



DATE ISSUED: September 14, 2005 REPORT NO. CCDC-05-25  
CCDC-05-11

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Honorable Mayor and Members of the City Council  
Docket of September 20, 2005

SUBJECT: **JOINT PUBLIC HEARING BY THE REDEVELOPMENT AGENCY  
AND CITY COUNCIL** - Proposed Owner Participation Agreement  
(including Master Plan and Affordable Housing Agreement) with  
Ballpark Village LLC,

**and**

**CONCURRENT PUBLIC HEARING BY THE CITY COUNCIL** -  
Proposed Variance to the City's Inclusionary Housing Ordinance in  
the Form of the Proposed Affordable Housing Agreement

Affecting Parcels of a Combined 7.1 Acres Known as Parcels "C" and  
"D" East of Petco Park--East Village Redevelopment District of the  
Expansion Sub Area of the Centre City Redevelopment Project

REFERENCE: Site Map  
Owner Participation Agreement ("OPA") including Master Plan dated  
August 8, 2005 and Affordable Housing Agreement (Attachment  
Nos. 9 and 10, respectively, of the OPA)  
Summary Required by Section 33433 of the State Community  
Redevelopment Law  
Memorandum by KeyserMarston Associates, Inc. dated August 26,  
2005  
Final Addendum [for Ballpark Village] to the Final Subsequent  
Environmental Impact Report for the Centre City Redevelopment  
Project and Addressing the Centre City Community Plan and  
Related Documents for the Proposed Ballpark and Ancillary  
Development Projects, and Associated Plan Amendments ("Final  
Addendum to SEIR")

STAFF CONTACT: Pamela M. Hamilton, Senior Vice President  
Garry Papers, Manager-Architecture and Planning

## SUMMARY

### Issue - Should the Redevelopment Agency:

1. Adopt a resolution certifying the Final Addendum [for Ballpark Village] to the Final Subsequent Environmental Impact Report to the Final Master Environmental Impact Report for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments; making certain findings of fact and adopting a statement of overriding considerations; and
2. Adopt a resolution approving the sale of certain property generally located to the immediate south of the intersection of Park Boulevard and the 12<sup>th</sup> Avenue trolley right of way (East of Petco Park) in the Centre City Redevelopment Project Area (the "Agency Sales Parcel") to Ballpark Village LLC; and approving the Owner Participation Agreement, the Master Plan and the Affordable Housing Agreement pertaining to Parcels "C" and "D" (including the Agency Sales Parcel); and making certain findings with respect to such sale?

### And, should the City Council:

1. Adopt a resolution certifying the Final Addendum [for Ballpark Village] to the Final Subsequent Environmental Impact Report to the Final Master Environmental Impact Report for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments; making certain findings of fact and adopting a statement of overriding considerations; and
2. Adopt a resolution approving a variance to the City's Inclusionary Housing Ordinance in the form of an Affordable Housing Agreement by and between the Redevelopment Agency of the City of San Diego, Ballpark Village LLC and the San Diego Housing Commission; and
3. Adopt a resolution approving the sale of certain property generally located to the immediate south of the intersection of Park Boulevard and the 12<sup>th</sup> Avenue trolley right of way (East of Petco Park) in the Centre City Redevelopment Project Area (the "Agency Sales Parcel") to Ballpark Village LLC; and approving the Owner Participation Agreement, the Master Plan and

the Affordable Housing Agreement pertaining to Parcels "C" and "D" (including the Agency Sales Parcel); and making certain findings with respect to such sale?

Staff Recommendation - It is recommended that the City Council and Redevelopment Agency adopt the resolutions as provided above certifying the Final Addendum to the SEIR, approving the Owner Participation Agreement, the Master Plan and the Affordable Housing Agreement, and that the City Council concurrently adopt the resolution approving a variance to the City's Inclusionary Housing Ordinance in the form of the Affordable Housing Agreement, and making certain findings.

Planning Commission Recommendation - On August 25, 2005, in a public hearing, the Planning Commission voted 4 in favor and 3 absent to recommend to the City Council approval of the findings for a variance to the City's Inclusionary Housing Ordinance in the form of the Affordable Housing Agreement.

San Diego Housing Commission Recommendation - On August 26, 2005, the Housing Commission voted 4 in favor, 2 opposed and 1 absent to recommend approval of deviations to the City's Inclusionary Housing Ordinance in the form of the Affordable Housing Agreement and authorized its President and Chief Executive Officer to execute the Agreement.

