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RESOLUTION NUMBER R- 304295

DATE OF FINAL PASSAGE OCT 21 2008

304295

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO GRANTING SITE DEVELOPMENT PERMIT
NO. 183192 AND MASTER PLAN DEVELOPMENT PERMIT
NO. 183193 FOR QUARRY FALLS PROJECT NO. 49068.

WHEREAS, Quarry Falls, LLC, Owner/Permittee, filed an application with the City of San Diego for a site development permit/master planned development permit, to phase a redevelopment of a mining, extraction and processing use to land uses and development consistent with the Quarry Falls Specific Plan to be known as the Quarry Falls project, located on the north side of Friars Road, south of Phyllis Place between I-805 and Mission Center Road, and legally described as being a portion of Pueblo Lots 1109, 1173, 1174, 1182, 1183, 1184 and 1186 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, in the Mission Valley and Serra Mesa Community Plan areas, in the RS-1-7 zone of the Serra Mesa Community Plan area and in the MV-M and MV-M/SP zones in the Mission Valley Planned District which is proposed to be rezoned to the OP-2-1, RS-1-7, RM-1-1, RM-2-4, RM-3-7, RM-3-8, RM-3-9, RM-4-10, CC-3-5, and IL-3-1 zones; and

WHEREAS, on September 18, 2008, the Planning Commission of the City of San Diego considered Site Development Permit [SDP] No. 183192/Master Planned Development Permit [MPDP] No. 183193, and pursuant to Resolution No. 4447-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 required the City Council to act as a quasi-judicial body, a public

hearing was required by law implicating due process rights of individuals affected by the decision, and 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 OCT 21 2008, 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 SDP No. 183192/MPDP No. 183193:

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 Quarry Falls project has been developed to implement the policies, goals, and objectives of the City of San Diego General Plan, the City of Villages Strategy, the Mission Valley Community Plan [MVCP] land use and related policies identified for this site. Quarry Falls is consistent with the Strategic Framework of the General Plan which implements the City of Villages Strategy of focusing growth into pedestrian friendly mixed-use activity centers with connections to the regional transit system. The development of a public park and open space within the Serra Mesa Community Plan area is consistent with the land use and zoning identified for this portion of the project.

The MVCP (page 56) identifies this site for the multiple use development option with a mix of uses including residential, retail and office. At 230 acres (224 acres covered by the Specific Plan) the development triggers the 10-acre threshold identified in the community plan that requires the preparation of a Specific Plan for implementation of the project. The Quarry Falls Specific Plan implements the community plan goals by developing a mixed use, walkable urban village that includes a maximum of 4,780 residential units, a maximum 480,000 square feet of retail, and a maximum of 420,000 square feet of office. Additional uses include over 17 acres of public neighborhood parkland, a 4,000 square foot private recreation center and up to 15,000 square feet of civic and quasi-public uses. The mix of public and private uses and housing types that achieve the balanced community goals of the General Plan is further enhanced by the option for development of a public charter school.

Quarry Falls will implement many of the goals of the recently adopted General Plan in addition to the overall Community Plan goal of continuing the development of Mission Valley as a regional urban center while recognizing traffic needs and encouraging a community identity.

The project achieves the overall goals of high quality urban development, the facilitation of transportation and related improvements, the provision of public facilities and services, and a design that creates a sense of place that is respectful of the project's location within Mission Valley. The following Community Plan objectives are fulfilled by Quarry Falls:

- Provide a variety of housing types and densities within the community.

Quarry Falls envisions a maximum of 4,780 residential units that include "for sale" and/or "for rent" units built as condominiums, town homes, apartments and/or flats, row homes, courtyard units, lofts, live/work units, carriage units, senior housing and assisted care units located in varying zoning districts. The project will include 10 percent of the total units designated as affordable to satisfy the City's inclusionary Housing Ordinance. In addition, approximately 300 units are planned for senior housing.

- Encourages development which combines and integrates residential uses with commercial and service uses.
- Provide new development and redevelopment which integrates land uses into coordinated multi-use projects.

Quarry Falls is designed as a walkable, urban village with a mix of land uses to serve the immediate neighborhood and community at large. The land use plan is centered on a neighborhood park with pedestrian connections from all portions of the project. Higher densities surround the retail village core, closer to the pedestrian bridge and walkway to the light rail station. Flexibility in the range of retail uses in this district provides increased opportunities for small business and neighborhood serving uses resulting in a greater vibrancy to the commercial district and livability by activating the street and public space. In order to ensure adequate commercial services commensurate with residential development, conditions are included to require the construction of a minimum of 50,000 square feet of commercial office and retail space to serve the residents of Quarry Falls before residential development in excess of 2,478 units can be developed.

- Facilitate transportation into, throughout and out of the valley seeking to maintain a balanced transportation system.

Quarry Falls provides improvements or funding towards improvements at five major freeway interchanges that serve Mission Valley; Friars Road/SR-163, Mission Center Road/I-8, Qualcomm Way/I-8, Phyllis Place/I-805, and Friars Road/I-15. Overall, approximately \$50 million is committed to offsite transportation improvements, with over \$31 million committed to regional arterial improvements. The project has been designed so as to not preclude a road connection from Qualcomm Way to Phyllis Place should it be desired to construct the improvement at a future time.

- Encourage the use of public transit modes to reduce dependency on the automobile.

Quarry Falls incorporates several project features to encourage walkability and alternative modes of transportation. A comprehensive Transportation Demand Management [TDM] program will be developed during the initial phase of development that will include a shuttle system to the nearby light rail stations, and transit passes for local residents and workers. A pedestrian bridge will be constructed as part of Phase B of the project to provide a safe and convenient connection from the village core to the Rio Vista Trolley Station. On-site bus and shuttle stops with shelters will be provided and their location will be coordinated with SANDAG and MTS.

- Provide adequate off-street parking for all new development in Mission Valley.

Quarry Falls will meet or exceed parking requirements for all individual projects. Automobile parking shall comply with Land Development Code based on the zoning and land uses applied to each subdistrict.

- Create an intra-community bikeway system which would provide access to the various land use developments within the Valley, and connect to the regional system.

Quarry Falls includes Class II and Class III bikeways on all public streets, as well as bicycle connections to Serra Mesa (north), east and west along Friars Road, and south along Qualcomm Way and Mission Center Road to the trolley station and San Diego River trails.

- Improve the visual quality as well as the pedestrian efficiency of the existing and future pedestrian circulation system.

Quarry Falls has been designed with an extensive pedestrian trail and sidewalk system which includes landscaping and traffic calming measures to promote an aesthetic and safe walking environment. A sidewalk will be added easterly along the north side of Friars Road to connect to development east of the I-805 freeway. Other sidewalk improvements will be made at the project intersections on Qualcomm Way and Mission Center Road. A pedestrian bridge spanning Friars Road will provide a safe walk from the village core to the Rio Vista trolley station and the trail system along the San Diego River. The project also proposes the construction of a sidewalk and pedestrian lighting on Texas Street to connect Greater North Park to Mission Valley.

- Preserve as open space those hillsides characterized by steep slopes or geological instability in order to control urban form, insure public safety, provide aesthetic enjoyment, and protect biological resources.

Quarry Falls is a mostly disturbed site, comprised of geologically stable manufactured slopes. As part of the mining reclamation plan, these slopes will be revegetated to native conditions and remain in perpetuity as private open space. Because the mined slopes do not constitute a "scenic resource," the treatment of the northern slopes and the creation of a visible

band of open space achieves the goal of rehabilitation, rather than preservation. The manufactured slopes from mining will be revegetated to create a band of open space along I-805 and the eastern portion of Phyllis Place. The MVCP calls for a road connection to the upper mesa at this location therefore the project has been designed to accommodate the road connection to Phyllis Place. The retention of 2.4 million cubic yards of fill material creates the opportunity to design a multi-use land plan and meet the engineering requirements for a potential road connection to Phyllis Place. The terracing of lots, encouraged by the Community Plan, provides visual variety to the development and slope areas.

- Provide adequate park and recreation areas for the use of Mission Valley residents in accordance with the General Plan.

Quarry Falls will satisfy the General Plan goal of 2.8 acres of population based parkland by constructing approximately 17.5 acres of public neighborhood parkland (consisting of both public property and private property with easements allowing for public use) on-site and paying the Mission Valley Public Facilities Financing Plan Development Impact Fee for the community park, recreation center and swimming pool identified by the Community Plan (equivalent to 0.8 acres per 1,000 population).

Park design and uses will be defined as part of the park development process identified in Council Policy 600-33, Community Notification and Input for City-Wide Park Development Projects. Phase A of the project includes the development of the Creekside Park and Phyllis Place park and preservation of open space. The Central Park and Civic Center is required to be constructed with Phase B of the project.

- Provide and maintain a high level of service for the full range of community facilities necessary in an urban area.

Quarry Falls will be served by adequate public facilities and services within Mission Valley. The project will provide off-site and on-site improvements for connections to water, sewer, gas, and electrical utilities. Adequate capacity exists in the public schools in the surrounding communities that currently serve school aged children; in addition, Quarry Falls has identified a site for a public school to serve approximately 800 students. Library services are provided by an approximately 20,000 square foot facility that is adequate in size to serve the growth in residents proposed by the project.

An analysis of police and fire services has determined response times to the site currently meet the standards set by the City of San Diego. Police services are provided from the Eastern Division Substation, approximately four miles from the site. Eastern Division has adequate capacity for the addition of staff required to maintain optimal staffing based upon demand due to the project. The project will pay Mission Valley Public Facilities Financing Plan Development Impact Fees to assist in funding public services and facilities such as an additional fire station in Mission Valley.

The City of San Diego CPCI Economic Development Division has reviewed the "Fiscal Impact Analysis for Quarry Falls" prepared by Economic Research Associates [ERA] dated

August 28, 2006. The City concurs with most of the assumptions and conclusions of the analysis that the project would provide extraordinary public benefits in the form of total General Fund revenues of approximately \$7.5 million at build out, more than the projected \$6.7 million required to meet existing service levels (comprised of \$2.7 for police, \$1.5 million for fire, and \$2 million for libraries, parks and other services). This results in an annual surplus of approximately \$800,000 annually to the City's General Fund and therefore the project does not impose a burden upon the City's operating budget, rather, it contributes additional revenue for essential public services. This figure could be higher depending on the tenant mix at Village Walk Center and the office complex, particularly if the office tenant mix includes businesses with a taxable point of sale.

- Conserve the Valley's water, land and energy resources.

Quarry Falls addresses a variety of conservation needs through the efficient use of land, including the need to reduce greenhouse gas emissions and the impacts of global warming, by utilizing the design goals of the United States Green Building Council [USGBC] Leadership in Energy and Environmental Design - Neighborhood Development [LEED-ND] goals for sustainability. Quarry Falls is one of three San Diego projects and less than 300 projects worldwide that are participating in the LEED-ND pilot program. Sustainability will be achieved by developing a compact, walkable community with a mix of uses to encourage multi-modal trips and reduce vehicle miles traveled. Buildings will be oriented to take advantage of a southern exposure and terraced site, and included operable windows for passive heating and cooling.

Water usage is estimated to be 50 percent lower than traditional development due to higher residential densities, less water intensive landscaping, and the use of WaterSense certified appliances. A reclaimed water plant for non-potable needs will be a component of the project.

The General Plan, adopted in March 2008, is based upon the City of Villages Strategy to focus growth into mixed-use activity centers that are pedestrian friendly districts linked to an improved regional transit system. Furthermore, the General Plan identifies the typology of villages and a number of factors used to determine the likelihood of development as a village location, as identified on the General Plan Village Propensity Map. For Quarry Falls, these factors include the capacity for growth; public facilities such as an existing expanded library, the construction of on-site of public neighborhood parkland; and the proximity to the light rail system, specifically the Rio Vista Trolley Station.

One of the primary goals of the Land Use and Community Planning Element is to achieve balanced communities and equitable development. Quarry Falls provides benefits by building a diversity of much needed housing choices, including age restricted (senior) housing and the provision of affordable housing on-site as required by the City's Inclusionary Housing Ordinance, all in a sub-regional employment center that contains a concentration of jobs. This development will provide workers of all income levels a greater opportunity to live in close proximity to their place of employment.

The Mobility Element encourages walkability and multi-modal transportation to reduce dependency on the automobile and promote a healthy lifestyle. The land use design achieves the Walkable Communities goals through the project objective to encourage pedestrian activity through a logical connection of trails, sidewalks and bicycle facilities. All residential units are within a 10 minute walk of the central park, civic center, and retail core of the project. Street design incorporates traffic calming measures and non-contiguous sidewalks to promote walkability and safety.

Its central location also serves the Downtown employment center by light rail and the University/Sorrento Mesa and Kearny Mesa subregional employment areas that are within 10 miles of the project. Residents may also access existing bus and/or light rail service to commute to San Diego State University, thereby reducing the negative consequences of vehicle commutes. Transportation Demand Management goals include a shuttle system through the project to connect to the light rail stations, reduced transit passes for residents (for a limited time) and employees, and transit information systems.

The Urban Design Element of the General Plan promotes the social, economic and aesthetic values of the City. Quarry Falls achieves many of the design policies of this element by focusing on the public space's relationship to private development represented by the commercial core of the project. The project includes both horizontal and vertical mixed use components with a mix of housing types. Ground floor retail is placed to activate and attract pedestrian activity, with plazas, courtyards and paseos planned within the retail core. The Civic Center is planned to create a significant focal point in the community for public gathering, including a landmark architectural element such as a campanile or clock tower.

The Public Facilities, Services and Safety Element provides for the existing population and new growth. The Mission Valley Public Facilities Financing Plan will be amended as part of the processing of the Quarry Falls Specific Plan to ensure the facilities financing program is updated to include the latest projects and project costs for the collection of development impact fees. Implementation of the Mitigation, Monitoring and Reporting Program for the project will result in approximately \$50 million in direct improvements and mitigation for project impacts related to traffic.

