

SAN DIEGO RIVER INDUSTRIAL AREA

North Mission Gorge Road

The third industrial portion of the Project Area is along Mission Gorge Road starting at Old Cliffs Road and ending at Jackson Drive. Uses include manufacturing, heavy machinery repair, outdoor storage and vehicle salvage operations as well as limited commercial.

Most of the industrial uses along north Mission Gorge Road are on the northwest side of Mission Gorge Road and follow the path of the San Diego River. This portion of industrial development has no visible storm water or drainage capture system, which means storm water from these industrial sites flows directly into the San Diego River. Also, compounding this problem is the large number of outdoor storage, vehicle repair, and manufacturing sites that operate primarily on dirt lots. These facilities drain hazardous materials into the soil, which in-turn leaches into the ground water adjacent to the San Diego River. Many of these industrial sites suffer flood damage or closure of operations during rain events because they are either flooded or too muddy to conduct outdoor operations.

Industrial users operate a significant portion of their businesses from steel shipping containers or temporary buildings on an on-going basis, circumventing property taxes by not improving the parcels. Multiple sites were observed with steel shipping containers being structurally attached to other buildings. Several industrial uses are in buildings that are built of corrugated metal, a substandard material. These businesses are occupying what appear to be surplus WW II Quonset huts or have used corrugated metal to construct substandard additions. The buildings are deteriorated (to dilapidated) and not only affect employees' safety but also degrade the physical surroundings, which has lead to impaired investments through deferred maintenance.

In other portions of the Project Area, use of temporary buildings is done to maximize available space. But in the north Mission Gorge area there appears to be sufficient space to build adequate sized structures but owners choose not to do so. This reputation of substandard buildings compounds the existing problem of deteriorated conditions because substandard users are drawn to the area and investment in higher-end development is not drawn to the northwest side of Mission Gorge Road. Industrial development along the northwest side of Mission Gorge Road is complicated by many sites being at or below the water level of the San Diego River.

The North Mission Gorge area also has three small commercial centers that exhibit a number of blighting conditions. These commercial properties on the east side of Mission Gorge Road are outdated, unattractive and display signs of physical deterioration. The uses of some of the commercial buildings are not typical neighborhood retail businesses, which indicate that businesses have not been successful. Several tenants are construction offices that appear to serve more of a storage purpose than an office or retail use, which

detracts visually from other retailers. A church occupies the largest space in one commercial center, but appears to be closed most of the time, which limits consumer traffic to traditional retail uses in the strip center. These substandard commercial uses cause surrounding residents to drive out of the immediate area and further congest the Mission Gorge Commercial Corridor to satisfy their retail demands.

On the following pages are pictures showing the conditions in the North Mission Gorge area.



Parcel Number – 455 030 27

Outdoor storage/salvage on dirt lots pollutes the soil and visually detracts from the Project Area, thereby impairing property investments and improvements.



Parcel Number – 455 020 13

Outdoor salvage and manufacturing operations, such as this boat yard, comprise the majority of industrial uses in the north Mission Gorge area.



Parcel Number – 455 030 27

The unpaved roads of the north Mission Gorge area attract trash dumping, which visually detracts from surrounding properties. At this site a camper shell and other debris next to Mission Gorge Road are unsightly across the street from this modern industrial complex.



Parcel Number – 455 030 26

Flooding conditions are prevalent in this portion of the Project Area due to its proximity to the San Diego River. Properties to the right are primarily dirt lots for industrial storage that either drain or leach runoff directly into the river.



Parcel Number – 455 030 26

Substandard additions with metal storage containers attached to buildings, a violating of the building code. These additions have substandard electrical and ventilation, which present fire and health hazards to workers.



Parcel Number – 455 030 27

Substandard building materials such as corrugated metal flex during an earthquake or fire and compromised structural integrity of buildings and the safety of those working inside.



Parcel Number – 458 010 28

The combination of substandard addition and lack of maintenance for this residential structure converted to industrial use contributes to the negative physical appearance of the north Mission Gorge area.



Parcel Number – 458 010 27

This site includes outdoor manufacturing, canvas tarps to obscure outdoor storage and manufacturing. In addition, the site suffers from deferred maintenance.



Parcel Number – 455 030 27

Inadequate plumbing and sewer service to property, which is an unsafe and unhealthy condition from stagnant water and outdoor restroom facilities. This wood structure is connected to a corrugated metal structure (on the left) compromising the structural integrity of the entire building during a fire or earthquake. Private investment to bring in public infrastructure for sewer and correct building deficiencies may be cost prohibitive and further impairs investment for improvements to the property.

