

DATE ISSUED: March 24, 2004

REPORT NO. 04-065

ATTENTION: Honorable Mayor and City Council
Docket of March 30, 2004

SUBJECT: **RHODES CROSSING** – VESTING TENTATIVE MAP (VTM), AMENDMENT OF THE RANCHO PENASQUITOS COMMUNITY PLAN (CPA), AMENDMENT OF THE TORREY HIGHLANDS SUBAREA PLAN (THPA), PLANNED DEVELOPMENT PERMIT (PDP), SITE DEVELOPMENT PERMIT (SDP), CONDITIONAL USE PERMIT (CUP), REZONE (RZ), STREET VACATIONS (SA), AND EASEMENT ABANDONMENTS (EA), AND CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT (EIR) AND MITIGATION MONITORING AND REPORTING PROGRAM (MMRP), PTS PROJECT NO. 3230, COUNCIL DISTRICT ONE, PROCESS 5

REFERENCE: Report to the Planning Commission No. P-98-107 Agenda of July 9, 1998, Initiation of Plan Amendment (Attachment No. 16).

OWNER/

APPLICANT: Keith B. Rhodes, Trustee, Keith B. Rhodes Living Trust dated November 11, 1999, and the John W. Grus Living Trust dated October 2, 1996, and the Fieldstone Communities, Inc., a California Corporation (Attachment No. 18)

SUMMARY

Issues

1) Should the City Council certify the Environmental Impact Report adopt the Mitigation Monitoring and Reporting Program and approve the Rhodes crossing project no. 3230 as recommended by staff?

Staff's Recommendation -

1. CERTIFY Environmental Impact Report No. 3230, ADOPTING the Findings and Statement of Overriding Consideration and ADOPTING the Mitigation Monitoring and Reporting Program (MMRP); and

2. APPROVE the Amendments to both the Rancho Penasquitos Community Plan No.7940 (Attachment No. 14) and the Torrey Highlands Subarea Plan No. 7936 (Attachment No. 13); and
3. APPROVE the Vesting Tentative Map (Attachment No. 9) and Street Vacations and Easement Abandonment's No. 7938 (Attachment No. 19); and
4. APPROVE the Planned Development Permit No.53203, Site Development No. 53204 and Conditional Use Permit No. 53205 (Attachment No. 10); and
5. APPROVE Rezone Application No.7937 (Attachment No. 15)

Planning Commission Recommendation – On February 5, the Planning Commission considered the Rhodes Crossing Project, No. 3230, for the purpose of making a recommendation to the City Council for this Process 5 application. The Planning Commission voted 6-0 to recommend denial of the proposed project (with Commissioner Schultz recusing) The Planning Commission's discussion and recommendation is explained further in the Background section of this Report .

Community Planning Group Recommendation –

Torrey Highlands Subarea - A Community Planning Group for the Torrey Highlands Subarea Plan area has not been established to date and the Planning Commission serves in that capacity until such time as a City Council recognized group is established.

Rancho Peñasquitos - The Rancho Peñasquitos Community Planning Board (RPPB) has been receiving copies of the project plans and staff assessment letters since inception of the project in 1998. The RPPB receives the plans as a courtesy for that portion of the project within the Torrey Highlands Subarea Plan as they are the adjacent planning group, and for that portion of the project within their area.

The RPPB voted 12-3-0 to approve the Rhodes Crossing Project on December 3, 2003 (Attachment No. 17) subject to a number of conditions that the applicant agreed to. The applicant did not originally agree with one request for an Extraordinary Benefit Agreement (which the City did not participate in), but has since entered into a private agreement between the Rancho Penasquitos Planning Board and Mr. Keith Rhodes. This request for payment from the community is not a condition or requirement within the City's purview and is not a part of the actions before the City Council for consideration. .

Other Recommendations - None

Environmental Review - An Environmental Impact Report (EIR) , No. 3230, has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A Mitigation, Monitoring and Reporting Program (MMRP) has been

prepared and will be implemented which will reduce, to a level of insignificance, any potential impacts identified in the environmental review process. Findings and a Statement of Overriding Considerations will need to be Adopted by the decision-maker.

Fiscal Impact - All costs associated with the processing of this project are paid for by the applicant through a deposit account.

