



THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED: June 27, 2016 REPORT NO. 16-049

ATTENTION: Honorable Council President Sherri Lightner and Members of the City Council

SUBJECT: THE NEW ONE PASEO. Process Five Decision

REFERENCE: City Council Resolution for the Granting a Referendary Petition Against Resolution No. R-309505
http://docs.sandiego.gov/council_reso_ordinance/rao2015/R-309756.pdf

Planning Commission Report for October 2, 2014
<http://www.sandiego.gov/planning-commission/pdf/pcreports/2014/pc14046a.pdf>

REQUESTED ACTION:

Approve Addendum No. 451328 to Environmental Impact Report No. 193036 and associated Mitigation Monitoring and Reporting Program; Amendments to the Municipal Code, General Plan, Carmel Valley Community Plan and the Carmel Valley Employment Center Precise Plan No. 1579193; Vesting Tentative Map No. 1579190; Site Development Permit No. 1579191; and Neighborhood Development Permit No. 1579192 for a mixed-use development consisting of multi-family residential, commercial retail and commercial office on 23.6-acres on the southwestern corner of Del Mar Heights Road between El Camino Real and High Bluff Drive within the Carmel Valley Community Planning Area.

STAFF RECOMMENDATIONS:

Approve requested actions.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The project includes the construction of a mixed-use development encompassing a maximum of 1,175,871 square feet (sf) consisting of 95,871 sf of commercial retail, 280,000 sf of commercial office, and 800,000 sf of multi-family residential (maximum of 608 units).

CITY STRATEGIC PLAN GOAL OBJECTIVES:

Goal #3: Create and sustain a resilient and economically prosperous City.

Objective #3: Diversify and grow the local economy.

Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.

FISCAL CONSIDERATIONS: None with this action. Project costs are paid by the applicant through a deposit account.

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

The proposed project was unable to receive a recommendation by the Planning Commission due to not having a quorum. The project is proceeding directly to the City Council with having all actions go by uncodified ordinance except the certification of Addendum No. 451328 to Environmental Impact Report No. 193036 and associated Mitigation Monitoring and Reporting Program to exempt them from the requirement to go to Planning Commission.

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

The proposed project has been presented at several Carmel Valley Community Planning Board meetings. There were numerous speakers in both support and opposition. At their meeting of January 13, 2016, the Carmel Valley Community Planning Board took two motions. The first motion was to approve the project with conditions. That failed by a vote of 5-5-2. The second motion was to include a letter to Development Services explaining the Board's decision. That passed by a vote of 10-1-0. Please see Attachment 12 for their recommendations.

Kilroy Realty Corporation (KRC) conducted multiple outreach activities as part of redesigning the project beginning in May 2015. The outreach process consisted of four primary activities: Working Group Meetings, Community Workshops, Virtual Workshops, and presentations to the Carmel Valley Community Planning Board (CVCBPB). The Working Group was thirteen members consisted of representatives of the signatory organizations to the legal settlement, residents of surrounding communities adjacent to the project site, CVCBPB members, and KRC representatives. Four meetings were held in which the Working Group informed the physical planning and design of the project by advising on community responsive strategies and solutions.

The first of two Community Workshops provided approximately 350 community members with opportunities to learn about the project status and development program; identify priority planning topics; understand traffic, circulation and emergency response features; identify desirable attributes of site design concepts; and provide input on design characteristics. The second Community Workshop was conducted as a special meeting of the CVCBPB, and included representatives of neighboring planning boards. For community members who could not attend the Community Workshops, two Virtual Workshops reached thousands of additional residents. Page views amounted to 2,300 for the first workshop, and 4,700 for the second workshop. For the second workshop, KRC also conducted "geo-targeted" internet ads to drive participation in the virtual workshops. These ads which reached residents within the 92130, 92014 and 92129 zip codes. Approximately 900,000 on-screen views led to 4,700 click-throughs to Virtual Workshop #2 and the project website. KRC provided nearly-monthly updates to CVCBPB from May 2015 through its recommendation vote on January 2016. KRC also provided informational updates to neighboring jurisdictions and community planning boards including Torrey Pines Planning Group, Torrey Hills Planning Group, City Council of Del Mar, and City Council of Solana Beach, and (attempted) Del Mar Mesa Planning Group.

KEY STAKEHOLDERS AND PROJECTE IMPACTS: Kilroy Realty Corporation. The Carmel Valley community.

BACKGROUND

Previous Approvals

On July 23, 2009, the Planning Commission voted 7-0 to approve a General Plan and Community Plan initiation to amend the General Plan to re-designate the site from Industrial Employment to Commercial Employment, Retail, and Services; and to amend the Carmel Valley (North City West) Employment Center Precise Plan to re-designate the site from Employment Center to Regional Commercial with Residential permitted. Analysis of this request is provided in Attachment 14.

On February 23, 2015, the San Diego City Council in a vote of 7-2, took the following actions for a mixed-use project consisting of approximately 1,454,069 square feet of retail/commercial uses, offices and 608 multi-family dwellings:

- Adopted a resolution certifying EIR No. 193036 approving findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program.
- Adopted a resolution amending the General Plan, the Carmel Valley Community Plan and the Carmel Valley Employment Center Precise Plan.
- Introduced an ordinance to amend the Carmel Valley Planned District Ordinance to create the CVPD-MC Zone.
- Adopted an ordinance rezoning the property from CVPD-EC to CVPD-MC Zone.
- Approved Vesting Tentative Map No. 714401, including a public right-of-way vacation and an easement vacation.
- Approved Site Development Permit No. 714398, Conditional Use Permit No. 977693 and Neighborhood Development Permit No. 1124983.

