

DATE ISSUED: November 14, 2001 REPORT NO. 01-246

ATTENTION: Honorable Mayor and City Council
Docket of November 19, 2001

SUBJECT: Naval Training Center - Master Planned Development Permit/Coastal
Development Permit No. 99-1076

REFERENCE: Manager's Report 01-138
Planning Commission Report No. P-00-175
Manager's Report 00-1340/RA-00-12
Planning Reports P-99-1092 and P-00-135

APPLICANT: McMillin-NTC, LLC/City of San Diego

OWNER: City of San Diego, United States

SUMMARY

Issues – Should the City Council reconsider and approve Master Planned Development Permit/Coastal Development Permit No. 99-1076 to implement the Coastal Commission certified Naval Training Center (NTC) Precise Plan and Local Coastal Program Land Use Plan?

Manager's Recommendation –

1. Reconsider and Approve Master Planned Development/Coastal Development Permit No. 99-1076 to implement the Coastal Commission certified Naval Training Center (NTC) Precise Plan/ Local Coastal Program Land Use Plan certified September 2001.
2. State for the record that the final Mitigated Negative Declaration No. 99-1076 has been reviewed and considered prior to approving the project.

Community Planning Group Recommendation - On September 7, 2000, the Peninsula

Community Planning Board voted to recommend approval of the project subject to conditions, which the City Council predominantly incorporated into the project on October 3, 2000. On November 8, 2001, the PCPB will hold a special meeting to discuss the proposed MPDP/CDP 99-1076. The results of this meeting will be reported under separate cover.

Environmental Impact - The City of San Diego as Lead Agency under CEQA has reviewed and considered a Mitigated Negative Declaration, LDR File No. 99-1076, dated September 14, 2000, covering this activity. Adopted October 3, 2000, by Resolution No. R-293943. A Mitigation Monitoring and Reporting Program has been prepared which, when implemented, will reduce potential impacts to a level of insignificance.

Fiscal Impact - None with this action. The Master Developer pays for all costs associated with processing this project.

Code Enforcement Impact - None with this action.

Housing Affordability Impact – As a redevelopment area, 20% of all tax increment funds received by the City Redevelopment Agency must be used to provide affordable housing. NTC is projected to generate approximately \$900,000 per year at build-out (a total of \$37 million over the life of the project) for affordable housing. In addition, redevelopment law requires that either 15% of housing constructed within the jurisdiction of the Agency be affordable, or that off-site affordable housing is provided at 2:1 ratio. City staff are currently in negotiation with the U. S. Navy, which is building 500 units of housing on the southwestern portion of NTC, to meet all or part this affordable housing requirement. In addition, part of the off-site affordable housing requirement will be met by providing funding to homeless service providers. The on-site housing that will be built by McMillin will be market-rate; however, the Precise Plan requires a variety of housing types (small-lot single family, town homes, and apartments) to serve a variety of income levels.

BACKGROUND

The approximately 360-acre Naval Training Center is located along Rosecrans Street between Lytton Avenue and North Harbor Drive, west of the San Diego International Airport (Lindbergh Field). In 1993, the Federal Base Closure and Realignment Commission recommended closure of NTC. The City of San Diego was designated the Local Redevelopment Authority responsible for the preparation of a reuse plan. On April 30, 1997, NTC ceased its military function and went into Navy "caretaker" status. On April 29, 1997, the City Council approved and adopted the NTC Redevelopment Project Area.

After a multi-year public planning effort, the NTC Reuse Plan was completed and adopted by the City Council in October 1998. The Reuse Plan organized future uses of the site into five categories: Residential, Educational, Historic Core/Mixed Use, Waterfront/Recreation, and Camp Nimitz. The Navy found the Reuse Plan adequate for transfer of ownership of the property to the City, and the majority of the site has been conveyed to the City. Only the boat channel (Parcels VII & II-B) remains in federal ownership (Attachment 11). The boat channel is

expected to be conveyed in the spring 2002.

In August 1998, the City issued a Request for Qualifications/Proposals for a master developer to implement the Reuse Plan. In June 1999, the Redevelopment Agency authorized the Executive Director to negotiate a Disposition and Development Agreement (DDA) with the McMillin Company. June 2000, the City Council and Redevelopment Agency approved the DDA with McMillin, establishing the financial terms and conditions under which McMillin would complete the redevelopment of NTC.

In December 1999, the Planning Commission initiated the preparation of a Precise Plan and Local Coastal Program (LCP) Land Use Plan for NTC. In September 2000, the Planning Commission voted 4-0 to recommend approval of the Precise Plan/LCP, zoning and affiliated development permits to the City Council.

