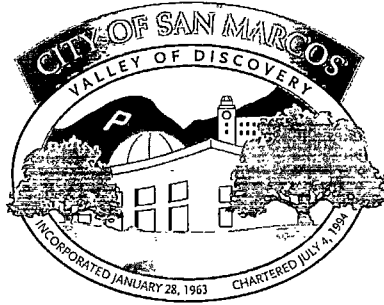




MINUTES

Regular Meeting of the Planning Commission

MONDAY, APRIL 7, 2014

City Council Chambers

1 Civic Center Drive, San Marcos, CA 92069

CALL TO ORDER

At 6:30 p.m. Planning Division Director Backoff called the meeting to order.

PLEDGE OF ALLEGIANCE

Commissioner Maas led the Pledge of Allegiance to the Flag.

SEATING OF NEW COMMISSIONERS

Backoff: Introduced the new & re-appointed commissioners selected by City Council and asked them to be seated at dais:

Jim Pennock, a new, regular member. Bruce Minnery & Kevin Norris, re-appointed as regular members. Steve Kildoo re-appointed as a regular member (was an alternate). Alternates in audience: Jim Schaible (was a regular) and Bill Jacoby (who replaced Chinn).

ELECTION OF CHAIRPERSON

Commissioner Minnery, the past Vice-Chairman opened up for nominations for Chairperson.

Commissioner Maas: Nominated Steve Kildoo. Commissioner Norris: Nominated Bruce Minnery.

Commissioner Minnery: Nominated Eric Flodine.

ELECTRONIC VOTES: Kildoo: 3 AYES - 4 NOES; Minnery: 2 AYES - 5 NOES; Flodine: 3 AYES - 4 NOES.

Sidhu: Advised Commission to vote again on top two.

ELECTRONIC VOTES: Kildoo: 3 AYES - 4 NOES; Flodine: 4 AYES - 3 NOES

NEW CHAIR: Eric Flodine

ELECTION OF VICE-CHAIRPERSON

Commissioner Flodine: Nominations opened for Vice-Chairperson.

Commissioner Norris: Nominated Bruce Minnery. Commissioner Flodine: Nominated Steve Kildoo.

ELECTRONIC VOTES: Minnery: 4 AYES - 3 NOES.

NEW VICE-CHAIR: Bruce Minnery.

ROLL CALL

The Secretary called the roll:



PRESENT: COMMISSIONERS: FLODINE, JONES, KILDOO, MAAS, MINNERY, NORRIS, PENNOCK
ALTERNATE COMMISSIONERS IN AUDIENCE: JACOBY, SCHAIBLE
ABSENT: NONE.

Also present were: Planning Division Director, Jerry Backoff; Principal Civil Engineer, Peter Kuey; Deputy City Attorney, Avneet Sidhu; Principal Planner, Garth Koller; Office Specialist III, Lisa Kiss; Office Specialist III, Rosalia Lechlitter; Sophia Mitchell, Sophia Mitchell & Associates/City Consultant; Paul Marra, Keyser Marston/City Consultant

ORAL AND WRITTEN COMMUNICATIONS

None.

CONSENT CALENDAR

1. APPROVAL OF MINUTES, 12/18/13

Action:

COMMISSIONER KILDOO MOVED TO APPROVE CONSENT CALENDAR AS PRESENTED; SECONDED BY COMMISSIONER NORRIS AND CARRIED BY A UNANIMOUS VOTE WITH FLODINE, JONES & PENNOCK ABSTAINING (DUE TO THEIR ABSENCE).

PUBLIC HEARINGS

Flodine: Announced that Item 4, El Dorado II, is being continued to 4/28/14.

2. **Case No:** P13-0035: GPA 13-008, R 13-005, SP 13-008, SDP 13-006, MFSDP 13-003, TSM 13-005

Application of: The Oakcreek Project Owner, LLC

Request: Rezone via a General Plan Amendment, 14 acres from light industrial to mixed-use commercial and residential. Plan calls for 232 for sale condo units and 7,200 s.f. of commercial with three entrances, two of which are to be gated. Entrances off of Las Flores, South Santa Fe and Norman Strauss. Residential is a mix of three product types: a Hillside home, a 2-story plan and a 3-story plan.

Location of Property: 2972 S. Santa Fe Avenue, more particularly described as: Being Parcel A and B of Parcel Map 15693, a portion of Lot 8 of Map 11661, Lots 11 and 12 of Map 11661, all as recorded in the City of San Marcos, County of San Diego, State of California in official records. Together with a portion of Parcel 4 of Parcel Map 15693, a portion of No Name Street, as shown in record of survey Map No. 520 and a portion of Las Flores Drive formerly F Street as shown record of survey Map 520, all as recorded in the County of San Diego, State of California in official records. Assessor's Parcel No.: 217-161-17 thru 19, 217-560-11, 24, 43 & 45.

