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City of San Diego  
**MEMORANDUM**

DATE: November 20, 2008  
TO: DEPUTY CITY ATTORNEY – Nina Fain  
FROM: Office of the City Clerk- Mary Zumaya  
SUBJECT: Item 210 of the November 18, 2008 City Council Meeting

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ITEM-210: Palladium at Aero, Project No. 148904. A Rezone of the property, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to subdivide and develop 412 multiple family dwelling units and 5,190 square feet of commercial development on a 7.52 acre site located at 8655 Aero Drive. (Kearny Mesa Community Plan Area. District 6.)

Matter of approving, conditionally approving, modifying or denying a Rezone of the property from the IP-2-1 Zone to the RM-3-9 Zone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to subdivide and develop 412 multiple family dwelling units and 5,190 square feet of commercial development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan.

**\*Unless otherwise noticed or stated on the record at the hearing, if an ordinance is approved and introduced by the City Council, it will automatically be scheduled for a hearing by the City Council for final passage at 10:00 a.m. on the Tuesday two weeks after the subject hearing.**

**STAFF'S RECOMMENDATION:**

Take the following actions in Subitems A, C, D, and E, and introduce the ordinance in subitem B:

Subitem-A: Tb( CACTION Tb)

Certifying that the information contained in Mitigated Negative Declaration No. 148904 has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) as amended, and the State guidelines thereto (California Administration Code

000574

Section 15000 et seq.), that the report reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by the City Council;

Declaring that the City Council of the City of San Diego finds that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, that said Mitigated Negative Declaration, a copy of which is attached hereto and incorporated by reference, is hereby approved;

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

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding this project;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Subitem-B: Tb( CACTION Tb)

Changing 9.32 acres located at 8655 Aero Drive, within the Kearny Mesa Community Plan Area, in the City of San Diego, California, from the IP-2-1 Zone into the RM-3-9 Zone, as defined by San Diego Municipal Code Section 131.0406; and repealing Ordinance No. O-18478 (New Series), adopted April 7, 1998, of the Ordinances of the City of San Diego insofar as the same conflict herewith;

Directing the City Attorney to prepare the appropriate ordinance according to Section 40 of the City Charter.

Subitem-C: Tb( CACTION Tb)

Declaring that the City Council of the City of San Diego adopts the amendments to the Kearny Mesa Community Plan, a copy of which is on file in the Office of the City Clerk;

Declaring that the City Council adopts and amends the General Plan for the City of San Diego to incorporate the above amended plan;

000573

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Declaring that the City Council of the City of San Diego adopts the findings with respect to Vesting Tentative Map (VTM) No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-Way Vacation No. 524640;

Declaring that said findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Based on the Findings hereinbefore adopted by the Council of the City of San Diego, VTM No. 524641 and Public Right-of-Way Vacation No. 524640, and granting to Westcore Sandrock, LLC, Subdivider;

Declaring that pursuant to California Government Code Section 66434(g), portions of Aero Drive and Sanrock Road, located within the project boundaries as shown in VTM No. 624641, shall be vacated, contingent upon the recordation of the approved final map for the project and that said Findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Sustaining the recommendation of the Planning Commission, for VTM No. 524641 and Public Right-of-Way Vacation No 524640 and granting to Westcord Sandrock, LLC, subject to the conditions attached hereto and made a part hereof;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Subitem-E: Tb( CACTION Tb)

Declaring that the City Council of the City of San Diego adopts the findings with respect to Site Development Permit (SDP) No. 524637

Declaring that said findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Sustaining the recommendation of the Planning Commission, for SDP No. 524637 and granting to Westcore Sandrock, LLC, Owner/Permittee, under the terms and conditions set forth in the permit attached hereto and made a part hereof;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

000576

**OTHER RECOMMENDATIONS:**

Planning Commission on October 23, 2008, voted 4-2-1 to approve this project with specific direction to improve the Streetscape Design Guidelines for Aero Drive.

Ayes: Schultz, Ontai, Otsuji, Nasland  
Nays: Golba, Griswald  
Not Present: Smiley

The Kearny Mesa Planning Group voted, on September 17, 2008, 7-1-1 to approve the proposed actions.

On September 18, 2008, the Serra Mesa Community Planning Group voted 10-1-0 to deny the project.

**STAFF SUPPORTING INFORMATION:**

**REQUESTED ACTION:**

A Rezone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to develop 412 apartment units and approximately 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan.

**STAFF RECOMMENDATION:**

1. **Certify** Mitigated Negative Declaration 148904, and **adopt** the Mitigation Monitoring and Reporting Program; and
2. **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, and Site Development Permit No. 524637.

**EXECUTIVE SUMMARY:**

The General Plan and Kearny Mesa Community Plan Amendment would designate the site for multiple family unit residential use. The site, located immediately south of Montgomery Field along Aero Drive, is adjacent to commercial, industrial and residential uses.

The 7.52 acre site is at 8655 Aero Drive within the existing IP-2-1 Zone (proposed RM-3-9 Zone) of the Kearny Mesa Community Plan.

000574

Section 15000 et seq.), that the report reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by the City Council;

Declaring that the City Council of the City of San Diego finds that project revisions now mitigate potentially significant effects on the environment previously identified in the Initial Study and therefore, that said Mitigated Negative Declaration, a copy of which is attached hereto and incorporated by reference, is hereby approved;

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

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding this project;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Subitem-B: Tb( CACTION Tb)

Changing 9.32 acres located at 8655 Aero Drive, within the Kearny Mesa Community Plan Area, in the City of San Diego, California, from the IP-2-1 Zone into the RM-3-9 Zone, as defined by San Diego Municipal Code Section 131.0406; and repealing Ordinance No. O-18478 (New Series), adopted April 7, 1998, of the Ordinances of the City of San Diego insofar as the same conflict herewith;

Directing the City Attorney to prepare the appropriate ordinance according to Section 40 of the City Charter.

Subitem-C: Tb( CACTION Tb)

Declaring that the City Council of the City of San Diego adopts the amendments to the Kearny Mesa Community Plan, a copy of which is on file in the Office of the City Clerk;

Declaring that the City Council adopts and amends the General Plan for the City of San Diego to incorporate the above amended plan;

000575

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Declaring that the City Council of the City of San Diego adopts the findings with respect to Vesting Tentative Map (VTM) No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-Way Vacation No. 524640;

Declaring that said findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Based on the Findings hereinbefore adopted by the Council of the City of San Diego, VTM No. 524641 and Public Right-of-Way Vacation No. 524640, and granting to Westcore Sandrock, LLC, Subdivider;

Declaring that pursuant to California Government Code Section 66434(g), portions of Aero Drive and Sanrock Road, located within the project boundaries as shown in VTM No. 624641, shall be vacated, contingent upon the recordation of the approved final map for the project and that said Findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Sustaining the recommendation of the Planning Commission, for VTM No. 524641 and Public Right-of-Way Vacation No 524640 and granting to Westcord Sandrock, LLC, subject to the conditions attached hereto and made a part hereof;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

Subitem-E: Tb( CACTION Tb)

Declaring that the City Council of the City of San Diego adopts the findings with respect to Site Development Permit (SDP) No. 524637

Declaring that said findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference;

Sustaining the recommendation of the Planning Commission, for SDP No. 524637 and granting to Westcore Sandrock, LLC, Owner/Permittee, under the terms and conditions set forth in the permit attached hereto and made a part hereof;

Directing the City Attorney to prepare the appropriate resolutions according to Section 40 of the City Charter.

**000576**

**OTHER RECOMMENDATIONS:**

Planning Commission on October 23, 2008, voted 4-2-1 to approve this project with specific direction to improve the Streetscape Design Guidelines for Aero Drive.

Ayes: Schultz, Ontai, Otsuji, Nasland  
Nays: Golba, Griswald  
Not Present: Smiley

The Kearny Mesa Planning Group voted, on September 17, 2008, 7-1-1 to approve the proposed actions.

On September 18, 2008, the Serra Mesa Community Planning Group voted 10-1-0 to deny the project.

**STAFF SUPPORTING INFORMATION:**

**REQUESTED ACTION:**

A Rezone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to develop 412 apartment units and approximately 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan.

**STAFF RECOMMENDATION:**

1. **Certify** Mitigated Negative Declaration 148904, and **adopt** the Mitigation Monitoring and Reporting Program; and
2. **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, and Site Development Permit No. 524637.

**EXECUTIVE SUMMARY:**

The General Plan and Kearny Mesa Community Plan Amendment would designate the site for multiple family unit residential use. The site, located immediately south of Montgomery Field along Aero Drive, is adjacent to commercial, industrial and residential uses.

The 7.52 acre site is at 8655 Aero Drive within the existing IP-2-1 Zone (proposed RM-3-9 Zone) of the Kearny Mesa Community Plan.

000577

The proposed Palladium at Aero project would demolish the existing structures and develop a 412 apartment unit project with 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan. Forty-two units of the proposed 412 apartment units, or ten percent of the total dwelling units provided, would be set aside as affordable to persons earning no more than sixty-five percent of the area median income. The project would add to the availability of affordable work-force housing in the community and in the City at large. The project proposes two deviations: 1) to allow installation of photovoltaic panels on structures on the roof deck of the parking garage to generate electricity and to shade the parking structure roof deck in lieu of planting trees in containers on the deck, and 2) to deviate from the street side yard setback along Aero Drive to allow a setback of thirty feet rather than forty-six feet six inches.

FISCAL CONSIDERATIONS:

No fiscal impact. All costs associated with the processing of the application are recovered through a deposit account funded by the applicant.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Kearny Mesa Community Planning Group voted, on September 17, 2008, 7:1:1 to approve the proposed actions. On September 18, 2008, the Serra Mesa Planning Group voted 10:1:0 to recommend denial. On October 16, 2008, the Planning Commission heard public testimony and discussed the project. The Commission continued the item to October 23, 2008, to allow the applicant time to revise the project design. On October 22, 2008, the Serra Mesa Planning Group voted a second time 5:2:0 to recommend denial.

Per the Commissioner's October 16<sup>th</sup> suggestions, the applicant revised the design which reduced the height of the building to eliminate the request for a height deviation, revised the Site Plan to open some of the courtyards to the street by creating visual and physical connections to the sidewalk, relocated the pool from the west to the east side of the site, and added photovoltaic panels to structures on the roof deck of the parking structure. Along the west elevation the building was revised to increase architectural interest by adding balconies and patios, created two architectural styles, and opened an interior courtyard to the west. Along the east elevation the building was lowered from four to three stories and lowered to two stories at the southeast corner, created two architectural styles by the use of detailing, and opened an interior courtyard to the sidewalk along Sandrock Road. Along the north elevation the building was altered to visually open an interior courtyard to the Aero Drive sidewalk. The south elevation was not altered.

The applicant also proposed evergreen and deciduous tree species for the plant palette along the southerly property line with an undulating tree placement to avoid a linear line of trees. On October 23, 2008, the Planning Commission again heard the item and took public testimony in favor and in opposition. At the conclusion of public testimony and discussion by the Commissioners, the Commission made a motion to move Staff's recommendation and to direct

000578

staff and the applicant to continue to improve the content of the Urban Design, Streetscape and Streetyard Guidelines for Aero Drive. The improvements would address: entry points into Kearny Mesa and Serra Mesa communities; irrigation and plant palette coordination to assure compatibility; no monoculture tree species along Aero Drive to assure viability, health, interest, walkability and pedestrian experience. And lastly, medians in the right-of-way less than seven feet wide should explore materials more agreeable to the environment other than concrete and medians fourteen feet in width should integrate the design of the median and parkway planting to slow traffic to create a safer environment. The motion passed by a vote of 4:2:0.

KEY STAKEHOLDERS: Westcore Sandrock, LLC

Broughton/Anderson/JF

**LEGAL DESCRIPTION:**

The site is located at 8655 Aero Drive within the Kearny Mesa Community Plan Area (Lots 3, 4 and 5 of Research Park Subdivision Addition, Map No. 6386, filed June 12, 1969). The site is not included on any Government Code Listing of hazardous waste sites.

**NOTE: October 2008 Update:**

Several corrections/additions have been made to the environmental document that do not effect the analysis or conclusions. The changes are shown in standard strikeout/underline format.

Staff: John Fisher – (619) 446-5231  
Nina Faiñ – Deputy City Attorney

**NOTE:** This item is not subject to the Mayor's veto.

000579

**COUNCIL ACTION WAS:**

**MOTION 1:** Remove Appendix A of Subitem C, Kearny Mesa Community Plan and General Plan, until it has thoroughly been reviewed by both Serra Mesa and Kearny Mesa Communities.

**COUNCIL VOTE WAS:**

Motion by Frye; seconded by Madaffer. Vote: Unanimous; 12345678-yea.

**MOTION 2:** Approve staff's recommendation to certify Mitigated Negative Declaration and adopt the Mitigation Monitoring and Reporting Program with the appropriate findings. Approve Rezone, General Plan and Kearny Mesa Community Plan Amendment as amended by Council, Public Right-of-Way Vacation, Vesting Tentative Map, and Site Development Permit with conditions 46 and 47 deleted. A minimum of 50% of useable roof area shall be used for photovoltaic panels to generate electricity for use in the common area.

**COUNCIL VOTE WAS:**

Motion by Madaffer; seconded by Hueso. Vote: 123578-yea; 46-nay.

**Please prepare the Ordinance to reflect Council's Action using the appropriate language, and return to the City Clerk's Office Attention: Magdalena Lujan or Lauren Yepiz, MS 2A to place on the December 2, 2008, docket; also**

**Please prepare the resolutions to reflect Council's Action using the appropriate language and return to the City Clerk's Office, Attention: Mary Zumaya, MA 2A for further processing.**

ELIZABETH S. MALAND  
City Clerk

By: \_\_\_\_\_  
Mary Zumaya, Deputy

000581



THE CITY OF SAN DIEGO  
MAYOR JERRY SANDERS

## MEMORANDUM

DATE: October 10, 2008  
TO: City of San Diego Planning Commission  
FROM: John S. Fisher, Development Services Department  
SUBJECT: Item 9, Planning Commission hearing of October 16, 2008, Palladium at Aero  
Report to Planning Commission PC-08-125, Attachment 15

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Unfortunately the insertion of attachment numbers for the attachments referenced in Attachment 15 were not completed at the time the report was printed. Attached to this memorandum you will find the completed Attachment 15 with the insertion of all other attachment numbers cited therein according to the numbering assigned in the Report to Planning Commission PC-08-125. Also provided is a specific attachment (Attachment A-1) which is referenced in Attachment 15 only. Staff regrets the error and trusts you will find this information useful.

Thank you.

JSF/ps

000582

Planning Commission Initiation Issues

The General/Community Plan Amendment was initiated by the Planning Commission on April 20, 2006. At the meeting, several issues were identified for future analysis. Planning Commission issues and staff responses are outlined below.

*1. Issue: The impact of the proposed changes to Montgomery Field Airport Land Use Compatibility Plan on a land use change for the site.*

The project site is located outside of the adopted Airport Influence Area (AIA) of Montgomery Field. Therefore, Airport Land Use Commission (ALUC) has confirmed that a consistency determination with the ALUCP is not required. A new ALUCP for Montgomery Field is in process and could be adopted by the ALUC at the end of this year or early next year. Since the permit application for the proposed project was deemed complete by the City prior to adoption of the new ALUCP, the project would not be subject to the new plan. However, based on the current draft ALUCP maps and compatibility criteria, the project would be considered compatible for aircraft noise and safety. The project was also submitted to the Federal Aviation Administration (FAA) for their review. The FAA concluded the proposed structure would not exceed obstruction standards and would not be a hazard to air navigation. A No Hazard to Air Navigation Determination was issued by the FAA on November 15, 2007.

*2. Issue: The impact of the proposed development on surrounding industrial users.*

According to the City of San Diego General Plan, Economic Prosperity Element, Figure EP-1: Kearny Mesa, the subject property is designated as "Other Industrial Land," not Prime Industrial Land. Since the proposed project is not in close proximity to Prime Industrial lands, there should be no impact to the most significant industrial users in the area. The majority of land uses along Aero Drive are non-industrial, commercial, retail establishments, or institutional facilities. The site and the properties abutting Aero Drive between Kearny Villa and Ruffin Road, except the library site, are designated for industrial/warehouse/office land uses; however, the site abuts residential along the southern boundary of the property. As identified in the West Aero Drive Land Use Study, the majority of the businesses are not traditional industrial uses and some existing industrial buildings have converted to other uses. This issue is fully analyzed in the Collocation/Conversion Suitability Factors provided in Attachment 11.

*3. Issue: The potential for including other properties with the West Aero Drive Study area for redesignation without adding an unnecessary burden to the applicant.*

The applicant agreed to update the West Aero Drive Land Use Study (Attachment 9) as part of their project processing. The Study provides a thorough analysis of area conditions and trends which can be utilized as a basis for future community plan amendments and discretionary projects in the area. The study concludes that many properties will redevelop in the short term due to existing conjoined ownership patterns, parcel patterns, and obsolete buildings being utilized for other than their intended purpose. The vision section of the study recommends potential future land uses and concludes that institutional uses are most likely to locate in the western area and additional multifamily uses may locate to the eastern portion of Aero Drive west of the

library. In the center of the study area, a transition area of mixed uses consisting of multi-family residential, office, and some retail is recommended. Actual redesignations of land uses could occur incrementally as these properties redevelop.

*4. Issue: An analysis of the appropriate residential density and land use designation for the subject property:*

See response to #5.

*5. Issue: Staff should further define what type of mixed uses will be proposed for the site as well as for the overall area.*

The project proposes a primarily residential development with 412 dwelling units. In addition, 5,190 square-feet of ancillary retail space would be incorporated into the project. The retail space could accommodate small retail establishments such as a coffee shop with outside seating, sundry store, restaurant, or community service providers. Small commercial retail uses not currently permitted by the RM-3-9 zone would be permitted as part of the approved plans. The commercial space would primarily serve the residents within the proposed project, but could also serve office tenants in the immediate area.

Because the original plan amendment initiation request was for a mixed-use project and the current proposal represents a residential project (with ancillary commercial uses), city staff requested that the applicant provide a market analysis for various mixed-use, commercial/office, and residential development scenarios (See Attachment 10). The overall conclusions of the *Palladium Project Market Feasibility Study* (Attachment 10) state that the site is not suitable for retail commercial development due to lack of access to the site, weak economic and demographic conditions, poor regional access, and that the development of office or retail yields land values that are not financially feasible for the site due to expected market rents. The study further concluded that the applicant's proposal is the only feasible redevelopment scenario for the site because scenarios with greater retail will require a retail anchor thereby reducing the amount of residential development for the site.

Economic Development staff provided comments on the study (Attachment A-1) stating that weak economic conditions and the existence of a truncated market area could impede the development of a grocery-anchored retail project. However, there is market support for some mix of retail establishments in addition to the residential units which could include convenience retailers, fast food, other restaurants, and service sector establishments. The mix of retail uses could capture the existing sales leakage in the area.

As a residential proposal, the project maximizes unit yield via the request for a high-density residential designation (45-74 du/ac). Because there are single-family residential uses adjacent to the site, a medium density (30-44 du/ac) would have posed fewer compatibility issues than the current request. As previously stated, these issues were addressed through a variety of design solutions. However, the applicant states that a lower density project is not financially feasible and although the financial feasibility of various development scenarios is addressed in the study, the feasibility of any specific

000584

project at any given time is subject to a myriad of factors including project phasing and changing market conditions.

Potential development scenarios for the entire area are provided in the West Aero Drive Land Uses Study as stated in issue #3 above.

*6. Issue: Incorporation of an affordable housing component one-site, in order to satisfy the City's Inclusionary Housing Ordinance.*

The project would conform to the Inclusionary Housing Ordinance and Council Policy 600-27 criteria for the Affordable/In-Fill Housing Expedite Program by providing 10% or 42 units of affordable housing on-site. The proposed rental units would be restricted through an agreement with the Housing Commission. The remaining 370 market rate units as well as the 42 restricted units would be providing much needed work force housing in the Kearny Mesa area.

*7. Issue: Incorporation of a variety of residential unit types within the project.*

The project proposes 412 stacked-flat distributed between several unit types. The unit types range in size from 670 to 1,350 square feet. There would be 211 one bedroom units (5 types) 189 two bedroom units (six types) and 12 loft units (4 types). Many units would have balconies and those on the ground floor of the south side would have patios that open to courtyards.

*8. Issue: Creation of a new neighborhood to ensure integrated site design, building orientation and architecture which will be compatible with surrounding development and will encourage pedestrian activity and transit usage:*

The area surrounding the project site includes a variety of land uses and architectural types. The project design includes three architectural types which are intended to integrate with the surrounding community and add interest and diversity to the site. The project's building placement along Aero Drive is consistent with other buildings along Aero Drive. With single-family homes adjacent to the southern boundary of the project site, an additional setback would be provided along that boundary. In addition, the architecture adjacent to the southern property line would include 2, 3 and 4 story elements to reduce the scale of the building. The 2 and 3 story elements of the building would observe a minimum fifty-foot setback, and the units would be oriented east-west to strengthen the privacy of the neighbors. The 4 story element of the building would vary from a minimum setback of seventy-five feet and would orient east-west. Building facades have been designed to provide vertical and horizontal relief using color, materials and architectural styles in order to reduce the apparent scale of the building.

The Urban Design, Streetscape and Streetyard Guidelines for Aero Drive proposed as part of the Community Plan Amendment (Attachment 8) provide for more pedestrian-scale design and amenities along the six-lane major roadway. The enhancement of the corridor includes facilities and amenities in the public right-of-way which include canopy and accent street trees, pedestrian-scaled lighting and additional pedestrian-scaled landscaping both within the public right-of-way and transitioning to project streetyard

000585

and entries. A gateway pedestrian plaza is recommended on the corner of Aero Drive and Kearny Villa Road. Finally, minimum ten-foot-wide sidewalks are recommended along Aero Drive to accentuate the pedestrian connections between the properties. Two rows of street trees, one row in tree grates partially extended into the sidewalk, would enhance the pedestrian experience.

The project itself, as currently designed, only provides pedestrian connections through the site for the project residents due to security issues. The project includes ten-foot wide non-contiguous sidewalks with a five-foot landscaped parkway with landscaping along Sandrock Road and Aero Drive to promote pedestrian activity. The project also includes several connections from the building to the street as well as dwelling units facing the street. On the southern side of the property, neighbors to the south have indicated a desire to limit activity to protect their privacy. Therefore, pedestrian access would be limited to residents and focused on passive courtyards. The site is in close proximity to two bus stops and Aero Drive is designated as a Class 2 Bikeway and as such, a five-foot-wide bike path is provided on Aero Drive.

*9. Issue: Vehicular, pedestrian and bicycle access into and within the subject property, in particular, maximizing walkability and establishing pedestrian linkages to and from the site to surrounding development:*

See response to #8.

*10. Issue: Pedestrian connections on-site and within the community to reduce the overall need for auto dependence:*

See response to #8.

*11. Issue: Analyze the potential for improved pedestrian connections on the site as well as through the West Aero Drive Study area.*

See response to #8.

*12. Issue: Traffic impacts resulting from the proposed development along with any associated improvements.*

A "Traffic Impact Analysis for The Palladium at Aero" (July 9, 2008) was prepared for the project by Urban Systems Associates, Inc. The report indicated that the street segments and intersections within the project study area with and without the project, including segments of Aero Drive and Sandrock Road, currently and in the near term (2030) will operate at acceptable levels of service. As part of the project, a signalized main driveway approximately 600 feet west of Sandrock Road would be constructed, the eastbound left turn lane on Aero Drive at the Sandrock Road intersection would be lengthened, the Aero Drive/Sandrock Road intersection would be modified to remove the eastbound free right turn island and provide a separate right turn only lane of approximately 550 feet in length, and a street reservation or right of way dedication would be provided to accommodate a third eastbound lane along the Aero Drive project frontage.

000586

*13. Issue: Availability of public services and facilities to support increases in residential intensity. This would include an analysis of adequate school, park, and library facilities, as well as fire and police services to serve the proposed land use changes.*

Public facilities and services are available to serve the project. A full discussion regarding the availability of public services and facilities is provided in the West Aero Drive Land Use Study pages 2 through 6 (Attachment 9). As of April 29, 2008 the potential student generation from the project is expected to be between 19 and 35 (K-12) students. Project students would attend Angier and Wegeforth Elementary Schools located ½ mile from the project site, William Taft Middle School one mile from the site and Kearny High School 1.5 miles from the project site. The San Diego Unified School District has indicated that payment of school fees pursuant to SB 50 will be required and adequate school facilities will be available to serve the students generated by this project.

The project site is located in close proximity to existing neighborhood parks in the Serra Mesa Community. Prior to issuance of any building permits, the applicant would make a contribution of \$4,503,050 in lieu of the park portion of the Kearny Mesa Development Impact Fee to satisfy the project's 2.03 acre population-based park requirement.

The Serra Mesa-Kearny Mesa Branch Library is located just east of the project site at 9005 Aero Drive. It has served residents from both communities since it opened in December 2006. In addition, the applicant will be required to contribute \$187 per dwelling unit and \$187 per every 1,000 square feet of non-residential development as their fair share contribution toward Fire services in the Kearny Mesa community. The nearest police station is just east of the project site at 9225 Aero Drive. Response times are indicated in the environmental document and the project would be adequately served by public services and facilities.

*14. Issue: Evaluation of site constraints related to hazardous materials.*

There are no site constraints related to hazardous materials. The Mitigated Negative Declaration provides detailed information regarding the clean-up of potential hazardous materials adjacent to this site. In addition, an adequate distance separation of 1,000 feet is provided between the presence of a aviation gasoline dispensing facility on Montgomery Field and future residents of the project. Please refer to the West Aero Drive Land Use Study (Attachment 9), and the Collocation/Conversion Suitability Factors, Separation of Uses (Attachment 11) for further information.

000587

**CITY OF SAN DIEGO  
M E M O R A N D U M**

DATE: July 14, 2008

TO: John Fisher, Development Project Manager III

FROM: Russ Gibbon, Business Development Manager, Economic Development Division

SUBJECT: Westcore – Palladium Project – Market Feasibility Study – EDD Review

Thank you for giving us the opportunity to review and comment on the studies prepared by CBRE Consulting for Westcore Properties in connection with the latter's proposal to re-zone and redevelop a 7.7 acre industrial site in Kearny Mesa. Our initial review concludes that the studies were prepared using conventional methodologies and sound analytical approaches. The input data appears to be accurate and reasonable, although we do not necessarily agree with some of the assumptions in the market study which in turn have a significant bearing on the resultant feasibility analysis. We generally agree with the conclusions reached by CBRE Consulting, but feel that they generally tend to underestimate the site's potential attractiveness to a broad range of retailers at least in the longer term. However, we would agree with CBRE that in the short term, the site is less than ideal for a traditional supermarket-anchored retail strip center and that in the current real estate market a residential apartment project may be the most feasible from a development standpoint.

Site Analysis

CBRE regards the site's central location as an "opportunity," presumably for both commercial and residential development. The 35,000 nearby employees in the area are however regarded as an opportunity only for residential demand. Presumably the employment base would also contribute to retail demand, but this is not stated.

On the "constraints" side, we feel CBRE is generally correct in identifying the softening retail market (possibly short to medium term) as an impediment to development of new retail space. CBRE is also correct in identifying Montgomery Field Airport as causing a "truncated trade area" which would also limit, to some degree, the attractiveness of the site for community-serving retailers, especially grocers, noting also that the site, at 7.5 acres is not large enough for a "traditional 100,000 square foot grocery-anchored shopping center." CBRE claims that there is "no off-ramp from I-805 or SR 163 to Aero Dr." While technically true, the logical access for Aero Dr from the west would be the off-ramps at Mesa College Dr. and Kearny Villa Dr. From the 15 FWY direct off-ramps are provided.

Page 2  
John Fisher  
July 14, 2008

### Demographic Analysis

The demographic analysis provides the necessary information to analyze the different commercial and residential scenarios contemplated. The data is from Claritas, a well-renowned source for demographic and especially consumer data.

### Real Estate Market Analysis

#### **Office Market**

CBRE notes the softening of demand for office space and that the location is "not a Class A location due to its location adjacent to the airport and single family residential." The office market is indeed soft, and landlords are reportedly making significant concessions to attract and retain tenants. This market condition may persist for some time and coupled with other factors would make financing new office space difficult. However the location is probably as good as any in Kearny Mesa, and could certainly support new medical offices at some point in the future due to the recent expansions of the nearby Kaiser and Children's hospitals. CBRE is quite correct in noting that, in the short term at least, the site would face severe competition from high-visibility projects such as the Sunroad and Sudberry projects underway. These two projects alone will add well over 1 million square feet to the now-struggling office market

#### **Retail Market**

CBRE analyzed retail trends for both the San Diego market and the "West San Diego Beach" submarket and concluded that while generally pretty solid, the weakness in the nation's retail sector had already begun to translate into stagnation in the retail real estate market. While noting that the submarket was generally outperforming the San Diego market as a whole, negative net absorption was still a problem at least in terms of its impact on lease rates for less well-located shopping centers.

