CITY OF SAN DIEGO
MEMORANDUM

DATE: September 21, 2004

TO: Community Planners Committee (CPC)

FROM: Patsy Chow, Senior Planner

SUBJECT: LARGE RETAIL DEVELOPMENT ORDINANCE

In the coming months, the Planning Commission and City Council will consider an ordinance that would regulate large retail development. At this time, Planning Department staff is seeking CPC's input and a recommendation on the proposed ordinance. Your recommendation will be provided to the Planning Commission and City Council as part of the staff report.

BACKGROUND

On July 23rd, 2003, the City Council's Land Use and Housing Committee directed Planning Department staff to develop an ordinance that would regulate large retail development. Since that time, Planning staff has met with various stakeholders, received input from CPC, Code Monitoring Team (CMT), Technical Advisory Committee (TAC), and held a series of public workshops with the Planning Commission (see Attachment 1-Timeline Overview).

At the last CPC meeting of July 27th, 2004, several requests were made for more information associated with this subject. In order to address each one of these items, staff has summarized further below these requests along with a response from staff. In addition, a Large Retail CPC Subcommittee was formed at the request of CPC Chairman Dave Potter to review and discuss in more detail the staff's recommended proposed revised ordinance. A summary of the two subcommittee meetings held on September 13th and 14th, 2004 is included as Attachment 2.

Staff has also obtained recommendations from TAC and CMT by attending their meetings on August 11th and September 8th, 2004. In general, CMT recommended the following: no building size limitation; design requirements should be applicable in the Commercial-Community (CC) zones, Commercial-Regional (CR) zones, Light Industrial (IL-3-1 and IL-2-1) zones, and Centre City Planned District if building is over 50,000 square feet; apply Site Development Permit Process 4 for large retail establishments over 100,000 square feet in the CC zones; support staff's recommendation regarding building articulation, landscaping and design incentives. TAC recommended the following: if regulations are added to the code, they should be incentive-based; incentives can include mixed-use development, liner buildings, use of sustainable building measures, and

additional building square footage with provision of structured or underground parking; apply Site Development Permit Process 4 at a threshold of 100,000 square feet in the CC zones; recommend rejection of re-leasing requirements (examples: declaration of public nuisance after 12 months vacancy and securing a bond for demolition in case of 12 months vacancy).

DISCUSSION

1- Request for a copy of John Ziebarth's proposal

Response: Since the July 27th, 2004 CPC meeting, staff has met on several occasions with Mr. Ziebarth to discuss his recommendations and compare them against staff's recommendations. Staff has been able to address Mr. Ziebarth's concerns with the exception of removing the building size limit of 150,000 square feet in the CC (Commercial--Community) zones, Light Industrial (IL-3-1 and IL-2-1) and planned districts. Therefore, in the interest of time and to simplify matters, Mr. Ziebarth has decided to not provide copies of his previous proposal (see letter from Mr. Ziebarth included as Attachment 3). However, staff is still providing information about specific differences that previously existed between Mr. Ziebarth's proposal and previous staff's recommendation (please see the matrix referenced under item 5 of this memorandum).

2- Request for Economic and Fiscal Impact Analyses of Large Retail Establishments

Response: Staff from Community and Economic Development Department has previously prepared fiscal and economic impact analyses that were presented at previous Planning Commission hearing and workshops on the subject of large retail development. These analyses have been updated by staff to consider recently released studies concerning large retail and are included under Attachment 4 per CPC's request.

3- What are the sizes of different retail establishments out there?

Response: Please see below for a partial listing of some large retail establishments and grocery stores in San Diego.

- Home Depot at Imperial Marketplace – 107,920 square feet (sq. ft.) with 23,920 sq. ft. garden center
- Mervyn's at Sports Arena - 93,590 sq. ft.
- Ralph's in Downtown San Diego – 43,000 sq. ft.
- Costco in Mission Valley - 147,000 sq. ft.
- IKEA at Fenton Marketplace - 190,522 sq. ft.
- Lowe's at Fenton Marketplace - 142,000 sq. ft.
- WalMart at College Grove - 131,000 sq. ft.
- Target at College Grove - 120,000 sq. ft.
- Food-4-Less at Market Creek Plaza - 59,000 sq. ft.

