

Exhibit 1

From: Marcela Escobar-Eck
To: david.hasemyer@uniontrib.com
CC: Biagi, George; Waring, Jim
BC: Temple, Jeannette
Date: 1/29/2007 10:36:36 AM
Subject: Sunroad timeline

Dave:

Attached is a time line that shows the history of the overall project as well as specifically the Sunroad 12 building. We have made copies for you of the main documents that we reference within the time line. There are over 10 boxes on this project and I am happy to go over any other document that you might want to review on this project. Just let me know if there is anything else that you need after you look through this information.

You know how to find me.
--Marcela

Marcela Escobar-Eck
Director
Development Services Department
Office of the Mayor
City of San Diego

mescobareck@sandiego.gov
619-446-5039

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San Diego, CA 92101

Attachments: SUNROAD CENTRUM-12 TIMELINE_final_072607.pdf

Exhibit 2

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, DECEMBER 2, 1997
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Mayor Golding at 10:06 a.m.

Frank Belock, Director of Engineering and Capital Projects, gave a presentation regarding the City's preparations for the upcoming winter relating to the climatic condition El Nino may bring to the region. Mr. Belock informed Council of the work going on in the field, infrastructure, and flood-way improvements. Chris Bach, Coordinator of the Emergency Operation's Center also gave information as to the City's preparedness for emergency situations. He said the five areas of focus that City Disaster Preparedness has been working on are training for first responders, community outreach, public information, command in control, and outside resources.

Mayor Golding recessed the meeting at 11:12 a.m. to convene the Redevelopment Agency. The meeting was reconvened by Mayor Golding at 11:15 a.m. with Council Member Mathis not present. The meeting was recessed by Mayor Golding at 12:08 p.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Mayor Golding at 2:09 p.m. with Council Members Mathis, Kehoe and Vargas not present. Mayor Golding recessed the meeting at 4:05 p.m. to reconvene the Redevelopment Agency. The Council Meeting was reconvened by Mayor Golding at 4:07 p.m. with Council Member Mathis not present. Deputy Mayor Warden recessed the meeting at 4:42 p.m. to reconvene the Redevelopment Agency. The Council Meeting was reconvened by Deputy Mayor Warden at 4:45 p.m. with Mayor Golding and Council Members Mathis and Wear not present. Deputy Mayor Warden adjourned the meeting at 4:47 p.m.

ATTENDANCE DURING THE MEETING:

- (M) Mayor Golding-present
- (1) Council Member Mathis-excused by R-289588
(Death of father)

ADOPT THE ORDINANCE. Second by Wear. Passed by the following vote: Mathis-not present, Wear-yea, Kehoe-yea, Stevens-yea, Warden-yea, Stallings-yea, McCarty-yea, Vargas-yea, Mayor Golding-yea.

* ITEM-54:

SUBJECT: Matter of the New Century Center Development Plan - Proposed Redevelopment of the Kearny Mesa General Dynamics Site in the Kearny Mesa Community Plan Area. (Kearny Mesa Community Area. District-6.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinances which were introduced on 11/18/97. (Council voted 9-0):

Subitem-A: (O-98-39) ADOPTED AS ORDINANCE O-18447 (New Series)

Incorporating the Kearny Mesa General Dynamics property into the CA, M-1A and OS-TDR Zones.

Subitem-B: (O-98-40) ADOPTED AS ORDINANCE O-18448 (New Series)

Approving the Development Agreement between the City of San Diego and General Dynamics Properties, Inc.

FILE LOCATION: Subitems A,B: LAND-Kearny Mesa
Community Plan Area CONT FY98-1

COUNCIL ACTION: (Tape location: B187-319.)

CONSENT MOTION BY WARDEN TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCES. Second by Wear. Passed by the following vote: Mathis-not present, Wear-yea, Kehoe-yea, Stevens-yea, Warden-yea, Stallings-yea, McCarty-yea, Vargas-yea, Mayor Golding-yea.

* ITEM-100:

SUBJECT: Inviting Bids for the Sidewalk and Curb/Gutter Replacement City Wide "C-15".

CITY MANAGER'S RECOMMENDATION:

(O-98-39)

ORDINANCE NUMBER O-18447 (NEW SERIES)

ADOPTED ON DECEMBER 2, 1997

AN ORDINANCE INCORPORATING THE KEARNY MESA GENERAL DYNAMICS PROPERTY LOCATED IN THE CITY OF SAN DIEGO, CALIFORNIA, INTO THE CA, M-1A AND OS-TDR ZONES, AS DEFINED BY SAN DIEGO MUNICIPAL CODE SECTIONS 101.0428, 101.0436, AND 101.0405 RESPECTIVELY.

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That the Kearny Mesa General Dynamics property located in The City of San Diego, California, within the boundary of the district designated M-IB on Zone Map Drawing No. B-4056, a copy of which is attached hereto, filed in the office of the City Clerk as Document No. OO-18447, be and is hereby incorporated into the CA, M-1A and OS-TDR Zones, as provided on Zone Map Drawing No. B-4056, as such zones are described and defined by San Diego Municipal Code Sections 101.0428, 101.0436, and 101.0405 respectively.

Section 2. That all other prior ordinances of The City of San Diego be and they are hereby repealed insofar as the same conflict herewith.

Section 3. This ordinance shall take effect and be in force on the thirtieth (30th) day from and after its passage, and no building permits for development inconsistent with the provisions of this ordinance shall be issued unless application therefor was made prior to the date of adoption

of this ordinance.

APPROVED: CASEY GWINN, City Attorney

By _____
Prescilla Dugard
Deputy City Attorney

PD:cdk
11/03/97
Or.Dept.Dev.Svcs.
Case No.96-0165
O-98-39
Form=rezzo.frm

(O-98-40)

ORDINANCE NUMBER O-18448 (NEW SERIES)

ADOPTED ON DECEMBER 2, 1997

AN ORDINANCE APPROVING THE DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND
GENERAL DYNAMICS PROPERTIES, INC.