On March 9, 2015, the City Council finalized the revisions to the Carmel Valley Planned District Ordinance and rezoned the site to CVPD-MC. In response to a qualified referendary petition, on May 21, 2015, the City Council rescinded Resolution No. R-309505 which included the General Plan Amendment, Community Plan Amendment and Precise Plan Amendment, rather than placing the matter on a city-wide ballot. Following the May 21, 2015 decision of the City Council, a community engagement process was initiated by the applicant to solicit public comment and feedback to guide the design of a reduced density mixed-use project. Principles voiced by the community included reducing the bulk, scale and height of commercial buildings, increasing setback distance, decreasing the number of vehicular trips and achieving consistency with the certified Final EIR (FEIR) and the development review process.

The project site is a 23.6-acre vacant graded pad, located south of Del Mar Heights Road between El Camino Real and High Bluff Drive, a quarter mile east of Interstate 5 (I-5) and one mile south of State Route 56 (Attachment 1). The project site is within the Carmel Valley Planned District Mixed-Use Center Zone (CVPD-MC), the Carmel Valley Community Plan (CVCP) and the Carmel Valley Employment Center Precise Plan (Attachment 3).

The adopted CVCP encompasses a community of approximately 4,300 acres east of the I-5 freeway, south of the San Dieguito River Valley and north of the Los Penasquitos Canyon. The CVCP defers to neighborhood Precise Plans for specific land use recommendations. The Carmel Valley Employment Center Precise Plan was adopted in 1981 and covers the project site as well as the business park to the south.

The proposed project is subject to the planning guidelines and policies of the City's General Plan (General Plan), CVCP, the Precise Plan, Carmel Valley Planned District Ordinance and the City's Land Development Code.

Surrounding Uses

The project's frontage along El Camino Real is directly across from the Del Mar Highlands Town Center. One single-family residence is located to the southeast, office buildings are to the south and west, and multi-family residential units (across Del Mar Heights Road) are to the north (Attachment 2). The Del Mar Highlands Town Center is a 30-acre shopping center that contains retail shops, restaurants, a major grocery store, a major drug store, a cinema, plaza, and a small outdoor amphitheater, in one and two-story structures.

Three office buildings are located on the 13-acre Heights at Del Mar site to the south, each of which are three stories over parking. The office buildings directly to the west within Highlands Corporate Center and Highlands Plaza are two to six-stories tall. The Signature Point apartment complex is located to the northeast and contains two-story multi-family residential buildings over parking with one, two, and three-bedroom apartments. The East Bluff condominium complex to the north includes one- and two-story townhomes. A pedestrian bridge crosses over Del Mar Heights Road just east of the Del Mar Heights Road/El Camino Real intersection. Fire Station No. 24 is located 0.3 miles to the northeast and the San Diego Police Department substation is located 0.2 miles to the south.

PROPOSED PROJECT

The project includes the construction of a mixed-use development encompassing a maximum of 1,175,871 square feet (sf) consisting of 95,871 sf of commercial retail, 280,000 sf of commercial office, and 800,000 sf of multi-family residential (maximum of 608 units) which represents an overall reduction of 19 percent from the previous project.



The project also includes public space areas, internal private drives, landscaping, hardscape treatments, utility improvements, and parking facilities to support the land uses. Parking spaces are provided throughout the site in subsurface garages, two multi-level aboveground parking structures, and a few small surface lots. Associated off-site improvements include frontage improvements, utility extensions, access improvements, and intersection improvements proposed as mitigation for project traffic impacts.

The previously adopted CVPD-MC Zone (Attachment 6) allows diverse land uses, including residential, retail, restaurants, hospitality, workplace, and civic activities. Use and development regulations of the CVPD-MC Zone are based on the Citywide Community Commercial (CC-5-5) Zone with some exceptions. The maximum allowable height shall be in accordance with the CC-5-5 Zone, which is 100 feet except for development where the primary use is commercial office; the height shall be 120 feet.

Project Revisions

Table 1 below represents the square footage differences between the Originally Proposed, Approved and the proposed projects. When compared with the Approved Project, the proposed project would be reduced by 19 percent from 1,454,069 to 1,175,871 sf. The most substantial land use differences between the Approved Project and the proposed project include the elimination of the cinema and a nearly 61 percent reduction in the commercial retail square footage (sf), from 198,500 sf to 95,871 sf. The commercial office space would be reduced by 43 percent from 492,840 to 280,000 sf.

The proposed project would further reduce the bulk and scale along El Camino Real. The two office buildings would be setback, and above grade, as well as reduced to six stories and four stories. The residential units along Del Mar Heights Road would be situated at the northwest corner, and would remain at two to four stories along the street with additional landscape setbacks included along Del Mar Heights Road. A parking structure in the northeast corner of the site would be located no more than five feet above the grade of Del Mar Heights Road; landscaping would be used between the structure and the road to reduce visual impacts.

As with the Original Proposed and Approved Projects, the retail component would be centrally located. The number of residential units remains unchanged from 608 multi-family units, although, the overall square footage devoted to residential uses would be increased by approximately 86,000 sf and the units enlarged. The proposed project also reduces the building heights in comparison with the Approved Project to 100 feet except for development where the primary use is commercial office; the height shall be 120 feet.