The supply for the Quarry Falls project was partially planned for as part of the City of San Diego's Urban Water Management Plan, and County Water Authority UWMP. Both documents rely on the SANDAG Regional Growth Forecast for planning purposes and the proposed project was included as part of that forecast. Therefore the City and County have planned for and sought contracts for water to serve the project. The Water Department confirms the availability of water supply in the Water Supply Assessment prepared for the project. In addition, a project feature may include a wastewater treatment facility on-site to address non-potable water needs. Over the build-out of the project, school impact fees in excess of \$10 million will be paid to the San Diego Unified School District to be used at the District's discretion for improvements to schools intended to serve the project's students in the surrounding communities.

The Recreation Element ensures the recreation needs of the community will be met through a variety of methods. Quarry Falls will meet the General Plan guideline of 2.8 acres of parkland per 1,000 population by constructing parks that meet all population based neighborhood park requirements on-site and paying development impact fees for the community park component of the project. The central park will be accessible by an interconnected trail system to all areas of the project and will be designed to achieve local, State and Federal accessibility requirements.

The Conservation Element promotes an international model of sustainability and to proactively address the issue of climate change and greenhouse gas emissions. Quarry Falls addresses a variety of conservation needs, including the need to reduce greenhouse gas emissions and the impacts of global warming, by utilizing the design goals of the USGBC, LEED-ND goals for sustainability. The use of intelligent irrigation systems, monitoring and maintenance of potable water lines to reduce water loss due to leaks will be utilized to maximize the efficient use of water. Quarry Falls has integrated the natural treatment of stormwater into the physical design of the project by using bioswales, infiltration basins and detention ponds to treat the majority of urban runoff.

Quarry Falls has been identified as an urban center. Such sites are focused around regional transit corridors, in this case, the Mission Valley light rail line, and are characterized by higher densities and a mix of uses, including retail and employment. Mission Valley is also served by five freeway interchanges, each of which will receive improvements from the project. A shuttle system will serve to connect to the light rail stations in the vicinity of the project.

Quarry Falls provides off-site traffic improvements in Serra Mesa and Greater North Park to implement the goals of the community and financing plans. In Serra Mesa, the community plan calls for the restriping of Murray Ridge Road to four lanes; however, at the request of the community, a mitigation option has been developed to provide traffic calming that will be implemented by the project. In Greater North Park, the proposed pedestrian and traffic calming improvements for Texas Street are consistent with the community priorities and financing plan.

Therefore, the proposed Quarry Falls project will not adversely affect the applicable land use plan.

b. The proposed development will not be detrimental to the public health, safety, and welfare. The proposed project would redevelop an approximately 230.5-acre site from a mining and sand and gravel processing operation to a mixed use development over phases to include a maximum of 4,780 residential units, a maximum of 480,000 square feet of commercial retail, and a maximum of 420,000 square feet of commercial office, including approximately 17.5 acres of public population-based parks, civic uses, open space and trails, and an optional school site. The project has been designed in compliance with the Land Development Code and other regional, State, and Federal regulations to prevent detrimental impacts to the health, safety and welfare of residents, workers and visitors as well as adjacent development and people. These requirements include the safe design of streets and sidewalks as well as grading and drainage that provides for control and treatment of stormwater. Conditions of approval address construction activities, the shielding of lighting, the attenuation for noise,

and the appearance and placement of landscape and buildings to discourage crime. Construction of the project will be pursuant to the applicable Uniform Building, Fire, Plumbing, Electrical, and Mechanical Codes. All Land Development Codes governing construction and continued operation of the development will apply to prevent the potential for future adverse impacts once build-out has occurred.

The land-use mix and density of development for Quarry Falls is compatible with the existing development patterns of Mission Valley and Serra Mesa. The concepts of transit oriented design concentrate residential densities and a mix of retail and office uses in closer proximity to the existing transit system. Development is designed to be compatible with the use adjacent to that portion of the site; the Ridgetop District is low density residential for compatibility with the Serra Mesa neighborhood; the Terrace District reflects the slightly higher density project to the immediate west; and higher density residential and the retail/office districts mirror the development patterns of Rio Vista West to the south and are connected by a pedestrian bridge spanning Friars Road, providing a safe connection between the project and the Rio Vista trolley station. Finish pad elevations and building heights will be sensitive to the existing views from Phyllis Place and the future public park at that location. Manufactured slopes have been designed to minimum safety factors or greater and are adequately stable to not endanger the public health, safety and welfare.

Police services will be provided from the Eastern Division Substation, located on Aero Drive approximately four miles from the project. An analysis of the current response times for Mission Valley East Neighborhood (the location of the project) determined that the existing emergency and Priority One calls are better than the citywide average of 7.28 minutes and 14.60 minutes, respectively. The project will pay Mission Valley Public Facilities Financing Plan Development Impact Fees to assist in funding public services and facilities such as police services in Mission Valley

Fire protection services and emergency response is provided from four fire stations within the project vicinity, the closest of which is temporary Station 45, located 1.75 miles away at Qualcomm Stadium. Response time from this station is 4.5 minutes, below the national average. A new, permanent fire station is planned in the 9400 block of Friars Road, approximately 1.1 miles east of the project, and would provide comparable response time as the temporary station. The project will pay the Mission Valley Public Facilities Financing Plan Development Impact Fee to fund public services and facilities such as the construction of an additional fire station within Mission Valley

The mitigation of hazardous waste materials and the closure and removal of underground storage tanks protects future occupants of the site from exposure to such materials. The recreational opportunities created by the park, trail and bicycle route system will enhance the surrounding community.

To address the issue of fugitive dust generated from construction of the development, conditions for construction operations have been identified which include the application of water during grading operations, the use of sweepers and/or water trucks to control "track-out"

of soil at all public street access points, the termination of grading should winds exceed 25 mph, and the hydroseeding of graded lots.

Impacts due to the increases in runoff with the introduction of streets, roads and other hardscape surfaces will be mitigated to below a level of significance through the design of a natural bioswale and detention system. Stormwater runoff from the 100-year flood event will not exceed the existing flow for the approved reclamation plan. The development has limited the use of mechanical treatment of stormwater to the maximum extent practicable. A Storm Water Pollution Prevention Plan [SWPPP] will be developed to the satisfaction of the City Engineer for mitigating potential impacts due to construction activities. This plan will include Best Management Practices [BMP's] such as ground cover and structural devices to limit runoff from newly graded slopes and the timely hydroseeding and landscaping of cut/fill slopes to reduce sedimentation and erosion.

c. The proposed development will comply with the applicable regulations of the Land Development Code. The proposed project would redevelop an approximately 230.5-acre site from a mining and sand and gravel processing operation to a mixed use development over phases to include a maximum of 4,780 residential units, a maximum of 480,000 square feet of commercial retail, and a maximum of 420,000 square feet of commercial office, including approximately 17.5 acres of public population-based parks, civic uses, open space and trails, and an optional school site. The proposed land uses, zoning, planned development and site permits for Quarry Falls comply with all provisions of the Land Development Code. The project includes an amendment to the Mission Valley Community Plan, a Specific Plan, vesting tentative map, rezone, master planned development permit/site development permit, and amendment to the Mission Valley Public Facilities Financing Plan. Concurrent with Quarry Falls, a conditional use permit and reclamation plan amendment is being processed to address the retention of excess fill material, the revegetation of manufactured slopes, and the phasing of new development with a relocated concrete and asphalt batch plants.

To achieve the project objectives of a unified land use design and individual projects that create a positive sense of character and community, the project proposes additional land uses and development regulation deviations as allowed by the Land Development Code. A Specific Plan has been created to implement the development and will require all subsequent construction and grading permits to be reviewed for substantial conformance with the Plan. The zoning, development regulations, and design guidelines included in the Quarry Falls Specific Plan and related permits will ensure quality site and architectural design and must be adhered to for project build-out. Development intensities call for a maximum of 4,780 residential units, a maximum 480,000 square feet of retail, and a maximum of 420,000 square feet office that may only be increased by City Council action. Additional conditions of approval include mitigation for traffic, air quality, noise, and biology impacts to the maximum extent practicable.

The majority of the project is zoned for multi-family residential use as defined in the Specific Plan. The land use plan organizes densities based upon transit oriented design principles, with higher densities located in close proximity to the village retail core and lower densities near the single family neighborhoods of Serra Mesa. Residential zoning spans from RM-1-1 to RM-4-10. A deviation for a building height of 70 feet has been requested for the

RM-3-7, RM-3-8, and RM-3-9 zones to allow greater architectural flexibility for building articulation and roofline variation. This deviation also allows for greater options for site design and the provision of common open space. The unlimited height limit of the RM-4-10 zone will be limited to 100 feet, with the exception of Lot 42 of the Terrace District South with a height limit of 200 feet. Setback deviations along Quarry Falls Boulevard, Community Lane, and the Grand Steps allow for entries from the sidewalk to activate the street frontage and create a more urban environment.

The project complies with the City's Inclusionary Housing Ordinance by developing 10 percent of the total residential units as affordable on-site rather than pay in-lieu fees. Conditions are included to ensure the construction of these affordable units occurs in conjunction with the development of the market rate housing component of the project.

Over 17 acres of land will be improved to meet population-based park requirements for neighborhood parks with additional public access easements to implement a comprehensive trail network. The zoning for the park district is designated as RM-1-1 and OP-2-1 to provide flexibility for park related uses and the possible construction of a heritage museum in the Civic Center. Deviations are requested for height to allow the construction of a landmark architectural statement, such as a campanile or clock tower, as called for in the Mission Valley Community Plan, an amphitheater and additional limited retail uses to activate the park and adjacent area. Setbacks to provide flexibility for the location of buildings are allowed in closer proximity to the parkland.

The commercial retail component of the project will be zoned CC-3-5 to provide both neighborhood and community serving businesses. A deviation to setbacks is requested to provide articulation along the street edge and opportunities for expanding the public space through the creation of useable space for pedestrians in the form of mini-plazas and shared outdoor dining areas. The higher retail intensity and the inclusion of residential within the commercial component creates a more urban community and supports the construction of structured parking.

The Quarry District will be zoned IL-3-1 and provide an office park of over 500,000 square feet available for future job expansion. No deviations are requested for this district. A maximum structure height of 200 feet, when none is currently specified by the base zone, is provided for by the Specific Plan.

2. Supplement Findings – Environmentally Sensitive Lands

a. The site is physically suitable for the design and siting of the proposed development and the development will result in minimum disturbance to environmentally sensitive lands. The proposed project would redevelop an approximately 230.5-acre site from a mining and sand and gravel processing operation to a mixed use development in phases to include a maximum of 4,780 residential units, a maximum of 480,000 square feet of commercial retail, and a maximum of 420,000 square feet of commercial office, including approximately 17.5 acres of public population-based parks, civic uses, open space and trails, and an optional school site. The development site is identified for multiple-use in the MVCP as the existing use

of the site for mining and related activities ceases and the implementation of the reclamation plan has been completed. The site is located outside of the Multiple Habitat Planning Area [MHPA] and identifies 208.7 acres of developed area (the reclamation footprint) and 21.8 acres of a variety of habitat types. The impacted areas of 0.06 acre wetland and 0.016 acre steep hillside are located at the northern, upper levels of the site. Development of this area is necessary to ensure a final design that protects the lower development areas from potential adverse impacts resulting from undermining of reclaimed slopes by drainage from the Phyllis Place right-of-way. An additional off-site area of 0.12 acres of disturbed wetlands will also be impacted by maintenance activities related to stormwater conveyance. In addition, the design is consistent with the MVCP discussion of a road connection to Phyllis Place and was designed so as not to preclude the construction of a road at a future date.

The Biological Report identifies the upland habitat (primarily non-native annual grassland of 17.08 acres) as being isolated from the MHPA and of poor quality, therefore negating the potential for on-site protection. The impact to coastal sage scrub is limited to 1.08 acres with mitigation accomplished by payment into the City of San Diego Habitat Acquisition Fund. The wetland habitat, fed from a storm drain on Phyllis Place, is comprised of 0.06 acres dominated by common exotic species that have invaded previously disturbed sites and displaced the native wetland flora. The volume of runoff from Phyllis Place would adversely impact development below the wetland area. To address this problem, the hydrology report specifies this flow to be piped through the wetland area to a discharge point lower in the project, resulting in construction disturbance to this wetland. A conceptual mitigation agreement for wetland impacts has been negotiated with the California Department of Fish and Game. A conservation easement will be granted over those undisturbed areas to ensure preservation.

TCB, Inc. analyzed the portion of Quarry Falls outside of the northern mining limit to identify if any steep hillsides that meet the Land Development Code definition exist. This analysis used the "As Built" drawings (March 27, 1972) from the construction of Interstate 805 and Phyllis Place and the latest offsite topographic survey from January 15, 2005. Based upon this analysis, the site contains no natural gradients of at least 25 percent and a vertical elevation of at least 50 feet. This is a result of previous disturbance to the site from the construction of I-805 and the Phyllis Place/Murray Ridge Road Interchange as well as the ongoing mining operations permitted by CUP No. 5073.

To analyze for steep hillsides of at least 200 percent and a vertical elevation of at least 10 feet, the analysis was conducted using the more restrictive variables of 175 percent slope and a vertical elevation of 9 feet. This analysis identified approximately 0.016 acre of steep hillsides which is adjacent to a small (0.06 acre) disturbed wetland that will be removed in order to ensure geotechnical stability and prevent stormwater from undermining manufactured slopes.

b. The proposed development will minimize the alteration of natural land forms and will not result in undue risk from geologic and erosional forces, flood hazards, or fire hazards. The development is a heavily disturbed former sand and gravel operation with a reclamation footprint of over 208 acres. The previously disturbed area is designed to generally follow the original topography and create a walkable development that progresses from the mesa at Phyllis Place to the river valley below. Geotechnical studies

performed for the development indicate the site is physically suitable for the proposed grading design and building development and will be implemented by the reclamation plan and subsequent development requirements. Recomposition of the site is required by the reclamation plan to leave the site suitable for future development as identified in the Mission Valley Community Plan.

