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RESOLUTION NUMBER R-\_\_\_\_\_

ADOPTED ON OCT 26 1993

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO CERTIFYING THAT THE COUNCIL HAS REVIEWED AND CONSIDERED INFORMATION CONTAINED IN THE MASTER ENVIRONMENTAL IMPACT REPORT FOR THE CENTRE CITY REDEVELOPMENT PROJECT, THE SUPPLEMENT TO THE MASTER ENVIRONMENTAL IMPACT REPORT WITH RESPECT TO THE T.M. COBB WAREHOUSE, AND THE SECONDARY STUDY WITH RESPECT TO THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO AND HARBOR FIFTH ASSOCIATES; AND MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING ENVIRONMENTAL IMPACTS OF THE DEVELOPMENT PURSUANT THERETO.

WHEREAS, the Redevelopment Agency of The City of San Diego (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Centre City Redevelopment Project (the "Project"); and

WHEREAS, the Agency has previously prepared, and the Agency by Resolution No. 2081 and the Council of The City of San Diego (the "Council") by Resolution No. R-279875 have certified the Final Master Environmental Impact Report for the Centre City Redevelopment Project (referred to herein as the "MEIR"); and

WHEREAS, in order to determine whether it was feasible or beneficial to save or remove certain historical buildings known as the T.M. Cobb Warehouse in the Project area as an activity necessary to carry out and implement the Redevelopment Plan, the

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Agency subsequently prepared, and the Agency by Resolution No. 2266 and the Council by Resolution No. R-282258 have certified the Final Supplement to the Final Master Environmental Impact Report for the Centre City Redevelopment Project for Demolition Permit and Resource Protection Permit for the T.M. Cobb Warehouse (referred to herein as the "Supplemental EIR"); and

WHEREAS, the Council proposes to approve a Disposition and Development Agreement (the "Agreement") with Harbor Fifth Associates, a California general partnership (the "Developer"), for the sale of certain property in the Project area to the Developer for the construction of a residential condominium and ancillary retail development; and

WHEREAS, the sale of the property and the construction of the residential condominium and ancillary retail development thereon pursuant to the provisions of the proposed Agreement between the Agency and Developer is a redevelopment implementation activity whose environmental impacts are assessed in the MEIR, as supplemented by the Supplemental EIR; and

WHEREAS, the Centre City Development Corporation, Inc., acting on behalf of the Agency, has prepared a Secondary Study in accordance with and pursuant to the California Environmental Quality Act of 1970 (CEQA) and State and local regulations and guidelines adopted pursuant thereto, and such Secondary Study

assesses the environmental impacts of the sale and development of the real property pursuant to the Agreement; and

WHEREAS, the Council has considered the environmental effects of the proposed development as shown in the MEIR, as supplemented by the Supplemental EIR, and the Secondary Study; NOW, THEREFORE,

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

1. That the Council hereby certifies that the Secondary Study of environmental impacts with respect to the proposed sale and development of the real property pursuant to the Agreement has been prepared and completed in compliance with the California Environmental Quality Act of 1970 (CEQA) and State and local regulations and guidelines adopted pursuant thereto.

2. That the Council hereby further certifies that the information contained in the Secondary Study, the MEIR and the Supplemental EIR have been reviewed and considered by the members of the Council.

3. That the Council hereby finds and determines that:

a. No substantial changes are proposed in the Centre City Redevelopment Project, or with respect to the circumstances under which the Project is to be undertaken, as a result of the sale and development of the real property pursuant to the Agreement, which will require important revisions in the MEIR for the Project, as supplemented by the Supplemental EIR, due to the involvement of new significant environmental impacts not covered in the MEIR, as supplemented by the Supplemental EIR, as described in

Section I or Attachment A (attached hereto and incorporated herein by reference); and

