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RESOLUTION NUMBER R-302637

DATE OF FINAL PASSAGE MAY 15, 2007

WHEREAS, Mission Corporate Industrial Center, L.P., a California Limited Partnership; Mission Corporate Center, L.L.C., a California Limited Liability Company; and Parma Property Company, Inc., a California Corporation, Owner/s and Coastal Development Company, a California Corporation, Permittee, filed an application with the City of San Diego for a site development permit to demolish all but one existing structure and develop a mixed-use project consisting of 588 multi-family dwelling units (including 10 percent affordable units) and 135,228 square feet of office and retail uses known as the Centerpointe project, located within the block located west of Mission Gorge Road, North of Twain Avenue, East of Fairmount Avenue, and south of Vandever Avenue, and legally described as Lots 2 and 3 of Padre Center, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5147, filed in the Office of the County Recorder of San Diego County, April 3, 1963, together with Parcels 1 through 3 inclusive of Parcel Map No 18793 in the City of San Diego, County of San Diego, State of California, recorded in the Office of the County Recorder for San Diego County on September 14, 2001 as instrument No. 2001-0663372 of Official Records, in the Navajo Community Plan area, in the IL-3-1 and CC-4-2 zones which are proposed to be rezoned to the RM-3-9 and CO-1-1 zones with Community Plan Implementation Overlay Zone [CPIOZ] Type A within the Grantville Redevelopment project Area; and

WHEREAS, on January 11, 2007, the Planning Commission of the City of San Diego considered Site Development Permit [SDP] No. 270199, and pursuant to Resolution No. 4197-PC voted to recommend City Council approval of the Permit; and

WHEREAS, under Charter section 280(a)(2) this resolution is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, the matter was set for public hearing on May 15, 2007, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that it adopts the following findings with respect to Site Development Permit No. 270199:

A. SITE DEVELOPMENT PERMIT – SAN DIEGO MUNICIPAL CODE [SDMC] SECTION 126.0504

1. Findings for all Site Development Permits:

a. The proposed development will not adversely affect the applicable land use plan. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The project includes a proposed amendment to the Navajo Community Plan to redesignate the site from Industrial and Commercial to a new Mixed-Use designation that would serve to implement the site's Urban Village designation on the Strategic Framework Element. This redesignation would enable the site to be redeveloped in accordance with the City Progress Guide and General Plan. The new designation would increase density for multi-family development as part of a comprehensively planned mix of land uses that are designed to promote walkability and encourage use of other alternative modes of transportation; and enhance opportunities for social interaction and a more vibrant sense of place. The Mixed-Use designation proposed for the project site could also be applied to other areas of the community determined to be suitable for implementation of the "Subregional District," "Neighborhood

Village Center,” “Urban Village Center,” and “Transit Corridor” designations of the Strategic Framework Element.

The Design Guidelines of the Site Development Permit and in the proposed Mixed-Use CPIOZ provide detailed guidance for development that would accomplish the design goals of the Navajo CPIOZ in a manner that is more specific to mixed-use development and include public art, outdoor gathering spaces, street furniture, façade articulation, retail access and visual transparency along street frontages, café seating, and other elements that create walkable streets and enhanced community identity.

The Site Development Permit’s Design Guidelines and Landscape Development Plan implement the Navajo Community Plan goal that streets be pleasant places to walk, by providing new trees and other landscaping along the project’s street frontage on Mission Gorge Road, Twain Avenue, and Fairmount Avenue, as well as along the new Centerpointe Circle that serves as access to the project’s new residential and mixed-use buildings. Other guidelines of the Navajo Community Plan that are proposed to be incorporated into the Mixed-Use CPIOZ include restrictions on equipment enclosures, outdoor storage and display, and loading and refuse/recycling areas; requires parking to be located in side or rear yards only; and limits curb cuts and signs.

The proposed community plan amendment, rezone, and site development permit would not cause a substantial or extreme land use incompatibility with existing land uses or plan designations on the adjacent properties and would not conflict with any open space, park, or environmental plans. Therefore, the proposed development would not result in a significant land use impact and would not adversely affect the applicable land use plan.

b. The proposed development will not be detrimental to the public health, safety, and welfare. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed development is an existing fully-developed site that does not contain environmentally sensitive lands and has been studied for potential traffic, noise, air quality/CO “hot spot” conditions, geotechnical, water quality, and hazardous materials impacts. Mitigation measures have been included to avoid significant public health, safety, and welfare impacts. An archaeological investigation and monitoring of geotechnical borings was also conducted and the potential for on-site resources was determined to be low. Monitoring for paleontological resources during underground garage excavations would be conducted. Due to the project site’s location approximately 200 feet from the San Diego River, water quality Best Management Practices [BMPs] have been incorporated into the site design and include minimizing areas of impervious surfaces by providing underground parking for the new project buildings and directing runoff from roofs and other impervious surfaces to vegetated bioswales

or mechanical treatment devices. All proposed construction would comply with state and local codes and procedures.