Staff Presentation (Garth Koller):



Described request and location. PowerPoint presentation shown. Proposes 232 condominiums located within the Bosstick Industrial Park, and 7,200 s.f. of commercial space/retrofitting an existing liquor store within the "Commercial" area adjacent to the Industrial Park. Discussed background. Requires a GPA and Rezone to change a portion of the property from "Light Industrial" to SPA (Medium Density Residential MDR2 15-20). Prior to submittal, staff indicated to the applicant that the application would not be supported, however, they decided to pursue anyway. During the 2.5 year General Plan (GP) Update process, concerns were raised by industrial stakeholders over elimination of industrial designated properties and associated reduced employment. Staff feels the proposed change would adversely affect City's employment base and the potential for retention, expansion and attraction of new businesses in the future. Currently there are 83.84 acres of light industrial to be developed in City. Approximately 44 acres or 53% is vacant and constrained by access, topography, habitat or irregular lot configurations. The subject site is the single largest, rough graded, ready to develop light industrial site in City. There are 100+ acres designated for this residential type and higher density in more compatible in-fill locations. The GP Update added 11,208 residential units and an increased population of 37,655. Discussed land use compatibility, safety concerns and heavy industrial traffic. Future residents could complain in terms of noise, odors and industrial operations. There is no justification for a change in land use. Discussed GP Policies and inconsistencies: Incompatible with light industrial relative to operations, noise, visual, traffic and possibly overflow parking. There is no access to transit alternatives. Change would reduce the City's light industrial inventory by 15%. Staff is currently working with another college to possibly locate in San Marcos. Light industrial allows for complimentary alternatives such as educational facilities. The change would also eliminate the possibility for research and development, high tech and local businesses looking to expand. Even with a positive fiscal impact with medium density residential, there is a greater fiscal benefit with retaining the current land use. There are increased costs associated with medium density residential. The change could potentially cause operational issues for established businesses even with disclosures. Access off of Norman Strasse Road would mix residential & industrial traffic. The University District and San Marcos Creek SP's are available for development and would yield additional multi-family residential units. The City has adequate housing inventory to comply with State law. Attachment D of the Report includes opposition letters/e-mails from residents & businesses in the surrounding area. Received one additional today that was distributed prior to meeting.

Paul Marra, Keyser Marston Associates/City consultant: Their company prepared a Market Assessment and Fiscal Impact Analysis for the property. 1). Market Assessment to assess key strengths and weaknesses affecting the site's development potential. 2). Fiscal Impact Analysis to estimate the annual impact on the City's General Fund at build-out/stabilization of either scenario. Looked at two development scenarios: #1: 192,300 s.f. light industrial & 10,000 s.f. commercial vs. #2: 232 residential units & 9,500 s.f. commercial. Site is accessible, ready to build and adjacent to existing business park. There are very few large contiguous light industrial sites remaining in City. Train buffer limits impact on adjacent residential. Allows for future employment opportunities. Site to date has been unable to attract users. There's been little to no industrial construction in the City. Industrial rents in the area are lower than citywide average. Current rents don't support cost of new construction. Site is adjacent to new residential community of Rancho Santalina. Interest rates remain low & unemployment continues to decrease. Demand from first time homebuyers is driving demand for lower priced homes. Weaknesses' include, driving through industrial to access the site, heavy traffic, lack of pedestrian friendly infrastructure and may cause a need for additional off-street parking. There's a substantial amount of residential planned within City's MDR2 and mixed-use zones. Discussed fiscal impact analysis



& annual impact to General Fund: Recurring General Fund Revenues: #1: \$163,000 Light Industrial vs. #2: \$461,000 residential. Expenditures: #1: \$34,000 vs. #2: \$385,000. Net Fiscal Impact: #1: \$129,000 vs. #2: \$76,000. Revenue to Expense Ratio: #1: 4.8 vs. #2: 1.2.

Kildoo: Commented that he agreed with what he's read regarding strength & weaknesses. Asked how they arrived at 15% remaining?

Marra: Worked with staff. There are 84 acres remaining in City, a portion is not useable. This is 15% of it. Staff has data on sites designated "LI" and which are vacant vs. developed.

Kildoo: Asked if the vacant portion was factored in for the existing, built, light industrial?

Backoff: Percentage includes all open, vacant & un-built. Didn't count built properties.

