

Economic Prosperity Element - Excerpt

Purpose and Intent

To improve economic prosperity by encouraging a diverse and stable local economy.

Plan Issues

- The diminishing supply of available employment land for base sector industrial uses and expansion of local industries which support middle-income jobs.
- The inequitable distribution of economic opportunity including access to jobs and educational opportunities.
- Existing development patterns resulting in the inefficient use and location of employment lands.
- The need for coordinated policies regarding border infrastructure and land use.

A. Industrial Land Use

Goals

- A city with a diversified economy with a focus on encouraging industrial development that provides middle-income employment opportunities
- A city with industrial land sufficiently and appropriately designated to sustain a strong economic base
- A city where existing industrial land is retained, protected from encroachment of other uses, and utilized efficiently

Discussion

The supply and type of employment land uses in the city are significant factors in determining the ability of the city to meet the needs of a rapidly changing economy. In San Diego, the long-term supply of industrial land has greatly decreased. In 2005, only one-fourth of all designated industrial land, or approximately 2,700 acres, were still vacant in the City of San Diego. As of 2005, the vast majority of the vacant industrial land is located in the community of Otay Mesa, accounting for more than two-thirds of the total vacant industrial land. The majority of the remaining vacant industrial land within the city is located within the other Subregional Employment Districts. The decrease in industrial land supply is a potential challenge to the growth and retention of middle- and high-wage industries and related job growth in the city. The city should focus on preserving existing available land from the encroachment of other uses.

Economic base industries create wealth for a local jurisdiction by exporting products and services primarily to national and international markets outside of the local area. San Diego's economic base is primarily composed of industries in the manufacturing, accommodation, and public administration (military) sectors. The manufacturing sector is most significant because it supports middle-income employment. The retention of these types of employment land can lead to a more stable economic base and also preserves the city's ability to maintain a healthy revenue base under current state law and therefore achieves higher levels of municipal services for a growing population.

Long-term changes in the economy related to the rapid growth of service sector employment and global industrial production strategies have increasingly favored San Diego as a location of research and development functions performed in an office setting. The increasing demand for office space supports the intensification of new types of employment uses in some locations. Therefore, in addition to retaining employment lands, the city needs to develop new approaches and strengthen current policies that support more efficient utilization of existing employment lands in some locations.

The lack of affordable housing in San Diego negatively impacts the local economy by limiting the ability of an industry to maintain the necessary workforce. Policies aimed at increasing the supply of low to moderate-income housing are contained in the Housing Element of the General Plan. Additionally, the lack of housing near employment nodes has led to a strain on our roads, freeways, infrastructure, and environment, and affects the quality of life for all San Diegans. In future community plan updates, new opportunities for employment uses should be identified as well as areas appropriate for the colocation of industrial and residential uses. In the interim, as community plan amendments are requested for colocation or conversion, there needs to be a consistent evaluation process which preserves the most important types of industrial land, or "prime industrial land" and minimizes land use conflicts. "Prime industrial land" as depicted on Figure X is comprised of areas designated as an industrial use in the community plan and predominately developed or potentially developable with industrial uses and structures which support base sector industries such as warehousing, heavy or light manufacturing, and research and development uses. These areas do not contain a predominance of

commercial and office uses. Prime industrial lands areas are part of larger areas which provide a significant benefit to the regional economy and meet General Plan goals and objectives to encourage a strong economic base. It is anticipated that the Prime Industrial Lands map will be revised over time, as comprehensive community plan updates take place. The map is intended to be used to help preserve valuable employment land but it does not redesignate or rezone property and will not influence the processing of ministerial permits.

Globalization and the maturing of key industries have resulted in the loss of manufacturing operations which support middle-income employment both nationally and in the City of San Diego. Protecting manufacturing areas with existing infrastructure for base-sector employment is the principal way that the General Plan and community plans can influence the economic health of the city.

Industrial businesses tend to have lower profit margins and require more land than commercial businesses putting them at a disadvantage when competing for sites which allow both types of uses. When retail, office, or residential uses encroach on industrial lands, the industrial users cannot compete. Protection of these areas from encroachment by non-industrial uses creates opportunities for existing industrial users to expand rather than relocate out of the city. Land use designations which are sufficiently refined to protect key employment areas can create conditions which do not further exacerbate the negative effects of these global trends and, where possible, encourage the expansion of base-sector uses in the city. When updating community plans or considering plan amendments, the industrial land use designations contained in Table X of the Land Use and Community Planning Element should be applied to protect base-sector uses, provide for secondary employment and supporting uses, and maintain areas where smaller emerging industrial uses can locate in a multi-tenant setting.

Maintaining an adequate supply of a variety of employment land types contributes to the economic health of San Diego in two major ways – creating a wide range of jobs for the city’s residents, and importing dollars from outside the area. Economic diversity is crucial to a region’s ability to weather economic cycles. While traditional business park development will still be required in the future, increasingly more intense vertical workplaces will occur in some areas. Within the General Plan category of Employment and Commercial Services, proposed community plan land use designations for industrial uses have been created with the goal of providing communities a menu of potential categories to fit individual conditions and community plan objectives while advancing citywide economic prosperity goals.

Note: Policies EP-A.1 through EP-A.8 are currently being redrafted.

Community Plan Updates involving Redesignation of Industrial Lands

EP-A.9 Determine the appropriate location and extent of industrial land uses as a part of the community plan update process.

- a. Encourage the provision of housing in proximity to industrial/employment areas where appropriate. Areas which are appropriate for the collocation of residential and industrial uses or conversion of industrial land to residential uses may be identified based on a variety of economic, physical, health and safety, and social factors.
- b. Revise the General Plan Prime Industrial Land map boundaries if warranted based upon a comprehensive analysis that includes an evaluation of the factors in Table EP-X and the contribution of the area to the local and regional economy.