Table 1
LAND USE COMPARISON OF THE NEW ONE PASEO PROJECT WITH THE
ORIGINALLY PROPOSED PROJECT AND APPROVED PROJECT **

Project	Commercial Retail (Square Feet)		Commercial Office (Square Feet)			Hotel		Green Space (Square Feet)	Multi-Family Residential (Dwelling Units)		Total
	Retail	Cinema	Corporate ¹	Professional ²	Multi-tenant	Rooms	Square Feet		Units	Square Feet	Square Feet
Originally Proposed Project	220,000	50,000	535,600	21,840	0	150	100,000	0	608	930,000	1,857,440
Approved Project	198,500	48,000	471,000	21,840	0	0	0	47,916	608	714,729	1,454,069
New One Paseo Project	95,871	0	--	--	280,000	0	0	0	608	800,000	1,175,871
Net Change from Originally Proposed Project	-124,129	-50,000	-535,600	-21,840	+280,000	-150	-100,000	0	0	-130,000	-681,569
Net Change from Approved Project	-102,629	-48,000	-471,000	-21,840	+280,000	0	0	-47,916	0	+85,271	-278,198

¹ Corporate office category includes multi-tenant as well as corporate office uses.

² Professional office category was applied to multi-tenant office associated with Main Street.

**This table is taken from the Addendum to the Environmental Impact Report No. 451328.

Residential

The 608 residential units are within three separate buildings located in the western portion of the site and built over a parking podium. Two, three and four story building elevations are visible from Del Mar Heights Road. A large pedestrian entryway will serve to offer architectural interest and minimize the visual impacts of the project on the rest of the community. The residential density/height was moved to the internal portion of the site to further minimize visual impact to the surrounding community. At the project entry on Del Mar Heights Road, the parking garage is wrapped with two story units. The units will offer rooftop decks, fire pits, pool areas, fitness center, dog friendly areas and parking dedicated to residents and guests only. Ten percent of the on-site housing would be affordable to households earning 65% or less of the Area Median Income.

Retail Uses

The single-story, 95,871 sf retail use would be located at the northeastern corner of the site with clustered buildings located in a primarily car-free environment. Parking is accommodated within a structure built into the existing grade and tucked behind the existing berm along Del Mar Heights Road. The parking structure will be landscaped with screening elements for an enhanced design aesthetic in character with the rest of the project. The retail uses are connected to the residential and office uses via landscaped and identified paseos, which draw the visitor from one use to another. Large mature trees will lead the way through the main plazas and paseos. The architecture will be pedestrian in scale with neutral tones and a mixture of material elements. The retail use connects to the central plaza, which is the main unifying element of the project. Vehicles can pass through the plaza but traffic calming measures will deter its use as a short cut. The purpose of the central plaza is to create a large community gathering space and could accommodate community events, markets, and holiday activities.

Office Uses

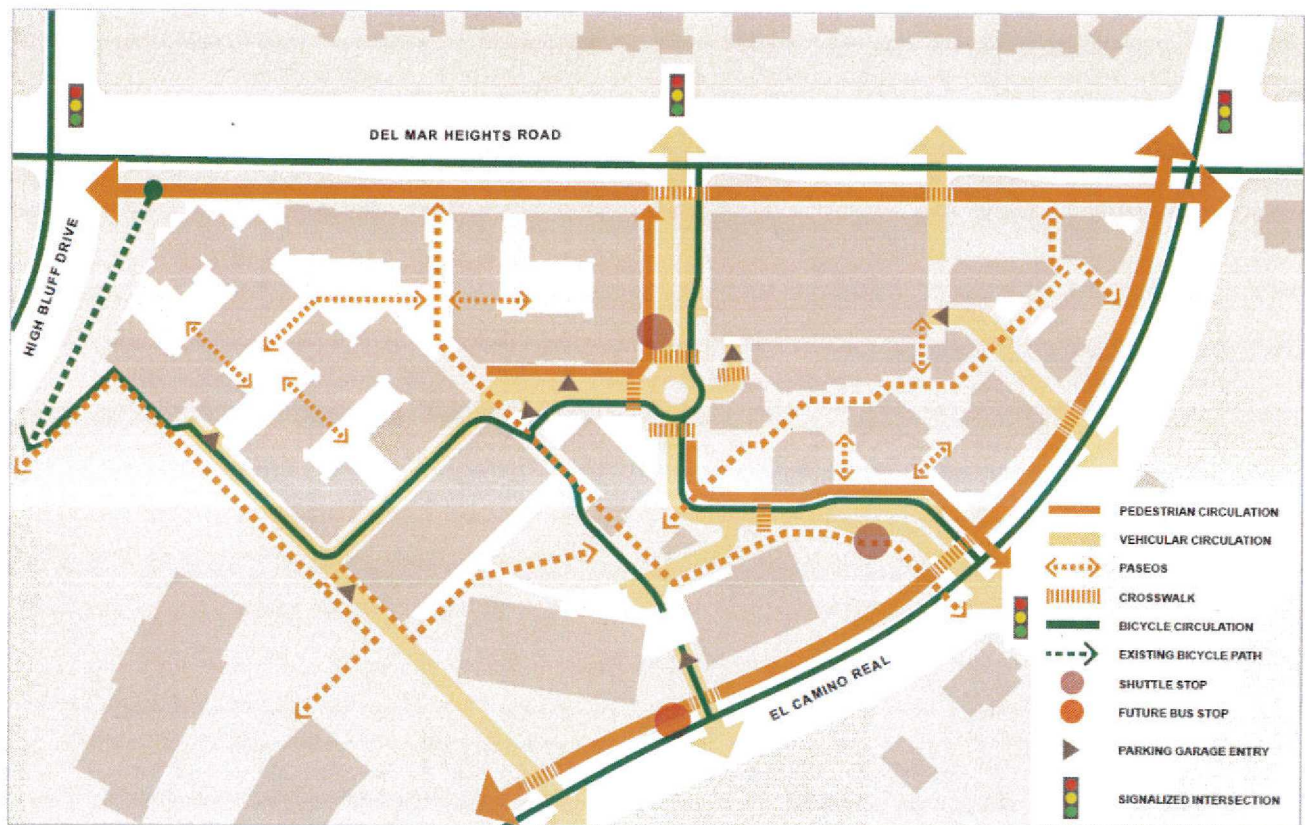
The New One Paseo project proposes 280,000 square-feet of office use within two buildings, four and six stories respectively. The office buildings are located in the southern portion of the site making use of the sites lowest elevations. This portion of the site has a 70-foot difference compared to the elevation on High Bluff Drive. Parking is one level underground with an above ground structure that, like the retail parking structure, will be enhanced with design elements and landscaping. There will be an open-air element incorporated into the underground parking structure for the provision of natural light and ventilation.