Kildoo: In the Fiscal Analysis existing vs. proposed, public safety was more than half of the expenditures. Asked how they came up with the number?

Marra: Table D4, on pg.35, deconstructs the City budget. Public safety, fire & law enforcement is about half of the General Fund, which is not uncommon. Discussed Fiscal Impact Methodology.

Marra/Kildoo: Continued to discuss.

Marra: Factored employees in industrial and commercial space and looked at resident's impact on Public Safety.

Kildoo: Asked what a potential light industrial usage would create in way of traffic impacts?

Backoff: Industrial is 90 trips per acre or 1,170 ADT's per day vs. 232 proposed residential units at 1,855 ADT's.

Jones: Inquired if there's any basis to determine the potential loss of employment? How many could be employed and how do they estimate?

Marra: Estimate is 190 employees, which is conservative. The applicant felt it was high, so they agreed to lower number. It's two per 1,000 square feet for commercial and one per 1,000 square feet for industrial.

Flodine: There's no CEQA document. Asked for clarification from staff what the eventual vote will entail.

Backoff: In order to move forward, Commission must take action on the GPA and Rezone.

OPEN PUBLIC HEARING

Ninia Hammond, Integral Communities/Applicant: Applicant's PowerPoint shown. Discussed Integral's background. They are an established developer/builder led by Lance Waite and have built thousands of



homes. Most recently, they completed the complicated Palomar Station project. Their team has reviewed the plan, market data & economic information provided by the City. Introduced team: Market Point, London Group and Lee & Associates. This property was not studied during GP update process. Seven parcels with four property owners have been assembled in the last 18 months. Site was fully graded with streets & utility stubs over 25 years ago and has sat vacant through three real estate cycles. It was marketed by professional firms and was always found to be inferior and passed over. It will most likely remain vacant. There is a grade separation and signage is limited. Significant community outreach was conducted and support letters are included in handout. Homeowners and three prominent industrial users are supportive of the plan. The application was submitted 10 months ago and they thought it would be processed as normal. It has not happened, instead, they're discussing just the GPA and Rezone. They're asking the Commission if it should be preserved as vacant land or changed to something useful, that meets housing needs? Discussed other Land Use Policies: 6.4- Encourage & support renovation or reuse of underutilized or vacant parcels. 2.1- Promote compact development patterns that reduce air pollution & auto dependence & facilitate walking, bikes & transit use. The site represents only 3% of the total light industrial acreage in City & 1% of total industrial category. It has a real economic benefit. It creates jobs, reduces traffic, has positive revenue impact and satisfies need & demand for work force housing.

Russ Valone, Market Pointe Realty Advisors: Indicated their company is a market research & consulting firm that works for home builders and investors. They look at properties and determine the highest and best use. San Marcos is a maturing community. This type of use is not uncommon in in-fill. The City has produced 385 housing units in the last two years. In mid 2000's, it produced over 1,100. Discussed Housing Supply. There seems to be a lot of product potentially, but the available supply in the next five years is low with most being 10 years out. There are five active selling subdivisions now with 94 units. Continued to discuss inventories. There's a need for workforce housing.

Isaac Little, Lee & Associates: Specializes in Industrial sales & leasing in North County. Commented that he has extensive knowledge on the property and has worked on it for past 7 years. In 2007, they listed it for sale and had high expectations. Talked to every owner/user/tenant in North County and walked the site with 30 potential buyers. All of them backed out of the deal for similar reasons: 1. Sales & leases on Bosstick are lower than competing markets, 2. They felt the highest, best use was small buildings for sale with outdoor storage, but the City is not outdoor storage friendly. 3. New residential, Rancho Santalina, was under construction. They were concerned with possible view, operating & odor issues, etc. 4. Languishing industrial area because of surrounding uses. There's outside storage uses north of there, towing, etc, a negative deterrent. These are the same issues today and industrial prices have fallen 50% since '07. There are only five industrial tenants in San Marcos occupying 100,000 s.f. There are ten competing land parcels for sale which offer ability to build 150,000 - 200,000 s.f. In past five years, there have been only four build-to-suits in North County over 100,000 s.f. There's five 100,000+ s.f. on the market with average time on the market over three years. One in San Elijo, 190,000 s.f., has been on market six years. There's very little demand for 100,000+ s.f. Stone Brewery is happy in Escondido, no need to expand in San Marcos. It's not a good location for light industrial, small or large. Indicated he knows someone who built there and lost \$4M on the project and still has vacancies.

