

DATE ISSUED: July 19, 2006

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Meeting of July 25, 2006

ORIGINATING DEPT: Centre City Development Corporation

SUBJECT: 14<sup>TH</sup> STREET AND ISLAND AVENUE PARK (14<sup>th</sup> Street  
between J Street and Island Avenue) – Approval of Park Plans and  
First Implementation Agreement with Pinnacle International  
Development, Inc. - East Village Redevelopment District of the  
Expansion Sub Area of the Centre City Redevelopment Project  
Area

COUNCIL DISTRICT(S): District 2

REFERENCE: Attachment A: Park Schematic Drawings  
Attachment B: Plan of Recorded and Revised Park Easement  
Attachment C: Plans for Corner Commercial Structure  
Attachment D: Proposed First Implementation Agreement

STAFF CONTACT: Pamela M. Hamilton, Senior Vice President, 619-533-7114  
Garry Papers, Manager-Architecture and Planning, 619-533-7116  
Nicole Haines, Associate Project Manager, 619-533-7177

**REQUESTED ACTION:** A recommendation of approval of the proposed First Implementation Agreement with Pinnacle International Development Inc. and of the Schematic Drawings for the park at 14th Street (between J Street and Island Avenue), and Design Review approval of the Corner Commercial Structure of the Pinnacle development.

**STAFF RECOMMENDATION:** That the Redevelopment Agency approve the proposed First Implementation Agreement with Pinnacle International Development Inc. and approve the Schematic Drawings for the park at 14th Street (between J Street and Island Avenue), and provide Design Review approval of the Corner Commercial Structure of the Pinnacle development.

**SUMMARY:** The Owner Participation Agreement with Pinnacle International Development, Inc. provides for the development of an East Village "super block" as a contributor to a neighborhood center, providing residential high rise condominiums and ground floor commercial space and a public park. The actions requested of the Board will advance the plans for the park and the private development at the corner of 14th Street and Island Avenue which will complement the park's use. The proposed First Implementation Agreement is consistent with the intent of the Owner Participation Agreement and provides an opportunity for earlier construction on the "super block," a benefit to the neighborhood. The Agency's obligations under the Owner Participation Agreement can be met within the approved FY 2006/2007 budget.

FISCAL CONSIDERATIONS: To the extent there are financial obligations imposed by the First Implementation Agreement, they are Developer financial obligations. Funds to meet the Agency's obligations for the park as required by the Owner Participation Agreement are available from the \$5,045,000 proceeds of the sale of the Agency-owned 30,000 SF parcel to the Developer, which occurred on October 31, 2005.

CENTRE CITY DEVELOPMENT CORPORATION: On June 28, 2006, the Centre City Development Corporation voted unanimously to support the staff recommendation.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Centre City Advisory Committee (CCAC) viewed the project most recently on June 14, 2006 when it approved the Schematic Design. The CCAC had previously reviewed the park concept design at its Pre-Design Subcommittee meeting on January 24, 2006, and unanimously approved the park concept design on February 8, 2006.

Two community workshops were held, the first on November 19, 2005, and the second on January 7, 2006. The park design was well-received and fully supported at the community workshops. Comments from the workshops have been incorporated into the Schematic Design. The project was also presented to the East Village Association and East Village Community Action Network at their regular meetings.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders for the project are existing and future East Village residents and visitors. The projected impact of the action is that additional valuable open space will be created. The new park will be maintained by the Developer, the Home Owner's Association or by a community facilities district or similar mechanism.

BACKGROUND

The Owner Participation Agreement ("OPA"), the proposed First Implementation Agreement, and the park on 14<sup>th</sup> Street between J Street and Island Avenue advance the Visions and Goals of the Downtown Community Plan, the Objectives of the Centre City Redevelopment Project, and the East Village Focus Plan by:

- providing open space for existing and future downtown residents;
- creating parks to provide catalysts for new development;
- developing a comprehensive open space system that provides a diverse range of outdoor opportunities for residents, workers, and visitors;
- providing public open space within walking distance of all residents and employees;
- facilitating the development of mixed-use neighborhoods, with open spaces, services, and retail within convenient walking distance of residents, to maximize opportunities for walking; and
- providing parks and community facilities to complement the development of residential neighborhoods.

The OPA provides for a neighborhood public park and a private development on the 120,000 SF “super block” bounded by Island Avenue and 14<sup>th</sup>, 15<sup>th</sup>, and J Streets, implementing the “neighborhood center” concept in a location designated in the Downtown Community Plan. The private development to be constructed consists of (1) two towers of 619 high-rise residential condominiums and approximately 20,000 SF of ground floor commercial retail space, easterly of the park, and (2) a “Corner Commercial Structure” including joint-use public restrooms and a patio at the corner of 14<sup>th</sup> Street and Island Avenue. The park to be constructed lies within the perpetual Park Easement which was recorded concurrently with the sale of the Agency-owned parcel to the Developer.