The buildings are set back from El Camino Real with extensive landscaping and gardens between the buildings and the street. The office plaza will have adjacent see-through structures and multiple places for movable and fixed furniture in various configurations. The retail and residential paseos converge at the office plaza. The use of the plaza will change with its occupants, consisting primarily of office users during the week and residents/public on the weekends. It would feature landscaping, lawns, hardscape, and other amenities to serve residents, employees, and patrons of the project. Pedestrians can connect to the future transit stop on El Camino Real through an elevator in the office building down to the parking garage and out to the public sidewalk.

Circulation/Transportation/Parking

The proposed project has been designed with multiple pedestrian connections to the existing street network, while walking and biking from off-site areas is encouraged through a pedestrian-oriented design at site perimeters, and exclusive areas for pedestrian entry. The project would provide for pedestrian and bicycle access throughout the site by a network of passes, sidewalks, pathways, plazas, and public spaces. Class III bicycle routes would be provided within the project site and would connect to existing Class II bicycle lanes along Del Mar Heights Road and El Camino Real.

As shown on the graphic below, access to the site is via two driveways on Del Mar Heights Road, one new signalized driveway along Del Mar Heights Road and one right in/right out only driveway. There are also four driveways on El Camino Real. The internal private drives would include wide sidewalks, landscaped medians, street trees and lighting all in conformance with the amended Precise Plan, and underlying CVPD-MC Zone.



The proposed project is designed to accommodate future transit planned for 2035 as part of SANDAG's 2050 Regional Transportation Program rapid bus service. The project's proposed densities would help justify the provision of future transit services. The applicant has proposed a shuttle for connecting residents and employees to the nearby employment centers and to regional transit connections such as the Solana Beach Coaster rail, and will be implementing a Transportation Demand Management plan to help reduce vehicular trips, and support alternative transportation choices for residents and employees of the project area (Attachment 13). The project's location in the center of the community will facilitate use of the shuttle by those working in the adjacent Employment Center and commercial areas as well as the residents of the project.

The proposed project would provide 2,747 parking spaces throughout the site upon build out, where 2,587 parking spaces are required for a surplus of 160 parking spaces. Parking facilities would include subterranean garages, two multi-level, aboveground parking structures, and some surface parking. Shared parking opportunities would be provided among all the proposed on-site uses except residential which would assign designated parking spaces to each unit.

Subdivision

The proposed project includes the subdivision of the site into five lots for commercial including the creation of residential condominium units and public right-of-way/easement vacations. On June 5, 1986, the Planning Commission approved Tentative Map (TM) 86-0276 as a four-parcel map within the proposed project area. Subsequently, Parcel Map (PM) 15061 was recorded on December 16, 1987. As part of this PM, Del Mar Heights Place was dedicated as a short cul-de-sac street, along with a public sewer and a 12-inch water main. The street was rough graded, but never improved. On January 3, 1990, the Planning Commission approved the North City West Development Permit No. 90-0588 to construct a commercial office building on a 1.4-acre parcel in the north central portion of the site. The office building was never constructed, and the roadway was never improved; however, the street dedication still exists. This unimproved roadway does not meet the needs of the proposed mixed-use development. Therefore, the project proposes to vacate all of Del Mar Heights Place. All proposed streets within the development would be private.

The proposed project includes a request to vacate an existing water easement. The unimproved Del Mar Heights Place street dedication included an easement for a 12-inch public water main within the right-of-way. This 12-inch water main was not built and the project proposes a new water main alignment within the project's private roadway system to serve the development.

Open Space

The proposed project is required to satisfy the population-based park requirement through the payment of a park fee and no additional on-site open space is required. As discussed in the project description, it features a central plaza as the main unifying element of the project. The purposes of the plazas are to function as a community gathering space within the project and could accommodate community events, markets, and holiday activities. The project will contribute towards required Development Impact fees, estimated at \$16.4 million, which will go toward the provision of public services such as roads, parks, libraries and open space that will be beneficial to the health and welfare of the community.