A Supplemental Environmental Impact Report (No. 80450) to the Grantville Redevelopment Project Program Environmental Impact Report has been prepared in accordance with the California Environmental Quality Act. A Mitigation, Monitoring And Reporting Program has been prepared and would be implemented which would reduce, to a level of insignificance, any potential impacts identified in the following areas: transportation/circulation, air quality, noise, cultural resources, geology/soils, hazards and hazardous materials, paleontological resources, and water quality/hydrology.

In addition, the proposed development would materially assist in accomplishing the goal of providing affordable housing opportunities in an economically balanced community. A minimum of 10 percent (fifty-nine) of the proposed dwelling units would be affordable per the Inclusionary Housing Ordinance and a mix of studios and 1-, 2-, and 3-bedroom units would provide a variety of housing options and costs. Inclusionary rental rates would be affordable to households earning no more than 65 percent of Area Median Income [AMI] and for-sale units would be affordable at no more than 100 percent of AMI.

All proposed construction would comply with state and local codes and regulations for construction. Therefore, the project will not be detrimental to the public health, safety, or welfare of the community.

c. The proposed development will comply with the applicable regulations of the Land Development Code. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed development would comply with the applicable regulations of the RM-3-9 and CO-1-1 zones for density, minimum lot area, lot width and depth, maximum floor area ratio, storage requirements, private exterior open space, common open space, supplemental requirements, and parking and loading requirements.

A deviation to the development regulations governing the minimum street frontage is requested to allow a reduction in the minimum street frontage in the RM-3-9 zone from the required 70 feet, to 0 feet to permit Lots B, D, E, and H to front on a private drive. This is due to the applicant proposing private street standards for the interior streets. The deviation from the minimum street frontage of 70 feet provides cost savings with a reduced street width for a private drive rather than constructing the proposed interior roadway to full public street standards. While allowing for construction cost savings, private street standards would also allow for a more pedestrian friendly streetscape.

In addition, the proposed project includes an amendment to the Navajo CPIOZ that is intended to allow flexibility from the base zone use regulations as a means to encourage mixed-use development with a density and intensity of use that will improve retail activity, increase pedestrian amenities, create new opportunities for social interaction and a more vibrant sense of place, and encourage use of alternative modes of transportation.

The proposed deviation is intended to enable the site to be developed in accordance with the policies of the City of Villages Strategic Framework Element, which designates the site as an Urban Village Center; and would allow mixed-use, rather than single-use buildings, and minimum street setbacks to enhance the pedestrian experience in mixed-use neighborhoods.

The deviation is further justified in accordance with the purpose of SDMC section 143.910, which “is to provide flexibility in the application of development regulations for projects providing affordable shelter and a balance of housing opportunities for all economic segments of the community.” Strict application of the base zone development regulations would restrict design options and result in a less desirable project. Therefore, proposed development will comply with the applicable regulations of the Land Development Code

2. Supplemental Findings – Deviations for Affordable/In-Fill Housing Projects - A development that requires a Site Development Permit in accordance with Section 143.0920 because the applicant has requested a deviation from the applicable development regulations for affordable/in-fill housing projects may be approved or conditionally approved only if the decision maker makes the following supplemental findings in addition to the findings in Section 126.0504(a):

a. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City, and/or the proposed development will materially assist in reducing impacts associated with fossil fuel energy use by utilizing alternative energy resources, self-generation and other renewable technologies (e.g. photo voltaic, wind, and/or fuel cells) to generate electricity needed by the building and its occupants. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed development would comply with the applicable regulations of the RM-3-9 and CO-1-1 zones for density, minimum lot area, lot width and depth, maximum floor area ratio, storage requirements, private exterior open space, common open space, supplemental requirements, and parking and loading requirements.

A deviation to the development regulations governing the minimum street frontage is requested to allow a reduction in the minimum street frontage in the RM-3-9 zone from the required 70 feet, to 0 feet to permit Lots B, D, E, and H to front on a private drive. This

is due to the applicant proposing private street standards for the interior streets. The deviation from the minimum street frontage of 70 feet provides cost savings with a reduced street width for a private drive rather than constructing the proposed interior roadway to full public street standards. While allowing for construction cost savings, private street standards would also allow for a more pedestrian friendly streetscape.

In addition, the proposed project includes an amendment to the Navajo CPIOZ that is intended to allow flexibility from the base zone use regulations as a means to encourage mixed-use development with a density and intensity of use that will improve retail activity, increase pedestrian amenities, create new opportunities for social interaction and a more vibrant sense of place, and encourage use of alternative modes of transportation.

The proposed deviation is intended to enable the site to be developed in accordance with the policies of the City of Villages Strategic Framework Element, which designates the site as an Urban Village Center; and would allow mixed-use, rather than single-use buildings, and minimum street setbacks to enhance the pedestrian experience in mixed-use neighborhoods.

The deviation is further justified in accordance with the purpose of SDMC section 143.0910, which "is to provide flexibility in the application of development regulations for projects providing affordable shelter and a balance of housing opportunities for all economic segments of the community." Strict application of the base zone development regulations would restrict design options and result in a less desirable project. Therefore, proposed development will comply with the applicable regulations of the Land Development Code.