Gary London, London Group Realty Advisors: Real Estate Economist with a Masters in City Planning. Reviewed the studies, numbers, looked at industrial opportunities & overall fiscal impact situation. In situations where you have a market opportunity for one use, and don't have an opportunity now or in



the future, regardless of whether in your plans or not, the marketplace always trumps the plan. You need to be responsive to needs of marketplace. This serves community in a much better, real life fashion. Site has been vacant for decades and if it continues, the City won't get any positive fiscal impacts. In-fill residential is a good transitional use. He found differences between their and KMA's conclusions. One was incorrect coverage ratios. It can't be 35%, it's 27%. When you bring that down, it brings down the amount of developable s.f. and positive fiscal impact. There's annual recurring costs incurred by City that are incorrect. Incorrect building coverage ratios, incorrect assumptions related to employees per SF and taxable retail sales. You can see the benefits of residential. Indicated they use SANDAG numbers. Discussed Fiscal Impacts for both and Report Conclusions. Even if land developed as industrial, it would likely obtain rent rates at the lowest end of the market spectrum. Must look at regional area. SANDAG has concluded there's plenty of industrial and the best is in Carlsbad. San Marcos needs to provide residential to support that.

Walt Trian, Integral Communities: Understands this is a difficult decision for the Commissioner's. It's fundamentally about whether the land is appropriate for something other than Industrial? Should staff proceed with the full project? This is challenging because it's limited in nature and can't be approved tonight. Need CEQA analysis, full application & review. Commission can allow it to proceed. They recognize it wasn't fully reviewed during GP update, but there wasn't an applicant that assembled properties at that time. It's an island surrounded by residential. There's a need for workforce housing. It's compatible with neighborhood. Request that Commission acknowledge the merits, concur that residential is an acceptable use, and recommend City Council proceed with a full project review. It should be afforded the opportunity, a genuine review & CEQA analysis.

Jim Simmons, Applicant's representative: Commented that he's confused. Staff worked with their experts and feels the project is not worthwhile and the applicant worked with their experts and feels it is. Asked that the City look at the whole project. Hopes that all Commissioners' have been to the site. The quality of industrial over there is not good. It's not prime industrial. If you raise prices of the homes, from \$325,000 what KMA has, to \$350,000-400,000, where the market really is today, then all of the numbers shift. The Commissioner's need all data in a regular process to see if the project works. Palomar Station was very difficult because it was in the middle of industrial and controversial. There are other areas in the City where this works, and there haven't been complaints. He understands the Commission isn't sure about the proposal, but they just want an opportunity. He's also confused what the Commission will be voting on. If a yes vote, does it deny project? If a no vote, does it approve project? Feels there should be separate resolutions to recommend a fair review. Hope they can be satisfied on what they're voting on before hearing is closed.

Jones: Asked when realtor was under contract with property owner Mashburn?

Issac Little, Lee & Assoc.: On market for sale from 2007-2009. Worked with Integral the last two years.

Jones: On market during deepest part of recession.

Little: Site was pulled off market and not marketed during deepest part of recession. Prices fell in 4th quarter 2008. Prices bottomed out in 2010 in North County. Revisited in 2012.

Jones: Asked if he suggested the land use change to them?



Little: In 2012, residential came back. Often thought it would be a good site for residential. Yes, recommended they talk about it.

Jones: Inquired why Mashburn didn't come in during GP process/update and if they're present? If marketing for 20 years, and convinced it didn't work, why not ask?

Little: He may or may not have known about GP Update.

Jim Mashburn, property owner: Owned the property a number of years. Responded that they are not sophisticated real estate people and probably didn't even know the GP Update was going on. The City suggested to them the acquisition of the property for a potential project that would have benefited the City. Indicated they served the City as a vendor at that time, so they bought the property. Probably would have requested a change during the GP process if they'd known.

Norris: Asked if they are okay with the proposed project?

Mashburn: When first proposed, he thought it was strange, but after looking into it, it makes sense to him. Staff indicated concern with changing zone, but he feels property will be vacant 5-10 years from now and of little value. This project could benefit community and give people a place to live. You have an opportunity to do positive things, or, a maybe.

Maas: Asked if he's had any offers over the last 5-6 years?

Mashburn: None.

Jones: Commented that they spent a lot of time on the GP Update and accommodating Industrial land users. They wanted no loss at that time. What will happen if allowed to proceed, how will it change?

Simmons: City mentioned several people who voiced Industrial concerns. Dean Tilton, Susan Waite, and Don Grant, were a few that had concerns back then and are supporting this project. Letters of support are in the packet handed out by applicant. He hopes they're able to provide data to change the Commissioner's mind. The fiscal impact is much better than what City has represented. There is enough space in City for industrial. It probably should have been a "transitional" property. Believes if they can go through CEQA process & compare notes with City and their experts, they can come up with a solution to satisfy Commission & Council.