DISCRETIONARY ACTIONS PROPOSED

The project is subject to a Process Five, City Council decision due to the request for an amendment to the General Plan, the Carmel Valley Community Plan and the Carmel Valley Employment Center Precise Plan, Municipal Code Amendment and the Vesting Tentative Map, which includes public right-of-way and easement vacations. The remaining discretionary actions are therefore elevated to a Process 5 decision pursuant to SDMC Section 112.0103 allowing consolidation of process.

Discretionary Action	Description
General Plan Amendment	<i>Industrial Employment to Multiple Use, and the requested action is further described in the Community Plan Analysis section within this report.</i>
Community Plan Amendment	<i>From Employment Center to Community Village.</i>
Carmel Valley Employment Center Precise Plan Amendment	To include design parameters for this site (Attachment 21).
Municipal Code Amendment of the Carmel Valley Planned District Ordinance	Revisions to the existing Carmel Valley Planned District Mixed-Use Center (MC) zone to height, and the land use mix table.
Vesting Tentative Map with Public Right-of-Way and Easement Vacations	Subdivide site into five lots, 608 residential condominium units. Del Mar Heights Place and water easement vacations.
Site Development Permit (SDP)	Required for all development projects pursuant to San Diego Municipal Code (SDMC) section 153.0201 of the Carmel Valley Planned District Ordinance.
Neighborhood Development Permit (NDP)	<i>Required to allow tandem parking for the office uses pursuant to SDMC section 142.0555(b). The project proposes a maximum of 100 (50 dual) tandem spaces and shall be dedicated to office employee parking only.A</i>

1. A Conditional Use Permit is no longer required since the newly proposed project no longer includes a cinema.

ENVIRONMENTAL ANALYSIS

The City Council previously certified the One Paseo EIR (Project No. 193036; SCH No. 2010051073) on 2/23/15 for a denser project. Based on all available information, the analysis in the Addendum (Attachment 17), and pursuant to Section 15162 of the California Environmental Quality Act (CEQA) Guidelines, City staff has determined the following:

- A. There are no substantial changes to the project that will require major revisions to the One Paseo EIR due to new significant environmental impacts or a substantial increase in the severity of impacts identified in the One Paseo EIR.
- B. Substantial changes have not occurred in the circumstances under which the project is being undertaken that will require major revisions of the One Paseo EIR to disclose new, significant environmental effects or a substantial increase in the severity of the impacts identified in the One Paseo EIR.
- C. There is no new information of substantial importance not known at the time the One Paseo EIR was previously certified that shows any of the following:

1. The project will have any new significant effects not discussed in the One Paseo EIR.
2. There are impacts that were determined to be significant in the One Paseo EIR that will be substantially more severe.
3. There are additional mitigation measures or alternatives previously found not to be feasible that would substantially reduce one or more of the significant effects identified in the One Paseo EIR and the project proponent declines to adopt those measures or alternatives.
4. There are additional mitigation measures or alternatives that were rejected by the project proponent that are considerably different from those analyzed in the One Paseo EIR that would substantially reduce any significant impact identified in the One Paseo EIR.

In accordance with Section 15164 of the CEQA Guidelines, some changes or additions to the One Paseo EIR are necessary, but none of the conditions described in Section 15162 calling for preparation of a new environmental document apply. Therefore, the Addendum to the previously certified One Paseo EIR is appropriate.

No public review of the Addendum is required and the project site is not located in the Coastal Zone. The Addendum to the One Paseo EIR includes an analysis to demonstrate that potential environmental impacts associated with the proposed project are consistent with the findings of the One Paseo EIR and would result in significant, unmitigable direct and cumulative impacts in the areas of:

- Visual Effects and Neighborhood Character

The project site is located at a visually prominent location within Carmel Valley and the proposed structures would, despite design strategies to minimize apparent height and mass, contrast with existing development immediately adjacent to the site. Although the bulk and scale of the proposed project would be substantially reduced from that of the Approved Project, the size of the proposed project would represent a departure from the existing conditions and surrounding uses. Thus, while reduced in magnitude, the proposed project would, have a significant impact on visual quality and neighborhood character and there are no feasible mitigation measures to reduce neighborhood character impacts to below a level of significance.

- Transportation/Circulation

1. Implementation of the proposed project would result in a direct impact on the existing roadway segment of Del Mar Heights Road from I-5 southbound ramps to I-5 northbound ramps.
2. Implementation of the proposed project would result in direct and cumulative impacts on the roadway segment of Del Mar Heights Road from the I-5 northbound ramps to High Bluff Drive.
3. Implementation of the proposed project would result in a direct impact on the roadway segment of El Camino Real from Via de la Valle to San Dieguito Road.

4. Implementation of the proposed project would result in a direct impact on the roadway segment of Via de la Valle from San Andreas Drive to El Camino Real (West).
5. Implementation of the proposed project would result in a cumulative impact on the intersection of El Camino Real/SR 56 east bound on-ramp.
6. Implementation of the proposed project would result in direct and cumulative impacts on the intersection of Del Mar Heights Road/I-5 north bound ramps.
7. Implementation of the proposed project would result in a cumulative impact on the Del Mar Heights Road/I-5 southbound on-ramp meter.
8. Implementation of the proposed project would result in a cumulative impact on the Del Mar Heights Road/I-5 north bound on-ramp meter.

As discussed in the Addendum, the proposed project will have significant impacts on traffic despite the proposed mitigation measures. Certain traffic mitigation measures are within the jurisdiction of other agencies (Caltrans), and the City and applicant cannot control whether these mitigation measures are implemented in a timely manner. Therefore, the impacts are identified as significant and unavoidable.