Code Enforcement Impact - None with this action

Housing Impact Statement - The Rhodes Crossing project proposes 741 dwelling units on lands currently designated as Low Density residential, Medium Density residential, and Neighborhood Commercial. The current residential land use designations would allow approximately 490 dwelling units with up to 435 additional units possible within the Neighborhood Commercial designation for a maximum potential of 925 dwelling units. As proposed, the project would result in approximately 182 fewer units than could be permitted under the existing land use designations and zoning. Of the 741 dwelling units proposed, 289 are currently located within Torrey Highlands. Consistent with the North City Future Urbanizing Area affordable housing requirement, 47 of those units would be required to be affordable to families earning no more than 65 percent of the average area median income. The remaining 452 dwelling units in Rancho Peñasquitos would not be subject to the City's Inclusionary Housing Ordinance since the project's discretionary actions include a Vesting Tentative Map, deemed complete prior to the adoption of the ordinance.

Water Quality Impact Statement - The project is classified as a priority project as defined by the City Storm Water Standards. The project is required to comply with the State Water Resources Control Board Order No.92 08 DWQ (NPDES General Permit No. CAS0000002).

During construction, this project will comply with Best Management Practices (BMP's) through preparation of a Storm Water Pollution Prevention Plan (SWPPP) in conjunction with the grading plans. The SWPPP will identify all BMPs to be implemented during the construction phase to reduce/eliminate discharges of pollutants into the adjacent natural areas.

The post development Best Management Practices (BMPs) incorporated into the project consists of site design, source control and treatment. The project's post development runoff will be collected and conveyed by public and private drainage systems, incorporating a combination of catch baskets with filtration devices for inlets, detention basins, grass swales and hydrodynamic separator devices.

The post-construction BMP's detailed in the Water Quality Technical Report have been evaluated and accepted by the City Engineer. The property owner(s) will be responsible for the long term maintenance of all private drainage facilities.

BACKGROUND

Planning Commission Action:

At the Planning Commission Hearing of February 5, 2004, the Planning Commissioners voted 6-0 to recommend denial of the project as proposed by the applicant and recommended by staff (Commissioner Schultz recused). The Planning Commission discussion focused on the following key issues:

SITE DESIGN- specifically the layout of the Regional Shopping Center and its interface with adjoining uses, location of the proposed grocery store and pedestrian accessibility.

Commission Discussion: Commission discussion centered on the Regional Shopping Center, believing that the elimination of the isolated vernal pools could allow substituting building locations to better interface with the multi-family to the rear, create more of a 'village' pedestrian presence, reduce impact of the loading dock areas and better assure the grocery store to the Carmel Mountain Road frontage. The general tenet of the Planning Commission, was that deviations to the taking of wetlands as proposed by the Center for Bio-diversity and Agencies would allow the developer flexibility within the design of the Commercial Center to enhance the 'village' atmosphere without the constraints being present due to the isolated vernal pools.

Staff Response: The pedestrian orientation and relationship of the center to the surrounding residential neighborhood was considered throughout the lengthy processing of this project. The designation of the site though, is as a Regional Shopping Center with a focus on automobile access toward larger, major tenants. In contrast, the LMXU site north of SR-56 off Camino del Sur, is designed as a mixed use, transit-oriented and pedestrian friendly commercial center. The Rancho Penasquitos Community Planning Board, at their December 3, 2003, meeting where they voted to approve the project, had members who had reviewed all 104 sheets of project details comment that they believed the attention to details, building articulation, pedestrian orientation, interface, landscaping and other details, had exceeded the norm and that they were impressed.

ENVIRONMENTAL - specifically the protection of the vernal pools and the viability of the wildlife corridor.

Commission Discussion: The Commission considered testimony by Mr. David Hogan from the Center for Bio-diversity and correspondence from State and Federal agencies generally offering alternatives to the development proposal that, in their view, could potentially enhance a wildlife corridor. The enhancement of the corridor would occur by allowing the taking of isolated vernal pools laced within development areas in exchange for greater enhancement of the most southerly vernal pool area (north of Vista Alegre) through the elimination of the proposed single-family lots and the cul-de-sac street serving them. The Planning Commissioners expressed frustration that the ability to accommodate the Center for Bio-diversity and the U.S. Fish and Wildlife Service was not within the purview of the City of San Diego at this time. Commission discussion on this issue generally had the support of the majority of Commissioners in expressing their belief that the trade-off of taking isolated pools provided greater flexibility to the other project concerns and permitted the enhancement of the greater valued vernal pool areas. The connectivity to the City's MSCP habitat and a State of California vernal pool preserve, as

well as the enhancement of an west-east wildlife connector to the Camino del Sur roadway, was seen as an environmental benefit of greater value than the possibility of preserving all vernal pools when a likelihood of the failure of isolated pools surviving was accepted by the Commission. The Commissioners expressed frustration that there exists no alternative currently to the 'taking' of vernal pools through deviations when the alternative is a clearly better alternative.

