

RESOLUTION NUMBER R-275346

ADOPTED ON MARCH 20, 1990

WHEREAS, T & S Development submitted an application to the Planning Department for a community plan amendment; and

WHEREAS, the plan amendment was set for a public hearing to be conducted by the Council of The City of San Diego; and

WHEREAS, the issue was heard by the Planning Commission on January 25, 1990; and

WHEREAS, the Council of The City of San Diego considered the issues discussed in Environmental Impact Report DEP Nos. 89-0102, 89-0366 and 89-0404 (SCH No 89072613); NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that it is hereby certified that the information contained in ENVIRONMENTAL IMPACT REPORT DEP NOS. 89-0102, 89-0366 and 89-0404 (SCH No. 89072613) in connection with the amendment of the UNIVERSITY COMMUNITY PLAN (La Jolla Village Square Expansion), on file in the office of the City Clerk, has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code section 21000 et seq.), as amended, and the State guidelines thereto (California Administrative Code section 15000 et seq.), and that said report has been reviewed and considered by this Council.

BE IT FURTHER RESOLVED, that pursuant to California Public Resources Code section 21081 and Administrative Code section 15091, the City Council hereby adopts the findings made with

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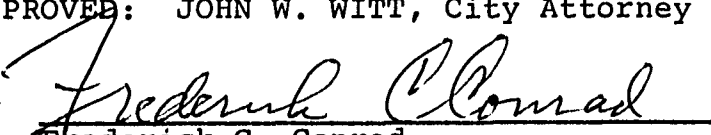
respect to the project, a copy of which is attached hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED, that pursuant to California Administrative Code section 15093, the City Council hereby adopts the Statement of Overriding Considerations, a copy of which is attached hereto and incorporated herein by reference, with respect to the project.

BE IT FURTHER RESOLVED, that pursuant to California Public Resources Code section 21081.6, the City Council hereby adopts the Mitigation Monitoring and Reporting Program, or alterations to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment, a copy of which is attached hereto and incorporated herein by reference.

APPROVED: JOHN W. WITT, City Attorney

By

  
Frederick C. Conrad  
Chief Deputy City Attorney

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**FINDINGS AND OVERRIDING CONSIDERATIONS  
FOR  
LA JOLLA VILLAGE SQUARE**

Submitted by:  
T&S Development

March 20, 1990

*R-275346*

## FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS

The California Environmental Quality Act (CEQA) requires that no public agency shall approve or carry out a project for which an environmental impact report has been completed which identifies one or more significant effects thereof unless such public agency makes one or more of the following findings:

- (1) Changes or alterations have been required in, or incorporated into, such project which mitigate or avoid the significant environmental effects thereof as identified in the completed environmental impact report.
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (3) Specific economic, social, or other considerations make infeasible the mitigation measures or project alternatives identified in the environmental impact report.

(Sec. 21081 of the California Environmental Quality Act)

CEQA further requires that, where the decision of the public agency allows the occurrence of significant effects which are identified in the final EIR, but are not at least substantially mitigated, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record (Sec. 15093 of the CEQA Guidelines).

The following Findings and Statement of Overriding Considerations have been submitted by the project applicant as candidate findings to be made by the decisionmaking body. The Development and Environmental Planning Division does not recommend that the discretionary body either adopt or reject these findings. They are attached to allow readers of this report an opportunity to review the applicant's position on this matter.

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**FINDINGS  
FOR  
LA JOLLA VILLAGE SQUARE**

DEP No. 89-0102

March 20, 1990

The following findings address the expansion of the La Jolla Village Square shopping center which includes an amendment to the University community plan to allow the expansion of the shopping center from the 737,250 square feet allowed under the existing community plan to a total of 1,002,000 square feet, an amendment to two existing Planned Commercial Development permits and a tentative map. La Jolla Village Square is located in the southwest corner of Nobel Drive and Interstate 5 in the University community planning area.

Having considered the Final Environmental Impact Report (EIR) for La Jolla Village Square and the record, the decisionmaker has made the following findings pursuant to Sections 15091 and 15093 of Title 14 of the California Administrative Code.

**A. The decisionmaker finds that changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental impacts as identified in the Final Environmental Impact Report.**

**Traffic Circulation**

Impact. The University community plan presently allows a total of 737,250 square feet of commercial development which would generate 23,592 ADT. The proposed expansion to 1,002,000 square feet would generate a total of 30,060 average daily trips (ADT) which would result in a 27% (6,468 ADT) increase in traffic over that which would otherwise result from buildout of the center in accordance with the community plan to the 737,250 square feet. The traffic generated by the proposed expansion could have a significant direct impact on the local circulation system.

Finding. The proposed expansion would include on and off-site road improvements which would mitigate the potential direct impacts of the project on traffic circulation. The most substantial traffic improvements would be associated with the improvements to the Nobel Drive/I-5 interchange. The project applicant would provide a southbound offramp from I-5 to Nobel Drive. A southbound offramp is not currently planned for this interchange. Construction of the proposed southbound ramp and associated freeway improvements will be completed prior to the opening of any portion of the center which would result in more trips than would be generated by the 737,250 square feet currently allowed on the site under the existing community plan.