- Home Depot at Genesee Plaza - 98,961 sq. ft. with 23,304 sq. ft. garden center

Data obtained from contacting the following corporations or visiting their websites:

Home Depot ranges from 45,000 to over 100,000 sq. ft.
Costco ranges from 120,000 to 160,000 sq.ft.
Target average size is 122,280 sq. ft.
Lowe's prototype store is 116,000 sq. ft.
Vons ranges from 65,000 to 75,000 sq. ft.
Ralphs prototype store is 58,000 sq. ft.
WalMart: Neighborhood Market ranges from 42,000 to 55,000 sq. ft.
Discount Store ranges from 40,000 to 125,000 sq. ft.
Supercenter ranges from 100,000 to 220,000 sq. ft.
Sam's Club ranges from 110,000 to 130,000 sq.ft.

4- Pictures of large retail, plazas and examples of offsetting planes

Response: Staff will be presenting, as part of a PowerPoint presentation, several pictures of large retail establishments as well as examples of public plazas and offsetting planes.

5- Matrix that identifies previous staff's recommendation presented at the Planning Commission hearing of April 8th, 2004, John Ziebarth's proposal, large retail advocates' recommendations, and the SKU Ordinance.

Response: This matrix was originally requested at the Planning Commission workshop held on May 20th, 2004. This matrix is included as Attachment 5.

STAFF'S RECOMMENDATION

The staff recommended ordinance is included as Attachment 6 and is also outlined in a matrix format that compares current code regulations with proposed new regulations under staff's recommendation (see Attachment 7). A summary of the staff's recommendation is as follows:

- 150,000 square-feet building size limit for large retail establishments in the CC (Commercial-Community) zones, IL-2-1 (Industrial--Light), IL-3-1 (Industrial--Light), and planned districts;

- 100,000 square-feet threshold for discretionary review in the CC zones and planned districts;

- 50,000 square-feet threshold for applicability of additional design regulations (architectural elements, building setbacks, pedestrian paths, landscaping); and

- Incentives: building square-footage bonuses for large retail developments that incorporate a public plaza, structured parking or subterranean parking, liner buildings, mixed-use development, or sustainable building measures.

Planning staff is not recommending a "re-leasing requirement" to be included as part of the ordinance; this particular issue was discussed at the May 20th, 2004 Planning Commission workshop on large retail establishments. While such a requirement may be reasonable in some locations, staff does not believe it is relevant in San Diego due to high land costs and rents.

CONCLUSION

Based on input and requests from CPC at the July 27th, 2004 meeting, staff has prepared a list of request items that have been addressed in the discussion section of this memorandum. Furthermore, staff's recommended revised draft ordinance addresses Mr. Ziebarth and other stakeholders' concerns, incorporates TAC and CMT's recommendations with the exception of removing the building size limitation of 150,000 square feet in the CC zones, IL-3-1 and IL-2-1 zones, and planned districts. The revised ordinance was presented at the CPC Subcommittee Large Retail Development meetings on September 13th and 14th, 2004 for review and discussion by the subcommittee members. At the September 14th meeting a motion passed 6-1 to approve staff's recommendation with two modifications: 1) eliminate the 150,000 square-feet building size limit and 2) establish discretionary review at 75,000 square feet instead of 100,000 square feet in the CC zones and planned districts.

The Planning Commission and City Council will consider the Large Retail Development Ordinance in the coming months and the CPC recommendation on the ordinance will be included in the staff report. Planning staff understands that this is a very complex issue and appreciates the time CPC has spent reviewing all of the information provided to prepare a recommendation on this complex subject.

Respectfully submitted,

Patsy Chow
Senior Planner

Coleen Clementson
Program Manager

CC/PC

Attachments: 1. Timeline Overview
2. CPC Subcommittee on Large Retail Development Ordinance (Summary of Meetings)

3. Letter from Mr. John Ziebarth dated September 21st, 2004
4. Fiscal and Economic Impacts of Large Retail Establishments
5. Matrix Comparison of Different Proposals
6. Revised Draft Ordinance Large Retail Development
7. Comparison Between Current and Proposed Regulations