#### **Rental Apartment Market**

Here again CBRE compared the San Diego market to the local submarket – referred to as the "Clairemont/Linda Vista/Mission" submarket. The authors found that for "Class A" apartments the market is holding steady with vacancy rates "between 4 and 5 percent, which is a sign of a healthy market." We tend to agree as even with severe problems in the for-sale market for condos and single family homes, San Diego still suffers from an excess of demand over supply for housing generally. This would be particularly the case for the longer term when housing prices eventually firm up.

000589

Page 3  
John Fisher  
July 14, 2008

### Retail Supply and Demand Analysis

The "Retail Supply and Demand Analysis" study is well prepared and utilizes conventional methods to assess the future market demand in the Serra mesa area and the ability of the potential retail tenants to capture a significant amount of that market share. The center's market is appropriately (in our view) divided into a "Trade Area" (1/2 mile radius around the subject site) and an "Trade Area Vicinity" (1 mile radius around the subject site). Both are depicted on Exhibit V-3. The "Trade Area" apparently includes a future projected population of 3,423 people in 2012 and an existing population of 3,316 in the 92123 zip code. The "Trade Area Vicinity" includes a much larger future projected population of 16,964 and an existing population of 16,051 mostly also within the 92123 zip code.

Among the key findings is that the site's potential "trade area is leaking resident expenditures in the general merchandise and apparel stores, grocery store, and eating and drinking places categories." However, CBRE concludes that the access and land area constraints would inhibit the site's development for more regional serving retailers, and the site's truncated trade area and demographic profile would inhibit its development for community-serving retailers such as grocery stores. We agree with this conclusion in part because of the failure of the grocery-anchored shopping center formerly known as "Mission Village" which occupied a trade area not truncated by the airport. This center apparently failed due to the development of new larger centers at Stonecrest and in nearby Mission Valley.

Accordingly it is clear that supportable retail uses at the site are likely to be vehicles sales and service (not analyzed pursuant to agreed limited scope of this study) and those categories noted above as having a leakage of approximately \$15 million for the half-mile radius trade area or the approximately \$105 million leakage from the 1-mile trade area. We agree that a 100% retail shopping center would suffer from the constraints noted above and that it would be difficult for a developer to obtain financing for such a center even in time when the retail sector is more robust. This pretty much leaves free-standing regional-serving retailers as one option and retailers operating from a residential-retail mixed use development as the other.

### Financial Feasibility Analysis

We requested that this section be included in the scope of the study to provide additional information to decision-makers. However, city staff does not possess the necessary expertise to adequately evaluate the development feasibility of the different development scenarios. Development feasibility requires a detailed and thorough knowledge of acquisition costs, construction costs, current financing structures, final valuations, holding and exist strategies, and other factors well beyond economic and

Page 4  
John Fisher  
July 14, 2008

real estate market analysis. Furthermore, what may be "feasible" for one developer may be "infeasible" for another because commercial lenders will offer different rates and require greater or lesser amounts of equity depending on the financial strength of the developer and other risk factors (e.g. what is "feasible" for Westfield may not be "feasible" for Westcore). Therefore we offer no comment on this section of the report other than that it appears to follow a fairly logical and complete methodology and that it appears to be consistent with others we have seen.

### Conclusion

Overall, CBRE Consulting appears to find that the most feasible redevelopment options for the site are residential (multi-family rental units), residential with ancillary retail, and residential-commercial mixed use (multi-family rental units + retail establishments). This conclusion is largely predicated on the current weakness in the retail trade and service sectors which has undermined the retail and office real estate markets. Even looking at the longer term, the site's truncated trade area would likely impede the development of a grocery-anchored neighborhood-serving shopping center. With the possible exception of medical offices, the site is less than ideally suited for office development due to lack of freeway visibility, always an important factor. The pricing and availability of financing (or lack thereof) appears to be a significant factor in the feasibility analysis for all types smaller scale commercial development.

However CBRE did not present any evidence to rule out the attractiveness of the site to retailers generally, which could be accommodated in an un-anchored strip center or a series of free-standing retail stores or restaurants. In fact CBRE found that "Each of these store types [consumer goods, food, beverage, foodservice, drinking place etc.] were "failing to capture more than 50 percent of its residents' expenditures" This would suggest that one or more well-designed, well-managed stores, restaurants, or taverns could succeed at this site.

Overall, Kearny Mesa continues to benefit from low retail vacancy, which according to Voit Commercial's 2<sup>nd</sup> Quarter 2008 market report is stable at 2.2%. This vacancy compares favorably to the "Central Suburban" sub-market rate of 2.5% and the county-wide average of 3.2%. Our site visit to the Serra Mesa Shopping Center (anchored by CVS Pharmacy) indicated no vacancy at all, no vacancy at the few free-standing retail stores on Sandrock Dr., and only two small vacancies at the Sandrock Plaza directly across the street on Aero Dr.

Thus our overall conclusion is that there is market support for some mix of retail establishments in addition to multi-family rental units. Given the demographics of the trade area (mostly wage-earning and military families) the most sustainable mix would include convenience retailers, "fast food" drive-ins, taco shops, pizza places, or value-

Page 5  
John Fisher  
July 14, 2008

oriented restaurants (e.g. Sizzler Steak House, Souplantation, Boll Weevil etc.). Some service sector establishments such as nail and hair salons, dry cleaners, credit unions etc. may also find the site attractive given the lack of vacancy in the area. Essentially, the retail mix would probably have to include establishments which serve the full 1 mile trade area (residents and area employees) from which \$105 million in sales is leaking according to CBRE. Current financial feasibility may require a mixed use and/or phasing scenario in which the residential units are constructed and rented first in order to generate sustainable demand for the retail and service-sector establishments. As to the amount of retail which is supportable and the exact product type (e.g. vertical mix or horizontal mix) this too depends on development timing, the financial strength of the developer, the extent to which a phasing plan is possible or proposed, and other factors such as the allowable land uses per the ultimate zoning and permit approvals.

Please feel free to contact me with any questions. (619) 236-6350

Russ Gibbon  
Business Development Manager

RG

cc: Jean Cameron, Senior Planner, City Planning & Community Investment Dept.

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THE CITY OF SAN DIEGO

## REPORT TO THE PLANNING COMMISSION

**DATE ISSUED:** October 9, 2008 **REPORT NO. PC-08-125**  
**ATTENTION:** Planning Commission, Agenda of October 16, 2008  
**SUBJECT:** PALLADIUM AT AERO – Project No. 148904. Process 5  
**OWNER/  
APPLICANT:** Westcore Sandrock, LLC (Attachment 24)

### SUMMARY

Issue(s) - Should the Planning Commission recommend Council approval to demolish existing industrial buildings to develop 412 apartments with 5,190 square feet of retail space on a 7.52 acre site located at 8655 Aero Drive in the Kearny Mesa Community Plan area?

#### Staff Recommendation:

1. Recommend City Council **Certify** Mitigated Negative Declaration 148904, and Adopt the Mitigation Monitoring and Reporting Program; and
2. Recommend City Council **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641 and Site Development Permit No. 524637.

Community Planning Group Recommendation - The Kearny Mesa Planning Group voted, on September 17, 2008, 7:1:1 to approve the proposed actions. On September 18, 2008 the Serra Mesa Community Planning Group voted 10:1:0 to deny the project.

Environmental Review - A Mitigated Negative Declaration No. 148904 has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation Monitoring and Reporting Program has been prepared and would be implemented which will reduce, to a level of insignificance, any potential impacts identified in the environmental review process.

Fiscal Impact Statement - No fiscal impact. All costs associated with the processing of the application are recovered through a deposit account funded by the applicant.

Code Enforcement Impact - None with this action.

Housing Impact Statement - The request to redesignate approximately 7.5 acres from Industrial to Residential is being proposed to accommodate 412 residential units that are not anticipated by the adopted Kearny Mesa Community Plan; and would therefore result in an increase of the residential capacity for this community. The applicant would satisfy the City's Inclusionary Affordable Housing Regulations through the provision of 10% or 42 affordable units on site.

## **BACKGROUND**

The current Kearny Mesa Community Plan designates the site for Industrial development and use (Attachment 1). The current zoning of the property is IP-2-1, and is consistent with the policies of the community plan for industrial use and development. The existing building located at 8593 Aero Drive was built in 1985, the building at 8601 Aero Drive was built in 1979 and the building at 8581 Aero Drive was built in 1976.

The 7.52 acre project site is located immediately west of the intersection of Aero Drive and Sandrock Road on the south side of Aero Drive in the existing IP-2-1 Zone (proposed RM-3-9 Zone) in the Kearny Mesa Community Plan area (Attachment 2). The site borders the Serra Mesa community plan area which is to the south. The site presently contains three separate legal parcels and is developed with five industrial buildings, parking and landscaping (Attachment 3). The site is not designated as being a location of prime industrial land. None of the buildings have been determined to be historically significant and environmentally sensitive lands are not found on or adjacent to the site. The property is neither adjacent to or within the Multiple Habitat Planning Area. One property is currently vacant. Montgomery Field is located north of Aero Drive. A large office complex is located on the east side of Sandrock Road. Single family residential development is immediately south of the site on Dubonnet Street. Within two miles of the site are schools, parks, a library, police and fire stations. Also adjacent to the site is a bicycle and public transportation route with bus stops.

On April 20, 2006, the Planning Commission initiated a community plan amendment process to evaluate the proposed community plan amendment. During hearing of April 20, 2006, the Planning Commission identified several subject areas for evaluation by City staff in the review of the proposed plan amendment. These issue areas are discussed in the Community Plan Analysis section of this report.

## DISCUSSION

### Project Description

The proposed Palladium at Aero project would demolish the existing structures, subdivide the property, and develop a 412 apartment unit project with 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan (Attachment 4). Should the project be approved and constructed with the proposed 412 apartment units, forty-two units, or ten percent of the total dwelling units provided, would be set aside as affordable to persons earning no more than sixty-five percent of the area median income. This would be achieved through the imposition of conditions of approval and an affordable housing agreement between the owner and the San Diego Housing Commission. In addition to the 371 apartment units available for rent at market rates, the forty-two apartments restricted through an agreement with the Housing Commission would add to the availability of affordable work-force housing in the community and in the City at large.

In preparation for the proposed development the existing buildings, site improvements and landscaping would be demolished. The proposed development would also include dedication of land for public right-of-way along Aero Drive and Sandrock Road; and physical improvements in the right-of-way to reconfigure the intersection of Aero Drive and Sandrock Road to eliminate the sweeping right turn from easterly Aero Drive onto southerly Sandrock Road. A standard right-turn lane would be constructed. The development would install a signalized intersection at the project entrance from Aero Drive, approximately 600 feet west of Aero Drive and Sandrock Road.

### Proposed Deviations

The project proposes three deviations: 1) to allow the building's northeast tower corner to exceed the maximum height of the RM-3-9 Zone; 2) to allow an alternative to the planting of trees on the roof deck of the parking structure in the vehicle use area; and 3) to allow the building to observe a street side setback along Aero Drive less than required by the RM-3-9 Zone.

The RM-3-9 Zone allows a maximum height of sixty feet. The northeast corner of the proposed building would be sixty-three feet one inch. The deviation to allow an increase of the building height in a specific and limited location would add visual interest to the structure and improve the esthetics of the project in the neighborhood. The tower element in this location would provide visual relief and architectural interest.

The deviation on the parking structure would allow the construction of shade tent structures for all parking spaces located on the top deck of the parking structure, rather than providing trees in raised containers to meet the tree distribution in parking lots required by the City-wide Landscape Regulations. The purpose of providing trees within parking lots is to shade the pavement and thereby reduce the heat island effect of large expanses of pavement, and to improve the aesthetics of parking lots by including living trees. Shade tent structures would provide a superior quantity of shading on the parking structure deck when compared to living trees in this location. Trees installed in above-ground containers on the top deck of the parking

structure would not attain a height and or breadth capable of providing an equivalent amount of shade as would be permanently provided by shade tent structures. The shade tent structures would also reduce the water consumption necessary to support the project.

The RM-3-9 Zone requires a street side yard setback along Aero Drive of ten percent of the lot width or a minimum of forty-six feet six inches. The project would provide a minimum of thirty feet. The street side yard setback along Aero Drive is consistent with other existing buildings on Aero Drive at a minimum setback of thirty feet. In addition, a significant portion of the building would be setback substantially more than forty-six feet six inches. The project is required to provide a third east-bound travel lane on Aero Drive and increase the curb to property line distance from the existing ten feet to the proposed fifteen feet. These project requirements create the need for the set back deviation. In addition, the project would observe a fifty foot rear yard setback on the southern property line which is forty-five feet above the minimum required by the RM-3-9 Zone. This increase of rear yard setback would serve as a physical and visual buffer from the adjacent single-family homes. The setback deviation along Aero Drive would inject additional visual and pedestrian interest to the streetscape and results in the building shifting further to the north of and away from the existing single-family neighbors on the south side of the site.

Staff has considered the three proposed deviations and has determined the resulting design would be superior with the deviations than if the proposal complied with all the regulations of the RM-3-9 Zone, as allowed through the approval of a Site Development Permit.

#### Sustainable Design Features

The project would include the following features to address sustainability goals:

- All new buildings would be at least 10% more energy efficient than 2005 Title 24.
- Installation of compact fluorescent light bulbs and other types of energy-efficient bulbs
- Installation of water-conserving low-flow plumbing fixtures to increase water savings
- Recycling at least 50% of all construction waste
- Extensive on-site resident recycling program to divert waste from landfills
- Dual-glazed, low E windows
- High-performance energy-efficient HVAC
- Energy Star energy-efficient appliances
- Use of low VOC paints and adhesives
- Provision of tile flooring and Carpet with recycled content
- Use of *engineered lumber for structural members reduces need for solid sawn lumber*
- Use of native, non-invasive, drought-resistant planting to minimize irrigation needs
- Efficient drip irrigation system, with rain-sensors
- On-site bioswales to absorb and treat rain water collected from the rooftops, prior to flowing into storm drain systems
- Pervious pavement for infiltration of rain water, which removes pollutants and recharges ground water
- Develop an infill site with existing utilities in place

- Compact, efficient development with pedestrian access proximate to neighborhood services/resource and employment opportunities
- Reduced surface parking footprint by building tiered structure
- Located along Public Transit path, bicycle and pedestrian oriented

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### Architectural Design

The project proposes a two, three and four story building style where the dwelling units surround an above grade parking structure (Attachment 5). This style of design is commonly referred to as a wrap design. The design of the northern façade along Aero Drive is divided into three architectural styles to visually reduce the building's dimensional length, provide architectural interest and articulation. These styles are a blend of contemporary and modern expressions. Horizontal articulation is accomplished by varying the footprint of the building on the ground and through multiple planes in the building façade. Verticality of the building is expressed through differing roof heights and the variation of sloped and flat roof elements. Along the northern elevation and beginning at the northwest façade, Style One ranges in height from forty-six feet six inches to fifty eight feet nine inches. This portion of the building utilizes vertical elements more predominantly and includes sloped and curved roofs. The middle portion of the Aero Drive façade, Style 2 ranges in height from forty-nine feet seven inches to fifty nine feet. This segment of the building would display a more dominant horizontal and symmetrical appearance. At the northeastern corner, Style 3 ranges from forty-seven feet eleven inches to sixty two feet ten inches and presents a dominant horizontal façade yet in a more asymmetrical orientation. Each architectural segment would include a unique color palette to compliment each style.

The project site is adjacent to single family residential uses along the southern property line. The architecture is enhanced on the southern elevation to respect the single family neighbor's privacy and concerns. This portion of the project includes a reduction in the building height to address concerns of scale between the two types of residential uses. The building design would transition from four stories, to three stories, to two stories. The design of the southern elevation would also be enhanced by including a pitched, residential-type roof and other design elements such as awnings, window treatments, color and texture. The building height along the southern elevation ranges from forty-nine feet three inches to twenty-four feet ten inches (Attachment 6).

The building form contains several pocket-courtyards. This design allows a greater number of residential units to face a landscaped area and limits the horizontal dimension of any particular interior façade. This solution helps to interrupt the overall building massing. Ground level access connects these courtyards to the corridor system to facilitate pedestrian movement within the project.

The unit mixture is fifty-two percent one-bedroom dwelling units with six different floor plans and the remaining forty-eight percent of the units are two-bedroom apartments with seven different floor plans. The project would be designed, constructed and operated to be a sustainable development by achieving many sustainable elements including yet not limited to: a compact development within close proximity to existing businesses and jobs, provision of

bicycle storage and bicycle roadway network, and preferred development of an in-fill site on previously developed land.

### Landscape Concept

The landscape concept for the project would provide both passive and active spaces for resident's and visitor's enjoyment while utilizing plant material that both accentuate and frame the architecture and enhances the pedestrian scale of the project. The selected street trees for Aero Drive would be consistent with those found to be healthy thriving specimens in the surrounding neighborhood. These trees would be suggested for use throughout the Kearny Mesa Community Plan to provide a community theme. Upon entering the project site, residences and guests would approach entry monuments and a pedestrian plaza. The main vehicular entrance would be identified and accented with special groupings of trees, palms, flowering shrubs, groundcovers, signage, lighting, and decorative paving. The colors from plant foliage, bark and flowers would create a distinctive entry experience.

Within the proposed site plan are seven courtyard areas which would provide passive and active spaces for the residents' diverse needs (Attachment 7). These spaces feature amenities such as a pool and spa, fireplace, barbecue counter, sculpture garden, water fountains and overhead shade trellis. The active recreational amenities include a swimming pool, spa, outdoor fireplace, BBQ areas, fitness facility, and club room, which are located in the internal courtyards, and the passive areas are located in the external courtyards. Courtyards and gathering areas throughout the development would be enhanced with stained concrete, decorative stone cobble, water features and trellis structures. Each courtyard would be uniquely different and would feature: grass pavers; focal-point sculpture; ornamental grass garden; succulent garden; ornamental boulders; fireplace; Bamboo garden; and a water curtain wall with Mexican beach pebble basin. The landscaping elements would use native, non-invasive, and/or drought-tolerant plants through out the site.

Special design consideration is to be incorporated into the southern portion of the project to provide privacy screening to and for the existing single family homes. A row of trees would be provided on the slope within the SDG&E easement. The applicant proposes a six foot wood fence at the top of the slope for privacy. Larger trees would be provided just north of the emergency access road to provide additional screening. Outdoor pedestrian spaces would be designed with consideration for persons with disabilities by careful selection of materials and the design of accessible circulation routes and site furnishings throughout the project.

### Parking

The project proposes a style of building where the dwelling units surround an above grade parking structure. This style of design is commonly referred to as a wrap design. The residential portion of the project is providing an average of 1.8 parking spaces per dwelling unit which results in an excess of twenty-one spaces beyond the required minimum. The commercial portion of the project would provide twenty-five surface parking spaces. The project would also provide a minimum of forty-one motorcycle spaces and storage for 196 bicycles. The parking garage would be accessed directly from Aero Drive. Parking spaces would be assigned to

residents on the same parking level as their living unit. From the parking structure residents would enter an internal corridor system through a transition lobby leading to the front entry door of the dwelling unit. The parking design also connects to the pedestrian circulation paths of the site plan.

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### Grading and Public Improvements

Preparation of the 7.52 acre site for the proposed development would involve demolition of existing industrial/commercial buildings and associated onsite parking lots. Approximately 21,440 cubic yards of imported soil would be required for the proposed design. The site has been designed to allow any potential runoff pollutants to be treated to the maximum extent practicable through a private storm drainage system prior to discharging storm water runoff into the adjacent public streets. In addition, the elevation of the site would be raised to allow surface drainage from the site to Aero Drive. There would be net reduction in the peak flow of storm water runoff generated from the site as a result of the development.

The site has been designed so that no retaining or crib walls would be required to construct the proposed development. Deepened footings would be designed in various locations, as noted on the Vesting Tentative Map. There would be 2:1 slopes in several locations on the site to match the existing grades along the project boundary. Additional remedial grading may be required pending information obtained from as-graded soil reports and/or results from additional subsurface soil exploration to determine the limits underlying Lindavista Formational soil.

Demolition of the existing intersection at Sandrock Road and Aero Drive would result in the relocation of existing infrastructure. This would include yet not be limited to the traffic signal, public street light, franchise utilities and other improvements. As such, the City would vacate approximately 0.15 acres to remove the free sweeping right turn and square up the intersection by installing new curb and gutter. Also as apart of this proposal, the applicant would provide the necessary street improvements along the entire project frontage. This would involve adding a dedicated right-turn lane from Aero Drive onto Sandrock Road and a 5 foot parkway. The street widening would require a fourteen foot street dedication along Aero Drive and a smaller section which varies in width along Sandrock Road in order to accommodate the new parkways. Other public improvements include but are not limited to the following;

- Lane re-striping
- Aero Drive median modifications to accommodate turn pockets at a new traffic signal and lengthening the east bound left turn lane on Aero Drive at Sandrock Road.
- Standard driveway curb cut for parking structure ingress and egress
- Signalized intersection at main project entrance with two thirty foot radius curb returns
- Installation of new street lights, rolled curb for fire access lanes, new water meters, new Type 'A' curb outlets and relocation of existing fire hydrants

### Community Plan Analysis

The 7.52 acre site is designated as Industrial and Business Parks by the Kearny Mesa Community Plan (Attachment 1). The requested General Plan and Community Plan Amendment would create

a new land use designation of High Density Residential at a density range of 45-74 dwelling units per acre and apply this designation to the site to accommodate a 412-unit multi-family residential project at a density of approximately 55 dwelling units per acre (Attachment 8). In addition, staff worked with the applicant to develop Design, Streetscape, and Streetyard Guidelines for Aero Drive between Kearny Villa Road and Ruffin Road which would be included in an appendix to the community plan (Attachment 8).

### Planning Context

The primary goal of the 1992 Kearny Mesa Community Plan (Plan), which includes 3,607 acres, was to provide for a mix of uses to support its role as one of the pre-eminent employment areas in the City. At the time, these uses were comprised primarily of industrial, office and retail uses. Global technological and economic changes have resulted in the general migration of many high-technology industries to the northern areas of the City. However, Kearny Mesa remains a significant employment center in the central portion of the City of San Diego due to its excellent freeway access and its ability to maintain important defense and aerospace manufacturing industries. Kearny Mesa has also diversified to include high technology industries such as software development and manufacturing.

The 1992 Plan also included residential development associated with the original Stonecrest Specific Plan and a total of 443 low-density mobile home and single-family units. Development intensity is limited in the Plan through a 0.35 Floor Area Ratio (FAR) for commercial development and a 0.5 FAR for industrial and office development.

Numerous amendments to the Plan have been approved since 1992, many of which focused on shifting land uses from industrial and office designations to multi-family residential designations. The Stonecrest and the New Century Center Specific Plans and general/community plan amendments have resulted in over 3,000 multi-family units and other conversions of industrial/office sites have resulted in 700 additional multi-family units. These additional units have provided a source of workforce housing which supports the continued use of Kearny Mesa as an employment center.

### Land Use Change

The proposed General Plan and Community Plan Amendment would add a new land use designation, High Density Residential at a density range of 45-74 dwelling units per acre, to the Kearny Mesa Community Plan which would allow between 338 and 555 dwelling units. The amendment would accommodate the proposed 412 units which equals 55 dwelling units per acre. This density range is consistent with a General Plan land use designation that permits the same density range. In addition, the RM-3-9 Zone, which allows up to 72 dwelling units per acre, would be applied to the site.

The land use change from industrial to residential is consistent with many objectives of the Plan. The residential element of the Plan includes the policy of encouraging residential development on urban infill sites within mixed-use projects. The Plan allows light industrial, manufacturing and professional office uses within the Industrial/Business Park designation while specifically

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identifying these sites as requiring sensitive transitions when located adjacent to residential uses. The change from industrial to residential use has the potential to eliminate some potential land use conflicts with the adjacent residential neighborhood to the south.

### The General Plan

The project, including the General Plan and Community Plan Amendment, was submitted and deemed complete prior to the updated 2008 General Plan and was therefore primarily reviewed for consistency with the previous Progress Guide and General Plan, including the 2002 Strategic Framework Element (SFE). The SFE places limitations on the redesignation of employment land, which were further refined with the Prime Industrial Land policies in an early draft of the Economic Prosperity Element of the 2008 General Plan update. Staff recommended the conversion of industrial land be evaluated for consistency with these policies since the General Plan was adopted in the interim. This adopted plan includes a map of Prime Industrial Land, however, this immediate area was never considered to qualify as Prime Industrial based on the criteria in General Plan. Most of these issues are addressed in the West Aero Drive Land Use study (Attachment 9). The site's existing IP-2-1 zoning is relatively restrictive, but does not match the actual conditions on the ground. The existing older industrial buildings in the area are not suitable for the requirements of modern industrial users. The market study provided by the applicant (Attachment 10) indicates the market for industrial use in the area is extremely limited. Over half of the area is developed with non-industrial uses some of which are public assembly (church), and residential (Parkview Aero Court and single-family) which are not conducive to industrial operations. Although the community has excellent transportation access and is near some areas where technology workers reside, it is not in close proximity to resources of extraordinary value such as ports, the international border, or major universities. In summary, once the Prime Industrial Land policies were adopted with the General Plan, the conversion of "Other Industrial Land" sites to residential use is not considered significant.

As "Other Industrial Land", the project site is subject to the Collocation/Conversion Suitability Factors contained in an Appendix to the General Plan (Attachment 11). As part of this evaluation, a review of all APCD permits within ¼ mile of the project site was conducted (Attachment 12). A permit for an aviation gasoline dispensing facility is located over 1,000 feet from the site. In general, the project and site characteristics indicate there are no significant obstacles to converting this land from industrial to residential.

The recently adopted General Plan identifies Kearny Mesa as a Subregional District and states the following in Appendix 3, EP-3: "In the long term, consideration should be given to additional office employment uses in these areas and multifamily residential uses, particularly along the commercial transit corridors. Certain other areas such as those to the north and east of Montgomery Field, have remained primarily industrial, characterized by both light and heavy manufacturing operations and large scale distribution centers. They are an important source of employment for the surrounding communities and an essential part of the City's overall economic base."

The proposed General Plan and Community Plan Amendment achieves the important General Plan Housing Element objective to make land available for additional housing. The project

would provide 412 dwelling units and would be adequately served by public facilities within the Kearny Mesa Community. The proposed density at 55 dwelling units per acre is somewhat higher than most of the other densities currently allowed for multi-family housing in the Plan and may be considered an additional increase to the Citywide housing supply from this community. The proposed amendment would achieve General Plan objectives to make land available for higher density housing. City-wide policy also recommends each community plan contain a balanced mix of land uses and housing types.

The project would support mobility by promoting walkability through a ten-foot wide non-contiguous sidewalk along Aero Drive and Sandrock Road with a five-foot landscaped parkway as well as on-site landscaping to improve the pedestrian experience along these roads. The project site is also proximate to two bus stops east and west of the intersection of Aero Drive and Sandrock Road, as well as bike lanes on Aero Drive.

Sustainability goals have been addressed by the design of this project beginning with the dense pattern of development which concentrates growth in areas that are already developed and does not promote sprawl or greenfield development. In addition, the project would incorporate conservation features such as ensuring new buildings would be at least 10% more energy efficient than Title 24 requirements and ensuring that at least 50% of all construction wastes would be recycled. In addition, the project would include other sustainable features such as water conserving fixtures and drought resistant planting.

#### Design Review Process

A significant issue with the project early in the review process was its compatibility with adjacent development, particularly the adjacent single-family homes to the south. The sixty foot tall building would be the tallest building in an area characterized by a variety of building heights (Attachment 13). The applicant provided a massing study (Attachment 14) which depicts the scale and size of the proposed structure relative to adjacent developments. The structure would cover a majority of the site, which has an approximately 700-foot frontage on Aero Drive, resulting in the largest building in the vicinity. City staff worked with the applicant on a redesign of the initial project in order to meet the urban design objectives of the Plan and minimize the impact of the project to adjacent uses.

Along Aero Drive (Attachment 5) the original plan contained a more uniform appearance on the north elevation. As a result of staff input, the project was redesigned and would create three different styles and other architectural amenities described in the architectural design section of this report. In addition, a major 70-foot wide offset was included on the east side of the façade on Aero Drive. Most significantly, the applicant and staff drafted Design, Streetscape, and Streetyard Guidelines which would apply to all of the properties on Aero Drive between Kearny Villa Road and Ruffin Road (Attachment 8). The guidelines provide for an enhancement to the streetscape on Aero Drive by providing additional pedestrian and landscape amenities, consistent streetyard areas, and architectural and site design direction to properties redeveloping in this corridor.