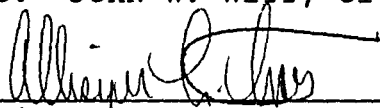
b. No new information of substantial importance to the Project has become available which was not known or could not have been known at the time the MEIR for the Project, as supplemented by the Supplemental EIR, was certified as complete, and which shows that the Project will have any significant effects not discussed previously in the MEIR, as supplemented by the Supplemental EIR, or that any significant effects previously examined will be substantially more severe than shown in the MEIR, as supplemented by the Supplemental EIR, or that any mitigation measures or alternatives previously found not to be feasible or not previously considered, would substantially reduce or lessen any significant effects of the Project on the environment, as described in Section II of Attachment A; and

c. The sale and development of the real property pursuant to the Agreement will have no significant effect on the environment, except as identified and considered in the MEIR for the Project, as supplemented by the Supplemental EIR, as described in Section III of Attachment A; and

d. The significant environmental effects of the Project, as implemented by the sale and development of the real property pursuant to the Agreement which cannot be avoided, remain acceptable as identified and considered in Resolutions No. 2081 and No. 2266 of the Agency, and Resolutions No. R-279875 and No. R-282258 of the Council, as described in Section IV of Attachment A; and

e. No negative declaration, or subsequent environmental impact report, or supplement or addendum to the MEIR, as supplemented by the Supplemental EIR, is necessary or required.

APPROVED: JOHN W. WITT, City Attorney

By   
Allisyn L. Thomas  
Deputy City Attorney

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## ATTACHMENT A

- I. The following discussion explains the reasons why no substantial changes are proposed in the Centre City Redevelopment Project, or with respect to the circumstances under which the Project is to be undertaken, as a result of the sale and development of the real property pursuant to the Disposition and Development Agreement, which will require important revisions in the MEIR for the Project, as supplemented by the Supplemental EIR, due to the involvement of new significant environmental impacts not covered in the MEIR, as supplemented by the Supplemental EIR:

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 MEIR, including a Mitigation Monitoring and Reporting Program.

The MEIR for the Centre City Redevelopment Project addressing the Centre City Community Plan and Related Documents was certified by the Redevelopment Agency and City Council in April 1992. The type and intensity of development assumed in the MEIR analysis include the level of planned development for the project site. However, the MEIR did not analyze potential cultural resource impacts resulting from the demolition of historic resources in a National Register Historic District. As a result, the Supplemental EIR was prepared to analyze the potential cultural resource impacts resulting from the approval of the Demolition and Resource Protection Permit.

Based on the data and conclusion of the Supplemental EIR, the project would result in significant cultural resource impacts which cannot be fully mitigated. The Redevelopment Agency and City Council approved the Demolition Permit and Resource Protection Permit and issued a "Statement of Overriding Considerations" pursuant to CEQA Guidelines.

The implementation of the activity as contemplated was the redevelopment of the Site by the clearance of the Site, including the removal of the T.M. Cobb Warehouse structures, to improve the environment of the neighborhood and permit the redevelopment of the Site with a use consistent with the Centre City Redevelopment Plan and the Gaslamp Quarter Planned District Ordinance. While the Supplemental EIR contemplated redevelopment based on the clearance of the historic structures, it compared a development involving such clearance with alternatives retaining the warehouse structures, in whole or in part, both leaving them in "as is" condition or rehabilitating them, including the development of the remainder of the Site and, in some cases, with subterranean parking structures under the adjacent Park Areas.

Above-grade cultural resources associated with this Site have been addressed in the Supplement to the MEIR for the Demolition Permit and Resource Protection Permit for the T.M. Cobb Warehouse. This document was certified by the Agency and the City Council on June 29, 1993. The Redevelopment Agency's preliminary planning for the Site included an architectural and economic feasibility analysis conducted by City Design and Keyser Marston Associates (KMA), included as Appendix B in the Supplemental EIR.

The proposed development known as Bridgeworks implements the Centre City Community Plan and the Centre City Redevelopment Plan including the Gaslamp Quarter Sub Area. The development is designed to meet the Gaslamp Quarter Planned District Ordinance (GQPDO). The GQPDO allows for a height of 125 feet on parcels 30,000 square feet or more south of Island and the maximum floor area ratio (FAR) should not exceed 6.0 and building elements greater than 75 feet in height shall observe a setback of 50 feet along Fifth Avenue.

Bridgeworks FAR is 4.4, total above-grade development of approximately 176,000 square feet and the project development reaches a height of 125 feet. The type and intensity of development assumed in the analysis in the MEIR includes the level of development under the DDA. In fact, the maximum square footage that could be developed on the Site is 240,000; therefore, the level of intensity is 64,000 square feet less than what was assumed in the MEIR.