The San Diego Municipal Code (SDMC Section 143.0910) allows flexibility in the application of development regulations (deviations) for affordable developments where strict application of the base zone development regulations would restrict design options and result in a less desirable project, through the processing of a Site Development Permit. The purpose of these regulations is to provide flexibility in the application of development regulations for projects providing affordable shelter and a balance of housing opportunities for all economic segments of the community. The intent is to provide an additional incentive to facilitate the development of affordable/in-fill housing while assuring that the development achieves the purpose and intent of the applicable land use plan.

The project is subject to the Inclusionary Housing requirements of San Diego Municipal Code Chapter 14, Article 2, Division 13. The Site Development Permit has been conditioned to require the applicant to comply with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code) prior to the issuance of the first building permit. The applicant has elected to meet these requirements by setting aside at least 10 percent of the units (or fifty-nine units) as affordable (65 percent AMI for-rent or 100 percent AMI for-sale). Prior to receiving the first residential building permit, the applicant has been required to enter into an agreement with the San Diego Housing Commission to assure that the affordable units are built, occupied by eligible households, and rented or sold at the appropriate rates. Therefore, the proposed development will material assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City.

b. The development will not be inconsistent with the purpose of the underlying zone. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed development would comply with the applicable regulations of the RM-3-9 and CO-1-1 zones for density, minimum lot area, lot width and depth, maximum floor area ratio, storage requirements, private exterior open space, common open space, supplemental requirements, and parking and loading requirements.

A deviation to the development regulations governing the minimum street frontage is requested to allow a reduction in the minimum street frontage in the RM-3-9 zone from the required 70 feet, to 0 feet to permit Lots B, D, E, and H to front on a private drive. This is due to the applicant proposing private street standards for the interior streets. The deviation from the minimum street frontage of 70 feet provides cost savings with a reduced street width for a private drive rather than constructing the proposed interior roadway to full public street standards. While allowing for construction cost savings, private street standards would also allow for a more pedestrian friendly streetscape.

In addition, the proposed project includes an amendment to the Navajo CPIOZ that is intended to allow flexibility from the base zone use regulations as a means to encourage mixed-use development with a density and intensity of use that will improve retail activity, increase pedestrian amenities, create new opportunities for social interaction and a more vibrant sense of place, and encourage use of alternative modes of transportation.

The proposed deviation is intended to enable the site to be developed in accordance with the policies of the City of Villages Strategic Framework Element, which designates the site as an Urban Village Center; and would allow mixed-use, rather than single-use buildings, and minimum street setbacks to enhance the pedestrian experience in mixed-use neighborhoods.

The deviation is further justified in accordance with the purpose of SDMC section 143.0910, which "is to provide flexibility in the application of development regulations for projects providing affordable shelter and a balance of housing opportunities for all economic segments of the community." Strict application of the base zone development regulations would restrict design options and result in a less desirable project. Therefore, proposed development will comply with the applicable regulations of the Land Development Code.

In addition, the proposed project includes an amendment to the Navajo CPIOZ that is intended to allow flexibility from the base zone use regulations as a means to encourage mixed-use development with a density and intensity of use that will improve retail activity, increase pedestrian amenities, create new opportunities for social interaction and a more vibrant

sense of place, and encourage use of alternative modes of transportation. Therefore, development will not be inconsistent with the purpose of the underlying zone.

c. **Any proposed deviations are appropriate for this location and will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone.** The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

A deviation to the development regulations governing the minimum street frontage is requested to allow a reduction in the minimum street frontage in the RM-3-9 zone from the required 70 feet, to 0 feet to permit Lots B, D, E, and H to front on a private drive. This is due to the applicant proposing private street standards for the interior streets. The deviation from the minimum street frontage of 70 feet provides cost savings with a reduced street width for a private drive rather than constructing the proposed interior roadway to full public street standards. While allowing for construction cost savings, private street standards would also allow for a more pedestrian friendly streetscape.

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The proposed deviation is intended to enable the site to be developed in accordance with the policies of the City of Villages Strategic Framework Element, which designates the site as an Urban Village Center; and would allow mixed-use, rather than single-use buildings, and minimum street setbacks to enhance the pedestrian experience in mixed-use neighborhoods.

The deviation is further justified in accordance with the purpose of SDMC section 143.910, which “is to provide flexibility in the application of development regulations for projects providing affordable shelter and a balance of housing opportunities for all economic segments of the community.” Strict application of the base zone development regulations would restrict design options and result in a less desirable project. Therefore, the deviation is appropriate for this location and will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone.