To ensure the safety of existing and future development in proximity to graded slopes, revegetation is designed in compliance with the City's Land Development Code and Landscape Manual Brush Management Ordinance and comprised of fire resistant and drought tolerant native species capable of providing deep rooting characteristics for added slope stability and erosion control. The hydrology plan for the site will ensure a safe condition that protects final pad elevations and revegetated slopes from being undermined due to drainage and subsidence. Located in an urban setting, the development is outside the 100 year flood zone and slope landscaping and building materials comply with all brush management requirements to minimize fire hazards.

c. The proposed development will be sited and designed to prevent adverse impacts on any adjacent environmentally sensitive lands. The development is located outside the MHPA and is surrounded by existing development, roads and highways. Adjoining slopes are to be revegetated with native, drought tolerant plants consistent with the surrounding area. The combined area of impact within the development footprint is less than 0.08 acre (0.06 acre wetland and 0.016 acre steep hillside) and is isolated with no adjacency or connectivity to other environmentally sensitive lands.

d. The proposed development will be consistent with the City of San Diego's Multiple Species Conservation Program (MSCP) Subarea Plan. The site is located outside of and is not adjacent to the [MHPA]. The impacts to isolated and low value habitat, primarily non-native annual grasslands, coastal sage scrub and disturbed wetlands are fully mitigated under the California Environmental Quality Act and mitigation is provided consistent with the MSCP Subarea Plan and the Environmentally Sensitive Lands Ordinance. The project mitigation ratios are consistent with City requirements; where feasible, off-site mitigation is first accommodated in Mission Valley and the San Diego River Watershed. Where mitigation sites are not available, alternate mitigation sites have been identified to maximize existing preserves.

e. The proposed development will not contribute to the erosion of public beaches or adversely impact local shoreline sand supply. Located approximately six miles east of local beaches and the shoreline, the development is not located in the Coastal Zone or an area that contributes to sand supply through natural erosion and drainage. Hydrology for the site is designed to comply with stormwater and drainage requirements and does not alter or adversely impact the upstream and downstream conditions of the San Diego River.

f. The nature and extent of mitigation required as a condition of the permit is reasonably related to, and calculated to alleviate, negative impacts created by the proposed development. The existing biological functions and values are limited at this location. The development mitigates impacts to habitat by identifying habitat for creation and restoration in areas that contribute and support adjacent existing habitat and watershed. The

mechanical and functional values of the drainage will be restored through the diversion and treatment of the storm water by the on-site bioswale. The off-site mitigation will result in long-term conservation of biological resources by maintaining high quality habitat, providing a greater benefit than on-site preservation of limited, isolated disturbed wetlands and non-native annual grasslands. Consultation with the California Department of Fish and Game for mitigation to wetlands within their jurisdiction has resulted in conceptual approval of the mitigation plan. Given the limited opportunity for small scale wetland creation within the San Diego River watershed and the greater benefit from leveraging these limited resources, 1:1 mitigation of the on-site 0.06 acre is accomplished by the purchase of wetland credits from the Rancho Jamul Wetland Mitigation Bank. Enhancement will occur in the San Diego River directly south of the project at a ratio of 1:1 for the total on-site and off-site area of 0.18 acre.

3. Supplemental Findings – Environmentally Sensitive Lands Deviations

a. There are no feasible measures that can further minimize the potential adverse effects on environmentally sensitive lands. The proposed development has considered a reasonable range of alternatives including the avoidance of wetlands. Due to the location of this area on an upper elevation of the site in an area of slopes and future development, it is necessary to ensure geotechnical stability by controlling the flow of stormwater from the Phyllis Place right-of-way created from the construction of the I-805 interchange and Serra Mesa Community. The installation of a drainage system to maintain the long-term stability of slopes and ensure the public health, safety and welfare of the future development requires construction activities that cannot avoid the existing wetland. The relatively small wetland area of 0.06 acres is dominated by common exotic species that have invaded a previously disturbed site, displacing the native wetland fauna. The off-site impact to 0.12 acres is a result of cutting the height of invasive species to maintain the stormwater conveyance performance of the drainage channel that flows to the San Diego River. Alternative mitigation will be of greater value than maintaining the existing habitat at these isolated locations. Steep hillsides, adjacent to the wetland area, comprise less than 0.02 acre.

b. The proposed deviation is the minimum necessary to afford relief from special circumstances or conditions of the land, not of the applicant's making. A deviation from the requirement to avoid wetlands and steep hillsides is the minimal necessary to meet the objectives of the project. The wetland area has no connectivity to the San Diego River or any other navigable waters and therefore is subject only to the City's Environmentally Sensitive Lands and the California Department of Fish and Game regulations. In order to achieve consistency with the Mission Valley Community Plan, the project was designed so as not to preclude a connection which would require grading and drainage that would fully impact the wetland area, requiring mitigation through creation and enhancement. Alternative mitigation in areas of superior environmental value will be more beneficial than maintaining the existing disturbed wetland habitat at this isolated location. The steep hillside area is isolated with no other adjacent natural gradient that meets the definition of Environmentally Sensitive Lands.

4. **Supplemental Findings – Steep Hillside Development Area Regulations**
Alternative Compliance

a. **The proposed development is in conformance with the Steep Hillside Guidelines.** There are no other steep hillsides adjacent to the area of impact or proposed for development within the area of the Quarry Falls Specific Plan. Rehabilitation of the northern slopes and the location of new development conform to the hillside guidelines for the Mission Valley Community Plan. The retention of 2.4 million cubic yards of fill material creates the opportunity to simulate the historical topography of the site, achieved by the Community Plan goal of terracing of lots that provides visual variety to the development and slope areas and enables a development pattern that emphasizes an east/west horizontal orientation across the site. The manufactured slopes from mining will be rehabilitated and revegetated to create a visible band of open space along I-805 and the eastern portion of Phyllis Place.

The development profile of the Ridgetop District on the upper terrace is of a lower profile oriented horizontally. Development is placed on the terraced pads at the base of the slopes, with the central park creating a view corridor within the project. The MVCP calls for a road connection to the upper mesa at this location therefore the project has been designed to accommodate the road connection to Phyllis Place.

b. **The proposed development conforms to the applicable land use plan.** The Quarry Falls project has been designed to implement the policies, goals, and objectives of the City of San Diego General Plan, the City of Villages Strategy, the MVCP land use and related policies identified for this site. Quarry Falls is consistent with the Strategic Framework of the General Plan which implements the City of Villages Strategy of focusing growth into pedestrian friendly mixed-use activity centers with connections to the regional transit system.

The MVCP identifies this site to be planned under the multiple use development option with a mix of uses including residential, retail and office. At 230.5 acres (225 acres covered by the Specific Plan) the development triggers the 10 acre threshold identified in the community plan that requires the preparation of a Specific Plan for implementation of the project. In addition, the design is consistent with the MVCP discussion of a road connection to Phyllis Place and was developed so as not to preclude the construction of a road at a future date.

c. **Strict application of the steep hillside development area regulations would result in conflicts with other City regulations, policies, or plans.** Strict application of the steep hillside development area regulations would require a redesign of the road connection to Phyllis Place, resulting in potential impacts to grade and other road geometry requiring additional deviations from the Street Design Manual. The street profile for Franklin Ridge Road was designed to maintain a gradient of less than 10 percent, where 8 percent is identified for the classification of the roadway. Adjustments to this alignment would result in increased impacts to certain habitat and an increase to gradient above 10 percent, depending on the new alignment.

B. PLANNED DEVELOPMENT PERMIT – SDMC SECTION 126.0604;

1. The proposed development will not adversely affect the applicable land use plan. The Quarry Falls project has been developed to implement the policies, goals, and objectives of the City of San Diego General Plan, the City of Villages Strategy, the MVCP land use and related policies identified for this site. Quarry Falls is consistent with the Strategic Framework of the General Plan which implements the City of Villages Strategy of focusing growth into pedestrian friendly mixed-use activity centers with connections to the regional transit system. The development of a public park and open space within the Serra Mesa Community Plan area is consistent with the land use and zoning identified for this portion of the project.

The MVCP (page 56) identifies this site to be planned under the multiple use development option with a mix of uses including residential, retail and office. At 230 acres (224 acres covered by the Specific Plan) the development triggers the 10 acre threshold identified in the community plan that requires the preparation of a Specific Plan for implementation of the project. The Quarry Falls Specific Plan implements the community plan goals by developing a mixed use, walkable urban village that includes a maximum of 4,780 residential units, a maximum 480,000 square feet of retail, and a maximum of 420,000 square feet of office. Additional uses include over 17 acres of public neighborhood parkland, a 4,000 square foot private recreation center and up to 15,000 square feet of civic and quasi-public uses. The mix of public and private uses and housing types that achieve the balanced community goals of the General Plan is further enhanced by the option for development of a public charter school.

Quarry Falls will implement many of the goals of the recently adopted General Plan in addition to the overall Community Plan goal of continuing the development of Mission Valley as a regional urban center while recognizing traffic needs and encouraging a community identity. The project achieves the overall goals of high quality urban development, the facilitation of transportation and related improvements, the provision of public facilities and services, and a design that creates a sense of place that is respectful of the project's location within Mission Valley. The following Community Plan objectives are fulfilled by Quarry Falls:

- Provide a variety of housing types and densities within the community.

Quarry Falls envisions a maximum of 4,780 residential units that include "for sale" and/or "for rent" units built as condominiums, town homes, apartments and/or flats, row homes, courtyard units, lofts, live/work units, carriage units, senior housing and assisted care units located in varying zoning districts. The project will include 10 percent of the total units designated as affordable to satisfy the City's inclusionary Housing Ordinance. In addition, approximately 300 units are planned for senior housing.

- Encourages development which combines and integrates residential uses with commercial and service uses.
- Provide new development and redevelopment which integrates land uses into coordinated multi-use projects.

Quarry Falls is designed as a walkable, urban village with a mix of land uses to serve the immediate neighborhood and community at large. The land use plan is centered on a neighborhood park with pedestrian connections from all portions of the project. Higher densities surround the retail village core, closer to the pedestrian bridge and walkway to the light rail station. Flexibility in the range of retail uses in this district provides increased opportunities for small business and neighborhood serving uses resulting in a greater vibrancy to the commercial district and livability by activating the street and public space. In order to ensure adequate commercial services commensurate with residential development, conditions are included to require the construction of a minimum of 50,000 square feet of commercial office and retail space to serve the residents of Quarry Falls before residential development in excess of 2,478 units can be developed.

- Facilitate transportation into, throughout and out of the valley seeking to maintain a balanced transportation system.

Quarry Falls provides improvements or funding towards improvements at five major freeway interchanges that serve Mission Valley; Friars Road/SR-163, Mission Center Road/I-8, Qualcomm Way/I-8, Phyllis Place/I-805, and Friars Road/I-15. Overall, approximately \$50 million is committed to offsite transportation improvements, with over \$31 million committed to regional arterial improvements. The project has been designed so as to not preclude a road connection from Qualcomm Way to Phyllis Place should it be desired to construct the improvement at a future time.

- Encourage the use of public transit modes to reduce dependency on the automobile.

Quarry Falls incorporates several project features to encourage walkability and alternative modes of transportation. A comprehensive TDM program will be developed during the initial phase of development that will include a shuttle system to the nearby light rail stations, and transit passes for local residents and workers. A pedestrian bridge will be constructed as part of Phase B of the project to provide a safe and convenient connection from the village core to the Rio Vista Trolley Station. On-site bus and shuttle stops with shelters will be provided and their location will be coordinated with SANDAG and MTS.

- Provide adequate off-street parking for all new development in Mission Valley.

Quarry Falls will meet or exceed parking requirements for all individual projects. Automobile parking shall comply with Land Development Code based on the zoning and land uses applied to each subdistrict.

- Create an intra-community bikeway system which would provide access to the various land use developments within the Valley, and connect to the regional system.

Quarry Falls includes Class II and Class III bikeways on all public streets, as well as bicycle connections to Serra Mesa (north), east and west along Friars Road, and south along Qualcomm Way and Mission Center Road to the trolley station and San Diego River trails.

- Improve the visual quality as well as the pedestrian efficiency of the existing and future pedestrian circulation system.

Quarry Falls has been designed with an extensive pedestrian trail and sidewalk system which includes landscaping and traffic calming measures to promote an aesthetic and safe walking environment. A sidewalk will be added easterly along the north side of Friars Road to connect to development east of the I-805 freeway. Other sidewalk improvements will be made at the project intersections on Qualcomm Way and Mission Center Road. A pedestrian bridge spanning Friars Road will provide a safe walk from the village core to the Rio Vista trolley station and the trail system along the San Diego River. The project also proposes the construction of a sidewalk and pedestrian lighting on Texas Street to connect Greater North Park to Mission Valley.

- Preserve as open space those hillsides characterized by steep slopes or geological instability in order to control urban form, insure public safety, provide aesthetic enjoyment, and protect biological resources.

Quarry Falls is a mostly disturbed site, comprised of geologically stable manufactured slopes. As part of the mining reclamation plan, these slopes will be revegetated to native conditions and remain in perpetuity as private open space. Because the mined slopes do not constitute a "scenic resource," the treatment of the northern slopes and the creation of a visible band of open space achieves the goal of rehabilitation, rather than preservation. The manufactured slopes from mining will be revegetated to create a band of open space along I-805 and the eastern portion of Phyllis Place. The MVCP calls for a road connection to the upper mesa at this location therefore the project has been designed to accommodate the road connection to Phyllis Place. The retention of 2.4 million cubic yards of fill material creates the opportunity to design a multi-use land plan and meet the engineering requirements for a potential road connection to Phyllis Place. The terracing of lots, encouraged by the Community Plan, provides visual variety to the development and slope areas.

- Provide adequate park and recreation areas for the use of Mission Valley residents in accordance with the General Plan.

Quarry Falls will satisfy the General Plan goal of 2.8 acres of population based parkland by constructing approximately 17.5 acres of public neighborhood parkland (consisting of both public property and private property with easements allowing for public use) on-site and paying the Mission Valley Public Facilities Financing Plan Development Impact Fee for the community park, recreation center and swimming pool identified by the Community Plan (equivalent to 0.8 acres per 1,000 population).

Park design and uses will be defined as part of the park development process identified in Council Policy 600-33, Community Notification and Input for City-Wide Park Development Projects. Phase A of the project includes the development of the Creekside Park and Phyllis Place park and preservation of open space. The Central Park and Civic Center is required to be constructed with Phase B of the project.