WHEREAS, General Dynamics Properties, Inc. ("Owner") is the owner or equitable owner of that certain real property consisting of approximately 232 acres located within the Kearny Mesa community planning area; and

WHEREAS, The City of San Diego, a charter city, is authorized pursuant to Government Code Sections 65864 - 65869.5 to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property in order to establish certainty in the development process. The City further enters into this Development Agreement pursuant to its Charter and self-rule powers and San Diego Municipal Code Sections 111.0901 *et seq.*; and

WHEREAS, the parties desire to enter into this Development Agreement relating to the above-described real property in conformance with the provisions of the Government Code in order to achieve the development of private land uses together with the provision of public services, public uses, and urban infrastructure all in the promotion of the health, safety, and general welfare of the City of San Diego; and

WHEREAS, the property is located within the boundaries of the Kearny Mesa community planning area. This community plan was amended by the Council on November 18, 1997, by Resolution No. R-289452. In conjunction with the amendment of the community plan, the

Council certified the information contained in the Environmental Impact Report and approved the findings of the environmental document in compliance with the California Environmental Quality Act of 1970; and

WHEREAS, development of the subject property will be in conformance with the Kearny Mesa Community Plan, the CA, M1-A, and OS-TDR Zones, and the New Century Center Project Master Plan and approvals (LDR No. 96-0165) including a Planned Commercial Development Permit, Planned Industrial Development Permit, Vesting Tentative Map, Resource Protection Permit, and the New Century Center Development Standards and Design Manual. The environmental effects of development permitted pursuant to the agreement were addressed in Environmental Impact Report No. 96-0165 which has been certified by the City; and

WHEREAS, because of the complexities of financing the urban infrastructure, certainty in the development process is desirable. The phasing, timing and development of the public infrastructure including, but not limited to, parks, libraries, fire stations, transportation facilities, sewer and water facilities, other utilities, and open space maintenance necessitates a significant commitment of resources, planning and effort by property owners and the City in order for the public facilities financing to be successfully completed. Accordingly, in return for the participation and commitment to provide a pro rata share of public facilities and the significant contribution of private resources for public purposes, the City in return desires to make a commitment for certainty in the development process; and

WHEREAS, pursuant to the terms of the Development Agreement, Owner will provide substantial public improvements and benefits to the City including participation in the Kearny Mesa Public Facilities Financing Plan. In consideration of the public improvements and benefits to be provided by Owner pursuant to the Development Agreement, in consideration of Owner's

agreement to finance public facilities, and in order to strengthen the public planning process and reduce the economic costs of development, by the Development Agreement the City intends to give Owner assurance that Owner can proceed with the development of the subject property for the term of the Development Agreement pursuant to the Development Agreement; and

WHEREAS, on October 23, 1997, the Planning Commission of The City of San Diego, after giving notice pursuant to Government Code Sections 65854, 65854.5, 65856, and Section 105.0103 of the San Diego Municipal Code held a public hearing on the application for the Development Agreement and recommended approval of same; and

WHEREAS, the Council of The City of San Diego, after providing public notice as required by law, held a public hearing on Owner's application, wherein all persons desiring to be heard were heard, and pursuant to said public hearing the Council recommended approval of the Development Agreement; and

WHEREAS, the Council finds that the Development Agreement is consistent with the Progress Guide and General Plan and the Kearny Mesa Community Plan, as well as all other applicable policies and regulations of The City of San Diego; and

WHEREAS, the Council has reviewed and considered the Development Agreement and determined the content of the Development Agreement to be complete and correct; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. The Council finds and determines the facts stated above to be true.

Section 2. The Council further finds with respect to the Development Agreement that:

A. It is consistent with the objectives, policies, programs and uses specified in the Progress Guide and General Plan and the Kearny Mesa Community

Plan.

B. It will not be detrimental to the public health, safety and general welfare.

C. It will promote the orderly development of property or the preservation of property values in accordance with good land use practice.

Section 3. The Council hereby approves the General Dynamics Properties, Inc. Development Agreement, a copy of which is on file in the office of the City Clerk as Document No. OO-18448, and authorizes and directs the City Manager to execute said Development Agreement in the name of The City of San Diego not later than 15 days following the effective date of this ordinance. Failure of Owner to execute the Development Agreement within 30 days, shall render this action null and void. The City Clerk is directed to record said Development Agreement and this ordinance with the County Recorder of San Diego County within ten days after its execution.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and

after its passage.

APPROVED: CASEY GWINN, City Attorney

By _____

Prescilla Dugard
Deputy City Attorney

PD:cdk
11/05/97
Or.Dept:Dev.Svcs.
O-98-40
Form=devagro.frm

Exhibit 3

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
TUESDAY, OCTOBER 3, 2000
AT 9:00 A.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING:.....	3
ATTENDANCE DURING THE MEETING:	3
ITEM-300: ROLL CALL.....	4
NON-AGENDA COMMENT:	4
COUNCIL COMMENT:	6
ITEM-152: City Manager’s Interim Equal Opportunity Contracting Program (EOCP) Status Report.	6
ITEM-310: Purdon Residence & Guest Quarters.	8
ITEM-330: Street Vacation - Linwood Street between Keating Street and Washington Street.	10
ITEM-331: San Diego Spectrum.	11
ITEM-332: University City Village.....	17
ITEM-333: Market Street (from 47 th Street to Iona Drive) Underground Utility District.	20
ITEM-334: Naval Training Center Land Use Entitlements.....	21
ITEM-335: <u>Two</u> actions related to the Peninsula Public Facilities Financing Plan and Development Impact Fee.	30
ITEM-336: Market Street Industrial Park Redevelopment Plan.....	31
ITEM-337: Findings for Surface Off-Site Improvements for the Young Women’s Christian Association of San Diego (YWCA).	32

Linwood Street proposed for vacation totals .149 acres and is located in the Uptown Community Planning Area. In 1997, the Uptown Planners recommended against the vacation by a vote of 10-0, with no conditions. They believed it did not meet the requirements of the Community Plan. Staff believes that the proposed vacation does meet the requirements of the Uptown Community Plan. On December 2, 1999, the Planning Commission voted 5-0 in favor of the vacation, recommending that a building restriction easement be included over the area proposed for vacation. Staff believes the building restriction easement is redundant because the vacated area will be significantly encumbered by general utility easements described below.