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With the new southbound offramp and associated improvements, expansion of the shopping center would not result in any direct significant impacts on the surrounding roadways and intersections. An analysis of the traffic circulation conditions in the area, with expansion of the shopping center and installation of the southbound offramp, shows that all of the twelve intersections studied, with the exception of La Jolla Village Drive at Villa La Jolla Drive and La Jolla Village Drive at the I-5 southbound offramp would operate at LOS C or better assuming full buildout of the community. None of the roadway segments would exceed their design capacity with expansion of the center.

The two intersections with levels of service below C would operate at E and D, respectively. The projected level of service E at La Jolla Village Drive and Villa La Jolla Drive is an improvement over level of service F which is projected for buildout of the community plan without the proposed southbound off ramp and additional 264,750 feet of commercial space. The projected level of service D at the I-5 southbound off ramp to La Jolla Village Drive is equivalent to the level of service with buildout of the community plan.

Expansion of the center would also include improvements to the adjacent street system including (1) installation of traffic signals on Villa La Jolla Drive, (2) construction of an additional lane from the secondary entrance easterly to I-5, and (3) widening the major entrance on Nobel Drive. The project would also encourage alternative modes of transportation by agreeing to participate in any future assessment for the funding of the proposed Transit Loop Shuttle program, agreeing to construct a transit stop at a location approved by MTDB to accommodate the proposed North University City Loop Shuttle and by upgrading bus stops at Villa La Jolla Drive and Nobel Drive to shelters.

#### Cumulative Traffic Circulation

Impact. The traffic volumes brought about by increasing the square footage of the shopping center beyond that currently allowed by the community plan would have a significant cumulative impact on the traffic circulation within the University community. The Environmental Impact Report prepared by the City of San Diego for the University Community Plan in 1987 concluded that buildout of the community plan area would result in significant cumulative traffic impacts. As a consequence, any project which would generate more trips than

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was assumed in the 1987 EIR would also result in significant cumulative effects.

Finding. The construction of the southbound offramp and associated freeway improvements proposed as part of the project would mitigate direct traffic impacts and would improve traffic circulation at several locations within the immediate vicinity of the project. However, despite these facts, the project would have a cumulative impact on traffic circulation within the community. The EIR prepared for the community plan concluded that significant traffic congestion will occur as the community is built out and that any additional traffic on the community's street system would compound this problem.

While the proposed road improvements would provide partial mitigation of the cumulative traffic impacts, full mitigation would be only achieved through the no project alternative as it would result in no new trips onto the community's road system.

#### Visual Quality

Impact. Implementation of the proposed project would impact the visual quality along the I-5 corridor. This impact would result from the construction of a parking structure along the eastern boundary and construction of a southbound offramp and associated freeway improvements lanes along I-5. The parking structure would be 1,980 feet long occupying the majority of the property's frontage along I-5. One to one and a half levels of parking would be visible from I-5. The freeway improvements would require the construction of retaining walls, ramp bridges and manufactured slopes.

Finding. The impact of the parking structure on the I-5 corridor would be mitigated to below a level of significance by design and landscaping measures proposed as part of the project. The proposed project incorporates a number of grading, landscaping and architectural design features into the project design to mitigate the visual prominence of the proposed parking structure along I-5. The lower portion of the structure would be placed below the existing grade of site and undulating berms would be planted within the freeway right-of-way in order to conceal one to two levels of the parking structure from view. Landscaping within the right-of-way would further reduce the visual impact of the parking structure. At four 60-foot locations, a landscaped berm would cover the entire parking structure. The parking structure would include three facades which would resemble department stores to further reduce the perception of large parking structure. Parked cars would not be visible from I-5.

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The impact of the freeway improvements would be mitigated through the use of textured concrete and landscaping. Final design features of the freeway improvements would be determined during the Project Study Report prepared by Caltrans. The visual impacts of the freeway improvements would be subject to additional environmental under the National Environmental Policy Act.

#### Land Use

Impact. Expansion of the shopping center beyond that currently allowed by the community plan would impact the goals and objectives of the community plan relative to visual quality/urban design and cumulative effects on traffic and air quality. As discussed in visual quality, the proposed parking structure would impact the I-5 view corridor. As discussed in cumulative traffic and air quality, the increase in automobile trips over that allowed in the community plan would add to the cumulative significant impacts already expected with buildout of the community plan area.

Finding. The site planning and landscaping proposals that have been incorporated into the project would mitigate the visual quality/urban design impacts associated with the project to below a level of significance.

The cumulative impacts of the project on traffic and air quality, as discussed in these findings, are not mitigated by the project. Full mitigation of these impacts would require implementation of the no project alternative. This alternative would eliminate the traffic and air quality impacts which result in the significant land use impact.

#### Air Quality

Impact. As proposed, expansion of the La Jolla Village Square shopping center would result in the generation of approximately 6,468 more average daily trips than would be generated by expansion of the center to 737,250 square feet, as allowed under the existing community plan. These additional automobile trips would increase the air emissions in the area.