Sand and Gravel Extraction Area

The largest and earliest industrial use in the Project Area is the sand and gravel extraction operation along the San Diego River, which includes over 400 acres. The sand and gravel extraction operations in this area date back to the 1920s and pre-date the incorporation of this area into the City of San Diego (which occurred in the 1980s). This operation has been an important player in the industrial development of the Grantville area, and the operation has provided sand and gravel for the urban development of San Diego for over 80 years, and continues to be a convenient supplier today. The operation employs approximately 75 persons on-site and products generated from the site are used exclusively within San Diego County, much of it aiding in the urban infill development in downtown San Diego.

Areas around the extraction area have been developed over the years with industrial uses, and some previously excavated areas are depleted and no longer used. This is the case in the area adjacent to the northeast section of the Admiral Baker Golf Course which currently has large water pools left over from the former mining operations. The adjacent Admiral Baker Golf Course was developed by the military in the 1950s. This adjacent use has been a

recreational amenity to military personnel in San Diego for fifty years. The site is also home today to operations of the National Guard.

The adjacent Mission Trails Regional Park was established in 1974 with 5,800 acres of both natural and developed recreational acres. The park is one of the largest urban parks in the United States. The area was originally used by the Kumeyaay and is the site of the Old Mission Dam, built to store water for the Mission San Diego de Alcalá. Habitation of this area began centuries ago, and although the Regional Park itself is now protected parkland and open space, the areas surrounding the park have continued to develop in intensity. The adjoining Tierrasanta neighborhood was developed in the 1970s and homes in this area overlook the existing extraction operation.

The extraction site, combined with the adjoining regional park and military golf course have been part of the development of the urban framework of the Tierrasanta community. As in any long-term urban area, uses have changed to correspond to market changes and demand. Although the existing gravel operation continues to operate at capacity and provides a convenient source of building materials to the San Diego urban community, owners of the operation envision continued reduction in the size of the operation. As was the case in nearby Mission Valley (which was previously the site of extraction operations), it is unlikely that the extraction activity in the Grantville area will be able to continue through the remaining life of its use permit. It is anticipated that the natural resources which supply the extraction activities will be exhausted prior expiration of the use permit. The extraction operator (Superior Ready Mix) has begun a preliminary review of its remediation requirements under the City's Conditional Use Permit. The requirements include the need to stabilize hillsides and establish adequate drainage systems.

Most extraction activities are currently taking place in the northeast corner of the Project Area, although most of the Project Area that fronts the San Diego River starting at Interstate 8 has been involved in extraction activities dating back to 1927. When the conditional use permit was issued by the County of San Diego for the sand and gravel pit area, very little was understood about post-extraction activities on these sites as well as the environmental remediation required for adjacent river areas.

Extraction industries by nature remove materials from a site thereby lowering elevation of the site or in many instances creating pits in the area that are expensive to backfill, and if they remain open collect water is typically toxic because it is saturated with mining residue. Fairmont Avenue is an example of an extraction site developed with structures. Many of the sites are less than ten (10) feet above the water level of the San Diego River and subject to flooding. At the conclusion of extraction activities, a large portion of the former extraction site will actually be at or below the water level of the San Diego River. This will necessitate soil infill activities prior to the areas being ready for redevelopment. Such redevelopment would provide an opportunity

to develop structures needed to relieve overcrowding in the Mission Gorge commercial corridor, but funding will be needed and the grading plan will need to be coordinated with the master planning for the San Diego River.

Extraction activities have altered the course of the San Diego River and costly environmental remediation will be necessary to restore the river ecosystem. This includes silt runoff from mining and ground water seepage of materials from the concrete mixing plant and surrounding operations. At the close of operations the concrete plant will need to be dismantled and the site cleared to accommodate development. Some of the extraction areas that are designated for open space will also require environmental restoration to achieve this purpose. Currently the City is engaged in a master planning process to determine the disposition of large portions of this site, but sufficient sources of funding have not been identified to remediate the existing conditions.

The on-going extraction activities impact adjacent uses, particularly the residential developments north of the operations. Blasting activity has been a source of complaints from nearby residents. Proper planning for reuse of the site will help to address the burden this heavy industrial use causes to the adjacent community and the Project Area. The noise and heavy vehicle traffic generated by this operation is not compatible with the urban uses that have developed in the vicinity. There is also a substantial negative aesthetic impact on the adjoining community caused by the operation.

The City has made a substantial commitment to the maintenance and expansion of the adjacent Mission Trails Regional Park. This park represents one of the few urban recreational opportunities to community residents. As densities within the City increase, the importance of these urban recreational and open space amenities increases. Redevelopment of the extraction area must be coordinated with the master planning efforts for the San Diego River and the Mission Trails Regional Park. Including this territory within the Grantville Redevelopment Project Area will provide an opportunity to coordinate planning efforts to produce a reuse that is economically viable yet enhances the community's need for parks and open space.

The following pictures show some of the conditions in the sand and gravel mining area and provide evidence of its incompatibility with surrounding uses.



Parcel Number – 455 030 26

Redevelopment of sand and gravel extraction sites will require significant earth infill to raise the site level above the water level of the San Diego River as well as funding for pollutant clean up.