The applicant is requesting the vacation without a building restriction easement, in order to facilitate the construction of his proposed driveway. The area of Linwood Street proposed for vacation contains public sewer and SDG&E facilities, for which general utilities easements will be reserved as a condition of the vacation. Staff recommends that the right-of-way be vacated conditioned upon the reservation of general utilities easements, the installation of a curb cut to provide access, and a cut-and-plug of the water main in Keating Street.

FINDINGS: Staff review has indicated that the right-of-way may be vacated because the four required findings for vacation can be made.

FISCAL IMPACT:

None. All costs have been paid for by the applicant.
Culbreth-Graft/Haase/GH

FILE LOCATION: STRT-J-2916 (39)

COUNCIL ACTION: (Tape location: A301-376.)

Hearing began at 11:30 a.m. and halted at 11:35 p.m.

MOTION BY WEAR TO ADOPT. Second by Kehoe. Passed by the following vote: Mathis-yea, Wear-yea, Kehoe-yea, Stevens-yea, Blair-yea, Stallings-yea, McCarty-yea, Vargas-yea, Mayor Golding-yea.

ITEM-331: San Diego Spectrum.

Matter of approving, conditionally approving, modifying

or denying the proposed 1) Lennar Project (99-1269) -
VTM/Master Plan Amendment to revise the lot and

street configuration on Phase 3 & 4 of TM-96-0165; revise the New Century Center Master Plan to reflect the new design of Market Square/Planning Area 2A; and vacate Irrevocable Offer to Dedicate for the old Market Square configuration: 2) FF Development (99-0509) - A Planned Residential Development permit, a Rezone for CA to R-1500, a Tentative Parcel Map, an Amendment to the Kearny Mesa Community Plan, the New Century Master Plan and the New Century Center Development Agreement to allow 448 multi-family residential units. The property is bounded by Clairemont Mesa Boulevard to the north, SR 163 and Kearny Villa Road to the west, Ruffin Road to the east, and Balboa Avenue to the south. TM-96-0165 (San Diego Spectrum)

(99-1269 & 99-0509. Kearny Mesa Community Plan Area. District-6.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions in subitems A, B, and J; adopt the resolution in subitem E to grant the map; adopt the resolution in subitem F to grant the map; adopt the resolution in subitem G to grant the amendment to the permit; adopt the resolution in subitem H to grant the permit; and introduce the ordinances in subitems C, D, and I:

Subitem-A: (R-2001-437) ADOPTED AS RESOLUTION R-293925

Adoption of a Resolution certifying that the information contained in Addendum to an Environmental Impact Report (EIR) LDR-99-1269, dated July 6, 2000, Addendum to EIR-96-0165, has been completed in compliance with the California Environmental Quality Act of 1970 and State CEQA guidelines, and that said Addendum to EIR-96-0165 reflects the independent judgment of the City of San Diego as Lead Agency; Stating for the record that the Addendum to EIR-96-0165 has been reviewed and considered by the Council prior to approving the project.

Subitem-B: (R-2001-438) ADOPTED AS RESOLUTION R-293926

Adoption of a Resolution approving the requested amendments to the Kearny Mesa Community Plan and the Progress Guide and General Plan related to the New Century Center Master Plan.

Subitem-C: (O-2001-50) INTRODUCED, TO BE ADOPTED ON
OCTOBER 16, 2000

Introduction of an Ordinance changing 10.40 acres and 9.20 acres, located in the Kearny Mesa Community Plan Area, in the City of San Diego, California, from the CA and M-1B zones, respectively, to the R-1500 zone, as defined by San Diego Municipal Code Section 101.0410; and repealing Ordinances No. O-12342 (New Series), adopted May 1, 1978, and No. O-18447 (New Series), adopted December 2, 1997, of the Ordinances of the City of San Diego insofar as the same conflict herewith.

Subitem-D: (O-2001-51) INTRODUCED, TO BE ADOPTED ON
OCTOBER 16, 2000

Introduction of an Ordinance changing 11.90 acres, located in the Kearny Mesa Community Plan Area, in the City of San Diego, California, from the CA zone to the M-1B zone, as defined by San Diego Municipal Code Section 101.0435.2; and repealing Ordinance No. O-18447 (New Series), adopted December 2, 1997, of the Ordinances of the City of San Diego insofar as the same conflict herewith.

Subitem-E: (R-2001-) GRANTED MAP, ADOPTED AS
RESOLUTION R-293927

Adoption of a Resolution granting or denying Vesting Tentative Map (VTM) 99-1269.

Subitem-F: (R-2001-) GRANTED MAP, ADOPTED AS
RESOLUTION R-293928

Adoption of a Resolution granting or denying Tentative Parcel Map (TPM) 99-0509.

Subitem-G: (R-2001-) GRANTED PERMIT, ADOPTED AS
RESOLUTION R-293929

Adoption of a Resolution granting or denying the Planned Industrial Development/Planned Commercial Development (PID/PCD) Permit Amendment No.-99-1269 that amends PID/PCD Permit No. 96-0165.

Subitem-H: (R-2001-) GRANTED PERMIT, ADOPTED AS
RESOLUTION R-293930

Adoption of a Resolution granting or denying Planned Residential Development Permit No.-99-0509 for 448 multi-family residential units.

