



REPORT NO. CCDC-07-01

DATE ISSUED: January 17, 2007

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of January 23, 2007

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: CRACKER FACTORY (northeast corner of Market and Columbia streets) – PUBLIC HEARING - Marina Development Permit and Design Review – Marina Sub Area of the Centre City Redevelopment Project

COUNCIL DISTRICT(S): District 2

STAFF CONTACT: Brad Richter, Principal Planner, 619-533-7115

REQUESTED ACTION: That the Redevelopment Agency grant 1) approval of Marina Development Permit 2006-39, with Exceptions, and 2) Design Review approval for the Cracker Factory project.

STAFF RECOMMENDATION: That the Redevelopment Agency grant 1) approval of Marina Development Permit 2006-39, with Exceptions, and 2) Design Review approval for the Cracker Factory project.

SUMMARY: The Cracker Factory project is seeking approval of a Marina Development Permit, with Exceptions, including Design Review approval, for proposed plans to rehabilitate, and add a penthouse floor to, an existing three-story building located at the northeast corner of Market and Columbia streets.

FISCAL CONSIDERATIONS: None.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On October 25, 2006, the Centre City Development Corporation (CCDC) Board held a public hearing to consider the Cracker Factory project and voted 6-1 to recommend approval of the project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On October 18, 2006, the Centre City Advisory Committee reviewed the Cracker Factory project and voted 13-7 to recommend approval of the project. The opponents either opposed the design of the addition or the proposed corrugated metal siding material (which was revised prior to the subsequent CCDC Board action).

KEY STAKEHOLDERS:

<b>ROLE/FIRM</b>	<b>CONTACT</b>	<b>OWNED BY</b>
Property Owner/Developer: AFJR Partnership	Caryl Chabot	Caryl Chabot, Al Frost, Bruce Frost, Jim Frost, Tom Frost (Privately Owned)
Architect: Richard Bundy David Thompson	Richard Bundy	Richard Bundy David Thompson (Privately Owned)

BACKGROUND

The project is located within the Marina District, which has its own Planned District Ordinance (PDO) separate from the Centre City and Gaslamp Quarter Planned Districts. The PDO is a “performance based” PDO which establishes Base Height and Floor Area Ratio (FAR) limits, but allows for increases in each limit upon evaluation of specific criteria for such “Exceptions.” In addition, the PDO development standards can be modified through the Exception process if it improves the quality of the project. Any request for such Exceptions requires two public hearings before the CCDC Board and the Redevelopment Agency. The Marina District also contains architectural and design standards in the adopted Marina Urban Design Plan and Development Guidelines. The Cracker Factory is listed as a Heritage Building in the Marina Urban Design Plan, which encourages retention and adaptive reuse of such buildings. Heritage buildings include those officially designated as a Local Historic Site, as well as Architecturally Significant Structures, of which the Cracker Factory is one of the latter.

The proposed project meets the following goals of the Marina Planned District:

- Encourage new housing.
- Conserve heritage buildings.
- Permit mixed-use developments.

PROJECT DESCRIPTION

The project is located on a 10,000 square-foot site at the northeast corner of Market and Columbia streets in the Marina neighborhood. The surrounding land uses include the 13-story CityFront Terrace condominium project to the south; the 4-story Columbia Square project to the north and east; and the 4-story WaterMark condominium project to the west.

The following is a summary of the project:

Site Area	10,000 sq. ft. (one-sixth block)
Maximum Floor Area Ratio (FAR) Permitted Proposed	3.5 (+ 0.5 w/Exception) 3.73
FAR Bonuses Proposed	Marina PDO Exception
Stories / Height	4 stories / 54 feet (requires Exception for above 50 feet)
Amount of Retail Space	6,606 sq. ft.
Amount of Office Space	7,243 sq. ft.
Type of Housing	Apartments
Total Number of Units / Total Residential Sq. Ft.	11 / 12,275 sq. ft.
Types of Units (sizes)	11 lofts (average 1,000 sq. ft.)
Projected Rental Prices	Market Rate
Number of Units Demolished	0
Inclusionary Housing Ordinance Compliance/ Number of Affordable Units	Payment of In-Lieu Fee 0
Parking Required Proposed	6 for residential units 16
Assessor's Parcel Nos.	535-056-05

DISCUSSION

The proposed project would rehabilitate, reuse, and add onto the existing Cracker Factory building. The project will seismically upgrade the building, as required by the City as it is an Unreinforced Masonry Building (URM). The existing 3-story brick building is currently painted white and has green awnings. The project would repaint the existing brick a reddish brick color, with sand and green color accents on the parapet details. New metal canopies would be added over the entrances, with gray fabric awnings located over the windows. The existing basement would be converted into a parking garage, with a new driveway entrance located off Columbia Street.