Parcel Number – 455 040 24

Restoring this site for suitable development once operations cease at the concrete manufacturing facility site will be expensive, due to its sensitive environmental location and lack of infrastructure.



Parcel Number – 455 030 26

Construction of large earthen berms alter the course of the San Diego River and will be expensive to restore to a natural state.

Factors that Prevent or Substantially Hinder the Economically Viable Use of Buildings or Lots

CRL Section 33031(a)(2) describes physical conditions that cause blight to include “Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.”

The following discussion substantiates the presence of inadequate lot size, inadequate parking, unsafe and inadequate vehicle access, inadequate loading facilities, outdoor storage, and excessive lot coverage. This section also presents pro-forma analyses that economically model why these conditions substantially hinder the economically viable use of buildings or lots.

Lot Size

Small parcel sizes in the commercial and industrial sections of the Project Area hinder their capacity to be rehabilitated and redeveloped. Table B-2 depicts the lot sizes in the Project Area, showing that 66% of commercial properties are less than one acre and 72% of industrial properties are less than two acres. The current market standard for neighborhood commercial development generally requires at least a two-acre site and industrial development generally requires a five-acre site for light manufacturing. Only 17% of commercial properties and 13% of industrial properties in the Project Area meet the modern size criterion. Inadequate lot size compounds redevelopment of the Project Area because these lots typically have older structures that have not been maintained and attract uses that cannot afford to invest in the property, and expand business operations outside of the existing structures to maximize use of the site. These outdoor uses violate zoning codes, and frequently are a safety hazard as shown in photographs earlier in Section B of this Report.

**TABLE B-2
COMMERCIAL AND INDUSTRIAL PROPERTY SIZES**

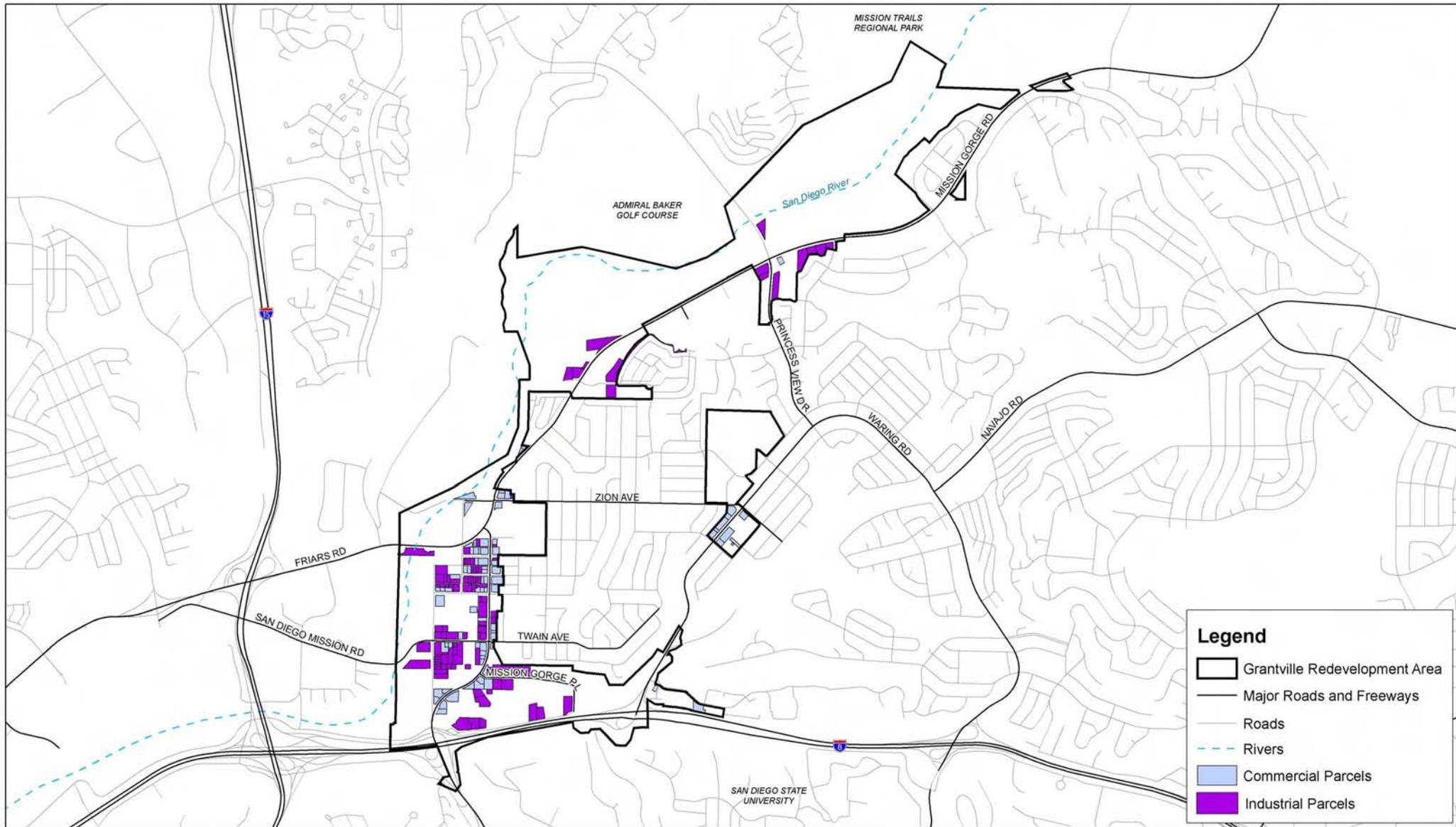
Commercial Parcels Size	Number of Parcels	Percentage of Parcels
Less than or equal to 2,500 square feet	1	1%
Between 2,501 and 5,000 square feet	0	0%
Between 5,001 and 10,000 square feet	21	18%
Between 10,001 square feet and one-half acre	33	28%
Between one-half acre and one acre	22	19%
Between one and two acres	18	16%
Between two and five acres	13	11%
Between five and ten acres	6	5%
Over ten acres	2	1%
Commercial Totals	116	100%
Industrial Parcels Size	Number of Parcels	Percentage of Parcels
Less than or equal to 2,500 square feet	0	0%
Between 2,501 and 5,000 square feet	3	2%
Between 5,001 and 10,000 square feet	30	20%
Between 10,001 square feet and one-half acre	30	20%
Between one-half acre and one acre	23	16%
Between one and two acres	21	14%
Between two and five acres	21	14%
Between five and ten acres	9	6%
Between ten and twenty acres	4	3%
Over twenty acres	6	4%
Industrial Totals	147	100%