Kildoo: Asked if they're willing to accept the risk and cost, with the possibility the answer may be "No"?

Simmons: Yes. Every project takes that risk. The numbers are far apart and they'd like to bring them together. Commented that he's never been in front of the Commission with a recommendation of denial. They've always been able to work out the problems. It took 8 years to work out issues with Palomar Station. The Council denied it the first time. It wasn't designed properly. The applicant wants an opportunity to produce a good project. City wants development in the Creek District, but the infrastructure doesn't exist, so it's impossible now. Believe they can demonstrate the project is worthwhile.



Flodine: Earlier slide said 123 full time jobs created?

London: Used Paul Marra's numbers. There's a discrepancy on amount of s.f. per employee.

Hammond: It was based on survey from the National Association of Home Builders. It's based on units, over 700 surveys nationwide, then a ratio based on unit count, 1.5 jobs per condo unit.

Flodine: Not necessarily 123 City jobs?

Hammond: No.

Flodine: They may come as a result of building, supplies, etc?

Simmons: Yes, on-going services, maintenance, landscaping, etc.

Juli Smith, resident for 7 years: Commented that she lives & works close to proposed Oakcreek project. Would like to see a positive change to the area and more home ownership. City widened S. Santa Fe and took away residents parking, so they're currently parking on Bosstick. There are issues with vandalism. The project would increase lighting and traffic which is not always a bad thing. Asked if Commissioner's drove through the residential over there? It's not pretty. She welcomes the change and improvement and wants to see something other than low-income, substandard housing and mobile homes. They have no parks and trails nearby and they're part of the City too.

Raymond Mueller, resident of Rancho Santalina: Concerned about impacts of development on Las Flores, the turn lanes & access to proposed retail. It's made worse by the descent, curves, and change in grade. There's a blind spot due to the bushes in the median. It would require work to make it safe. Pedestrian walking would be issue. He hopes that a noise buffer wall doesn't make sounds worse.

Michael Terry-Lloyd, Rancho del Oro Towing: Has done business in the City for 22 years. They have a CUP and have always been compliant. They're concerned they'd be impacted by a change in zone. Every five years they renew CUP & public notices are sent out. People may not want a towing company next to them. Understand there is always progress. The employees & a lot of people want our business to stay put. Traffic will increase.

Simon Terry-Lloyd, Reynland Properties, Agent & related party to 196 Bosttick Blvd., Real estate advisor/broker that represents investors, tenants & City of Carlsbad: Property on Bosstick operates as tow yard/law enforcement impound yard. Should the CUP lapse for any reason, the services for residents would be diminished. Concerned that the development could create a threat to future CUP's. The new development would change the area's characteristics irreversibly. He supports Staff's recommendation. Integral said earlier that homeowners overwhelmingly support residential over industrial and that is their major concern.

CLOSE PUBLIC HEARING



Backoff: Commission has a difficult decision to make. Action before them is a GPA and Rezone, a recommendation to City Council. There's no final decision until it goes to City Council. The resolutions are set up for denial. If the Commission changes that, it would come back at the next meeting with new resolutions to reflect whatever action Commission takes and the findings. From day one, Integral was aware of staff's concerns. There has been no secret. It's an industrial site/area. There are other similar areas in the City that haven't been marketed or developed. Does this mean the City should change the General Plan on those areas also, create in-fill or spot zoning? The City provides an ample amount, more than most North County cities, of workforce housing in the County. There are many designated areas for affordable and market rate housing. There's Revenue and Expenditure sides and those weren't presented.

Marra: Mr. Simmons questioned the market value assumptions on housing units. They are consistent with the London Group and Market Pointe reports forwarded to them from the applicant last year. London report is from March 2013. It's not directly comparable to KMA report, it doesn't look at General Fund Expenditures, it only looks at Revenues and doesn't distinguish property revenue tax to City vs. County, Schools, etc., nor break out sales tax to City vs. State. Can't put the numbers apples to apples. Doesn't have subsequent report that corresponds to slide presented. Do think that .35 FAR is reasonable assumption. Applicant told us their view was a lower quality/intensity use, and we shouldn't use 2 per 1,000 employment, so we agreed to use 1 per 1,000. That corresponds to less need in parking. Assumptions are reasonable given dialog they had with applicant.

Pennock: Agreed it's confusing, there are weaknesses and strengths on both sides. The site is not very desirable, who will take the risk? Residential is taking a step forward. It would enhance the area, provide homes & jobs. Nothing has happened in 20 years. There's been time, money & effort put forth on both sides. We're all here to live in a better City. Appreciate both presentations.