Centre City Development Corporation Board of Directors Recommendation - On May 25, 2005, the Corporation Board of Directors voted 4 in favor, 2 opposed and 1 absent to recommend approval to the City Council and Redevelopment Agency of the Owner Participation Agreement, the Master Plan and the Affordable Housing Agreement, including the variance to the City's Inclusionary Housing Ordinance.

Centre City Advisory Committee ("CCAC")/Project Area Committee ("PAC") Recommendation - On May 18, 2005, the CCAC voted 22 in favor and 1 recused, and the PAC voted 20 in favor, to approve the Owner Participation Agreement, the Master Plan and the Affordable Housing Agreement.

Other Recommendations - At its meeting on May 5, 2005, the East Village Association ("EVA") voted to support the OPA and Master Plan as presented, particularly because of the minimum gross square footages required for the development of office, retail and affordable housing on Parcels C and D. EVA stated its preference, as now provided in the proposed Affordable Housing Agreement, that the affordable housing be fully integrated within the market-rate development and not developed as a free-standing project. EVA further

commented that the height/bulk/scale of the Master Plan is appropriate as long as the proposed Community Plan Update is approved including the higher FARs to the east of Parcels C and D.

Fiscal Impact - The OPA (including the Master Plan and Affordable Housing Agreement) will not impose financial obligations on the Agency or City. The OPA provides revenues to the Agency and City as described in this memorandum. In addition, the estimated assessed valuation of the development authorized by the Master Plan will exceed \$1.4 billion, providing at build-out an estimated \$20 million annually in property tax, sales tax, and (potentially) Transient Occupancy Tax revenues.

## **BACKGROUND**

The development which is the subject of the proposed OPA advances the Visions and Goals of the Centre City Community Plan and the Objectives of the Centre City Redevelopment Project as enumerated in the Agency's July 2004 - June 2009 Implementation Plan, as follows:

- creation of viable housing options within Centre City that span a range of incomes;
- enhancement of ceremonial streets;
- disposition of property . . . for future development;
- creation of Ancillary Development Projects near the Ballpark Project (potentially to include office-commercial, professional office, research and development, retail, hotels and residential) in a manner so as to:
  - encourage businesses to establish offices in the downtown area;
  - provide property tax increment and transient occupancy tax funding for the ballpark and related infrastructure improvements [and other Centre City improvements] through the addition of new hotel rooms, office space and commercial retail facilities;
  - develop a neighborhood with year-round activities; and
  - provide shared parking to be used during events.
- extend the Linear Park to the entire southern edge of the East Village Redevelopment District; and
- engineer and construct a pedestrian bridge over trolley and freight rail tracks and Harbor Drive pursuant to the December 2003 Public Utilities Commission decision.

### **ABOUT THE SUBJECT PROPERTY**

The configuration of Parcels C and D is the result of the realignment of streets to accommodate the Ballpark, including the construction of Park Boulevard on the diagonal from 12th Avenue (at Library Circle) and the retention of the trolley alignment in 12<sup>th</sup> Avenue south of K Street. The at-grade pedestrian walkway from Tailgate Park to Park Boulevard through Parcel C is a requirement of the original Master Plan for the Ballpark District. The proposed Master Plan then provides a more extensive pedestrian circulation system within and through Parcel C.

The subject 7.1 acres is property purchased by JMI Realty from San Diego Gas and Electric Company shortly after the Ballpark project was approved by the voters, with certain minor exceptions. The property is now owned by Ballpark Village LLC (the "Participant"). A triangle of property of approximately 3335 SF near Library Circle is owned by the Redevelopment Agency, a remnant left from the realignment of streets. The OPA provides for the sale of this Agency parcel at fair market value to the Participant and incorporates this parcel and approximately 2154 SF of existing City right of way into Parcel C. Along the 12<sup>th</sup> Avenue right of way adjacent to Parcel C, the OPA requires the Participant to dedicate approximately 6,283 SF to right of way and to reconstruct the public street. The Site Map illustrates these land transfers.