An initial motion was made to recommend City staff's recommendations with the caveat that staff present the Commission's support of the letters from the Center for Bio-diversity and the U.S. Fish and Wildlife Service and that the message encourage the applicant and interested parties to work together. The Commissioners generally expressed support for the project but always with the expression that they could not apply deviations that they believed improved the overall Rhodes Crossing proposal. On a 3-3 vote, this initial motion failed.

Commissioner Chase presented a substitute motion to deny with the expression that the applicant should solicit support from the interested parties, redesign portions of the commercial center, improve the areas proposed for development, enhance the preservation of the major vernal pool areas and result in a net environmental benefit. This is the motion subsequently adopted by the Commission

Staff response: The project site is not within the MSCP and wildlife corridor is not identified in the Rancho Penasquitos Community Plan through this site. The State and Federal agencies have worked closely with the City in establishing codes and policy which does not permit impacts to vernal pools and the City does not have any authority to take any pools and no deviation process exists. This position has existed throughout the six year processing of this project and was supported by the agencies and remained in this position until relatively recently. There is proposed legislation to be presented to the City Council for regulations that would permit deviations to the taking of vernal pools. Those regulations are slated to go to City Council after having been presented to Council Committee, however, these regulations do not exist at this time and it is not sure how applicable proposed legislation would be to this site. For this project, City staff and the Planning Commission are bound by regulations in this regard.

In regard to the discussion of a wildlife corridor, staff agrees that adequate connectivity to the State of California vernal pool preserve, the City of San Diego MSCP habitat and an identified existing north-south wildlife corridor on the east side of Camino del Sur is beneficial. However, staff supports the applicants design which we believe is sufficiently broad in scope and assuring of the preservation of a large presence of vernal pools in the area. Additionally, the portion of Camino del Sur connecting the Rhodes crossing Project to the Park Village neighborhood to the south, is a City of San Diego project and a wildlife underpass would need to be designed into that project.

Project Background:

The Rhodes Crossing project consists of an area of 147.39 acres located within the plan boundaries of the Rancho Penasquitos Community Plan and the Torrey Highlands Subarea Plan area. This project is one of three remaining projects within Torrey Highlands awaiting final approval from the City Council and is one of the last areas within Rancho Penasquitos to be developed. The project area is currently zoned AR-1-1 and RS-1-14 and is proposed to be rezoned to the RS-1-14, RM-3-9, CR-2-1 and CC-1-3 to accommodate the proposed commercial, residential, storage, private park and open space development. The recently opened segment of State Route 56 between Carmel Mountain Road and Camino del Sur generally comprises the northern limit of the proposed project although some single-family residential lots lie north of SR 56 on the west and east sides of Carmel Mountain Road. The highest intensity of development is proposed in the triangular area of SR 56, Camino del Sur and Carmel Mountain Road where a 273,855 square-foot self-storage facility, 250,000 square-feet of commercial use with five major tenant structures, and multi-family residential dwelling units are all proposed. Carmel Mountain Road is being realigned northwesterly south of SR 56 to avoid impacts to a major area of vernal pools. Multi-family residential, some single-family residential and a small gasoline service station commercial area is proposed on the south side of Carmel Mountain Road between SR 56 and Camino del Sur. Multi-family and single-family residential, a private park and additional vernal pool preservation areas are located west of Camino del Sur north of the Park Village neighborhood.

Existing development is primarily established within the Rancho Penasquitos community and is residential in character while development within the Torrey Highlands community is relatively recently approved and developing with residential north of the freeway along Camino del Sur and residential and industrial to the west on the south side of the freeway. Landforms consist of flatter mesa tops and sloping hillsides into canyons that enlarge as they progress south and west. A large population of vernal pools and their watershed exist within these flatter mesa areas and the development is protecting them to the extent possible. A number of prior actions have impacted the Rhodes Crossing project areas including city Council approved actions establishing the alignment and development of State Route 56 and Camino del Sur. Realignment of Carmel Mountain Road is necessary to preserve a large population of vernal pools and approved or existing development on adjacent sites have created approved grades and drainage patterns.

Additionally, the development of Torrey Highlands was approved on the ballot by the voters for its phase shift from the Future Urbanizing Area to its designated maximum residential intensity.