Finding. The proposed expansion would have a significant cumulative impact on air quality by increasing the levels of traffic in the area. The provision of enhanced transit stops on Villa La Jolla Drive, Via Mallorca and Nobel Drive and participating in an assessment district to fund the North University City Loop Shuttle would contribute to the implementation of the Transit and Traffic Flow Improvement

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Tactics included as part of the RAQS and thereby reduce the cumulative impact on air quality but not to a level below significance.

The EIR for the University community plan concludes that any additional traffic within the plan area would reduce the air quality and, thus, have a significant cumulative air quality impact. Only the no project alternative would avoid the cumulative air quality impact.

B. The decisionmaker finds that there are no changes or alterations within the responsibility of another public agency which are necessary to avoid or substantially lessen significant environmental effects.

C. The decisionmaker finds that specific economic, social or other considerations make infeasible the project alternatives identified in the Final EIR to reduce the cumulative traffic and air quality and related land use impacts to a level less than significant.

#### No Project Alternative

The no project alternative assumes that no new development would occur on the subject property. The existing shopping mall would remain at 350,000 square feet and the undeveloped portion of the Cape La Jolla site would continue to be vacant. The proposed offsite freeway improvements and landscaping in the freeway right-of-way adjacent to this site would not be implemented.

The unmitigated land use, cumulative traffic and cumulative air quality impacts associated with the proposed expansion would be avoided with the no project alternative. Further, the community-wide cumulative traffic and air quality impacts would be reduced as approximately 387,250 square feet of commercial floor area which was assumed in the community traffic forecast would not be developed.

The no project has been rejected by the applicant because of the adverse impact it would have on the future successful operation of the center. The no project alternative would have substantial adverse economic impacts to the La Jolla Village Square shopping center.

It is unlikely that the shopping center would be able to continue to remain open without the opportunity to expand. The

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size of a successful regional mall is directly related to the number and size of the major department store tenants. The national median size of regional malls is 950,000 square feet based upon data compiled in a 1987 publication by the Urban Land Institute entitled Dollars and Cents of Shopping Centers (Exhibit A).

Since opening in 1979, the center has experienced extraordinarily poor sales despite a number of attempts to reposition the mix of tenants. The two department stores (May Company and Bullocks-Wilshire) appeal to different market segments and create no synergy for the center. With these two incompatible department stores and 60 specialty shops (only 40 of which are occupied), there is not enough critical mass (variety of goods and options) to make the center competitive.

The mall tenants have experienced consistent turnover and high vacancy rates, thus labeling the mall as a "failure." This perceived failure has detracted tenants from locating in the mall and has driven rents downward to their current level of 30% to 40% of comparable rents for other regional malls in the area. Continued poor sales performance at the center could result in the closing of the two major anchor stores that occupy the site. The loss of these major tenants would result in the closure of the mall.

Regional centers such as Fashion Valley, Mission Valley, University Towne Centre and North County Fair all consist of over 1,000,000 square feet and have four to six department stores. The small size and lack of tenants handicap La Jolla Village Square.

#### Development in Accordance with the Community Plan

Under this alternative, the shopping center would be expanded by an additional 387,250 square feet to a total size of 737,250 square feet. The total acreage of the shopping center property would be expanded to include the undeveloped acres of the Cape La Jolla site. The offsite freeway improvements associated with the proposed project would not occur under this alternative as the development would be within the existing travel forecast and the applicant could not afford to fund the improvements without the additional square footage requested under the proposed project.

While development of the center to 737,250 square feet is not economically infeasible, the applicant is not pursuing this alternative because limiting the center to 737,250 square feet would have adverse effects on the center. As discussed under

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the no project alternative, 737,250 square feet would fall short of the national median size for regional shopping centers. As a result, the number of department stores available to anchor the center would be limited as would the recreational uses which are planned for the project's perimeter including restaurants, shops and food court.

Limiting the expansion to 737,250 square feet would place limitations on overall size and number of major department stores which can be added. As discussed under the no project alternative, new major department stores are critical to the success of the center.

The proposed size would not allow the center to incorporate a broad range of shopping facilities and amenities that create successful synergism between the stores and would benefit the surrounding residential areas.

Implementation of this alternative would eliminate a major traffic circulation benefit associated with the proposed project. As this alternative would not include the construction of the southbound offramp and associated freeway improvements, expansion of the center would not result in the improvement in the level of service at the intersection of La Jolla Village Drive and Villa La Jolla Drive. The level of service at this critical community intersection is expected to be "F" in the future without the proposed offramp to Nobel Drive and assuming expansion of the shopping center to 737,250 square feet. The proposed project with the offramp would improve the level of service to "E". Although LOS E fall below the LOS D which is the desired standard for urban areas, LOS E is considered significantly better than LOS F.

In addition to facilitating traffic circulation in the area, the ramp is considered important to the success of the center because it improves access to the center. The lack of direct access to the center has been a major contributing factor in the problems currently facing the center. Without the southbound off ramp, it will be difficult to get new major department stores to move into the center.

Redesign Alternate C.2.