Parcels C and D lie within the Sports/Entertainment District ("District") as defined by the Centre City Community Plan and Centre City Planned District Ordinance ("Centre City PDO"). All properties lying within the District have a Floor Area Ratio (FAR) of 6.5. Additional FAR may be transferred from the Ballpark to any other property within the District if the FAR to be transferred is developed pursuant to a common plan or program approved by the City Council (such as the Ballpark Memorandum of Understanding) as long as the average daily traffic ("ADT") trips within the District will not exceed 55,128 cumulative ADTs. CCDC maintains a calculation of approved development to make sure that all remaining undeveloped properties in the District have sufficient ADTs available to permit complete build-out of the District as contemplated by the Community Plan. The proposed Community Plan Update does not propose any changes to land use regulations governing the Sports/Entertainment District.

**DEVELOPMENT TEAM**

ROLE/FIRM	CONTACT	OWNED BY
<b>Developer/Construction Manager</b> Ballpark Village LLC	Charles Black	JMIR-Ballpark Village LLC (JMIR-BPV) and Lennar Homes of California, Inc. (Lennar)  JMIR-BPV is owned by JMIR Investments LLC, which is owned by John J. Moores, Sr.  Lennar is a wholly owned subsidiary of Lennar Corporation which is a publicly held company.
<b>General Contractor</b> Not Selected		
<b>Subcontractor</b> Not Selected		
<b>Architect</b> Johnson Fain Partners	Larry Ball, Project Manager	Scott Johnson and William Fain (Privately Owned)
<b>Landscape Architect</b> Rios Clemente Hale Studios	Mark Rios	Mark Rios (Privately Owned)

**PROPOSED TERMS OF THE OPA**

The Owner Participation Agreement and Master Plan, while providing a level of certainty to the Participant with respect to the transfer of FAR from the Ballpark, also provide the opportunity for the Agency to achieve certain objectives not otherwise possible if Centre City Development Permits were processed for individual sub-parcels over time. These objectives include the certainty of development standards and controls (beyond those provided by the Centre City PDO) governing the entire Site for the duration of its build-out; minimum and maximum uses and densities on the Site, including affordable housing; public art; and implementation by the Participant of, or payment by the Participant toward, certain infrastructure improvements otherwise the responsibility of public agencies. The terms of the proposed OPA are summarized as follows:

1. Office Use. The Master Plan preserves the flexibility to include non-residential use on all sub parcels in recognition of the importance of employment uses to the project, East Village and downtown. A minimum of 300,000 GSF of office development is required by the OPA. The location of office use will be at the discretion of the Participant but the OPA provides for the recordation of covenants to assure that the office commitment is met.
2. Retail Use. The Master Plan anticipates a range of between 115,000 - 150,000 GSF of retail use. A minimum of 115,000 GSF of ground floor retail development is required by the OPA. The OPA provides for the recordation of covenants to assure that the retail commitment is met. The retail will be owned by a single entity and will be subject to a unified merchandising program. The retail will generally consist of neighborhood serving uses. The Participant will use diligent and good faith efforts during its initial retail lease-up to locate a specialty grocery store within the Site on a non-subsidized, market basis.
3. Hotel Use. Hotel use may be developed in conjunction with office, retail, hotel condominiums or residential condominiums at the discretion of the Participant. Hotel use is not required by the OPA.
4. Affordable Housing. The City's Inclusionary Housing Ordinance requires that residential development either provide 10% of the total residential units as affordable housing on site (for-sale housing for occupancy by, and affordable to, households earning no more than 100% of Area Median Income), or the payment of in lieu fees for all or a portion of the required affordable units. The OPA and the Affordable Housing Agreement require that the Participant construct no less than 100,000 GSF of affordable housing on Parcel C. The Participant must pay in lieu fees to the extent that the number of affordable housing units provided does not meet or exceed 10% of the total number of housing units on the Site. The in lieu fee shall be \$7.00 per square foot, or the then-existing in lieu fee, whichever is greater (an estimated amount of in lieu fees of not less than \$5.22 million).

The covenants to be placed on the affordable for-sale units include a restriction that the units must be sold in perpetuity to income-qualified households and at sales prices meeting the State Community Redevelopment Law Moderate-Income Housing requirements and the City's 100% of Area Median Income requirements, whichever is more restrictive. The terms of the Affordable Housing Agreement require a variance to the City's Inclusionary Housing Ordinance with respect to the duration of the covenants, the timing of the delivery of the affordable housing and

the location of the affordable housing within the development. The variance is the subject of the City Council's Concurrent Public Hearing and is discussed in further detail below.