3. Supplemental Findings – Public Right-of-Way Encroachments - A Site Development Permit in accordance with Section 126.0502(d)(7) for any encroachment or object which is erected, placed, constructed, established or maintained in the public right-of-way when the applicant is not the record owner of the property on which the proposed encroachment will be located in accordance with Section 129.0710(b) may be approved or

conditionally approved only if the decision maker makes the following supplemental findings in addition to the findings in Section 126.0504(a):

a. **The proposed encroachment is reasonably related to public travel, or benefits a public purpose, or all record owners have given the applicant written permission to maintain the encroachment on their property.** The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed bridge would be part of an overall plan to improve pedestrian facilities and services in the project area in accordance with the Urban Village designation of the Strategic Framework Element. The bridge would serve to encourage pedestrian access to shops, services, and a central plaza within the Centerpointe at Grantville project site. Mission Gorge Road is approximately 10 feet higher in elevation than the proposed central plaza area west of the alley; and the alley carries a relatively heavy volume of traffic from the Kaiser Medical Facility and other auto-dependent land uses on adjacent off-site properties. The project would provide retail shops and services along the pedestrian walkway in the existing Building G on Mission Gorge Road and continue with similar shops and services on the first and second levels of Building H west of the alley. All improvements required on private property for the bridge would be entirely within the Centerpointe at Grantville ownership and would not encroach on any other private property. Therefore, the proposed encroachment is reasonably related to public travel, or benefits a public purpose, or all record owners have given the applicant written permission to maintain the encroachment on their property

b. **The proposed encroachment does not interfere with the free and unobstructed use of the public right-of-way for public travel.** The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The existing public alley is 20 feet wide and is proposed to be widened to 24 feet within the limits of the project site. The proposed bridge would span the entire alley with a height clearance of 15-1/2 feet, which is a typical standard for bridges over a public street, and would not interfere with the free and unobstructed use of the public right-of-way for public travel. Therefore, the proposed encroachment does not interfere with the free and unobstructed use of the public right-of-way for public travel.

c. **The proposed encroachment will not adversely affect the aesthetic character of the community.** The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing

54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

The proposed bridge is located in an alley and within an area of existing service commercial, industrial, and office uses. It would not be visible from existing residential areas or public parks. The architectural design of the bridge would be integrated into the overall architectural character of the planned Centerpointe at Grantville mixed-use development. Therefore, the proposed encroachment will not adversely affect the aesthetic character of the community.

d. The proposed encroachment does not violate any other Municipal Code provisions or other local, state, or federal law. The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley.

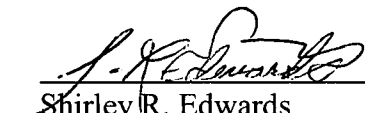
The Centerpointe at Grantville Development, including the proposed construction of a pedestrian bridge over an on-site alley, was reviewed against all applicable policy documents and development regulations and would comply with all other Municipal Code provisions and would not violate other local, state, or federal law. Therefore, the proposed encroachment does not violate any other Municipal Code provisions or other local, state, or federal law.

e. For coastal development in the coastal overlay zone, the encroachment is consistent with San Diego Municipal Code section 132.0403 (Supplemental Use Regulations of the Coastal Overlay Zone). The Centerpointe Project proposes to demolish 180,630 square feet of existing office, service commercial, and light industrial buildings, retain one existing 54,800-square-foot 4-story commercial building, and to construct a mixed-use development consisting of 588 multi-family dwelling units (including fifty-nine affordable units) and 135,228 square feet of commercial uses within the Navajo Community Plan (CPIOZ Type A) and the Grantville Redevelopment Project Area. The project also proposes the construction of a pedestrian bridge over an existing, onsite alley. The proposed Centerpointe at Grantville Development is not located within the coastal overlay zone; therefore, the subject finding does not apply to this project.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

BE IT FURTHER RESOLVED, that Site Development Permit No. 270199 is granted to Mission Corporate Industrial Center, L.P., a California Limited Partnership; Mission Corporate Center, L.L.C., a California Limited Liability Company; and Parma Property Company, Inc., a California Corporation Owners and Coastal Development Company, a California Corporation, Permittee, under the terms and conditions set forth in the attached permit which is made a part of this resolution.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Shirley R. Edwards
Chief Deputy City Attorney

SRE:pev
05/04/07
06/15/07 REV.
Or.Dept:DSD
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MMS #4438
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RECORDING REQUESTED BY
CITY OF SAN DIEGO
DEVELOPMENT SERVICES DEPARTMENT
PERMIT INTAKE, MAIL STATION 501

WHEN RECORDED MAIL TO
CITY CLERK
MAIL STATION 2A

SPACE ABOVE THIS LINE FOR RECORDER'S USE

JOB ORDER NUMBER 42-5043

SITE DEVELOPMENT PERMIT NO. 270199
CENTERPOINTE AT GRANTVILLE [MMRP]

CITY COUNCIL

This Site Development Permit is granted by the Council of the City of San Diego to Mission Corporate Industrial Center, L.P., a California Limited Partnership; Mission Corporate Center, L.L.C., a California Limited Liability Company; and Parma Property Company, Inc., a California Corporation, Owners, and Coastal Development Company, a California Corporation, Permittee, pursuant to San Diego Municipal Code [SDMC] section 126.0504. The approximately 11.95-acre site is located west of Mission Gorge Road, north of Twain Avenue, east of Fairmount Avenue, and south of Vandever Avenue in the IL-3-1 and CC-4-2 zones (a portion of which is proposed to be rezoned to RM-3-9 and CO-1-1) with Community Plan Implementation Overlay Zone [CPIOZ] Type A within the Grantville Redevelopment Project Area and the Navajo Community Plan. The project site is legally described as Lots 2 and 3 of Padre Center, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 5147, filed in the Office of the County Recorder of San Diego County, April 3, 1963, together with Parcels 1 through 3 inclusive of Parcel Map No 18793 in the City of San Diego, County of San Diego, State of California, recorded in the Office of the County Recorder for San Diego County on September 14, 2001 as instrument No. 2001-0663372 of Official Records, in the Navajo Community Plan area.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owners/Permittee to demolish all but one existing structure and develop a mixed-use project consisting of 588 multi-family dwelling units (including 10 percent affordable units) and 135,228 square feet of office and retail, described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated May 15, 2007, on file in the Development Services Department.