The Environmental Impact Secondary Study for Bridgeworks evaluates the environmental impacts of the development under the proposed Disposition and Development Agreement in the context of the existing environmental documents, the MEIR and the Supplemental EIR. The type and intensity of development assumed in the analysis in the MEIR includes the level of development for the proposed project. The MEIR found that traffic and circulation and air quality would be significantly impacted from redevelopment in the overall Centre City Redevelopment Project Area and were the only impacts that could not be mitigated to a level of non-significance. The Supplemental EIR addressed the impacts to cultural resources resulting from the demolition of the historic Cobb Warehouse in a National Register Historic District and found that it would result in significant impacts which cannot be fully mitigated. In both cases, the City Council and the Redevelopment Agency determined that the redevelopment of the Project as contemplated should proceed in that there were important overriding considerations that made the unmitigated impacts acceptable.

- II. The following discussion explains the reasons why no new information of substantial importance to the Project has become available which was not known or could not have been known at the time the MEIR for the Project, as supplemented by the



Supplemental EIR, was certified as complete, and which shows that the Project will have any significant effects not discussed previously in the MEIR, as supplemented by the Supplemental EIR, or that any significant effects previously examined will be substantially more severe than shown in the MEIR, as supplemented by the Supplemental EIR, or that any mitigation measures or alternatives previously found not to be feasible or not previously considered would substantially reduce or lessen any significant effects of the Project on the environment:

The MEIR contains a mitigation program for cultural resources which is designed to preserve significant historic resources. The following mitigation would apply to the T.M. Cobb Warehouse which is a contributing resource in the Gaslamp Quarter National Register: "Structures listed on the National Register of Historic Places and structures identified as contributing structures within a National Register Historic District shall be retained on site and any improvements, renovation, rehabilitation and/or adaptive reuse of the historic property shall ensure its preservation according to applicable guidelines."

Because the MEIR did not analyze potential cultural resource impacts resulting from the demolition of historic resources in the National Register Historic District, a Supplemental EIR was prepared to evaluate the environmental effects of the demolition of the T.M. Cobb Warehouse following approval of a Gaslamp Quarter Planned District Ordinance Permit for Demolition and a Resource Protection Permit. The Supplemental EIR found the development would result in significant cultural resource impacts which cannot be fully mitigated.

Implementation of the measures outlined below and contained in the application for a Demolition and the Resource Protection Permit 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.

On June 29, 1993, the Redevelopment Agency directed Centre City Development Corporation (CCDC) staff and the Developer to continue to explore the feasibility of retention of the facade of the southerly-most T.M. Cobb Warehouse structure only, with a minimal set-back of new development to mitigate added costs to redevelopment of the Site. If such facade cannot be retained due to the deterioration of the brick, staff and Developer are requested to explore replication of the facade with a minimal set-back of new development to mitigate added costs to redevelopment of the Site. The appropriateness of this facade retention/reconstruction was to be determined at the time Basic Concept/Schematic Drawings were submitted in conjunction with the DDA for the redevelopment of the Site. The Agency also directed CCDC staff and the Developer to incorporate into the Fifth Avenue streetwall of the new development the character of the existing structures through design elements or motifs; examples of such elements or motifs include symmetrical facades with roof line parapets.

The submitted Basic Concept/Schematic Drawings show the southerly-most T.M. Cobb Warehouse facade incorporated into the Fifth Avenue streetwall. The facade may be retained in place subject to further investigation of the existing condition of the brick. The new construction is angled back approximately four feet to reveal the historic facade of the south building.

The design of the Fifth Avenue streetwall of the new development incorporates some of the design elements such as graduated and decorative pilasters and horizontal decorative bands.

The City Council, in approving the Resource Protection Permit, stipulated that the demolition of the two warehouse structures would not occur until the Redevelopment Agency has approved the new development for the Site, financing has been obtained for the development, and the Site has been conveyed to the Developer.

KMA's analysis (included in the Supplemental EIR) of the four conceptual development alternatives for the Site which includes retention and rehabilitation of the two T.M. Cobb Warehouse structures and new development of the remainder of the Site (the only development alternatives not found to have a significant impact to cultural resources) 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.

As part of the analysis in the Supplemental EIR to assess the feasibility and the desirability of redevelopment involving clearance of the T.M. Cobb Warehouse structures, four development concepts for the Site were considered involving such clearance. Those development concepts included the following:

- (1) Forty-four dwelling units with one level of subterranean parking on-site;
- (2) One hundred ten dwelling units with two levels of subterranean parking on-site;
- (3) One hundred thirty-eight dwelling units with two levels of subterranean parking on-site with one subterranean level extending westerly under Fourth Avenue; and
- (4) One hundred seventy-five dwelling units with two levels of subterranean parking on-site with one subterranean level extending westerly under Fourth Avenue and the adjacent linear park.