Source: San Diego County Assessor Rolls

Notes: One acre equals 43,560 square feet.

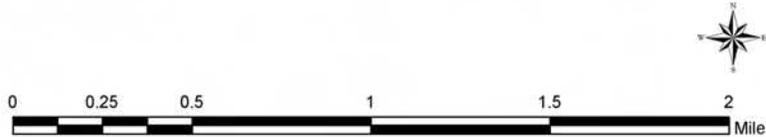
Exhibit B - 4: Substandard Sized Commercial and Industrial Parcels

See attached map of Substandard Parcels.



Grantville Redevelopment Project Area
 Commercial Parcels 1 Acre or less in Size and Industrial Parcels 2 Acres or less in Size

Sources: SanGIS, 2004, BRG Consulting, Inc., and RSG Land Use Survey, 2005



Inadequate Parking

As many of the buildings in the Project Area are over 30 years old (prior to 1975), the sites these buildings occupy were not designed with adequate parking to meet current regulations. For example, 120 surveyed properties (42%) have no off street parking, because prior to 1986 there was no requirement for off-street parking in the commercial areas of the Project Area. Also, a total of 138 surveyed properties (48%) have inadequate parking.

In addition to visual surveys of each parcel, RSG analyzed sample properties with respect to current City parking regulations. Of the 9 properties analyzed 6 had inadequate parking per existing regulations. Based on these samples it is likely that many more than the 138 survey properties noted for inadequate parking do not meet current parking code requirements.

The lack of parking hinders the economically viable use of these commercial and industrial properties. When businesses do have on-site parking, this parking is often difficult to access due to narrow driveways that allow only one car to enter/exit at a time. Portions of the commercial corridor prohibit on-street parking, further exacerbating the limited parking available to local businesses. Because the vast majority of the parcels in the Project Area are fully developed and there is little opportunity or incentive for businesses to provide additional parking, no significant “new” parking can be anticipated without the assistance of redevelopment. The photographs below depict these conditions.



Parcel Number – 461 320 02

Lack of adequate on street parking creates crowded on-site conditions for this rental car operation, which shares the property with an auto repair facility.