The project or facility shall include:

- a. The construction of seven new buildings, including four multi-family residential, two mixed-use multi-family residential and retail, and one mixed-use office, retail, and multi-family residential. The proposed new buildings will be four to six stories in height over two to four levels of parking;
- b. The demolition of six existing service-commercial, industrial, and office buildings containing a total of approximately 180,630 square feet;
- c. The remodeling of one existing office building of approximately 54,800 square feet, to include new ground floor retail uses;
- d. Community recreation, including approximately 55,000 square feet of common open space and approximately 2,800 linear feet of pathways;
- e. Construction of a pedestrian bridge over the on-site alley;
- f. Landscaping (planting, irrigation and landscape related improvements);
- g. Off-street parking facilities; and
- h. Accessory improvements determined by the City Manager to be consistent with the land use and development standards in effect for this site per the adopted community plan, California Environmental Quality Act Guidelines, public and private improvement requirements of the City Engineer, the underlying zone(s), conditions of this Permit, and any other applicable regulations of the SDMC in effect for this site.

STANDARD REQUIREMENTS:

1. Construction, grading or demolition must commence and be pursued in a diligent manner within thirty-six months after the effective date of final approval by the City, following all appeals. Failure to utilize the permit within thirty-six months will automatically void the permit unless an Extension of Time (SDMC section 126.0111) has been granted. Any such Extension of Time must meet all the SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker.

2. The Centerpointe project has requested the approval of a conceptual design plan with design guidelines. If approved, the project would allow for the phasing of development, with each building site requiring staff review as it is submitted. Should subsequent phases of the project conform to the project's design guidelines, amended Navajo Community Plan (including the Mixed-Use Chapter and Community Plan Implementation Overlay Zone language) and the regulations of the underlying zone, subsequent phases would be processed in accordance with the applicable San Diego Municipal Code requirements for Process level review. Should the applicant request deviations from the aforementioned documents when submitting subsequent applications, the subsequent applications would be processed as a Site Development Permit.

3. No permit for the construction, occupancy or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
 - a. The Permittee signs and returns the Permit to the Development Services Department; and
 - b. The Permit is recorded in the Office of the San Diego County Recorder.
4. Unless this Permit has been revoked by the City of San Diego the property included by reference within this Permit shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the City Manager.
5. This Permit is a covenant running with the subject property and shall be binding upon the Permittee and any successor or successors, and the interests of any successor shall be subject to each and every condition set out in this Permit and all referenced documents.
6. The utilization and continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
7. Issuance of this Permit by the City of San Diego does not authorize the Permittee for this permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).
8. The Owner/Permittee shall secure all necessary building permits. The applicant is informed that to secure these permits, substantial modifications to the building and site improvements to comply with applicable building, fire, mechanical and plumbing codes and State law requiring access for disabled people may be required.
9. Prior to issuance of the first building permit, the Owner/Permittee shall contribute to the cost of the Alvarado Canyon Road Realignment project (project T-12 in the current Navajo Community Public Facilities Financing Plan), in the amount of \$1,240,800.
10. Before issuance of any building or grading permits, complete grading and working drawings shall be submitted to the City Manager for approval. Plans shall be in substantial conformity to Exhibit "A." No changes, modifications or alterations shall be made unless appropriate application(s) or amendment(s) to this Permit have been granted.
11. All of the conditions contained in this Permit have been considered and have been determined to be necessary in order to make the findings required for this Permit. It is the intent of the City that the holder of this Permit be required to comply with each and every condition in order to be afforded the special rights which the holder of the Permit is entitled as a result of obtaining this Permit.

In the event that any condition of this Permit, on a legal challenge by the Owner/ Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" condition(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

12. At all bus stops within the project area, if any, the applicant shall be responsible for installing sidewalk improvements where needed to comply with Americans with Disability Act [ADA] requirements and in accordance with standards contained in the City of San Diego Street Design Manual.

13. This Permit may be developed in phases. Prior to issuance of the first building permit pursuant to this Permit, the Applicant shall submit a Phasing Plan for all public and private improvements required for full development of the Permit. Following approval of the Phasing Plan by the City, each phase shall be constructed in compliance with the approved Phasing Plan or in compliance with any subsequent amendment approved by the City. All public and private improvements required for each phase shall be completed prior to occupancy of any dwelling units or tenant spaces in that phase. This condition is intended to ensure that all development is consistent with the conditions and exhibits approved for each respective phase (per the approved exhibits).

ENVIRONMENTAL/MITIGATION REQUIREMENTS:

14. Mitigation requirements are tied to the environmental document, specifically the Mitigation, Monitoring, and Reporting Program [MMRP]. These MMRP conditions are incorporated into the permit by reference or authorization for the project.