The project's initial site plan included grasscrete paving in the rear buffer area to serve as a fire lane. The applicant proposed its replacement with stamped concrete to satisfy the neighbors concerns regarding activities in the rear. Staff has conditioned the project to restore grasscrete for at least 75% of the 26-foot-wide fire lane in order to provide an additional landscaped amenity for future residents of the project. Another condition resulting from staff's review included replacing the proposed six-foot wall at the top of slope at the southerly side of the proposed building with a nine foot high fence to be six-foot solid wood with three feet 50% open at the bottom of the slope adjacent to the property line with the single-family homes. The applicants proposed wall would have created a long 5-foot wide space between the fences of the homeowner and proposed wall.

Finally, the south elevations (Attachment 5) were modified to provide two two-story insets, twelve feet deep, at each end of the elevation to provide an additional step-back to the three-story element which is located approximately fifty-two feet from the property line. The four-story element is located approximately 75 feet from the rear property line with the remainder of the building and parking garage stepped back even further. The south elevation was further modified to provide additional awnings, articulation, patios and balconies on the side elevations facing into each of the courtyards. In addition, a finer level of architectural detail has been added to the south elevation to be more compatible with the adjacent single family. Elevations include; decorative awnings, moldings & truss braces, enhanced veneer, decorative wall recesses, shed and parapet roofs as well as high windows to promote privacy and allow natural light (Attachment 6).

The project proposes three different deviations all of which are consistent with the Kearny Mesa Community Plan. First the project proposes to exceed the height of the RM-3-9 Zone with a tower element in the northeast corner. The Urban Design Element of the Community Plan calls for the rooflines of new structures to be varied to increase visual interest and to avoid box-like building appearances. The second deviation request is to allow shade structures on the parking deck instead of the required trees within vehicular use areas. The Urban Design Element of the Plan states that, parking structures should be integrated with adjacent buildings through the use of similar architectural treatment. The third deviation is a request to allow a street side setback to be 30 feet instead of the required 46 feet. A portion of the Aero Drive setback is substantially greater than 46 feet to provide variation and break up the building mass along the street side. In addition the project is proposing a 15-foot public parkway to accommodate a landscaped parkway, street trees and a wider sidewalk.

#### Planning Commission Initiation Issues

The General Plan and Community Plan Amendment was initiated by the Planning Commission on April 20, 2006. At the meeting, several issues were identified for future analysis. Planning Commission issues and staff responses are included as Attachment 15 to this report.

## Community Planning Group Review

The proposed project and Plan amendments were reviewed by the Kearny Mesa Community Planning Group at several meetings between 2006 and 2008. On September 17, 2008 the Kearny Mesa Community Planning Group voted 7-1-1 to recommend approval of the project (Attachment 15).

Since the site is adjacent to residential uses in the Serra Mesa Community Planning area, the proposal was also reviewed by the Serra Mesa Community Planning Group. The applicant met with the group and a subcommittee of the group to discuss the project at various intervals in the last six months. On September 18, 2008, the Serra Mesa Planning Group voted 10-1-0 to recommend denial of the project citing concerns with bulk and scale, inadequate parking and the project's setback from Aero Drive (Attachment 16).

### Environmental Analysis

The City of San Diego conducted an Initial Study which determined the proposed project could have a significant environmental effect in the following areas: Health and Public Safety and Public Utilities (Solid Waste). Subsequent revisions in the project proposal create the specific mitigation identified in Section Five of the Mitigated Negative Declaration. The project as revised now avoids or mitigates the potentially significant environmental effects previously identified. Should the project be approved a Mitigation Monitoring and Reporting Program would be required to address these potential effects and has been made a condition of approval.

### Proposed modifications

Staff recommends approval of the project, with two design modifications:

The first modification would be to not construct a six foot high wall at the top of the slope and instead build a fence of wood construction adjacent to the existing fences along the neighboring property line on the south. This fence would be nine feet high with six feet of solid wood and three feet of wood with 50% open. The second modification would be to construct the twenty-six foot wide emergency access lane on the south side of the project with a minimum of 75% grasscrete or equivalent planted with turf and maintained at no higher than two inches.

### CONCLUSION

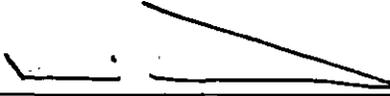
Staff has reviewed the request for a Rezone from the existing IP-2-1 Zone to the proposed RM-3-9 Zone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to subdivide and develop 412 apartment units and 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan. All issues identified through the review process have been resolved in conformance with adopted City Council policies and regulations of the Land Development Code, except for the proposed two modifications A and B. Staff has provided draft findings to support approval of the development permit (Attachments 18 and 19) and draft conditions of approval (Attachments 18 and 20), with the proposed two

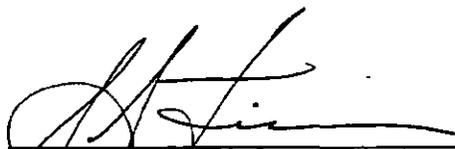
669605  
modifications. Staff is recommending the Planning Commission recommend the City Council approve the project as proposed, with the proposed two modifications.

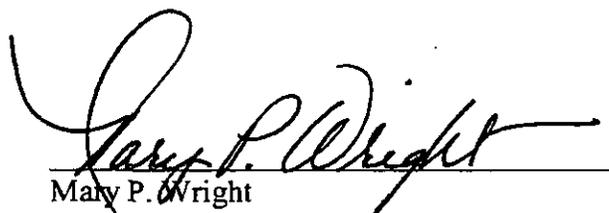
**ALTERNATIVES**

1. **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, Site Development Permit No. 524637, **with additional modifications.**
2. **Deny** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, Site Development Permit No. 524637, **if the findings required to approve the project cannot be affirmed.**

Respectfully submitted,

  
\_\_\_\_\_  
Mike Westlake  
Program Manager  
Development Services Department

  
\_\_\_\_\_  
John S. Fisher  
Development Project Manager  
Development Services Department

  
\_\_\_\_\_  
Mary P. Wright  
Deputy Director  
City Planning & Community Investment Department

BROUGHTON:JSF

Attachments:

1. Kearny Mesa Community Plan Land Use Map
2. Project Location Map
3. Aerial Photograph
4. Proposed Site/Landscape Plan
5. Proposed Elevations; North, South, East and West
6. Enhanced Southern elevation
7. Pocket Courtyards
8. Draft Kearny Mesa Community Plan Amendment (under separate cover)
9. West Aero Drive Land Use Study – 2008 (under separate cover)

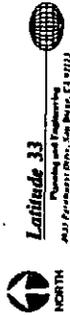
000606

10. Palladium Project Market Feasibility Study (under separate cover)
11. Collocation/Conversion Suitability Factors
12. ACPD Permits within ¼ mile
13. Height Survey
14. Massing Study
15. Planning Commission Initiation Issues
16. Kearny Mesa Community Planning Group Recommendation
17. Serra Mesa Community Planning Group Recommendation
18. Draft Map Conditions and Subdivision Resolution
19. Draft Resolution with Findings
20. Draft Permit with Conditions
21. Draft Rezone Ordinance
22. Proposed Zoning Drawing
23. Project Plans (under separate cover)
24. Ownership Disclosure Statement
25. Project Chronology
26. Project Data Sheet

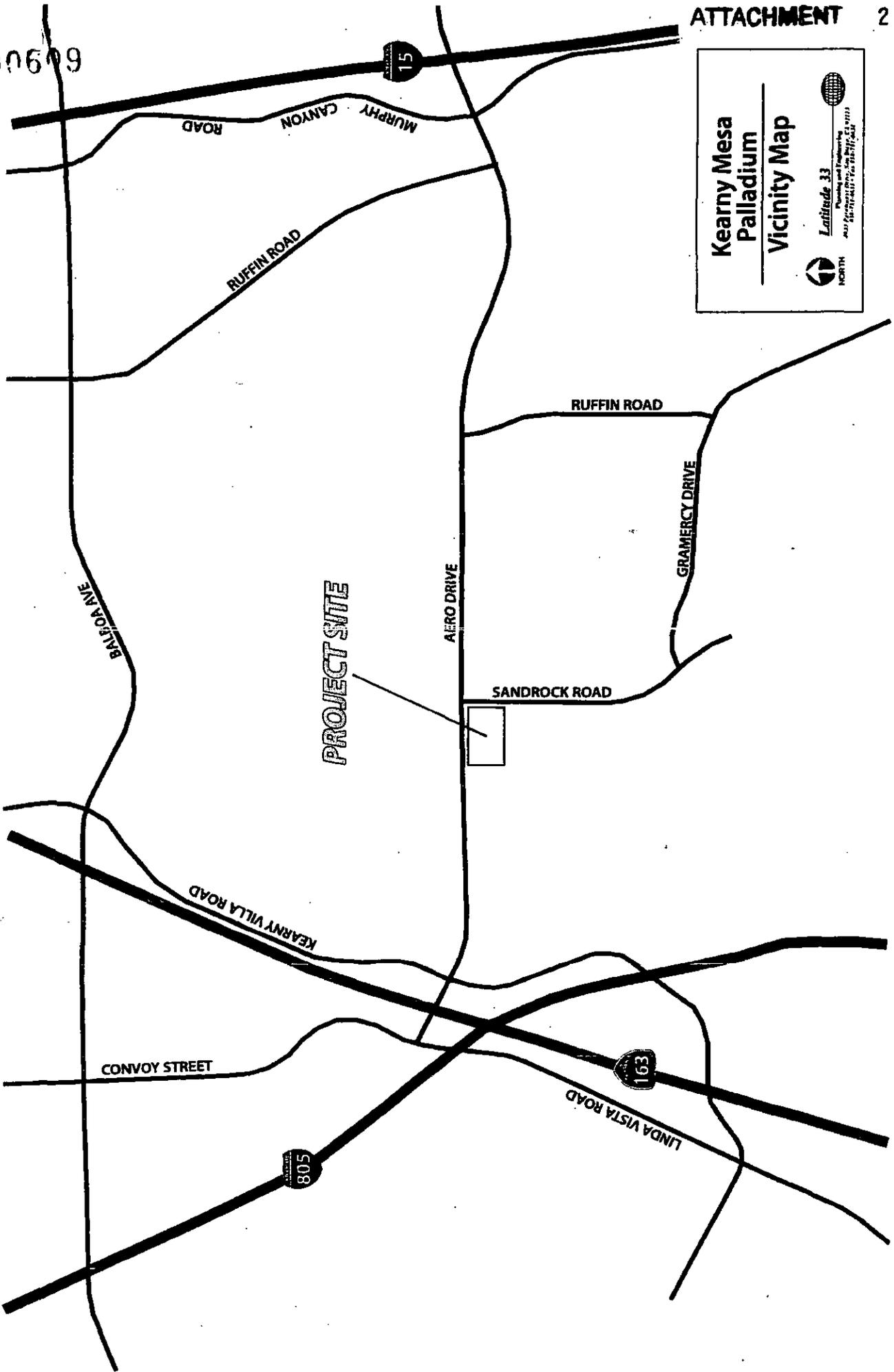


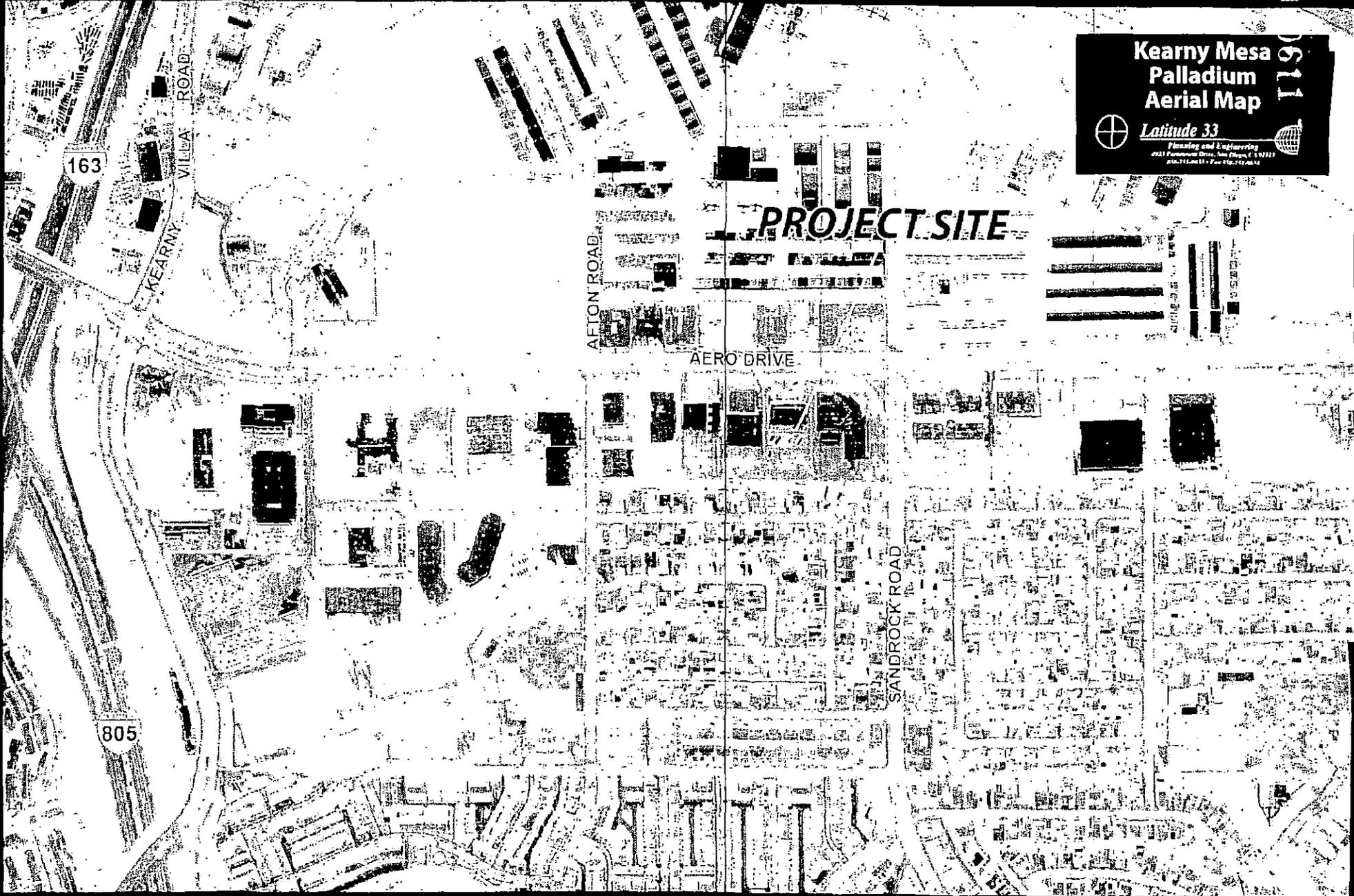
609000

**Kearny Mesa  
Palladium  
Vicinity Map**



*Latitude 33*  
Planning and Engineering  
SPECIALISTS IN TRANSPORTATION





**Kearny Mesa  
Palladium  
Aerial Map**

⊕ *Latitude 33*

Planning and Engineering  
2425 Farnsworth Drive, San Diego, CA 92111  
619.744.0611 • Fax 619.744.0614

0  
0511



PALLADIUM AT AERO

SAN DIEGO, CALIFORNIA

ARCHITECTS ORANGE

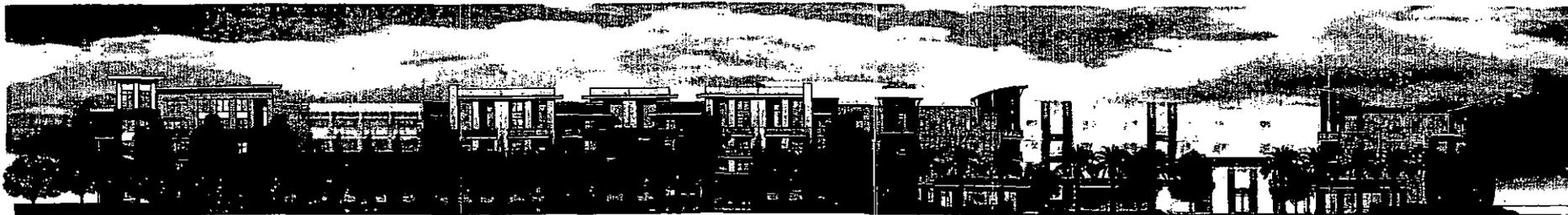
WESTCORE / WERMERS PROPERTIES

144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92666 (714) 839-9880



PREPARED BY:	REVISION 10:
NAME: ELLIENNE MOODY PATTERSON	REVISION 9:
ADDRESS: 1940 DENVER AVE., SUITE 140	REVISION 8:
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PHONE #: (619) 525-8777	REVISION 6:
PROJECT ADDRESS:	REVISION 5:
AERO DRIVE	REVISION 4:
SAN DIEGO, CA 92120	REVISION 3:
PROJECT NAME:	REVISION 2:
WESTCORE - AERO DRIVE	REVISION 1:
SHEET No. / TITLE:	DATE: July 8, 2008
118-LANDSCAPE DEVELOPMENT PLAN	ORIGNAL DATE: 12.12.07
	SHEET 18 OF 20
	DATE:
	GMP JOB # 07-124

000013



NORTH ELEVATION - AERO DRIVE



SOUTH ELEVATION

PALLADIUM AT AERO  
ARCHITECTS ORANGE

SAN DIEGO, CALIFORNIA



WESTCORE / WERMERS PROPERTIES



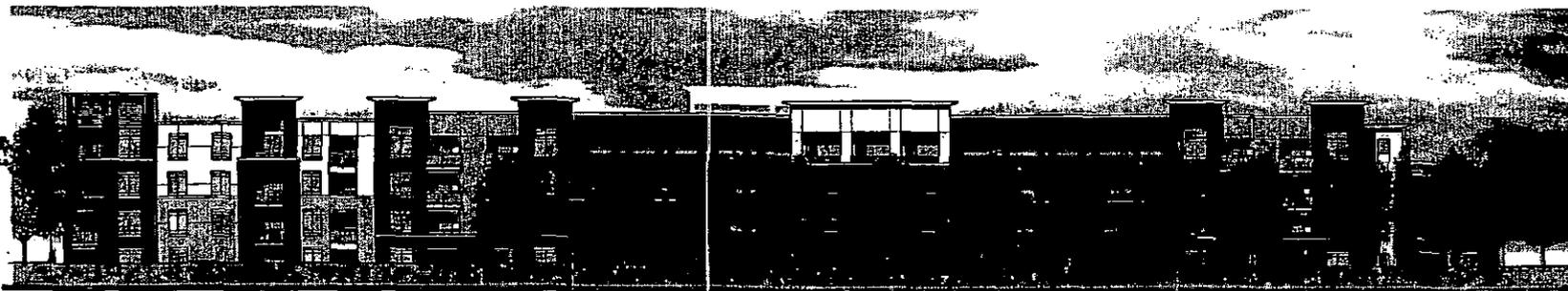
EXHIBIT	
PALLADIUM AT AERO - NORTH & SOUTH	
NO. 1	GENERAL NOTES
NO. 2	SECTION NOTES
NO. 3	DETAILS
NO. 4	CONCRETE
NO. 5	STEEL
NO. 6	MECHANICAL
NO. 7	ELECTRICAL
NO. 8	PLUMBING
NO. 9	PAINTS & FINISHES
NO. 10	LANDSCAPE ARCHITECTURE
NO. 11	ARCHITECTURAL RECORDS
NO. 12	CONSTRUCTION ADMINISTRATION
NO. 13	OPERATION & MAINTENANCE
NO. 14	AS-BUILT DRAWINGS
NO. 15	PROJECT CLOSEOUT

**MATERIALS AND FINISH LEGEND**

1	CONCRETE
2	BRICK
3	EXTERIOR BRICK
4	EXTERIOR CONCRETE
5	EXTERIOR ADHESIVE TILE
6	EXTERIOR TILE
7	EXTERIOR STONE
8	GLASS
9	PAINT
10	WOOD
11	WOODEN TRUSS
12	EXTERIOR STAINLESS STEEL
13	EXTERIOR ALUMINUM



EAST ELEVATION (SANDROCK ROAD)



WEST ELEVATION

000614

PALLADIUM AT AERO

SAN DIEGO, CALIFORNIA

ARCHITECTS ORANGE

144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92668 (714) 899-6888



0 5 10 20  
SCALE: 3/32"=1'-0"

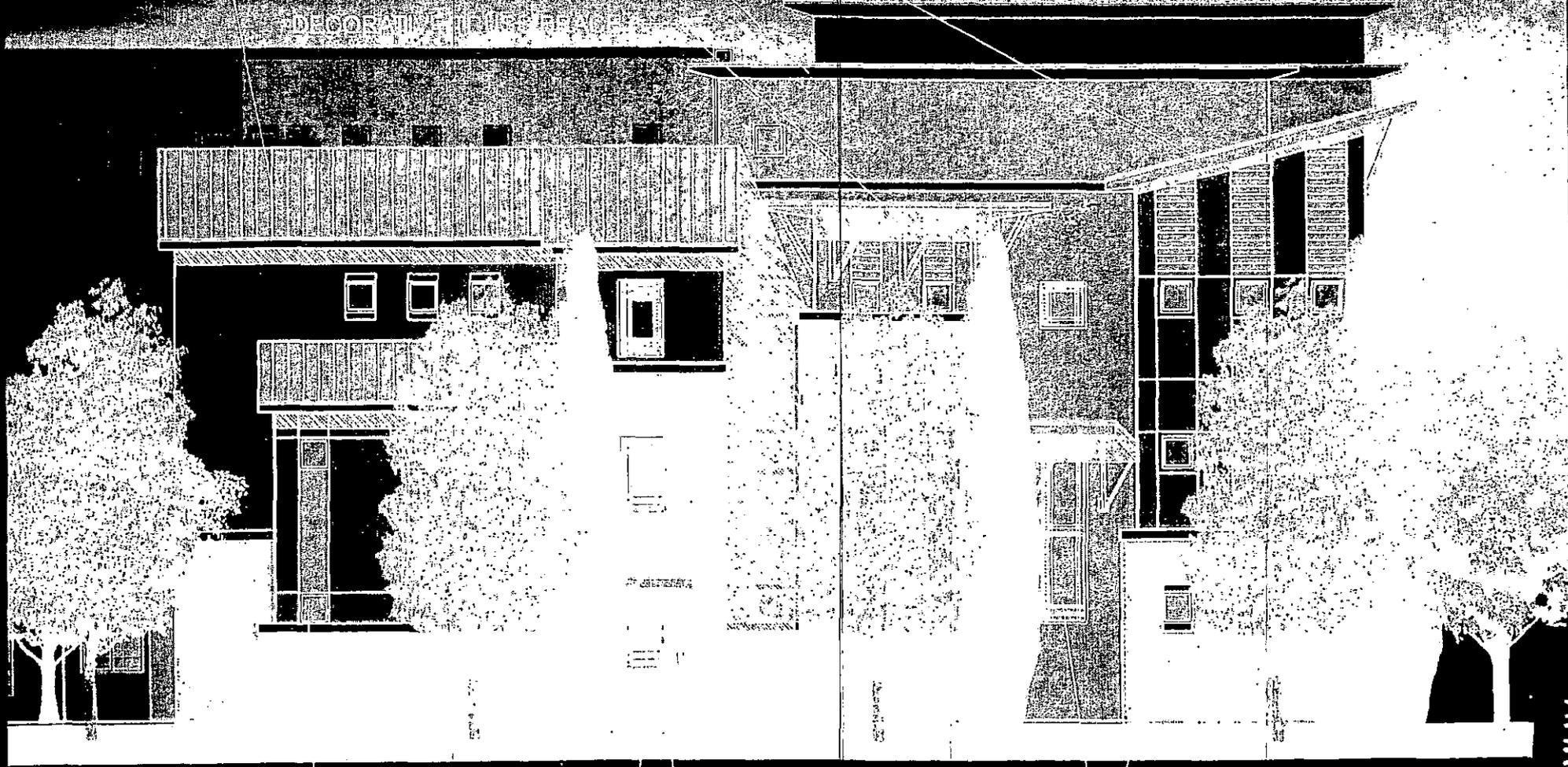
07-122 October 3, 2008



PREPARED BY:	ARCHITECT NO.:
NAME: ARCHITECTS ORANGE	REVISION B:
ADDRESS: 144 N. ORANGE STREET	REVISION C:
ORANGE, CA 92668	REVISION D:
PHONE: (714) 899-6888	REVISION E:
PROJECT ADDRESS:	REVISION F:
1500 AVENUE	REVISION G:
WEST ORANGE, CA 92780	REVISION H:
PROJECT NAME:	REVISION I:
PALLADIUM AT AERO	ORIGINAL DATE: 10/2/08
DRAWN BY: JTB	DATE: 11/20/08
CHECKED BY: JTB	SCALE: 1/8" = 1'-0"
DATE: 11/20/08	SHEET 11 OF 20
PROJECT NO.:	DATE:
07-122	11/20/08
<b>A4.3</b>	
BUILDING ELEVATIONS - EAST & WEST	

WESTCORE / WERMERS PROPERTIES

SHED ROOF  
PARAPET ROOF  
DECORATIVE FINISHES



HIGH WINDOWS  
DECORATIVE AWNING  
DECORATIVE MOULDING

ENHANCED VENEER  
DECORATIVE WALL RECESS

000616

OUTDOOR FURNITURE/  
SEATING AREA

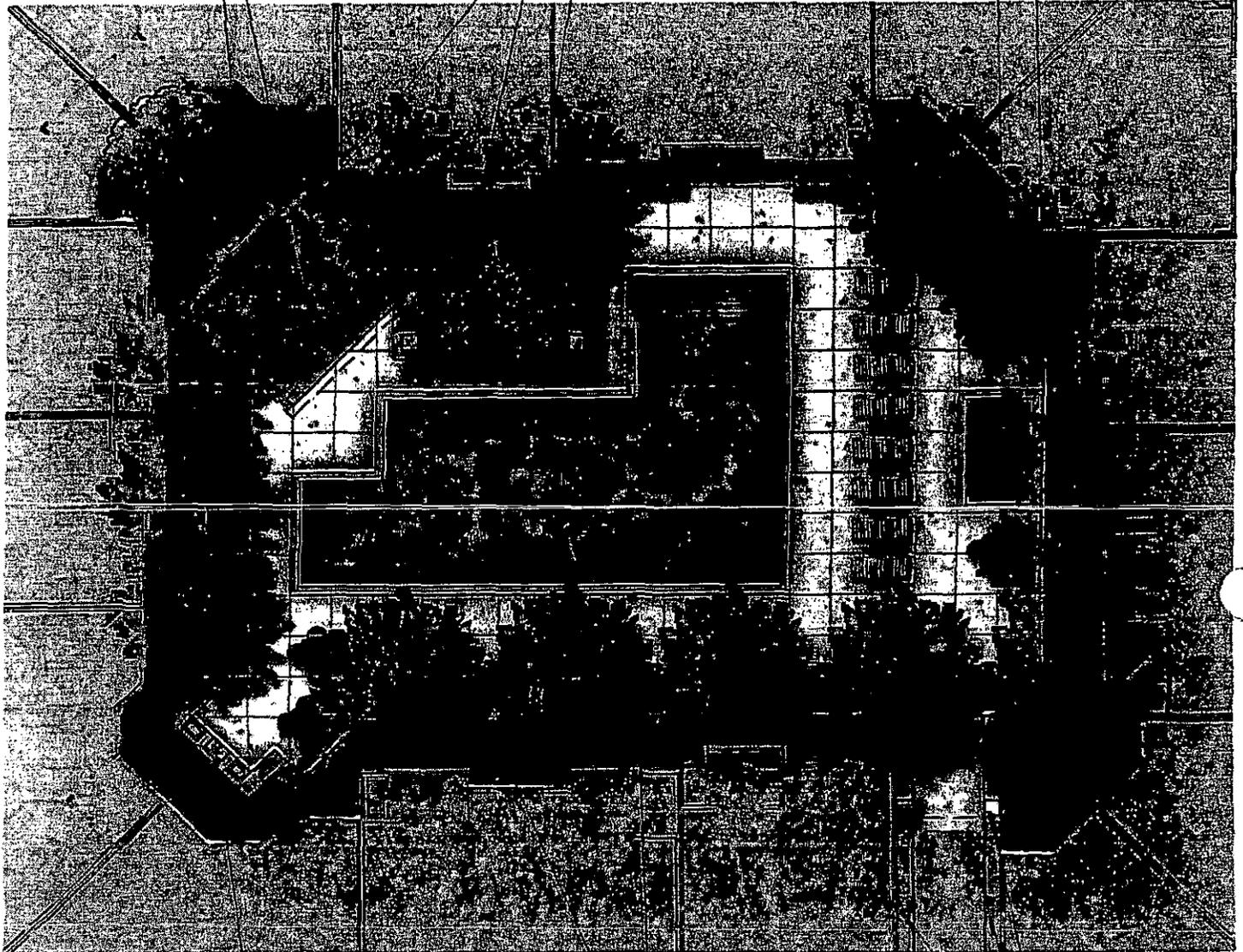
OUTDOOR FIREPLACE

OVERHEAD TRELLIS STRUCTURES

OUTDOOR LOUNGE CHAIRS

SPA

6' HT. SCREEN WALL



0 10 20  
 SCALE: 1"=20'