Implementation of the proposed Mitigation Monitoring and Reporting Program (MMRP) (Attachment 11) would reduce impacts to below a level of significance in the following categories:

- Transportation/Circulation
- Noise¹⁴
- Paleontology
- Biological resources
- Health and safety
- Historical resources (archeology)

GENERAL/COMMUNITY PLAN ANALYSIS (CPA)

Land Use Plan Amendments

The Carmel Valley Community Plan is the City's adopted land use plan for the approximately 4,300-acre community east of the I-5 freeway, south of the San Dieguito River Valley and north of Los Penasquitos Canyon. The community plan defers to the neighborhood Precise Plan for specific land use recommendations. The Carmel Valley Employment Center Precise Plan was adopted in 1981 and covers the existing business park located between the I-5 freeway and El Camino Real and south of Del Mar Heights Road.

Amendments to the adopted Land Use Plans (General Plan, Carmel Valley Community Plan and Carmel Valley Employment Center Precise Plan) are required to allow development of the proposed project. The amendments and the development project are being processed concurrently. An amendment is proposed to the Carmel Valley Employment Center Precise Plan to redesignate the site from *Employment Center* to *Community Village* and incorporate project design guidelines, implementation measures and other details related to the project within the Carmel Valley Employment Center Precise Plan. The draft amendment to the Precise Plan (Attachment 21) is formatted as a stand-alone document describing changes to the above plans and, if approved, will be incorporated into the Carmel Valley Employment Center Precise Plan (Attachment 19) by reference. The proposed Precise Plan amendment

also constitutes amendments to the Carmel Valley Community Plan and the General Plan. The proposed Precise Plan amendment would change the General Plan land use designation from *Industrial Employment* to *Multiple Use* and change the Carmel Valley Community Plan land use designation from *Employment Center* to *Community Village*.

Planning Context

General Plan: The General Plan sets out a long-range vision and policy framework to guide future development, provide public services, and maintain the qualities that define San Diego and contains a set of overall guiding principles. The 2008 update to the General Plan shifts focus from how to develop vacant land to how to design infill development and reinvest in existing communities. A key component guiding these efforts is the City of Villages strategy, which calls for growth to be directed into pedestrian-friendly mixed-use villages linked to an improved regional transit system. Regional and local investments that promote transit use support this strategy. Villages are to be formally identified through the community plan update process, or alternatively through major community plan amendments as proposed by this Precise Plan Amendment.

Carmel Valley Community Plan: Carmel Valley has relatively detailed planning documents, beginning with the adopted 1975 Carmel Valley (North City West) Community Plan, which forms the basis for any comprehensive planning discussion within the community. The Community Plan is organized into two parts. Part I identifies planning principles as well as environmental, population, housing and employment studies for locating a new community within the 4,300 acre planning area. Part II includes generalized land uses, plan elements, a network of major streets, and an implementation section, including a neighborhood planning concept and public facilities financing strategy. The neighborhood-planning concept requires the preparation of individual precise plans for each neighborhood development unit prior to proceeding with plan implementation proposals. Criteria are also included for neighborhood precise plans including designation of land use intensity and open space; provision of separate bicycle and pedestrian pathways linking to an identified neighborhood center and surrounding neighborhoods, a specific design plan for the neighborhood center; allowances for economically and ethnically balanced housing opportunities; and public facilities phasing. Each neighborhood area or precise plan is expected to provide a pedestrian-oriented, centrally located neighborhood focus, which integrates commercial, school and park uses. The exceptions are the 168-acre Town Center neighborhood, which is intended to provide a broader community-focused mixed-use core and the 118-acre Employment Center, which serves as a job center, is adjacent to, and complements Town Center land uses.

Carmel Valley Employment Center Precise Plan: The project site is located within Development Unit 2 (Carmel Valley Employment Center), one of the neighborhood development units identified in the 1975 Community Plan. The Carmel Valley (North City West) Employment Center Precise Plan comprises a triangular-shaped area bounded by Interstate 5, Del Mar Heights Road and El Camino Real. The proposed project site is located within this Precise Plan area and is currently designated as part of the Employment Center. The Precise Plan envisions an Employment Center within a "tightly controlled business park of the highest quality" and includes detailed guidance on developing the area as such.

A key precise plan urban design goal is to develop the employment center so it has a complex of buildings with an open, park-like character. Since the Precise Plan's adoption, the area has been mostly built out in accordance with the recommendations of the plan with the exception of the project site, which remains vacant, but was previously graded. The Precise Plan indicates the project site is planned to be developed with business-industrial park uses. The zoning that implements the plan also allows for support commercial uses such as health

clubs, restaurants and travel bureaus within specific lots, including several lots within the subject site.

Land Use Plan Analysis

Approval of the development project requires approval of the land use plan amendments to eliminate the project's conflicts with current land uses applied to the site as well as other potential conflicts with applicable policies and guidelines in the General Plan, Carmel Valley Community Plan and Employment Center Precise Plan.

The project proposes to change the *Industrial Employment* General Plan designation to *Multiple Use*. The *Multiple Use* designation accommodates the City of Villages strategy of focusing growth into mixed-use activity centers, or villages, connected by transit. Implementation of the City of Villages strategy relies on the designation and development of village sites. The proposal to amend the Carmel Valley Community Plan and Employment Center Precise Plan to designate the site as *Community Village* would provide a village land use designation within the community. Upon approval of the proposed land use plan amendments, the project would be consistent with the land use designations and associated density and intensity proposed.