The development under the DDA is proposed to contain 78 - 90 dwelling units with one level of subterranean parking on-site. Thus, the development scheme under the DDA is a refinement to, and consistent in all material respects with, the conceptual redevelopment analyzed by KMA in the Supplemental EIR with respect to the removal of the two T.M. Cobb Warehouse structures.

In connection with considering whether the T.M. Cobb Warehouse structures should be retained either in whole or in part, the Supplemental EIR analyzed several alternatives. The "No Project" alternative analyzed the possibility of leaving the warehouse structures in place in their existing condition. The Supplemental EIR also analyzed four alternatives, leaving the two warehouse structures in place and rehabilitating them with complementary development on the remainder of the Site. The four alternative concepts included the following:

- (1) Mostly retail use, with two dwelling units and one level of subterranean parking on-site;
- (2) Forty-three dwelling units with two levels of subterranean parking on-site;
- (3) Sixty-eight dwelling units with two levels of subterranean parking on-site with one subterranean level extending westerly under Fourth Avenue; and
- (4) One hundred and four dwelling units with two levels of subterranean parking on-site with one subterranean level extending westerly under Fourth Avenue and the adjacent linear park.

Finally, the Supplemental EIR also included the following alternatives of warehouse relocation and facade retention:

Under the "Warehouse Relocation" alternative, the T.M. Cobb Warehouse will be relocated to another site outside of the Gaslamp Quarter. 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 would be lost and the associated impact to historic resources would 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. 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. A structural engineering study concluded 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 footing. 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.

No new information has become available during the process of formulating and negotiating the development under the DDA which would add to the analysis of the full range of mitigation measures and alternatives already considered in the Supplemental EIR. The Site is the same area, the available street access is the same, the availability of adjacent Park Areas for subterranean parking is the same, and all other relevant conditions are the same as when the Supplemental EIR was prepared.

III. The following discussion explains the reasons why the sale and development of the real property pursuant to the Disposition and Development Agreement will have no significant effect on the environment, except as identified and considered in the MEIR, as supplemented by the Supplemental EIR, for the Project:

A. With respect to Earth (geologic) Resources

The construction of the development will require excavation for foundations and below-grade parking. No unique geologic structures or surface relief features exist on the Site, and the overall surface area is flat. The natural topography of the Site has been altered over time by grading, excavating, and filling.

The proposed development is not expected to affect deposition or erosion of beach sand or soils, but may result in short-term increases in wind or water erosion of soils. The Rose Canyon fault lies within the project vicinity, although the exact location of fault traces are difficult to identify in this highly urbanized area. As indicated in the MEIR, the development will be required to conduct Site-specific geotechnical investigations to support seismic and structural design, consistent with standard City requirements and the Uniform Building Code.

B. With respect to Air Resources

The types of uses and structures proposed for the Site do not generally create objectionable odors or alter climate. As described in the MEIR, the excavation for utility access and underground parking, the preparation of foundations and building assembly will create temporary emissions of dust, fumes, equipment exhaust, and other air contaminants during development of the Site. The MEIR concludes that potential significant construction impacts associated with dust emissions are mitigable by implementation of standard construction dust control practices. No potentially significant regional air quality impacts are anticipated as a result of construction of the proposed development.

Vehicular traffic generated by the proposed development will contribute incrementally to the cumulative air emissions associated with development in Centre City and the emissions analysis included in the MEIR is incorporated by reference. The MEIR concluded that air quality impacts for development based on the Centre City Community Plan and Redevelopment Plan are significant and not fully mitigable. The MEIR indicates that the San Diego area does not presently comply with all state and federal air quality standards, and the newly adopted Regional Air Quality Strategy is not expected to result in attainment of state air quality standards by 1997. The incremental development represented by the proposed development will add to the existing non-attainment condition,

but the total intensity of development is less than that analyzed in the MEIR.

C. With respect to Water Resources

The MEIR indicates that Centre City is currently serviced by a storm water drainage system composed of gutters and subsurface conduits, and no major flooding hazards exist in the area. Although the project will add impervious surface to the Site, the area is highly urbanized and served by an adequate storm water drainage system. San Diego Bay is the major surface water resource in the area. Storm water runoff entering the Bay is regulated by the federal National Pollution Discharge Elimination System (NPDES) permit process and this project is subject to the NPDES water quality requirements.