5. Public Art. The OPA requires that the Participant spend 1% of the building permit value of nonresidential components of development on public art on or adjacent to the Site (as opposed to opting to pay 1/2% into the City's art fund as permitted by the City's ordinance).
6. FAR Transfer. The density permitted to be transferred by the Master Plan from the Ballpark to the Site will become effective only by the issuance (within five years following OPA and Master Plan approval) of Centre City Development Permits meeting the requirements of the Master Plan. Construction pursuant to such permits must commence within 2-1/2 years thereafter. The use of transferred density is calculated as the difference between the gross (above ground) building area to be constructed on a sub parcel (i.e., D1, D2, C1, C2, C3 and C4) pursuant to a Centre City Development Permit and the base 6.5 FAR.
7. Pedestrian Linear Park, Event Plaza at Linear Park and Park Boulevard, and Access Easement. The OPA requires the Participant to design (subject to CCDC approval), improve and maintain in perpetuity the pedestrian linear park within the 28' easement within the southerly edge of Parcel D, and to install or pay the cost to install, and maintain in perpetuity, the Agency-owned Event Plaza located adjacent to the southwest corner of Parcel D. These improvements will connect the MTS Tower and trolley station to Park Boulevard and provide the stair/elevator landing for the Harbor Drive Pedestrian Bridge. The OPA requires the recordation of a more detailed Access Easement providing for vehicular and service ingress/egress from Park Boulevard to the Parcel D garage as illustrated in the Master Plan. Such Access Easement would limit trash pick-up to specified hours on three days per week.
8. Harbor Drive Pedestrian Bridge. The OPA requires the Participant to contribute \$4,000,000 to the Agency toward the costs of constructing the Harbor Drive Pedestrian Bridge. Until the bridge is constructed, the California Public Utilities Commission will not permit the opening of Park Boulevard to Harbor Drive. The contribution is provided as follows:
  - (a) The Participant will make the contribution in cash when the Agency requires the funds to sign a construction contract for the pedestrian bridge.



- (b) The Participant and CCDC will collaborate on the design of the bridge's landing north of Harbor Drive. The final design is subject to CCDC approval.
- (c) Completion of the bridge will not be a condition to the issuance of a Centre City Development Permit, building permit or certificate of occupancy for the Site.

9. Infrastructure and Fees

In addition to the infrastructure/off-site improvements already addressed, the Participant is responsible for all other infrastructure improvements and all fees required for the issuance of building permits for the Site.

10. Land Transfers and Dedications

The OPA requires that the Participant purchase the Agency-owned parcel to be incorporated into the northerly portion of Parcel C (the "Agency Sales Parcel") at fair market value. Keyser Marston and Associates has determined, based on an "over the fence" approach to value, the fair market value of the 3,335 SF Agency Sales Parcel to be \$1,334,000 (\$400 per square foot). The OPA requires that the City and Participant realign the rights of way adjacent to Parcel C as illustrated in the Master Plan to accommodate both the existing trolley and a new southbound-only vehicular traveled-way within 12<sup>th</sup> Avenue. In so doing, the Developer will be dedicating approximately 4,130 more SF of right of way to the City than the City is vacating.

11. Ballpark-related Parking

Parcels C and D provide surface parking in their interim condition and contribute 267 spaces of the minimum 2,383 parking spaces required by the FSEIR to be dedicated for Ballpark events (other currently dedicated parking locations are Tailgate Park, P-I and the Ballpark). Unless additional locations are designated to cover the 267 spaces required by the SEIR, the development of the Site will have to incorporate the 267 dedicated spaces. These spaces can be provided by using parking spaces otherwise available on Parcels C or D as long as their "otherwise available" use does not conflict with Ballpark events, such as office parking with suitable covenants.

12. Approval of Centre City Development Permits

CCDC only will accept applications for Centre City Development Permits which meet the requirements of the Master Plan. Permits will require design review by the CCDC Board and/or the Agency pursuant to the Agency policy governing design review in effect at the time.

13. Assignments

The OPA provides that the Participant may transfer its rights and obligations in any development or in any parcel or sub parcel to a third party for purposes of developing the Site, subject to meeting the criteria for eligible successors-in-interest specified in the OPA and the prior written approval of the Agency (which shall not be unreasonably withheld).

