

RESOLUTION NUMBER R-2 8 2 2 5 8

ADOPTED ON JUN 29 1993

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO CERTIFYING THE FINAL SUPPLEMENT TO THE FINAL MASTER ENVIRONMENTAL IMPACT REPORT FOR THE CENTRE CITY REDEVELOPMENT PROJECT (AND ADDRESSING THE CENTRE CITY COMMUNITY PLAN AND RELATED DOCUMENTS), AS IT PERTAINS TO THE APPROVAL OF APPLICATION FOR A RESOURCE PROTECTION PERMIT FOR THE T.M. COBB WAREHOUSE, MAKING CERTAIN FINDINGS REGARDING THE ENVIRONMENTAL IMPACTS OF THE PERMIT APPLICATIONS, ADOPTING A REPORTING AND MITIGATION MONITORING PROGRAM, AND ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS.

WHEREAS, the Council of The City of San Diego (the "Council") is engaged in activities necessary and appropriate to carry out and implement the Centre City Community Plan; and

WHEREAS, the Council is considering approving application for a Resource Protection Permit for the T.M. Cobb Warehouse (the "Project"); and

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") was designated as the lead agency to prepare a Secondary Study pursuant to The City of San Diego and Redevelopment Agency Environmental Guidelines and the Final Master Environmental Impact Report for the Centre City Redevelopment Project (and addressing the Centre City Community Plan and Related Documents) (the "Master EIR"); and

WHEREAS, the Agency determined in the Secondary Study that the Project would cause environmental impacts that were not addressed in the Master EIR and determined that a Supplement to the Master EIR (the "Supplemental EIR") was to be prepared

pursuant to Section 15163 of the Guidelines for the Implementation of the California Environmental Quality Act ("CEQA"); and

WHEREAS, the Centre City Development Corporation, Inc., acting on behalf of the Agency, prepared and circulated a Draft Supplemental EIR for review, comment, and consultation with citizens, professional disciplines, and public agencies pursuant to CEQA and local guidelines and regulations adopted pursuant thereto; and

WHEREAS, duly noticed public hearings were held by the Agency and the Centre City Development Corporation with respect to the Draft Supplemental EIR, at which all interested persons and organizations were given an opportunity to be heard; and

WHEREAS, the Final Supplemental EIR relating to the proposed Resource Protection Permit and responding to the concerns raised during the review period and at the public hearing has been prepared pursuant to CEQA and said guidelines and regulations; and

WHEREAS, the Council, in connection with its consideration of the approval of the applications for the Project, has reviewed and considered the information contained in the Final Supplemental EIR; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

1. That the Council hereby certifies that the Final Supplemental EIR for the approval of application for a Resource Protection Permit for the T.M. Cobb Warehouse has been prepared

and completed in compliance with CEQA and state and local guidelines and regulations adopted pursuant thereto.

2. That the Council hereby further certifies that the information contained in the Final Supplemental EIR has been reviewed and considered by the members of the Council.

3. That the Council hereby finds and determines that:

(a) The Project will not result in significant environmental effects in certain respects identified in the Final Supplemental EIR, as described in Section I of Attachment A (attached hereto and incorporated herein by this reference.)

(b) Changes or alterations have been required in, or incorporated into, the Project to substantially lessen certain significant environmental effects of the Projects as described in Section II of Attachment A.

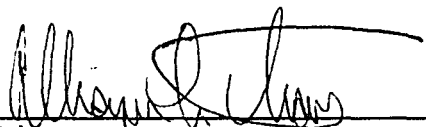
(c) With respect to significant environmental effects of the Project which cannot be avoided or substantially lessened, specific economic, social, or other considerations make infeasible the project alternatives identified in the Final Supplemental EIR, as described in Section III of Attachment A.

(d) The significant environmental effects of the Project which cannot be avoided are acceptable due to overriding concerns as described in Section IV of Attachment A.