Norris: What is the best use of that property? Will it go another 20 years? City needs industrial in portfolio.

Kildoo: Have always supported not losing industrial, but he's not heard anything tonight that makes him feel it will ever get developed. It would be challenging for anyone when value is so low relative to other areas. Don't want to condemn to another 20 years of non-use. Not really being given clear options. Understand why staff wants to save it for industrial, it's important & valuable, although he's not sure it will ever be valuable. Need to see CEQA & more information. Don't feel we owe Mr. Mashburn, he bought it as industrial and didn't take it to GPAC. We owe the City the best solution.

Flodine: Commented that he and Commissioner Jones sat on the GPAC for 2+ years & about 35 meetings. This property didn't make it for consideration. The Industrial group was so vocal and involved that the meetings lasted longer & additional meetings were added. "Transitional" was added to save industrial and preserve employment. Don't have enough details. Is very proud of how Palomar Station is shaping up, but it's not an equal comparison. Palomar and Davia are on through streets. This project is not adjacent to residential; it's behind a business park, separated by train track with a bridge like a great wall. This is really part of an industrial park and could create problems. Access is at end of cul-de-sac on the industrial park. Indicated he was having a difficult time with the proposal.

Kildoo: To deny zone change, it's a yes vote.



Flodine: Asked what a "no" means?

Backoff: Would then need to direct staff to come back with a direction to bring back a resolution to act on at next meeting to forward to City Council.

Commissioners/Backoff continued to discuss.

Backoff: There is no final action; it's a recommendation to Council. The question is, what should the use be? You have the Specific Plan; you know the layout, the landscape, what it will look like, etc. KMA didn't give a recommendation, there are pros and cons. No one knows what will happen in the future. Someone could have said the land off Borden Road would never develop as industrial. Developers built spec buildings and St. Augustine ended up going in there. Should you put residential in the middle of an industrial park? It's different than Palomar Station. Just because someone didn't come in during the GP Update process doesn't mean it wasn't reviewed. The City evaluated all areas. Staff felt this site was an important piece to retain as industrial. It's the only one ready to go.

Action:

COMMISSIONER MAAS MOVED TO *DENY* GPA 13-008 AS SET FORTH IN RESOLUTION PC 14-4406;
SECONDED BY COMMISSIONER FLODINE AND CARRIED BY THE FOLLOWING ELECTRONIC VOTE;

AYES: COMMISSIONERS: FLODINE, JONES, MAAS, MINNERY

NOES: COMMISSIONERS: KILDOO, NORRIS, PENNOCK

ABSENT: COMMISSIONERS: NONE

ABSTAIN: COMMISSIONERS: NONE

Backoff: Pointed out that there are two resolutions. Asked if motion was for both resolutions?

Commissioners: No, only voted on one.

Sidhu: Commission can make another motion, if not included in first motion.

COMMISSIONER FLODINE MOVED TO *DENY* R 13-005 AS SET FORTH IN RESOLUTION PC 14-4407;
SECONDED BY COMMISSIONER MAAS AND CARRIED BY THE FOLLOWING ELECTRONIC VOTE;

AYES: COMMISSIONERS: FLODINE, JONES, MAAS, MINNERY

NOES: COMMISSIONERS: KILDOO, NORRIS, PENNOCK

ABSENT: COMMISSIONERS: NONE

ABSTAIN: COMMISSIONERS: NONE



Maas: Announced that he was recusing himself from Item #3. He lives within the notification area. (Went to Valley of Discovery Room). Alternate Bill Jacoby will replace.

10 MINUTE BREAK

3. **Case No:** (P13-0062) SP 13-006, TSM 13-004, ND 14-001 (*continued from 3/24/14*)

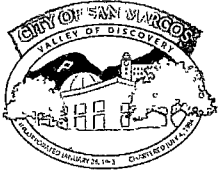
Application of: Hanson Aggregates Pacific Southwest, Inc.

Request: The project proposes a Specific Plan Amendment to the Heart of the City Specific Plan. The project would develop 346 residential units, 22.24 acres of non-residential mixed use (business park), 38.43 acres of active park and the necessary infrastructure to support the proposed development. The project also preserves 129.29 acres of open space and includes a biological mitigation area. Discretionary actions for the project include approval of: Specific Plan Amendment, a Tentative Subdivision Map and Mitigated Negative Declaration (the environmental review document).