BBQ COUNTER AND SINK

CHAISE LOUNGE CHAIRS

OVERHEAD  
ENTRY STRUCTURE

5' HT. TUBULAR STEEL  
POOL FENCE

POTTED  
PLANT SHELF

# RECREATION AREA

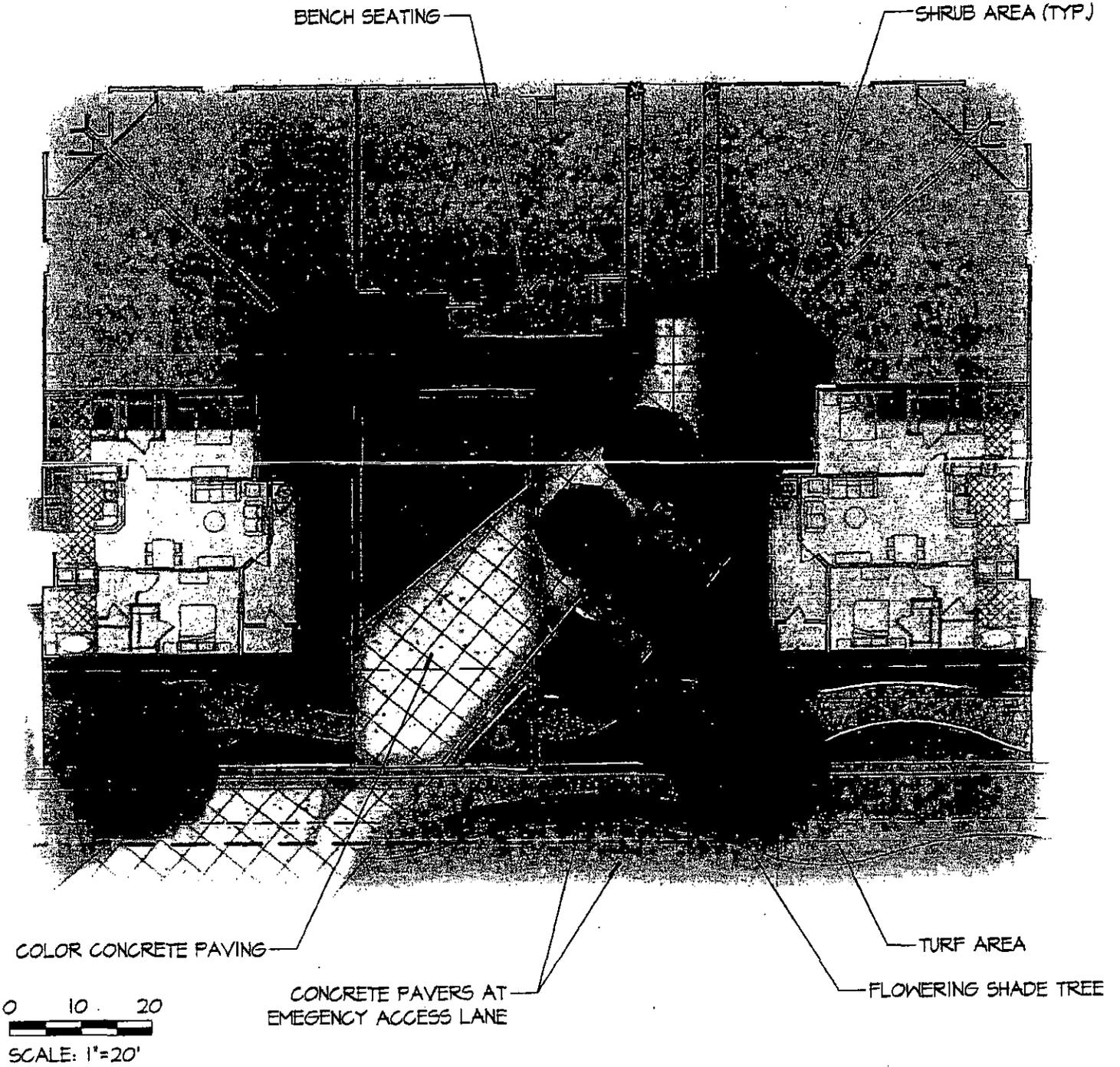
PALLADIUM AT AERO

SAN DIEGO, CALIFORNIA

WESTCORE / WERMERS PROPERTIES

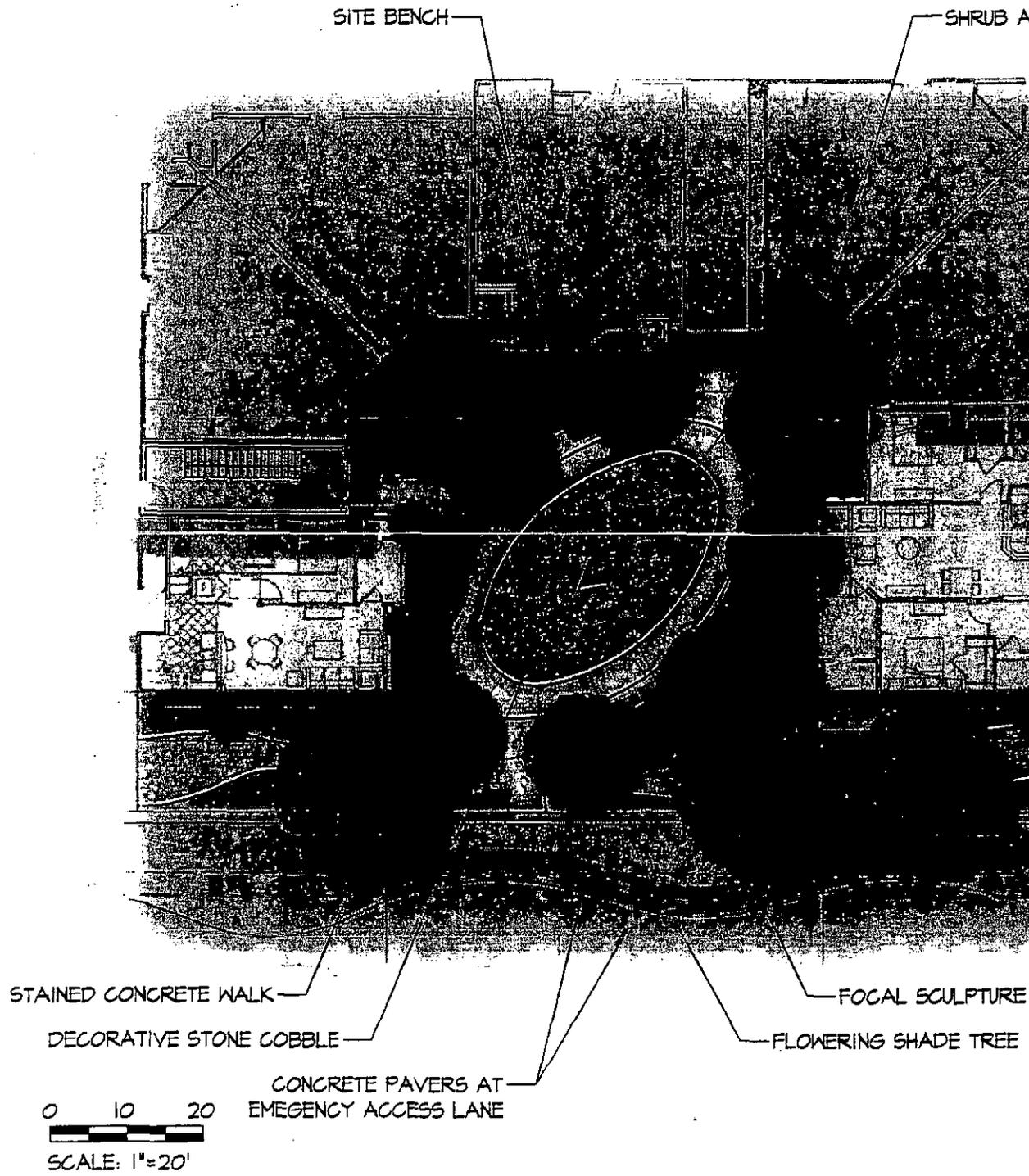


000617



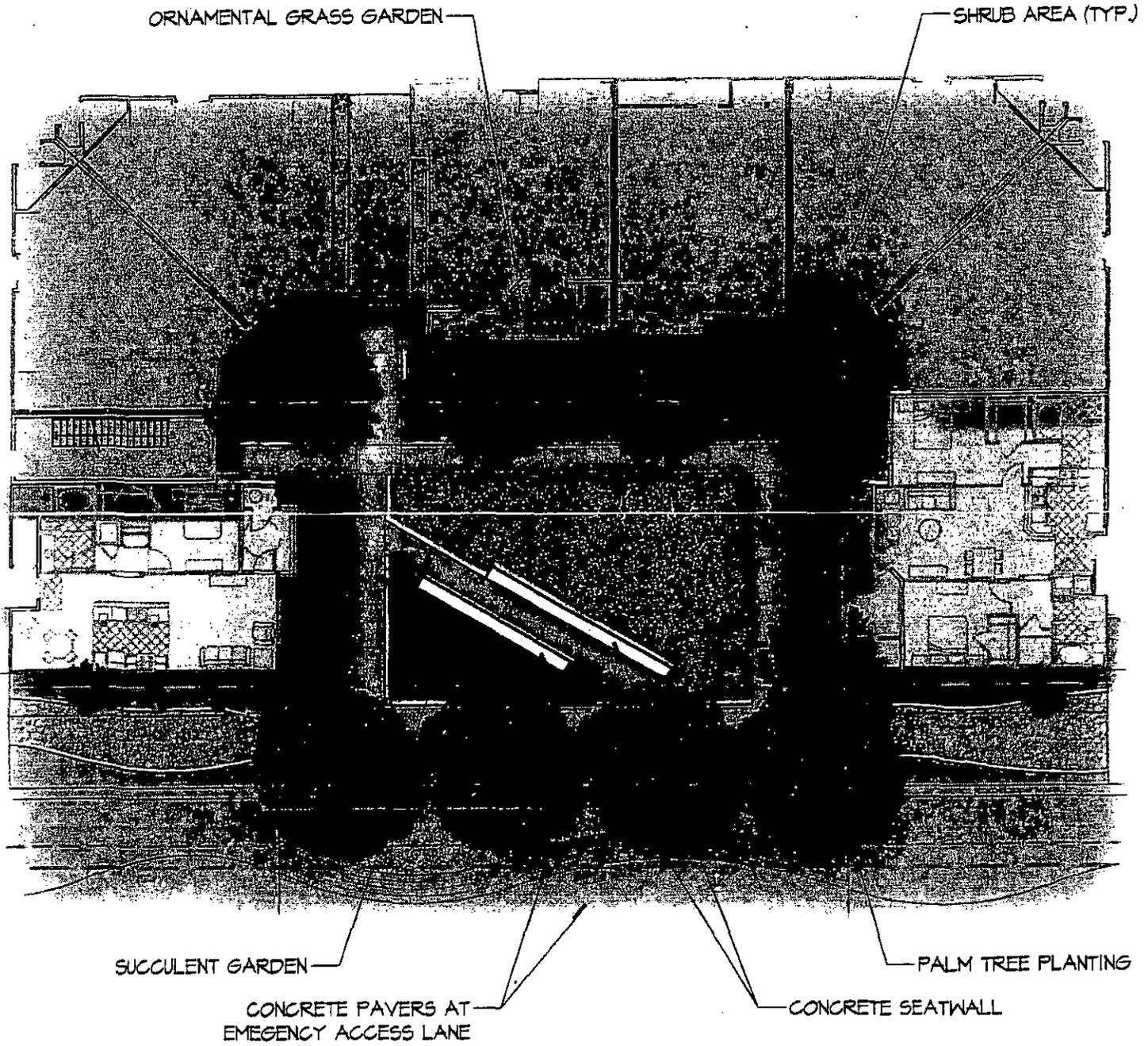
# COURTYARD #1

000618



# COURTYARD #2

000619

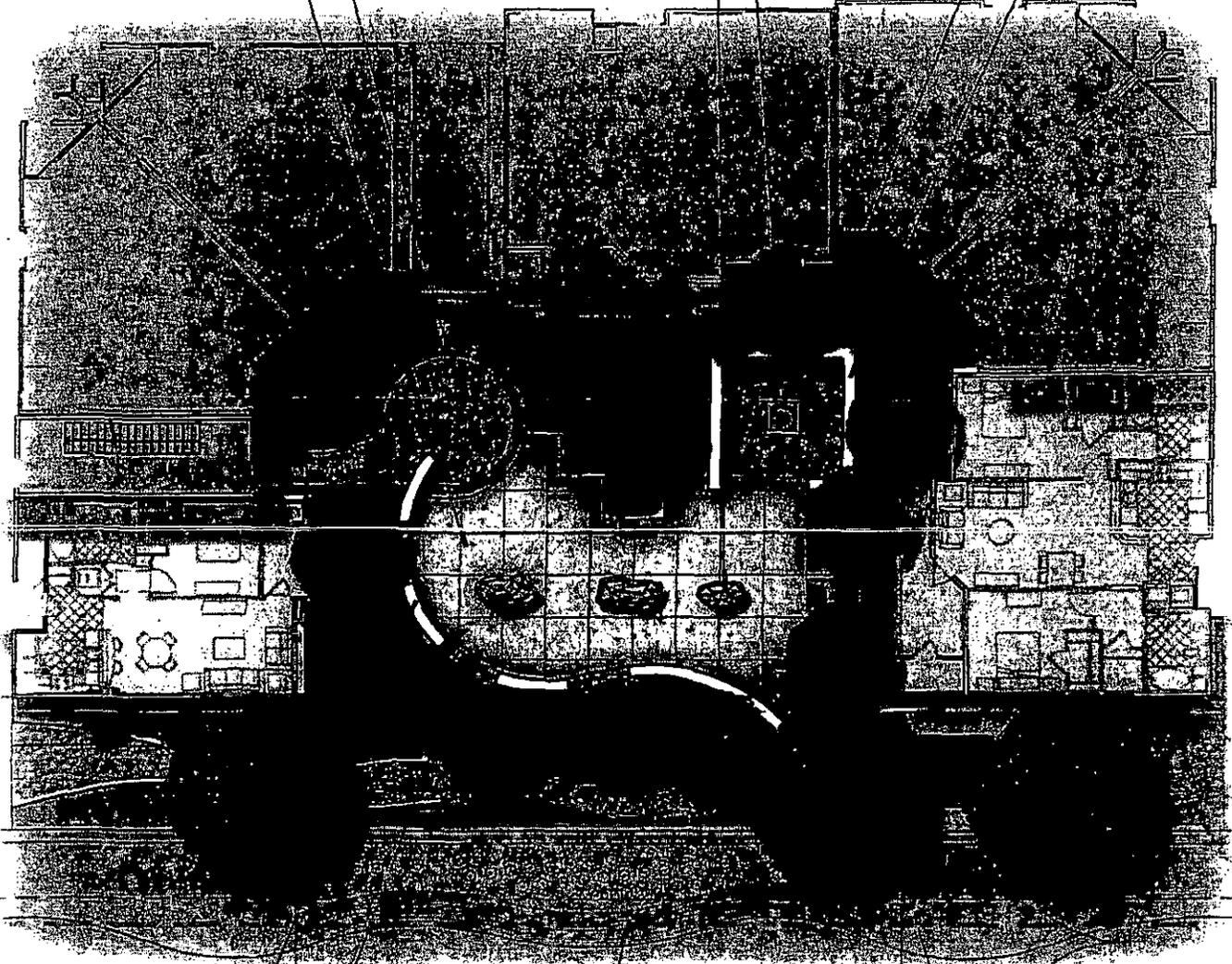


0 10 20  
SCALE: 1"=20'

# COURTYARD #3

000620

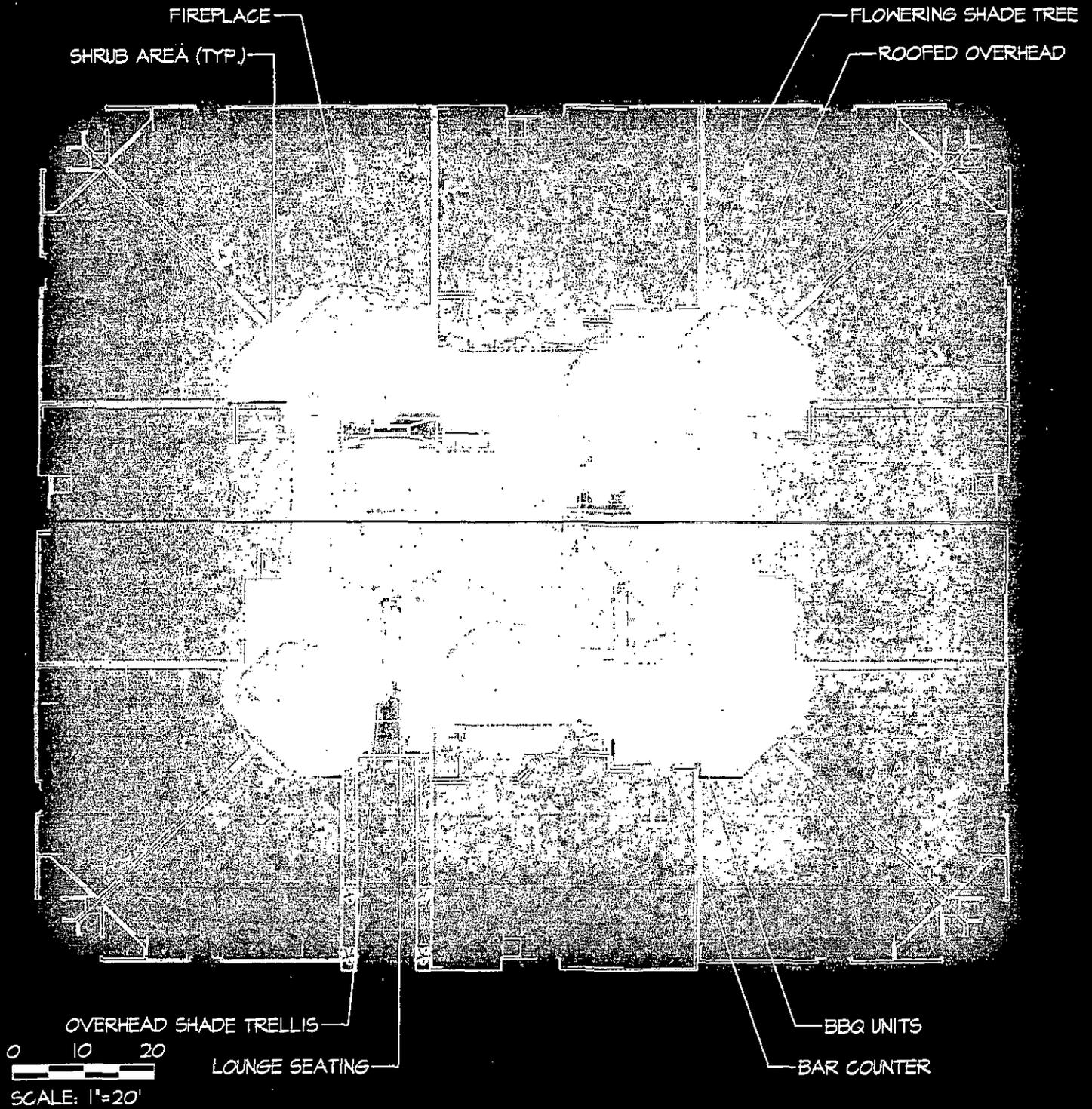
EXPOSED AGGREGATE PAVING  
 COLOR CONCRETE PAVING  
 LOW ORNAMENTAL FILASTER  
 ORNAMENTAL BOULDER  
 SHRUB AREA (TYP.)  
 LOW SEATWALL



0 10 20  
 SCALE: 1"=20'

# COURTYARD #4

000621



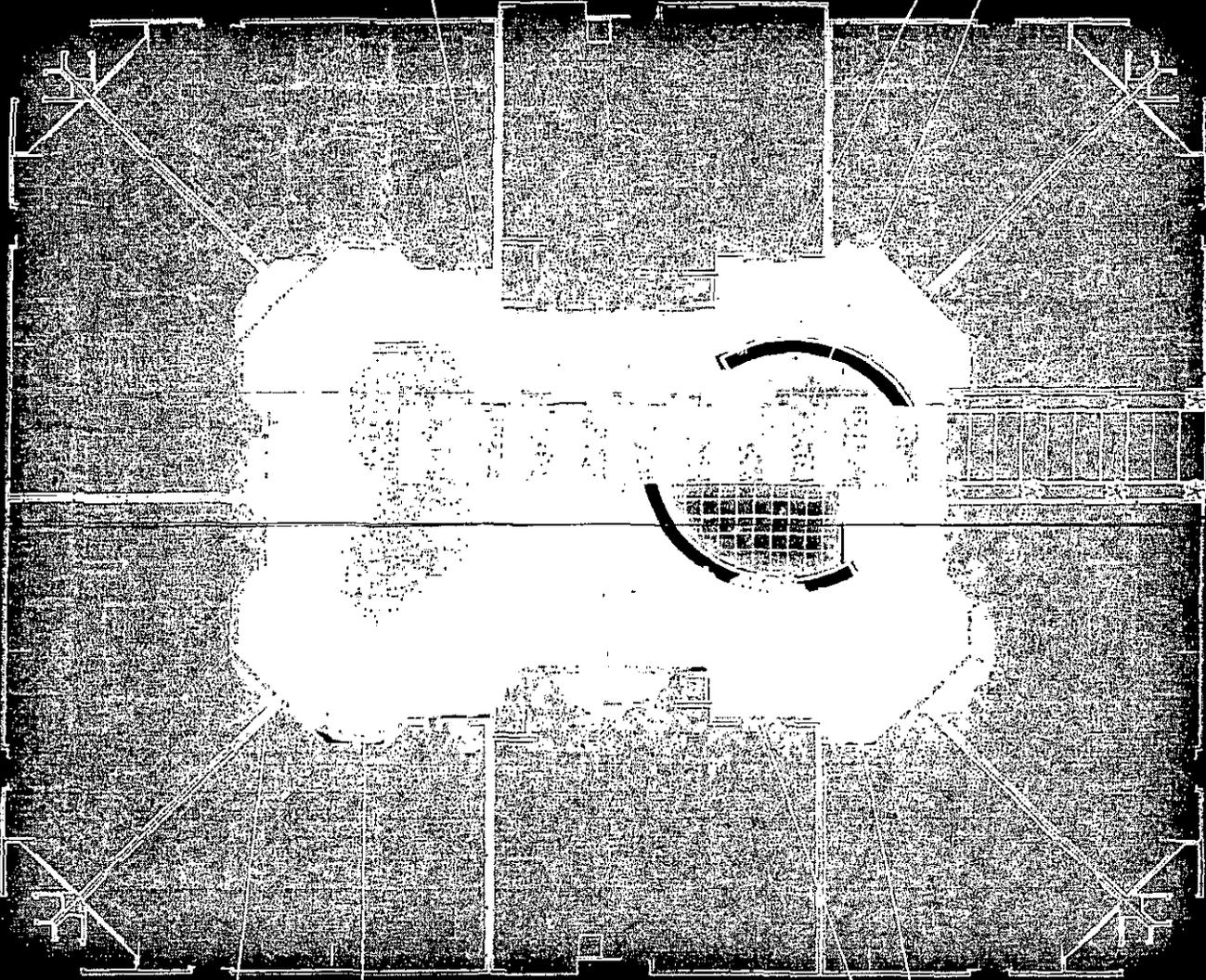
# COURTYARD #5

000622

COLOR CONCRETE LINEAR WALK

FLOWERING PATIO TREE

GATHERING SPACE



BAMBOO GARDEN

SHRUB AREA (TYP.)

COLUMNAR BOULDER GARDEN WITH MEXICAN BEACH PEBBLE

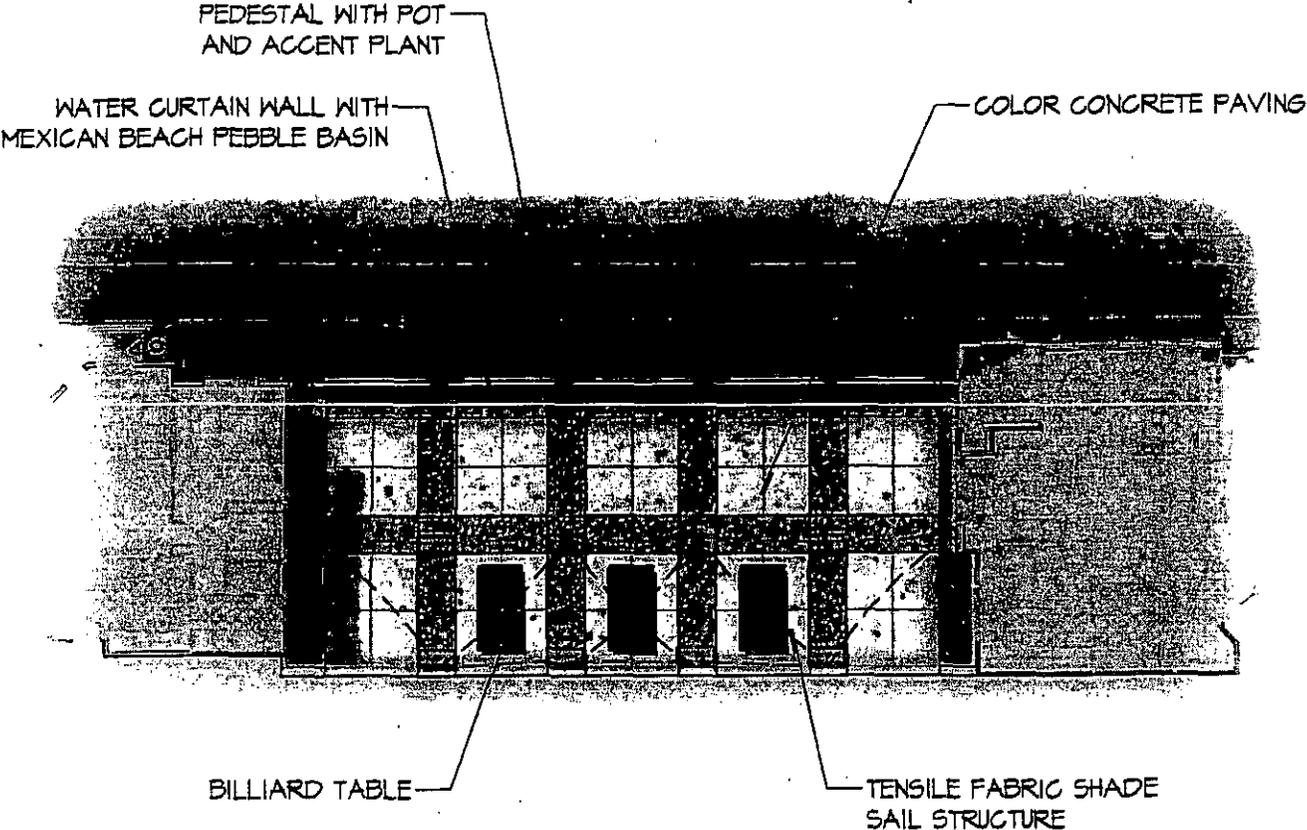
SEATWALL



SCALE: 1"=20'

# COURTYARD #6

000623



0 10 20  
SCALE: 1"=20'

**COURTYARD #7**

000624

**Draft Kearny Mesa Community Plan Amendment**

(available under separate cover)

000625

**West Aero Drive Land Use Study - 2008**

(available under separate cover)

000627

**Palladium Project Market Feasibility Study**

(available under separate cover)

000679

**Palladium at Aero  
Collocation/Conversion Suitability Factors  
(App.C, EP-3, General Plan)**

**Project Location:** The project site is located at the southwest corner of Aero Drive and Sandrock Road, within the Kearny Mesa Community Planning Area, (Assessor Parcel Number: 421-050-07, 08 & 10).

**Area Characteristics** – The Aero Drive Land Use study provides a full discussion of the area characteristics. In general, the south side of Aero Drive between Kearny Villa Road to Ruffin Road was initially planned and zoned for industrial uses; however, commercial and institutional users has occupied most of the facilities within the area. The north side of Aero Drive through the same segment is developed with Montgomery Field, commercial, retail and office between Sandrock Road and Afton Road. Approximately 500 feet south of Aero Drive, within the Serra Mesa Community, is residential development (primarily single-family). The site and the other properties abutting Aero Drive are zoned industrial.