**MASTER PLAN FOR PARCELS C AND D (aka BALLPARK VILLAGE)**

The Site includes two large Parcels immediately southeast of Petco Park, totaling 7.1 acres, and illustrated on the Site Map. Once reconfigured by acquisition of the Agency's parcel and the dedications/vacations of rights of way between the Participant and the City, Parcel C will be 3.9 acres, a triangularly shaped site bounded by Imperial Avenue on the south, the 12<sup>th</sup> Avenue trolley right of way on the east, and diagonal Park Boulevard on the northwest. Parcel D is a 3.2 acre approximate rectangle, bounded by Imperial on the north, 11<sup>th</sup> Avenue to the east, trolley tracks and a rail yard to the south, and Park Boulevard to the west. An existing energy plant occupies the southeast corner of this rectangle, fronting the trolley, with the 1,000-space MTS parking structure to the east. A triangle of Agency-owned land (adjacent to the southwest corner of Parcel D) will contain a plaza for the north stair/elevator of the future Harbor Drive Pedestrian bridge. Vehicular access to Parcel D (approved with Parcel Map 18855 recorded in 2001) is provided across this triangle.

Parcels C and D together are a highly visible Site, presenting a major gateway to downtown approaching from the south, and creating a critical frontage along the Park to Bay link on Park Boulevard. In addition, the southerly edge of Parcel D is a 28'-wide easement granted by JMI to the Agency on Parcel Map 18855 providing for the extension of the pedestrian linear park from Park Boulevard to the trolley platform at the MTS Tower. Parcel C lies immediately south of Library Circle and the future Main Library. Because of this strategic context and the anticipated transfer of FAR as permitted by the Centre City PDO, an Owner Participation Agreement and Master Plan to guide and control the Site's

urban design in a phased build-out was deemed the appropriate mechanism to achieve the Agency's objectives in this location.

The Master Plan proposes up to 3.212 million GSF of above-grade development, or a maximum FAR of 10.37.

The 3.212 million GSF assumes FAR is transferred from the Ballpark to the Site, making the permitted FAR more consistent with the maximum FARs proposed for areas further east of the Site (10.0 including bonuses) in the proposed Community Plan Update. The proposed Master Plan is consistent with the 1999 FSEIR for the Ballpark & Ancillary Development Projects. The maximum Average Daily Traffic trips generated by the development are within the cap established by the FSEIR, and leave a balance of ADTs adequate to facilitate development to an FAR of 6.5 on the few remaining redevelopment sites in the Sports/Entertainment District.

The Master Plan breaks the Site into six sub parcels and addresses the following key elements: urban design principles and neighborhood integration; maximum and minimum development areas by use; maximum and minimum FAR by parcels; maximum heights and street wall controls; tower bulk and placement controls; parking ratios; pedestrian and vehicular access; ground floor uses and design; streetscape and landscape design. The over-arching goal of the Master Plan is to ensure development of mixed-use parcels that respect the urban street pattern and view corridors, blend into the existing and emerging neighborhood scale, and reinforce an active pedestrian street life.

Parcel C respects the maximum heights generated by the established sun access cone to the proposed Main Library courtyard to the north. This impacts Parcel C significantly, with maximum heights limited from 135 ft. to 445 ft. north to south on the Parcel along Park Boulevard. Parcel D can accommodate towers up to 500 ft. Both Parcels are required to have active ground floor uses on all street frontages except for 11<sup>th</sup> Avenue east of Parcel D and 12<sup>th</sup> Avenue, which are the primary service and parking access locations.

Both Parcels have similar design controls at the base: substantial building podiums (50-60 ft.), with setbacks above to the 90 ft. level. Tower locations on the podiums are carefully delimited to ensure north-south orientations, unobstructed street view corridors, and assuring that building bulk does not adversely impact Park Boulevard. Setbacks above the building base eliminate potential wind impacts from the towers to the street. Sidewalks and street trees implement the streetscape standards set for the Park to Bay link and adjacent neighborhoods.

Parcel C is divided into three building footprints by public walkways which align with the street pattern and provide pedestrian connectivity through the Parcel. Plazas are provided at 11<sup>th</sup> Avenue and at the terminus of curved 10<sup>th</sup> Avenue. All parking is provided underground. The uses on Parcel C are quite flexible, allowing a maximum 1,498,527 GSF of residential, retail, office or hotel uses on all four sub parcels. Two or three towers are possible on the southerly two footprints, all controlled by maximum floorplate and locational criteria to not crowd the street view corridors. The two sub parcels on the southeast portion of Parcel C can be combined to create a 200' x 300' footprint that lends itself to large floorplate/office uses. The maximum total floor area permitted on Parcel C is an FAR of 8.8.