15. As conditions of amendments to the Progress Guide and General Plan, and the Navajo Community Plan, No. 251399, Rezone No. 251401, Site Development Permit No. 270199, and Vesting Tentative Map No. 251403, the mitigation measures specified in the MMRP, and outlined in Supplemental Environmental Impact Report to Program Environmental Impact Report [PEIR] for the Grantville Redevelopment Project, Project No. 80450 shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL/MITIGATION REQUIREMENTS.

16. The Owners/Permittee shall comply with the MMRP as specified in Supplemental Environmental Impact Report to Program Environmental Impact Report [PEIR] for the Grantville Redevelopment Project, Project No. 80450 satisfactory to the City Manager and City Engineer. All mitigation measures as specifically outlined in the MMRP shall be implemented for the following issue areas: Transportation/Circulation, Air Quality, Noise, Cultural Resources, Geology/Soils, Hazards and Hazardous Materials, Paleontological Resources, and Water Quality/Hydrology

AFFORDABLE HOUSING REQUIREMENTS:

17. Prior to the issuance of the first Final Map, the applicant shall comply with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code). The applicant has elected to meet these requirements by setting aside at least 10 percent of the units (or fifty-nine units) as affordable (65 percent AMI for-rent or 100 percent AMI for-sale). Prior to receiving the first residential building permit, the applicant must enter into an agreement with the San Diego Housing Commission to assure that the affordable units are built, occupied by eligible households, and rented or sold at the appropriate rates.

TRANSPORTATION REQUIREMENTS:

18. Parking requirement for the proposed mixed use development including automobile spaces, off-street loading spaces, motorcycle spaces, and bicycle spaces shall conform to City of San Diego Municipal Code sections 142.0525 and 142.1010.

19. Prior to the issuance of any building permits that would cause the removal of existing parking spaces serving Building G, such that a minimum of 137 spaces are no longer available to Building G, the applicant shall provide a shared parking agreement between buildings G and H, satisfactory to the City Engineer.

20. Prior to the issuance of any building permits, applicant shall dedicate 10 feet of right-of-way and assure by permit and bond, half width improvement of Fairmount Avenue including 30 feet of pavement, curb, gutter and a 5-foot wide sidewalk contiguous to the curb within a 10-foot curb to property line distance along property frontage with the appropriate off-site roadway transition, satisfactory to the City Engineer.

21. Prior to the issuance of any building permits, Applicant shall dedicate 4' of right-of-way and assure by permit and bond, construction of a noncontiguous sidewalk within 14' wide parkway along property frontage on Twain Avenue, satisfactory to the City Engineer.

22. The applicant hereby agrees to grant the required additional 16-foot irrevocable offer to dedicate [IOD] along the project property line fronting Mission Gorge Road as part of the approval of the Centerpointe at Grantville project. This irrevocable offer may be partially exercised by the City to the extent that no removal of existing private improvements constructed as part of or serving Building G shall be required unless the property owner voluntarily agrees to remove such improvements. This partial exercise of the irrevocable offer to dedicate shall only be exercised at a time when a Mission Gorge Road widening project has been assured and shall not require a greater width of right-of-way dedication than is being obtained or acquired from all other properties with frontage on Mission Gorge Road in the same block as the Centerpointe at Grantville project frontage. The satisfactory assurance of the Mission Gorge Road widening shall be at the City's sole discretion. This irrevocable offer to dedicate shall be recorded concurrent with the Site Development Permit for the Centerpointe at Grantville project.

23. Prior to the issuance of any building permits, the applicant shall dedicate 4 feet of right-of-way and assure by permit and bond, full width improvement of alley including 24 feet of pavement along property frontage of lots E, F, G, and H, and appropriate transitions, satisfactory to the City Engineer.

24. This project shall comply with all current street lighting standards according to the City of San Diego Street Design Manual (Document No. 297376, filed November 25, 2002) and the amendment to Council Policy 200-18 approved by City Council on February 26, 2002 (Resolution R-296141) satisfactory to the City Engineer. This may require (but not be limited to) installation of new street light(s), upgrading light from low pressure to high pressure sodium vapor and/or upgrading wattage.

25. The Owner/Permittee and their successors and assigns shall participate in an anticipated intra-community shuttle/transportation system for Grantville (designed to link key employment and housing nodes within the Grantville area). Further, Owner Permittee and their successors and assigns agree not to oppose, or more specifically to vote in the affirmative for, both the formation and subsequent assessment vote of any "maintenance assessment-type district" that would or could be used to maintain and operate an intra-community shuttle system and agree not to oppose, or more specifically to vote in the affirmative for, both the formation and subsequent assessment vote of any "maintenance assessment-type district" that would or could be used for enhanced landscaping, lighting, and other public improvements within the right-of-ways of the Grantville Community area (if not one and the same for the shuttle system).

LANDSCAPE REQUIREMENTS:

26. Prior to issuance of any construction permits for public right-of-way improvements, complete landscape construction documents for right-of-way improvements shall be submitted to the City Manager for approval. Improvement plans shall take into account a 40 sq-ft area around each tree which is unencumbered by utilities. Driveways, utilities, drains, water and sewer laterals shall be designed so as not to prohibit the placement of street trees.