On October 3, 2000, the City Council approved the NTC Precise Plan/LCP, an amendment to the Peninsula Community Plan and the Progress Guide and General Plan, the application of zoning to the site, a Vesting Tentative Map (VTM), and Planned Development permits (PDP) including Urban Design Guidelines and Historic Design Guidelines.

On January 9, 2001, the Coastal Commission approved the demolition of approximately 2,083,260 square feet of existing buildings located outside the Historic District and the removal of underground utilities. On March 16, 2001, the Coastal Commission approved the City's request to commence soil preparation and recompaction and the relocation of an existing storm drain.

On June 12, 2001, City staff presented the NTC Precise Plan/LCP to the Coastal Commission for certification. The Commissioners voted to approve the NTC Plan with the inclusion of 28 modifications to add language that would emphasize view preservation and view corridor creation as a priority, enhance visitor-serving uses and public access; place height limits in the residential and office areas to be compatible with the character of the surrounding area; and define water quality standards. In addition, modifications were made to permitted uses in three areas of the development: the Mixed Use Area, Navy Building 623 in the Visitor Hotel Area, and the four officers' quarters located on Rosecrans Street in the Historic District.

On July 17, 2001, the City Council approved the modifications suggested by the Commission. The Coastal Commission took final action to approve the NTC Precise Plan/LCP (Attachment No. 8) on September 11, 2001, and the City of San Diego permit issuing authority for qualifying portions of the property became effective on September 17, 2001. On October 15, 2001, the City Council voted to reconsider the Master Planned Development/Coastal Development Permit No. 99-1076 in order to ensure these development permits appropriately implement the certified NTC Precise Plan/LCP.

DISCUSSION

The NTC Precise Plan and Local Coastal Program (LCP) implements the NTC Reuse Plan adopted by the City Council in 1998, providing additional landscape, urban design,

transportation, and zoning information to further refine the Reuse Plan and promote a pedestrian-oriented mixed-use development that preserves the historical integrity of NTC. As the governing policy document for the site, the NTC Precise Plan/LCP provides the framework for implementation of the project and establishes standards for development of the site.

The Master Planned Development (MPDP)/Coastal Development (CDP) Permit includes conditions for development and operation of the site, including detailed guidelines for new construction in the housing and office/ R & D areas. The Permit includes by reference the *NTC Urban Design Guidelines* (Attachment No. 6), which provides architectural and site design guidelines for development of the site outside the NTC Historic District. Additionally, the *NTC Guidelines for the Treatment of Historic Properties* (Attachment No. 7), approved by the Historic Resource Board on June 22, 2000, has been prepared to establish criteria for treating historic resources within the NTC Historic District, including design aid in determining acceptable alterations, additions, and repairs for preserving the character of the Historic District.

The City Council action on October 3, 2000, to approve the NTC Project, including the subject MPDP/CDP No. 99-1076, was based upon findings of conformance of the project to the version of the NTC Precise Plan/LCP proposed at that time. As the NTC Precise Plan/LCP has undergone modifications through the Coastal Commission certification process as outlined above, staff has reviewed the project to ensure conformance of the implementing permits with the modified Precise Plan/LCP and has incorporated additional permit conditions where appropriate.

Specifically, the MPDP/CDP No. 99-1076 (Attachment No. 9) incorporates new implementing permit conditions regarding use restrictions within the Visitor and Community Emphasis Overlay (VCEO), use and availability of Building No. 623, use of Navy Buildings A, B, C and D (4 historic officers' quarters), and operation of the golf course. Additionally, staff has reviewed the project relative to policy modifications adopted regarding building heights within the new residential and office/research and development areas; the provision and protection of view corridors; the provision and management of adequate parking areas and transit; pedestrian orientation and public access to the boat channel; neighborhood compatibility and improvements to existing building No. 94; and the limitation of uses in biologically sensitive areas. Conditions of project approval have been incorporated into the MPDP/CDP as necessary to implement policy direction in these areas. With the exception of facade enhancements required for Building No. 94, the physical design of the project has not changed. The project has been reviewed against added protections which were incorporated into the policy documents to ensure permanent preservation of public view corridors and has been determined to be in conformance with the modifications. The designs of the new residential and commercial buildings to be constructed at the site, parking plan and associated landscaping designs for the project, including the promenade, have been re-evaluated against the added policy requirements and did not require any modifications. These designs remain in conformance with the certified NTC Precise Plan/LCP (Attachment Nos. 3, 4 and 5).

VCEO - Mixed Use Area

The Coastal Commission certified NTC Precise Plan/LCP modified the permitted uses by imposing a Visitor and Community Emphasis Overlay (VCEO) in order to enhance the visitor and community-oriented nature of the Mixed Use Area. The VCEO use restrictions are defined

in terms of types of uses which are considered likely to enhance the visitor and community-oriented nature of the Mixed Use Area. While the entire Mixed Use Area will be zoned CR (Commercial-Regional), some uses normally allowed within the CR Zone are specifically excluded from the VCEO. Permit condition No. 24 has been added to address this use limitation.