Parcel D (while two sub parcels) is illustrated as a single footprint that employs a large podium, containing no less than 50,000 GSF of ground floor commercial and 240,000 GSF (600 spaces) of above grade parking, which is encapsulated except for the south elevation facing the railroad tracks. Strict design standards ensure this facade will be articulated and cars not visible. Additional parking is provided underground. In addition to the pedestrian bridge plaza, Parcel D provides another plaza at Imperial and Park Boulevard. The top of the podium level provides generous terrace areas between the two towers. The towers are again delimited in location and maximum floorplate to ensure street view corridors and to permit sunlight to penetrate beyond Parcel D. The uses on Parcel D are quite flexible, allowing 1,713,493 GSF of residential, retail, office or hotel uses on the two sub parcels. The maximum total floor area permitted on Parcel D is an FAR of 12.24.

All development on the Site will be “self-parked.” The number of parking spaces to be provided in each project being granted a Centre City Development Permit shall meet or exceed these minimum ratios:

USE	MINIMUM NUMBER OF PARKING SPACES REQUIRED
<b>Residential</b> <b>Affordable Units</b> <b>Market-Rate Units</b>	<b>1.0 space per dwelling unit</b> <b>1.5 spaces per dwelling unit</b>
<b>Office</b>	<b>1.5 spaces per 1,000 square feet of leaseable space</b>
<b>Hotel</b>	<b>0.5 spaces per guest room</b>
<b>Retail</b>	<b>2.0 spaces per 1,000 square feet of leaseable space</b>
<b>Motorcycle</b>	<b>1.0 space per twenty required vehicle spaces</b>
<b>Bicycle Storage (Residential)</b>	<b>One secured storage space for every five dwelling units</b>

Base proportions and tower size, spacing and placement of structures proposed in the Master Plan were carefully tested and confirmed using 3-D computer models. At the pedestrian scale, the Master Plan contains architectural design standards and guidelines to ensure that sufficient modulation, scale and interest is provided along the relatively long street walls; a major indentation in the street wall of Parcel D is required along Imperial. There are detailed tower design guidelines, including the requirement that no two towers may be identical or closely similar in exterior form or character.

### **DESIGN REVIEW ANALYSIS OF MASTER PLAN**

The Master Plan provides a comprehensive set of development parameters for an area equivalent to five typical downtown blocks, and design guidelines that are more detailed than the current Centre City PDO to ensure future development projects are of high quality architectural design, and compatible with each other and with the emerging context of East Village. Additionally, the Master Plan provides specific controls that implement key urban design objectives, including sun access to the future Library courtyard, pedestrian plazas and movement through large parcels, and respecting the street view corridors; these are elements that would be difficult to achieve through individual design submittals. Each development project or phase is required to go through the complete CCDC design review process and must comply with the approved Master Plan and OPA.

#### 1) Massing and Capacity:

The Library sun access restriction creates maximum height limits on the northern portion of Parcel C, so that maximum FAR on this portion of Parcel C will be substantially less than on the southern portion. FARs and bulks on the northern portion are comparable to recently approved projects nearby, including the Library 5.25 FAR, ICON 6.5 FAR, and Park Terrace 6.2 FAR. The southern portion of Parcel C could have two towers, up to approximately 445 feet tall, but envelope controls ensure that the towers would be slender and separated by at least 120 feet. FAR on the southern portion of Parcel C will be substantially more than on the northern portion but this area is adjacent to a portion of East Village contemplated in the proposed Community Plan Update to provide FARs ranging from 6.0 to 10.0 (with bonuses), and across Imperial Avenue from Parcel D.

Parcel D allows two 500-foot towers, separated by at least 240 feet, and restricted to slender north-south proportions to minimize shadow impacts on adjacent streets and courtyards. Because of the additional tower heights, maximum FAR on Parcel D averages 12.24, comparable to the recently approved Vantage Point 11.9 FAR or Symphony Towers.

However, the towers are predominately set back from the base to provide a comfortable street scale and reduce wind shear. All tower placements and envelopes are tightly controlled by the Master Plan to preserve upland view corridors down 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> avenues.