Staff has analyzed whether the proposed development project adequately achieves several key General Plan goals and policies as follows:

- **Policy – Land Use Element, LU-D.13:** Address the following standard plan amendment issues prior to the Planning Commission decision at a public hearing: level and diversity of community support; appropriate size and boundary for the amendment site; provision of additional benefit to the community; implementation of major General Plan and community plan goals, especially as related to the vision, values, and City of Villages Strategy; and provision of public facilities.

Staff Analysis: The project was presented at several Carmel Valley Community Planning Board meetings. There were numerous speakers in both support and in opposition. At their meeting of January 13, 2016, the Carmel Valley Community Planning Board took two motions. The first motion was to approve the project with conditions. That failed by a vote of 5-5-2. The second motion was to include a letter to Development Services explaining the Board's decision. That passed by a vote of 10-1-0. Please see Attachment 12 for their recommendations.

A goal of the Precise Plan amendment is to provide a mixed-use community village for Carmel Valley. The General Plan describes a series of village types of varying parameters and intensities, with neighborhood and community village centers ranging from just a few acres to more than 100 acres. Therefore, the 23-acre site would be sufficient to achieve this goal, as it is a relatively large vacant, centrally located site within this community.

The proposed land use plan amendments and development project would provide the benefit of achieving goals related to a mixed-use community village for Carmel Valley by providing residential, retail, commercial office and community gathering space. While the proposed land use plan amendments and development project would achieve the broad goals related to providing a mixed-use community village, staff has identified several General Plan goals and policies for review (discussed below).

The project would construct the required ten percent of affordable housing onsite rather than pay the in-lieu fee, a condition of the previous project, which is also an additional benefit.

- **Goal – City of Villages Strategy:** Mixed-use villages throughout the City connected by high-quality transit.

Staff Analysis: The General Plan calls for villages to be connected by “high quality transit,” but does not contain a precise definition for the term. Carmel Valley is not currently served by public transit. The nearest bus line connects North County coastal communities with the University community along Highway 101. Coaster rail stations are also nearby in Sorrento Valley and Solana Beach. The lack of public transit serving the project and the resulting lack of connectivity to other activity centers is the issue of greatest concern with respect to implementation of the City of Villages strategy. However, the San Diego Forward Regional Plan prepared by the San Diego Association of Governments (SANDAG) identifies several future bus routes that would provide regional high frequency service to Carmel Valley with potential stops at the project site. Of these, a rapid bus route would connect Oceanside and University Town Center with potential stops within Carmel Valley and the Sorrento Valley Coaster station in the year 2035. The timing between anticipated completion of the project in 2020 and planned provision of public transit represents a considerable period of time in which the project would not be served by public transit. The lack of current and near-term transit is a constraint for achieving a village of the proposed size and intensity within Carmel Valley.

To address the lack of current public transit service, the proposed development would include a Transportation Demand Management (TDM) program including a shuttle service between the project and the Solana Beach Coaster station through the Carmel Valley Employment center. Northbound and southbound trains arrive at the station at approximate 30-minute intervals during AM and PM peak periods. As an example, morning southbound Coaster trains arrive at the Solana Beach Station at 5:35, 6:23, 7:00, 7:40, and 8:05 and northbound Coaster trains arrive at 7:04 and 8:24. The private shuttles would arrive every 30 minutes at the station and would be timed in such a way as to minimize the amount of wait-time for passengers traveling in either direction. The shuttle would operate during AM, mid-day, and PM peak periods as further described in Condition Nos. 56 and 57 of the permit (Attachment 9).

The project’s proposed densities would help justify the provision of future transit services. A TDM plan and a long-term commitment to a private shuttle system are essential project features to bridge the gap between existing conditions and the future public transit services.

- **Policy – Land Use Element, LU-A.2:** Identify sites suitable for mixed-use village development that will complement the existing community fabric or help achieve desired community character, with input from recognized community planning groups and the general public.
- **Urban Design Element Goal:** A pattern and scale of development that provides visual diversity, choice of lifestyle, and opportunities for social interaction, and that respects desirable community character and context.

Staff response: The site’s prominent location at a centrally located transition point between land uses lends itself to function as a unique and distinctive, unifying,

mixed-use village center for Carmel Valley. General Plan villages can be achieved through multiple approaches to the type and mix of uses, building intensities and design themes, and should be responsive to the needs of a particular community. The project would provide a mix of uses, two plazas, active pedestrian linkages in and through the site and several community gathering spaces – all intended to provide the activity that fosters social interaction and interest. Although the bulk and scale of the project would be reduced from that of the previous project, the EIR Addendum concludes that there would still be an impact on visual quality and neighborhood character.

- **Policy – Land Use Element, LU-A.7:** Determine the appropriate mix and densities/intensities of village land uses at the community plan level, or at the project level when adequate direction is not provided in the community plan. Consider the role of the village in the City and region; surrounding neighborhood uses; uses that are lacking in the community; community character and preferences; and balanced community goals.