Location of Property: West of Twin Oaks Valley Road, south of the terminus of Santa Barbara Drive, east of Stoneridge Way and north of South Lake, more particularly described as: Parcel 2 of Parcel Map No. 18890, in the City of San Marcos, County of San Diego, State of California, filed in the Office of the County Recorder of San Diego, January 22, 2002 as instrument No. 02-0054221 of official records. Assessor's Parcel No.: 222-080-09, 222-080-59, 222-180-27, 222-190-13, 222-190-14, 222-170-28, 221-091-212 and 679-020-04.

Staff Presentation (Garth Koller):

Described request, location & surrounding area. PowerPoint presentation shown. Discussed background. Proposes Specific Plan Amendment to Heart of the City Specific Plan (HOC SP) and processing of Tentative Subdivision Map. The comprehensive GP Update changed the land use as to what is being brought forward tonight. They're starting with a new map that is no longer entitled. Project covers 248 acres within the HOC SP. Home types are: Front-loaded & Alley-loaded single family detached, alley-loaded paired/duplex and Alley-loaded courtyard, as illustrated in the Design Guidelines. Includes 129 acres preserved open space. Discussed spillway. Applicant proposes a temporary solution to construct a temporary channel extension in the southern portion of the project site across Lot 195 to convey spillway drainage. Must obtain State Division of Safety of Dam and VWD approval of the South Lake Dam ultimate spillway construction documents prior to issuance of 50% or 173 residential units. Discussed Fuel Management Plan. A Fire Management Plan is required. Minimum 150' buffer incorporated into design between structures and natural habitat. Project will be built in two phases. Phase 1: 126 single-family units, westerly extension of N. Village Drive & construction of "Backbone" Road and three roundabouts proposed for future intersections. There will be some gated entrances. Discussed access, public/private streets. Phase 2: 220 single-family units, remaining portion of "Backbone" Road. The park will be built by the City in the future and the mixed-use area sold for development at a later date. Phase 1 traffic will generate 1,260 ADT's, Phase 2 will generate 9,029 ADT's. All study intersections will continue operating at LOS "D" or better. Year 2030 show LOS "E" or "F" at Twin Oaks Valley Rd./SR 78 Eastbound Ramps and Twin Oaks Valley Rd./Discovery St./Barham Dr., both with or without the proposed project. Discussed mitigation measures. Must pay in-lieu fee to improve intersections. Discussed the 38-acre proposed community park to be dedicated to the City. Due to size of park, a second emergency access is required. Noise Analysis was done that addressed both construction and operational. Noise barriers, 5'- 6' would be required for future homes on N.



Village Drive, and 6'-10' for rear yard areas adjacent to Twin Oaks Valley Rd. Staff recommends approval to City Council.

Kildoo: Asked if the ability to walk between the two parks was lost?

Backoff: That's what is desired and the Regulatory agencies indicated they'd allow for that. City hopes that is the case when final permit is issued.

Flodine: Inquired about the MU-4 site and whether school would be allowed?

Backoff: There's a floating designator for a school. City pursued a K-8, but the issue was the level of arsenic on site. The State wouldn't approve unless it was graded and final arsenic levels to be determined. No public agency would take that risk. Public school would be allowed. MU-4 allows for office, retail and business park and also allows for college or university.

OPEN PUBLIC HEARING

Marvin Howell, Hanson Aggregates, Director of Land Use Planning & Permitting: Hanson has had a long-standing partnership with the City. The proposed project is the culmination of 12 years effort. They previously had a TSM approved. Given changes in the market, it demanded changes to the project. The Hanson project started in the late 80's with a CUP for the mining operation. Hanson has helped build HOC and created Discovery Lake. It was a part of their water reclamation system at one time. The lake was dug out and used for industrial purposes. As housing developed, it was dedicated to the City. Hanson, along with local developers, helped attract the University to the City. It was done by acquiring the property and being able to discount it to the Cal State system. Once the deal was done, millions of tons of rock were removed to help create pads for buildings & parking lots. Hanson created the foundation for all development in HOC SP. Removed rock and created pads for housing and commercial uses. Assisted City with extension of Twin Oaks Valley Road, excavated rock, brought to their site and saved the City over \$6M in construction costs. The project will create a wonderful neighborhood with amenities for all residents. Out of 250 acres, 60 acres will be residential, 18 commercial/light industrial, 170+ acres open space (130 acres preserved & restored habitat) and 38+ acres for park space at no cost. The project is a result of many years of hard work between staff and Hanson's professional team. (Introduced team).