#### 2) Street Wall & Character:

Park Boulevard and Imperial Avenue are reinforced with a strong, continuous street wall of 50-60 feet in height, then stepping back to a 90-foot maximum; this ensures a comfortable scale to these streets. Both these frontages have 60% minimum required active uses, and all facades are required to exhibit pedestrian rich design and superior materials. The south facade facing Harbor Drive and the rail lines is similarly required to provide rich architectural modulation. Half of the view corridor down 10th is already blocked by the Ballpark from approximately Island Avenue south; therefore, providing a ground-level view corridor through Parcel D is unwarranted. However, an indentation in the podium at this location is required to relieve the long street wall.

#### 3) Public Plazas and Mews:

The Master Plan requires four plazas at strategic nodes, including the Event Plaza at Linear Park and Park Boulevard shared with the Harbor Drive Pedestrian bridge stair/elevator landing. The respective design teams are collaborating on this plaza design. Quality paving materials, landscaping and street features consistent with the Ballpark District guidelines would be executed on all street edges, as well as lining the pedestrian mews and plazas.

#### 4) View from Main Library Reading Room:

Based on comments at the CCDC Board Meeting of May 25 by Rob Quigley, architect for the Main Library, the Participant was requested to revise the Master Plan to improve views from the Main Library Reading Room through Parcels C and D to the Coronado Bridge and San Diego Bay. In response, Johnson Fain Architects developed a Reading Room View Analysis that demonstrated that greater separation between the tower envelopes would enlarge the view corridor. The Master Plan submitted for Agency and Council approval, dated August 8, 2005, incorporates these greater tower separations.

### **AFFORDABLE HOUSING AGREEMENT**

The Affordable Housing Agreement is a part of the Owner Participation Agreement in order to implement a tailored, for-sale affordable housing program on Site rather than allowing the Participant to meet the City's Inclusionary Housing Ordinance requirements by solely paying in lieu fees. The Participant must construct on Parcel C no less than 100,000 GSF of affordable housing meeting State Community Redevelopment Law Moderate-Income Housing requirements and the City's 100% of Area Median Income requirements, whichever is more restrictive. The Participant must pay in lieu fees to the extent that the number of affordable housing units provided on Site do not meet or exceed 10% of the total number of housing units on the Site. The in lieu fee shall be \$7.00 per square foot or the fee in-place at the time the fees are due, whichever is greater (in lieu fees are currently \$2.50 per square foot but are estimated to be at least \$7.00 per square foot as of July 1, 2006).

There are three aspects to the Participant's affordable for-sale program which differ from the requirements of the City's Inclusionary Housing Ordinance which require that a variance be granted to the Ordinance. The three aspects of the program requiring the variance are:

**Summary of Proposed Deviations to City's Inclusionary Housing Ordinance**

<b>Provision</b>	<b>Inclusionary Requirement</b>	<b>OPA Requirement</b>
Term of Affordable Restrictions	15 years or until the first re-sale	In perpetuity
Location of Affordable Units	Dispersed throughout the development	In first 2-6 floors of one high rise building
Phasing of Affordable Units	Prior to or concurrent with development of market rate units	Prior to or concurrent with commencement of development on three of the six sub-parcels which constitute the Site

The first proposed deviation comes from CCDC's desire to go beyond the requirements of the City's Ordinance with respect to the length of the restrictions. State law requires that at least 15% of all housing within a redevelopment area be restricted to low and moderate income occupancy, and that the duration of the restrictions may not be less than 45 years. The second and third deviations result from the high density, mixed use character of the proposed development and the desire of CCDC and other advisory groups that the affordable units provided by the Participant be integrated into the podium level of a high

rise building on the Site rather than constructed as a separate structure on the Site or elsewhere in Centre City.