The proximity of residential abutting the southern property line of the site restricts the type of industrial users allowed along Aero Drive. The existing buildings on-site and found abutting Aero Drive are underutilized and functionally obsolete. The market study prepared for the project indicates that future industrial users will not be attracted to this area.

Since many of the traditional industrial users have relocated to other areas, generally class-B offices and warehouse users occupy the buildings/facilities. The uses abutting Aero Drive are a combination of office, medical, commercial, institutional, religion, retail, parks/open space, public uses (school and library), and industrial/warehouse.

**Parcel size and configuration** – Fronting Aero Drive, the project site consists of three adjoining parcels, totaling 7.52 acres. The largest of the three parcels is located on the corner of Aero Drive and Sandrock Road. West of the largest parcel are two parcels that are situated mid-block of Afton Road and Sandrock Road. North of the property is Aero Drive and Montgomery Field, to the east is office buildings, to the south is single-family residential, and to the west is commercial. The physical condition of the site is relatively flat and the combined parcels are rectangular.

The majority of parcels along Aero Drive are single ownership. However, abutting Aero Drive, there are three ownerships of conjoined parcels. Westcore Sandrock LLC, owns three parcels of 7.52 acres, Reynolds/ Murray own two parcels of 5.6 acres, and Aero Vault Venture owns two parcels of 7.71 acres. These parcels total 20.83 acres along Aero Drive.

**Transportation access** - The site is conveniently located to SR-163, (2/3 miles), I-805, (1 mile) and I-15 (1 ½ miles), the proximity to these freeways is desirable for industrial users, and residential development.

**Long term market trends** - As explained in the 2008 West Aero Drive Land Use Study, Kearny Mesa has one of the lowest industrial vacancy rates in the county, and according to Burnham

00630

Real Estate 2007 Third Quarter Summary, Kearny Mesa still remains the lowest industrial vacancy rate of any of San Diego County's major industrial submarkets. However, the market study completed for the project and the surrounding area indicated that non-industrial uses such as office, residential, and some retail are likely to replace the remaining industrial users.

**Transit Availability** - Kearny Villa Road, Aero Drive, and other roadways surrounding the site are served by existing public transit routes (including bus stops adjacent to the site) and bicycle lanes. Kearny Mesa is serviced by MTS routes 20/20A/20B, 27, 120, 25, 928, 960, and 870. These routes travel as far north as North County Fair and University Towne Center, south to Downtown 3<sup>rd</sup> Avenue and Broadway, east to Santee and El Cajon and west to the beach areas. The locality of Kearny Mesa offers many access points to travel around the county, which is convenient for both residents and employees.

**Impact on Industrial Lands** - According to the City of San Diego General Plan, Economic Prosperity Element, Figure EP-1: Kearny Mesa, the subject property is designated as "Other Industrial Land," not Prime Industrial Land. Since the proposed project is not in close proximity to Prime Industrial lands, there should be no impact to the most significant industrial users in the area. The majority of land uses along Aero Drive are non-industrial, commercial, retail establishments, or institutional facilities. The site and the properties abutting Aero Drive between Kearny Villa and Ruffin Road, except the library site, are designated for industrial/warehouse/office land uses; however, the site abuts residential along the southern boundary of the property. As identified in the West Aero Drive Land Use Study, the majority of the businesses are not traditional industrial uses and some existing industrial buildings have converted to other uses.

**Significance of Residential/Employment Component** - The location of the site is within one of San Diego's subregional employment areas. The provision of 412 units of high density housing maximizes the residential development capacity of the site and provides workforce housing in an employment center. No employment uses, with the exception of a small retail component are retained or proposed as part of the proposal.

**Residential Support Facilities** - The site is located in the geographic center of San Diego. Its centralized location is convenient to restaurants, shopping centers including Albertsons, Food for Less and Vons (1 ½ to 2) miles; Angier Elementary School (½ mile); Wegeforth Elementary School (½ mile); William Taft Middle School (1 mile); Cubberly Elementary School (1 ¼ mile); Kearny High School (1 ½ mile); Cabrillo Heights Park (2/3 mile); Serra Mesa Recreation center (½ mile); Kearny Mesa Recreation Center (1 ½ miles); Qualcomm Stadium (2 ¼ mile); Mission and Fashion Valley Mall (3 ½ miles); Kearny Mesa Library (½ mile); and Sharp and Children's Hospital (1 ½ mile). The site is centrally located near major roadways and freeways, which offers easy access to employment in Kearny Mesa, or other employment areas.

**Airport Land Use Compatibility** - Montgomery Field is located north of the proposed site. The site is not within the Airport Influence zone. In addition, the site is located outside the flight activity zone and 60dB CNEL noise contours, which is conditionally compatible with the Airport Land Use Compatibility Plan. The project was submitted the project under the FAA Part 77 (form 4760-1) for FAA review and received a "Determination of No Hazard to Air Navigation"

000631

on November 15, 2007. In addition, the San Diego County Regional Airport Authority stated that "This project is located outside the adopted Airport Influence Area (AIA) of Montgomery Field. Therefore, staff review of the proposed project indicates that an ALUC consistency determination is not required at this time. However, a new ALUCP for Montgomery Field is being prepared which may adjust the AIA boundaries and apply different compatibility criteria to future projects in this area." The San Diego County Airport Authority is in the process of updating the ALUCPs and is anticipated to be adopted by the end of 2008.

**Public Health** – The proximity of air contaminants and hazardous waste storage is discussed in the "separation of uses" section of this attachment. Other potential health impacts to future residents include noise, dust, and truck traffic. The site is not within the 60dB CNEL noise contour as stated above. Truck traffic is not excessive on Aero Drive since most of the area no longer supports industrial uses and the large industrial areas to the northeast (north of Aero Drive near Ruffin Road) do not need to travel on this portion of Aero Drive to access all of the freeways.

**Public Facilities** - The site is approximately 2/3 of a mile away from the Fire Station 28 located at Kearny Villa Road and Aero Drive and the Eastern Division Police Department, which is located at Aero Drive and Ruffin Road. According to San Diego Fire-Rescue Department, Fire Station 28 can maintain adequate service to serve the proposed project density once the applicants mitigates the impact by contributing a percentage to a new truck or engine. The San Diego Police Department was unable to quote an emergency response time, since there are many variables to take into account. Other public facilities, such as hospitals are within 1 ½ miles of the site, elementary, junior high, and high schools are approximately ½-1 ½ miles away from the site. There are adequate public utilities (sewer and water). The San Diego School District has indicated the schools which would serve the proposed project have the available capacity to accommodate growth. Again, see the Aero Drive Land Use study for additional details.

**Separation of Uses** – The San Diego County Air Pollution Control District requires permits for all facilities which have the potential to emit toxic substances. Included in this attachment, is a map and list of permits which indicates that there are six active permits for facilities within one-quarter mile of the project boundaries, primarily for emergency engines and generators. An aviation gasoline dispensing facility is located more than 1000 ft. from the subject site within Montgomery Field Airport.

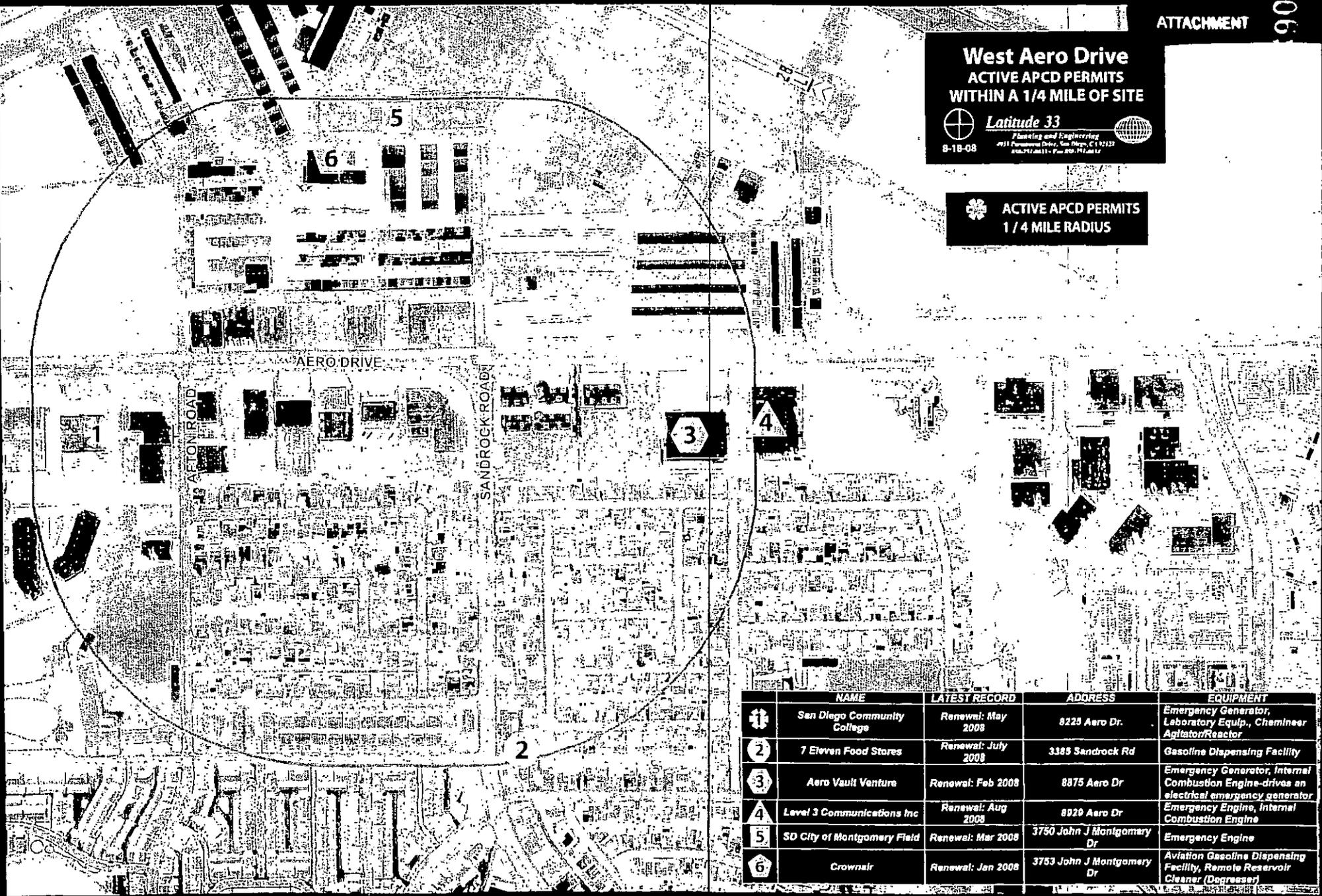
The San Diego County Department of Environmental Health records the hazardous materials that either generate or store hazardous waste on-site. It was found that there are 10 active hazardous permits in proximity to the project site; 5 other/Research & Development, 1 institutional, 4 medical related. There are 14 inactive hazardous permits found within proximity to the project site. Located at 8593 Aero Drive, the San Diego Blood Bank currently leases space on the project site. The site has an active permit for hazardous waste that is either generated, stored, and/or an inventory; but does not release toxins into the ground or air. The County of San Diego Site Assessment Mitigation has record of Moore Printed Circuits, which previously operated at 8575 Aero Drive, where Canyon Pottery Company currently exists. The soil at the site contains copper, lead, and solvents from electroplating activities. The property owner removed most of

the soil; however, contaminated soil under the building foundation was left in place. The Department of Toxic Substances Control is overseeing the site investigation and cleanup. There is no threat to neighboring properties or groundwater from the contamination remaining at the site.

**West Aero Drive**  
**ACTIVE APCD PERMITS**  
**WITHIN A 1/4 MILE OF SITE**

Latitude 33  
 Planning and Engineering  
 4115 Poway Road, San Diego, CA 92122  
 619.797.0611 - F - 619.797.0612

**ACTIVE APCD PERMITS**  
**1/4 MILE RADIUS**



	NAME	LATEST RECORD	ADDRESS	EQUIPMENT
1	San Diego Community College	Renewal: May 2008	8225 Aero Dr.	Emergency Generator, Laboratory Equip., Cheminear Agitator/Reactor
2	7 Eleven Food Stores	Renewal: July 2008	3385 Sandrock Rd	Gasoline Dispensing Facility
3	Aero Vault Venture	Renewal: Feb 2008	8875 Aero Dr	Emergency Generator, Internal Combustion Engine-drives an electrical emergency generator
4	Level 3 Communications Inc	Renewal: Aug 2008	8928 Aero Dr	Emergency Engine, Internal Combustion Engine
5	SD City of Montgomery Field	Renewal: Mar 2008	3750 John J Montgomery Dr	Emergency Engine
6	Crownair	Renewal: Jan 2008	3753 John J Montgomery Dr	Aviation Gasoline Dispensing Facility, Remote Reservoir Cleaner (Degreaser)

APCD permits within ¼ mile of site

000634

**Active**

Name	Latest Record	Address	Equipment
San Diego Community College	Renewal: May 2008	8225 Aero Dr.	Emergency Generator, Laboratory Equip., Chemineer Agitator/Reactor
7 Eleven Food Stores	Renewal: July 2008	3385 Sandrock Rd	Gasoline Dispensing Facility
Aero Vault Venture	Renewal: Feb 2008	8875 Aero Dr	Emergency Generator, Internal Combustion Engine-drives an electrical emergency generator
Level 3 Communications Inc	Renewal: Aug 2008	8929 Aero Dr	Emergency Engine, Internal Combustion Engine
SD City of Montgomery Field	Renewal: Mar 2008	3750 John J Montgomery Dr	Emergency Engine
Crownair	Renewal: Jan 2008	3753 John J Montgomery Dr	Aviation Gasoline Dispensing Facility, Remote Reservoir Cleaner (Degreaser)

**Inactive**

Moore Printed Circuits	1999	8575 Aero Dr	Numerous Violations: altering equip. & using new equip. to machine fiberglass; failure to store all fiberglass particulate; failure to calibrate the PH probe at least monthly; failure to maintain daily usage records of flux and solder; Complaints re: odor
COD Gas & Oil Co	1996	8525 Gibbs Dr	Notice of Violation: overhead retractor line cut
Unifiber Corp	1998	8929 Aero Dr	Coating application station; urethane foam MFG
Asset Mgmt Group	2003	8929 Aero Dr	Internal Combustion Engine
Ektelon	1992	8929 Aero Dr	Complaint re: odor
Gibbs Flying Service Inc	1991	3750 John J Montgomery Dr	Gasoline Service Site
Advance Form & Coatings	2003	3630 Afton Rd	Complaint re: DST
Southland Corp	2002	3385 Sandrock Rd	Notice of Violation: operating Phase II V/R equip; fueling points failed the liquid removal requirements
Watkins Contracting	1996	8690 Aero Dr	Notice of Violation: not providing control officer written notice
Kebert Printing	1989	8690 Aero Dr	Record unknown

ATTACHMENT 12

PROPOSED PROJECT



SURROUNDING AREA HEIGHT EXHIBIT

**PALLADIUM AT AERO**

SAN DIEGO, CALIFORNIA

**ARCHITECTS ORANGE**

144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92668 (714) 639-8000

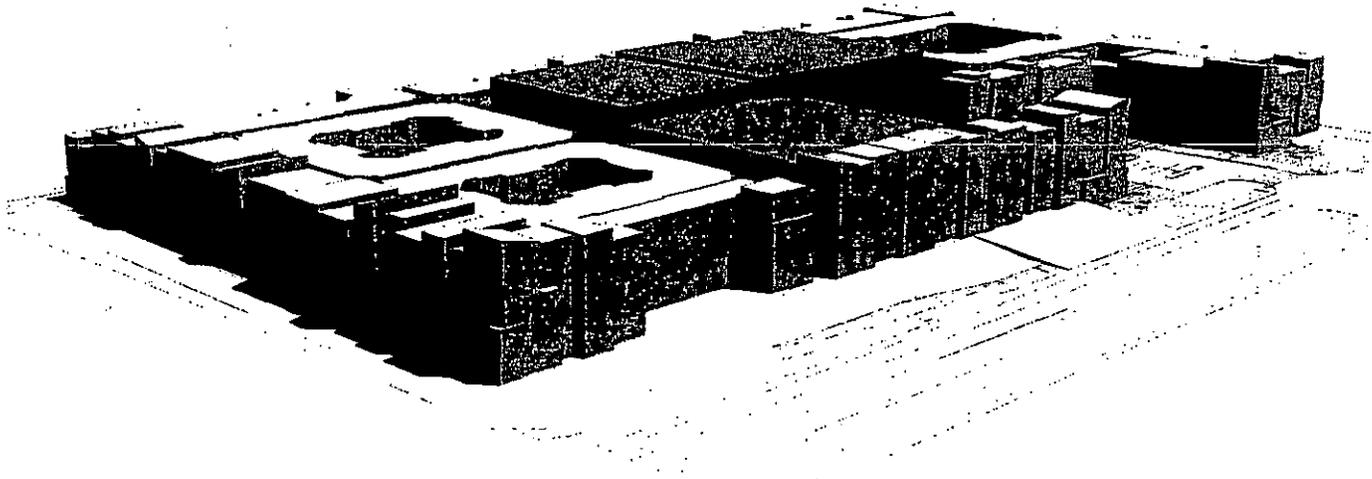
WESTCORE / WERMERS PROPERTIES

07-122 January 21, 2008



PREPARED BY	REVISION 10
DATE	REVISION 9
ARCHITECTS ORANGE	REVISION 8
ADDRESS 144 N ORANGE STREET	REVISION 7
ORANGE, CA 92668	REVISION 6
PHONE # (714) 639-8000	REVISION 5
PROJECT ADDRESS	REVISION 4
650 AERO DRIVE	REVISION 3
SAN DIEGO, CA 92101	REVISION 2
PROJECT NAME	REVISION 1
PALLADIUM AT AERO	DATE
SHEET No. 1 TITLE	SHEET OF

000637



**MASSING STUDIES**      *Option 1*

**PALLADIUM AT AERO**  
**ARCHITECTS ORANGE**  
141 N. ... ORANGE ST., ORANGE, CALIFORNIA 92668 (714) 839-8800

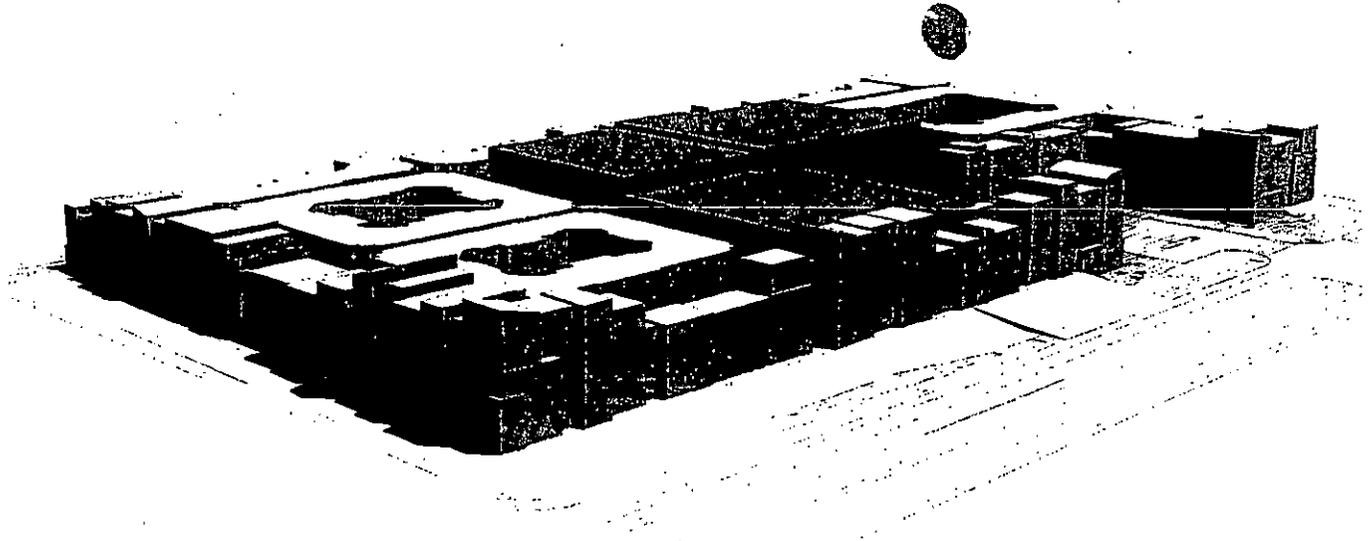
**SAN DIEGO, CALIFORNIA**

**WESTCORE / WERMERS PROPERTIES**



PREPARED BY:	ARCHITECTS ORANGE	REVISION 10	
NAME:	ARCHITECTS ORANGE	REVISION 9	
ADDRESS:	141 N. ORANGE STREET ORANGE, CA 92668 (714) 839-8800	REVISION 7	
PROJECT ADDRESS:	WEST AEROS DRIVE SAN DIEGO, CA 92126	REVISION 6	
PROJECT NAME:	PALLADIUM AT AERO	REVISION 5	
SHEET NO. / TOTAL		REVISION 4	
		REVISION 3	
		REVISION 2	
		REVISION 1	
		ORIGINAL DATE	01/20/10
		SHEET	01
		DATE	01/20/10

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**MASSING STUDIES**      *Option 2*

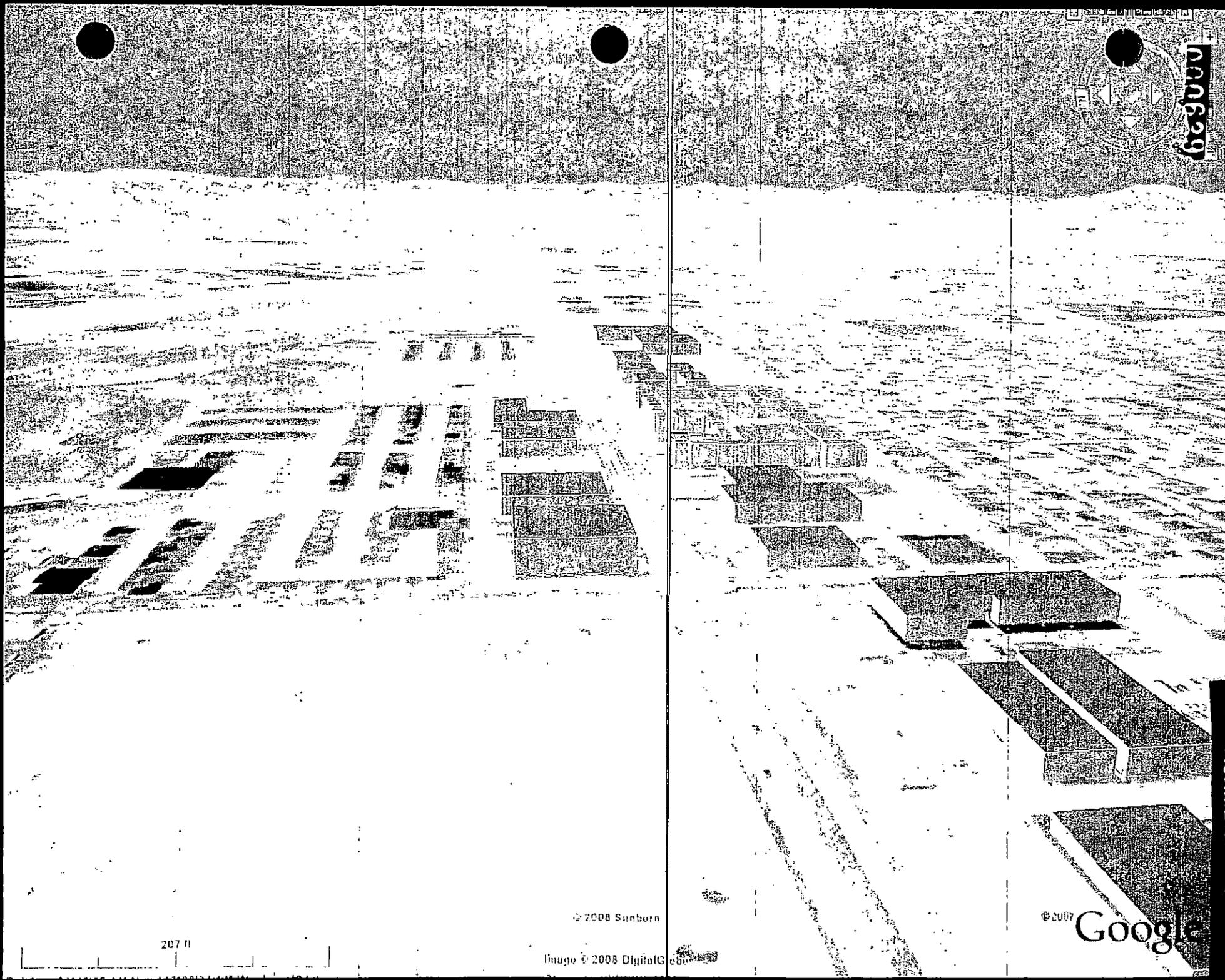
**PALLADIUM AT AERO**  
**ARCHITECTS ORANGE**  
144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92668 (714) 639-8888

**SAN DIEGO, CALIFORNIA**

**WESTCORE / WERMERS PROPERTIES**



PREPARED BY:	ARCHITECTS ORANGE	REVISION 10
NAME:	ARCHITECTS ORANGE	REVISION 9
ADDRESS:	144 N. ORANGE STREET ORANGE, CA 92668	REVISION 7
PHONE #:	(714) 639-8888	REVISION 6
PROJECT ADDRESS:	1600 AERO DRIVE SAN DIEGO, CA 92161	REVISION 5
PROJECT NAME:	PALLADIUM AT AERO	REVISION 4
SHEET No. TOTAL:	01 OF 01	REVISION 3
		REVISION 2
		REVISION 1
		ORIGIN. DATE: 01.21