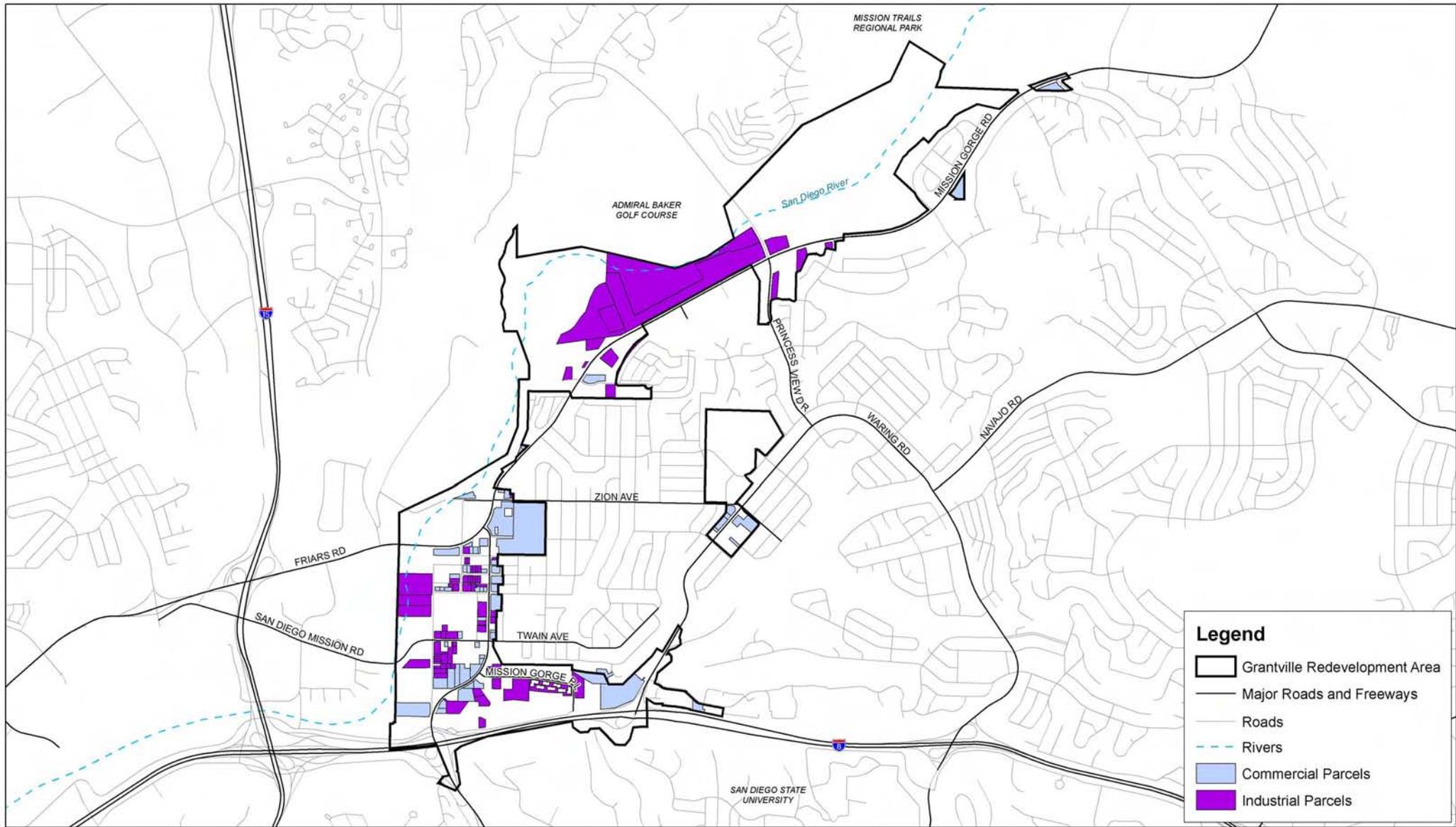


Parcel Number – 461 320 04

Lack of parking causes vehicles to be crowded into the corridor between these repair facilities, which causes an unsafe traffic and fire situation.

Exhibit B - 5: Parcels Displaying Inadequate On-site Parking

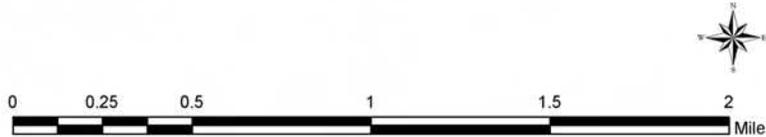
See attached map of Inadequate Parking.



Grantville Redevelopment Project Area

Parcels exhibiting Inadequate On-site Parking

Sources: SanGIS, 2004, BRG Consulting, Inc., and RSG Land Use Survey, 2005



Unsafe Vehicle Access

The Project Area also displays an excessive amount of curb cuts based on modern development standards. Typical development standards in the City require a minimum of 45 feet between driveway curb cuts. In the Mission Gorge Commercial corridor 35 street segments were surveyed for excess curb cuts with 24 qualifying as having excessive curb cuts with respect to City development standards. In addition, many of the curb cuts themselves appear to be of an inadequate width.



Parcel Number – 461 160 04

Inadequate parking is also caused by small parcel sizes. Here vehicles and outdoor tire displays congest the front of this building making it an unsafe area for pedestrians to walk and vehicles to access the property.

Inadequate Loading

Fifty (50) properties surveyed are impacted by inferior loading facilities, or about 14% of commercial properties and 23% of industrial properties. Inadequate loading presents a traffic hazard and suggests that the building is not being used in accordance with its original design. Insufficient loading areas result in trucks unloading in the right-of-way, impeding access to businesses, restricting traffic flow, and creating hazardous traffic conditions. Trucks often park on sidewalks to make deliveries putting pedestrians at risk and causing damage to the sidewalk because of the truck's weight. The following pictures provide some examples of inadequate loading in the Project Area.



