

DATE ISSUED: January 23, 2002

REPORT NO. 02-019

ATTENTION: Honorable Mayor and City Council
Docket of January 29, 2002

SUBJECT: SUNROAD AT SAN DIEGO SPECTRUM - INITIATION OF A
DEVELOPMENT AGREEMENT AMENDMENT. COUNCIL
DISTRICT 6. PROCESS FIVE.

REFERENCE: Report to the Planning Commission for the agenda of December 6, 2001 -
Report No. P-01-234. Development Agreement Between the City of San
Diego and General Dynamics Properties, Inc., adopted December 2, 1997.

OWNER/
APPLICANT: Sunroad Centrum Partners, L.P.

SUMMARY

Issue(s):

1. Should the City Council initiate an amendment to the General Dynamics Development Agreement to allow additional residential development at San Diego Spectrum?
2. Should the City's existing standard population-based park requirements apply to new multi-family residential development at San Diego Spectrum?

Staff Recommendation:

1. Initiate the amendment to the General Dynamics Development Agreement.
2. Apply existing population-based park requirements to all new multi-family residential development at San Diego Spectrum.

Planning Commission Recommendation: On December 6, 2001, the Planning Commission voted unanimously (6-0) to recommend City Council initiation of an amendment to the General Dynamics Development Agreement. The Planning Commission also provided direction regarding the application of population-based park requirements to new residential development at San Diego Spectrum (See Planning Commission discussion under the Background section of this Report).

Community Planning Group Recommendation - On November 21, 2001, the Kearny Mesa Community Planning Group voted (9-0-1) to recommend that the City's standard population based park requirements be studied to determine if they are appropriate for

higher density residential infill projects. (See Attachment 6-Planning Group's Letter).

Environmental Impact - This activity (Development Agreement Amendment initiation) is not a "project" and therefore is exempt from CEQA pursuant to State CEQA Guidelines Section 15060(c)(3). City staff is currently in the process of drafting a Mitigated Negative Declaration, which will be processed with the proposed Sunroad project if the Development Agreement amendment process is initiated.

Fiscal Impact - All costs associated with the processing of this project are paid from a deposit account maintained by the applicant. The Extraordinary Benefits required through the original Development Agreement will continue to be assured through the amended Development Agreement.

Code Enforcement Impact - None with this action.

Housing Affordability Impact - None with this action. The Sunroad project will include a requirement that 10% of the units will be affordable to households earning no more than 65% of median income.

BACKGROUND

The original New Century Center project was approved by the City Council on December 2, 1997, allowing General Dynamics (the original owner) to develop a high-density mixed-use retail, commercial and industrial business park on 242-acres centrally located within the community of Kearny Mesa (see Attachment 2). A Development Agreement (D.A.) between the City of San Diego and General Dynamics was approved concurrently with the New Century Center project.

In 1998, the D.A. was revised when LNR Kearny Mesa, Inc. purchased the New Century Center project from General Dynamics. In October of 2000, the D.A. was revised once again when the City Council approved LNR's San Diego Spectrum project, allowing for a wide variety of land use changes including the development of a 448-unit multi-family residential project on Planning Area 3B (see Attachment 3).

During public hearings to consider the San Diego Spectrum project, an additional 550 residential dwelling units were approved pursuant to direction from both the Planning Commission and City Council, who recommended additional residential development at higher densities within San Diego Spectrum. The additional 550 units were allocated to Planning Areas 1B (to be predominantly residential), 1A, 2B, and 3A (see Attachment 4). In addition to the 550 additional units, the Planning Commission and City Council also encouraged more residential development throughout the San Diego Spectrum project in the future. Existing population-based park standards were not applied to either the 448 multi-family dwelling units nor the 550 additional units. These 998 units would generate a need for 6.0 acres of park land and facilities per the General Plan Standards.