- Provide and maintain a high level of service for the full range of community facilities necessary in an urban area.

Quarry Falls will be served by adequate public facilities and services within Mission Valley. The project will provide off-site and on-site improvements for connections to water, sewer, gas, and electrical utilities. Adequate capacity exists in the public schools in the surrounding communities that currently serve school aged children; in addition, Quarry Falls has identified a site for a public school to serve approximately 800 students. Library services are provided by an approximately 20,000 square foot facility that is adequate in size to serve the growth in residents proposed by the project.

An analysis of police and fire services has determined response times to the site currently meet the standards set by the City of San Diego. Police services are provided from the Eastern Division Substation, approximately four miles from the site. Eastern Division has adequate capacity for the addition of staff required to maintain optimal staffing based upon demand due to the project. The project will pay Mission Valley Public Facilities Financing Plan Development Impact Fees to assist in funding public services and facilities such as an additional fire station in Mission Valley.

The City of San Diego CPCI Economic Development Division has reviewed the "Fiscal Impact Analysis for Quarry Falls" prepared by ERA dated August 28, 2006. The City concurs with most of the assumptions and conclusions of the analysis that the project would provide extraordinary public benefits in the form of total General Fund revenues of approximately \$7.5 million at build out, more than the projected \$6.7 million required to meet existing service levels (comprised of \$2.7 for police, \$1.5 million for fire, and \$2 million for libraries, parks and other services). This results in an annual surplus of approximately \$800,000 annually to the City's General Fund and therefore the project does not impose a burden upon the City's operating budget, rather, it contributes additional revenue for essential public services. This figure could be higher depending on the tenant mix at Village Walk Center and the office complex, particularly if the office tenant mix includes businesses with a taxable point of sale.

- Conserve the Valley's water, land and energy resources.

Quarry Falls addresses a variety of conservation needs through the efficient use of land, including the need to reduce greenhouse gas emissions and the impacts of global warming, by utilizing the design goals of the USGBC, LEED-ND goals for sustainability. Quarry Falls is one of three San Diego projects and less than 300 projects worldwide that are participating in the LEED-ND pilot program. Sustainability will be achieved by developing a compact, walkable community with a mix of uses to encourage multi-modal trips and reduce vehicle miles traveled.

Buildings will be oriented to take advantage of a southern exposure and terraced site, and included operable windows for passive heating and cooling.

Water usage is estimated to be 50 percent lower than traditional development due to higher residential densities, less water intensive landscaping, and the use of Water Sense certified appliances. Reclaimed water for irrigation will be a component of the project for non-potable water needs.

The General Plan, adopted in March 2008, is based upon the City of Villages Strategy to focus growth into mixed-use activity centers that are pedestrian friendly districts linked to an improved regional transit system. Furthermore, the General Plan identifies the typology of villages and a number of factors used to determine the likelihood of development as a village location, as identified on the General Plan Village Propensity Map. For Quarry Falls, these factors include the capacity for growth; public facilities such as an existing expanded library, the construction of on-site of public neighborhood parkland; and the proximity to the light rail system, specifically the Rio Vista Trolley Station.

One of the primary goals of the Land Use and Community Planning Element is to achieve balanced communities and equitable development. Quarry Falls provides benefits by building a diversity of much needed housing choices, including age restricted (senior) housing and the provision of affordable housing on-site as required by the City's Inclusionary Housing Ordinance, all in a sub-regional employment center that contains a concentration of jobs. This development will provide workers of all income levels a greater opportunity to live in close proximity to their place of employment.

The Mobility Element encourages walkability and multi-modal transportation to reduce dependency on the automobile and promote a healthy lifestyle. The land use design achieves the Walkable Communities goals through the project objective to encourage pedestrian activity through a logical connection of trails, sidewalks and bicycle facilities. All residential units are within a 10 minute walk of the central park, civic center, and retail core of the project. Street design incorporates traffic calming measures and non-contiguous sidewalks to promote walkability and safety.

Its central location also serves the Downtown employment center by light rail and the University/Sorrento Mesa and Kearny Mesa subregional employment areas that are within 10 miles of the project. Residents may also access existing bus and/or light rail service to commute to San Diego State University, thereby reducing the negative consequences of vehicle commutes. Transportation Demand Management goals include a shuttle system through the project to connect to the light rail stations, reduced transit passes for residents (for a limited time) and employees, and transit information systems.

The Urban Design Element of the General Plan promotes the social, economic and aesthetic values of the City. Quarry Falls achieves many of the design policies of this element by focusing on the public space's relationship to private development represented by the commercial core of the project. The project includes both horizontal and vertical mixed use components with a mix of housing types. Ground floor retail is placed to activate and attract

pedestrian activity, with plazas, courtyards and paseos planned within the retail core. The Civic Center is planned to create a significant focal point in the community for public gathering, including a landmark architectural element such as a campanile or clock tower.

The Public Facilities, Services and Safety Element provides for the existing population and new growth. The Mission Valley Public Facilities Financing Plan will be amended as part of the processing of the Quarry Falls Specific Plan to ensure the facilities financing program is updated to include the latest projects and project costs for the collection of development impact fees. Implementation of the Mitigation, Monitoring and Reporting Program for the project will result in approximately \$50 million in direct improvements and mitigation for project impacts related to traffic.

The water supply for the Quarry Falls project was planned for as part of the City of San Diego's Urban Water Management Plan, and County Water Authority UWMP. Both documents rely on the SANDAG Regional Growth Forecast for planning purposes and the proposed project was included as part of that forecast. Therefore the City and County have planned for and sought contracts for water to serve the project. The Water Department confirms the availability of water supply in the Water Supply Assessment prepared for the project. Over the build-out of the project, school impact fees in excess of \$10 million will be paid to the San Diego Unified School District to be used at the District's discretion for improvements to schools intended to serve the project's students in the surrounding communities.

The Recreation Element ensures the recreation needs of the community will be met through a variety of methods. Quarry Falls will meet the General Plan guideline of 2.8 acres of parkland per 1,000 population by constructing parks that meet all population based neighborhood park requirements on-site and paying development impact fees for the community park component of the project. The central park will be accessible by an interconnected trail system to all areas of the project and will be designed to achieve local, State and Federal accessibility requirements.

The Conservation Element promotes an international model of sustainability and to proactively address the issue of climate change and greenhouse gas emissions. Quarry Falls addresses a variety of conservation needs, including the need to reduce greenhouse gas emissions and the impacts of global warming, by utilizing the design goals of the USGBC LEED-ND goals for sustainability. The use of intelligent irrigation systems, monitoring and maintenance of potable water lines to reduce water loss due to leaks will be utilized to maximize the efficient use of water. Quarry Falls has integrated the natural treatment of stormwater into the physical design of the project by using bioswales, infiltration basins and detention ponds to treat the majority of urban runoff.

Quarry Falls has been identified as an urban center. Such sites are focused around regional transit corridors, in this case, the Mission Valley light rail line, and are characterized by higher densities and a mix of uses, including retail and employment. Mission Valley is also served by five freeway interchanges, each of which will receive improvements from the project. A shuttle system will serve to connect to the light rail stations in the vicinity of the project.

Quarry Falls provides off-site traffic improvements in Serra Mesa and Greater North Park to implement the goals of the community and financing plans. In Serra Mesa, the community plan calls for the restriping of Murray Ridge Road to four lanes; however, at the request of the community, a mitigation option has been developed to provide traffic calming that will be implemented by the project. In Greater North Park, the proposed pedestrian and traffic calming improvements for Texas Street are consistent with the community priorities and financing plan.

Therefore, the proposed Quarry Falls project will not adversely affect the applicable land use plan.

2. The proposed development will not be detrimental to the public health, safety, and welfare. The proposed project would redevelop an approximately 230.5-acre site from a mining and sand and gravel processing operation to a mixed use development over phases to include a maximum of 4,780 residential units, a maximum of 480,000 square feet of commercial retail, and a maximum of 420,000 square feet of commercial office, including approximately 17.5 acres of public population-based parks, civic uses, open space and trails, and an optional school site. The project has been designed in compliance with the Land Development Code and other regional, State, and Federal regulations to prevent detrimental impacts to the health, safety and welfare of residents, workers and visitors as well as adjacent development and people. These requirements include the safe design of streets and sidewalks as well as grading and drainage that provides for control and treatment of stormwater. Conditions of approval address construction activities, the shielding of lighting, the attenuation for noise, and the appearance and placement of landscape and buildings to discourage crime. Construction of the project will be pursuant to the applicable Uniform Building, Fire, Plumbing, Electrical, and Mechanical Codes. All Land Development Codes governing construction and continued operation of the development will apply to prevent the potential for future adverse impacts once build-out has occurred.

The land-use mix and density of development for Quarry Falls is compatible with the existing development patterns of Mission Valley and Serra Mesa. The concepts of transit oriented design concentrate residential densities and a mix of retail and office uses in closer proximity to the existing transit system. Development is designed to be compatible with the use adjacent to that portion of the site; the Ridgetop District is low density residential for compatibility with the Serra Mesa neighborhood; the Terrace District reflects the slightly higher density project to the immediate west; and higher density residential and the retail/office districts mirror the development patterns of Rio Vista West to the south and are connected by a pedestrian bridge spanning Friars Road, providing a safe connection between the project and the Rio Vista trolley station. Finish pad elevations and building heights will be sensitive to the existing views from Phyllis Place and the future public park at that location. Manufactured slopes have been designed to minimum safety factors or greater and are adequately stable to not endanger the public health, safety and welfare.

Police services will be provided from the Eastern Division Substation, located on Aero Drive approximately four miles from the project. An analysis of the current response times for Mission Valley East Neighborhood (the location of the project) determined that the existing emergency and Priority One calls are better than the citywide average of 7.28 minutes and 14.60

minutes, respectively. The project will pay Mission Valley Public Facilities Financing Plan Development Impact Fees to assist in funding public services and facilities such as police services in Mission Valley.

Fire protection services and emergency response is provided from four fire stations within the project vicinity, the closest of which is temporary Station 45, located 1.75 miles away at Qualcomm Stadium. Response time from this station is 4.5 minutes, below the national average. A new, permanent fire station is planned in the 9400 block of Friars Road, approximately 1.1 miles east of the project, and would provide comparable response time as the temporary station. The project will pay the Mission Valley Public Facilities Financing Plan Development Impact Fee to fund public services and facilities such as the construction of an additional fire station within Mission Valley.

The mitigation of hazardous waste materials and the closure and removal of underground storage tanks protects future occupants of the site from exposure to such materials. The recreational opportunities created by the park, trail and bicycle route system will enhance the surrounding community.

To address the issue of fugitive dust generated from construction of the development, conditions for construction operations have been identified which include the application of water during grading operations, the use of sweepers and/or water trucks to control "track-out" of soil at all public street access points, the termination of grading should winds exceed 25 mph, and the hydroseeding of graded lots.

Impacts due to the increases in runoff with the introduction of streets, roads and other hardscape surfaces will be mitigated to below a level of significance through the design of a natural bioswale and detention system. Stormwater runoff from the 100-year flood event will not exceed the existing flow for the approved reclamation plan. The development has limited the use of mechanical treatment of stormwater to the maximum extent practicable. A SWPPP will be developed to the satisfaction of the City Engineer for mitigating potential impacts due to construction activities. This plan will include BMP's such as ground cover and structural devices to limit runoff from newly graded slopes and the timely hydroseeding and landscaping of cut/fill slopes to reduce sedimentation and erosion.

3. The proposed development will comply with the regulations of the Land Development Code. The proposed project would redevelop an approximately 230.5-acre site from a mining and sand and gravel processing operation to a mixed use development over phases to include a maximum of 4,780 residential units, a maximum of 480,000 square feet of commercial retail, and a maximum of 420,000 square feet of commercial office, including approximately 17.5 acres of public population-based parks, civic uses, open space and trails, and an optional school site. The proposed land uses, zoning, planned development and site permits for Quarry Falls comply with all provisions of the Land Development Code. The project includes an amendment to the Mission Valley Community Plan, a Specific Plan, vesting tentative map, rezone, master planned development permit/site development permit, and amendment to the Mission Valley Public Facilities Financing Plan. Concurrent with Quarry Falls, a conditional use permit and reclamation plan amendment is being processed to address the retention of excess

fill material, the revegetation of manufactured slopes, and the phasing of new development with a relocated concrete and asphalt batch plants.

To achieve the project objectives of a unified land use design and individual projects that create a positive sense of character and community, the project proposes additional land uses and development regulation deviations as allowed by the Land Development Code. A Specific Plan has been created to implement the development and will require all subsequent construction and grading permits to be reviewed for substantial conformance with the Plan. The zoning, development regulations, and design guidelines included in the Quarry Falls Specific Plan and related permits will ensure quality site and architectural design and must be adhered to for project build-out. Development intensities call for a maximum of 4,780 residential units, a maximum 480,000 square feet of retail, and a maximum of 420,000 square feet office that may only be increased by City Council action. Additional conditions of approval include mitigation for traffic, air quality, noise, and biology impacts to the maximum extent practicable.

The majority of the project is zoned for multi-family residential use as defined in the Specific Plan. The land use plan organizes densities based upon transit oriented design principles, with higher densities located in close proximity to the village retail core and lower densities near the single family neighborhoods of Serra Mesa. Residential zoning spans from RM-1-1 to RM-4-10. A deviation for a building height of 70 feet has been requested for the RM-3-7, RM-3-8, and RM-3-9 zones to allow greater architectural flexibility for building articulation and roofline variation. This deviation also allows for greater options for site design and the provision of common open space. The unlimited height limit of the RM-4-10 zone will be limited to 100 feet, with the exception of Lot 42 of the Terrace District South with a height limit of 200 feet. Setback deviations along Quarry Falls Boulevard, Community Lane, and the Grand Steps allow for entries from the sidewalk to activate the street frontage and create a more urban environment.

The project complies with the City's Inclusionary Housing Ordinance by developing 10 percent of the total residential units as affordable on-site rather than pay in-lieu fees. Conditions are included to ensure the construction of these affordable units occurs in conjunction with the development of the market rate housing component of the project.