27. In the event that a foundation only permit is requested by the Permittee or subsequent Owner, a site plan or staking layout plan shall be submitted identifying all landscape areas consistent with Exhibit "A," Landscape Concept Plan. These landscape areas shall be clearly identified with a distinct symbol, noted with dimensions and labeled as "landscaping area."

28. Prior to issuance of any construction permits for buildings (including shell), complete landscape and irrigation construction documents consistent with the Land Development Manual Landscape Standards shall be submitted to the City Manager for approval. The construction documents shall be in substantial conformance with Exhibit "A," Landscape Concept Plan. Construction plans shall take into account a 40 sq-ft area around each tree which is unencumbered by hardscape and utilities as set forth under LDC section 142.0403(b)5.

29. Prior to issuance of any Final Inspection, it shall be the responsibility of the Permittee or subsequent Owner to install all required landscape. A "No Fee" Street Tree Permit, if applicable, shall be obtained for the installation, establishment, and on-going maintenance of all street trees.

30. All required landscape shall be maintained in a disease, weed, and litter free condition at all times. Severe pruning or "topping" of trees is not permitted. The trees shall be maintained in a safe manner to allow each tree to grow to its mature height and spread.

31. The Permittee or subsequent owner shall be responsible for the maintenance of all landscape improvements in the right-of-way consistent with the Land Development Manual Landscape Standards unless long-term maintenance of said landscaping will be the responsibility of a Landscape Maintenance District or other approved entity. In this case, a Landscape Maintenance Agreement shall be submitted for review by a Landscape Planner.

32. If any required landscape (including existing or new plantings, hardscape, landscape features etc.) indicated on the approved construction document plans is damaged or removed during demolition or construction, it shall be repaired and/or replaced in kind and equivalent size per the approved documents to the satisfaction of the City Manager within thirty days of damage or prior to a Certificate of Occupancy or a Final Landscape Inspection.

33. Future development of Lots A-H shall be in Substantial Conformance with Approved Exhibit "A," Landscape Concept Plan, and the Mixed-Use Land Use Designation of the Amended Navajo Community Plan in accordance with the procedures of the CPIOZ found in Section 132.1401 of the Land Development Code. Complete landscape and irrigation construction documents for Lots A-H shall be consistent with the Land Development Manual Landscape Standards.

SUSTAINABLE REQUIREMENTS:

34. The Applicant shall implement the Conceptual Sustainability Plan Guidelines contained in Sheets A and B of Site Development Permit No 270199 by noting on project plans for each phase of any grading or building permit, the specific Elements of Sustainable Design and Energy Efficiency [Elements] listed in Sheets A and B that will be implemented by the current phase of the project. Proposed Elements shall be described in writing and illustrated in plan view and detail for the current phase of development. Development Services Department staff shall review the plans and determine whether the proposed Elements adequately comply with the objectives of Sheets A and B and whether alternative methods could accomplish similar sustainable design and energy efficiency objectives.

PLANNING/DESIGN REQUIREMENTS:

35. No fewer than the number of off-street parking spaces as required by the San Diego Municipal Code shall be maintained on the property at all times. Parking spaces

shall comply at all times with the SDMC and shall not be converted for any other use unless otherwise authorized by the City Manager.

36. There shall be compliance with the regulations of the underlying zone(s) unless a deviation or variance to a specific regulation(s) is approved or granted as a condition of approval of this Permit. Where there is a conflict between a condition (including exhibits) of this Permit and a regulation of the underlying zone, the regulation shall prevail unless the condition provides for a deviation or variance from the regulations. Where a condition (including exhibits) of this Permit establishes a provision which is more restrictive than the corresponding regulation of the underlying zone, then the condition shall prevail.

37. The height(s) of the building(s) or structure(s) shall not exceed those heights set forth in the conditions and the exhibits (including, but not limited to, elevations and cross sections) or the maximum permitted building height of the underlying zone, whichever is lower, unless a deviation or variance to the height limit has been granted as a specific condition of this Permit.

38. A topographical survey conforming to the provisions of the SDMC may be required if it is determined, during construction, that there may be a conflict between the building(s) under construction and a condition of this Permit or a regulation of the underlying zone. The cost of any such survey shall be borne by the Permittee.

39. Any future requested amendment to this Permit shall be reviewed for compliance with the regulations of the underlying zone(s) which are in effect on the date of the submittal of the requested amendment.

40. All signs associated with this development shall be consistent with sign criteria established by of the following:

- a. Approved project sign plan (Exhibit "A"), and
- b. Citywide sign regulations.

41. All private outdoor lighting shall be shaded and adjusted to fall on the same premises where such lights are located and in accordance with the applicable regulations in the SDMC.

42. The use of textured or enhanced paving shall meet applicable City standards as to location, noise and friction values.

43. The subject property and associated common areas on site shall be maintained in a neat and orderly fashion at all times.