Staff response: As previously described, the vacant 23-acre project site represents a location opportunity for a community village in Carmel Valley. However, the community plan was developed prior to the more compact and pedestrian-oriented mixed-use design scenario envisioned by the City of Villages strategy, although the community plan describes a centrally-located core area for community facilities. The Plan envisions the 168-acre Town Center neighborhood as the mixed-use community core, including 528,000 square-feet (sf) of commercial retail, 200,000 sf of commercial office, 2,277 residential units and various public uses. Therefore, the parameters for the proposed community village are largely subject to the project level analysis. This area exhibits General Plan 'village' characteristics with a mix of uses including housing at various densities, retail, office, two schools and the community's library and community park.

Surrounding uses north of Del Mar Heights Road include several low-density residential projects that look into the project site. Existing uses that complement the proposed community village are largely within the Employment Center and Town Center neighborhoods. While there are some vertical mixed-use components to the town center, most land use integration is between properties. The mix of uses, two plazas, active pedestrian linkages in and through the site and several community gathering spaces would provide the compact mixed-use design envisioned by the General Plan.

This Precise Plan amendment will formally designate a Community Village for Carmel Valley. The addition of a mixed-use Community Village component to the Employment Center Precise Plan will strengthen existing village characteristics in this area and is intended to complement the Town Center neighborhood. The General Plan defers to the community plan for a determination of the appropriate mix and density/intensity of use. As stated above, staff is concerned about the lack of public transit, but believes that the site represents a suitable location for development of a community village.

Policy – Mobility Element, ME-C.2: Provide adequate capacity and reduce congestion for all modes of transportation on the street and freeway system.

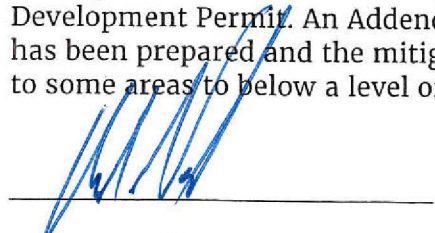

Staff response: The Addendum to the EIR still considers significant, unavoidable project impacts to traffic circulation. Implementation of several of the mitigation measures identified in the Addendum cannot be assured to be completed in a timely manner because they are within the jurisdiction of Caltrans. As a result, the proposed project may not be able to assure adequate capacity on the street system and these impact are considered unavoidable.

The project proposes a TDM plan that includes a list of strategies intended to change travel behavior and lessen reliance on private automobile trips. Of these, the proposed private shuttle system to serve the project would strengthen the site's suitability for village development and help to meet General Plan mobility goals by providing interim transit service until planned public transit is in place. The additional issues identified by staff and the Planning Commission during initiation of the proposed land use plan amendments are included as Attachment 14 to this report.

In conclusion, the project site is located in a transitional area between the office/industrial development of the Carmel Valley Employment Center, the community's town center across El Camino Real, and residential neighborhoods to the north and northeast. As a relatively large, vacant property, the project site provides an infill development opportunity of a unique and distinctive, unifying, mixed-use village center for Carmel Valley. The project has been designed to implement the vision and goals of the General Plan's City of Villages strategy. The project would combine housing, shopping, employment and civic uses into a compact, self-contained, pedestrian-friendly community village by providing two plazas, active pedestrian linkages in and through the site and several community gathering spaces – all intended to provide the activity that fosters social interaction and interest and would provide walking opportunities and gathering spaces to promote social interaction and a sense of community. A long-term commitment to a shuttle system would be a proxy for public transit services. The project would also provide sustainable features to reduce waste, conserve energy and water, reduce greenhouse gas emissions, and lower long-term operating costs.

Conclusion:

City staff has determined the proposed project complies with the applicable sections of the Municipal Code and adopted City Council Policies. Staff has determined the required findings would support the decision to approve the project's General/Community Plan; Precise Plan Amendments and Municipal Code Amendment, a Vesting Tentative Map with public right-of-way and easement vacations, a Site Development Permit and a Neighborhood Development Permit. An Addendum to the previously certified Environmental Impact Report has been prepared and the mitigation required would reduce potentially significant impacts to some areas to below a level of significance.


Robert Vacchi
Director
Development Services Department
David Graham
Deputy Chief Operating Officer
Neighborhood Services

Attachments:

1. Aerial Photograph
2. Surrounding Land Use Map
3. Community Plan Land Use Map
4. Project Plans: select elevations, site, landscape, vesting tentative map and grading
5. Draft General and Community Plan Amendment Ordinance
6. Draft Municipal Code Amendment Ordinance
7. Draft Vesting Tentative Map Conditions
8. Draft Vesting Tentative Map Ordinance and Findings
9. Draft Permit Conditions
10. Draft Permit Ordinance and Findings
11. Draft Environmental Resolution, including MMRP
12. Community Planning Group Letter and Response Matrix
13. Transportation Demand Management Plan
14. Response to Planning Commission Community Plan Amendment Initiation
15. Ownership Information
16. Site Photos
17. Addendum No. 451328 to Previously Certified Environmental Impact Report:
<https://www.sandiego.gov/development-services/industry/erp>
18. Planning Commission Report of July 23, 2009, PC 09-057, Community Plan Initiation
<http://www.sandiego.gov/planning-commission/pdf/pcreports/2009/09057.pdf>

Attachments 19-22 can be found via:

<http://www.sandiego.gov/planning/community/profiles/carmelvalley/plan.shtml>

19. Draft Community Plan Amendment Documents (Strikeout/Underline Text, and Revised Graphics)
20. Draft Community Plan Land Use Map Revision
21. Draft Precise Plan
22. Certified Environmental Impact Report from February 23, 2015
23. Memorandum of Understanding between Caltrans and Kilroy Realty, dated February 23, 2016