Parcel Number – 461 320 03

Narrow entry ways, which restrict property access are further impaired by delivery vehicles which often block traffic and fire lanes to make deliveries.



Parcel Number – 456 160 09

The parking places in front of this business have been removed to incorporate a permanent loading area that is stripped out with paint.

Outdoor Storage

Outdoor storage is a common problem throughout the Project Area for both commercial and industrial properties. Commercial properties often use outdoor storage for excess materials, trash and other items. Unscreened dumpsters are also very prevalent in the Project Area. The presence of outdoor storage is an indicator that the existing building stock provides inadequate building space for modern business activity. When outdoor storage areas and trash containers are unscreened, as in the Project Area, it contributes to the declining appearance of an area. 82% of industrial parcels and 49% of commercial parcels either had outdoor storage and or outdoor production. Many properties had storage containers or outdoor production taking place in parking lots exacerbating the existing lack of parking in the Project Area. To further accommodate outdoor repairs and production many businesses are using steel storage containers, which are designed for mobile storage, as extensions to the existing building to perform work. The pictures below provide examples of the outdoor storage problem in the Project Area.



Parcel Number – 461 160 08

This glass and screen installation company has outdoor storage of its materials, where broken glass can also create a hazardous condition. Further, this activity detracts from the overall appearance of the area and reduces on-site parking for employees and customers.

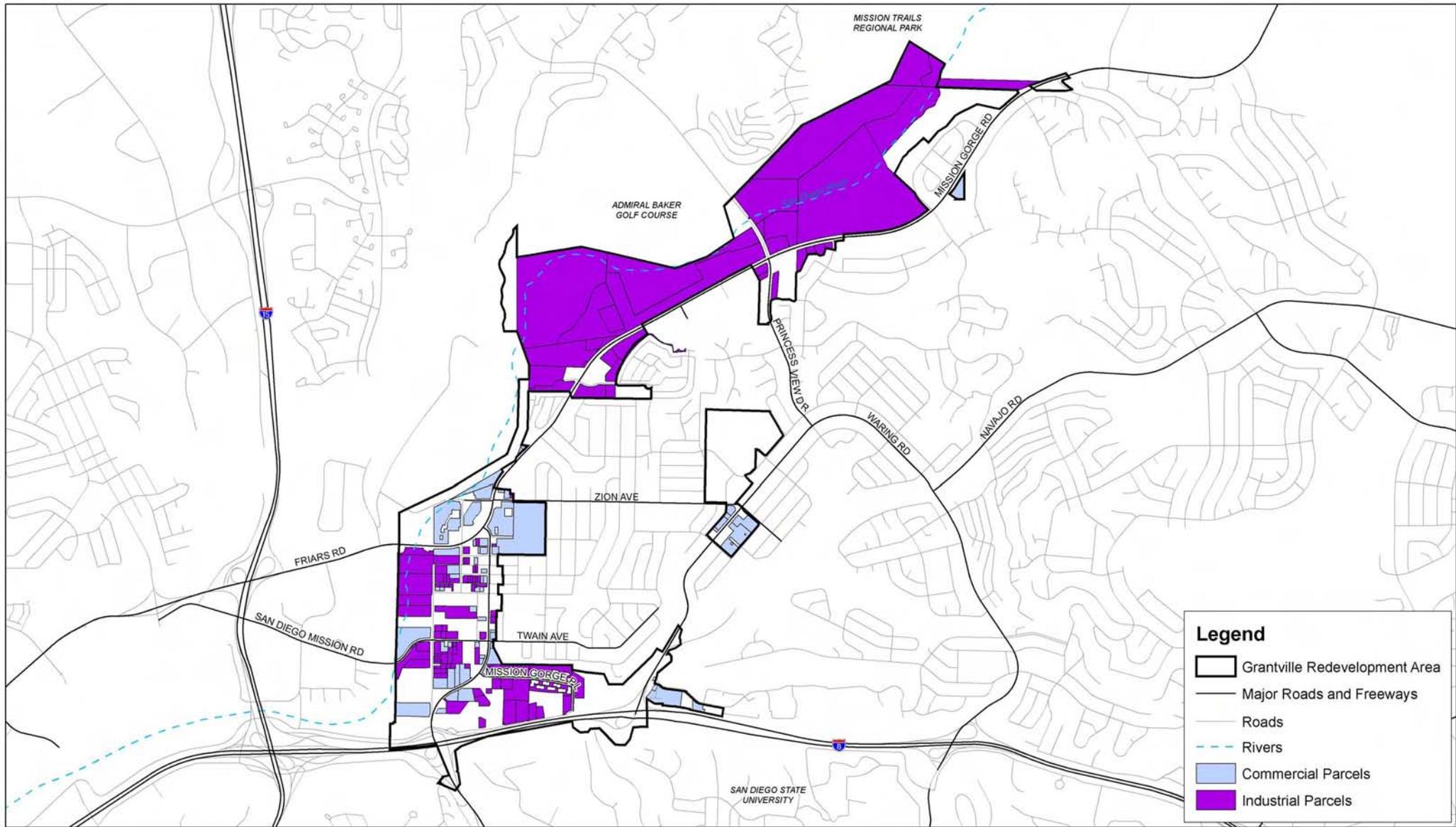


Parcel Number – 458 521 26

This industrial parcel is only 50 feet wide, which is too narrow for modern manufacturing needs. To compensate for the lack of building area the business is using steel containers for storage which reduce on-site parking.