This alternative would involve a redesign of the shopping center to place the parking structure along I-5 underground with the top parking deck being at grade. The total square footage and uses would remain essentially the same as with the proposed project.

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Placement of the parking structure along I-5 underground would represent an alternative to the landscaping and architectural measures proposed as part of the project for mitigating the visual impacts of the parking structure. As the square footage and overall layout of the expanded shopping center would reflect the proposed project, this alternative would not mitigate the significant cumulative traffic and air quality impacts associated with the proposed project. In addition, as with the proposed project, the increased trips would have a cumulative land use impact on the Transportation Element of the University Community Plan.

This alternative is considered to be economically infeasible by the applicant because of the increased cost associated with placing the entire structure underground. Original cost projections made for the parking structure along I-5 indicated that the structure would cost \$15,905,550. This estimate was based on a per parking space cost of \$5,350 multiplied by the total of 2,973 spaces. The additional costs to underground the structure, which are itemized below, would add an estimated \$8,000,000 to the cost of the structure, increasing the cost of the structure by 50%.

<u>Increased Cost Factors</u>	<u>Value (\$)</u>
Grading and export	\$1,200,000
Structural	5,477,725
Ventilation	<u>230,000</u>
Subtotal	\$6,907,725
Contingency @ 5%	<u>345,386</u>
Subtotal	\$7,253,111
Contractor Overhead and Profit @ 10%	<u>725,311</u>
<b>TOTAL COST INCREASE</b>	<b>\$7,978,422</b>

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In addition to the economic infeasibility, undergrounding the parking garage is not considered feasible due to adverse impact it would have on operation of the shopping center. An underground parking structure cannot meet the critical elements that a commercial retail parking structure must have. As a result, it would discourage shoppers from patronizing the center which would adversely impact the economic success of the center.

In general, the design and ease of use must be significantly superior to the typical commercial garages. Retail patrons visit relatively seldom, rather than daily as is the case with places of employment, residences and schools. Thus, they do not "learn the system" well. Patrons are in no way required to come to any particular retail complex and the patron will quickly choose another place to shop if access or parking is "just too much trouble". Therefore, the design and ease of use is critical to the success of the center.

A completely buried garage can not address two of the critical design criteria. First, the "parking space search process" must provide easy awareness while driving by the pedestrian entrances to the project. Second, wherever possible, there must be a direct straightline walking path to the entrance; waiting in enclosed elevator vestibules does not meet this criterion.

Design features cannot eliminate the disorientation and insecure feeling of a completely buried parking structure. No retail complex can survive or compete if their patrons become disoriented or feel insecure trying to find a place to park.

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EXHIBIT A.

Urban Land Institute  
National Shopping Center Size Analysis

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# 3. U.S. Super Regional Shopping Centers

## A. Operating Results and Other Data as a Group

### Description

The **super regional shopping center** provides an extensive variety of goods comparable to those of the central business district of a major metropolitan area, including a wide selection of general merchandise, apparel, and home furnishings, as well as a variety of services and recreational facilities. The major occupants of a super regional shopping center include at least three full-line department stores. Each full-line department store generally has an area of not less than 100,000 square feet. In many instances, the department stores are physically a part of the center but are independently owned.

For reporting purposes, data on the centers are segregated into three groups: base data, mall tenant data, and operating results.

Base data include information pertaining to the overall size of the centers as follows:

- Center size (total occupancy area)—total selling area of the center, including any areas that are independently owned or managed
- Unowned occupancy area—selling area of the center that is independently owned.
- Department stores (owned and unowned)—selling area of the center occupied by department stores, including stores that are independently owned.

Mall tenant data include figures pertaining to the mall area as follows:

- Gross leasable area (GLA) of mall shops—area leased to mall shops (excluding department stores and unowned space).
- Mall tenant sales—sales per square foot of mall GLA for tenants that report sales.

The last group, operating results, presents amounts for the medians and upper and lower deciles for the components of operating receipts, operating expenses, and net operating balance.

The base data, mall tenant data and operating results of the 96 U.S. super regional shopping centers are shown in Table 3-1. The figures do not represent industry averages, however, the participating centers are a representative group and the results do provide benchmarks that can be valuable in analyzing shopping center operations.

The tables present median and decile amounts. The median is the value where an equal number of values fall below and above that point in an ascending series of values. The lower and upper deciles are the values between which 80 percent of all values fall. **Because the data are represented by medians and deciles, the detail amounts do not add to the totals.**

The computation of dollars per square foot is designed to enable the reader to analyze results for the mall area of a super regional shopping center, which means that receipts and expenses attributable to department stores and unowned areas must be evaluated separately. For a more detailed description of the uses of the tables, see Section 2, "Use of Operating Reports."

The data on mall area should permit a more useful comparison of the results of an individual shopping center with results from the participating centers.

### Tenant Sales

The median sales volume of mall tenants is approximately \$179 per square foot. Tenant sales are greater than \$272 per square foot for 10 percent of the centers participating. Department stores are not included in the computation of sales per square foot, and department store sales are analyzed separately. The individual tenant sales are listed in the "Detailed Tenant Information" tables. The composition of tenants in super regional centers is analyzed in Section 8-E.