4. That the T.M. Cobb Warehouse Demolition Mitigation Monitoring Program, in the form on file in the office of the City Clerk as Document No. RR-<sup>282258</sup>\_\_\_\_\_, is hereby approved and adopted to monitor and ensure that the mitigation measures identified will be instituted.

5. That the City Clerk (or his designee) is hereby authorized and directed to cause the filing of a Notice of Determination with respect to the Final Supplemental EIR upon approval of the application for the Project.

APPROVED: JOHN W. WITT, City Attorney

By   
Allisyn L. Thomas  
Deputy City Attorney

ALT:pev  
06/15/93  
Or.Dept:CCDC  
R-93-2086  
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ATTACHMENT A

- I. The following discussion explains the reasons why, in certain respects, the Project will not result in significant environmental effects.

The Project is encompassed by the Centre City Redevelopment Project and Centre City Community Plan. The environmental review for the Centre City Redevelopment Project and Centre City Community Plan is contained in the Final Master EIR. A Secondary Study was prepared for the Project pursuant to the City of San Diego and Redevelopment Agency Environmental Guidelines and the Final Master EIR. The Secondary Study indicated that all potential environmental impacts resulting from the Project were addressed in the Final Master EIR with the exception of impacts to cultural resources. The potential impacts from the Project which are addressed by the Final Master EIR would be reduced to a level of insignificance by implementing the applicable mitigation measures of the Final Master EIR Mitigation Monitoring and Reporting Program.

- II. The following discussion explains the reasons why certain changes or alterations which have been required in, or incorporated into, the Project, will avoid or substantially lessen certain significant environmental effects of the Project.

With respect to Cultural Resources:

The T.M. Cobb Warehouse is a contributing structure to the Gaslamp Quarter National Register District and a City of San Diego Historic Site. Demolition of the structures composing the warehouse will degrade the historic integrity of the Gaslamp Quarter and will constitute a significant impact. Implementation of the measures outlined below will reduce impacts to cultural resources, however, not to a level of insignificance.

Historic American Buildings Survey - An Historic American Buildings Survey (HABS) shall be prepared prior to demolition. The HABS documentation shall be performed pursuant to the direction of the National Park Service Regional Office, the agency responsible for determining the appropriate documentation level for mitigation documentation projects. The HABS documentation shall be sent to the National Park Service HABS office, the San Diego Historical Society, the California Room of the Public Library, and the San Diego Historical Site Board.

Photographic Exhibit - A photographic exhibit shall be prepared prior to the issuance of the Permit for Demolition

and Resource Protection Permit. The exhibit shall contain photographs and a historical narrative about the warehouse buildings and shall be permanently displayed in a public area of any new development on the project site.

III. The following discussion explains the reasons why specific economic, social, or other considerations make infeasible mitigation measures other than those included in the Supplemental EIR, or project alternative included in the Supplemental EIR with respect to each significant environmental effect of the Project.

A. With respect to significant cultural resource impacts:

All cultural resource mitigation measures identified in the Final Supplemental EIR will be incorporated into implementation of the demolition project. However, even with the implementation of the identified mitigation measures, the demolition of the T.M. Cobb Warehouse will constitute a significant impact to cultural resources. The Final Supplemental EIR assessed the effect of alternatives which would provide for retention of the warehouse (No Project alternative), relocation of the warehouse (Warehouse Relocation alternative), and retention of warehouse facade(s) (Facade Retention alternative).

Under the No Project alternative, the T.M. Cobb Warehouse would not be demolished. The applications for the Permit for Demolition and the Resource Protection Permit would not be approved. The option to rehabilitate and re-use the structures would be preserved. Because the No Project alternative will maintain the Cobb Warehouse, the historical value will be retained and the structures will continue to contribute to the integrity of the Gaslamp Quarter. No significant impacts to cultural resources will occur from the No Project alternative and it is environmentally superior to the proposed project.

