact of its limited discretionary funds and make better use of established programs.

Policies

- EP-E.1. Continue and strengthen the city's role in non-profit workforce development organizations that provide adult and youth workforce development, adult retraining, and targeted services for unrepresented and under-represented groups such as low-income youth and adults, people of color, women, individuals with disabilities and the homeless.
- EP-E.2. Support after school programs which focus on educational enrichment and skills training.
- EP-E.3. Support efforts to provide labor market information from data sources and industry sectors to local educational institutions, training agencies, and the public.
- EP-E.4. Work with, and continue to support, workforce development programs that address potential job gaps in growing industries, and current gaps throughout all industries, to match job training and workforce development with employment needs.
- EP-E.5. Encourage city departments and other organizations to provide internships for students of all levels.
- EP-E.6. Encourage education sector participation in city advisory groups that address issues of workforce development and emerging technologies.
- EP-E.7. Seek the cooperation of city agencies and departments along with other jurisdictions and organizations to coordinate regional economic and workforce goals.



- EP-E.8. Assist in increasing the availability, use, and attainment of technology for low-income residents in communities that are unable to keep up with technological advancements.
- EP-E.9. Coordinate with other jurisdictions, through existing city departments and commissions, a regional technology plan that addresses the current and long-term technology needs across all industry sectors.
- EP-E.10 Increase equitable access to life long education and reduce travel demand through greater use of information infrastructure.

F. Business Development

Goals

- A city able to attract and maintain the type of businesses likely to contribute positively to the local economy. These industries contribute to a diverse economic base, maintain environmental quality, and provide high quality employment opportunities
- A city focused on promoting local entrepreneurship to build locally based industries and businesses that can succeed in local, national, and international markets
- A business-friendly environment to enhance protection of current jobs and develop new ones
- A city with thriving and expanding businesses, particularly in existing urban areas
- A city with opportunities for growth and expansion of small businesses

Discussion

Businesses which contribute the most to the local economy enhance the diversity of the economic base, maintain environmental quality, generate revenue to provide essential community services, and provide employment opportunities for local residents. Although the city has many programs aimed at specific economic development goals, business incentive programs were established to attract and retain major revenue, job generating, and revitalization projects throughout the city. Although municipal incentives are not a substitute for market demand, public incentives can serve to focus existing demand into specific areas of the city where economic development is desired. This will optimize existing limited public resources and increase the success of public efforts.



Nationally, there is a trend toward smaller business units which offer the innovation, speed, and flexibility required in today's economy. The vast majority of businesses operating within the city are small businesses (12 or fewer employees) and they are responsible for more than half of all new jobs created in the city. They also provide revenue to the city through business license tax contributions to the general fund and increased sales tax revenue. Small businesses are more likely to be locally owned and operated therefore profits are recycled into and benefit the local economy. Many businesses depend upon attracting and retaining people who have entrepreneurial, technical, or creative talent who want proximity to diverse urban centers. Therefore, the growth of small businesses also contribute to the City of Villages strategy which seeks to maximize private investment in urban communities, improve community facilities, increase property values, and enhance community character and identity.

Policies

- EP-F.1. Support a business incentive program which is regularly updated based on the ongoing evaluation of economic conditions to determine the industries, sectors, and locations that are most significant to economic growth. Consider providing incentives to industries which provide middle-income job opportunities, projects that contribute to revitalization in urban areas, and projects located within or adjacent to villages and transit corridors.
- EP-F.2. Develop and maintain programs and services that address the changing needs of the local business community.
- EP-F.3. Provide assistance for public improvement projects to revitalize business districts.
- EP-F.4. Support and encourage local business improvement districts to provide private sector revitalization solutions.
- EP-F.5. Evaluate the creation of non-bank community development corporations to assist with business growth in urbanized areas.
- EP-F.6. Recognize and maintain the unique qualities of the different neighborhood business centers.
- EP-F.7. The first priority of economic development efforts should be growing local businesses.
- EP-F.8. Assist existing business owners in accessing programs that can provide financial assistance and business consulting services. Such programs include Small Business Administration loans, façade renovation, and redevelopment assisted forgivable loans.