### Operating Receipts

Shopping center income is divided into four major categories:

- Total rent, comprised of minimum and overage rental income
- Common area charges
- Other charges, comprised of property taxes and insurance, other escalation charges, and income from sale of utilities
- Miscellaneous income.

Detailed definitions for these income categories begin on page 4.

The median minimum rent to mall tenants is \$9.19 per square foot of GLA of mall shops. The median for overages is \$1.45. The median total rent is \$10.46 per square foot of GLA of mall shops. The median income from common area charges is \$2.26 per square foot. The median income from charges for property taxes and insurance is \$0.65 per square foot. The median income from sale of utilities is \$2.43 per square foot of GLA of mall shops. The median total operating receipts for super regional shopping centers is \$16.60 per square foot of GLA of mall shops. The reader should be aware, however, that a center's age and location affect its receipts. Ten percent of the participating centers have receipts less than \$8.10 per square foot of GLA of mall shops, and 10 percent of the centers have receipts greater than \$27.77.

### Operating Expenses

The centers participating in this study experience median total operating expenses of \$6.90 per square foot of GLA of mall shops, but these costs are greater than \$13.77 for 10 percent of the centers.

### Net Operating Balance

The median net operating balance for the super regional shopping centers (operating receipts less operating expenses before considering depreciation, amortization of deferred costs, and financing costs) is \$9.25 per square foot of GLA of mall shops. Eighty percent of the centers report a net operating balance of between \$2.64 and \$15.51 per square foot of GLA for mall tenants.



Table 3-1  
U.S. Super Regional Shopping Centers:  
Base Data, Mall Tenant Data, and Operating Results

Number of centers in sample: 96							
	Median	Lower Decile	Upper Decile	Median	Lower Decile	Upper Decile	Number Reporting
<b>Base Data</b>							
	Area in Square Feet						
Center size (total occupancy area)	950,579	577,879	1,328,600				96
Unowned occupancy area	497,178	162,790	801,281				87
Department stores (owned and unowned)	576,000	322,965	817,000				96
<b>Mall Tenant Data</b>							
	Mall Area in Square Feet						
GLA of mall shops	360,496	227,428	542,081				96
	Dollars per Square Foot of Mall GLA						
Mall tenant sales	\$179.02	\$122.46	\$272.48				95
<b>Operating Results</b>							
	Dollars per Square Foot of Mall GLA			Percent of Total Receipts			
<b>Operating Receipts</b>							
Rental income—minimum	\$ 9.19	\$ 4.77	\$ 15.52	55.62%	44.60%	68.54%	96
Rental income—overages	1.45	.43	3.44	10.35	2.28	18.02	95
<u>Total rent</u>	10.46	5.80	16.66	65.35	55.63	82.51	96
<u>Common area charges</u>	2.26	.75	3.92	13.55	8.90	18.61	96
Property taxes and insurance	.65	.20	2.16	4.70	1.99	9.29	96
Other escalation charges	.19	.05	2.03	1.14	.37	8.62	51
Income from sale of utilities	2.43	.19	4.89	14.79	1.24	22.72	73
<u>Total other charges</u>	2.90	.35	6.62	18.32	3.49	30.23	96
<u>Miscellaneous income</u>	.18	.02	.62	1.12	.13	4.39	87
<b>Total Operating Receipts</b>	16.60	8.10	27.77	n/a	n/a	n/a	96
<b>Operating Expenses</b>							
Building maintenance	.09	.01	.94	.47	.05	6.53	80
Parking lot, mall, and other common areas	1.97	.69	3.81	11.64	6.37	17.40	96
Central utility systems	1.93	.29	3.15	11.15	2.08	16.50	66
Office area services	.09	.02	.67	.75	.18	11.50	19
<u>Total maintenance and housekeeping</u>	3.71	1.46	5.61	20.84	11.99	31.65	96
<u>Advertising and promotion</u>	.20	.07	1.02	1.24	.63	5.18	94
<u>Real estate taxes</u>	.99	.40	2.64	6.52	2.90	15.00	95
<u>Insurance</u>	.17	.04	.60	1.19	.29	3.22	92
<u>General and administrative</u>	1.18	.39	5.95	7.60	3.07	33.81	96
Management agent fees	.56	.16	1.04	3.51	1.52	6.19	68
Leasing agent fees	.17	.02	.43	.77	.13	3.45	31
<b>Total Operating Expenses</b>	6.90	3.17	13.77	39.83	29.59	77.88	96
<b>Net Operating Balance</b>	\$ 9.25	\$ 2.64	\$ 15.51	59.85%	22.12%	70.41%	96

Note: Because data are medians and deciles, detail amounts do not add to totals. No median figures are shown if fewer than five values were reported for any income or expense category, and no lower and upper decile amounts are shown if fewer than 10 values were reported.