The addition would consist of a single-story penthouse level that would be set back between 8 and 21 feet from the existing building parapets. The addition would contain a corrugated metal

siding, which is a material traditionally used for such penthouse additions to warehouse buildings. Based on input from CCDC and surrounding property owners, the applicant has selected a medium grey corrugated metal panel that provides an upgraded, attractive material for the penthouse addition. The addition is consistent with the Design Plan and Development Guidelines for the Marina District and Heritage Structures in that the addition is set back from the existing parapets, minimizing its view from surrounding streets, and utilizes a different material to distinguish itself from, but complement, the existing structure. Mechanical equipment will be enclosed within a screened area, including a screen on top of the equipment.

The former warehouse and commercial building will be converted into a multi-use building, consisting of retail space on the first floor, office space on the second floor, live-work lofts on the third floor, and residential units in the new addition. While the site is located within the 80% Residential/20% Non-Residential land use district, Heritage Structures are not subject to the permitted use requirements of other structures in the district under the Marina Development Guidelines, and therefore the proposed uses are permitted under the land use regulations for this area.

### Exceptions

Under the Marina PDO, each block contains Floor Area Ratio (FAR) and building height limitations. Each of these standards may be increased upon meeting specific criteria or findings. In addition, Exceptions to any of the other development standards within the PDO may be granted upon meeting specific findings. The Exception process is intended to serve as an incentive to original and superior project design.

The PDO allows an FAR of 3.5 and a height of 50 feet by right for this site, and allows the granting of Exceptions to permit an FAR of 4.0 and a height of 90 feet if certain criteria are met. The project proposes an FAR of 3.73 and a height of approximately 54 feet. Most of the projects approved within the last 10 years in the Marina District have taken advantage of such Exceptions to increase their FAR and height.

The project has requested the following Exceptions to the Marina PDO:

#### 1. Increase in the FAR from 3.5 to 3.73

The PDO allows an increase from the Base 3.5 FAR to 4.0 when at least three of seven criteria listed in Section 103.2012B4c are met, as follows:

- (i) *Development is infilled on sites or blocks which contain historic or architecturally significant structures or where historic or architecturally significant buildings are rehabilitated and integrated into the proposed new development.*

The building is an architecturally significant structure that will be rehabilitated, including seismic upgrades.

- (ii) *The average size of twenty-five percent (25%) of all units exceed one thousand (1,000) square feet.*

Four of the eleven (36%) live/work and residential units exceed 1,000 square feet.

- (iv) *The required ground-floor activity increases from fifty percent (50%) to sixty percent (60%) of the street frontage. Such increase in activity shall be consumer-oriented commercial or residential land use.*

The building provides retail space around the perimeter of the project, except for the driveway entrance and required exit stairways.

- (v) *At least one full-level of underground parking is provided.*

The project provides full levels of parking in the existing underground basement.

- (vii) *No Redevelopment Agency financial assistance, excluding off-site improvements, is required for the project.*

The developer has not requested any Agency financial participation in this project.

Therefore, the project satisfies five of the seven criteria, more than the three required for qualification for an increase in the FAR.

## 2. Increase in the overall height from 50 to 54 feet.

The PDO establishes the base height for this block at 50 feet, allowing an increase up to 90 feet under Section 103.2012(B)(2) after four criteria are evaluated. These four criteria serve as a method of evaluating whether the granting of an increase in height is warranted by the project complying with one or more of these performance objectives. Compliance with all four of the criteria is not required, but the granting of an increase in height is an incentive for projects to provide these design amenities.

- a. *Applicant shall provide one (1) or more parks, setback areas, or widened and enhanced public right-of-way. Such areas shall be landscaped by the applicant. Their location shall complement the adjoining right-of-way and while either public or private in nature, shall be designed to be visually or physically enjoyed by residents, residents of adjoining structures and the general public.*

This criterion cannot be met due to the location of the existing Heritage Building.

- b. *Applicant's project shall increase nonresidential or residential activity at the street level of the development from fifty percent (50%) of the total frontage to all of the remaining street frontage with the exception of vehicular access and truck service delivery to serve the site. Such activity shall be directly accessible to the public right-of-way. Entrances to activity shall be provided at intervals which are approximately fifty (50) feet or less in distance apart.*

Retail lease space is located around the perimeter of the development and will be directly accessible to the public.

- c. *Applicant's project shall accommodate all, or a substantial amount of, parking needed to serve the proposed development below-grade.*

The existing basement is being converted to provide more than the required parking for the project.

- d. *Applicant shall mitigate the mass and scale of the project by reducing the size of the floor plate and creating a more slender tower which enhances view corridors or reduces the effect of shadow on adjoining developments.*

This criteria is intended for high-rise development in order to avoid large towers which could block views and create unnecessary adverse shadow impacts on surrounding developments. This project does not have a tower component and reaches only 54 feet in height.

The project meets two of the four performance objectives established for evaluating an Exception for an increase in height, with the other two objectives not being applicable to this project.