DISCUSSION

Project Description:

The project was submitted to the City of San Diego in May, 1998, and was under 'old code' until the applicant requested that the City review the project under the regulations of the land Development Code adopted January 1, 2000. The project was first submitted for that portion of the ownership within the Rancho Peñasquitos Community Plan boundary only and was later expanded to include the remaining ownership lying within the Torrey Highlands Subarea Plan. The project was further redesigned, first with significant revisions to the Torrey Highlands commercial area and then to add the adjoining subdivision and ownership adjacent to the Vista Alegre subdivision in the southwest portion of the project.

The current proposal is to subdivide a 147.39 acre land area lying within both the Rancho Peñasquitos Community Plan and Torrey Highlands Subarea Plan through a Vesting Tentative Map and a number of final maps, to permit the development of 741 residential dwelling units, 257,200 square-feet of retail commercial space within two commercial centers, a self-storage facility of 273,855 square-feet, a private park, open space and vernal pool reserves. Within the Rancho Peñasquitos Community Plan area will be 452 residential dwelling units consisting of 110 single-family detached units and 342 multi-family units. Within the Torrey Highlands Subarea Plan area will be 289 residential dwelling units consisting of 47 single-family detached units and 242 multi-family dwelling units. Only the area within Torrey Highlands is required to provide 'Affordable Housing', with the Rancho Peñasquitos Community Plan area not subject to the City of San Diego Inclusionary Housing Ordinance due the projects Vesting Tentative Map and accompanying applications having been deemed complete prior to adoption of the ordinance. The Torrey Highlands Subarea Plan requires that 20% of dwelling units be affordable. Condition No's. 27 and 28 of Planned Development Permit No. 53203 and Condition No. 84 of the Vesting Tentative Map No. 7938, specify these requirements. Additionally, the Torrey Highlands Subarea Plan will encompass the major commercial center and self-storage developments while the Gasoline Service Station and lube and oil facility of a total of 7,200 square-feet of floor area, is within the Rancho Peñasquitos Community Plan area.

Accompanying the Vesting Tentative Map and Planned Development Permit, is a Site Development Permit for environmentally sensitive lands, a Conditional Use Permit for the proposed gasoline service station, a Rezone to allow the implementation of the community plans and development proposed, amendments to the Rancho Peñasquitos Community Plan and the Torrey Highlands Subarea Plan.

Numerous actions previously approved, have set some parameters affecting the development of the site. State Route 56 bisects the northeast portion of the site and has been constructed to Camino del Sur at the westerly limit of the project area. Camino del Sur has been approved through the project area, and constructed over a portion, in a north-south alignment through prior action of the City Council. Carmel Mountain Road is to be re-aligned, from a boundary street of the two planning areas, into the Torrey Highlands area to avoid impacts to, and the preservation of, significant vernal pool habitat areas. The project area is bounded by pre-approved and partially developed areas of the Rancho Peñasquitos community to the northeast, southeast and Park Village area to the south while the majority of all other development projects within Torrey Highlands having been approved by the City Council with some developments partially built, developing or pending development.

Environmental Analysis:

The City has completed an Environmental Impact Report No. 3230 and identified that the project would result in significant direct impacts to biological resources, noise, historical resources, aesthetics/visual resources/community character, water quality/hydrology, geotechnical conditions and paleontological resources. Cumulatively significant and unmitigable effects are

anticipated in regard to land use, biological resources, noise, aesthetics/neighborhood character, hydrology/water quality, air quality and public utilities.

The cumulative impacts were anticipated in previously certified EIR's for the Torrey Highlands Subarea plan and Rancho Penasquitos Community Plan Update and do not represent new significant cumulative impacts. With the exception of significant and unmitigable effects to aesthetics/visual resources/community character identified in the previously certified Torrey highlands Subarea Plan EIR, all direct environmental effects of the project would be reduced to a level below a level of significance through the incorporation of mitigation measures.

Significant unmitigated impacts will result in the areas of Land Use (loss of undeveloped lands), Biological Resources (impacts to a wildlife corridor), Noise (increased traffic), Hydrology/Water Quality (increased runoff, sedimentation and transport of water borne contaminants), Air Quality, and Public Utilities (water consumption/water supply).