Over 17 acres of land will be improved to meet population-based park requirements for neighborhood parks with additional public access easements to implement a comprehensive trail network. The zoning for the park district is designated as RM-1-1 and OP-2-1 to provide flexibility for park related uses and the possible construction of a heritage museum in the Civic Center. Deviations are requested for height to allow the construction of a landmark architectural statement, such as a campanile or clock tower, as called for in the Mission Valley Community Plan, an amphitheater and additional limited retail uses to activate the park and adjacent area. Setbacks to provide flexibility for the location of buildings are allowed in closer proximity to the parkland.

The commercial retail component of the project will be zoned CC-3-5 to provide both neighborhood and community serving businesses. A deviation to setbacks is requested to provide articulation along the street edge and opportunities for expanding the public space

through the creation of useable space for pedestrians in the form of mini-plazas and shared outdoor dining areas. The higher retail intensity and the inclusion of residential within the commercial component creates a more urban community and supports the construction of structured parking.

The Quarry District will be zoned IL-3-1 and provide an office park of over 500,000 square feet available for future job expansion. No deviations are requested for this district. A maximum structure height of 200 feet, when none is currently specified by the base zone, is provided for by the Specific Plan.

4. The proposed development, when considered as a whole, will be beneficial to the community. Quarry Falls will be beneficial to the community and the City as a whole by redeveloping the last mining site in Mission Valley by implementing the vision of the City of Villages Strategy and creating a mixed-use, walkable urban village. The development provides a diverse choice of housing attainable to a range of incomes and will meet or exceed its requirement for affordable housing onsite. As a major employment center with over 50,000 jobs, Mission Valley will benefit from the addition of housing to address the jobs/housing imbalance and provide options to live closer to work. The development provides in excess of 60 acres of public/private open space, parks and slopes of which the full population-based park requirement of over 17 acres of neighborhood parks is developed onsite.

Quarry Falls is designed as a sustainable community by utilizing the design goals of the USGBC LEED-ND. This type of compact, walkable mixed use community encourages multi-modal trips, reduces vehicle miles traveled and has been shown to significantly reduce greenhouse gas emissions and the impacts of global warming. Buildings will be oriented to take advantage of a southern exposure and terraced site, and included operable windows for passive heating and cooling. A construction and demolition debris recycling program will achieve a minimum of 75 percent waste diversion, greater than the minimum requirement of 50 percent set by City ordinance.

The site is planned to include an option for a school site. Conditions of development ensure the provision of public facilities and services at a rate commensurate with the phases of development. A fiscal impact study, performed by ERA, has concluded the project contributes positively to the provision of infrastructure and the ongoing funding of public services required for a project of this composition. Traffic mitigation includes additional funds to advance the design for the Friars Road/163 Interchange Improvements currently being developed by the City of San Diego.

A maximum development intensity of 4,780 residential units, 480,000 square feet of retail, and 420,000 square feet office has been established for the project and may only be exceeded by amending the Specific Plan, which requires City Council approval. A density monitoring process is provided for by the Specific Plan for implementation of individual projects. This process requires review by the City of San Diego for conformance with the Quarry Falls Vesting Tentative Map, Specific Plan, Master Planned Development Permit PEIR and Mitigation Monitoring and Reporting Program.

5. **Any proposed deviations pursuant to Section 126.0602(b)(1) 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 deviations for Quarry Falls are proposed in accordance with Section 126.0602(b)(1) to provide for a more urban design and mixed-use community than can otherwise be achieved by the strict application of the Land Development Code zoning districts. Residential districts adjacent to the Village Walk commercial district propose modifications to setbacks along Quarry Falls Boulevard to locate buildings closer to the street to promote a stronger design emphasis to achieve an urban environment oriented to enhance the pedestrian experience.

The Civic Center is designed for public and quasi-public use requiring a mix of functions to activate and integrate this space with the adjoining public park and pedestrian areas. Flexible setbacks and height enable greater creativity for the location and design of signature buildings in this area, including a landmark architectural element.

The selective control of height within the higher density portion of the residential development provides greater flexibility for site planning and architectural design to meet future housing preferences. Additional height in the multi-family districts also allows for greater flexibility in site planning and the provision of common open space. Modifications to reduce front setbacks achieve both an urban scene while enhancing safety and security through environmental design. A project wide community identification sign program facilitates a cohesive identity for the districts and overall project.

The following deviations to base zones are included in the Specific Plan:

Park Subdistrict – OP-2-1 Zone: A retaining wall height of 30 feet is permitted, where 12 feet is allowed, for construction of a water fall feature in the northern portion of the central park. The Retaining wall will be covered with an engineered rock face to simulate a natural environment.

Civic Center Subdistrict – RM-1-1 Zone: Flexibility to setbacks will allow the placement of the buildings in close proximity to complement the public park. An easement for public access will be granted to the City for the area surrounding these buildings to expand the public space adjacent to the central park. A maximum structure height of 70 feet is permitted, where 30 feet is allowed, for the addition of an architectural element to create a landmark campanile or clock tower visible from beyond the project's boundaries.

Community Recreation Center Subdistrict – RM-1-1 Zone: Flexibility to setbacks will allow the placement of the buildings closer to slopes and the public park to maximize private open space. A maximum structure height of 70 feet is permitted, where 30 feet is allowed, for the addition of an architectural element to create a landmark feature visible from beyond the project's boundaries and to provide an architectural connection to the Civic Center.

Foothills North Subdistrict – RM-3-7 Zone: A maximum structure height of 70 feet is permitted, where 40 feet is allowed, to provide building articulation, roofline variation, and to provide superior site design and increased common open space.

Foothills Southwest Subdistrict – RM-3-8 Zone: A maximum structure height of 70 feet is permitted, where 50 feet is allowed, to provide building articulation, roofline variation, and to provide superior site design and increased common open space. A reduction in the front setbacks for Quarry Falls Boulevard from 10 feet to 5 feet minimum and 20 feet to 10 feet standard provides for a greater activation of the public space by allowing the buildings to address the street in an urban manner and provide entryways from the public sidewalk, as well as the implementation of a special edge treatment.

Terrace North Subdistrict – RM-3-8 Zone: A maximum structure height of 70 feet is permitted, where 50 feet is allowed, to provide building articulation, roofline variation, and to provide superior site design and increased common open space. A reduction in the front setbacks for Creekside Lane from 10 feet to 5 feet minimum and 20 feet to 10 feet standard provides for a higher level of pedestrian activity by allowing the buildings to address the street in an urban manner and providing entryways from the public sidewalk, as well as the implementation of a special edge treatment.

Terrace West Subdistrict – RM-3-7 Zone: A maximum structure height of 70 feet is permitted, where 40 feet is allowed, to provide building articulation, roofline variation, and to provide superior site design and increased common open space. A reduction in the front setbacks for Quarry Falls Boulevard and Creekside Lane from 10 feet to 5 feet minimum and 20 feet to 10 feet standard provides for a higher level of pedestrian activity by allowing the buildings to address the street in an urban manner and providing entryways from the public sidewalk, as well as the implementation of a special edge treatment along these two streets.

Creekside West Subdistrict – RM-3-9 Zone: A maximum structure height of seventy feet is permitted, where sixty feet is allowed, to provide building articulation, roofline variation, and to provide superior site design and increased common open space. A reduction in the front setbacks for Quarry Falls Boulevard from 10 feet to 5 feet minimum and 20 feet to 10 feet standard provides for a higher level of pedestrian activity by allowing the buildings to address the street in an urban manner and providing entryways from the public sidewalk, as well as the implementation of a special edge treatment.

Creekside East Subdistrict – CC-3-5 Zone: An increased maximum setback on Quarry Falls Boulevard and Russell Parkway to thirty feet, where ten feet is required, for 30 percent of the frontage, where 70 percent is required, provides greater building articulation at the street edge to achieve variations in massing and visual impact as well as implement a special edge treatment along these two streets. A reduction in the setback along Friars Road from ten feet to five feet provides consistency with adjoining districts for massing and visual impact. The implementation of a special edge treatment along Friars Road is achieved by an extensive landscape plan for the right-of-way and intervening slope parcels that will provide a visual buffer to diffuse the view to the buildings along the southern boundary of the project.

Village Walk District – CC-3-5 Zone: An increased maximum setback on Quarry Falls Boulevard and Russell Parkway to 30 feet, where 10 feet is required, for 30 percent of the frontage, where 70 percent is required, provides greater building articulation at the street edge to


achieve variations in massing and visual impact as well as implement a special edge treatment along these two streets. Flexible setbacks increase opportunities to expand the public space and create an activated "main street" for the mixed use village core. A reduction setback along Friars Road from ten feet to five feet provides consistency with adjoining districts for massing and visual impact. The implementation of a special edge treatment along Friars Road is achieved by an extensive landscape plan for the right-of-way and intervening slope parcels that will provide a visual buffer to diffuse the view to the buildings along the southern boundary of the project.

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

BE IT FURTHER RESOLVED, that Site Development Permit No. 183192/Master Planned Development Permit No. 183193 is granted to Quarry Falls, LLC., Owner/Permittee under terms and conditions set forth in the permit which is made a part of this resolution.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By


Nina M. Fain
Deputy City Attorney

NMF:mm
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Or.Dept:DSD
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RECORDING REQUESTED BY
CITY OF SAN DIEGO
DEVELOPMENT SERVICES
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: 42-3334

SITE DEVELOPMENT PERMIT NO. 183192
MASTER PLANNED DEVELOPMENT PERMIT NO. 183193
QUARRY FALLS – PROJECT NO. 49068 (MMRP)
CITY COUNCIL

This Site Development Permit No. 183192/Master Planned Development Permit No. 183193, is granted by the Council of the City of San Diego to Quarry Falls, LLC., a California Limited Liability Company, Owner/Permittee, pursuant to San Diego Municipal Code [SDMC] Chapter 12, Article 6, Divisions 5 and 6. The 230.5-acre site is located on the north side of Friars Road between I-805 and Mission Center Road, in the proposed OP-2-1, RS-1-7, RM-1-1, RM-2-4, RM-3-7, RM-3-8, RM-3-9, RM-4-10, CC-3-5, and IL-3-1 zones within the Mission Valley and Serra Mesa Community Plan areas. The project site is legally described as being a portion of Pueblo Lots 1109, 1173, 1174, 1182, 1183, 1184 and 1186 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California according to the map thereof made by James Pascoe in 1870, a copy of which said map was filed in the office San Diego County Recorder on November 14, 1921 and is known as Miscellaneous Map No. 36.

Subject to the terms and conditions set forth herein, permission is granted to Owner/Permittee to phase a redevelopment of a mining, extraction and processing use to land uses and development consistent with the Quarry Falls Specific Plan, described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated ~~OCT 21 2008~~ on file in the Development Services Department.

The project shall include:

- a. The approximately 230.5 acre site will consist of a maximum of 4,780 residential units; a maximum of 900,000 square feet of combined commercial retail/office, with the ability to transfer unused trips from residential land use to increase the

R 304295

final commercial development intensity; and approximately 17.5 acres of parks, civic uses, open space and trails, and an optional school site;

- b. Deviations to development regulations as outlined in the Quarry Falls Specific Plan;
- c. Uses consistent with the Quarry Falls Specific Plan;
- d. Landscaping (planting, irrigation and landscape related improvements);
- e. Off-street parking;
- f. Accessory improvements determined by the Development Services Department 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. This permit must be utilized within thirty-six months after the date on which all rights of appeal have expired. Failure to utilize and maintain utilization of this permit as described in the SDMC will automatically void the permit unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker.
2. 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 Owner/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.
3. 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 appropriate City decision maker.
4. This Permit is a covenant running with the subject property and shall be binding upon the Owner/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.

5. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.

6. Issuance of this Permit by the City of San Diego does not authorize the Owner/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.).

7. In accordance with authorization granted to the City of San Diego from the United States Fish and Wildlife Service [USFWS] pursuant to Section 10(a) of the ESA and by the California Department of Fish and Game [CDFG] pursuant to Fish and Game Code section 2835 as part of the Multiple Species Conservation Program [MSCP], the City of San Diego through the issuance of this Permit hereby confers upon Owner/Permittee the status of Third Party Beneficiary as provided for in Section 17 of the City of San Diego Implementing Agreement [IA], executed on July 16, 1997, and on file in the Office of the City Clerk as Document No. OO 18394. Third Party Beneficiary status is conferred upon Owner/Permittee by the City: (1) to grant Owner/Permittee the legal standing and legal right to utilize the take authorizations granted to the City pursuant to the MSCP within the context of those limitations imposed under this Permit and the IA, and (2) to assure Owner/Permittee that no existing mitigation obligation imposed by the City of San Diego pursuant to this Permit shall be altered in the future by the City of San Diego, USFWS, or CDFG, except in the limited circumstances described in Sections 9.6 and 9.7 of the IA. If mitigation lands are identified but not yet dedicated or preserved in perpetuity, maintenance and continued recognition of Third Party Beneficiary status by the City is contingent upon Owner/Permittee maintaining the biological values of any and all lands committed for mitigation pursuant to this Permit and of full satisfaction by Owner/Permittee of mitigation obligations required by this Permit, as described in accordance with Section 17.1D of the IA.

8. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee 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. Construction 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.

10. 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.

11. The Owner/Permittee shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Owner/Permittee of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Owner/Permittee regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

12. Prior to issuance of a building permit the Owner/Permittee shall provide a valid "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration [FAA] if it is determined that the proposed height of any structure shall penetrate Part 77 FAA airspace.

13. This Permit may be developed in phases. Development shall be consistent with the conditions and exhibits approved for each respective phase per the approved Exhibit "A."

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. The mitigation measures specified in the MMRP, and outlined in Environmental Impact Report [EIR] No. 49068 shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL/MITIGATION REQUIREMENTS.

16. The Owner/Permittee shall comply with the MMRP as specified in EIR No. 49068, satisfactory to the City Manager and the City Engineer. All mitigation measures as specifically outlined in the MMRP shall be implemented for the following issue areas:

- Land Use
- Transportation/Traffic Circulation/Parking
- Air Quality
- Noise
- Biological Resources
- Health and Safety
- Historical Resources
- Paleontological Resources
- Public Utilities

17. Prior to issuance of any construction permit, the Owner/Permittee shall pay the Long Term Monitoring Fee in accordance with the Development Services Fee Schedule to cover the City's costs associated with implementation of permit compliance monitoring.