Satellite

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ATTACHMENT 14

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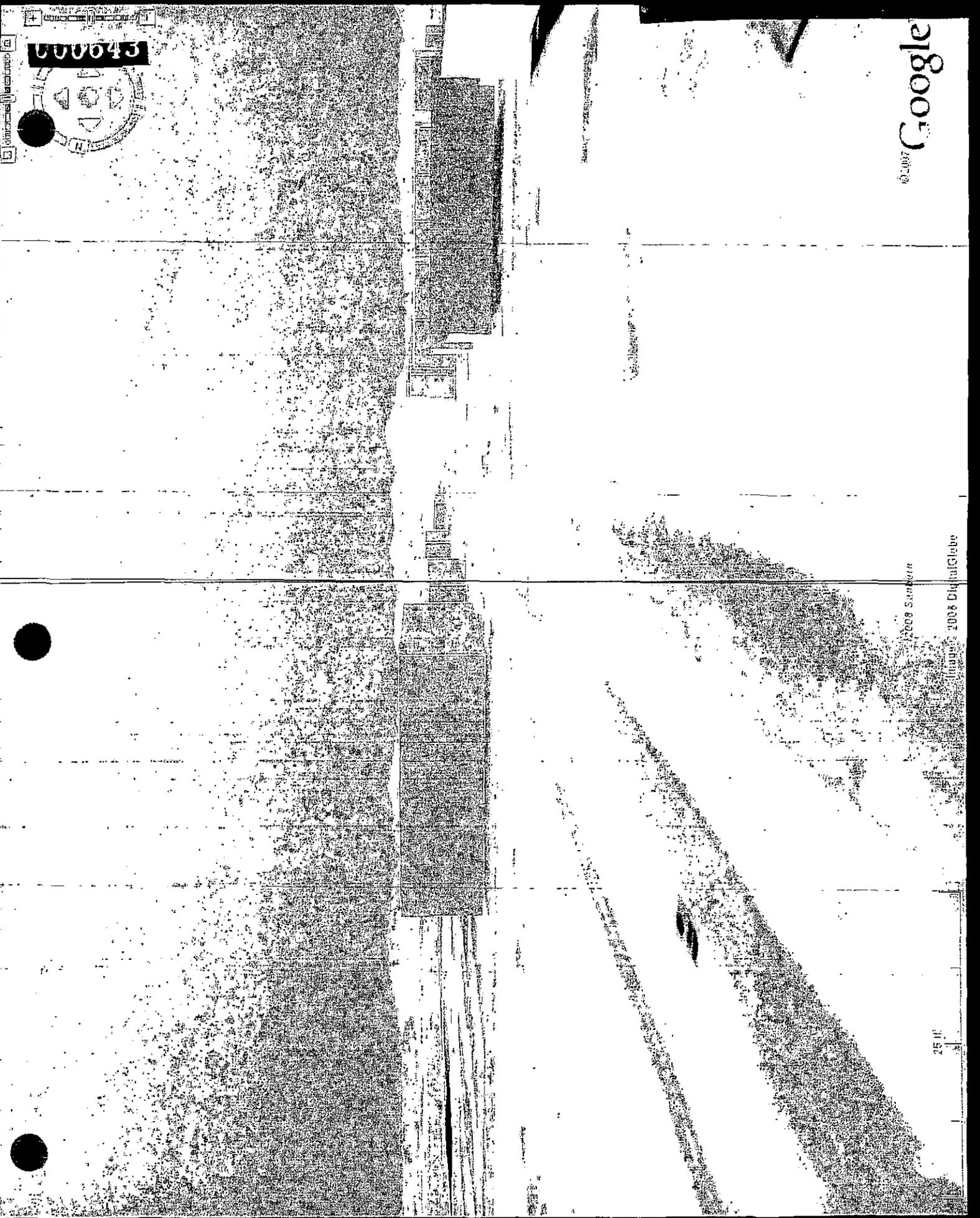
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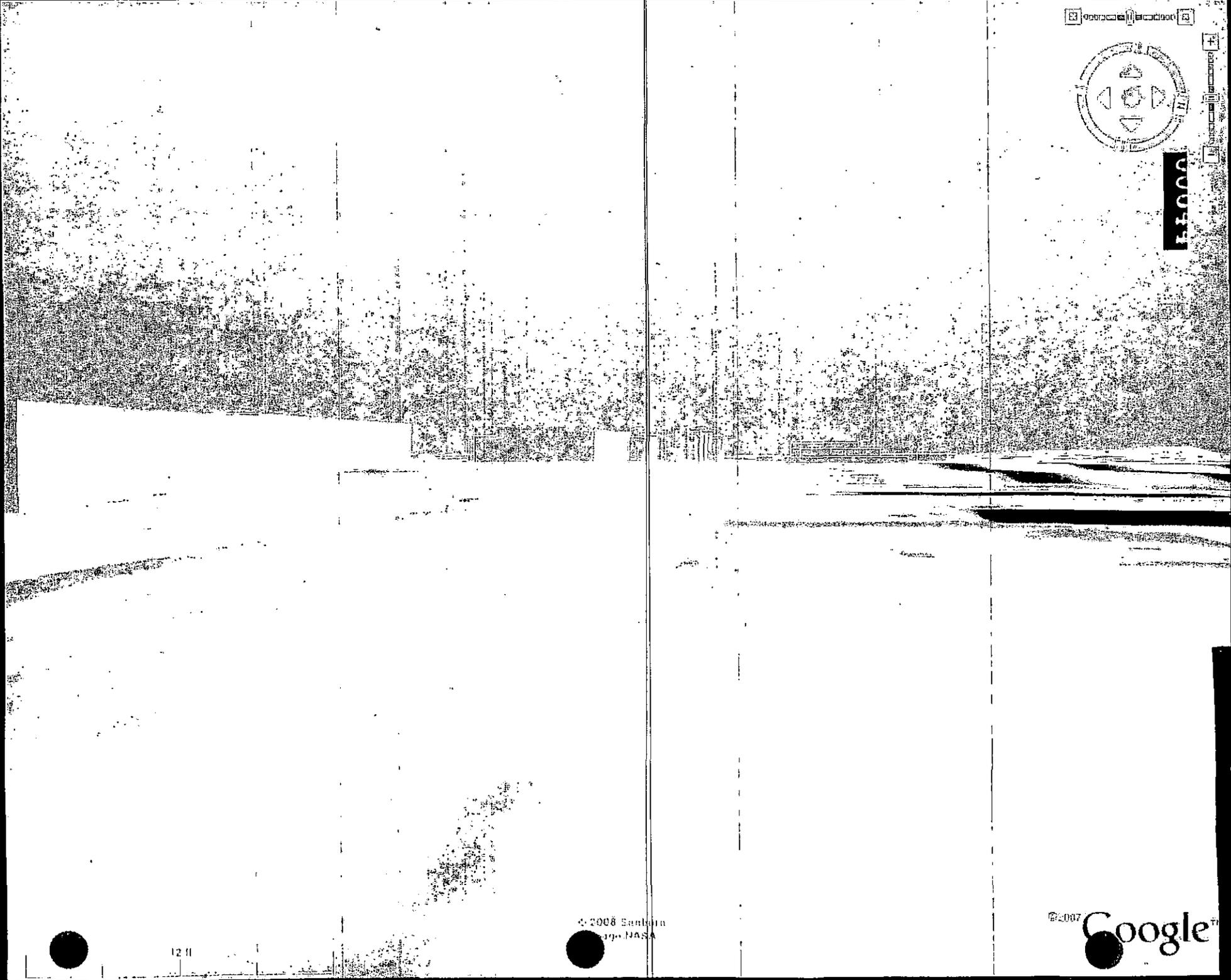
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Images 2008 DigitalGlobe

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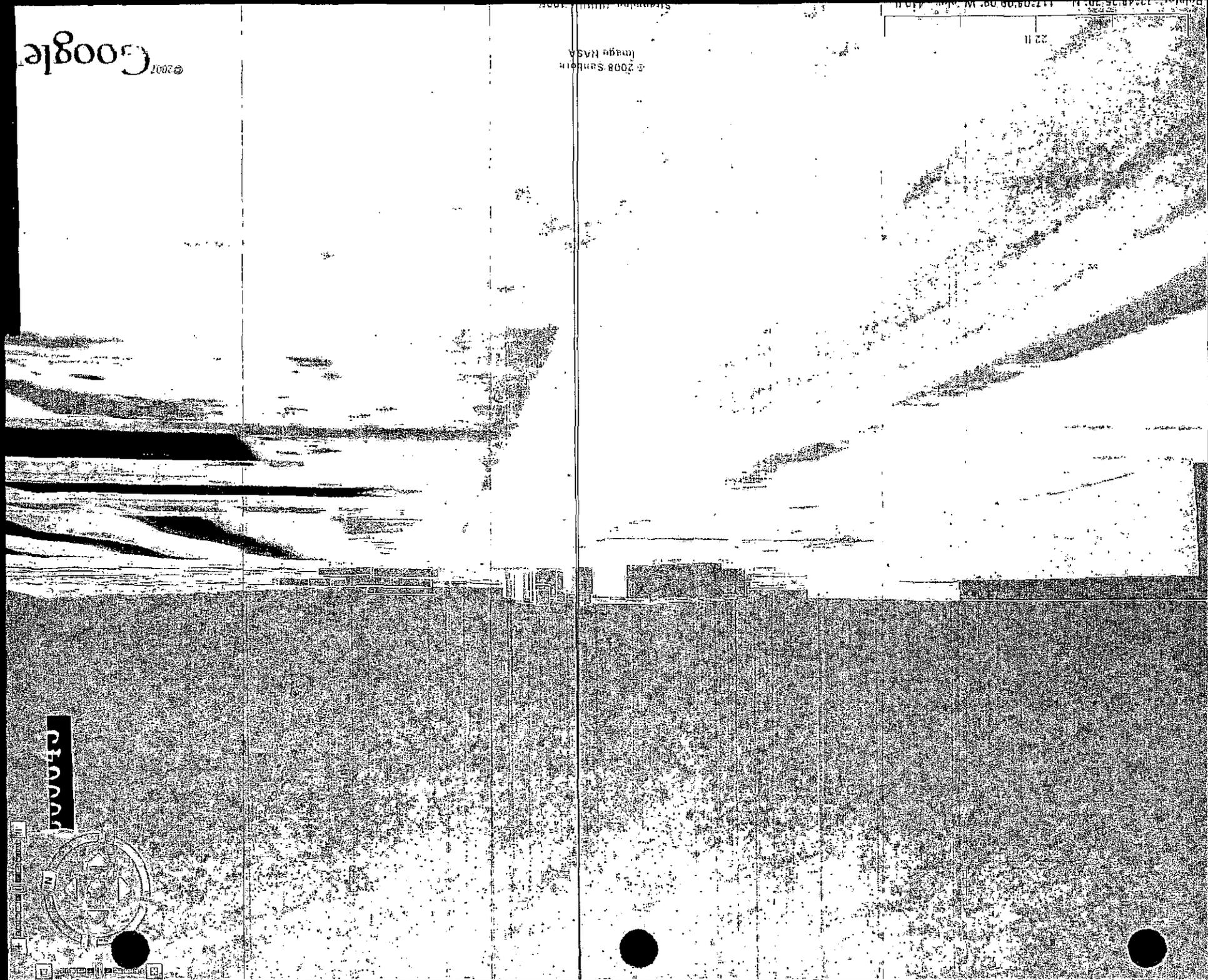
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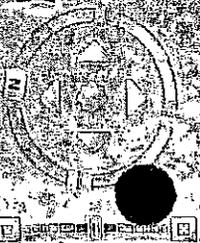
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Image NASA

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PHOTO



### Planning Commission Initiation Issues

The General/Community Plan Amendment was initiated by the Planning Commission on April 20, 2006. At the meeting, several issues were identified for future analysis. Planning Commission issues and staff responses are outlined below.

*1. Issue: The impact of the proposed changes to Montgomery Field Airport Land Use Compatibility Plan on a land use change for the site.*

The project site is located outside of the adopted Airport Influence Area (AIA) of Montgomery Field. Therefore, Airport Land Use Commission (ALUC) has confirmed that a consistency determination with the ALUCP is not required. A new ALUCP for Montgomery Field is in process and could be adopted by the ALUC at the end of this year or early next year. Since the permit application for the proposed project was deemed complete by the City prior to adoption of the new ALUCP, the project would not be subject to the new plan. However, based on the current draft ALUCP maps and compatibility criteria, the project would be considered compatible for aircraft noise and safety. The project was also submitted to the Federal Aviation Administration (FAA) for their review. The FAA concluded the proposed structure would not exceed obstruction standards and would not be a hazard to air navigation. A No Hazard to Air Navigation Determination was issued by the FAA on November 15, 2007.

*2. Issue: The impact of the proposed development on surrounding industrial users.*

According to the City of San Diego General Plan, Economic Prosperity Element, Figure EP-1: Kearny Mesa, the subject property is designated as "Other Industrial Land," not Prime Industrial Land. Since the proposed project is not in close proximity to Prime Industrial lands, there should be no impact to the most significant industrial users in the area. The majority of land uses along Aero Drive are non-industrial, commercial, retail establishments, or institutional facilities. The site and the properties abutting Aero Drive between Kearny Villa and Ruffin Road, except the library site, are designated for industrial/warehouse/office land uses; however, the site abuts residential along the southern boundary of the property. As identified in the West Aero Drive Land Use Study, the majority of the businesses are not traditional industrial uses and some existing industrial buildings have converted to other uses. This issue is fully analyzed in the Collocation/Conversion Suitability Factors provided in Attachment ?.

*3. Issue: The potential for including other properties with the West Aero Drive Study area for redesignation without adding an unnecessary burden to the applicant.*

The applicant agreed to update the West Aero Drive Land Use Study (Attachment ?) as part of their project processing. The Study provides a thorough analysis of area conditions and trends which can be utilized as a basis for future community plan amendments and discretionary projects in the area. The study concludes that many properties will redevelop in the short term due to existing conjoined ownership patterns, parcel patterns, and obsolete buildings being utilized for other than their intended purpose. The vision section of the study recommends potential future land uses and concludes that institutional uses are most likely to locate in the western area and additional multifamily uses may locate to the eastern portion of Aero Drive west of the

library. In the center of the study area, a transition area of mixed uses consisting of multi-family residential, office, and some retail is recommended. Actual redesignations of land uses could occur incrementally as these properties redevelop.

*4. Issue: An analysis of the appropriate residential density and land use designation for the subject property:*

See response to #5.

*5. Issue: Staff should further define what type of mixed uses will be proposed for the site as well as for the overall area.*

The project proposes a primarily residential development with 412 dwelling units. In addition, 5,190 square-feet of ancillary retail space would be incorporated into the project. The retail space could accommodate small retail establishments such as a coffee shop with outside seating, sundry store, restaurant, or community service providers. Small commercial retail uses not currently permitted by the RM-3-9 zone would be permitted as part of the approved plans. The commercial space would primarily serve the residents within the proposed project, but could also serve office tenants in the immediate area.

Because the original plan amendment initiation request was for a mixed-use project and the current proposal represents a residential project (with ancillary commercial uses), city staff requested that the applicant provide a market analysis for various mixed-use, commercial/office, and residential development scenarios (See Attachment ?). The overall conclusions of the *Palladium Project Market Feasibility Study* (Attachment ?) state that the site is not suitable for retail commercial development due to lack of access to the site, weak economic and demographic conditions, poor regional access, and that the development of office or retail yields land values that are not financially feasible for the site due to expected market rents. The study further concluded that the applicant's proposal is the only feasible redevelopment scenario for the site because scenarios with greater retail will require a retail anchor thereby reducing the amount of residential development for the site.

Economic Development staff provided comments on the study (Attachment ?) stating that weak economic conditions and the existence of a truncated market area could impede the development of a grocery-anchored retail project. However, there is market support for some mix of retail establishments in addition to the residential units which could include convenience retailers, fast food, other restaurants, and service sector establishments. The mix of retail uses could capture the existing sales leakage in the area.

As a residential proposal, the project maximizes unit yield via the request for a high-density residential designation (45-74 du/ac). Because there are single-family residential uses adjacent to the site, a medium density (30-44 du/ac) would have posed fewer compatibility issues than the current request. As previously stated, these issues were addressed through a variety of design solutions. However, the applicant states that a lower density project is not financially feasible and although the financial feasibility of various development scenarios is addressed in the study, the feasibility of any specific

project at any given time is subject to a myriad of factors including project phasing and changing market conditions.

Potential development scenarios for the entire area are provided in the West Aero Drive Land Uses Study as stated in issue #3 above.

*6. Issue: Incorporation of an affordable housing component one-site, in order to satisfy the City's Inclusionary Housing Ordinance.*

The project would conform to the Inclusionary Housing Ordinance and Council Policy 600-27 criteria for the Affordable/In-Fill Housing Expedite Program by providing 10% or 42 units of affordable housing on-site. The proposed rental units would be restricted through an agreement with the Housing Commission. The remaining 370 market rate units as well as the 42 restricted units would be providing much needed work force housing in the Kearny Mesa area.

*7. Issue: Incorporation of a variety of residential unit types within the project.*

The project proposes 412 stacked-flat distributed between several unit types. The unit types range in size from 670 to 1,350 square feet. There would be 211 one bedroom units (5 types) 189 two bedroom units (six types) and 12 loft units (4 types). Many units would have balconies and those on the ground floor of the south side would have patios that open to courtyards.

*8. Issue: Creation of a new neighborhood to ensure integrated site design, building orientation and architecture which will be compatible with surrounding development and will encourage pedestrian activity and transit usage:*

The area surrounding the project site includes a variety of land uses and architectural types. The project design includes three architectural types which are intended to integrate with the surrounding community and add interest and diversity to the site. The project's building placement along Aero Drive is consistent with other buildings along Aero Drive. With single-family homes adjacent to the southern boundary of the project site, an additional setback would be provided along that boundary. In addition, the architecture adjacent to the southern property line would include 2, 3 and 4 story elements to reduce the scale of the building. The 2 and 3 story elements of the building would observe a minimum fifty-foot setback, and the units would be oriented east-west to strengthen the privacy of the neighbors. The 4 story element of the building would vary from a minimum setback of seventy-five feet and would orient east-west. Building facades have been designed to provide vertical and horizontal relief using color, materials and architectural styles in order to reduce the apparent scale of the building.

The Urban Design, Streetscape and Streetyard Guidelines for Aero Drive proposed as part of the Community Plan Amendment (Attachment ?) provide for more pedestrian-scale design and amenities along the six-lane major roadway. The enhancement of the corridor includes facilities and amenities in the public right-of-way which include canopy and accent street trees, pedestrian-scaled lighting and additional pedestrian-scaled landscaping both within the public right-of-way and transitioning to project streetyard and entries. A gateway pedestrian plaza is recommended on the corner of Aero Drive and

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Kearny Villa Road. Finally, minimum ten-foot-wide sidewalks are recommended along Aero Drive to accentuate the pedestrian connections between the properties. Two rows of street trees, one row in tree grates partially extended into the sidewalk, would enhance the pedestrian experience.

The project itself, as currently designed, only provides pedestrian connections through the site for the project residents due to security issues. The project includes ten-foot wide non-contiguous sidewalks with a five-foot landscaped parkway with landscaping along Sandrock Road and Aero Drive to promote pedestrian activity. The project also includes several connections from the building to the street as well as dwelling units facing the street. On the southern side of the property, neighbors to the south have indicated a desire to limit activity to protect their privacy. Therefore, pedestrian access would be limited to residents and focused on passive courtyards. The site is in close proximity to two bus stops and Aero Drive is designated as a Class 2 Bikeway and as such, a five-foot-wide bike path is provided on Aero Drive.

*9. Issue: Vehicular, pedestrian and bicycle access into and within the subject property, in particular, maximizing walkability and establishing pedestrian linkages to and from the site to surrounding development:*

See response to #8.

*10. Issue: Pedestrian connections on-site and within the community to reduce the overall need for auto dependence:*

See response to #8.

*11. Issue: Analyze the potential for improved pedestrian connections on the site as well as through the West Aero Drive Study area.*

See response to #8.

*12. Issue: Traffic impacts resulting from the proposed development along with any associated improvements.*

A "Traffic Impact Analysis for The Palladium at Aero" (July 9, 2008) was prepared for the project by Urban Systems Associates, Inc. The report indicated that the street segments and intersections within the project study area with and without the project, including segments of Aero Drive and Sandrock Road, currently and in the near term (2030) will operate at acceptable levels of service. As part of the project, a signalized main driveway approximately 600 feet west of Sandrock Road would be constructed, the eastbound left turn lane on Aero Drive at the Sandrock Road intersection would be lengthened, the Aero Drive/Sandrock Road intersection would be modified to remove the eastbound free right turn island and provide a separate right turn only lane of approximately 550 feet in length, and a street reservation or right of way dedication would be provided to accommodate a third eastbound lane along the Aero Drive project frontage.

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*13. Issue: Availability of public services and facilities to support increases in residential intensity. This would include an analysis of adequate school, park, and library facilities, as well as fire and police services to serve the proposed land use changes.*

Public facilities and services are available to serve the project. A full discussion regarding the availability of public services and facilities is provided in the West Aero Drive Land Use Study pages 2 through 6 (Attachment X). As of April 29, 2008 the potential student generation from the project is expected to be between 19 and 35 (K-12) students. Project students would attend Angier and Wegeforth Elementary Schools located ½ mile from the project site, William Taft Middle School one mile from the site and Kearny High School 1.5 miles from the project site. The San Diego Unified School District has indicated that payment of school fees pursuant to SB 50 will be required and adequate school facilities will be available to serve the students generated by this project.

The project site is located in close proximity to existing neighborhood parks in the Serra Mesa Community. Prior to issuance of any building permits, the applicant would make a contribution of \$4,503,050 in lieu of the park portion of the Kearny Mesa Development Impact Fee to satisfy the project's 2.03 acre population-based park requirement.

The Serra Mesa-Kearny Mesa Branch Library is located just east of the project site at 9005 Aero Drive. It has served residents from both communities since it opened in December 2006. In addition, the applicant will be required to contribute \$137 per dwelling unit and \$137 per every 1,000 square feet of non-residential development as their fair share contribution toward Fire services in the Kearny Mesa community. The nearest police station is just east of the project site at 9225 Aero Drive. Response times are indicated in the environmental document and the project would be adequately served by public services and facilities.

*14. Issue: Evaluation of site constraints related to hazardous materials.*

There are no site constraints related to hazardous materials. The Mitigated Negative Declaration provides detailed information regarding the clean-up of potential hazardous materials adjacent to this site. In addition, an adequate distance separation of 1,000 feet is provided between the presence of an aviation gasoline dispensing facility on Montgomery Field and future residents of the project. Please refer to the West Aero Drive Land Use Study (Attachment 9), and the Collocation/Conversion Suitability Factors, Separation of Uses (Attachment 11) for further information.

000653

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**From:** Buzz Gibbs [mailto:kearnymesaplanninggroup@yahoo.com]  
**Sent:** Friday, September 19, 2008 2:51 PM  
**To:** Fisher, John  
**Subject:** RE: Palladium at Aero, PTS#148904

The vote was 7-1-1 in favor of the project. I will send you a letter with comments in a few days. Buzz

--- On Fri, 9/19/08, Fisher, John <JSFisher@sandiego.gov> wrote:

From: Fisher, John <JSFisher@sandiego.gov>  
Subject: RE: Palladium at Aero, PTS#148904  
To: "Buzz Gibbs" <kearnymesaplanninggroup@yahoo.com>  
Date: Friday, September 19, 2008, 1:24 PM

Buzz,

I was informed the Kearny Mesa Planning Group voted on the project at your recent meeting on Wednesday Sept. 17<sup>th</sup>. Did the group in fact take action to take a vote? If so, what was the vote? Was it to recommend approval or denial?

When might I be able to get the minutes for the meeting?

Thank you,

jF

John S. Fisher, RLA

Development Project Manager

Development Services Department

City of San Diego

(619) 446-5231

[jsfisher@sandiego.gov](mailto:jsfisher@sandiego.gov)

Correspondents should assume that all communication to or from this address is recorded and may be reviewed by third parties.

---

000655

# Serra Mesa Planning Group

A Recognized San Diego City Planning Group - Serving the Citizens of Serra Mesa

Post Office Box 23315 San Diego, CA 92123

September 29, 2008

Mr. John Fisher  
Project Management Division  
City of San Diego  
Development Services Department  
1222 First Ave, MS 302  
San Diego, CA 92101

RE: Project No 148904, Palladium At Aero

Dear Mr. Fisher:

On September 18, 2008, the Serra Mesa Planning Group vote 10-1-0 against the project noted above as presently proposed. The reasons for this are:

1. Bulk and scale out of proportion to surrounding residential area. It's simply too big, the corner most visible from the major intersection of Sandrock and Aero requiring an exception to the already lofty height limit of 60 feet.
2. Grossly inadequate parking provided. Despite exceeding City requirements by a small amount, and considering the mix of one and two-bedroom units at 50-50, it's felt through experience 725 spaces for the 412 units is not nearly enough, and will cause tenants to park on city streets.
3. The project setback from Aero Drive is just 30 feet, 35% less than what the code calls for, 46.5 feet.

Should you have any questions, please call me at (858) 361-8462.

Thank you for your consideration.

Sincerely,



Doug Wescott  
Chair

cc: Kristen Byrne, Vice President, MNA Consulting



San Diego, CA 92101  
(619) 446-5210

Committee  
Distribution Form Part 2

000656

Project Name: PALLADIUM AT AERO	Project Number 148904	Distribution Date 7/10/08
------------------------------------	--------------------------	------------------------------

Project Scope : Kearny Mesa JO#43-0248. \*\* AFFORDABLE HOUSING EXPEDITE \*\* (PROCESS 5) Community Plan Amendment, Site Development Permit, Vesting Tentative Map, Rezone from IP-2-1 to RM-4-10 & Public Right of Way Vacation to vacate a portion of the s/w corner of Aero/Sandrock to construct 420 residential units and 5,100 sq ft commercial space on a 7.69 acre site at 8655 Aero Drive within the Kearny Mesa Community Plan. FAA Part 77. Council District 6. Notice Cards=3.

Project Location  
8655 Aero Drive

Applicant Name: Brian Hanson	Applicant Phone No. (858) 751-0633
---------------------------------	---------------------------------------

Related Projects

Project Manager John Fisher	Phone Number (619) 446-5231	Fax Number (619) 446-5245	E-mail Address JSFisher@sandiego.gov
--------------------------------	--------------------------------	------------------------------	---

Community Plan SERRA MESA	Council District
------------------------------	------------------

Existing Zone	Proposed Zone	Building Height 63'	Number of Stories 6	FAR
---------------	---------------	---------------------	---------------------	-----

Committee Recommendations (To be completed for Initial Review):

<input type="checkbox"/> Vote to Approve	Members Yes	Members No	Members Abstain
<input type="checkbox"/> Vote to Approve With Conditions Listed Below	Members Yes	Members No	Members Abstain
<input type="checkbox"/> Vote to Approve With Non-Binding Recommendations Listed Below	Members Yes	Members No	Members Abstain
<input checked="" type="checkbox"/> Vote to Deny	Members Yes 10	Members No 1	Members Abstain 0

Agenda Date: September 18, 2008	<input type="checkbox"/> No Action (Please specify, e.g., Need further information, Split vote, Lack of quorum, etc.)	<input type="checkbox"/> Continued
------------------------------------	---	------------------------------------

CONDITIONS: see attached page

NAME Doug Wescott	TITLE Chair, Serra Mesa Planning Group
SIGNATURE Doug Wescott	DATE Sept. 29, 2008

Attach Additional Pages If Necessary. Please Return Within 30 Days of Distribution of Project Plans To:  
Project Management Division  
City Of San Diego  
Development Services Department  
1222 First Avenue, MS 302  
San Diego, CA 92101

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CITY COUNCIL RESOLUTION NO. – RESO NO.  
VESTING TENTATIVE MAP NO. 524641 and PUBLIC RIGHT-OF-WAY  
VACATION NO. 524640

**PALADIUM AT AERO - PROJECT NO. 148904**

**DRAFT**

WHEREAS, WESTCORE SANDROCK, LLC, Subdivider/Subdivider, and C. John Eardensohn, Engineer, submitted an application with the City of San Diego for a Vesting Tentative Map, No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-way Vacation No. 524640, for a subdivision to create one lot for the development and construction 412 residential dwelling units and approximately 5,190 square feet of retail commercial space. The project site is located at 8655 Aero Drive legally described as Lots 3, 4 and 5 of Research Park Subdivision Addition, according to Map thereof No. 6386, filed June 12, 1969 within the in the RM-3-9 Zone (formerly IP-2-1 Zone) of the Kearny Mesa Community Plan; and

WHEREAS, This subdivision is a condominium project as defined in Section 1350 et seq. of the Civil Code of the State of California and are filed pursuant to the Subdivision Map Act. Lot 1 has 412 residential units and 4 commercial units; and

WHEREAS, A Mitigated Negative Declaration, LDR No. 148904, has been prepared for the project in accordance with State of California Environmental Quality Act Guidelines. A Mitigation, Monitoring and Reporting Program has been prepared and will be implemented, which will reduce to a level of insignificance, any potential impacts identified by the environmental review process; and

WHEREAS, the project complies with the requirements of a preliminary soils and/or geological reconnaissance report pursuant to the Subdivision Map Act and Section 144.0220 of the Municipal Code of the City of San Diego; and

WHEREAS, the subdivision is a condominium project as defined in Section 1350 et seq. of the Civil Code of the State of California and filed pursuant to the Subdivision Map Act. The total number of condominium dwelling units is 412; and

WHEREAS, on DATE, the Planning Commission of the City of San Diego considered Vesting Tentative Map No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-Way Vacation No 524640, and pursuant to Resolution No. PLANNING COMM. RESOLUTION NUMBER-PC voted to INSERT EITHER "recommend City Council approval of the map" OR "approved/denied the map"; and

WHEREAS, on HEARING DATE, the Council of the City of San Diego considered Vesting Tentative Map, No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-way Vacation No. 524640 and pursuant to 125.0440 and 125.0430 of the Municipal Code of the City of San Diego

TM No. 524641

INSERT APPROVAL DATE

and Subdivision Map Act Section 66428, received for its consideration written and oral presentations, evidence having been submitted, and heard testimony from all interested parties at the public hearing, and the Council of the City of San Diego 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 Vesting Tentative Map, No. 524641, including the waiver of the requirement to underground existing overhead utilities and Public Right-of-way Vacation No. 524640:

1. The proposed subdivision and its design or improvement are consistent with the policies, goals, and objectives of the applicable land use plan (Land Development Code Section 125.0440.a and State Map Action Sections 66473.5, 66474(a), and 66474(b)).
2. The proposed subdivision complies with the applicable zoning and development regulations of the Land Development Code (Land Development Code Section 125.0440.b).
3. The site is physically suitable for the type and density of development (Land Development Code Section 125.0440.c and State Map Act Sections 66474(c) and 66474(d)).
4. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidable injure fish or wildlife or their habitat (Land Development Code Section 125.0440.d and State Map Act Section 66474(e)).
5. The design of the subdivision or the type of improvements will not be detrimental to the public health, safety, and welfare (Land Development Code Section 125.0440.e and State Map Act Section 66474(f)).
6. The design of the subdivision or the type of improvements will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision (Land Development Code Section 125.0440.f and State Map Act Section 66474(g)).
7. The design of the proposed subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities (Land Development Code Section 125.0440.g and State Map Act Section 66473.1).
8. The decision maker has considered the effects of the proposed subdivision on the housing needs of the region and that those needs are balanced against the needs

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for public services and the available fiscal and environmental resources (Land Development Code Section 125.0440.h and State Map Act Section 66412.3).