- EP-F.9. Expand small business assistance to include technical and financial assistance for small emerging technology firms and firms involved in international trade.
- EP-F.10. Pursue public/private partnerships to provide subsidized incubation spaces for small business.

G. Military Installations

Goal

- A city which preserves the ability of military installations to achieve their mission and to remain in San Diego

Discussion

Military installations are a critical component of the local and state economy, contributing jobs, military and civilian spending, and technology. This region and city are home to several major military installations which are part of an integrated system that provides a key foundation for this nation's security. Incompatible residential and commercial development of land close to military installations can have a negative impact on military readiness and may compromise the ability of an installation to achieve its mission. Additionally, such development threatens public safety and may place residents and customers in harms way because of potential accidents. Such urban encroachment can also affect the economic health of a community if a military operation must relocate. In recognition of the importance of military facilities, the state has adopted legislation to guarantee that military interests are addressed through the General Plan preparation process.

The military installations within the City of San Diego, and those located in the immediate region, are a vital part of the city and have been good neighbors and community members for many years. It is in the best interest of both the city and the military branches represented in San Diego to work together to anticipate future growth and development through comprehensive land use planning. Further, they must agree on implementation and enforcement mechanisms that allow the city to maintain and enhance the quality of life without encroaching into land considered vital to this nation's defense.



Policies

- EP-G.1. Plan preparation (including rezoning) for community plan areas adjacent to military facilities or underlying designated military training routes and airspace shall consider the impact of new growth on military readiness activities carried out on military bases, installations, and operating and training areas based upon the information that the military and other sources provide.
- EP-G.2. Support efforts to retain military installations in the City of San Diego through the Department of Defense Base Realignment and Closure process.

H. Economic Information and Monitoring

Goal

- An increased level of community involvement in the economic development decision making process by providing economic information to the public and decision makers

Discussion

Major development projects can have a significant impact on the economic environment of a community, especially those that were not envisioned as part of the community in the planning process. A formal method of providing information on the fiscal and economic impacts of revisions to community plans can assist decision makers, community planning groups and other community members that review planning projects. The assessment should serve as an informational tool only; it should not create criteria or standards for project approval.

For the Strategic Framework Element and Action Plan, indicators were developed for the purpose of monitoring community economic performance. Traditionally, economic indicators have focused on the profits and losses of community businesses. However, the vision outlined in the City of San Diego's Economic Prosperity Element requires a more comprehensive view. Initially, nine indicators were developed to address housing, smart growth, and equity; these are all facets of San Diego's economic prosperity. Other indices may be added to the report over time. The indicators, in combination with the existing conditions database, will provide decision makers and community groups with frequently updated information.



Policies

- EP-H.1. Provide more information regarding the effects of development through the development of a Community and Economic Benefit Assessment process focusing on economic and fiscal impact information for all community plan amendments involving land use or intensity revisions, and for large retail establishments over 100,000 square feet in size.
- EP-H.2. Continue to evaluate economic conditions on an ongoing basis and update the list of economic indicators as new data become available.
- EP-H.3. Utilize economic indicators to determine the effect of past and current public planning and economic development programs.

I. Redevelopment

Goal

- A city which redevelops and revitalizes areas which were deteriorated and underutilized to a condition of social, economic, and physical vitality while insuring that these areas meet community objectives and preserve community resources and neighborhood character

Discussion

Redevelopment is a legal process and financial tool that assists in the elimination of blight from designated re-planned areas through the implementation of activities such as new development, infrastructure, public spaces and facilities, reconstruction and rehabilitation. It provides cities and counties with a powerful tool to address deteriorating conditions of slum and blight within older urbanized areas of their jurisdictions. The Redevelopment Agency of the City of San Diego was established in 1958 based on California Community Redevelopment Law (CCRL), Health & Safety Code, § 33000, et. seq.