Subitem-I: (O-2001-54). INTRODUCED, TO BE ADOPTED ON
OCTOBER 16, 2000.

Introduction of an Ordinance approving the amendment to the New Century Center Development Agreement between the City of San Diego and LNR Kearny Mesa, Inc.

Subitem-J: (R-2001-439) ADOPTED AS RESOLUTION R-293931

Adoption of a Resolution summarily vacating Irrevocable Offer of Dedications and slope easements with Map 13826, Map 13827 and Map 13980, as provided for under Public Streets, Highways and Service Easements Vacation Law, Section 8330 et. seq. and under California Government Code, Section 66434(g).

OTHER RECOMMENDATIONS:

Planning Commission on August 17, 2000, voted 5-0 to approve; no opposition.

Motion by Anderson to recommend to the City Council that they approve Staff's revised recommendations as outlined in their memo dated August 11, 2000 regarding residential options and a new parking lot design, along with the following additional conditions:

1. Residential emphasis mixed use requirement south of the commons under the current zones on Lot 6;
2. In the negotiated Development Agreement that they pursue with the applicants, affordable housing density bonuses, not in lieu of the units that are permitted, but in addition to the units that are permitted as there is an opportunity to add additional housing, shared parking and transit credits to reduce the cost to the developers to provide the housing. Also because there is a demand for the housing given the service jobs in Kearny Mesa and within the project itself including the hospital and hotel.

3. Ensure that there is access to the west that is done with similar frequency in a similar manner to that to the north.

Ayes: Steele, Anderson, Brown, Stryker, White
Not present: Butler, Skorepa

The Kearny Mesa Community Planning Group has recommended approval of the project.

SUPPORTING INFORMATION:

The New Century Center project (96-0165) is generally bounded by Clairemont Mesa Boulevard to the north, State Route 163 (SR-163) and Kearny Villa Road to the west, Ruffin Road to the east, and Balboa Avenue to the south.

The original project was approved on November 18, 1997, and consisted of a mixed-use retail, commercial and industrial/business park development. The principal features of the project included a planned commercial, retail, and entertainment use area located on the western side of the property facing Kearny Villa Road; a planned industrial and business park area located on the eastern side of the Property facing Ruffin Road; a system of roadways linking the retail and entertainment use area on the western side of the property to the industrial and business park area on the eastern side of the Property; a Market Square amenity in the center of the property; retention of approximately 7 acres of the existing Missile Park in the northeast corner of the property; and retention of approximately four acres in the southeast corner of the property as a vernal pool conservation area.

On August 5, 1999, the Planning Commission initiated a Community Plan Amendment to allow consideration of residential use in place of a portion of commercial and industrial use. Two workshops have been conducted to discuss the specific changes to the approved plan, one on February 24, 2000, and one on May 11, 2000.

At the July 20, 2000 hearing, Planning Commission raised a number of issues including the amount of residential use, residential density, affordable housing, the commitment to retail use, the lack of an urban feeling to the project, the lack of commercial-residential mixed-use, the location of utilities, and the design of parking areas. The commission continued the hearing to August 17, 2000, and asked staff to consider these and return with an analysis and potential project alternatives.

At the August 17, 2000 hearing, staff recommended the addition of residential use as a permitted use in the Mixed-use Commercial area of the plan and allowing the residential development in Planning area 3B to exceed the proposed 448 units. Up to 550 dwelling units in addition to the 448 units proposed in the residential portion of the plan would be permitted subject to the approval of a Planned Residential Development Permit decided in accordance with Process 4 for a maximum of 998 units.

FISCAL IMPACT:

None.

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.

Loveland/Haase/fzm

LEGAL DESCRIPTION:

The proposed projects consist of two separate but interrelated proposals with the New Century Center Master Plan area, which consists of approximately 244 acres generally bounded by Kearny Villa Road to the west, Clairemont Mesa Boulevard to the north, Balboa Avenue to the south, and Ruffin Road to the east, in the Kearny Mesa Community Planning Area (see Figure 1, Location Map, Addendum to an Environmental Impact Report, LDR No. 99-1269). The current proposals would affect approximately 73 acres within the western portion of the Master Plan area.

Figure 2 (Addendum to an Environmental Impact Report, LDR No. 99-1269) represents the existing New Century Center Master Plan Land Use Plan. The New Century Center project (96-0165) is generally bounded by Clairemont Mesa Boulevard to the north, State Route 163 (SR-163) and Kearny Villa Road to the west, Ruffin Road to the east, and Balboa Avenue to the south.

FILE LOCATION: Subitems A,B,E,F,G,H: LAND-Kearney Mesa
(10)
Subitems C,D,I: None.
Subitem J: DEED F-7865

COUNCIL ACTION: (Tape location: B096-322.)

Hearing began at 11:57 a.m. and halted at 12:14 p.m.

MOTION BY STALLINGS TO ADOPT THE RESOLUTIONS IN SUBITEMS A, B AND J; INTRODUCE THE ORDINANCES IN SUBITEMS C, D AND I; ADOPT THE RESOLUTIONS IN SUBITEMS E AND F, GRANTING THE MAPS; ADOPT THE RESOLUTIONS IN SUBITEMS G AND H, GRANTING PERMITS.

APPROVE THE MANAGER'S RECOMMENDATION WITH THE PLANNING COMMISSION'S CONDITIONS OF RESIDENTIAL EMPHASIS, MIXED USE REQUIREMENT SOUTH OF THE COMMONS; PURSUE AFFORDABLE HOUSING DENSITY BONUSES, AND PEDESTRIAN ACCESS BE PROVIDED TO THE COMMONS FROM ALL RESIDENTIAL PROJECTS. Second by Blair.