9. The property contains a right-of-way which must be vacated to implement the Final Map in accordance with San Diego Municipal Code 125.0430.
10. The requested underground waiver of the existing overhead facilities, qualifies under the guidelines of Council Policy No. 600-25 *Underground Conversion of Utility Lines at Developers Expense* in that the conversion to underground would involve either a substantial investment in temporary facilities: cable; poles; temporary re-circuiting; et cetera, or a significant amount of work considered off-site to the development which is financing the conversion.
11. That said Findings are supported by the minutes, maps, and exhibits, all of which are herein incorporated by reference.

BE IT FURTHER RESOLVED that, based on the Findings hereinbefore adopted by the Council of the City of San Diego, Vesting Tentative Map, No. 524641 and Public Right-of-way Vacation No. 524640, is hereby granted to WESTCORE SANDROCK, LLC, Subdivider.

BE IT FURTHER RESOLVED, that pursuant to California Government Code section 66434(g), portions of Aero Drive and Sandrock Road, located within the project boundaries as shown in Vesting Tentative Map No. 524641, shall be vacated, contingent upon the recordation of the approved final map for the project.

BE IT FURTHER RESOLVED, that the recommendation of the Planning Commission is sustained/overruled, and Vesting Tentative Map No. 524641 and Public Right-of-way Vacation No. 524640 is granted to WESTCORE SANDROCK, LLC, subject to the conditions attached hereto and made a part hereof.

#### GENERAL

1. This Tentative Map will expire [INSERT DATE - 3 YEARS FROM DECISION DATE].
2. Prior to the Tentative Map expiration date, a Final Map to consolidate the existing lots into one lot shall be recorded in the Office of the County Recorder.
3. Prior to the issuance of the Final Map taxes must be paid on this property pursuant to section 66492 of the Subdivision Map Act. A tax certificate, recorded in the office of the County Recorder, must be provided to satisfy this condition

000660

4. The Final Map shall conform to the provisions of Site Development Permit No. 524637.
5. The Subdivider 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, including, but not limited to, any 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 Subdivider of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Subdivider 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, Subdivider 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 Subdivider 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 Subdivider shall not be required to pay or perform any settlement unless such settlement is approved by Subdivider.

#### **AFFORDABLE HOUSING**

6. Prior to recording a Final Map, the Subdivider shall enter into an affordable housing agreement with the Housing Commission to provide affordable housing units in compliance with the Affordable Housing Requirements of the City's Inclusionary Housing Ordinance (Chapter 14, Article 2, Division 13 of the Land Development Code).

#### **ENGINEERING**

7. Compliance with all conditions shall be assured, to the satisfaction of the City Engineer, prior to recording the Final Map.
8. Pursuant to City Council Policy 600-20, the Subdivider shall provide evidence to ensure that an affirmative marketing program is established.
9. The Subdivider shall underground any new service run to any new or proposed structures within the subdivision.
10. The Final Map shall comply with the provisions of Site Development Permit No. 524637.

000661

11. Conformance with the "General Conditions for Tentative Subdivision Maps," filed in the Office of the City Clerk under Document No. 767688 on May 7, 1980, is required. Only those exceptions to the General Conditions which are shown on the tentative map and covered in these special conditions will be authorized.

All public improvements and incidental facilities shall be designed in accordance with criteria established in the Street Design Manual, filed with the City Clerk as Document No. RR-297376.

## MAPPING

12. "Basis of Bearings" means the source of uniform orientation of all measured bearings shown on the map. Unless otherwise approved, this source will be the California Coordinate System, Zone 6, North American Datum of 1983 (NAD 83).
13. "California Coordinate System" means the coordinate system as defined in Section 8801 through 8819 of the California Public Resources Code. The specified zone for San Diego County is "Zone 6," and the official datum is the "North American Datum of 1983."
14. The Final Map shall:
  - a. Use the California Coordinate System for its "Basis of Bearing" and express all measured and calculated bearing values in terms of said system. The angle of grid divergence from a true median (theta or mapping angle) and the north point of said map shall appear on each sheet thereof. Establishment of said Basis of Bearings may be by use of existing Horizontal Control stations or astronomic observations.
  - b. Show two measured ties from the boundary of the map to existing Horizontal Control stations having California Coordinate values of Third Order accuracy or better. These tie lines to the existing control shall be shown in relation to the California Coordinate System (i.e., grid bearings and grid distances). All other distances shown on the map are to be shown as ground distances. A combined factor for conversion of grid-to-ground distances shall be shown on the map.

## SEWER

15. The Subdivider shall grant adequate sewer, and/or access easements, including vehicular access to each manhole, for all public sewer facilities that are not located within public rights-of-way, satisfactory to the Metropolitan Wastewater Department Director. Minimum easement width for sewer mains with manholes is 20 feet. The easements shall be located within single lots.

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16. The Subdivider shall install all sewer facilities required by the accepted sewer study, necessary to serve this development. Sewer facilities as shown on the approved tentative map will require modification based on the accepted sewer study.
17. The Subdivider shall design and construct all proposed public sewer facilities to the most current edition of the City of San Diego's sewer design guide. Proposed facilities that do not meet the current standards shall be private or re- designed.
18. Sewer lateral connections shall be made in accordance with Table 2-6 Of the City of San Diego sewer design guide.
19. The Subdivider shall comply with all the comments required by the accepted sewer study.

#### **WATER**

20. The Subdivider shall install fire hydrants, if required, at locations satisfactory to the Fire/Rescue Department, the Director of Public Utilities and the City Engineer.
21. If the Subdivider makes any request for new water facilities (including services or fire hydrants), then the Subdivider shall design and construct such 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.
22. The Subdivider shall provide a letter to the Development Project Manager agreeing to prepare CC&Rs for the operation and maintenance of all private water facilities that serve or traverse more than a single unit or lot.
23. The Subdivider 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. Water facilities, as shown on the approved tentative map may require modification to comply with standards.
24. It is the sole responsibility of the Subdivider for any damage caused to or by public water facilities, adjacent to the project site, due to the construction activities associated with this development. In the event any such facility loses integrity then, prior to the issuance of any certificates of occupancy, the Subdivider shall reconstruct any damaged public water facility in a manner satisfactory to the Director of Public Utilities and the City Engineer.

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**PARK AND RECREATION**

25. Prior to recording a final map, based upon a build-out of 412 units, the Subdivider shall provide the equivalent of 2.03 acres of population-based park for Palladium at Aero.
26. Prior to recording a final map, the Subdivider shall enter into a Park Development Agreement for the design, construction, and reimbursement for the population-based park requirements of the project.

**GEOLOGY**

27. Prior to the issuance of a grading permit, a geotechnical report shall be submitted and approved by the City Engineer in accordance with the City of San Diego's Technical Guidelines for Geotechnical Reports."

**PLANNING**

28. Prior to recording a Final Map, the Subdivider shall provide a valid "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration (FAA).

**TRANSPORTATION**

29. Prior to recording of the final map, the Subdivider shall dedicate 14 feet of project frontage along Aero Drive, satisfactory to the City Engineer.
30. Prior to recording of the final map, the Subdivider shall dedicate 0-5 feet of project frontage along Sandrock Road, satisfactory to the City Engineer.
31. Prior to recording of the final map, the Subdivider shall assure, by permit and bond, the construction of a signalized intersection on Aero Drive at the project driveway, with a 160 foot westbound left turn lane, two through westbound lanes, a left turn eastbound lane, two through and one through/right turn eastbound lanes, with one inbound and two outbound lanes for the south leg, a 4 foot raised median and appropriate pedestrian ramps at all four corners of the intersection, satisfactory to the City Engineer.
32. Prior to recording of the final map, the Subdivider shall assure, by permit and bond, the construction of an additional eastbound travel lane along the project frontage along Aero Drive, including curbs, gutter and non-contiguous sidewalks, closing all unused driveways, installing a R3-7 (Right Lane Must Turn Right) east of the 12 foot driveway and installing driveways consistent with Regional Standards drawing SDG-114 with bollards at the fire lane adjacent to the west property line of the project and a 12 foot wide driveway at the exit only lane with

000664

a R3-1 sign facing towards the eastbound traffic and two R5-1 signs facing towards any southbound traffic satisfactory to the City Engineer.

33. Prior to recording of the final map, the Subdivider shall assure, by permit and bond, the removal of the existing eastbound free right turn lane and construction of an additional standard eastbound right turn lane at the Aero Drive/Sandrock Road intersection, including curbs, gutters, sidewalks, signal modifications and appropriate pedestrian ramps at all four corners of the intersection, satisfactory to the City Engineer.
34. Prior to recording of the final map, the Subdivider shall assure, by permit and bond, the improvement of the project frontage along Sandrock Road, with curb, gutter and sidewalks, install one driveway consistent with Regional Standards drawing SDG-114 serving the fire lane and close all unused driveways satisfactory to the City Engineer.

**INFORMATION:**

- The approval of this Vesting Tentative Map by the Council of the City of San Diego does not authorize the Subdivider to violate any Federal, State, or City laws, ordinances, regulations, or policies including but not limited to, the Federal Endangered Species Act of 1973 and any amendments thereto (16 USC Section 1531 et seq.).
- If the Subdivider makes any request for new water and sewer facilities (including services, fire hydrants, and laterals), then the Subdivider shall design and construct such facilities in accordance with established criteria in the most current editions of the City of San Diego water and sewer design guides and City regulations, standards and practices pertaining thereto. Off-site improvements may be required to provide adequate and acceptable levels of service and will be determined at final engineering.
- Subsequent applications related to this Vesting Tentative Map will be subject to fees and charges based on the rate and calculation method in effect at the time of payment.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of the Vesting Tentative Map, may protest the imposition within 90 days of the approval of this Tentative Map by filing a written protest with the City Clerk pursuant to California Government Code Section 66020.
- Where in the course of development of private property, public facilities are damaged or removed the property owner shall at no cost to the City obtain the

Project No. 148904  
TM No. 524641  
INSERT APPROVAL DATE

Attachment 18

000665

required permits for work in the public right-of-way, and repair or replace the public facility to the satisfaction of the City Engineer. Municipal Code Section 142.0607.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF SAN DIEGO,  
CALIFORNIA, ON HEARING DATE [IN CAPS].

APPROVED: NAME, City Attorney

By \_\_\_\_\_  
NAME  
Deputy City Attorney

ATTY/SEC. INITIALS  
DATE  
R- INSERT  
Reviewed by John S. Fisher

000667

(R-INSERT)

RESOLUTION NUMBER R-NUMBER

ADOPTED ON DATE

WHEREAS, Westcore Sandroock, LLC, Owner/Permittee, filed an application with the City of San Diego for a Site Development Permit [SDP] No. 524637 to subdivide and develop 412 apartment units and approximately 5,190 square feet of retail development known as the Palladium at Aero project, located at 8655 Aero Drive. The project site is legally described as Lots 3, 4 and 5 of Research Park Subdivision Addition, according to Map thereof No. 6386, filed June 12, 1969, in the Kearny Mesa Community Plan area, in the IP-2-1 Zone which is proposed to be rezoned to the RM-3-9 Zone; and

WHEREAS, on INSERT DATE, the Planning Commission of the City of San Diego considered SDP No. 524637, and pursuant to Resolution No. INSERT PLANNING COMM. RESOLUTION NUMBER-PC voted to INSERT EITHER "recommend City Council approval of the permit" OR "approved/denied the permit"; and

WHEREAS, the matter was set for public hearing on DATE, 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. 524637:

**Site Development Permit - §126.0504**

**A. Findings for all Site Development Permits**

- 1. The proposed development will not adversely affect the applicable land use - plan.** The Palladium at Aero project will develop 7.69 acres within the Kearny Mesa community with 412 multiple family dwelling units and approximately 5,190 square feet

000668

of commercial development. The proposed uses on the site will be consistent with the Kearny Mesa Community Plan, with the concurrent approval of the rezone and community plan amendment associated with the permit. The proposed 412 dwelling unit project implements the Land Use Plan by developing a High density development consistent with the RM-3-9 Zone and Kearny Mesa Community Plan Land use designation of High Residential within the density range of 45 to 74 dwelling units per acre. The project also includes a commercial element of 5,190 square-feet consistent with the accessory uses allowed by the RM 3-9 zone. The project will assist in the preservation and enhancement of the Kearny Mesa community as an employment center by removing outdated and functionally obsolete buildings and developing a feasible and marketable residential development which will provide affordable and workforce housing consistent with the zone and land use plan. The project will also pay its fair share fees for fire services and park facilities.

Being determined the project is consistent with the General Plan and Kearny Mesa Community Plan, the proposed development will not adversely affect the General Plan and Kearny Mesa Community Plan.

**2. The proposed development will not be detrimental to the public health, safety, and welfare.** The Palladium at Aero project will develop 7.69 acres within the Kearny Mesa community with 412 multiple family dwelling units and approximately 5,190 square feet of retail development. The proposed development requires a Site Development Permit and will contribute its fair share cost towards construction of improvements in the Kearny Mesa community and also make contributions to the Serra Mesa community. The proposed development will enter into a Maintenance Agreement for the ongoing permanent BMP maintenance; will comply with all requirements of State Water Resources Control Board (SWRCB) Order No. 99-08 DWQ and the Municipal Storm Water Permit, Order No. 2001-01(NPDES General Permit No. CAS000002 and CAS0108758), Waste Discharge Requirements for Discharges of Storm Water Runoff Associated With Construction Activity; and will provide a geotechnical report in accordance with the City of San Diego's Technical Guidelines for Geotechnical Reports for the review and approval by the City Engineer. All structures constructed on the 7.69 acre property will be reviewed by professional staff for compliance with all relevant and applicable building, electrical, mechanical and fire codes to assure the structures will meet or exceed the current regulations. The project will also pay its fair share fees for fire services and park facilities. As such the proposed development will not be detrimental to the public health, safety, and welfare.

**3. The proposed development will comply with the applicable regulations of the Land Development Code.** The Palladium at Aero project will develop 7.69 acres within the Kearny Mesa community with 412 multiple family dwelling units and approximately 5,190 square feet of retail development. The proposed development complies with the regulations of the RM-3-9 Zone and site-specific development regulations for the Palladium at Aero parcels, as allowed through the approval of three deviations with a Site Development Permit. Specific conditions of approval require the continued compliance with all relevant regulations of the City of San Diego effective for this site and have been written as such into Site Development Permit No. 524637. Development of the property

000669

will meet all requirements of all relevant regulations. Concept plans for the project identify all other development criteria in effect for the site. All relevant regulations shall be complied with at all times for the life of the project. In these ways the proposed development will comply with the applicable and relevant regulations of the Land Development Code.

**M. Supplemental Findings—Deviations for Affordable/In-Fill Housing Projects and Sustainable Buildings**

**1. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the City, and/or the proposed development will materially assist in reducing impacts associated with fossil fuel energy use by utilizing alternative energy resources, self-generation and other renewable technologies (e.g. photovoltaic, wind, and/or fuel cells) to generate electricity needed by the building and its occupants.** With the approval and construction of proposed project for 412 apartment units, forty-two apartment units, or ten percent of the total dwelling units provided, would be set aside as affordable to persons earning no more than sixty-five percent of the average median income through the imposition of conditions of approval and an affordable housing agreement between the owner and the San Diego Housing Commission. In addition to the 370 apartment units available for rent at market rates, the forty-two apartments restricted through the agreement with the Housing Commission will add to the availability of affordable work-force housing in the community and in the City at large. The affordability of work-force housing is a critical issue affecting the long-term health of the local and regional economy. The addition of forty-two new housing units at terms and prices affordable to those persons within the economic range of sixty-five percent average median income will assist the City to remain economically healthy and vibrant. Further, the addition of the remaining 370 apartment units rented at market rates will also assist in achieving the goal of economic health and provide much needed housing at a time when the City Council has declared there to be a housing crisis.

**2. The development will not be inconsistent with the purpose of the underlying zone.** The proposed project will be consistent with the purpose of the RM-3-9 Zone which allows for residential development at the proposed density, building height, parking ratio, site improvements and landscaping together with the approximately 5,190 square feet of commercial retail space as an accessory use. The deviations required to approve the architectural and site design for the proposed project will result in a better design by allowing for additional architectural features, site design and an alternative to trees on the top level of a parking garage to create a positive effect in the neighborhood, community and City at large. The deviations which allow an alternative to the tree spacing requirement on the top level of a parking structure roof deck and the minimum street side yard setback will be superior than by meeting the exact requirement of the zoning regulations, see Finding M.3 below.

**3. Any proposed deviations are appropriate for this location and will result in a more desirable project than would be achieved if designed in strict conformance with the development regulations of the applicable zone.** The project will include

three deviations; 1) to allow the building's northeast tower corner to exceed the maximum height of the RM-3-9 Zone; 2) to allow an alternative to landscape requirements the planting of trees on the roof deck of the parking structure in the vehicle use area; and 3) to allow the building to observe a street side setback along Aero Drive less than required by the RM-3-9 Zone. The RM-3-9 Zone allows a maximum height of sixty feet. The northeast corner of the building will be sixty-three feet one inch. The deviation to allow an increase to the building height in a specific and limited location will add visual interest to the structure and improve the esthetics of the neighborhood. The tower element in this location will provide visual relief and architectural interest. The deviation on the parking structure is to allow the construction of shade tent structures for all parking spaces located on the top deck of the parking structure rather than providing trees in raised containers to meet the tree distribution in parking lots required by the City-wide Landscape Regulations. The purpose of providing trees within parking lots is to shade the pavement and thereby reduce the heat island effect of large expanses of pavement and to improve the aesthetics of parking lots by including living trees. Shade tent structures will provide a superior quantity of shading on the parking structure deck when compared to living trees in this location. Trees installed in containers on the top deck of the parking structure will not attain a height and or breadth capable of providing an equivalent amount of shade as will be permanently provided by shade tent structures. The shade tent structures will also reduce the water consumption necessary to support the project. The RM-3-9 Zone requires a street side yard setback along Aero Drive of ten percent of the lot width or a minimum of forty-six feet six inches. The project will provide a minimum of thirty feet. The street side yard setback along Aero Drive is consistent with other existing buildings on Aero Drive at a minimum setback of thirty feet. In addition, a significant portion of the building will be setback substantially more than forty-six feet six inches. The project is required to provide a third east-bound travel lane on Aero Drive and increase the curb to property line distance from the existing ten feet to fifteen feet. These project requirements create the need for a set back deviation. In addition, the project will observe a fifty foot rear yard setback on the southern property line which is forty-five feet above the minimum required by the RM-3-9 Zone. This increase of rear yard setback will serve as a physical and visual buffer from the adjacent single-family homes. The setback deviation along Aero Drive will inject additional visual and pedestrian interest to the streetscape and results in a shift of the building further to the north of the existing single-family neighbors. The RM-3-9 Zone requires a front yard setback along Sandrock Road of twenty feet for fifty percent of the building face and the remainder of the building may be setback at ten feet. The project proposes a twenty foot front yard setback along forty-nine percent of the frontage and less than twenty feet for the remaining fifty-one percent of the frontage. The setback deviation along Sandrock Road would increase the visual interest of the streetscape and results in greater articulation of the building on the site.

In addition to the 370 apartment units available for rent at market rates, the forty-two apartments restricted through the agreement with the Housing Commission will add to the availability of affordable work-force housing in the community and in the City at large. The affordability of work-force housing is a critical issue affecting the long-term health of the local and regional economy. The addition of forty-two new housing units at terms and prices affordable to those persons within the economic range of sixty-five percent

000671

average median income will assist the City to remain healthy and vibrant economically. Further, the addition of the remaining 370 apartment units rented at market rates will also assist in achieving the goal of economic health. As a result of the approved deviations and other design features of the project, the proposed project will conform to the overall policies, regulations and purpose and intent of the Site Development regulations. The design will result in a more desirable project for the City and the community than would be realized through the strict application of the RM-3-9 Zone development regulations at this location.

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

BE IT FURTHER RESOLVED, that the recommendation of the Planning Commission is sustained, and Site Development Permit No. 524637 is granted to Westcore Sandrock, LLC, Owner/Permittee, under the terms and conditions set forth in the permit attached hereto and made a part hereof.

APPROVED: MICHAEL AGUIRRE, City Attorney

By \_\_\_\_\_  
NAME  
Deputy City Attorney

ATTY/SEC. INITIALS  
DATE  
Or.Dept:Clerk  
R-INSERT  
Form=permitr.frm(61203wct)  
Reviewed by John S. Fisher

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**RECORDING REQUESTED BY**  
**CITY OF SAN DIEGO**  
**DEVELOPMENT SERVICES**  
**PERMIT INTAKE, MAIL STATION 501**

**WHEN RECORDED MAIL TO**  
**PROJECT MANAGEMENT**  
**PERMIT CLERK**  
**MAIL STATION 501**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

JOB ORDER NUMBER: 430078

Site Development Permit No. 524637  
**PALLADIUM AT AERO – PTS#148904 [MMRP]**  
 City Council

This Site Development Permit No. 524637 is granted by the Council of the City of San Diego to WESTCORE SANDROCK, LLC, a Delaware limited liability company, Owner/Permittee, pursuant to San Diego Municipal Code [SDMC] section 126.0504, 1519.0202. The 7.69 acre site is located at 8655 Aero Drive within the RM-3-9 Zone (formerly IP-2-1 Zone) of the Kearny Mesa Community Plan. The project site is legally described as Lots 3, 4 and 5 of Research Park Subdivision Addition, according to Map thereof No. 6386, filed June 12, 1969.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee to subdivide and develop 412 apartment units and 5,190 square feet of retail development for eating and drinking establishments, described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated [INSERT Approval Date], on file in the Development Services Department.

The project shall include:

- a. The subdivision and development of 412 apartment units and approximately 5,190 square feet of retail development as accessory uses to the primary use;
- b. The project is approved with three deviations; 1) to allow the building's northeast tower corner to exceed the maximum height of the RM-3-9 Zone at sixty-three feet one inch; 2) to allow the construction of shade tent structures for all parking spaces located on the top deck of the parking structure rather than providing trees in raised containers to meet the tree distribution in parking lots required by the City-wide Landscape Regulations; and 3) to allow a minimum street side yard setback of thirty feet along Aero Drive.
- c. Landscaping (planting, irrigation and landscape related improvements);
- d. Off-street parking;

- e. 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 (36) 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 Development Services Department.
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. 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.

8. 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.

9. 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.

10. 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, including, but not limited to, any 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.

#### **ENVIRONMENTAL/MITIGATION REQUIREMENTS:**

11. 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

12. The mitigation measures specified in the Mitigation Monitoring and Reporting Program, and outlined in Mitigated Negative Declaration No. 148904 shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL/MITIGATION REQUIREMENTS.

13. The Owner/Permittee shall comply with the Mitigation, Monitoring, and Reporting Program (MMRP) as specified in Mitigated Negative Declaration No. 148904, satisfactory to the Development Services Department and the City Engineer. Prior to issuance of the first grading permit, all conditions of the MMRP shall be adhered to, to the satisfaction of the City Engineer. All mitigation measures as specifically outlined in the MMRP shall be implemented for the following issue areas:

**Health and Public Safety**  
**Public Utilities (Waste Management)**

14. 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:**

15. Prior to issuance of the first residential building permit, the Owner/Permittee shall enter into an Agreement with the San Diego Housing Commission to ensure compliance with the affordable housing requirements of the Inclusionary Housing Ordinance and Procedures Manual.

**ENGINEERING REQUIREMENTS:**

16. Prior to the building occupancy, the Owner/Permittee shall enter into a Maintenance Agreement for the ongoing permanent BMP maintenance.

17. Prior to the issuance of any construction permits, the Owner/Permittee shall incorporate any construction Best Management Practices necessary to comply with Chapter 14, Article 2, Division 1, Grading Regulations, of the San Diego Municipal Code, into the construction plans or specifications.

18. Prior to the issuance of any construction permits, the Owner/Permittee shall incorporate and show the type and location of all post-construction Best Management Practices (BMP's) on the final construction drawings, in accordance with the approved Water Quality Technical Report.

19. The Site Development Permit shall comply with the conditions of the Vesting Tentative Map No. 524641.

20. Prior to the issuance of any construction permits, the Owner/Permittee shall assure by permit and bond the replacement of existing curb and gutter with City Standard curb and gutter, adjacent to the site on Aero Drive and Sandrock Road, satisfactory to the City Engineer.

21. The drainage system proposed for this development is private and subject to approval by the City Engineer.

22. All driveways and curb openings shall comply with City Standard Drawings G-14B, G-16 and SDG-100.

000677

23. Prior to building occupancy, the Owner/Permittee shall obtain an Encroachment Maintenance and Removal Agreement, for enhanced pavement and curb outlets.

24. Prior to the issuance of a building permit the Owner/Permittee shall obtain a grading permit for the grading proposed for this project. All grading shall conform to requirements in accordance with the City of San Diego Municipal Code in a manner satisfactory to the City Engineer.

25. Development of this project shall comply with all requirements of State Water Resources Control Board (SWRCB) Order No. 99-08 DWQ and the Municipal Storm Water Permit, Order No. 2001-01(NPDES General Permit No. CAS000002 and CAS0108758), Waste Discharge Requirements for Discharges of Storm Water Runoff Associated With Construction Activity. In accordance with said permit, a Storm Water Pollution Prevention Plan (SWPPP) and a Monitoring Program Plan shall be implemented concurrently with the commencement of grading activities, and a Notice of Intent (NOI) shall be filed with the SWRCB.

26. A copy of the acknowledgment from the SWRCB that an NOI has been received for this project shall be filed with the City of San Diego when received; further, a copy of the completed NOI from the SWRCB showing the permit number for this project shall be filed with the City of San Diego when received. In addition, the owner(s) and subsequent owner(s) of any portion of the property covered by this grading permit and by SWRCB Order No. 99 08 DWQ, and any subsequent amendments thereto, shall comply with special provisions as set forth in SWRCB Order No. 99 08 DWQ.

27. Whenever street rights-of-way are required to be dedicated, it is the responsibility of the Owner/Permittee to provide the right-of-way free and clear of all encumbrances and prior easements. The Owner/Permittee must secure "subordination agreements" for minor distribution facilities and/or "joint-use agreements" for major transmission facilities.

28. Prior to the issuance of any construction permits, the Owner/Permittee shall assure by permit and bond the construction of non-contiguous sidewalk adjacent to the site on Aero Drive and Sandrock Road, satisfactory to the City Engineer.

29. Prior to the issuance of grading permits, a geotechnical investigation report shall be required that specifically addresses the proposed grading plans and cites the City's Account Number and Drawing Number. The geotechnical investigation shall provide specific geotechnical grading recommendations and include geotechnical maps, using the grading plan as a base, that depict recommended location of subdrains, location of outlet headwalls, anticipated removal depth, anticipated over-excavation depth, and limits of remedial grading.

30. Prior to building permit issuance, the Owner/Permittee shall dedicate additional right-of-way as needed to achieve a to 15-foot parkway on Sandrock Road along the subdivision's frontage, satisfactory to the City Engineer.

31. Prior to building permit issuance, the Owner/Permittee shall dedicate 14 feet along the subdivision's frontage on Aero Drive, to the satisfaction of the City Engineer.

32. Prior to the issuance of any construction permits, the Owner/Permittee shall assure by permit and bond the installation of a 250-Watt high-pressure sodium (HPS) street light along the property frontage on Sandrock Road, and the relocation and upgrading of the existing street lights to 250 HPS on the Aero Drive frontage, to conform to the City's Street Design Manual to the satisfaction of the City Engineer.

33. In the event that the existing street light poles, luminaires and appurtenances cannot be satisfactorily relocated, as determined in the sole discretion of the City Engineer, new street lights may be required and shall be the responsibility of the Owner/Permittee.

34. Prior to the issuance of any construction permits, the Owner/Permittee shall assure by permit and bond the installation of City Standard curb ramps, along the project frontage at the corner of Aero Drive and Sandrock Road, satisfactory to the City Engineer.

#### **LANDSCAPE REQUIREMENTS:**

35. Prior to issuance of construction permits for public right-of-way improvements, the Owner/Permittee shall submit complete landscape construction documents for right-of-way improvements to the Development Services Department for approval. Improvement plans shall indicate an area equal to forty square foot 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.

36. Prior to issuance of any construction permits for any buildings, the Owner/Permittee shall submit complete landscape and irrigation construction documents consistent with the Land Development Manual, Landscape Standards to the Development Services Department for approval. The construction documents shall be in substantial conformance with Exhibit "A."