The T.M. Cobb Warehouse property was acquired by the Agency for \$3.6 million to eliminate blight and ensure that future development of the site conformed to the Centre City Community Plan and the Gaslamp Quarter Planned District Ordinance. Recognizing the cost burden that the property purchase created for the Agency, an economic analysis was prepared by Keyser Marston Associates (KMA) to determine the feasibility of future development alternatives and how the Agency could dispose of the property with sufficient revenue to assure that the net cost for the project would be at an acceptable level. This analysis is included in the final Supplemental EIR as an appendix. KMA worked with Centre City

Development Corporation staff (CCDC) and its architectural consultant to identify potential development scenarios for the site both with and without the existing Cobb warehouse structures. In addition, four successively higher-intensity development schemes were identified for each of the scenarios, for a total of eight alternatives. Residual land values were determined for each alternative. The principle of residual land value is that supportable land values for different types of land uses are a function of development costs, market rents/prices, and developers' return expectations. In effect, supportable land value can be calculated as gross sale proceeds from a completed project, less total development costs, developer profit, and the cost of sale.

According to the KMA analysis, the development schemes where the warehouse structures are demolished would generate higher residual land values than the development schemes where the warehouse structures are maintained. Only the higher-intensity schemes where the warehouse structures are demolished would support the acquisition cost of \$3.6 million. Retention and rehabilitation of the warehouse structures and new development of the remainder of the site would result in a residual land value of \$1 million or less and would not support the acquisition cost.

Under the Warehouse Relocation alternative, the T.M. Cobb Warehouse will be relocated to another site outside of the Gaslamp Quarter. The structures will be rehabilitated to allow future uses. A structural engineering survey indicated that the two warehouse structures consist of unreinforced brick masonry bearing walls and wood trusses spaced 11 feet on the center. The walls and trusses support steeply pitched wood roof structures. The masonry, mortar, and other structural elements are deteriorated. Unreinforced masonry buildings are extremely difficult, if not impossible, to move. Moving the warehouse structures would be particularly problematic because of their deteriorated condition. Since moving the T.M. Cobb Warehouse intact is physically infeasible, relocation could be achieved by dismantling and reconstructing the structures at a new location in accordance with modern building codes. Salvageable brick from the original warehouse structures would be used as a veneer over new reinforced masonry walls.

Relocation of the T.M. Cobb Warehouse would not preserve their historic value, and significant impacts related to cultural resources would occur. The warehouse structures are remnants of the former warehouse district that

supported the past commercial wharf activity at the foot of Fifth Avenue during the late 1800's and early 1900's. The significance of the warehouse structures is primarily based upon their contribution to the historical value of the Gaslamp Quarter. If the structures are located outside the Gaslamp Quarter, their contribution to the Gaslamp Quarter will be lost and the associated impact to historic resources will be significant.

Under the Facade Retention alternative, the eastern and northern facades of the T.M. Cobb Warehouse would be retained and incorporated into the new development project. The remainder of the warehouse would be demolished. A structural engineering study indicated that the building facades are composed of unreinforced masonry. Unreinforced masonry walls are inherently vulnerable to damage from seismic forces, and specific conditions in the north wall and the southern half of the east wall increase the seismic vulnerability. The north wall leans six to eight inches away from the building and is only held in place by the roof trusses. The southern portion of the east wall is completely open except for four slender masonry piers and has little resistance to lateral forces. There is extensive evidence of deterioration of the masonry mortar throughout the buildings. The report concludes that the eastern masonry facade could be retained if it were upgraded to comply with seismic retrofit requirements including repointing, bracing, and anchoring. The northern masonry facade, however, would most likely require reconstruction. Based on the survey results, it is feasible to repair and brace the eastern facade in front of the new development and brace the northern wall with new structural backing and the foot installation of new footings.

It is questionable whether retaining the eastern and northern facades would preserve the historic value of the site. The Cobb Warehouse is considered historically significant due to its association with the early commercial activities of the Gaslamp Quarter. The character and historic value of the T.M. Cobb Warehouse would not be conveyed by the incorporation of the isolated, single-story warehouse facades in a new multi-story development. While this alternative may preserve some of the historic value of the T.M. Cobb Warehouse, the resulting impacts to cultural resources would still be significant.