The redevelopment plans define the boundaries of the project area and provide a general description of the projects to be implemented therein. The redevelopment plan adoption process is prescribed by CRL and provides for substantial citizen participation. Redevelopment plans must conform to the General Plan and respective community plan(s). Project areas are predominantly urbanized and exhibit conditions of both physical and economic blight. 'Predominantly urbanized' is defined as developed parcels, vacant parcels which are an integral part of and surrounded by urban uses, and irregular subdivided lots in multiple ownership which cannot be properly used. Blight covers conditions which constitute a serious physical and economic burden on the community which cannot reasonably be expected to be



reversed or alleviated by private enterprise or government action, or both, without redevelopment.

Conditions of physical blight include unsafe or unhealthy buildings, substandard design, lack of parking, incompatible uses, subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

The types of conditions that cause economic blight include depreciated or stagnant property values or impaired investments, including those properties containing hazardous wastes; abnormally high business vacancies, low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities; a lack of necessary commercial facilities that are normally found in a neighborhood; residential overcrowding; an excess of businesses that cater exclusively to adults that led to problems of public safety and welfare; and a high crime rate that constitutes a serious threat to the public safety and welfare.

Redevelopment project areas are frequently proposed as a solution to revitalization and public infrastructure needs. There are potential social costs as well as benefits associated with redevelopment. Social costs can include displacement of residents and businesses, while social benefits may include new employment opportunities, affordable housing, improved physical appearance, new or renovated public facilities and increased community pride. The Redevelopment Agency is required to assist with the relocation of any persons or businesses which are displaced. Implementation of redevelopment projects typically occurs over a number of decades and the revitalization that redevelopment is intended to spark may take several years.

Adoption of a redevelopment plan allows the Agency to utilize a variety of extraordinary financial and legal tools in promoting sustainable development in the community (See Table EP-3 for descriptions).

“A fundamental purpose of redevelopment is to expand the supply of low- and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and psychological growth and well-being of all citizens.”

Cal. Health & Safety Code § 33071



Table EP-3
Redevelopment Tools to Promote Sustainable Development

Tax Increment Financing	Tax Increment is the Agency's basic financing tool and is based upon the cumulative assessed value (i.e., base value) within a project area at the time a redevelopment plan is adopted. Any increase in assessed property value (resulting from the sale of property or new development) over the base value is called tax increment and may be utilized by the Agency to repay debt incurred in conjunction with redeveloping the project area.
Eminent Domain	CRL provides redevelopment agencies the ability to acquire real property through purchase, lease, option, gift, grant and bequest. Eminent Domain is a special tool for assembling land available under redevelopment; however, several legislated restrictions or limitations apply. The Agency may acquire real property on which an existing building is to remain only when the building needs structural improvement, the site requires modification, the owner refuses to enter into an owner participation agreement, or the site is to be used for a public purpose. In practice, eminent domain is rarely utilized in the City of San Diego.
Affordable Housing	Provision of low and moderate income housing is mandated under CRL with specific requirements for affordable housing (i.e., a percentage of new development), housing replacement, and relocation for persons displaced by redevelopment.

Policies

- EP-I.1. Support the use of redevelopment in conjunction with input from the respective communities, subject to public participation and hearings/ approvals by the City Council, for those urbanized areas meeting the requirements of California Community Redevelopment Law (CCRL).
- EP-I.2. Ensure project areas are of an adequate size to create critical mass and generate sufficient tax increment to stimulate successful redevelopment activities over the life of the redevelopment plan.
- EP-I.3. Evaluate redevelopment study areas with an emphasis upon achieving long-term community objectives, public safety facilities, parks, and other infrastructure goals.
- EP-I.4. Encourage the use of tax increment funds for projects and associated infrastructure improvements that will stimulate future tax increment growth within the project areas and are consistent with the respective five year implementation plans.
- EP-I.5. Consider upfront costs, property tax revenue diverted from the city's General Fund and the comparative costs of alternate financing in evaluating new project areas.
- EP-I.6. Encourage redevelopment assisted affordable housing investment within the same project area where tax increment is generated.