To approve the Owner Participation Agreement and the Affordable Housing Agreement, the City Council, in a concurrent public hearing, must make the findings for a variance to the City's Inclusionary Housing Ordinance for the three deviations described above. Section 142.1304(c) of the Ordinance provides for such a variance with the Council's adoption of these candidate findings:

1. The proposed development which is the subject of the Variance and of the proposed Affordable Housing Agreement lies within the Centre City Redevelopment Project Area.
2. The proposed development which is the subject of the Variance and of the proposed Affordable Housing Agreement is further subject to the proposed OPA between the Participant and the Agency.
3. The proposed development which is the subject of the Variance and of the proposed Affordable Housing Agreement is fulfilling the stated significant objective of the Agency's approved Five Year Redevelopment Plan for the Centre City Redevelopment Project Area of "creation of viable housing options within Centre City that span a range of incomes" (July 2004-June 2009 Five Year Plan approved by the Agency by Resolution No. 03771 on June 15, 2004), inasmuch as the Affordable Housing Agreement will provide on the Site no less than 100,000 gross square feet of for-sale housing for occupancy by, and at prices affordable to, households earning no more than 100% of Area Median Income.

## **ENVIRONMENTAL IMPACT**

The City and Agency certified the Final Subsequent Environmental Impact Report to the Final Master Environmental Impact Report for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments on October 26, 1999 (the "SEIR"). On October 30, 2003, the City and Agency certified a Final Addendum to the SEIR for the East Village Square Development. In order to evaluate the Ballpark Village Phase II Ancillary Development proposal, a Final Addendum has been prepared for the development proposed by the Master Plan and OPA.



While there is no State requirement for a public review period for an Addendum under the California Environmental Quality Act, the City of San Diego's Municipal Code requires a 14-day public review period for such documents. The Draft Addendum was circulated for public review from April 21 to May 6, 2005. Primary issues raised by comments received to the Draft Addendum include air quality, public services, noise, aesthetics and views, traffic, land use, hazards and hazardous materials, displacement of homeless population, use of an Addendum rather than a Supplemental or Subsequent EIR, and monitoring of mitigation measures.

Comments received on the Draft Addendum, and appropriate responses to those comments, have been incorporated into the Final Addendum to the SEIR dated August 8, 2005. The conclusion of the Final Addendum is that neither the Ballpark Village development nor the circumstances under which it is being undertaken would result in any new significant impacts not discussed in the SEIR, or any substantial increase in the severity of impacts identified by the SEIR. In addition, no new information of substantial importance has become available since the SEIR was prepared regarding new significant impacts, or the feasibility of mitigation measures or alternatives.

Attachment A to the proposed Council and Agency resolutions certifying the Final Addendum includes specific findings of fact briefly summarizing the bases for the conclusions contained in the Addendum regarding each environmental topic that was considered and explaining why preparation of a subsequent or supplemental EIR was not required. Attachment A also includes a statement of overriding considerations because there are certain impacts of the project which, despite adoption of all feasible mitigation measures, cannot be fully mitigated to a level that is less than significant. These impacts -- Air Quality (long-term cumulative impacts of the Centre City Redevelopment Project); Land Use / Planning (displacement of homeless populations in Ballpark and Ancillary Development areas); Noise (fireworks displays and other events occurring after 10:00 pm at the ballpark); and Population and Housing (overall potential of the Ancillary Development projects to reduce potential for future residential units to be built within the Ancillary Development Projects Area; displacement of homeless) -- were previously analyzed in the SEIR and a statement of overriding considerations was adopted when the Ballpark and Ancillary Development Project was approved in 1999. While these impacts are not more severe for the Ballpark Village project (and, in fact, are in some cases actually lessened), because the impact conclusion remains significant, a new statement of overriding considerations for the Ballpark Village project is recommended.

**SUMMARY/CONCLUSION**

It is recommended that the City Council and Redevelopment Agency adopt the resolutions as provided above certifying the Final Addendum to the SEIR, approving the Owner Participation Agreement, the Master Plan and the Affordable Housing Agreement, and that the City Council concurrently adopt the resolution approving the variance to the City's Inclusionary Housing Ordinance in the form of the Affordable Housing Agreement, and making certain findings.

Respectfully submitted,

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Pamela M. Hamilton  
Senior Vice President

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Approved: Peter J. Hall  
President

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Garry Papers  
Manager-Architecture and Planning

Attachments: Site Map

Owner Participation Agreement ("OPA") including Master Plan dated August 8, 2005 and Affordable Housing Agreement (Attachment Nos. 9 and 10, respectively, of the OPA)

Summary Required by Section 33433 of the State Community Redevelopment Law

Memorandum by Keyser Marston Associates, Inc. dated August 26, 2005

Final Addendum [for Ballpark Village] to the Final Subsequent Environmental Impact Report for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments ("Final Addendum to SEIR")