Passed by the following vote: Mathis-yea, Wear-yea, Kehoe-yea, Stevens-yea, Blair-yea, Stallings-yea, McCarty-yea, Vargas-yea, Mayor Golding-not present.

ITEM-332: University City Village.

Matter of an application to construct an additional 559 residential units, including second story additions to existing single story units; 80 assisted living units; CPA to redesignate the site from single-family to multi-family; and a rezone from R-1-5000 to R-2500. The site is located at 4633 Governor Drive.

(Case CUP/CPA/RZ-98-0408. University Community Plan Area. District-1.)

CITY MANAGER'S RECOMMENDATION:

Adopt the following resolutions in subitems A and D; adopt the resolution in subitem C to grant the permit; and introduce the ordinance in subitem B.

Subitem-A: (R-2001-483) ADOPTED AS RESOLUTION R-293935

Adoption of a Resolution certifying that the information contained in LDR-98-0408 has been completed in compliance with the California Environmental Quality Act (CEQA) of 1970 and State (CEQA) guidelines, and that said Mitigated Negative Declaration (MND) reflects the independent judgement of the City of San Diego as Lead Agency; and stating for the record that the final MND has been reviewed and considered prior to approving this project by the Council pursuant to California Public Resources Code Section 21081.

Exhibit 4



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San Diego lags U.S. in home ownership

Housing industry blames environmental rules; others say prices of homes are artificially high

By Leslie Wolf Branscomb
UNION-TRIBUNE STAFF WRITER

May 23, 2001

As San Diegans, we're not so different from the rest of the nation in most respects: we're a little younger, we're more likely to be Latino, and we tend to have slightly larger families.

But in one area there is a continually widening gap between us and the rest of America: home ownership.

While most Americans continue to gain in that crucial indicator of affluence, residents of the city and the county of San Diego -- and Californians overall -- have been slipping behind the rest of the nation since the Great Depression.

Californians are less likely to own homes than anyone except those living in Hawaii, New York state and Washington, D.C.

Continuing coverage of Census 2000

If you live in the city of San Diego, chances are better than not that you rent, according to the figures released by the U.S. Census Bureau today.

Builders contend that tough environmental regulations in California have kept them from building new homes fast enough to meet demand.

"California has been regulating itself to death since the early '70s, and that has caught up with us," said Donna Morafcik of the San Diego County Building Industry Association. "It

makes for a very expensive process and a very slow process in terms of building homes."

Others say home prices are artificially high, and that's what keeps ownership low.

"The cost of housing has gone up astronomically in the last year or two, and the cost of environmental regulations has not," said Eric Bowlby of the San Diego chapter of the Sierra Club.

The median price for single-family homes in San Diego County was \$265,000 as of March. Three years ago it was \$203,000.

Bowlby said builders are seeking enormous profits from construction of huge houses rather than focusing on creating more low-cost housing. "They are getting big dollars for those homes, and they are making a bundle," Bowlby said. "Meanwhile, our affordable housing crisis marches on."

Dowell Myers, a professor of urban planning at the University of Southern California, offered an additional reason why home ownership is so low. "California attracts a lot of migrants," he said, "and migrants tend not to buy houses."

A housing ownership survey done by the U.S. Census and spanning the past century shows how California has fallen behind the rest of the nation.

With a few exceptions, such as during the Depression, home ownership has steadily increased nationwide. The average rate of home ownership in the United States is now 66.2 percent.

Americans are most likely to own their own homes in West Virginia, which has a 75 percent home ownership rate. The rates in Michigan, Minnesota and Missouri top 72 percent.

Nowhere in the nation are residents less likely to own homes than in Washington, D.C., which has had the lowest rate for most of the century and only hit the 40 percent mark for the first time last year.

A drop since 1960

In the basement

Home ownership in California and in the city and county of San Diego has long lagged behind that in the nation as a whole, a trend borne out in these recent census figures.

Percentage of owner-occupied housing units in 1990:

U.S.	64.2%
California	55.6%
San Diego County	53.8%
San Diego city	48.3%

Percentage of owner-occupied housing units in 2000:

U.S.	66.2%
California	56.9%
San Diego County	55.4%
San Diego city	49.5%

Source: U.S. Census Bureau

In California, while residents are still more likely to own homes than 100 years ago, they aren't gaining as quickly as almost all other states.

In fact, California home ownership, now at nearly 57 percent, has declined since its highest point in 1960, when more than 58 percent of the Golden State's residents owned homes.

It wasn't always so.

In 1900, 46.3 percent of the state's residents owned their own homes, just a notch below the national average. Ten years later, Californians were ahead of the pack, almost 4 percent more likely to own homes than the rest of Americans.

During the 1940s, figures nationwide and in California dipped to about 43 percent.

Since then, home ownership in California has been sliding in comparison to the rest of the nation. In 1950, Californians were 0.7 percent less likely than the rest of Americans to own homes. In 1960, the gap widened to 3.5 percent, then to 8 percent in 1970, 8.6 percent in 1990 and now 9.3 percent.

Residents of San Diego County have fared even worse. Only 55.4 percent of county residents own their own homes, and in the city of San Diego it's less than half, 49.5 percent.

The average cost of a new home in San Diego County is \$409,262. "It's extraordinarily high," Morafcik said. "San Diego is the ninth-least-affordable housing market in the nation, the last I heard. Not a very proud number."

Move to Arizona

Margaret Luch, 33, is among the city of San Diego's 227,411 renters. She stays home with her young son and works on her master's degree while her husband works full time.

After four years of searching and thinking about the future, Luch believes she and her family will have to move to Arizona to be able to afford a home.

"I would love to work full time, but would not want to leave my son (in day care)," the dietitian said. "I think San Diego is an unbelievable place to live and even own a home, if you don't have a child."

Lillian Wotton, a 75-year-old widow, has fewer options.