Community/General Plan Amendments to Redesignate Industrial Lands

EP-A.10 Hold to a high standard of review requests for community plan/General Plan amendments that propose intrusion of non-industrial uses in an industrially designated area, or conversion of industrially designated land to another use.

- a. Do not consider amendments in areas identified as Prime Industrial Land as shown on Figure X. Revisions to boundaries of the Prime Industrial Land Map may be considered as a part of a General Plan amendment if warranted based upon a comprehensive analysis in accordance with Table EP-X and EP-A.9.b.
- b. Encourage collocation or conversion in areas that are not identified as prime industrial lands subject to analysis of the factors listed in Table EP-X and additional requirements.
- c. Require concurrent processing of development proposals with General Plan/Community Plan Amendments to redesignate industrial land.
- d. Require concurrent processing of a Facilities Financing Plan Amendment to identify and fund needed facilities.

Discretionary Review of Projects within Industrial Designations

EP- A.11 Do not consider discretionary projects for *assembly uses* or off-site daycare facilities in areas identified as Prime Industrial Land as shown on Figure X.

EP- A.12 Consider the factors in Table EP-X and meet the requirements below when considering projects in other industrial areas or associated with plan amendments to redesignate industrial uses.

- a. Meet or exceed the requirements of the city’s Inclusionary Housing Ordinance through provision of on-site affordable housing.
- b. Incorporate pedestrian design and connectivity into conversion/collocation projects, including pedestrian-oriented connections to adjacent properties, activity centers, and transit.

- c. Require payment of the conversion/collocation project's fair share of community facilities required to serve the additional residential units (at the time of occupancy).
- d. Separate residential uses from any identified toxic air contaminants or sources of toxic substances by at least 1,000 feet between the residential and industrial property lines. Intervening uses could include public rights of way, most commercial, institutional and public uses provided that they do not contain a significant number of *sensitive receptors*. In lieu of the 1,000-foot separation, the applicant may submit a report which provides adequate data to determine the effects upon potential future residents and whether an alternative distance separation would mitigate the effects.
- e. Increase all public noticing requirements to 1200 feet.

**Table EP-X
Conversion/Collocation Suitability Factors**

Area Characteristics	<p>Is the area characterized by office development?</p> <p>Is the area in transition where significant encroachment of non-industrial uses has already occurred?</p> <p>Is the area unattractive to manufacturing, research and development, wholesale distribution, and warehousing uses, based on a variety of factors including: physical site characteristics, parcel size, parcel configuration, surrounding development patterns, transportation access, and long-term market trends?</p>
Transit Availability	Is the area located within one-third mile of existing or planned public transit? If public transit service is not planned or is inadequate, is the project proponent able to provide or subsidize transit services to the project?
Impact on Prime Industrial Lands	Will a redesignation in an area adjacent to prime industrial lands erode the utility of the prime industrial lands for industrial purposes?
Significance of Residential Component	Is there a need for housing to serve the adjacent employment/industrial lands? Is the density of the proposed residential land use significant enough to justify a change in land use?
Residential Support Facilities	Are there public and commercial facilities generally associated with residential neighborhoods in close proximity to the area such as commercial and retail services and schools?

Public Facilities	Are there public facilities available to serve the residential units? Provide public facilities on-site wherever feasible.
Public Health	Is the site located in an employment area where incompatibilities may result regarding truck traffic, odors, noise, safety, and other external environmental effects?
Separation of Uses	Are there any sources of toxic air contaminants or toxic substances within a quarter mile of the subject property? If research indicates that toxic sources exist, could a 1000 foot distance separation or recommended alternative distance from the residential use to any identified toxic air contaminants or sources of toxic substances be accommodated?

Glossary

Conversion- A redesignation or change in use of an industrially-designated site to commercial, institutional, mixed-use, or residential use.

Collocation- The geographic integration of residential development into industrial uses located on the same premises

Assembly uses- The use of a premises for the gathering together of 50 or more persons for such purposes as deliberation, education, instruction, worship, entertainment, or amusement.

Sensitive receptors- Those segments of the population most susceptible to poor air quality (i.e., children, the elderly, and those with pre-existing serious health problems affected by air quality.

Corporate Headquarters- The administrative center of a large and/or geographically widespread business



DRAFT - Proposed Prime Industrial Land



Figure X

Community Input - Prime Industrial Land

The following communities contain some “prime industrial land” as specified on the Prime Industrial Land map. Except as noted, all of the recognized community planning groups support the identification of land as indicated on the map as prime industrial. A portion of Otay Mesa will be identified as “prime industrial land” once the current plan update is complete.

1. **Mira Mesa**
2. **Rancho Bernardo**
3. **University**
4. **Kearny Mesa**
5. **Torrey Pines**
6. **Scripps Miramar Ranch** – The Scripps Ranch Community Planning Committee supports inclusion of all of the industrially-designated land in their community as ‘prime industrial lands’. Staff does not support inclusion of industrial land both north and south of Scripps Ranch High School due to land use compatibility issues and the significant intrusion of institutional and office uses in these two locations.
7. **Sabre Springs**
8. **Carmel Mountain Ranch**
9. **Navajo** – The Navajo Community Planning Committee does not support the identification of the sites adjacent to the river as prime industrial land. Staff supports inclusion because the site consists of large underutilized parcels suitable for base-sector employment uses and the site’s location in the central portion of the city.
10. **Clairemont Mesa**
11. **Miramar Ranch North**
12. **Barrio Logan and Centre City Communities**