- EP-I.7. Encourage the provision of affordable housing concurrent with all redevelopment assisted residential and mixed use development projects.
- EP-I.8. Ensure the even geographic distribution of affordable housing within and between redevelopment areas, such that affordable housing is not over-concentrated in particular areas.
- EP-I.9. Partner with other municipalities, school districts, and other public and/or non-profit agencies whenever possible to achieve General Plan, redevelopment and community plan goals.
- EP-I.10. Equitably distribute new public facilities within a project area that increase and enhance community quality of life.
- EP-I.11. Utilize redevelopment to eliminate or minimize land use conflicts, such as over-concentration of industrial facilities and uses that pose a significant hazard to human health and safety adjacent to residential and school uses.

J. International Trade and Border Relations

Goals

- A city which takes advantage of its location as part of a greater inter-regional and binational area to be a strong competitor in the global marketplace
- A city which protects the quality of life in the greater border region while keeping the region secure
- A city which promotes reliable and efficient transportation systems along the U.S. – Mexico border

Discussion

Trade, commerce, and goods movement account for billions of dollars in economic growth for both the U.S. and Mexico. This places the City of San Diego, along the U.S. - Mexico border, in a unique location. San Diego and Tijuana have the largest population of any twin city area along the entire U.S. - Mexico border, and the border crossing here is the busiest in the world. At the San Diego-Tijuana region's two border crossings, Otay Mesa and San Ysidro, millions of northbound crossings are made each month to work, to school, to shop, and enjoy local attractions. These visits have been estimated to contribute billions of dollars annually to the Southern California and Baja California economies.



International trade contributes greatly to our economy and directly or indirectly supports a significant number of jobs in the San Diego region. International trade is the fastest growing sector of our nation's Gross Domestic Product (GDP). Today, international trade accounts for 25 to 50 percent of the annual growth of the nation's GDP. Much of our region's world trade exports pass through our international ports of entry. More than 43 percent of the nearly \$9 billion in goods exported from San Diego during 1999 were sold to Mexico. However, border crossing wait times for both passenger and commercial vehicles have increased, raising costs of international trade and impacting the lives of individuals from California and Baja California who cross the border. Community development in border communities and enhancement of border facilities will contribute to economic growth.

The growth of the production sharing industry in Tijuana plays an important role in the region, generating growth of headquarters, research and development, pilot manufacturing, and warehousing in San Diego. It has also been an important factor for development of the binational market. In addition, the North American Free Trade Agreement (NAFTA), implemented in 1994, has allowed California's trade with Mexico to exceed \$20 billion yearly and has overcome obstacles that have posed major problems for a more stable economic relationship. Employment in the production sharing industry has doubled in the last 15 years. However, the industry is under competitive pressure from other off-shore production centers where the cost of labor is comparatively cheaper. To counter this effect, Baja California will develop other sectors such as the automobile, pharmaceutical, and technology industries, and defense work where proximity to the market is a significant factor.

Policies

- EP-J.1. Participate in and support regional and binational efforts which develop strategies for key border issues such as the alleviation of long border wait times, infrastructure improvements, public safety, economic development, border inspection and national security at the international border and surrounding areas.
- EP-J.2. Encourage development along the border which supports trade-related activities such as warehousing, distribution, manufacturing, assembly, production sharing, and transportation-related facilities.
- EP-J.3. Encourage participation in business incentive areas/zones in Otay Mesa and San Ysidro to take advantage of their unique location for industries engaged in production sharing strategies and cross-border trade.
- EP-J.4. Support infrastructure improvements that encourage the expansion of international trade capabilities in the city and the binational region.



- EP-J.5. Support measures to encourage frequent border crossers to participate in ports of entry programs. These measures should also facilitate the application process for people and vehicles.
- EP-J.6. Support efforts that facilitate the efficient movement of goods across the border such as crossing cards that expedite border crossing for the production sharing trucking industry.
- EP-J.7. Create international connections that improve port-of-entry efficiency, enhance linkages, and improve border appearance to foster a more welcome environment.
- EP-J.8. Develop a unique and festive binational village adjacent to the International border combining employment, retail, entertainment, and cultural uses connected by a pedestrian bridge to a similar zone in Tijuana.



The City of San Diego General Plan
Economic Prosperity Element