She is facing eviction because her rent has tripled to \$650 for her

Morena-area apartment and she can't pay it on her \$900-a-month Social Security income.

"I've talked to senior citizens who have moved to Mexico because they couldn't find a place here they could afford," said Wotton, a Kentucky coal miner's daughter.

"I've been in San Diego since 1956, and I have seen the changes and things weren't bad then," she said. "Now it's like boiling water (and) the pot is boiling over."

The figures released by the Census Bureau so far for 2000 don't include the value of homes, the cost of rent or residents' income.

For purposes of tallying home ownership, a shotgun shack counts the same as a mobile home, a condominium or a mansion.

Affluent areas

In San Diego County, they show home ownership is very high, more than 93 percent, in the affluent communities of Fairbanks Ranch, San Diego Country Estates and Hidden Meadows, a North County community that includes the Lawrence Welk Resort.

Imperial Beach has by far the county's highest percentage of renters at 70 percent. More than 59 percent of El Cajon residents rent, as do almost 53 percent of La Mesans.

The U.S. Census Bureau is releasing information from the 2000 Census gradually over the next two years. The most recently released data include figures on household size and type and a more detailed breakdown of the age and race of California residents.

The San Diego County data contain some interesting anomalies: for instance, the U.S. Marine base on the north part of Camp Pendleton has the county's highest concentration of men, 69.4 percent, and the lowest median age, 21.4.

On the other side of the spectrum, the retirement community of Lake San Marcos has the highest percentage of women at 56.5 percent, and the highest median age at nearly 71.

Staff writer Roger Showley contributed to this report.

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Exhibit 5

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City Lights

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Published on February 1, 2007

Breaking Stories: Aaron's Gold
By Matt Potter

The developer who's stirred controversy by building a high-rise office building smack in the flight path of Montgomery Field is a longtime veteran of local, state, and federal politics, funneling thousands of dollars to a variety of his favorite candidates. On April 21, 2005, campaign records show, **Aaron Feldman**, who's been doing business under the Sunroad banner for more than two decades, gave \$2100 to the campaign of GOP congressman **John Campbell** of Irvine, elected in a December 2005 special election. He replaced former representative **Chris Cox**, who had been appointed chairman of the Securities and Exchange Commission. That same year, Feldman contributed \$1000 to the Democratic congressional campaign of then assemblyman **Juan Vargas**, who lost to incumbent **Bob Filner** in the June 2006 primary. But Feldman had also backed the winner, giving Filner \$2100 in March 2005. The same year, Feldman's son **Uri** gave \$500 to Filner and \$250 to Vargas. In May 2006, Feldman, listed as president of Sunroad Enterprises, gave Vargas another \$1000; in the election cycle before that, Feldman gave Filner \$2000 on October 1, 2004.

Feldman was also a major financial backer of ex-San Diego mayor **Susan Golding's** political career, including her short-lived bid for U.S. Senate. In May 1997, records show, he kicked in \$1000; **Don Connors**, listed as a Sunroad employee, gave \$250. Golding was responsible for cutting the deal between General Dynamics and the City that resulted in creation of the office and commercial park where the sprawling aerospace factory used to be. On November 19, 1997, the Golding-led city council unanimously approved the 232-acre development, called New Century Center, clearing the way for General Dynamics to dispose of the land. It was sold to Lennar Partners for \$80 million in July 1998, and Lennar renamed the project San Diego Spectrum. Two years later, in December 2000, Sunroad bought 40

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acres of the property from Lennar. That's where Feldman's infamous office tower is now rising.

Besides Feldman's political largesse, Sunroad employs a virtual army of lobbyists to make the rounds at city hall. According to the most recent disclosure reports, they include **Jeffrey Forrest**, **John Ponder**, and **Donna Jones** of the law firm of Sheppard, Mullin, Richter & Hampton; **Barbara Lichman** of the firm Chevalier, Allen & Lichman; and **Mitchell Berner**, a veteran of the local influence-peddling trade and top staffer to Golding when she was on the county board of supervisors in the 1980s. Other old Golding hands are now back in city government, thanks to the election of Mayor **Jerry Sanders**. Chief among them is **Fred Sainz**, the mayor's influential press aide, who was once one of Golding's top deputies.

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Exhibit 6



THE CITY OF SAN DIEGO
MANAGER'S REPORT

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,

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.

Exhibit 7



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: November 6, 2002 REPORT NO. 02-257

ATTENTION: Honorable Mayor and City Council
Docket of November 12, 2002

SUBJECT: SUNROAD AT SAN DIEGO SPECTRUM - AMENDMENTS TO THE
PROGRESS GUIDE AND GENERAL PLAN; KEARNY MESA
COMMUNITY PLAN; NEW CENTURY CENTER MASTER PLAN,
DEVELOPMENT STANDARDS, AND DESIGN MANUAL;
AMENDMENTS TO THE GENERAL DYNAMICS DEVELOPMENT
AGREEMENT; AND A REZONE. Council District 6. Process 5.

REFERENCE: Development Agreement Between the City of San Diego and General
Dynamics Properties, Inc., adopted December 2, 1997. Report to the
Planning Commission No. P-01-075, Initiation Hearing of April 5, 2001.
Report to the Planning Commission No. P-01-234, Development
Agreement Initiation Hearing of December 6, 2001. City Manager's
Report No. 02-019, Development Agreement Initiation Hearing of January
29, 2002. Report to the Planning Commission No. P-02-073, Hearing of
June 13, 2002.

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

SUMMARY

Issues - Should the City Council approve amendments to the Progress Guide and General Plan; Kearny Mesa Community Plan; New Century Center Master Plan, Development Standards, and Design Manual; Amendments to the General Dynamics Development Agreement; and a Rezone, in order to allow Sunroad Centrum Partners to construct 570 additional dwelling units at San Diego Spectrum?