AFFORDABLE HOUSING REQUIREMENTS

18. Prior to the recordation of the first Final Map within the Quarry Falls Specific Plan, Owner/Permittee shall enter into a Master Affordable Housing Agreement, recorded against Quarry Falls such that it is senior in recording priority to all mortgages, deeds of trust, and other monetary liens other than the lien for real property taxes and assessments (such recording priority is hereinafter referred to as a "Senior Position"), with the San Diego Housing Commission to assure that 10 percent of the total residential units (excluding units described in SDMC Section 142.1303(b)) to be constructed in Quarry Falls (estimated to be 478 residential units based upon current Project size projections) will be constructed and occupied as Affordable Housing Units (as described below).

19. The terms and conditions of the Master Affordable Housing Agreement shall be as reasonably approved (in his/her sole discretion—i.e. without the need for any additional consents or approvals) by the President and CEO of the Housing Commission, or his/her designee, and the Housing Commission's General Counsel and shall include the following provisions:

- a. The term Affordable Housing Units shall refer to either for-rent residential units as set forth in SDMC Section 142.1309(d) or for-sale residential units as set forth in SDMC Section 142.1309(e).
- b. The projected total of 478 Affordable Housing Units shall be adjusted (up or down) commensurate with changes to the total number of residential units (subject to Paragraph C, below) such that, ultimately, ten percent of the total units in the Project are Affordable Housing Units.

- c. For purposes of calculating the total number of Affordable Housing Units required in the Project, units described in SDMC Section 142.1303(b) will be excluded from the overall number of units in the Project, as required by the San Diego Municipal Code.
- d. On a Building Phase (as defined below)-by-Building Phase basis, "Performance Security" (of the type, and meeting the criteria described below) in an amount sufficient to assure the construction and availability for occupancy of the required number (calculated in the manner described below) of Affordable Housing Units applicable to such Building Phase shall be provided, prior to issuance of any building permits for market rate units sought by the Owner/Permittee (or any successor owner of any portion of the Quarry Falls Project) in such Building Phase.

Each time building permits for market rate units within the Quarry Falls Project are applied for by the Owner/Permittee (or any successor owner of any portion of the Quarry Falls Project), the requisite Performance Security must first be posted (for purposes hereof, any such group of market rate units for which building permits are being concurrently requested by the Owner/Permittee—or any successor owner of any portion of the Quarry Falls Project are referred to herein as a "Building Phase"). Such Performance Security shall be in an amount sufficient to assure the construction and availability for occupancy of a number of Affordable Housing Units equal to the greater of (i) 25, or (ii) 10 percent of the total number of market rate units in such Building Phase.

Such Performance Security will be in the form of bonds, deeds of trust, letters of credit, and/or other security reasonably acceptable to the President and CEO of the Housing Commission (in his/her sole discretion i.e. without needing to obtain other consents or approvals). Any deeds of trust provided as Performance Security, shall be in addition to the deed of trust securing the Declaration as set forth in Section e(ii), below (and shall encumber real property that is in addition to the real property encumbered by the deed of trust securing the Declaration as set forth in Section e(ii), below). Owner/Permittee shall have the right to the release/reconveyance of such security upon the substitution of security of equal value by Owner/Permittee (or successors of the Owner/Permittee, as applicable) and the approval of the same by the President and CEO of the Housing Commission in his/her sole discretion—i.e. without needing to obtain other consents or approvals.

The Performance Security shall also insure that construction of the Affordable Housing Units is timely accomplished, and that such Affordable Housing Units are completed in a manner such that title may be insured free and clear of mechanic's liens and other encumbrances concerning the provision of material, labor, and supplies.

- e. Issuance of building permits for any Building Phase shall not be allowed until each of the following is satisfied: (i) the requisite Performance Security (as described in the preceding Paragraph 4) has been provided; and (ii) Owner/Permittee causes a parcel or parcels of real property sufficient to accommodate construction of the Affordable Housing Units applicable to such Building Phase to be encumbered by a Declaration of Covenants, Conditions, and Restrictions [Declaration] in Senior Position, secured by a deed of trust (or deeds of trust on individual parcels), both of which shall be in a form reasonably acceptable to the President and CEO of the San Diego Housing Commission (in his/her sole discretion—i.e. without needing to obtain other consents or approvals). Owner/Permittee may request the release/reconveyance of any property so encumbered, the approval of the President and CEO of the San Diego Housing Commission shall not be unreasonably withheld, conditioned or delayed, provided both of the following conditions are satisfied: (a) no actual construction of vertical improvements (as opposed to horizontal development work such as grading or installation of infrastructure) has commenced upon the property then encumbered by the Declaration; and (b) Owner/Permittee encumbers a replacement parcel of real property (acceptable to the President and CEO of the San Diego Housing Commission in his/her sole discretion—i.e. without needing to obtain other consents or approvals) sufficient to accommodate construction of the Affordable Housing Units applicable to such Building Phase with a Declaration in Senior Position, secured by a deed of trust. Such deed(s) of trust shall require that the Beneficiary thereof subordinate such deed(s) of trust to purchase money deeds of trust obtained by the purchasers of such Affordable Housing Units.
- f. The Performance Security shall be released by the San Diego Housing Commission upon completion of construction (measured by issuance of a certificate of occupancy) of all of the Affordable Housing Units that such Performance Security secured.
- g. The amount/value of the Performance Security to be provided from time-to-time shall be equal to 115 percent of the estimated Financing Gap (as described below) associated with the un-built Affordable Housing Units which the Owner/Permittee is then obligated to construct. The Financing Gap shall be defined as the total cost to deliver such Affordable Housing Units less the amount of conventional financing, tax-free bond financing, and 4 percent tax credits that can reasonably be obtained as reasonably determined by the President and CEO of the San Diego Housing Commission (in his/her sole discretion—i.e. without needing to obtain other consents or approvals).
- h. Provisions shall be included in the Master Affordable Housing Agreement for the approval of the timing of the construction and occupancy of the Affordable Housing Units as provided herein. Specifically, the Master Affordable Housing Agreement shall provide for the following thresholds:

- (1) Upon the First Threshold Date (as defined below), Owner/Permittee—and/or a successor owner of any portion of the Quarry Falls Project—shall obtain building permits for all of the Affordable Housing Units for which Performance Security is then required to be posted by Owner/Permittee and diligently commence and pursue construction of such Affordable Housing Units. Completion of such Affordable Housing Units shall be completed (as evidenced by issuance of certificates of occupancy) within two years of the First Threshold Date.
- (2) Upon each Subsequent Threshold Date (as defined below), Owner/Permittee—and/or a successor owner of any portion of the Quarry Falls Project—shall obtain building permits for all of the Affordable Housing Units for which Performance Security is then required to be posted by Owner/Permittee (and relative to which building permits have not already been issued pursuant hereto or pursuant to the preceding paragraph) and diligently commence and pursue construction of such Affordable Housing Units. Completion of such Affordable Housing Units shall be completed (as evidenced by issuance of certificates of occupancy) within two years of the subject Subsequent Threshold Date.
- (3) For purposes of this Permit, the term “Threshold Date” shall mean and refer to either the First Threshold Date or any Subsequent Threshold Date—as such terms are defined below.
- (4) For purposes of this Permit, the term “First Threshold Date” shall mean and refer to the first to occur of the following dates: (a) that date upon which the building permit for the 1,500th market rate unit in Quarry Falls is issued, (b) that date which is four years after the recordation of the first Final Map for any portion of the Quarry Falls project.
- (5) Notwithstanding the Section 20(h)(4) of this Permit, if that date which is the later of either (a) two years after the recordation of the second Final Map for any portion of the Quarry Falls project, or (b) three years after the recordation of the first Final Map for any portion of the Quarry Falls project would occur sooner than either of the dates referenced in Section 20(h)(4) of this Permit above, then that date will be the First Threshold Date in lieu of the date determined pursuant to Section 20(h)(4).
- (6) For purposes of this Permit, the term “Subsequent Threshold Date” (there may be more than one Subsequent Threshold Date) shall mean and refer to each date that is the first to occur of the following dates: (a) that date upon which the building permits for the next 1,000 market rate units (or the building permit for the final market rate unit to be

constructed as part of the complete build-out of the Quarry Falls project) have been issued (beyond the first 1,500 market rate units referenced in the preceding Section 20(h)(4), or any previous 1,000 market rate units following such initial 1,500 market rate units, as provided in this clause (a)—i.e. upon issuance of the 2,500th, 3,500th, etc building permit for a market rate unit), or (b) that date which is three years after the recordation of the first Final Map to be recorded since the prior Threshold Date.

- (7) If upon a Threshold Date the number of building permits for market rate units is in excess of the applicable threshold number (i.e. greater than 1,500, 2,500, etc.), then the Owner/Permittee shall be required to obtain building permits for only the corresponding ten percent of Affordable Housing Units (with Performance Security being provided for the excess and Owner/Permittee causes a parcel or parcels of real property sufficient to accommodate construction of the Affordable Housing Units applicable to such Building Phase to be encumbered by a Declaration in first Senior Position, secured by a deed of trust (or deeds of trust on individual parcels), both of which shall be in a form reasonably acceptable to the President and CEO of the San Diego Housing Commission in his/her sole discretion—i.e. without needing to obtain other consents or approvals). [By way of example, if at the time the 1,500th building permit is obtained, the Owner/Permittee actually obtains additional building permits in an amount to bring the total number of issued building permits to 1,800, the Owner/Permittee would be required to obtain building permits and commence construction of 150 Affordable Housing Units and provide Performance Security for the additional 30 (ten percent of such excess 300) Affordable Housing Units and Owner/Permittee causes a parcel or parcels of real property sufficient to accommodate construction of the Affordable Housing Units applicable to such Building Phase to be encumbered by a Declaration in Senior Position, secured by a deed of trust (or deeds of trust on individual parcels).
- i. If parcels within Quarry Falls are sold by the Owner/Permittee, every such parcel sold shall (at the time the owner thereof obtains building permits for residential units on such parcel) be included, for purposes of the provisions of the Master Affordable Housing Agreement, in the calculation of the total number of building permits issued, and the determination of the triggering and satisfaction of the requirements of the Master Affordable Housing Agreement.
- j. No building permits may be issued and/or further discretionary permits processed during any times that the Owner/Permittee is in default under the terms of the Master Affordable Housing Agreement, any Declaration, the Inclusionary Housing Ordinance and/or these conditions of approval.

k. Location of the Affordable Units:

- (1) The first Affordable Housing Units associated with the first phase of development shall be located on Lot 6 of the Vesting Tentative Map or other suitable parcels in the first phase of the Project, if approved by the President and CEO of the Housing Commission in his/her sole discretion—i.e. without needing to obtain other consents or approvals.
- (2) The location of the Affordable Housing Units associated with the remainder of the Project shall be reasonably approved (in his/her sole discretion—i.e. without needing to obtain other consents or approvals) by the President and CEO of the Housing Commission or his/her designee in accordance with the Master Affordable Housing Agreement.
- (3) Owner/Permittee may provide substitute locations for the Affordable Housing Units based upon written pre-approval by the President and CEO of the Housing Commission or his/her designee (in his/her sole discretion—i.e. without needing to obtain other consents or approvals); which approval shall not unreasonably be withheld.

20. The Owner/Permittee—and/or a successor owner of any applicable portion of the Quarry Falls Project—shall execute and record Declarations, Deeds of Trust, and provide Performance Security as required by these conditions of approval as necessary to assure the timely construction and completion of all required Affordable Housing Units for the entirety of the Quarry Falls Project.

21. The Master Affordable Housing Agreement and/or other legal documents shall also contain the following additional provisions:

- a. For "good cause" shown to the reasonable satisfaction of the President and CEO, the thresholds and dates referenced herein may be adjusted and/or extended one or more times. Good cause shall include, but not be limited to, Acts of God, labor strikes, war, riots, and other causes beyond the reasonable control of the Owner/Permittee, as shall be reasonably determined by the President and CEO, in his/her sole discretion—i.e. without needing to obtain other consents or approvals.
- b. A provision for the subordination of the deed(s) of trust in favor of the Housing Commission to construction and/or permanent financing deed(s) of trust in favor of institutional lenders, as reasonably approved by the President and CEO (in his/her sole discretion—i.e. without needing to obtain other consents or approvals), if deemed reasonably necessary to financing of the Affordable Housing Units, upon such terms as said President and CEO shall reasonably require.

- c. A provision giving the Owner/Permittee the right to replace the Performance Security held by the Housing Commission with alternative Performance Security, provided that such alternative Performance Security complies with the requirements of these conditions of approval and the Master Affordable Housing Agreement is reasonably acceptable to the President and CEO, in his/her sole discretion i.e. without needing to obtain other consents or approvals.
- d. Such other and further conditions as shall be reasonably required, in the opinion of the President and CEO or his/her designee to assure satisfaction of the affordable housing requirements as referenced in the Inclusionary Housing Ordinance and Procedures Manual and in these conditions of approval.
- e. The successors, heirs and assigns of the Owner/Permittee shall enter into and execute such other and further documents as the President and CEO or his/her designee shall reasonably require, as from time to time, may be needed to effectuate the affordable housing requirements of the Inclusionary Housing Ordinance and Procedures Manual.
- f. The applicable Declaration shall provide for the siting, mix, and architectural nature of the Affordable Housing Units on each affordable housing site.
- g. The Declarations shall restrict the occupancy, rents, and sales prices paid by the eligible households in accordance with the provisions of the Inclusionary Housing Ordinance and Procedures Manual.
- h. A provision requiring the Owner/Permittee to provide the President and CEO (or his/her designee) with a copy of the Traffic Worksheet which the Owner/Permittee is required to submit to the City of San Diego with each development proposal in the Quarry Falls Project (which Traffic Worksheet will show, among other things, the number of residential building permits which are being sought and which have been issued to date within the Quarry Falls Project). Such Traffic Worksheet shall be provided to the President and CEO (or his/her designee) contemporaneously with the delivery thereof to the City of San Diego.
- i. A provision whereby the Owner/Permittee can obtain from the President and CEO (or his/her designee) recordable evidence that a particular parcel(s) of real property within the Quarry Falls Project has satisfied all applicable requirements under the Master Affordable Housing Agreement, or has been developed in a manner which makes such Master Affordable Housing Agreement inapplicable thereto, and which instrument has the effect of making such Master Affordable Housing Agreement no longer a lien or encumbrance upon title to such parcel(s).