44. All uses, except storage and loading, shall be conducted entirely within an enclosed building. Outdoor storage of merchandise, material and equipment is permitted in any required interior side or rear yard, provided the storage area is completely enclosed by walls, fences, or a combination thereof. Walls or fences shall be solid and not less than

six feet in height and, provided further, that no merchandise, material or equipment stored not higher than any adjacent wall.

45. No mechanical equipment, tank, duct, elevator enclosure, cooling tower, mechanical ventilator, or air conditioner shall be erected, constructed, converted, established, altered, or enlarged on the roof of any building, unless all such equipment and appurtenances are contained within a completely enclosed, architecturally integrated structure whose top and sides may include grillwork, louvers, and latticework.

46. Prior to the issuance of building permits, construction documents shall fully illustrate compliance with the Citywide Storage Standards for Trash and Recyclable Materials (SDMC) to the satisfaction of the City Manager. All exterior storage enclosures for trash and recyclable materials shall be located in a manner that is convenient and accessible to all occupants of and service providers to the project, in substantial conformance with the conceptual site plan marked Exhibit "A."

WASTEWATER REQUIREMENTS:

47. All onsite sewer facilities serving this development will be private.

48. Prior to the issuance of any building permits, the developer shall provide CC&R's, satisfactory to the Metropolitan Wastewater Department Director, for the operation and maintenance of private sewer facilities that serve more than one lot or ownership.

49. The developer shall design and construct all proposed private sewer facilities serving more than one lot to conform with the most current State, Federal and City Regulations, and to the requirements of the most current edition of the Metropolitan Wastewater Department Sewer Design Guide or the California Uniform Plumbing Code as adopted by the City of San Diego.

50. Proposed private underground sewer facilities located within a single lot shall be designed to meet the requirements of the California Uniform Plumbing Code and shall be reviewed as part of the building permit plan check.

51. The developer shall design and construct any proposed public sewer facilities to the most current edition of the City of San Diego's Sewer Design Guide.

WATER REQUIREMENTS:

52. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of on-site 12-inch public water facilities as identified in the accepted water study, in a manner satisfactory to the Water Department Director and the City Engineer.

53. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of a 24-foot wide fully paved public alley along the property frontage, in a manner satisfactory to the Water Department Director and the City Engineer.

54. Prior to the issuance of any certificates of occupancy, the Owner/Permittee shall have installed individual house regulators for dwelling units with static pressure exceeding 80 psi, in a manner satisfactory to the Water Department Director and the City Engineer.

55. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of new water service(s) outside of any driveway, and the disconnection at the water main of all existing unused services adjacent to the site, in a manner satisfactory to the Water Department Director and the City Engineer.

56. Prior to the issuance of any building permits, the Owner/Permittee shall grant adequate water easements over all public water facilities that are not located within fully improved public rights-of-way, satisfactory to the Water Department Director and the City Engineer. Easements, as shown on approved Exhibit "A" will require modification based on standards at final engineering.

57. Prior to the issuance of any building permits, the Owner/Permittee shall apply for a plumbing permit for the installation of appropriate private back flow prevention device(s) on each water service (domestic, fire, and irrigation), in a manner satisfactory to the Water Department Director, the City Engineer, and the Cross Connection Supervisor in the Customer Support Division of the Water Department.

58. Prior to the issuance of any certificates of occupancy, the Owner/Permittee shall provide draft CC&R language for the operation and maintenance of any on-site private water facilities that serve or traverse more than a single dwelling unit or common area.

59. Prior to the issuance of any building permits, the Owner/Permittee shall provide Encroachment Maintenance and Removal Agreement [EMRA] for all public water facilities located within the proposed easement.

60. Prior to the issuance of any certificates of occupancy, the Owner/Permittee shall install fire hydrants at locations satisfactory to the Fire Department, the Water Department Director, and the City Engineer.

61. Prior to the issuance of any certificates of occupancy, public water facilities necessary to serve the development, including services, shall be complete and operational in a manner satisfactory to the Water Department Director and the City Engineer.

62. The Owner/Permittee agrees to design and construct all proposed public water facilities in accordance with established criteria in the most current edition of the City of San Diego Water Facility Design Guidelines and City regulations, standards and practices pertaining thereto. Public water facilities shall be modified at final engineering to comply with standards.

INFORMATION ONLY:

- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this development permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code section 66020.
- This development may be subject to impact fees at the time of building/engineering permit issuance

APPROVED by the Council of the City of San Diego on May 15, 2007 by Resolution No. R-302637.

AUTHENTICATED BY THE CITY MANAGER

By _____

The undersigned Permittee, by execution hereof, agrees to each and every condition of this Permit and promises to perform each and every obligation of Permittee hereunder.

MISSION CORPORATE INDUSTRIAL
CENTER, L.P.
a California Limited Partnership
Owner

By _____

By _____

MISSION CORPORATE CENTER, LLC
A California Limited Liability Company
Owner

By _____

By _____

PARMA PROPERTY COMPANY, INC.,
a California Corporation
Owner

By _____

By _____

COASTAL DEVELOPMENT COMPANY, a
California Corporation
Owner/Permittee

By _____

By _____

**NOTE: Notary acknowledgments
must be attached per Civil Code
section 1180 et seq.**

PERMIT/OTHER – Permit Shell 11-01-04