Land Use Plan Analysis:

The proposed project is located within two planning areas: Torrey Highlands and Rancho Peñasquitos. The project includes land use plan amendments to both community plans and an adjustment of the planning area boundaries. The existing boundary between the two communities is generally defined by the proposed southwesterly extension of Camel Mountain Road, which provides a clear boundary between the communities. During the review process it was determined that Carmel Mountain Road would need to be realigned to the north to avoid impacts to vernal pools. As a result, a number of scattered residential parcels within Torrey Highlands would be located south of Carmel Mountain Road and be in neighborhoods primarily located in Rancho Peñasquitos. The amendment to adjust the community boundaries would reduce the area of Torrey Highlands, and increase the area of Rancho Peñasquitos by 9 acres and provide clear, rational, and understandable planning areas.

The Torrey Highlands Subarea Plan was approved by Proposition "H" in November 1996. The voter approval included a residential unit cap of 2,693 residences. Any residential units that are constructed within the November 1996 boundaries of Torrey Highlands would count toward the unit cap.

Torrey Highlands:

The proposed project and amendments would implement the policies and goals of the Torrey Highlands Subarea Plan. The portions of the project proposed to remain within Torrey Highlands are currently designated Commercial Regional, Low Density (2-5 du/ac), and Low Medium Density (5-10 du/ac). In addition to the adjustment to the subarea boundary, the project proposes the following amendments to the Torrey Highlands Subarea Plan:

- Replace the Low Medium Density (5-10 du/ac) designation with a designation of Medium High Density (20-40 du/ac);

-Reconfigure the Commercial Regional and the proposed Medium High Density; and

-Increase the 250,000 square-foot Subarea Plan limitation on commercial to 525,000 square-feet in order to accommodate a 275,000 square-foot self storage facility;

As previously stated, the Torrey Highlands Subarea Plan is subject to a residential unit cap of 2,693 units. Except for this project, only one major residential project is yet to be approved in the Subarea (Peñasquitos West by Pardee). Table 4-3 of the Subarea Plan identifies potential residential development for parcels within Torrey Highlands. The assignment of units in Table 4-3 was intended to be reasonable but subject to increases or decreases based on constraints and future discretionary review. Approved residential developments in Torrey Highlands have tended to provide fewer units than anticipated in Table 4-3. As a result, a few projects have been permitted to provide additional units. Table 4-3 anticipated 269 residential units in the Torrey Highlands portion of the Rhodes Crossing project. The project proposes an additional 20 units that would not have been otherwise developed. This would result in a total of 289 units which would nearly assure that the Subarea achieves its buildout (the buildout of 2,693 units has been used in forecasting the City's future housing needs).

The Torrey Highlands Subarea Plan designates one area within the Rhodes Crossing for Low Medium Density (Area 4 adjacent to the Commercial Regional designation). This designation is proposed to be amended to a new density range of Medium High (20-40 du/ac). The new density category is necessary to accommodate 242 multiple dwelling units on a smaller parcel of land. This residential area has been significantly reduced in size to accommodate development of the commercial regional center with a self-storage facility. The decreased acreage and the increased density range proposed at this site are offset by the design of the proposed multi-dwelling unit structure. The design includes a structured parking lot that is "wrapped" with the residential structure. Similar to underground parking, this design eliminates the need for large amounts of surface parking, limits the amounts of noise and light from automobiles, and allows for increased landscaping and recreational amenities. The product varies in height from two to four stories and is designed to extend out from the parking garage at various locations, thereby breaking up the mass. Residents would be able to walk to the commercial regional center via Carmel Mountain Road or the onsite landscaped walkway that connects to the center's plaza area. This site will also be used to satisfy the North City Future Urbanizing Area requirement for affordable housing. The project would be a mixed income development with 47 of the proposed 242 units affordable to families earning no more than 65% of the area median income.

The Commercial Regional designation is identified as a Subregional Land Use in the Subarea Plan (Section 4.2.3). The location adjacent to, and the visibility from, SR-56, Camino Del Sur, and Carmel Mountain Road make it an ideal location to serve the future needs of the developing North City. This is the only Commercial Regional designation in the North City Future Urbanizing Area and it is intended to provide easy vehicular access and a broad range of retail commercial uses in 250,000 square feet. In contrast to the Torrey Highlands Village, this site is to be developed with regional drawing retail uses versus the smaller neighborhood commercial uses (small professional offices, bank, eating establishments, small grocery) currently being