Soil/groundwater contamination in portions of the Centre City Project area has occurred as a result of existing and previous industrial uses. According to the DDA, if subsurface contamination is encountered on the Site, the Developer will remove, cause to be removed (at its own cost and expense), and/or otherwise remedy, as provided by law and implementing rules and regulations and as required by appropriate governmental authorities, any contaminated or hazardous soil and/or water conditions on the Site.

D. With respect to Plant Life

The Site and Centre City area are highly urbanized and no unique, rare, endangered, or agricultural species of plant life exist. Plant life may be introduced into the area in the form of ornamental landscaping to accent the proposed development, but this introduction will not affect any species native to the area.

E. With respect to Animal Life

The Site and Centre City area are highly urbanized and no species of animal life native to the area are expected to be affected by project development. No animal life will be introduced to the Site as a result of the project.

F. With respect to Noise

The MEIR includes projections of future noise levels based on full development of the Centre City Community Plan, including implementation of Bridgeworks. The existing noise level at the Site is approximately 65 dBA CNEL. The MEIR noise analysis indicates that full development of the Centre City Community Plan and Redevelopment Plan will subject most of the areas in the community to noise levels that exceed the Progress Guide and General Plan noise/land use compatibility criteria.

Compliance with the Noise Ordinance and Noise Insulation Standards shall also extend to parking facilities, utilitarian service areas, and other similar operations. The Developer shall provide evidence of compliance with the Noise Ordinance at 100% Construction Drawings.

G. With respect to Light and Glare

The proposed project lies within the urbanized core of the City of San Diego, an area which includes substantial high rise development with associated lighting and reflective surfaces. Although the project will incrementally add to the existing sources of light and glare within the area, the proposed project is subject to a design review process which will ensure that appropriate design measures are included to mitigate night lighting impacts. The MEIR indicates that a lighting plan is required for all new projects, and that all lighting sources must be directed downward or shielded to confine light and glare within the project boundaries. The incorporation of any new lighting sources will comply with all city codes and ordinances.

H. With respect to Land Use

The proposed development and uses are consistent with land uses for the Site envisioned in the Centre City Community Plan and Redevelopment Plan and the GQPDO.

The GQPDO allows a maximum building height limit of 75 feet at the discretion of the Executive Vice President with review and comment by the Historical Site Board and City Architect prior to Executive Vice President action. However, on parcels 30,000 square feet or more south of Island, the City Council may grant an additional height exception up to 125 feet provided that the maximum floor-area-ratio (FAR) shall not exceed 6.0, and building elements greater than 75 feet in height shall observe a setback of 50 feet along Fifth Avenue. The proposed development has a FAR of 4.4. The building is setback approximately 100 feet from Fifth Avenue. The building is 125 feet to the top of the mid-rise tower and requires City Council approval.

I. With respect to Natural Resources

Construction of the proposed development will require the use of some renewable and nonrenewable resources. The use of the nonrenewable resources such as gravel, iron ore, oil, and energy resources for redevelopment of the Site will contribute to the further depletion of these resources. Although the resources will be consumed during construction, the redevelopment of the Site will provide a more productive utilization of the land area. The development will not substantially deplete any nonrenewable natural resources; therefore, the proposed development's impact on natural resources is not considered potentially significant.

J. With respect to Risk of Upset

The proposed development is a mixed-use residential development. The development will not create any health hazards. With respect to potential exposure to any soil or groundwater contamination, the discussion under Item 3 indicates if subsurface contamination is encountered on the development Site, the Developer will be required to prepare and implement any necessary Site-safety and clean-up remediation plans in compliance with any applicable state and local regulations.

K. With respect to Population

The proposed development consists of residential, retail, restaurant, and other similar types of uses. This mixture of uses will increase the residential and employment population of the area. This is consistent with and implements the Centre City Community Plan and Redevelopment Plan goals for the Gaslamp Quarter Sub Area. The MEIR indicates that planned population growth with its associated environmental effects and required mitigation to reduce such effects can be accommodated within the Centre City area.

L. With respect to Housing

The proposed development consists of approximately 78 to 90 residential units, retail, and restaurants. The proposed development will not involve the demolition of any existing housing units. The absence of any demolition of housing in no significant housing-related impact associated with the development.

M. With respect to Transportation/Circulation

With the proposed development of approximately 28,500 leasable square feet of retail uses and 78 to 90 residential units, additional vehicular traffic and demand for parking will be generated. Parking will be provided for 142 cars in an approximately 10,440 square feet above-grade and approximately 38,400 square feet below-grade parking structure. Entrance and exit to the parking garage will be located off of "K" Street.