Recap of the Owner Participation Agreement as it relates to the Development of the Park

- The Developer will construct a commercial structure, joint-use public restrooms and patio at the corner of 14th and Island concurrently with the construction of the park. This privately-owned and maintained structure sits outside the Park Easement but is required to benefit the park use in that the structure, including its patio, is required to be a food and beverage-related retail use. The joint-use public restrooms within the structure must be open to the general public daily at least from 6 AM to 9 PM.
- The approximately 56,000 SF Park Easement will be designed and constructed as a public park at Agency expense. The Park Easement must be open to the public during the same hours required by the City’s downtown park curfew ordinance (the current ordinance provides for parks to be open to the public daily from 6 A.M. to midnight).
- If, within 36 months of the Agency’s execution of the OPA (October 13, 2005), the Developer has met the permitting and financing requirements for, and commences construction on, the parking structure beneath a portion of the Park Easement, the Developer would also construct the park improvements on the Park Easement and the Agency would reimburse the Developer for the Developer’s actual, reasonable third-party costs for the construction of the park improvements (not any portion of the costs attributable to the Developer’s design and construction of the parking structure nor shall the Developer or Developer affiliate be paid any contractor fee or for general conditions associated with the park improvements). If the Developer does not proceed as described within 36 months, there will be no garage within the Park Easement and the Agency would construct the park improvements. Park-related costs include the curbs, gutters, sidewalks and street trees immediately adjacent to the Park Easement.
- The Developer is required to construct and complete the commercial structure, the joint-use public restrooms and patio at the corner of 14th and Island on a schedule coordinated with the completion of the park improvements. These are private improvements maintained by the Developer or the Developer’s successors.
- The maintenance, repair and replacement of the park improvements will be provided in perpetuity by the Developer or the Developer’s successors in interest (and a Capitalized Maintenance Credit will be calculated and paid to the Developer by the Agency concurrently with the recordation of the Park Maintenance Standards, which will be based on the Final Construction Drawings and Specifications for the park improvements).

- The Agency is provided up to 18 months from the close of escrow (a date which is April 30, 2007) to determine whether the maintenance, repair and replacement of the Park Improvements will be the obligation of the Homeowner’s Association or a community facilities district or similar mechanism with special taxes or assessments levied solely on the owners of the Site.
- The Landscape Concept Plan for Park Improvements dated May 18, 2005 was approved by the Agency with the OPA on October 11, 2005 and served as the basis for subsequent community workshops on the design of the park and of the Corner Commercial Structure, joint-use public restrooms and patio. Comments from the community, CCAC and Committee have been incorporated into the Schematic Drawings.

DEVELOPMENT TEAM

<b>ROLE / FIRM</b>	<b>CONTACT</b>	<b>OWNED BY</b>
<b>Developer / Construction Manager</b> Pinnacle International Development, Inc.	Michael DeCotiis	Michael DeCotiis (President) (Privately Owned)
<b>General Contractor</b> Pinnacle International Development, Inc.	Apriano Meola	Michael DeCotiis (President) (Privately Owned)
<b>Architect</b> Perkins and Company	John Perkins	John Perkins John I. Perkins III (Privately Owned)
<b>Landscape Architect</b> Spurlock Poirier	Marty Poirier	Andy Spurlock Marty Poirier (Privately Owned)

DISCUSSION-PROPOSED FIRST IMPLEMENTATION AGREEMENT

The proposed First Implementation Agreement provides for the following revisions to the OPA:

1. The Developer is provided the option of constructing the Corner Commercial Structure in advance of the park construction and permits its interim use as a Sales Office (including a “mock up” of a residential unit), in accordance with the “Tenant Improvement Plans for Interim Use” presented for Committee approval. The interim use must be discontinued and the interior must be reconfigured in accordance with the “Tenant Improvement Plans for End Use” presented for Committee approval, and a certificate of occupancy must be issued for the food and beverage-related retail use prior to the park’s completion. If the Developer exercises the option for this “early” construction, the Developer must also advance construction of the new off-site public improvements (curbs, gutters, sidewalks, street trees) adjacent to the Corner Commercial Structure. The Developer has the option of completing the interior(s) of the joint-use public restrooms with the interim use. The restrooms would not be required to be open and available for use by the general public, nor to adhere to the daily hours of operation, until completion of the park. The patio would not be constructed until the reconfiguration of the building for the food and beverage-related use and park completion.

2. A 56,024 SF (1.286 acres) Park Easement was recorded on the “super block” at the time the Agency conveyed its 30,000 SF parcel to the Developer to provide the Developer an assembled site of 120,000 SF. This Easement requires minor reconfiguration and adjustment now that the Corner Commercial Structure and its patio have been designed in concert with the park improvements. Such adjustments were anticipated by the OPA. The revised Park Easement is an area of 56,030 SF, illustrated in Attachment B.
3. Because the Agency’s election of the Park maintenance obligations as the responsibility of either the Homeowner’s Association or a community facilities district or similar mechanism will likely be influenced by whether or not the Developer has constructed a parking structure under a portion of the Park Easement, the date for such election by the Agency is extended to 36 months from the close of escrow (a date which is October 31, 2008).