Navy Building 623

According to the NTC Precise Plan/LCP, Navy Building 623 built in the 1990s, located within the Visitor Hotel Area, “can either function as a convention center for hotel meetings, operate independently for non-hotel activities and community events, or be used for activities as diverse as religious activities or retail commercial sales”. A modification to the LCP required that Building 623 is not to be used exclusively for hotel activities or other private uses on a permanent basis, and that community, civic, and/or public uses shall be given first priority for use of the Naval structure. Under a set of guidelines to be prepared by the City Planning Director and the Redevelopment Agency, the building is to be made available at little or no cost for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends). As directed by Council at the July 17, 2001, hearing, the guidelines to establish this arrangement will be prepared and returned to Council prior to July 22, 2002. Permit condition No. 26 has been added to address this use limitation.

Officers’ Quarters

Special provisions were made in the NTC Precise Plan/LCP approved by the Coastal Commission regarding Navy Buildings A, B, C, and D, which are the four historic officers’ quarters located along Rosecrans Street and depicted on Figure 2.5b, Commercial Precinct (Attachment). Because of the historic character of these buildings, they will remain in public ownership, and at least one of the four historic houses will function as a museum open to the public. The other three may be leased and made available to the public for such short term uses as a bed-and-breakfast, short-term rentals, or private residential leases. Lease revenues will go to the NTC Civic, Arts and Culture Foundation to cover expenses incurred in maintenance and operation of the museum and houses, and to also support and fund other programs or operating expenses of the Foundation, or to another non-profit foundation. Permit condition No. 25 has been added to address this use limitation.

Vesting Tentative Map/ Development Status

The Vesting Tentative Map (VTM) No. 99-1076 approved by the City Council on October 3, 2000, allowed subdivision of the property into 10 parcels with each parcel containing several lots, associated grading and public-improvement work. The VTM is not effective, however, until the Coastal Commission issues a coastal development permit (CDP) for the subdivision map. The Coastal Commission is currently reviewing an application for a CDP, as the Commission has permit-issuing authority over portions of the property included in the subdivision map. Subsequent to issuance of the coastal development permit for the VTM, the Final Maps for the project will need to be approved by the City Council. The VTM was approved with conditions, and as part of the Final Map approvals, all necessary studies, including a downstream drainage study, a soil and groundwater contamination report, and an updated geotechnical investigation, will need to be reviewed and approved.

Currently, many of the buildings on site in the areas planned for residential and office development have been demolished, and a soils remediation program is underway (Attachment

No. 13). Future development of this project will need to comply with all requirements of the State Water Resources Control Board (SWRCB). A Storm Water Pollution Prevention Plan (SWPPP) and a Monitoring Program Plan will need to be developed and implemented concurrently with the commencement of grading activities on the site. A complete Notice of Intent (NOI) will need to be filed with the SWRCB, and a copy filed with the City of San Diego.

In summary, the proposed Master Planned Development Permit and Coastal Development Permit No. 99-1076 will implement the NTC Precise Plan/LCP adopted by Council in July 2001 and as certified by the Coastal Commission in September 2001.

ALTERNATIVES

1. Do not approve the proposed modifications to the Master Planned Development Permit/Coastal Development Permit No. 99-1076;
2. Approve Master Planned Development Permit/Coastal Development Permit No. 99-1076 with alternative modifications.

Respectfully submitted,

Tina Christiansen, AIA
Development Services Director

Approved: George I. Loveland
Senior Deputy City Manager

CHRISTIANSEN/PJF

ATTACHMENTS:

Note: Attachment 4 is not available in electronic format. A copy is available for review in the Office of the City Clerk.

1. [Project Location Map](#)
2. [Precise Plan Illustrative Plan \(December 2000\)](#)
3. [Residential Elevations](#)
4. Office/ R & D Site Plan and Elevations
5. [Grinders Landscape Plan](#)
6. [NTC Urban Design Guidelines \(under separate cover\)](#)
7. [NTC Guidelines for the Treatment of Historic Properties \(under separate cover\)](#)
8. [NTC Precise Plan and Local Coastal Program \(under separate cover\)](#)
9. [Draft MPDP/CDP Permit No. 99-1076](#)
10. [Draft MPDP/CDP Resolution](#)
11. [Land Use Organizing Concepts](#)

[12. Map of NTC Disposal Parcels](#)

[13. NTC Development Status By Map Unit](#)

Note: Due to the size of the attachments, only a limited distribution was made. Copies are available for review at the Office of the City Clerk.