The MEIR documents the expected transportation/circulation impacts of full development in Centre City and that analysis is incorporated by reference. The analysis concludes that a 60 percent transit mode split is necessary to avoid significant unmitigable impacts. The MEIR indicates that transportation/circulation impacts will be reduced by the application of the Centre City Transit Ordinance impact fee (if collected in the future) and actions by the Metropolitan Transit Development Board (MTDB) to achieve a 60 percent transit mode split in Centre City.



All traffic mitigation measures identified in the MEIR will be incorporated into individual phases of the project as development proceeds. However, even with implementation of the identified mitigation measures, significant cumulative traffic impacts will occur and implementation of the proposed development will contribute to the significant cumulative transportation/ circulation impacts identified in the MEIR.

N. With respect to Public Services

Police services to the Site are provided by the Central Area Station of the San Diego Police Department located at 1401 Broadway in Centre City East. The MEIR indicates that there are approximately 2.3 sworn officers per 1,000 residents in Centre City, somewhat higher than the typical nationwide urban standard ratio of 2.0 sworn officers per 1,000 residents. The level of demand for police services may increase as future development occurs within Centre City, but physical improvement of the area and additional tax revenues associated with public and private development may also reduce the potential for crime and provide revenue for service expansion.

Fire protection is currently provided by the City of San Diego Fire Department. Although many of the six surrounding stations could respond to an emergency, the station at Eighth Avenue and "J" Street is the nearest to the development. The MEIR indicates that existing fire protection services are adequate to serve Centre City. Future level of service is based on the ability to maintain adequate response times of six minutes or less, and improvements associated with public and private development projects in the Centre City area are expected to reduce fire risks and maintain adequate response times.

The MEIR indicates the level of demand for fire protection services may increase as future development occurs within Centre City, but physical improvement of the area and additional tax revenues associated with public and private development may also reduce the potential for fire risk and provide revenue for service expansion.

The MEIR discusses impacts to other public services, such as schools, courts, jails, health services, social services, senior services, libraries, solid waste, and parks, and concludes that such impacts will be mitigated by funding available to the City of San Diego from Redevelopment Agency repayments and "released" tax increment revenues from Horton Plaza Redevelopment Project, and new sales tax revenues and new transient occupancy tax revenues generated by new development within Centre City.

O. With respect to Energy

The MEIR indicates that full development of the Centre City Community Plan and Redevelopment Plan will create additional

demand for electricity and natural gas. Adequate energy facilities are in place to serve development anticipated in the near term and an additional substation will need to be added in the next ten years to serve future development. Natural gas service lines will be added as necessary to serve proposed development. SDG&E reviews project-specific proposals to determine service requirements and charges fees or requires facility upgrades as necessary.

The DDA requires the design of the improvements to include, where feasible, energy conservation, construction techniques, and design, including co-generation facilities, and active and passive solar energy design. The Developer is required to demonstrate consideration of such energy features during the review of the 50% Complete Construction Drawings.

P. With respect to Utilities

The MEIR discusses impacts to utilities, such as water, sewage, storm drainage, and communication systems, and solid waste disposal; the document concludes that such impacts will be mitigated by: a) funding available to the City of San Diego from Redevelopment Agency repayments and "released" tax increment revenues from Horton Plaza Redevelopment Project; b) new sales tax revenues and new transient occupancy tax revenues generated by new development within Centre City; and c) user fees and installation charges associated with extending utility services to proposed development.

According to the DDA, the Developer will be responsible for the connection of on-site sewer, water and storm drain systems from the development to City utilities located within the public right-of-way. The Developer will also upgrade all nonfranchise City utilities as required by the Water Utilities and City Engineering Departments as necessary to serve the proposed development. The Developer is also responsible for the installation or relocation of franchise utility connections.

Q. With respect to Human Health

The proposed development is not expected to create any hazards to human health. Buildings and improvements will be designed to meet all current federal, state, and local safety requirements.

Contamination to groundwater has occurred within the Centre City area. Contamination is generally associated with existing and earlier industrial operations and some sites containing soils and groundwater contamination (such as petroleum, heavy metals, and other contaminants) have been identified. The MEIR requires that any subsurface contamination encountered during Site development will require remediation to comply with federal, state and local regulations.