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

38. The Owner/Permittee 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.

39. The Owner/Permittee 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.

40. If any required landscape, including existing or new plantings, hardscape, landscape features, or other landscape improvements, indicated on the approved construction document plans is damaged or removed during demolition or construction, the Owner/Permittee shall be responsible to repair and/or replace any landscape in kind and equivalent size per the approved

documents to the satisfaction of the Development Services Department within 30 days of damage or prior to issuance of a Certificate of Occupancy.

**PARK AND RECREATION REQUIREMENTS:**

41. Prior to issuance of any building permits, the Owner/Permittee shall make a contribution of \$4,503,050 in lieu of the park portion of the Kearny Mesa Development Impact Fee to satisfy the project's 2.03 acre population-based park requirement.

**PLANNING/DESIGN REQUIREMENTS:**

42. No fewer than 763 parking spaces (742 required) shall be permanently maintained on the site within the approximate location shown on the project's Exhibit "A", which includes 14 disabled accessible spaces (10 required) per CBC Chapter 11A, Section 1118A. Additionally, a minimum of 48 motorcycle (41 required) and 196 bicycle spaces (185 required) shall be provided on site. Additionally, a minimum of three (3) Off-street Loading spaces shall be provided on site. Further, all on-site parking stalls and aisle widths shall be in compliance with requirements of the City's Land Development Code, and shall not be converted and/or utilized for any other purpose, unless otherwise authorized in writing by the Director of Development Services Department.

43. 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.

44. All signs associated with this development shall be consistent with sign criteria established by the City-wide sign regulations.

45. 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.

46. Prior to the issuance of any building permits, the Owner/Permittee shall submit construction plans indicating a fence of wood construction immediately adjacent to the southerly property line and shall not construct a six foot high wall at the top of the slope, satisfactory to the Development Services Department. The fence to be located on the property line shall be nine feet high with six feet of solid wood and three feet of wood with 50% open.

47. Prior to the issuance of any building permits, the Owner/Permittee shall submit construction plans indicating construction of the twenty-six foot wide emergency access lane on the south side of the project with a minimum of 75% grasscrete or equivalent planted with turf and maintained at no higher than two inches, satisfactory to the Development Services and Fire Departments.

48. Prior the issuance of any building permits, the Owner/Permittee shall submit constructions plans indicating all first floor patios include open fencing if the fence is over four feet high.

49. Prior to issuance of any building permits, the Owner/Permittee shall provide a valid "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration (FAA).

**WASTEWATER REQUIREMENTS:**

50. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of all public sewer facilities necessary to serve this development.

51. All proposed on-site sewer facilities shall be private.

52. No structures or landscaping, including private sewer facilities and enhanced paving, shall be installed in or over any easement prior to the Owner/Permittee obtaining a Maintenance and Encroachment Maintenance and Removal Agreement.

53. No trees or shrubs exceeding three feet in height at maturity shall be installed within ten feet of any public sewer facilities.

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

**WATER REQUIREMENTS:**

55. The Owner/Permittee shall install a water service or services, including backflow prevention devices, outside of any driveway or drive aisle, and remove any existing unused water services within the Aero Drive right-of-way adjacent to the project site, in a manner satisfactory to the Director of Public Utilities and the City Engineer.

56. Prior to the issuance of any building permits, the Owner/Permittee shall apply for plumbing permits for the installation of appropriate private back flow prevention devices on all proposed water services to the development, including all domestic, fire and irrigation services, in a manner satisfactory to the Cross Connection Control Group, the Director of Public Utilities and the City Engineer.

57. Prior to the issuance of any certificates of occupancy, public water facilities necessary to serve the development, including water meters, services and backflow prevention devices, shall be complete and operational in a manner satisfactory to the Director of Public Utilities and the City Engineer.

58. All on-site water facilities shall be private including domestic, fire and irrigation systems.

59. The Owner/Permittee shall provide a letter to the Development Project Manager agreeing to prepare CC&Rs for the operation and maintenance of all private water facilities that serve or traverse more than a single unit or lot.

60. The Owner/Permittee agrees to design and construct all proposed public water facilities, including fire hydrants, 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. Water facilities as shown on the approved plans shall be modified at final engineering to comply with standards.

61. It is the sole responsibility of the Owner/Permittee for any damage caused to or by public water facilities, adjacent to the project site, due to the construction activities associated with this development. In the event any such facility loses integrity then, prior to the issuance of any certificates of occupancy, the Owner/Permittee shall reconstruct any damaged public water facility in a manner satisfactory to the Director of Public Utilities and the City Engineer.

**GEOLOGY REQUIREMENTS:**

62. Prior to the issuance of any construction permits, the Owner/Permittee shall provide additional geotechnical information for the review and approval of the City Geologist, satisfactory to the City Geologist and Development Services Department.

**FIRE REQUIREMENTS:**

63. Prior to the issuance of any building permits, the Owner/Permittee shall pay the fire portion of the Development Impact Fee at a rate of \$137 per dwelling unit and \$137 per every 1,000 square feet of non residential development. This fee is assessed as the fair share contribution toward Fire services in the Kearny Mesa community.

**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 Council of the City of San Diego on [date and resolution number] .

Permit Type/PTS Approval No.: SDP No. 524637

Date of Approval:

AUTHENTICATED BY THE DEVELOPMENT SERVICES DEPARTMENT

\_\_\_\_\_  
Kelly Broughton  
Director  
Development Services

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

**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.**

WESTCORE SANDROCK, LLC, a Delaware  
limited liability company  
Owner/Permittee

By \_\_\_\_\_  
NAME  
TITLE

WESTCORE SANDROCK, LLC, a Delaware  
limited liability company  
Owner/Permittee

By \_\_\_\_\_  
NAME  
TITLE

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

(O-INSERT~)

ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

ADOPTED ON \_\_\_\_\_

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO CHANGING 9.32 ACRES LOCATED AT 8655 AERO DRIVE, WITHIN THE KEARNY MESA COMMUNITY PLAN AREA, IN THE CITY OF SAN DIEGO, CALIFORNIA, FROM THE IP-2-1 ZONE INTO THE RM-3-9 ZONE, AS DEFINED BY SAN DIEGO MUNICIPAL CODE SECTION 131.0406; AND REPEALING ORDINANCE NO. O-18478 (NEW SERIES), ADOPTED APRIL 7, 1998, OF THE ORDINANCES OF THE CITY OF SAN DIEGO INSOFAR AS THE SAME CONFLICT HEREWITH.

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

Section 1. That 9.32 acres located at 8655 Aero Drive, and legally described as Lots 3, 4 and 5 of Research Park Subdivision Addition, according to Map thereof No. 6386, filed June 12, 1969, in the Kearny Mesa Community Plan area, in the City of San Diego, California, as shown on Zone Map Drawing No. B-4268, filed in the office of the City Clerk as Document No. OO-\_\_\_\_\_, are rezoned from the IP-2-1 Zone into the RM-3-9 Zone, as the zone is described and defined by San Diego Municipal Code Chapter 13 Article 1 Division 4. This action amends the Official Zoning Map adopted by Resolution R-301263 on February 28, 2006.

Section 2. That Ordinance No. O-18478 (New Series) adopted April 7, 1998, of the ordinances of the City of San Diego is repealed insofar as the same conflict with the rezoned uses of the land.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage, and no building permits for development inconsistent with the provisions of this ordinance shall be issued unless application therefor was made prior to the date of adoption of this ordinance.

APPROVED: MICHAEL AGUIRRE, City Attorney

By \_\_\_\_\_  
Shirley Edwards  
Deputy City Attorney

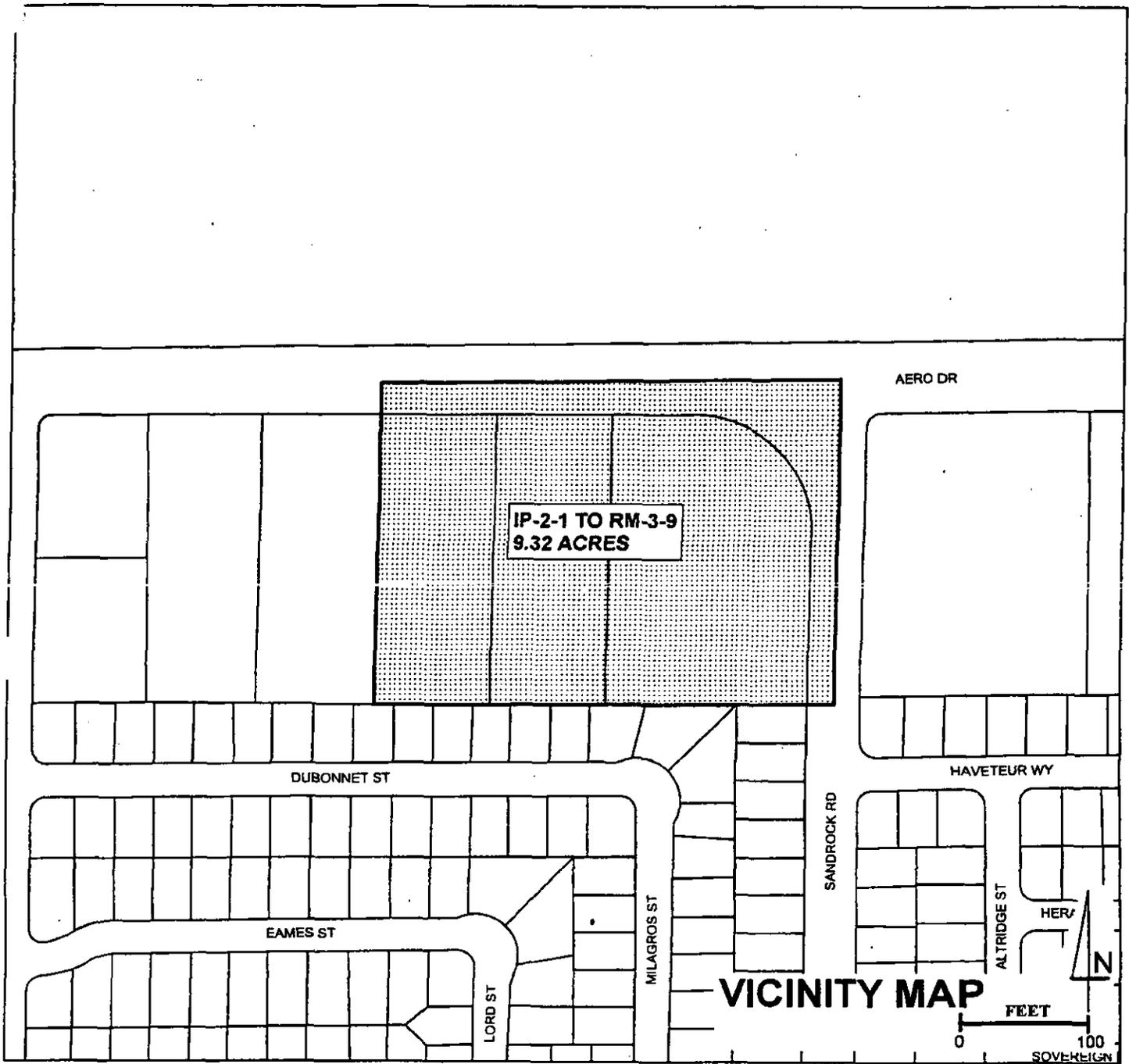
Initials~  
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Or.Dept: INSERT~  
Case No.148904  
O-INSERT~  
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000685



CITY OF SAN DIEGO • DEVELOPMENT SERVICES

# PROPOSED REZONING



LOT 3,4 &5, OF RESEARCH PARK SUB ADDITION, MAP NO. 6368

ORDINANCE NO. \_\_\_\_\_  
 EFF. DATE ORD. \_\_\_\_\_  
 ZONING SUBJ. TO \_\_\_\_\_  
 BEFORE DATE \_\_\_\_\_  
 F. DATE ZONING \_\_\_\_\_  
 MAP NAME AND NO. \_\_\_\_\_

REQUEST RM-3-9  
 PLANNING COMM.  
 RECOMMENDATION  
 CITY COUNCIL  
 ACTION

CASE NO. PTS 148904  
 DEVELOPMENT SERVICES MANAGER  
**B- 4268**  
 APN: 421-050-10, 07 & 08  
 (226-1740) 8-24-08 kdj

000687

**Palladium at Aero – Project Plans**

(available under separate cover)

<b>PROJECT DATA SHEET</b>		
<b>PROJECT NAME:</b>	<b>Palladium at Aero – Project 148904</b>	
<b>PROJECT DESCRIPTION:</b>	<b>Demolition of existing warehouse buildings and construction of 412 residential units, and approximately 5,190 square feet of commercial retail space.</b>	
<b>COMMUNITY PLAN AREA:</b>	<b>Kearny Mesa</b>	
<b>DISCRETIONARY ACTIONS:</b>	<b>Rezone, General and Community Plan Amendment, Site Development Permit, and Vesting Tentative Map.</b>	
<b>COMMUNITY PLAN LAND USE DESIGNATION:</b>	<b>High Density Residential (45-74 du/ac)</b>	
<b>ZONING INFORMATION:</b>		
<b>ZONE: RM-3-9</b>		
<b>HEIGHT LIMIT: 60 feet</b>		
<b>LOT SIZE: 7,000 square feet</b>		
<b>FLOOR AREA RATIO: 2.70</b>		
<b>FRONT SETBACK: 20'0" standard, 10'0" minimum</b>		
<b>SIDE SETBACK: 46'6", 10 % of width</b>		
<b>STREETSIDE SETBACK: 46'6", 10% of width</b>		
<b>REAR SETBACK: 5'0"</b>		
<b>PARKING: 744 parking spaces required, 753 parking spaces proposed.</b>		
<b>ADJACENT PROPERTIES:</b>	<b>LAND USE DESIGNATION &amp; ZONE</b>	<b>EXISTING LAND USE</b>
<b>NORTH:</b>	<b>Airport &amp; Unzoned</b>	<b>Montgomery Field Airport</b>
<b>SOUTH:</b>	<b>Low Density Residential &amp; RS-1-7</b>	<b>Single Dwellings</b>
<b>EAST:</b>	<b>Industrial &amp; IP-2-1</b>	<b>Commercial Office</b>
<b>WEST:</b>	<b>Industrial &amp; IP-2-1.</b>	<b>Commercial Office/Warehouse</b>
<b>DEVIATIONS OR VARIANCES REQUESTED:</b>	<ol style="list-style-type: none"> <li>1. Deviation from LDC Section 131.0431(e) to allow maximum structure height of 63'1" where 60'0" is allowed in the RM-3-9 Zone.</li> <li>2. Deviation from LDC Section 131.0431(e) to allow a street side setback of 30'0" where 46'6" is</li> </ol>	

	<p>required.</p> <p>3. Deviation from LDC Section 142.0406(a) and Table 142-04D to allow vehicular use area to be shaded with tent shade structures in lieu of trees where one tree is required within 30 feet of each parking space.</p>
<p><b>COMMUNITY PLANNING GROUP RECOMMENDATION:</b></p>	<p>The Kearny Mesa Planning Group voted, on September 17, 2008, 7:1:1 to approve the proposed actions. The Serra Mesa Community Planning Group voted, on September 18, 2008, 10:1:0 to deny the proposed actions.</p>

**REQUEST COUNCIL ACTION**

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

CITY OF SAN DIEGO

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):  
Development Services Department

3. DATE: 57  
October 23, 2008 12/02

4. SUBJECT: **000691**  
Paladium at Aero

5. PRIMARY CONTACT (NAME, PHONE, & MAIL STA.):  
John S. Fisher, 446-5231

6. SECONDARY CONTACT (NAME, PHONE, & MAIL STA.):  
Mike Westlake, 446-5220

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED

**8. COMPLETE FOR ACCOUNTING PURPOSES**

FUND			
DEPT.	1300		
ORGANIZATION	1672		
OBJECT ACCOUNT	4038		
JOB ORDER	430248		
C.I.P. NUMBER			
AMOUNT			

9. ADDITIONAL INFORMATION / ESTIMATED COST:  
  
No cost to the City. All costs are recovered through a deposit account funded by the applicant.

**10. ROUTING AND APPROVALS**

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIG. DEPT	KELLY BROUGHTON	10/24/08	8	DEPUTY CHIEF	WILLIAM ANDERSON	10/28/08
2	EAS	MARTHA BLAKE	10/24/08	9			
3	PLANNING	MARY WRIGHT	10/27/08	10	CITY ATTORNEY		
4	ECOP EXEMPT. PER MEMO DATED 5/9/96			11	ORIG. DEPT	MIKE WESTLAKE	10/24/08
5				DOCKET COORD: _____ COUNCIL LIAISON _____			
6				✓	COUNCIL PRESIDENT	<input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input type="checkbox"/> ADOPTION	
7						<input type="checkbox"/> REFER TO: _____ COUNCIL DATE: _____	

11. PREPARATION OF:  RESOLUTIONS  ORDINANCE(S)  AGREEMENT(S)  DEED(S)

- Council resolution certifying the information contained in Project No. 148904 has been completed in compliance with the California Environmental Quality Act and State CEQA Guidelines, and that said Mitigated Negative Declaration No. 148904 reflects the independent judgment of the City of San Diego as Lead Agency, stating for the record the final Mitigated Negative Declaration has been reviewed and considered prior to approving the project, adopting the Mitigation Monitoring and Reporting Program.
- Council ordinance adopting a rezoning of 9.32 acres located at 8655 Aero Drive from IP-2-1 Zone to RM-3-9 Zone.
- Council resolution approving a General Plan Amendment and Kearny Mesa Community Plan Amendment No. 524638.
- Council resolution approving Vesting Tentative Map No. 524641 and Public Right-of-Way Vacation No. 524640.
- Council resolution approving Site Development Permit No. 524637.

11A. STAFF RECOMMENDATIONS:  
**Approve the Ordinance and Adopt the Resolutions**

12. SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION.)

COUNCIL DISTRICT(S): 6

COMMUNITY AREA(S): KEARNY MESA

ENVIRONMENTAL IMPACT: THE CITY OF SAN DIEGO AS LEAD AGENCY UNDER CEQA HAS COMPLETED MITIGATED  
NEGATIVE DECLARATION NO. 148904, DATED JANUARY 19, 2008, AND MITIGATION,  
MONITORING, AND REPORTING PROGRAM COVERING THIS ACTIVITY.

000692

HOUSING IMPACT: THE PROPOSE PROJECT WOULD CREATE 412 RESIDENTIAL DWELLING UNITS AND 5,190 SQUARE FEET OF COMMERCIAL SPACE ON A 7.52 ACRE SITE.

INSTRUCTIONS TO THE CITY CLERK:

- 1 PUBLIC NOTICING IS REQUIRED.
- 2 RETURN COPIES OF EACH RESOLUTION AND PERMIT TO JOHN S. FISHER, MS 302 AND A COPY OF THE COMMUNITY PLAN AMENDMENT RESOLUTION TO MARY WRIGHT, MS 5A.
- 3 COUNCIL ACTION REQUIRES A MAJORITY VOTE.
- 4 THE VESTING TENTATIVE MAP AND STREET VACATION IS BEING PROCESSED IN ACCORDANCE WITH SDMC 125.0450 AND LCD 125.0430, THE SDP IN ACCORD WITH 126.0501, AND THE PLAN AMENDMENT IN ACCORD WITH 122.0101.

RECEIVED  
CITY CLERK'S OFFICE

08 OCT 30 PM 12:32

SAN DIEGO, CALIF.

DATE REPORT ISSUED:

REPORT NO.: PC-08-125

ATTENTION: Council President and City Council

ORIGINATING DEPARTMENT: Development Services Department

SUBJECT: Palladium at Aero, PTS# 148904

COUNCIL DISTRICT(S): 6

STAFF CONTACT: John S. Fisher, 446-5231

REQUESTED ACTION:

A Rezone, General Plan and Kearny Mesa Community Plan Amendment, Public Right-Of-Way Vacation, Vesting Tentative Map and Site Development Permit to develop 412 apartment units and approximately 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan.

STAFF RECOMMENDATION:

1. **Certify** Mitigated Negative Declaration 148904, and Adopt the Mitigation Monitoring and Reporting Program; and
2. **Approve** Rezone No. 524639, General Plan and Kearny Mesa Community Plan Amendment No. 524638, Public Right-Of-Way Vacation No. 524640, Vesting Tentative Map No. 524641, Site Development Permit No. 524637.

EXECUTIVE SUMMARY:

The General Plan and Kearny Mesa Community Plan Amendment would designate the site for multiple family unit residential use. The site, located immediately south of Montgomery Field along Aero Drive, is adjacent to commercial, industrial and residential uses. The 7.52 acre site is at 8655 Aero Drive within the existing IP-2-1 Zone (proposed RM-3-9 Zone) of the Kearny Mesa Community Plan.

The proposed Palladium at Aero project would demolish the existing structures and develop a 412 apartment unit project with 5,190 square feet of retail development on a 7.52 acre site located at 8655 Aero Drive within the Kearny Mesa Community Plan. Forty-two units of the proposed 412 apartment units, or ten percent of the total dwelling units provided, would be set aside as affordable to persons earning no more than sixty-five percent of the area median income. The project would add to the availability of affordable work-force housing in the community and in the City at large. The project proposes two deviations: 1) to allow installation of photovoltaic panels on structures on the roof deck of the parking garage to generate electricity and to shade the parking structure roof deck in lieu of planting trees in containers on the deck, and 2) to deviate from the street side yard setback along Aero Drive to allow a setback of thirty feet rather than forty-six feet six inches.

FISCAL CONSIDERATIONS:

No fiscal impact. All costs associated with the processing of the application are recovered through a deposit account funded by the applicant.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

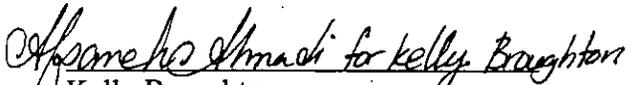
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Kearny Mesa Community Planning Group voted, on September 17, 2008, 7:1:1 to approve the proposed actions. On September 18, 2008 the Serra Mesa Planning Group voted 10:1:0 to recommend denial. On October 16, 2008 the Planning Commission heard public testimony and discussed the project. The Commission continued the item to October 23, 2008 to allow the applicant time to revise the project design. On October 22, 2008 the Serra Mesa Planning Group voted a second time 5:2:0 to recommend denial.

000694

Per the Commissioner's October 16<sup>th</sup> suggestions, the applicant revised the design which reduced the height of the building to eliminate the request for a height deviation, revised the Site Plan to open some of the courtyards to the street by creating visual and physical connections to the sidewalk, relocated the pool from the west to the east side of the site, and added photovoltaic panels to structures on the roof deck of the parking structure. Along the west elevation the building was revised to increase architectural interest by adding balconies and patios, created two architectural styles, and opened an interior courtyard to the west. Along the east elevation the building was lowered from four to three stories and lowered to two stories at the southeast corner, created two architectural styles by the use of detailing, and opened an interior courtyard to the sidewalk along Sandrock Road. Along the north elevation the building was altered to visually open an interior courtyard to the Aero Drive sidewalk. The south elevation was not altered. The applicant also proposed evergreen and deciduous tree species for the plant palette along the southerly property line with an undulating tree placement to avoid a linear line of trees. On October 23, 2008 the Planning Commission again heard the item and took public testimony in favor and in opposition. At the conclusion of public testimony and discussion by the Commissioners, the Commission made a motion to move staff's recommendation and to direct staff and the applicant to continue to improve the content of the Urban Design, Streetscape and Streetyard Guidelines for Aero Drive. The improvements would address: entry points into Kearny Mesa and Serra Mesa communities; irrigation and plant palette coordination to assure compatibility; no monoculture tree species along Aero Drive to assure viability, health, interest, walkability and pedestrian experience. And lastly, medians in the right-of-way less than seven feet wide should explore materials more agreeable to the environment other than concrete and medians fourteen feet in width should integrate the design of the median and parkway planting to slow traffic to create a safer environment. The motion passed by a vote of 4:2:0.

KEY STAKEHOLDERS: Westcore Sandrock, LLC

  
Kelly Broughton  
Director, Development Services Department

  
William Anderson  
Deputy Chief Operating Officer:  
Executive Director of City Planning  
and Development

ATTACHMENTS:

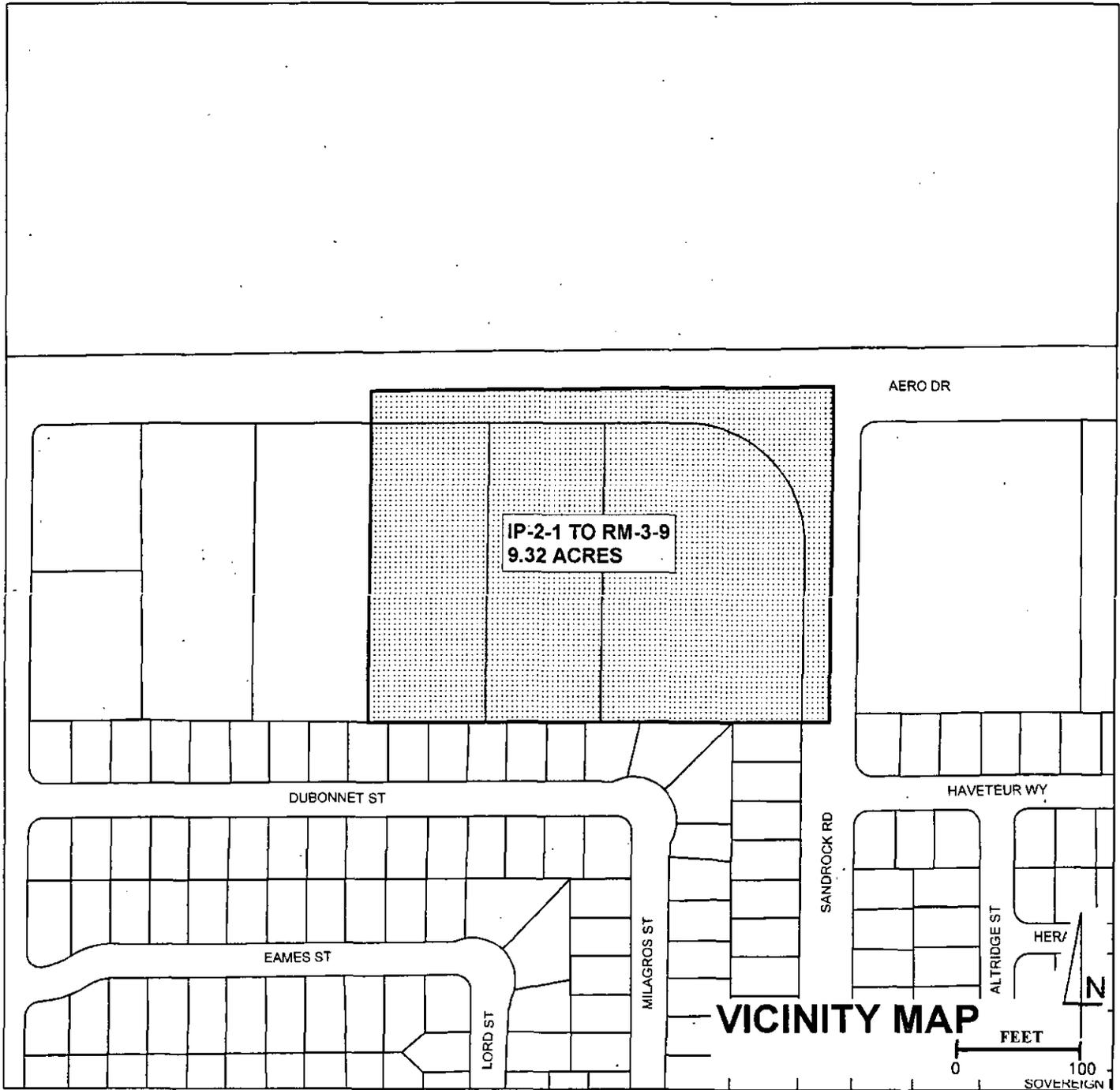
1. Report to Planning Commission PC-08-125

000693



CITY OF SAN DIEGO • DEVELOPMENT SERVICES

# PROPOSED REZONING

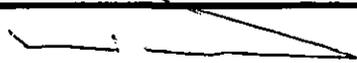


LOT 3,4 &5, OF RESEARCH PARK SUB ADDITION, MAP NO. 6368

ORDINANCE NO. \_\_\_\_\_  
 EFF. DATE ORD. \_\_\_\_\_  
 ZONING SUBJ. TO \_\_\_\_\_  
 BEFORE DATE \_\_\_\_\_  
 EFF. DATE ZONING \_\_\_\_\_  
 MAP NAME AND NO. \_\_\_\_\_

REQUEST RM-3-9  
 PLANNING COMM.  
 RECOMMENDATION  
 CITY COUNCIL  
 ACTION

CASE NO. PTS 148904

  
 DEVELOPMENT SERVICES MANAGER

## B- 4268

APN: 421-050-10, 07 & 08

(226-1740) 8-24-08 ldj