3. The project proposes parking that does not meet the standard size requirements of the Land Development Code.

The project is actually governed by the Centre City Parking Ordinance rather than the Marina PDO, which is supplemented by the Land Development Code's parking space standards. Under the Parking Ordinance, however, there is a provision where parking standards may be waived for the conversion or enlargement of existing buildings if the following conditions are met:

- (1) *The condition is unique to the property in question and is not created by an action or actions of the property owner or applicant.*

- (2) The strict application of the requirements of this Division will constitute unnecessary hardship upon the property owner represented in the application.*
- (3) Granting the exception will not adversely affect the health, safety, prosperity, or general welfare of adjacent property owners or residents.*
- (4) Granting the exception will not conflict with the purpose and intent of this Division.*

The project proposes to convert an existing basement into a parking garage to provide on-site parking for the building tenants and therefore avoid impacts to the neighborhood. However, existing structural columns make it impossible to meet the typical City Standards for parking space and aisle dimension, which results in slightly smaller dimensions (8'-2" stall width in lieu of 9'-0", and 22'-0" wide aisles in lieu of 24'-0") for the parking layout. Since the project is adding 16 spaces to a site which currently has none, and the existing structural columns of the building limit the design of the garage, staff recommends approval of the proposed adjustments.

In addition to the various findings and criteria listed above, the following findings must be made for the overall project when granting Exceptions:

- 1. Demonstration that the proposed exceptions implement the intent of the Marina Planned District and Urban Design Plan and Development Guidelines.*

The slight increases in FAR and height are a result of a taller than usual basement level of this Heritage Structure and the granting of such Exceptions would allow additional residential development within an existing building. The parking Exception allows the project to provide a greater number of parking spaces than required by the code in order to avoid potential impacts to the neighborhood.

- 2. The granting of the exception does not adversely affect the development of the residential community.*
- 3. The granting of the exception will have a beneficial impact on the residential community.*

The project, with its exceptions, will result in additional residential units being constructed within the community and add to the variety of housing choices.

- 4. The granting of an exception will not establish an adverse precedent for the consideration of future requests for exception.*

Most projects approved within the last 10 years have requested, and obtained approval of, Exceptions that are provided for in the Marina PDO. The proposed Exceptions are minor and would not establish an adverse precedent for future projects.

*5. The design of the proposed development is distinctively San Diegan and architecturally superior.*

The addition will add interest to the existing flat roof and is designed to be compatible with, but distinctive from, the original Heritage Structure. The addition will contain metal siding appropriate for such additions and will contain metal canopy accents and private patio areas, allowing the residents to enjoy outdoor space.

The CityFront Terrace Homeowners' Association submitted a letter to the CCDC Board's Real Estate Committee (attached) which cites concerns over a previously proposed metal siding material, the use and appearance of the roof-top decks, and the number of parking spaces. These issues have been discussed above, in that the material is consistent with the Marina Urban Design Guidelines and new additions to Heritage Structures (the final material choice has now been supported by the neighborhood), the use of roof tops for common and private open spaces is encouraged by the new Downtown Community Plan, and the project is providing more than the required amount of parking (16 vs. 6 spaces). The appearance of the roof-top patios (plants, personal belongings) and any disruptive behavior/noise will be the responsibility of the landlord and/or Police Department, as is the case with every other residential development downtown. There was also testimony at the hearing regarding privacy concerns of an adjoining resident in Columbia Place, and the architect has slightly modified the location of the walkway to the emergency stairway at the southeast corner of the building, away from the building parapet.

Streetscape Design - Although the Centre City Streetscape Manual specifies Marina pavers in this neighborhood, this block was improved with concrete sidewalks with brick accent bands. The improvements in front of this building are in fair shape, and staff recommends that the existing improvements be repaired where necessary.

Environmental Impact – The proposed rehabilitation and expansion of the building is Categorically Exempt from environmental review under the California Environmental Quality Act, Class 1 – Existing Facilities. It should be noted that the density and uses of the proposal are also consistent with the development envisioned under the 2006 Final Environmental Impact Report (FEIR) prepared for the Downtown Community Plan.

## CONCLUSION

The project will rehabilitate an Architecturally Significant building in the Marina Planned District consistent with the Urban Design Plan and Development Guidelines. In addition, the project meets the criteria for the granting of Exceptions for increases in the FAR and height. Therefore, staff recommends that the Redevelopment Agency approve Marina Development Permit 2006-39, including the granting of Exceptions and Design Review approval, subject to the following conditions:



1. The brick walls shall be repaired and restored and painted a brick color.
2. The existing wood windows shall be rehabilitated and where necessary, replaced with similar windows to match the existing.
3. The penthouse addition shall utilize a medium grey corrugated metal siding with a flat finish to avoid reflectivity.
4. The mechanical equipment shall be enclosed with a solid metal siding material around the equipment and covered with a perforated metal screen, or other similar material.

Respectfully submitted,

Concurred by:

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Brad Richter  
Principal Planner

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Nancy C. Graham  
President

Attachment(s):     Draft Marina Development Permit 2006-39  
                              Basic Concept/Schematic Drawings  
                              Letter from CityFront Terrace Homeowners' Association