With respect to potential exposure to soil and groundwater contamination, if subsurface contamination is encountered on the Site, the Developer will be required to prepare and implement any necessary Site safety and cleanup remediation plans in compliance with the applicable state and local regulations.

R. With respect to Aesthetics

The MEIR describes the Centre City Community Plan, the Gaslamp Quarter Planned District Ordinance (GQPDO), the Centre City Planned District Ordinance, and the Centre City Streetscape Manual and other related documents as the regulatory plans controlling urban design issues within Centre City.

The proposed development is governed by the GQPDO and the Site has a maximum floor area ratio of 6.0 and a maximum building height of 125 feet. The development is proposed to have a FAR of approximately 4.4 and building height of approximately 59 feet 5 inches along Fifth Avenue with an attic level set back from the street reaching 67 feet and the height of the mid-rise tower of 125 feet, observing a setback from Fifth Avenue of approximately 100 feet. The design criteria in the GQPDO, including project specific conditions of approval, will be used as a basis for evaluating the development through all stages of the design review process.

S. With respect to Recreation

According to the DDA, the Park Areas A, B, and C, adjacent to the Site, will be designed by the Developer. The Agency will direct the preparation of the construction documents and review and approve the design for the Park Areas. The Agency will also construct the park improvements. Park Areas A and B will be maintained by the Developer for no less than 30 years pursuant to a Landscape Maintenance Agreement with the City of San Diego. Park Area C is to be maintained by the Downtown Maintenance Assessment District.

The MEIR discusses impacts to parks and recreation, and concludes that such impacts will be mitigated by funding available to the City of San Diego from Redevelopment Agency repayments and "released" tax increment revenues from Horton Plaza Redevelopment Project, and new sales tax revenues and new transient occupancy tax revenues generated by new development within Centre City.

The development has the potential to increase the demand for recreational services by increasing the employment and residential population in the area; however, additional tax revenues resulting from the development will be used to offset additional demand.

T. With respect to Cultural Resources

In connection with their decision to remove the historic warehouse structures, the Agency and City Council approved several mitigation measures. At the June 29, 1993 meeting, the Agency:

- Directed Centre City Development Corporation (CCDC) staff and the Developer to continue to explore the feasibility of retention of the facade of the southerly-most T.M. Cobb Warehouse structure only, with a minimal set-back of new development to mitigate added costs to redevelopment of the Site. If such facade cannot be retained due to the deterioration of the brick, staff and Developer are requested to explore replication of the facade with a minimal set-back of new development to mitigate added costs to redevelopment of the Site. The appropriateness of this facade retention/recon-struction would be determined at the time Basic Concept/ Schematic Drawings were submitted for the redevelopment of the Site.
- Directed CCDC staff and the Developer to incorporate into the Fifth Avenue streetwall of the new development the character of the existing structures through design elements or motifs; examples of such elements or motifs include symmetrical facades with roof line parapets, graduated and decorative pilasters, and horizontal decorative bands.

The City Council, in approving the Resource Protection Permit, stipulated that the demolition of the two warehouse structures would not occur until the Redevelopment Agency has approved the new development for the Site, financing has been obtained for the development, and the Site has been conveyed to the Developer.

In addition, applications for the Resource Protection Permit and Demolition Permit specify that:

1. Once the permits are granted, the two Cobb Warehouse structures are to be stabilized and maintained until their later demolition as provided below. The Site shall be maintained in a clean, safe, and secure condition.
2. The GQPDO Permit contains a condition that design elements or motifs of the former warehouse structures be incorporated into any new development of the Site in the future, to the extent determined feasible by the Redevelopment Agency. Examples of such design elements or motifs include symmetrical facades with roof line parapets, graduated and decorative pilasters, horizontal decorative bands, evenly spaced semi-circular arches, and decorative arch surrounds.

3. The GQPDO Permit for Demolition of the warehouse structures also contains a condition requiring photographic documentation of the exterior and interior and "as built" drawings of the two structures according to the standards of the Historic American Buildings Survey (HABS). The HABS shall be provided to the Redevelopment Agency, the Historical Site Board, and other appropriate recipients prior to issuance of the Demolition Permit.
4. The GQPDO Permit for Demolition of the two warehouses shall contain a condition requiring the preparation of a photographic exhibit. The exhibit shall contain photographs and a historical narrative about the warehouse buildings and will be permanently displayed in a public area of any on-site new development.
5. Once issued, the GQPDO Permit for Demolition and the Resource Protection Permit will be binding on all parties and their successors in interest and remain in effect or be extended in accordance with standard City of San Diego practices.