- j. A provision requiring each party to act reasonably in granting or withholding any consent or approval required by such Master Affordable Housing Agreement and/or other legal document.

ENGINEERING REQUIREMENTS:

22. The Permits shall comply with the conditions of the Final Maps for Quarry Falls Vesting Tentative Map, No. 183196.
23. For each development proposal and prior to the issuance of building permits, the Owner/Permittee shall submit a Water Quality Study, addressing how Standard Permanent Storm Water Best Management Practices [BMP's] will be incorporated into the project.
24. For each development proposal and prior to the issuance of building permits, the Owner/Permittee shall submit a Water Quality Study, addressing how Standard Permanent Storm Water BMP's will be incorporated into the project.
25. Prior to the issuance of any construction permit the Subdivider shall incorporate and show the type and location of all post-construction BMP's on the final construction drawings, in accordance with the approved Water Quality Technical Report.
26. Prior to the issuance of any construction permit, the Subdivider shall enter into a Maintenance Agreement for the for the ongoing permanent BMP's maintenance.
27. The Permittee or Subsequent Owner shall ensure that all proposed landscaping, especially landscaping adjacent to native habitat, shall not include exotic plant species that may be invasive to native plants. Plant species found within the California Invasive Plant Council's [Cal-IPC] Invasive Plant Inventory and the City of San Diego's Land Development Manual; Landscape Standards are prohibited.

LANDSCAPE REQUIREMENTS:

28. .Prior to issuance of any construction permits for grading, the Owner/Permittee or Subsequent Owner shall submit landscape construction documents for the revegetation and hydroseeding of all disturbed land in accordance with the Land Development Manual Landscape Standards and to the satisfaction of the Development Services Department. All plans shall be in substantial conformance to this permit (including Environmental conditions) and Exhibit "A."
29. Prior to issuance of any construction permits for public right-of-way improvements, the Owner/Permittee or Subsequent Owner shall submit complete landscape construction documents for right-of-way improvements 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.

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

31. Prior to issuance of any Certificate of Occupancy, it shall be the responsibility of the Owner/Permittee or Subsequent Owner to install all required landscape and obtain all required landscape inspections. A "No Fee" Street Tree Permit shall be obtained for the installation, and establishment, and on-going maintenance of all street trees.

32. The Owner/Permittee or Subsequent Owner shall maintain all landscape 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.

33. The Owner/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.

34. 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, the Owner/Permittee or Subsequent Owner is responsible to repair and/or replace any landscape 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.

35. The Owner/Permittee or Subsequent Owner shall ensure that all proposed landscaping, especially landscaping adjacent to native habitat, shall not include exotic plant species that may be invasive to native habitats. Plant species found within the Ca-IPC's Invasive Plant Inventory and the City of San Diego's Land Development Manual; Landscape Standards are prohibited.

36. Prior to issuance of any construction permit for parking structures, the Permittee or Subsequent Owner shall submit on the planting and irrigation plans a signed statement by a Registered Structural Engineer indicating that supporting structures are designed to accommodate the necessary structural loads and associated planting and irrigation.

PARK DEVELOPMENT REQUIREMENTS:

37. Prior to construction of any public park, or facility receiving population-based park credit, a General Development Plan [GDP] for park uses and design shall be prepared in conformance with Council Policy 600-33.

38. Prior to recordation of the first Final Map, the Owner/Permittee shall enter into a park development agreement for the acquisition, design, construction and method of reimbursement and maintenance for all on-site population-based public park acreage. The park development agreement shall incorporate the following conditions.

39. Based upon a build-out of 4,780 units, the Owner/Permittee shall provide a minimum of 16.54 acres of developed Neighborhood Park within the Quarry Falls project. The Neighborhood Park acreage shall be developed based upon the following phasing plan:

- a. The Owner/Permittee shall design and bond for Creekside and Phyllis Place parks prior to the issuance of the 1,251st residential building permit.
- b. The Owner/Permittee shall construct the Creekside and Phyllis Place parks prior to the issuance of the 1,860th residential final occupancy permit.
- c. The Owner/Permittee shall design and bond for the Central Park prior to the issuance of the 2,782nd residential building permit
- d. The Owner/Permittee shall construct the Central Park prior to the issuance of the 2,900th residential final occupancy permit.
- e. The Owner/Permittee shall design and bond for the Franklin Ridge Pocket Park and public portion of the Finger Park Courts prior to the issuance of the 3,290th residential building permit
- f. The Owner/Permittee shall construct the Franklin Ridge Pocket Park and public portion of the Finger Park Courts prior to the issuance of the 3,910th residential final occupancy permit.

40. Prior to bonding for each phase of park development, the Owner/Permittee shall pay the applicable Mission Valley Public Facilities Financing Plan Development Impact Fee at issuance of residential building permits to fully satisfy the Neighborhood Park requirement. These funds shall be reimbursed to the Owner/Permittee upon conveyance of land, provision of public easements, and construction of public parks in accordance with the park development agreement. The Owner/Permittee may elect to design and bond for the on-site Neighborhood Park acreage earlier than required by the phasing plan in lieu of payment of the applicable Mission Valley Public Facilities Financing Plan Development Impact Fees or assure implementation of the park development agreement by any other method satisfactory to the Community Planning and Community Investment Department [CPCI] and the Mayor or City Manager.

41. The Owner/Permittee shall pay the applicable Mission Valley Public Facilities Financing Plan Development Impact Fee for that portion of the park impact fee attributable to the Community Park at issuance of residential building permits to fully satisfy the requirement for 6.73 acres of Community Park.

42. The Owner/Permittee shall pay the applicable Mission Valley Public Facilities Financing Plan Development Impact Fee for that portion of the park impact fee attributable to the Community Park at issuance of residential building permits to fully satisfy the requirement for the community recreation building and community swimming pool.

43. To receive population-based park credit for proposed park acres, the Owner/Permittee shall ensure that Lots P1, P3, P4, P6-8, P16-18, P20, P26, P27, P29, P31 and P32 comply with Council Policy 600-33, Community Notification and Input For City-wide Development Projects.

44. The Owner/Permittee shall design the Lot P27 water feature (including the water surface and edge treatment) to not exceed 10 percent of the total parcel area unless an alternative design that exceeds 10 percent is approved as part of the park general development plan process.

45.. Lots P4-7 parcel lines may be adjusted subsequent to approval of conceptual design to accommodate uses and ownerships. Any adjustments to lot lines shall ensure no decrease in total public park acreage.

46. The Park Planning Section of CPCI shall review all Substantial Conformance Review submittals for consistency with the approved Vesting Tentative Map. If public park useable acreage is not in conformance with the approved Vesting Tentative Map to the detriment of providing required population-based park acreage, park fees as determined by the City in the approved Mission Valley Public Facilities Financing Plan shall be used to fully satisfy Neighborhood Park acreage requirements at building permit issuance.

47. The Owner/Permittee shall design the bioswale within lots P1, P3, P4 and P32 to be integrated to the public park area and useable to achieve park requirements consistent with the Quarry Falls Specific Plan and as determined by the park general development plan process.

48. A public access easement shall be placed over the trail portion of Lots P9-14, P19, P21-25 and any other trail that provides for public access to public park land or open space.

49. The Owner/Permittee shall be reimbursed, from Mission Valley Development Impact Fees [DIF], for the cost of any public park acreage developed on-site that reduces the population based park requirements in Mission Valley upon City Council approval of a reimbursement agreement for the site.

PLANNING/DESIGN REQUIREMENTS:

50. Parking spaces shall comply at all times with the San Diego Municipal Code and shall not be converted for any other use unless otherwise authorized by the Development Services Department.

51. The Owner/Permittee has agreed not oppose the formation of a Community Facilities District [CFD] within the Mission Valley Community Plan with the condition that the CFD is crafted such that any unmapped property is not assessed a fee. Unmapped property shall mean

property that is not covered by a final map recorded as part of the Quarry Falls Specific Plan. The Owner/Permittee shall be allowed to offset or seek reimbursement on any portions of DIF with the implementation of the specific CDF projects, subject to the satisfaction of CPCI/Facilities Financing and the City Manager/Mayor.

52. The Owner/Permittee shall pay the Facilities Benefit Assessment [FBA] or DIF rate in effect at the time the building permits are issued.

53. 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 Owner/Permittee.

54. The project review process are set forth in the specific plan and shall be monitored and implemented accordingly. Each development shall follow the City's submittal requirements and review procedures.

55. Planning Districts shall comply with the development regulations of the zone except where deviations (height and setbacks) and special edge setbacks are identified on Exhibit "A" and in the Quarry Falls Specific Plan. Additionally, all lighting, storage, trash and recycling, fences and signage shall comply with the requirements of the San Diego Municipal Code.

56. Density transfers are permitted under limited provisions (as outlined within the Quarry Falls Specific Plan and addressed in the EIR): (a) A Process 1 (transfers within Districts, not below the minimum or above maximum intensity of the District) or Process 2 (transfers between districts and land uses, not below the minimum or above the maximum intensity of the District) application is reviewed and approved by the City (b) A monitoring/traffic worksheet (Appendix B of the Quarry Falls Specific Plan) shall be reviewed and approved with each application.

57. All Density transfers shall not occur without the consent of all record owners of the land affected by the transfer.

58. Density transfers shall be requested in writing in accordance with any other concurrent application. Any density transfer that does not comply with the development intensity of the Specific Plan requires a Specific Plan Amendment.

59. Phasing shall be permitted in accordance with the standards set forth within the Quarry Falls Specific Plan, EIR and the Subdivision Map Act including:

- a Phasing may occur in any order, and more than one phase may occur at one time, provided that the necessary infrastructure and/or other requirements (including public parks and affordable housing) have been constructed and/or assured to the satisfaction of the City of San Diego.

- b. The Subdivider is responsible and shall assure the provision of on-site and off-site public improvements.
 - c. A minimum of 50,000 square feet of commercial space, including retail and neighborhood serving services, shall be constructed once residential development has reached a threshold exceeding Phase A or at the 2,478th residential unit.
60. Open areas and recreational facilities, as identified within the Quarry Falls Specific Plan, shall be maintained consistent with requirements of the Planned Development Permit requirements. Additionally, private open space requirements shall be provided consistent with the San Diego Municipal Code and the Quarry Falls Specific Plan.
61. Grading and construction permits shall not be issued until all necessary federal and state permits have been obtained.
62. Development within the Specific Plan area is prohibited from seeking increases to density under the City's Density Bonus Ordinance.
63. Separately regulated uses shall be subject to all City-wide development regulations and permit requirements.
64. All signs associated with this development shall be consistent with sign criteria established by the approved Quarry Falls Specific Plan.
65. The Owner/Permittee or assigned designee shall design and construct all proposed buildings in compliance with the State of California 2007 California Green Building Standards Code, CCR, Title 24, Part 11 or comparable for water conservation measures which achieves a 20percent improvement in water use efficiency for residential and commercial plumbing fixtures over the building code in effect as of the date of preparation of the Water Supply Assessment.
66. The Owner/Permittee shall post a copy of the approved discretionary permit or Tentative Map in the sales office for consideration by each prospective buyer.
67. 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.
68. Prior to the issuance of any building permit for a structure requiring compliance with Title 24, the Permittee or Subsequent Owner shall demonstrate that the building meets or exceeds the 2005 California Building Code Title 24 Energy requirements by 15 percent through the use of energy conservation measures including the installation of ENERGYSTAR® or equivalent appliances.
69. Prior to the issuance of any building permit, the Permittee or Subsequent Owner shall specify the use of high efficiency water appliances, such as WaterSense certified appliances and fixtures (or equivalent) and monitoring equipment for maintenance of irrigation lines.

70. Prior to the issuance of any construction permit that includes landscape construction documents, the Permittee or Subsequent Owner shall specify the use of high efficiency irrigation devices, intelligent automatic irrigation systems, and monitoring equipment for maintenance of potable water lines.

71. Prior to any certificate of occupancy, the Permittee or Subsequent Owner shall provide educational water conservation materials to the occupants of the structure.

72. Prior to the first certificate of occupancy, the Permittee or Subsequent Owner shall develop a program to make available transit passes for residents and workers of the project.

73. Prior to the first certificate of occupancy, the Permittee or Subsequent Owner shall develop a program to implement a car sharing program within the project subject to the availability of a third party provider of such a service.

74. The Permittee or Subsequent Owner shall reserve a site on the western portion of the project, identified as Lot 48 of the Quarry Falls VTM No. 183196, for a permanent fire station. The City of San Diego shall have five years from the date of the approval of the first final map to exercise its option to purchase the site for the sole and exclusive use of a fire station. Should the City elect not to exercise its option, the site shall be developed in accordance with the provisions of the Specific Plan for this district.

75. At issuance of building permits for residential development, the Owner/Permittee shall pay a pro-rata per residential unit fee to fund the initial one time start up costs for sworn police officers added to the Eastern Division Substation. The per unit fee will be updated annually based upon budget estimates for the initial one time start up costs for a sworn officer as established by the City of San Diego.

76. The developer shall enter into a bonded maintenance agreement assuring maintenance of all landscaping and appurtenances within population-based park land until such time when a maintenance assessment district, property owners association, or other such mechanism is established for maintenance of all landscaping and appurtenances.

TRANSPORTATION REQUIREMENTS:

77. Prior to the issuance of any building permits for Phase 1, the Owner/Permittee shall develop a comprehensive Transportation Demand Management Plan that includes information kiosks in central locations, bike lockers, priority parking spaces for carpools, a shuttle system for residents and employees that connects to nearby LRT stations, transit passes for local residents and employees, an on-site shared car program utilizing hybrid vehicles, and coordination with MTS for potential public or private bus service in Quarry Falls, satisfactory to the City Engineer.