## DISCUSSION – PARK DESIGN

### General Description of the Park

The proposed park is located on 14<sup>th</sup> Street, between J Street and Island Avenue, in the East Village neighborhood. The park will occupy the westerly half of the “super block,” and will be 56,030 SF in size. The park will serve the rapidly growing population of the adjacent residential area, providing outdoor space for a variety of activities and users of all ages.

The proposed park is rectangular in shape, and the topography slopes down from the site’s high point on the corner of 14<sup>th</sup> and J Streets. The site is constrained by a fault line of the Rose Fault, and a storm drain no-build easement, which bisect the park.

The park will contain features such as sidewalks, walking paths, play areas including a tot lot, open lawn and areas for nature-based play, bench seats, lighting, litter receptacles, drinking fountains, gardens and trellises for shade. Public restrooms will be provided as part of the corner commercial development.

### Park Design Process

Following approval of the concept design in October 2005, the Corporation and the Design Team (led by Spurlock Poirier, Landscape Architects) began the community outreach process to progress the design for the park.

Two community workshops were held, the first on November 19, 2005, and the last on January 7, 2006. The park design was well received and fully supported at the community workshops. The community comments received at the public meetings, in addition to the comments from the Real Estate (Planning and Projects) Committee and the CCAC, have been incorporated into the Schematic Drawings presented for approval (“Attachment A”).

### Design Revisions

The following changes have been made to the design, to respond to public and advisory comments:

- Additional areas for play and revisions to the rolling topography – additional play facilities have been added to cater to children of different ages. The rolling topography has been made more functional, and now hosts additional amenities for play.
- The Arroyo Ramble area has been condensed in size, and also includes elements of play for children of different ages. The interface between this area and the corner commercial structure has also been looked at in greater detail – particularly with respect to the careful placement of trees to enable ‘eyes on the park.’ Changes to this area also consider the ability to showcase indigenous plants.
- Dogs – an artificial turf strip has been included in the public right-of-way along J Street. This strip will act as an area that dog walkers can use to relieve their pets, and will be fitted with ‘Doggie Bag Dispensers’ and good drainage. (A similar artificial turf has been successfully installed at a pet store in Ocean Beach).
- Additional amenities such as benches and lighting have been considered and integrated into the plan.
- Public art – A process to select an artist has been undertaken, and is summarized in the next section of this report.

#### Public Art Update

The Artist Selection process has recently been completed with the assistance of the City of San Diego Commission for Arts and Culture. A Request for Qualifications (RFQ) was initiated, and 22 applications were received. The Artist Selection Panel met twice, first to review all applications and prepare a short-list; interviews of the three short-listed teams were conducted on May 24. Po Shu Wang and Louise Bertelsen (from Berkeley, CA) were selected as the preferred team.

The development of the artwork concept(s), over the next six months, will involve the community, primarily through a series of public meetings. The Public Art Integration process will run concurrently with the detailed design for the park, so that every opportunity can be taken to fully integrate the artwork(s) into the park.

#### Project Budget and Financing

Cost estimates have been prepared for the park and related streetscape improvements. An estimate based on the Schematic Design places the construction cost in the order of \$2.7 - \$3.0 million. The current budget of \$5,045,000 is adequate to cover these construction costs, existing encumbrances (such as the design cost), and an estimate of the Capitalized Maintenance Credit, in addition to a contingency for the project.

#### DISCUSSION - DESIGN REVIEW APPROVAL OF THE CORNER COMMERCIAL STRUCTURE

The design of the Corner Commercial Structure respects the colors and “industrial” materials found in the East Village neighborhood. The building is a basic one-story (plus basement) structure, approximately 3,000 SF in size. The building is essentially a glass box facing the park,

with a 'service box' located on the north side along Island Avenue. The southern elevation interacts particularly well with the park, with large roll-up glass doors that open the façade of the building to the park, and allow easy flow between the building interior and the level-floored outdoor patio/terrace. The tenant improvement plans for both the interim use (sales office and model unit), and the proposed use (as a food and beverage-related facility) are included in "Attachment C." The structure incorporates two joint-use public restrooms facing the tot-lot, to be maintained by the commercial tenant. The restrooms will be well-lit and signed, and easily visible from the adjacent street and the park.

### CONCLUSION

This report requests approval of the proposed First Implementation Agreement and of the Schematic Drawings for the park, and Design Review approval of the Corner Commercial Structure.

The proposed park will implement a number of recommendations from the Community Plan and East Village Focus Plan, and will provide valuable public open space for a growing neighborhood. The creation of a neighborhood park will provide a variety of recreational amenities, and will raise the quality of life for all downtown residents and visitors.

Respectfully submitted,

Concurred by:

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Pamela M. Hamilton, Senior Vice President

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Nancy C. Graham, President

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Garry Papers, Manager – Architecture and Planning

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Nicole Haines, Associate Project Manager

Attachments: A: Park Schematic Drawings  
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