Staff's Recommendation

1. CERTIFY Mitigated Negative Declaration No. 41-0101, and ADOPT the associated Mitigation, Monitoring, and Reporting Program; and
2. APPROVE amendments to the Progress Guide and General Plan; Kearny Mesa Community Plan; New Century Center Master Plan, Development Standards, and Design Manual; Amendments to the General Dynamics Development Agreement; and a Rezone.

Planning Commission Recommendation - On June 13, 2002, the Planning Commission voted unanimously (5-0) to approve the Sunroad project with the following recommendations: 1) The voluntary affordable housing requirement for Sunroad's additional 570 units should be increased from 10 percent to 20 percent; and 2) Language should be added to the New Century Center Development Standards to strengthen the recommendation for mixed-use. Single use areas and big box uses, in particular those that are auto-oriented, should be strongly discouraged unless incorporated as part of a vertically mixed use development. City staff and Sunroad support recommendation number 2, but recommend that the 10 percent affordable housing requirement be retained (see discussion section of this report).

Community Planning Group Recommendation - On April 17, 2002, the Kearny Mesa Community Planning Group voted (13-0-1) to recommend approval of this project.

Environmental Impact - The City of San Diego as Lead Agency under CEQA has prepared and completed Mitigated Negative Declaration LDR No. 41-0101, dated January 31, 2002, and a Mitigation, Monitoring and Reporting Program covering this activity.

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 General Dynamics Development Agreement will continue to be assured through the amended Development Agreement.

Code Enforcement Impact - None with this action.

Housing Impact Statement - The project includes an affordable housing component for the additional 570 dwelling units, requiring that 10 percent of these units be reserved for households earning no more than 65 percent of median income, or an equivalent program acceptable to the City Manager and Housing Commission.

Traffic Impact Statement - The proposed Sunroad at San Diego Spectrum project is estimated to generate approximately 3,420 average daily trips (ADT). 510 of these trips are estimated to occur on SR-163 south of Balboa Avenue, which has an estimated near-term plus project volume of 177,510 ADT and operates at an acceptable level of service "D". This project will improve the jobs/housing balance in the Kearny Mesa Community.

Water Quality Impact Statement - The requested approvals include land use policy amendments and a rezone only, and do not permit immediate land development. Planned development permits will be required for all future development, which will require implementation of Best Management Practices on-site to reduce and/or eliminate construction phase and post construction runoff of pollutants.

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). The original project's principle goal was to reposition the property through flexible, market-driven land use designations to permit a variety of retail, office, entertainment, institutional, and light industrial uses surrounding a central amenity area known as Market Square. The New Century Center project designated the western 85 acres for Retail, Entertainment, and Commercial land uses (up to 1.4 million square-feet), and the eastern 158 acres for Industrial and Business Park land uses (up to 3 million square-feet).

In 1998, LNR Kearny Mesa, Inc. purchased the New Century Center project from General Dynamics. In October of 2000, the City Council approved LNR's new project called San Diego Spectrum, which revised the previously approved New Century Center project. The San Diego Spectrum project eliminated Market Square and replaced it with Spectrum Commons, changed the land use in the western portion of the project from retail/entertainment commercial to mixed-use commercial, and changed the land use on Planning Area 3B from commercial to medium density residential. The City Council also approved a Planned Residential Development Permit to develop 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.

In February of 2001, in response to encouragement from the City to provide more residential at San Diego Spectrum, Sunroad Centrum Partners submitted an application to amend the New

Century Center Master Plan to construct 570 additional housing units within San Diego Spectrum. On April 5, 2001, the Planning Commission initiated the plan amendment process.

During the processing of the Master Plan amendment, staff identified the need to provide active park areas for the future residents of the San Diego Spectrum project. City staff determined that Sunroad would need to provide a total of 3.42 acres of park land. Sunroad originally opposed this requirement, and the issue was considered by the Planning Commission on December 6, 2001, and the City Council on January 29, 2002. Ultimately, the City Council directed both City staff and the applicant to provide all neighborhood park and recreation facilities per the City's standard population based park requirements. The Sunroad project currently includes a requirement for 3.42 acres of public park land (see "Park Requirements" discussion below).

On June 13, 2002, the Planning Commission voted unanimously (5-0) to approve the Sunroad project with the following recommendations:

1. The voluntary affordable housing requirement for Sunroad's additional 570 units should be increased from 10 percent to 20 percent;
2. Language should be added to the New Century Center Development Standards to strengthen the recommendation for mixed-use. Single use areas and big box uses, in particular those that are auto-oriented, should be strongly discouraged unless incorporated as part of a vertically mixed use development.

City staff and Sunroad support recommendation number 2, but do not support recommendation number 1.

Sunroad is opposed to the 20 percent affordable housing recommendation, and City staff continues to recommend a 10 percent affordable housing requirement for the following reasons:

- On August 6, 2002, the City Council adopted components of an inclusionary housing program that requires 10 percent of new residential units be affordable. The City Council directed staff to proceed with the preparation of implementing ordinances, however these ordinances are not currently in effect and Sunroad is not legally required to provide any affordable housing units. Through a negotiation process with City staff, the applicant voluntarily agreed to provide 10 percent affordable housing on site. This voluntary 10% affordable housing requirement is consistent with the City Council's actions on August 6.
- The 20 percent affordable housing recommendation would be imposed inequitably and exclusively to Sunroad's proposed 570 dwelling units, while the remaining 998 units previously approved at San Diego Spectrum would not be burdened with any affordable housing requirement. This situation would put Sunroad's housing development at an unfair economic disadvantage relative to surrounding residential properties.

- The recommended 20 percent affordable housing recommendation combined with the population based-park requirement (to provide a 3.42-acre park) apply only to Sunroad, and would likely render the project economically infeasible, particularly relative to surrounding residential development which can and has been developed without these requirements. Buildout of the recommended Sunroad project includes needed multi-family housing, 57 affordable housing units, and 3.42-acres of active park land.