In February of 2001, in response to encouragement from the City to provide residential at San

Diego Spectrum, Sunroad Centrum Partners submitted an application to amend the Progress Guide and General Plan and New Century Center Master Plan to construct additional housing units within San Diego Spectrum. On April 5, 2001, the Planning Commission initiated the plan amendment process.

Planning Commission Discussion - On December 6, 2001, the Planning Commission voted unanimously to initiate the amendment to the General Dynamics Development Agreement, and recommended that existing population-based park requirements be maintained, but that the standards be applied at San Diego Spectrum in a more creative and flexible manner (See attachment 5, Planning Commission Resolution).

The Planning Commission discussion focused on balancing the public's demand for active playing fields while meeting the goal of developing urban villages through residential infill projects. Some Commissioners believed that strict application of the park standards would impede the City's and developer's efforts to create urban villages, while other Commissioners felt that active playing fields should be available to all future residents.

Ultimately the Planning Commission recommended that park credit should be considered for different types of open space including on-site pocket parks, linear park areas, swimming pools, and portions of Missile Park not developed by the YMCA and open to the public for park purposes. The Planning Commission emphasized the need to provide useable park land, to be free and open to the public at all times. On-site park land should be considered to provide for convenient access by future residents at San Diego Spectrum.

DISCUSSION

Development Agreement Amendment:

City Council Policy 600-37 requires City Council initiation of a development agreement amendment prior to negotiations. Residential development beyond the 448 units approved for LNR is not currently assumed within the D.A., therefore an amendment to the D.A. is required. The proposed modifications to the D.A. will allow Sunroad to develop up to an additional 1,120 dwelling units (550 + 570) on Subareas 1A, 2B, and 3A.

Park Requirements:

Residential development proposed by Sunroad (570 additional dwelling units) will generate the need for additional public parks within the community. City staff uses park standards as established in the Recreation Element of the Progress Guide and General Plan to determine specific park requirements. City staff currently assume that each residential dwelling unit will generate a total of 2.5 residents per unit; and will require residential developers to provide a total of 2.4 useable park acres per 1,000 population.

Using these standards, City staff has determined that Sunroad will be required to provide 3.42 acres of land, either on-site or within one-half mile of the project, for a public park (estimated cost-\$2.97 million). Sunroad must also provide funding for the design and construction of the

required on-site park facilities (estimated cost-\$855,500), as well as their pro rata share of the cost of constructing a 15,000-square-foot recreation building and swimming pool (estimated cost - \$256,000). Total estimated cost is \$4.09 million.

Sunroad is opposed to these park requirements for the following reasons:

1. The park standards are outdated. The General Plan population based park standards were adopted over 20 years ago;
2. The park standards are based on suburban development, and should not be applicable to urban infill development which typically has a lesser person per household ratio;
3. The park requirements are excessive (in this case over \$4 million), and will reduce the City's ability to encourage residential intensification as recommended by the City's draft Strategic Framework Plan;
4. The park standards are inconsistent with the City's efforts on the Strategic Framework Plan. Relevant draft Strategic Framework Plan policies include:

"Developing alternative methods of providing park and recreation areas for urban and built-out communities in recognition of available land constraints and existing opportunities for the integration of public space with recreation space"; and

"The provision of adequate infrastructure and public facilities is a linchpin for the entire growth strategy. New funding sources, reallocation of existing resources, and adjustments to certain facilities standards are all part of the strategy for accommodating new growth and remedying existing deficiencies"; and

"The Recreation Element of the General Plan should be updated to include a Park Master Plan and to address the role of small parks and plazas in meeting recreation needs".