78. Qualcomm Way between Friars Road and Quarry Falls Boulevard [QFB] is a proposed road classified as a modified six-lane urban major with a design speed of 45 m.p.h. As part of

Phase B of the Quarry Falls Specific Plan, the Subdivider shall dedicate a one hundred thirty foot right-of-way and construct 100 feet curb to curb with a sixteen foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a fifteen foot curb to property line distance, satisfactory to the City Engineer.

79. QFB between Qualcomm Way and Franklin Ridge Road is a proposed road classified as a modified four-lane urban collector with left turn pockets with a design speed of 35 m.p.h. As part of Phase B of the Quarry Falls Specific Plan, the Subdivider shall dedicate a one hundred twenty-four foot right-of-way and construct ninety-four feet curb to curb with a fourteen foot wide raised center median, curb, gutter, and a six foot wide non-contiguous sidewalk within a fifteen foot curb to property line distance, satisfactory to the City Engineer.

80. QFB from Mission Center Road to approximately seven hundred feet east of Mission Center Road (Murray Canyon Apartment's easterly property line) is classified as a modified 4-lane urban collector roadway requiring eighty-five feet curb to curb width within one hundred ten feet right-of-way. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 61 feet of right-of-way along this segment of roadway and shall construct 36 feet of pavement, thirteen feet of raised center median, curb, gutter and a 6 foot wide non-contiguous sidewalk within a 15 feet curb to property line distance; and, modify the existing traffic signal at QFB and Mission Center Road, satisfactory to the City Engineer. This construction shall be coordinated with the roadway improvements for the Murray Canyon Apartments project, satisfactory to the City Engineer.

81. QFB from approximately 700 feet east of Mission Center Road (Murray Canyon Apartment's easterly property line) to Via Alta is a proposed road classified as a modified four-lane urban collector with left turn pockets with a design speed of 35 m.p.h. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 122 foot right-of-way and construct 92 feet of pavement with a 20 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

82. QFB between Via Alta and Russell Park Way is a proposed road classified as a modified four-lane urban collector with left turn pockets with a design speed of 35 m.p.h. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 129 foot right-of-way and construct 99 feet of pavement with a 20 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

83. QFB between Russell Park Way and Qualcomm Way is a proposed road classified as a modified four-lane urban collector with left turn pockets with a design speed of 35 m.p.h. As part of Phase B of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 129 foot right-of-way and construct 99 feet of pavement with a 20 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

84. Via Alta between Creekside Park Lane and Franklin Ridge Road is a proposed road classified as a modified 2-lane collector with left turn pockets with a design speed of 35 m.p.h. As part of Phase B of the Quarry Falls Specific Plan, the Subdivider shall dedicate an 86 foot right-of-way and construct 56 feet curb to curb with a 16 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

85. As part of Phase B of the Quarry Falls Specific Plan, the Subdivider shall construct a cul-de-sac with a 15 foot curb radius, a 65 foot right-of-way radius, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance at the northerly terminus of Via Alta satisfactory to the City Engineer.

86. Community Lane between QFB and its northerly terminus is a proposed road classified as a two-lane sub-collector with a design speed of 30 m.p.h. As part of Phase C of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 64 foot right-of-way and construct 34 feet curb to curb, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

87. As part of Phase C of the Quarry Falls Specific Plan, the Subdivider shall construct a cul-de-sac with a 50 foot curb radius, a 65 foot right-of-way radius, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance at the northerly terminus of Community Lane satisfactory to the City Engineer.

88. Franklin Ridge Road between QFB and Via Alta is a proposed road classified as a modified two-lane collector with left-turn pockets with a design speed of 35 m.p.h. As part of Phase C of the Quarry Falls Specific Plan, the Subdivider shall dedicate an 86 foot right-of-way and construct 56 feet curb to curb with a 16 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

89. As part of Phase D of the Quarry Falls Specific Plan, the Subdivider shall construct a cul-de-sac with a 50 foot curb radius, a 65 foot right-of-way radius, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance at the southerly terminus of Franklin Ridge Road satisfactory to the City Engineer.

90. Creekside Park Lane between Mission Center Road and Via Alta is a proposed road classified as a 2-lane collector with a design speed of 30 m.p.h. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a minimum 65 foot right-of-way and construct 36 feet curb to curb, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

91. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall construct a cul-de-sac with a raised center island radius of 50 feet, an 80 foot curb radius, a 95 foot right-of-way radius, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property

line distance at the intersection of Creekside Park Lane and Via Alta satisfactory to the City Engineer.

92. The southern end of Russell Park Way between Friars Road and QFB is a proposed road classified as a modified 2-lane collector with a design speed of 35 m.p.h. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 98 foot right-of-way and construct 68 feet curb to curb with a 28 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance Russell Park Way.

93. The northern end of Russell Park Way between Friars Road and QFB is a proposed road classified as a modified 4-lane urban collector with a design speed of 35 m.p.h. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate a 112 foot right-of-way and construct 82 feet curb to curb with a 10 foot wide raised center median, curb, gutter, and a 6 foot wide non-contiguous sidewalk within a 15 foot curb to property line distance, satisfactory to the City Engineer.

94. Friars Road is classified as a 6-lane expressway between Mission Center Road and Interstate 805. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall construct a minimum 6 foot wide non-contiguous sidewalk within a minimum 22 foot wide curb to property line distance, and near the intersection of Friars Road with Russell Park Way, the Subdivider shall install a minimum 12 foot wide westbound acceleration/deceleration on Friars Road, satisfactory to the City Engineer.

95. Mission Center Road is classified as a 6-lane major roadway between Friars Road and the proposed QFB. As part of Phase A of the Quarry Falls Specific Plan, the Subdivider shall dedicate and improve Mission Center Road to provide a 4 foot to 24 foot wide raised center median and an additional 12 foot wide northbound lane with new City Standard full-height curb, gutter, and a minimum 6 foot wide non-contiguous sidewalk within a minimum 15 foot curb to property line distance, satisfactory to the City Engineer.

96. The Subdivider shall install or modify traffic signals at the following locations, satisfactory to the City Engineer:

1. Mission Center Road at QFB
2. Via Alta at QFB
3. Russell Park Way at QFB
4. Unnamed Driveway ("M Street 1") at Russell Park Way
5. Community Lane at QFB
6. Franklin Ridge Road at QFB
7. Creekside Park Lane at Mission Center Road
8. Qualcomm Way at QFB

97. The developer shall control all proposed mid-block pedestrian crosswalks, satisfactory to the City Engineer. The developer shall construct pedestrian traffic signals for all proposed mid-block crossings on QFB, satisfactory to the City Engineer.

98. No construction or development that exceeds 32,000 cumulative external average daily trips shall be permitted until such time as the Phase 1 infrastructure improvements for the Friars Road and SR-163 Interchange has been assured by permit and bond and a construction contract has been awarded satisfactory to the City Engineer.

99. For any lot not having direct access to public streets, the Owner/Permittee must provide a Mutual Access Agreement for the final map of that lot.

100. No objects higher than 36 inches are permitted in the visibility triangle areas as shown on the approved "Exhibit A."

WASTEWATER REQUIREMENTS:

101. Prior to the issuance of any building permits, the developer shall assure, by permit and bond, the design and construction of all public sewer facilities necessary to serve this the phase of development covered by the approved final map.

102. Prior to the issuance of any occupancy, the developer shall have completed the construction of all of the off-site public sewer facilities necessary to serve connect this development to the Point Loma Trunk Sewer per the approved improvement drawings, and shall show evidence that they are operational.

WATER REQUIREMENTS:

103. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of the public water facilities, both potable and reclaimed, as identified in the accepted water and reclaimed water studies, necessary to serve this development, in a manner satisfactory to the Water Department Director and the City Engineer, maintaining redundancy throughout phasing of construction.

104. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of reclaimed water irrigation service(s), in a manner satisfactory to the Water Department Director and the City Engineer. If reclaimed water is not yet available, then the irrigation systems shall be designed in such a manner as to accept reclaimed water when available and avoid any potential cross connections.

105. 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), including domestic, fire and irrigation, in a manner satisfactory to the Water Department Director and the City Engineer.

106. 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 and the City Engineer.

107. 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. Any proposed fire hydrant installation not conforming to Water Department standards for public fire hydrants, shall be private.

108. Prior to the issuance of any building permits, the Owner/Permittee shall provide Covenants, Conditions, and Restrictions [CC&R's] for the operation and maintenance of all private water facilities that serve or traverse more than a single unit or lot.

109. 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.

110. Prior to the issuance of any building permits, the Owner/Permittee shall process Encroachment Maintenance and Removal Agreement [EMRA] for all acceptable encroachments of structures or landscaping into any easement containing public water facilities. No structures or landscaping of any kind shall be installed in or over any vehicular access roadway.

111. 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.

112. 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, as shown on approved Exhibit "A," shall be modified at final engineering to comply with standards.

113. The design of the on-site wastewater treatment and storage facilities and associated infrastructure to serve the project shall be designed in accordance with City guidelines and standards in a manner satisfactory to the Water Department Director and City Engineer.

114. Prior to the occupancy of the 3,311th residential unit, the Owner/Permittee shall ensure an alternate water supply in an amount equal to 200,000 gallons per day (gpd) has been secured through the phased construction and operation of an on-site wastewater treatment and storage facility or other mechanism in a manner satisfactory to the Water Department Director and City Engineer.

115. The Owner/Permittee or assigned designee shall be responsible for ensuring the net water demand for the project does not exceed the equivalent of the City of San Diego 2005 Urban Water Management Plan forecast of 3,310 residential units and 2,034 employees for the life of the project.

116. The Owner/Permittee or assigned designee shall provide the City with an engineering analysis to demonstrate that with the introduction of the recycled water plant there is adequate flow/velocity in the planned and existing sewer lines to maintain the solids in suspension and minimize odors.

117. The Owner/Permittee or assigned designee shall design and construct all proposed reclaimed water facilities in the public right-of-way 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 thereto. Wastewater and water facilities as shown on the approved Exhibit "A" shall be revised at final engineering to comply with standards.

118. Prior to the issuance of the building permit for the 3,311th residential unit, the Owner/Permittee or assigned designee shall provide the City with detailed plans indicating the location and method of diverting wastewater flow to the recycled water plant as part of the design of public improvements for the project. The plans shall be in compliance with the most current City of San Diego Sewer Design Guide and shall be subject to review and approval by the Public Utilities Director. The Owner/Permittee shall be responsible for any maintenance and costs related to the diversion structure.

119. Prior to the issuance of the building permit for the 3,311th residential unit, the Owner/Permittee or assigned designee shall assure, by permit and bond, the design and construction of recycled water plant to offset at least 250,000 gallons per day maximum or average yearly usage of 204,000 gallons per day (resulting from monthly variation in irrigation demand) to be used for the non-potable water needs of the project, in a manner satisfactory to the Public Utilities Director and City Engineer.

120. The Owner/Permittee or assigned designee may propose a phasing of the recycled water plant based upon the projected wastewater flow and recycled water demand necessary to ensure that the water demand attributed to any residential units in excess of 3,310 and any employees in excess of 2,034 is offset subject to review and approval by the Public Utilities Director.

121. Prior to the issuance of building and/or engineering permits for the construction of the recycled water plant, the Owner/Permittee or assigned designee shall include in the design and construction an odor control system to minimize/eliminate the potential release of odors.

122. The recycled water plant shall be:

- a. Constructed to all applicable City, State and Federal standards.
- b. Provide recycled water that is treated to all applicable State codes and must meet the requirements of existing Title 22, Chapter 3 regulations of the California Code of Regulations.
- c. Permitted by all local and State jurisdictions as applicable.

123. Prior to the issuance of building and/or engineering permits for the construction of the recycled water plant, the Owner/Permittee or assigned designee shall prepare an acoustic analysis and incorporate noise attenuation measures to ensure noise levels are within levels allowed by the Municipal Code.

124. Prior to the issuance of the building permit for the 3,311th residential unit, the Owner/Permittee or assigned designee shall provide the CC&Rs that will be used by the Owner/Permittee or their designee for the operation and maintenance of all the private water recycling facilities that serve the site. The CC&Rs shall also include LEED certified water conservation measures or equivalent, and Water Sense and Energy Star Appliances. These measures should reduce the overall water demand by a minimum of 7.5 percent.

125. Prior to the occupancy of the 3,311th residential unit, the recycled water plant or equivalent shall be constructed, tested, certified, and operational, in a manner satisfactory to the Public Utilities Director and the City Engineer.

126. The Owner/Permittee or assigned designee shall be responsible for all permitting, operations, and maintenance of the recycled water plant, distribution system, storage tank(s) and/or appurtenances, including all costs related to the operation, maintenance and upkeep of the onsite recycled water system.

127. The recycled water plant shall be in operation for the life of the project, as required by the Water Supply Assessment or unless there is a change in circumstance or options in delivering an alternative water source as approved by the Public Utilities Director and City Engineer. If the plant is taken off-line for any extended period of time (for these purposes anything over thirty days) the Owner/Permittee or assigned designee may discuss with the Water Department an option to pay into the "new water supply" offset charge for any consistent overages.

128. The Owner/Permittee or assigned designee shall be responsible for any sewer capacity fees related to the reservation of capacity in the City's trunk sewer system necessary to provide a fail safe disposal system for their proposed reclamation plant.

129. The Owner/Permittee or assigned designee shall comply with all City, State and Federal permitting requirements for all discharges to the sewer system.

130. The Owner/Permittee or assigned designee shall be responsible for obtaining all required construction and operating permits. The facility will be privately owned and maintained.

131. The Owner/Permittee or assigned designee shall operate and maintain the recycled water facility as long as the property is using water for irrigation. The property owner may not turn off the recycled water plant and use potable water for the irrigation system unless a change in circumstance occurs and the Public Utilities Director and City Engineer approve any changes.

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 §66020.
- This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the City Council of the City of San Diego on OCT 21 2008, Resolution No. R- 304295.

AUTHENTICATED BY THE CITY MANAEGR

By _____

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

QUARRY FALLS, LLC
California Limited Liability Company

By _____
Marco A. Sessa
Vice President

**NOTE: Notary acknowledgments
must be attached per Civil Code
section 1189 et seq.**