Exhibit B - 6: Parcels Suffering from Outdoor Storage / Production

See attached map of Outdoor Storage.



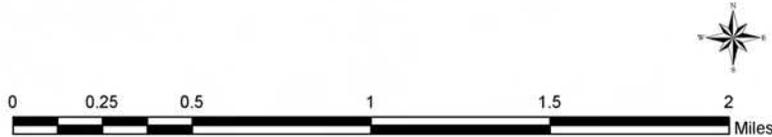
Legend

- Grantville Redevelopment Area
- Major Roads and Freeways
- Roads
- Rivers
- Commercial Parcels
- Industrial Parcels

Grantville Redevelopment Project Area

Parcels exhibiting Outdoor Storage and/or Production

Sources: SanGIS, 2004, BRG Consulting, Inc., and RSG Land Use Survey, 2005



Building Age

While inadequate loading, parking and storage are generally related to small lot size, these deficiencies are also indicative of older properties. Table B-3 presents a summary of age, land area and building size information for properties in the Project Area. As previously stated 62% of commercial structures and 79% of industrial structures were constructed over 30 years ago.

**TABLE B-3
AGE, LAND AREA AND BUILDING AREA OF PROPERTIES**

Year Constructed/ Development Type	Age in Years	Parcels		Land Area		Building Area	
		No.	%	Acres	%	Sq. Ft.	%
Commercial							
Before 1956	50+	5	5%	1.6	1.0%	9,140	0.7%
1956 - 1965	40 - 49	20	20%	34.7	22%	139,648	11%
1966 - 1975	30 - 39	38	37%	48.0	31%	394,762	32%
1976 - 1985	20 - 29	20	20%	35.7	23%	342,421	27%
1986 - 1995	10 - 19	9	9%	19.3	12%	220,045	18%
1996 - Present	0 - 9	10	10%	17.6	11%	142,252	11%
SUBTOTAL		102	100%	156.9	100%	1,248,268	100.0%
Industrial							
Before 1956	50+	26	22%	105.2	44%	110,032	6%
1956 - 1965	40 - 49	33	28%	24.6	10%	208,658	11%
1966 - 1975	30 - 39	35	29%	37.2	16%	411,831	21%
1976 - 1985	20 - 29	17	14%	55.5	23%	952,255	48%
1986 - 1995	10 - 19	7	6%	14.1	6%	281,505	14%
1996 - Present	0 - 9	2	2%	0.5	0%	10,260	1%
SUBTOTAL		120	100%	237.0	100%	1,974,541	100%
Miscellaneous Uses		67		464.0		110,065	
TOTAL		289		857.9		3,332,874	