Staff and the applicant have been working together over the past several months to formulate a mutually acceptable solution to this park issue. The following options (currently included as park mitigation measures in the draft Mitigated Negative Declaration) were offered to the developer to satisfy the City's population-based park requirements, to conform to the State Subdivision Map Act (Quimby Act) under Government Code section 66499, and in recognition of the City's multiple goals pertaining to the draft proposed growth strategy and the adopted park requirements:

- A. The developer shall provide 3.42 contiguous, usable (maximum 2% grade for active recreation) acres of land within their development for park and recreation purposes, and provide funding for the design and construction of the required public recreational facilities on the provided acreage, plus their pro rata share of the cost of constructing a 15,000 square-foot recreation building and swimming pool; OR
- B. The developer shall acquire 3.42 contiguous, usable (maximum 2% grade for active

recreation) acres of land within a one-half mile radius of their development, acceptable to the City Manager, and provide funding for the design and construction of the required public recreational facilities on the provided acreage, plus their pro rata share of the cost of constructing a 15,000 square-foot recreation building and swimming pool; OR

C. The developer shall provide a minimum of 2.0 contiguous, usable (maximum 2% grade for active recreation) acres of land within their development, provide the funding for the design and construction of the required public recreational facilities on the provided acreage, plus their pro rata share of the cost of constructing a 15,000 square-foot recreation building and swimming pool, and meet one of the following:

1) Pay in lieu fees equivalent to the acquisition, design and construction of the remainder of the required 3.42 acres not provided on-site acceptable to the City Manager; OR

2) Provide the remainder of the required 3.42 acres within their development as contiguous, usable (maximum 2% grade for active recreation) fully-developed land acceptable to the City Manager; OR

3) Provide a combination of in lieu fees and contiguous, usable (maximum 2% grade for active recreation) fully-developed land within their development acceptable to the City Manager which, in combination, is equivalent to the remainder of the required 3.42 acres.

The applicant believes these park requirements will render any residential infill development at San Diego Spectrum economically infeasible, and cannot agree to this park mitigation. Therefore, City staff is seeking City Council policy direction regarding population-based park requirements for this urban infill residential project.

In addition to the park requirement options stated above, the following additional recommendations are offered for consideration:

ALTERNATIVES

1. Revise the Kearny Mesa Public Facilities Financing Plan in order to:
 - A. Identify more accurately and comprehensively the population based park requirements for Kearny Mesa, instead of attempting to provide population-based park requirements on a project by project basis.
 - B. Assure all residential developers are paying their fair share of park fees (Development Impact Fees for parks would be increased).
 - C. Assure that adequate funds are being collected to finance the acquisition, design, and construction of needed population based parks.

Although this alternative would collect the needed funds to develop future parks and other recreational facilities, it would not assure the development of a park where needed - within one-half mile of the residential development. However, small on-site public park areas within each development (public pocket parks, public swimming pools, public recreation buildings) could satisfy a portion of this park deficiency.

2. Revise the population based park requirements for high-density, infill residential development.

This effort will be more appropriately and comprehensively accomplished City-wide through the Strategic Framework Planning process. Until these revised standards are adopted, the City Council could impose some other park standard for the Sunroad project.

3. Provide park credit for public open space and parkland not owned by the City of San Diego:

Missile Park is a privately owned 6.6-acre park proposed to be developed as a YMCA facility. The YMCA and Sunroad are willing to enter into an agreement to set aside 3-4 acres as fully-developed public park land. This could satisfy the park requirements for the Sunroad project, however City policy prohibits giving park credit for privately held land. It should be noted that the previously approved 998 multi family dwelling units would generate a need for 6.0 acres of parkland, therefore there would still be an unmet need for 3.42 acres of park land and facilities

Respectfully submitted,

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Tina P. Christiansen, A.I.A.....
Development Services Director.....

Approved: P. Lamont Ewell
Assistant City Manager

CHRISTIANSEN/MJW

- ATTACHMENTS:....[1.Project Location Map.](#)
.....[2.Original \(1997\) New Century Center Land Use Plan.](#)
.....[3.LNR's \(2000\) San Diego Spectrum Land Use Plan.](#)
.....[4.San Diego Spectrum Planning Exhibit.](#)
.....[5.Planning Commission Resolution.](#)
.....[6.Kearny Mesa Planning Group Letter.](#)