developed in the pedestrian scaled Torrey Highlands Village. The proposal to increase the area of the designation from 23 to 35 acres (7 acres of which would be preserved wetlands and a vernal pool), and to reconfigure the Commercial Regional designation to extend the length of Camino Del Sur and the southern half length of Carmel Mountain Road would further implement the intent to serve the surrounding communities. The increased area would also allow for the addition of a regional serving storage facility (275,000 square feet) that would meet the current needs of Rancho Peñasquitos and the future needs of the North City. The storage facility is proposed to be screened from view by proposed structures and landscape. As stated in the Design Guidelines for Torrey Highlands, the commercial center would include a buffer between adjacent lands uses through structure location and the use of walls and landscape. The proposed commercial center includes numerous direct pedestrian and bicycle connections from the rights-of-way to the commercial uses and connections between uses within the center. The proposed architecture is internally consistent and includes varied rooflines, articulated facades, trellised walkways, and landscaping as indicated in the Subarea Plan.

The current boundaries of the Torrey Highlands Subarea Plan include two areas designated for Low Density residential development (Areas 6 and 8 of the Vesting Tentative Map). The project would develop those areas at densities of 4.6 and 2.7 du/ac which is consistent with the density of range of 2-5 du/ac. The single family residential component of the proposal would implement the goals and policies of the Subarea Plan. The residential streets are public streets designed with non-contiguous sidewalks to promote walking. Implementation of the residential design guidelines would result in a more pedestrian neighborhood. In an effort to de-emphasize the garage, they would be setback a minimum of 5-feet from the primary front facade, be limited to two street facing garage spaces, and be in character with the architectural style of the building. In order to assure consistency with the architectural character of Torrey Highlands and Rancho Peñasquitos, the residential design guidelines and the planned development permit would require that a Process Two Substantial Conformance be submitted and reviewed by staff and the community prior to construction of the single dwelling units.

Rancho Peñasquitos:

The proposed project and amendments would implement the policies and goals of the Rancho Penasquitos Community Plan. The portions of the project within, or proposed to be within Rancho Penasquitos are currently designated Neighborhood Commercial, Low Medium Density residential (1-5 du/ac), and open space (within an SDG&E easement). In addition to the adjustment to the community boundary, the project proposes the following amendments to the Rancho Penasquitos Community Plan:

- Replace a portion of the Low Density residential designation (1-5 du/ac) with an Open Space designation;
- Replace a portion of the Low Density residential designation (1-5 du/ac) with a Medium-High residential (22-43 du/ac) designation;
- Replace portions of the Neighborhood Commercial designation with an Open Space

designation;

-Replace portions of the Neighborhood Commercial designation with a Community Commercial designation; and

-Replace portions of the Neighborhood Commercial designation with a Low Density residential (1-5 du/ac) designation.

The Community Plan designates the area north of Eclipse Road to the current Community boundary (Areas 9, 3a and 3b of the Tentative Map) as Low Medium Density residential. All but approximately 1 acre of this designation is proposed to be changed. Approximately, 9 acres contain vernal pools and their watersheds. These areas would be changed from a residential designation to a contiguous Open Space designation for purposes of preservation. An approximately 3.5 acre site (Area 3b) would be designated Open Space and be developed as a privately owned and maintained passive park that would be open for public use (Rancho Peñasquitos exceeds the Progress Guide and General Plan standards for parks). The remaining approximately 7.5 acres (Area 3a) would receive a new density range of Medium-High Density (22-43 du/ac). The new density range would accommodate 342 multiple dwelling units in a structure that is larger, but similar in design to the project previously described project for Area 4 in Torrey Highlands.

The Rancho Peñasquitos Community Plan currently designates the southeastern corner of Camino Del Sur and Carmel Mountain Road for Neighborhood Commercial uses. Also within this area is the original alignment for Carmel Mountain Road which is proposed to be aligned farther north to avoid vernal pool impacts. When the Torrey Highlands Subarea Plan was developed it was discussed that this southeastern corner should be developed with single dwelling units if the Commercial Regional designation in Torrey Highlands fully developed since the Commercial Regional site would provide the commercial uses needed to support the surrounding community. That discussion was added into the Torrey Highlands Subarea Plan. However, the Rancho Peñasquitos Community Plan was not amended to incorporate the possible change in land use. The proposed project would eliminate the Neighborhood Commercial designation at this site. Like the area north of Eclipse Road, this site contains a substantial number of vernal pools and their watersheds (approximately 6 acres). These sensitive areas would be designated Open Space for purposes of preservation. Approximately 1.5 acres at the intersection of Camino Del Sur and Carmel Mountain Road would be designated Community Commercial to be developed with a gas station/service center and mini-mart. The same type of use could have been conditionally permitted under the previous Neighborhood Commercial designation. The remainder of the site (Area 2) would be designated Low Density residential (1-5 du/ac) as discussed in the Torrey Highlands Subarea Plan, and would accommodate 38 single-family dwelling units at a density of 2.2 du/ac.