**STATEMENT OF  
OVERRIDING CONSIDERATIONS  
FOR  
LA JOLLA VILLAGE SQUARE**

DEP No. 89-0102

March 20, 1990

The decision-maker, pursuant to the CEQA Guidelines, after balancing the benefits of the proposed expansion of La Jolla Village Square against the significant cumulative impacts on traffic circulation and air quality and related impacts on land use, which remain notwithstanding the mitigation measures incorporated with the project, determines that the impacts are acceptable due to the following:

The existing mall, which opened in 1979, has experienced extraordinarily poor sales performance since its opening. The two department store anchor tenants, May Company and Bullock's/Wilshire, have consistently performed at or near the bottom when compared to the other Southern California stores in their respective chains. The mall tenants have experienced consistent turnover and high vacancy rates, thus labeling the mall as a "failure". This perceived failure has detracted tenants from locating in the mall and has driven rents downward to their current level of 30% to 40% of comparable rents for other regional malls in the area. Continued poor sales performance at the center could result in the closing of the two major anchor stores that occupy the site. The loss of these major tenants would result in the closure of the mall.

The project site is currently zoned regional commercial, therefore, no change in zoning is requested. The existing enclosed regional mall is comprised of approximately 350,000 square feet (s.f.) and the existing community plan allows an expansion of up to 737,250 s.f. The requested community plan amendment will increase the density by 264,000 s.f. to 1,002,000 s.f.

The relatively minor increase in square footage requested as part of the proposed community plan amendment will provide the following important benefits to the University Community and to the City of San Diego, in general:

- 1) Improved aesthetics of the project.
- 2) Provision of a childcare facility in an area where demand exceeds supply.
- 3) Provision of completed loop road and perimeter landscaping for the Cape La Jolla condominiums.

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- 4) Provision of entertainment and retail opportunities for the local community.
- 5) Increased square footage devoted to community benefit uses.
- 6) Increased number of permanent jobs and part-time (student-oriented) jobs over the life of the project by 1500.
- 7) Improved traffic circulation in the community through the addition of a southbound off ramp from I-5 to Nobel Drive.
- 8) Increased sales tax revenues to the City of San Diego by \$35,500,000 over the next 35 years.

1) Improved Aesthetics

The existing mall is unattractive and uninviting and in its current state does not meet the objectives of the Community Plan's Urban Design Element. The proposed project has been designed to encourage pedestrian access and activity (a major goal of the design guidelines) by incorporating the following into the design:

- a) To encourage pedestrian access of the La Jolla Village Square from the east along Nobel Drive, provision has been made for the project to design and pursue Caltrans and/or City approval of an overhead trellis enhancement of the pedestrian way across the Nobel Drive bridge leading to a restaurant located at the corner of Nobel Drive and I-5. The transition from the freeway edge to the pedestrian edge of the center is accomplished through the design of this corner restaurant and its adjacent water feature and plaza area. The design of this area will create a sense of entrance and arrival at the center and a well-defined pedestrian way into the mall,
- b) Provision of a restaurant with an outdoor dining terrace has been incorporated into the design at the corner of Nobel Drive and Villa La Jolla Drive. A pleasant pedestrian experience will be provided along Nobel Drive by the use of a discontinuous sidewalk, overhead trellis detailing, landscaping and provisions for department store display windows and space for street-oriented vendors. A well-defined pedestrian way with light wells and

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landscaping will be provided through the parking deck to connect the restaurant with the mall,

- c) A pedestrian plaza near the Villa La Jolla Drive entrance would encourage public access into the center, and
- d) The new lower level mall entrance now provided in the southwest corner of the site, fronting Via Mallorca, will include provisions for restaurant tenants directly accessible from the street and will include street-side dining. The upper level mall will step back in the restaurant area to provide a semi-covered exterior dining terrace as an extension of the interior food court. The overall configuration of these two levels will encourage casual dining, seating and pedestrian activity as the events and activities within the mall spill out onto the terraces toward the street.

**2) Provision of Childcare Facility**

The proposed project includes the provision of a childcare facility with the capacity of 100 children. The University City area has emerged as a major office corridor. A combination of the UCSD current and projected student and faculty population of 42,000, the Veterans Hospital and other scientific research and office employers has created a pent-up demand for childcare facilities. The extremely high value of land in the area has been prohibitive to the development of a new childcare facility. Therefore, the provision of the land area to accommodate a childcare facility is of tremendous community benefit.

**3) Improvements to Cape La Jolla**

The expanded project proposes to provide direct benefits to the neighboring Cape La Jolla residential community. This 52-unit condominium project which lies south of the expanded project was originally the first phase of a planned multi-phase 240-unit development, the subsequent phases of which were never built. The northern and eastern boundaries of Cape La Jolla have never been landscaped and are delineated with temporary construction fencing. The loop road designed to serve the entire project development remains uncompleted. The expansion La Jolla Village Square proposes to complete, at no cost to Cape La Jolla, a loop road to fire department specifications and to provide a landscaped, one-acre "buffer-park" area along the entire common boundary of the project.

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**4) Provision of Entertainment and Retail Opportunities**

The strong residential growth within the University City area coupled with the recently announced expansion of the University of California San Diego indicates a current and future demand for entertainment opportunities and additional retail services which the expanded and enhanced La Jolla Village Square will provide.