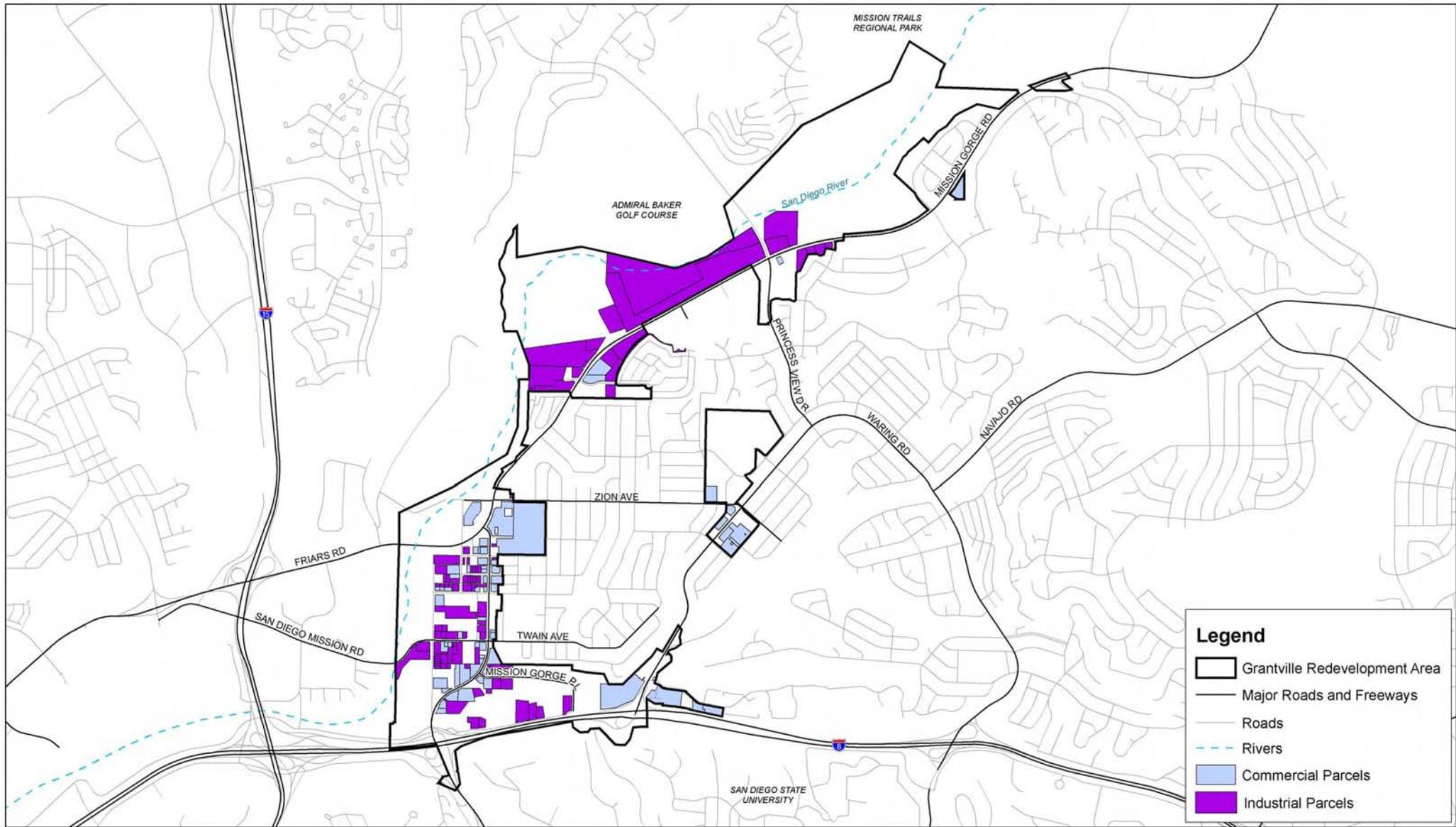
Source: San Diego County Assessor Rolls and RSG land use survey

Notes: Approximately 40% of buildings' ages were estimated based on the land use survey performed by RSG.

Miscellaneous Uses includes publicly owned parcels (146+ acres), vacant lots and parking lot areas that are part of developments

Exhibit B - 7: Buildings 30 Years of Age or Older

See attached map of Building Age.



Grantville Redevelopment Project Area

Buildings 30 years of Age or Older

Sources: SanGIS, 2004, BRG Consulting, Inc., and RSG Land Use Survey, 2005

Obsolescence

The deficiencies associated with many older properties are often referred to as obsolescence. Obsolescence is the result of a combination of blight factors, including the age of a structure, lack of maintenance, and a lack of desirable amenities such as parking and tenant improvements that occur as contemporary market standards evolve. For these reasons, obsolescence results in factors that substantially hinder the economically viable use of buildings and lots. This condition often occurs as competing newer, more efficiently designed buildings or developments emerge. The appeal of obsolete buildings diminishes as market conditions and consumer preferences change causing substandard uses to fill the void. In the case of the Project Area substandard industrial uses such as manufacturing along with auto repair and salvage are attracted to Project Area. These uses in turn detract from surrounding commercial properties. The following pictures depict sample obsolescent properties.



Parcel Number – 461 200 02

Narrow access between multiple businesses is an obsolete and unsafe design that would not meet current development standards.



Parcel Number – 461 320 23

Obsolete industrial building with substandard corrugated metal building material.



Parcel Number – 458-521-17

The lack of lot area, deterioration along with lack of parking and loading all contribute to the obsolescence demonstrated by this building. It appears to be vacant, thereby establishing the negative economic affect of obsolescence.

Industrial development standards have changed significantly since the 1950's and 1960's when over 40% of the industrial properties in the Project Area were developed. Modern industrial developments offer larger floor and lot sizes along with amenities such as landscaping, on-site parking and adequate loading areas for larger delivery vehicles. Industrial uses without adequate area often negatively affect surrounding properties through competition for on-street parking and on-street deliveries that restrict access to surrounding properties. Small lot size also restricts the property owner's ability to add needed amenities

Predominately, the industrial properties in the Project Area represent the older style of development that is very utilitarian, offering limited or no amenities. Modern industrial buildings often use concrete tilt-up walls that can withstand the physical demands associated with industrial uses. The Project Area has multiple examples of commercial, office and residential structures converted to industrial use. Most of these buildings are of wood frame construction and wear down prematurely from the high-demands of industrial usage. Other inadequacies of older structures built for other uses include insufficient electrical supply, storage, and indoor manufacturing area.