The boundaries of the Rancho Peñasquitos Community Plan currently include three areas designated for Low Density residential development (Areas 1, 7, and 9). The project would develop those areas at densities of 4.2, 4.6 and 1.0 du/ac which is consistent with the density

range of 1-5 du/ac. All the single family residential components of the proposal would implement the goals and policies of the Community Plan. The new residential streets would be public streets designed with non-contiguous sidewalks to promote walking. The residential design guidelines previously discussed for Torrey Highlands, and the requirement for a Process Two Substantial Conformance Review would also apply to residential development in Rancho Peñasquitos.

PROJECT RELATED ISSUES:

The proposed project, in its evolution since submittal to the City in May, 1998, has had to comply with the voter approved Torrey Highlands Subarea Plan. This has meant conformity to the development of the proposed land uses, which included a maximum cap on the numbers of residential dwelling units and direction by the Planning Commission and City Council to achieve this density, and compliance with the requirements of the development of the State Route 56 Freeway, which bisects the northern portion of the project site, in terms of noise barriers, landscape edge treatments, bike lane within the freeway right-of-way and clearance from Caltrans. Additionally, staff had to determine that the project was projected for the areas not determined to be sensitive and included in the MSCP/MHPA area. The project was found to conform in that regard but had to be designed to avoid significant impacts to a large population of Vernal Pools. City approved alignments of the freeway and Camino del Sur and impacts to vernal pools could not be avoided and are less significant than other alternatives. Carmel Mountain Road is being realigned northerly from its initially planning alignment to avoid impacts to a large population of vernal pools.

The portion of ownership and proposed project within the Rancho Peñasquitos Community plan area is generally located over the lower half of the project site from the northeast to the southwest. Developed detached single-family residential housing borders the Rhodes Crossing project in the Carmel Mountain Road area and neighboring concerns were focused on compatibility of the existing residences with the multi-storied, multi-family residential development planned. Although some grade and setback separations minimized this concern, the developer modified the areas bordering SR 56 and Carmel Mountain Road to detached single-family lots, leaving the area south of Carmel Mountain Road and east of Camino del Sur for multi-family residential.

The Rancho Peñasquitos Community Plan area north of the Vista Alegre subdivision and the Park Village neighborhood, west of Camino del Sur, also is populated by a number of vernal pools and the final design for this area has decreased the number of proposed single-family lots, increased the drainage basins and linkage between pools a significant amount. A private park is proposed between the multi-family residential to the north of these vernal pools to minimize adverse impacts to the resource.

The Rancho Peñasquitos Community Planning Group has expressed opposition to the proposed 'big box stores' planned for the major commercial site within the Torrey Highlands Subarea Plan area between the SR 56 Freeway, Camino del Sur and Carmel Mountain Road. Four large single

user buildings are proposed with sizes of 57,252, 107,920, 16,000 and 24,000 square-feet of floor area respectively. The opposition to the 'big box' stores is land use related rather than architectural and the focus is an excess size for a single user in excess of 75,000 square-feet. Staff believes that the designation of Regional Commercial Center is the logical and anticipated location for this type of user. The Planning Group has also expressed that increased residential density in the Rancho Peñasquitos portion of the project could be supported only if the owner/applicant agrees to provide an 'extra-ordinary benefit' to the community in the form of a financial commitment, a number of concerns to the roadway and timing of the roadway improvements related to the project. The Planning Group did express that they believed that the structural design, colors, materials, landscaping, overall pedestrian areas and other aspects of the project were well done.

City staff, in the attached permit and map conditions, have addressed and incorporated items from the Rancho Penasquitos Planning Board. Within the permit (Attachment No. 10), Condition No. 43, covers traffic concerns on Sundance Avenue, Conditions 41 and 44 cover development of the project with adopted SR-56 and roadway development phasing criteria, Conditions Nos. 91 and 92 cover maximum box-store square-footage and location of the grocery store and a number of conditions and the Exhibit 'A' plans assure compliance with the drive-thru building pads, building design, pedestrian/central plaza feature and bike and pedestrian internal pathways. Minimally, any requested changes to the approved plans will require a Process 2 Substantial Conformance review or a Process 3 public hearing amendment (both assure Rancho Penasquitos Planning Board review and input).