In addition to providing for future demand in the general community, the expanded center would offer greater entertainment and retail opportunities to the adjacent residential development. The expanded center will include restaurants and outdoor plazas around the perimeter. These facilities will be linked with an arcade around the outside of the center to encourage pedestrian access around the outside of the center. Enhanced pedestrian corridors into the center will also be provided.

**5) Community Benefit Space**

The proposed expansion includes three significant areas within the enclosed mall planned as community benefit space.

A community amphitheater of an approximate 300-person capacity will be incorporated into the mall providing an opportunity for university and community-related drama, concert and other events. The mall management will promote these types of community-oriented activities with the objective of creating a true town center which combines shopping, the arts and community-oriented entertainment.

A community room of 3,000 square feet will be provided within the proposed project. This will provide local community and non-profit groups a place to hold meetings and community functions near their neighborhood.

An additional 10,000 square feet of space within the mall will be donated as community benefit space. The project proponent has committed to the work with the University Community Planning Group to identify other community organizations which could benefit from this additional space. Uses such as museums and art galleries will be encouraged.

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**6) Increased jobs**

The La Jolla Village Square project would generate an estimated 1,300 to 1,500 new permanent jobs at build-out, thus enhancing the economic base of the region. With the proposed expansion of UCSD, this new employment base will also increase part-time employment opportunities for students.

**7) Improved Traffic Circulation**

The proposal to amend the community plan to allow an increase of 264,750 square feet includes the provision of a new southbound off ramp I-5 to Nobel Drive. A study to determine future intersection levels of service surrounding the project at community plan buildout compared the proposed project to the existing community plan.

The study concluded that the addition of the southbound ramp goes beyond the mitigation needed for the additional 264,750 square feet and results in an improvement in the levels of service for the following intersections:

- 1) Northbound off ramp from I-5 to La Jolla Village Drive (Level of Service would improve from D to C)
- 2) Intersection of La Jolla Village Drive and Villa La Jolla Drive (Level of Service would improve from F to E)
- 3) Intersection of Villa La Jolla and Nobel Drive (Level of Service would improve from B to A)
- 4) Intersection of Gilman Drive and Villa La Jolla Drive (Level of Service would improve from B to A)

The improvements at La Jolla Village Drive and Villa La Jolla Drive would be the most significant. Translated into terms that the average motorist can relate to, the expected bumper to bumper, stop and go traffic over a period of three to four hours per day would be reduced to an occasional condition of congestion over the period of one hour per day.

**8) Increased Revenues to the City of San Diego**

The proposed project will provide substantial new public revenues to the City of San Diego in the form of incremental sales tax revenues. It is estimated that the project could

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generate up to \$35,500,000 of new sales tax revenue over the next 35 years. This estimate was calculated (Kaiser Marston Associates 1989) by first taking the difference in sales tax revenue generated by the existing mall and the sales tax revenue generated by the expanded mall over the next 35 years (See Exhibit B). This difference (\$239,643,710) was then multiplied by the percentage of this new revenue which is expected to be generated by residents outside of the City limits to predict the amount of new sales tax revenue (\$35,500,000); it is estimated that 15% of the population in the trade area of the expanded center lies outside of the City limits.

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EXHIBIT B.