If the eastern and/or northern facades are retained and incorporated into the new development project, the project will incur significant fiscal impacts. Analysis of conceptual development alternatives for the T.M. Cobb



Warehouse property indicates that retention of the facades and a set-back of 20 feet for new development would marginally improve the \$1 million residual land value for the Agency while the acquisition price of the property was \$3.6 million. Retention of only the Fifth Avenue facade of the southerly-most structure, with minimal set-back of new development, would result in residual land value of \$50,000 to \$100,000 less than the residual land value for the higher-intensity development scenario with demolition of the structures. Retention of only the Fifth Avenue facade would allow the Agency to recover a significant portion of the \$3.6 million property acquisition cost and would not mitigate the significant impact to cultural resources.

IV. The following discussion explains the benefits of the Project which outweigh and override the significant environmental effects of the Project which cannot be avoided.

A. The significant unavoidable cultural resource impacts are offset by managing the project site according to standard City Council policies related to fiscal responsibility. On June 16, 1992, the City Council, as the City's Redevelopment Agency, authorized the acquisition of the project site in order to ensure that the site would be developed in the earliest possible time frame and that its development would be consistent with the design standards of the Gaslamp Quarter Planned District. The subsequent acquisition of the site by the Agency on November 30, 1992, brought into play standard City Council policies to manage Agency-owned resources in a fiscally responsible manner.

Analysis of conceptual development alternatives for the Cobb site indicate that retention and rehabilitation of the two T.M. Cobb Warehouse structures and new development of the remainder of the site would result in a residual land value to the Agency of approximately \$1 million or less while the acquisition price of the property was \$3.6 million. Retention of the facades and a set-back of new development of 20 feet to mitigate the significant impact on cultural resources to the maximum extent possible while providing more new development on the site marginally improves the \$1 million residual land value for the Agency. Retention of only the Fifth Avenue facade of the southerly-most structure, with minimal set-back of new development, would result in residual land value of \$50,000 to \$100,000 less than the residual land value for the higher-intensity development scenario with demolition of the structures. Retention of only the Fifth Avenue facade would allow the Agency to recover a significant portion of the \$3.6 million property

acquisition cost. The only development alternatives which can produce a residual land value of \$3.6 million are those requiring complete demolition of the structures.

- B. The significant unavoidable cultural resource impact is offset by the benefits of implementing the Redevelopment Plan which provides for the reintroduction of residential development in downtown and a synergistic mix of land uses that would reduce the number and length of regional trips as well as the number of trips made into downtown.
- C. The significant unavoidable cultural resource impact is offset by redevelopment of the T.M. Cobb property which would be facilitated by the demolition project. Future redevelopment would eliminate blight and encourage development of new buildings and businesses which conform to the land use goals stated in the Gaslamp Quarter Planned District Ordinance and the Centre City Community Plan. Future development of the T.M. Cobb Warehouse property would contribute to revitalizing the commercial and residential activity in the Gaslamp Quarter and the Centre City at large. The vacated warehouse is associated with increasing public safety hazards and aesthetic deterioration. These conditions affect adjacent development in the Gaslamp Quarter and demolition of the two warehouse structures will eliminate the hazards and visual degradation.
- D. The significant unavoidable cultural resource impacts would be offset by the existence of three additional structures in the Gaslamp Quarter which are associated with the architect Will Hebbard: the National City and Otay Railroad Depot; the McKenzie, Flint and Winsby Building; and the Dunham Building. The McKenzie, Flint and Winsby Building, (which presently houses the Old Spaghetti Factory), originally contained industrial uses which are similar to the original uses of the Cobb Warehouse. These structures would continue to demonstrate Will Hebbard's early architectural design work for non-residential structures in the Gaslamp Quarter once the T.M. Cobb Warehouse was demolished.

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JUN 29 1993

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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Stevens	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Valerie Stallings	<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"/>
Juan Vargas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Susan Golding	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

(Seal)

SUSAN GOLDING  
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By  , Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R-2 82258 Adopted JUN 29 1993

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