The negotiation of an 'Extraordinary Benefit Agreement' is separate and apart from the City of San Diego and is solely an agreement entered into by the developer and the planning board. City staff is only acknowledging that this item, which was an element of the planning board's recommendations, has been entered into to the satisfaction of both parties as presented in testimony to the Planning Commission hearing. There is no nexus between the proposed project and this agreement for the City to be a party to it or to mention it other than as an 'informational item.'

CONCLUSION

The Rhodes Crossing project is among the last projects to be considered for approval within the Torrey Highlands Subarea Plan, which was approved by the voters and contains an overall MSCP/MHPA analysis, limits on the number of residential units and commercial/industrial development. Staff has concluded that the project within this area would conform to all applicable development regulations and the voter initiative, if implemented subject to the approval of the recommended actions. The Rhodes Crossing commercial center, with its large tenant stores and self-storage facility, will be compatible with the previously approved Torrey Highlands Village, located across SR-56 to the northwest, which provides primarily smaller tenant users (banking, some professional offices, eating and drinking establishments) and a grocery store.

The project area within the Rancho Peñasquitos Community Plan area is the largest and

considered the last of the areas to be undeveloped and unimproved. The City has kept the planning group apprised of the project submittals and City assessment of the project issues and draft conditions. The applicant has presented, and the planning group has considered, the project on numerous planning group agendas. The planning group voted on December 3, 2003, to recommend approval of the project in its current configuration subject to a number of conditions that the developer accepted, with the exception of a community proposed 'Extraordinary Benefit Assessment'.

The approval of the project will complete a large missing segment of both communities, will be compatible with adjacent development and provide housing (market rate and affordable), commercial services, a desirable self-storage facility and preservation of a large population of vernal pools. The "Affordable Housing" required within the Torrey Highlands Subarea Plan exceeds the requirement within the City of San Diego Inclusionary Housing Ordinance (20%) and requires it to be BUILT (no in-lieu fee option). The Vesting Tentative Map and vested accompanying applications that exclude the Rhodes Crossing project from the Inclusionary Housing Ordinance for the Rancho Penasquitos portion of the project, does not preempt the Torrey Highlands Subarea Plan. Additionally, all existing single-family neighborhoods within Rancho Penasquitos, will either be adjacent to new single-family residences or vernal pool preserves.

ALTERNATIVES:

1. Approve the Torrey Highlands Subarea Plan Amendment No. 7936, the Rancho Penasquitos Community Plan Amendment No. 7940, the Vesting Tentative Map, Street Vacations and Easement Abandonment's No. 7938, Rezone Application No. 7937, Planned Development Permit No. 53203, Site Development permit No. 53204 and Conditional use Permit No. 53205, with modifications, or
2. Deny the Torrey Highlands Subarea Plan Amendment No. 7936, the Rancho Penasquitos Community Plan Amendment No. 7940, the Vesting Tentative Map, Street Vacations and Easement Abandonment's No. 7938, Rezone Application No. 7937, Planned Development Permit No. 53203, Site Development Permit No. 4304 and Conditional Use Permit No. 53205, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

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

Approved: P. Lamont Ewell
Assistant City Manager

CHRISTIANSEN/rmk

Note: Attachments 10, 11 and 16 are available in electronic format. All others are available for review in the Office of the City Clerk.

- Attachments:
1. Community Plan Land Use Maps
 2. Project Location Map
 3. Project Data Sheets
 4. Project Site Plans
 5. Development Matrix
 6. Vesting Tentative Map
 7. Development Plans-Reduced (CC distribution only/separate package)
 8. Design Guidelines
 9. Draft Map Conditions and Subdivision Resolution
 - [10. Draft PDP/SDP/CUP Permit](#)
 - [11. Draft PDP/SDP/CUP Resolution](#)
 12. Draft Torrey Highlands Subarea Plan Amendment Text and Graphics
 13. Draft Rancho Penasquitos Plan Amendment Text and Graphics
 14. Draft Torrey Highlands Subarea Plan Amendment Resolution
 15. Draft Rancho Penasquitos Community Plan Amendment Resolution
 - [16. Draft Rezone Ordinance and Rezone 'B' Sheet](#)
 17. Planning Report(s) for Plan Amendment Initiation
 18. Community Planning Group Recommendation
 19. Ownership Disclosure Statement
 20. Street Vacation/Easement Abandonment Exhibit
 21. Planning Commission Resolution to City Council