The Supplemental EIR addressed the impacts to cultural resources resulting from demolition of historic resources in a National Register Historic District and found that it would result in significant impacts which cannot be fully mitigated.

The development proposed under the DDA would require the clearance and the redevelopment of the entire Site. This fact is recognized in the MEIR, as supplemented by the Supplemental EIR. The DDA is subject to and/or imposed requirements for the implementation of the development thereunder which includes the above-described mitigation measures. The above mitigation measures would reduce the adverse impact of removing the historic warehouse structures, but would not reduce it to a level of insignificance.

IV. The following discussion explains the reasons why the significant environmental effects of the Project, as implemented by the sale and development of the real property pursuant to the Disposition and Development Agreement, which cannot be avoided, remain acceptable as identified and considered in Resolutions No. 2081 and 2266 of the Agency, and Resolutions No. 279875 and 282258 of the City Council:

- A. The significant unavoidable air quality, traffic/circulation, and cultural resource impacts are offset by the benefits of implementing the redevelopment 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.

- B. The significant unavoidable air quality, traffic/circulation, and cultural resource impacts are offset by redevelopment of the Site under the DDA which 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. Such development 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. Demolition of the two warehouse structures as contemplated by the proposed DDA will eliminate the hazards and visual degradation.
- C. The Supplemental EIR evaluated the residual land value of the subject Site under four development concepts, assuming the removal of the T.M. Cobb Warehouse structures and four alternative development scenarios assuming retention of those structures. KMA's analysis concluded that the highest-intensity uses achievable on the Site could support estimated land values in the range of \$4.9 million to \$5.1 million, or about \$123 to \$128 per square foot of land area (based on 40,000 square feet). These development concepts required that additional underground parking be constructed under Fourth Avenue and/or the proposed triangular park area at the southwest corner of Fourth and "K." Therefore, the indicated land values cannot be attributed to the subject Site alone. For the scenario in which underground parking was limited to the boundaries of the subject Site, KMA estimated a supportable land value of about \$1.4 million, or \$35 per square foot. Based on the KMA analysis, the Agency (Resolution #2266) and the City Council (Resolution #282261) determined that the development schemes in which the T.M. Cobb 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. The development scenarios analyzed by KMA in the Supplemental EIR generate the following residual land values: (1) 44-dwelling-unit concept would produce \$1.4 million in land price; (2) 138-dwelling-unit concept would achieve \$4.9 million in land price; (3) 175-dwelling-unit concept would produce \$5.1 million in land price. The 44-unit scheme referred to above could support only that number of dwelling units mainly because the scheme contains

parking on-site for the retail uses. The development under the DDA is proposed to contain approximately 78 to 90 dwelling units.

KMA, in connection with its financial reuse analysis of the proposed DDA, has concluded that the present value of the total consideration to be paid by the Developer for the subject Site under the DDA is equal to approximately \$3,076,000, or about \$77 per square foot of land. This amount of purchase price (and related consideration) will allow the Agency to recover a significant amount of its \$3.6 million acquisition cost for the Site.

The development scheme under the proposed DDA is a refinement of the conceptual plans analyzed by KMA in the Supplemental EIR. The DDA concept would not require parking to be constructed within the adjacent Park Areas; however, by eliminating retail parking on-site, it would allow a more viable number of dwelling units to be constructed. Consistent with KMA's analysis in the Supplemental EIR, the financial analysis prepared by KMA for the development under the DDA confirms that retention and rehabilitation of the T.M. Cobb Warehouse structures and the development of the remainder of the Site with other uses would result in a residual land value to the Agency much less than if the warehouse structures are cleared as contemplated under the proposed DDA. This confirms that it is not feasible to meet the Agency's fiscal requirements if the warehouse structures are retained.

- D. The significant unavoidable cultural resource impact 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.

The benefits described above confirm that the removal of the T.M. Cobb Warehouse structures pursuant to the DDA, and the redevelopment of the Site pursuant to the DDA, are acceptable.

Passed and adopted by the Council of The City of San Diego on \_\_\_\_\_,  
by the following vote:

OCT 26 1993

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 *Maxwell L. Patterson*, Deputy.

Office of the City Clerk, San Diego, California

Resolution *R* 282919  
Number ..... Adopted OCT 26 1993



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