PROJECT DESCRIPTION

The proposal includes land use policy amendments and a rezone to allow Sunroad to construct an additional 570 dwelling units within San Diego Spectrum on planning areas 1A, 1B, 2B, and/or 3A. The New Century Center Master Plan currently allows a total of 998 dwelling units, therefore the proposal would increase the total maximum number of residential dwelling units permissible at San Diego Spectrum to 1,568.

The proposal includes the rezone of the 8.2-acre planning area 3A from M-1B to CA to allow residential use as an option within this planning area.

In addition to residential uses, office, hotel, restaurant, and retail uses which are currently permissible within these planning areas would continue to be permissible uses.

Proposed Land Use Policy Changes:

<u>Planning Area</u>	<u>Existing Land Use</u>	<u>Proposed Land Use</u>
1A (23.1 acres)	General Commercial	Mixed Use Commercial/Residential
1B (7.3 acres)	General Commercial	Mixed Use Commercial/Residential
2B (10 acres)	General Commercial	Mixed Use Commercial/Residential
3A (8.2 acres)	Industrial Business Park	Mixed Use Commercial/Residential

Other project features include the following: 1) The project includes an affordable housing component requiring that 10 percent of the requested units be reserved for households earning no more than 65 percent of median income, or an equivalent program acceptable to the City Manager and Housing Commission; 2) The proposal includes the relocation of a San Diego Gas and Electric Company electrical substation to a planned non-residential portion of the project area.

Development Agreement Amendment:

The existing Development Agreement does not currently allow residential development on Planning Areas 1A, 2B, or 3A. Therefore, the Development Agreement must be revised to accommodate Sunroad's request to construct an additional 570 dwelling units on these planning areas.

The Development Agreement is also being revised to allow the recently adopted (August 5, 2002) Development Impact Fees to apply to new residential development proposed by Sunroad. Currently, the Development Agreement vests the fees for residential development at the rate adopted in 1997 - \$1,545 per unit. The new fees for residential development are \$7,536 per unit. When the Kearny Mesa Public Facilities Financing Plan was adopted in 1997, residential development was never contemplated within the San Diego Spectrum project, so adequate park facilities were never identified, nor were adequate DIFs established to provide needed population based parks.

Community Plan Analysis:

The proposal is consistent with the goals and objectives of the Kearny Mesa Community Plan. The primary goal of the Housing Element is as follows:

Where not in conflict with the overall community goals, preserve, or allow in-fill residential neighborhoods within Kearny Mesa, and protect them from commercial and industrial encroachment. (page 77)

The proposal fulfills this goal by providing additional housing without reducing the potential for industrial or employment use. This will be accomplished by building by intensifying the office use currently planned for the site. The development and design standards address the buffering of the residential units.

The plan amendment associated with this item is related to 1) changes in land use: 8 acres from Industrial to Mixed Use Commercial and 40 acres from General Commercial to Mixed Use Commercial/Residential as identified in the project description; 2) modification of a zoning map to reflect the rezoning from M-1B to CA; and 3) indicating the new street name for Spectrum Center Boulevard.

The amendments to the New Century Center Master Plan, which is Volume I of the three volume master permit, also constitute a community plan amendment since it was adopted as an appendix to the Kearny Mesa Community Plan. These amendments include a new planning objective related to pedestrian linkages between residential and commercial uses, and to linking uses with common landscape themes. Also included in the Implementation section is text specifying that a Process 4 Planned Residential Development Permit is required for future residential development, requiring a hearing before the Planning Commission. This provision supports the Planning Commission's comments at the hearing for the previous amendment regarding a desire to see the design of the 550 units approved at that time.

Staff does not believe that the loss of industrial land is considered significant in this case because it involves the deletion of planned office use rather than industrial use, and replacement with residential use, which is in very short supply. Regarding other policy issues raised by the Planning Commission at the initiation of this project:

1 transportation system and to administer the provisions of the California Aeronautics Act,
2 Public Utilities Code ("PUC") § 21001 et seq. The DOT administers noise regulation and land
3 use planning laws that foster compatible land use around airports and encourages
4 environmental mitigation measures to lessen noise, air pollution, and other impacts caused by
5 aviation. The DOT is directly charged with the duty to protect persons and property on the
6 ground over which an air hazard is known to exist.

7 10. The true names or capacities, whether individual, corporate, associate, or
8 otherwise, of respondents and defendants DOE 1 through 50, are unknown to Plaintiffs, who
9 therefore sues such defendants by such fictitious names. Plaintiffs will amend this complaint
10 to show the true names and capacities of the DOE respondents and defendants when such has
11 been ascertained. Plaintiffs are informed and believe and thereupon allege, that each
12 respondent or defendant designated as a DOE is responsible in some manner for the acts,
13 omission, and damages herein alleged. Plaintiffs are further informed and believe certain City
14 agents may be cooperating and colluding with Defendants, and each of them. Therefore,
15 Plaintiffs will further amend this complaint to add these persons as DOE Defendants, should
16 such prove necessary.

17 11. Plaintiffs are informed and believe, and thereupon allege, that at all times
18 herein mentioned each of the respondents or defendants was a parent company, associated
19 business entity, managing business entity, agent, employee or authorized representative of the
20 remaining defendants, and in doing the things hereinafter alleged, was acting within the
21 course and scope of such employment, or representative capacity.

22 12. In or about February 11, 2005, Sunroad Centrum made application to the
23 City's Development Services Department ("DSD") for a permit to construct a 12 story
24 206,000 square foot commercial office building with subterranean parking ("Sunroad
25 Centrum I Building" or "Project 64541") on property owned or controlled by Sunroad known
26 by San Diego County Tax Assessor Parcel Numbers ("APN") 369-220-51 through 369-220-
27 73 (hereinafter the "Project Site").

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