Sales Tax Projection  
for  
LA JOLLA VILLAGE SQUARE

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TABLE A

SALES TAX PROJECTION  
LA JOLLA VILLAGE SQUARE  
LA JOLLA, CALIFORNIA

YEAR	FISCAL YEAR	TAXABLE SALES EXPANDED MAIL	TAXABLE SALES EXISTING MAIL	NET TAXABLE SALES GENERATED	ADDITIONAL SALES TAX 1.00%
1	92/93	3229,458,000	335,875,242	3193,582,758	\$1,915,828
2	93/94	3261,225,400	336,377,495	3206,847,905	\$2,068,480
3	94/95	3257,819,009	336,866,700	3200,952,309	\$2,209,322
4	95/96	3273,288,159	337,403,195	3235,884,954	\$2,338,850
5	96/97	3289,685,438	337,926,640	3251,758,798	\$2,517,586
6	97/98	3307,046,565	338,437,816	3268,608,749	\$2,666,007
7	98/99	3325,690,558	338,996,225	3286,694,333	\$2,844,943
8	99/00	3345,019,992	339,562,172	3305,457,820	\$3,054,778
9	00/01	3365,721,191	340,075,783	3325,645,408	\$3,256,254
10	01/02	3387,664,483	340,637,103	3347,027,380	\$3,470,074
11	02/03	3410,924,531	341,226,303	3369,698,228	\$3,696,980
12	03/04	3435,579,791	341,803,471	3393,776,320	\$3,937,763
13	04/05	3461,716,578	342,308,720	3419,407,858	\$4,193,259
14	05/06	3489,417,453	342,982,162	3446,435,291	\$4,464,353
15	06/07	3518,782,500	343,583,912	3475,198,588	\$4,751,986
16	07/08	3549,909,450	344,194,087	3505,715,363	\$5,057,154
17	08/09	3582,904,017	344,812,804	3538,091,213	\$5,380,912
18	09/10	3617,878,258	345,440,183	3572,438,075	\$5,724,381
19	10/11	3654,950,953	346,076,346	3608,874,608	\$6,088,746
20	11/12	3694,248,011	346,721,415	3647,526,596	\$6,475,266
21	12/13	3735,902,891	347,375,514	3689,527,377	\$6,883,274
22	13/14	3780,057,065	348,036,772	3732,020,293	\$7,320,183
23	14/15	3828,660,489	348,711,314	3778,949,174	\$7,781,492
24	15/16	3878,472,118	349,393,273	3827,078,845	\$8,270,789
25	16/17	3929,060,445	350,084,779	3878,975,666	\$8,789,757
26	17/18	3984,806,072	350,785,066	3934,021,006	\$9,340,181
27	18/19	4043,892,316	351,496,969	3992,395,347	\$9,923,953
28	19/20	4106,525,855	352,217,927	4054,307,928	\$10,563,079
29	20/21	4172,917,406	352,948,978	4119,968,428	\$11,199,466
30	21/22	4243,292,451	353,690,263	4189,602,187	\$11,896,022
31	22/23	4317,049,998	354,441,927	4263,608,071	\$12,634,581
32	23/24	4394,963,397	355,204,174	4341,759,223	\$13,417,593
33	24/25	4478,281,201	355,976,972	4424,304,229	\$14,268,042
34	25/26	4568,628,073	356,760,649	4517,867,424	\$15,188,672
35	26/27	4663,805,758	357,555,298	4616,252,459	\$16,182,505
					\$37,745,106
					\$28,358,657

ASSUMPTIONS:

- 579 SALES /SF EXISTING
- 1229 SALES /SF EXPANSION
- 1,002,000 TOTAL SF IN EXPANSION
- 382,420 TOTAL SF IN EXISTING
- 6.00% INFLATION RATE FOR EXPANSION
- 1.40% INFLATION RATE FOR EXISTING

NPV (1992) OF ADDITIONAL SALES TAX REVENUE  
MPV 1989 (\*)

(\*) DISCOUNTED OVER 3 YEARS AT 10%.

SOURCE: KEYSER MARSTON ASSOCIATES, INC.  
AUGUST 1989

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Exhibit C

Mitigation Monitoring and Report Program

- ° The project applicant shall construct the southbound La Jolla Village Drive/I5 off-ramp to Nobel Drive as reviewed (preliminarily) by CALTRANS. Prior to issuance of a building permit for any expansion of the shopping center beyond a total of 737,250 square feet, a Project Study Report for the freeway improvements shall be approved by Caltrans and the improvements shall be assured to the satisfaction of the City Engineer. Construction of the proposed freeway improvements shall be completed prior to the issuance of a certificate of occupancy for any expansion beyond 737,250 feet.
- ° Funding for the northbound on-ramp at Nobel Drive/I-5 shall be assured to the satisfaction of the City Engineer prior to the issuance of building permits.
- ° Prior to issuance of building permits, the following transportation improvements shall be assured to the satisfaction of City Engineer. Completion shall occur prior to issuance of a certificate of occupancy for any expansion of the shopping center:
  - Installation of a traffic signal at a major entrance on Villa La Jolla Drive including dual left-turn lanes;
  - Construction of an auxiliary lane from the secondary entrance easterly to I-5;
  - Widening major entrance on Nobel Drive to allow for six lanes in and out including: one right-turn only lane out of the center onto Nobel Drive, one left-turn lane and a middle lane which would accommodate all traffic movements;
  - Restriction on left turns out of the shopping center at non-signalized entrances with no left turns onto Via Mallorca;
- ° Construction of a transit stop at a location to be approved by MTDB to accommodate the proposed North University Loop Shuttle. With the approval of MTDB, reroute the Loop Shuttle through the center and upgrade bus stops at Villa La Jolla Drive, Via Mallorca, and Nobel Drive to shelters. Applicant shall not oppose the formation of an assessment district to finance the loop shuttle.
- ° The applicant shall landscape the freeway right-of-way as shown on the Landscape Concept Plan. Prior to issuance of a building permit for the parking structure, a final landscape plan in general conformance with Landscape Concept Plan must be approved by the Environmental Analysis Section (EAS) and evidence must be provided to EAS that the applicant has secured the right to place and maintain landscape material from Caltrans in its right-of-way.

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- ° The landscaping along the freeway side of the easterly parking structure shall be monitored for three years following installation. Annual reports shall be submitted to EAS by the applicant which indicate the condition of the landscaping and provide evidence that at least 80 percent of the plant material is alive or that replanting has done to achieve an 80 percent survival rate.
- ° Textured concrete shall be used for the retaining walls associated with freeway ramp improvements. Specific design details shall be determined during the design review process as the Project Study Report is prepared by CALTRANS.

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MAR 20 1990

Passed and adopted by the Council of The City of San Diego on.....  
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linda Bernhardt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Bruce Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR

Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By *Ellen Board*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **R-275346**

Adopted..... **MAR 20 1990**