Mark Rogers, TRG Land: In last three years, he's been revisiting projects throughout SoCal and converting products from large lots to the market trend today, smaller lot, courtyard condo's and attached. It's a function of the market. Large lots are fading due to market desirability and affordability. Product is for introductory level markets. Change is hard. Original project from 2010 shown, with 346 single family lots. With new project, they tried to embrace the special places of the project. There are traffic circles to prevent high speeds. Enhanced the trails plan to ensure connectivity between the lakes. Discussed changes. Public space separates new community from existing. Gave up space at Twin Oaks Valley and Village Way and used berming and landscape to attenuate the noise and create sense of identity to project. Area A: Minimum 4,000 s.f. lot, Area B: 2,880 s.f. product and is alley-loaded. All the front doors/porches line Santa Barbara, not garages. Area C: Paired alley-loaded products. Across the street are paired housing & condo's. It matches what's existing out there and completes the HOC SP.



Flodine: Want to ensure homes adjacent to Twin Oaks Valley Road will receive the proper amount of architectural treatment.

Rogers: The berm is so high that nothing will ever be seen along that edge, but willing to enhance.

Jacoby: Asked about timing?

Rogers: Not sure. There's a lot of work to do, permits, Division of State Dams, etc.

Howell: Hanson is a mining company so they won't be developing it. They will market it and have started working with a broker. If Council approves, it should be marketed & sold by end of year. Final map by end of 2015 with total project build out by 2017.

Fred Johnston, resident: Lives west of their property. Appreciate the open space, very happy about it. He lived above the rock crusher for four years. City and Hanson were nice enough to hold meetings regarding rock crusher. Thought he heard about a temporary rock crusher and want to make sure it's not under his house again.

Backoff: Hanson is not anticipated to require a rock crusher. There's a knoll in part of the park that might require one or maybe the MU-4, but that would be in the future and require a separate CUP.

David Mitchell, resident: Has lived in Discovery Hills for 11 years. Likes the project, but has some concerns. The lake is turning into a marsh. Was sad they extended the CUP longer. Had to close windows, wash cars a lot, and dust is terrible. Rock crusher is an annoyance. Thought Hanson was supposed to mitigate as far as putting property back in order. Discovery is a popular park; the lake is a mess, with so much sediment from rock crusher. Further development will cause problems with lake. Asked that Hanson work with City to mitigate the lake. Concerned about the 60, 80 & 120-foot cuts. They'd be an eyesore. Would like that reviewed by Commission.

Backoff: Hanson indicated they created Discovery Lake. There was concern with sedimentation at one time. They did analysis of watershed that showed they didn't have direct impact on it. As area develops with landscaping & mitigation, the lake will improve. City has been maintaining the lake. Hanson must contribute to management & maintenance of lake. MU-4 property is a tough property & goes down from Twin Oaks Valley Road. This is not near ridgelines. Future landscaping and treatment will be required.

Howell: Clarified that the Discovery Lake study was done while mining operation was on-going. Hanson paid at the request of City and City selected the hydraulic engineer. Copy of report is available. The report concluded that Hanson increased annual sediment yield within the plant site because the historic vegetation cover had been reduced, the on-site de-siltation basins have more than mitigated for the increase by decreasing the annual sediment yield below the pre-project level. The problem at Discovery Lake is that it's not a natural feature. Nature didn't create it, Hanson did. It wasn't a lake and nature over time wanted to turn it back into what it wanted it to be. The watershed that feeds into it is huge. Today, it has been built up. Hanson continues to maintain de-siltation ponds on site. Report concluded that as area builds up the silt load will decrease. The Maintenance of lake will be able to keep up with it and Hanson will pay a fair share for on-going maintenance. A rock crusher is not needed for residential



development. There may be a need at the MU4 site or park site. It was a difficult time while Hanson was mining as houses were 300 feet away. A portable crusher would be much different and quieter and nothing on the scale of what operated previously.

CLOSE PUBLIC HEARING

Norris: Asked about VWD letter and how their concerns will be addressed?

Backoff: Hanson has been meeting regularly with VWD. VWD prefers to have the final design solution be done by Hanson now and not push off to merchant builder. Hanson is in process of selling the property. They've done engineering needed to develop Specific Plan. City was pushing for realignment that City designed along dam face, to preserve development opportunities on MU-4. It will be done in the future, prior to final mapping and by 50% of building permits. It's conditioned to be taken care. It's a timing issue for VWD. They ultimately control approval of it.

Jacoby: Commented that he walked the area. Likes the project, feels it fits in there & Hanson is a good citizen. He hasn't seen any opposition letters. Asked if staff has?

Backoff: No.

Kildoo: Like the redesign better. Agree with Bill. It's a nice legacy for them to leave.

Flodine: Appreciate the planning principles. Seems very walkable. It's dense, but consistent with area. There is a lot of "for rent" housing near the University. Concerned about there being a cluster around the University, and that it could be built then rented out. Wants to see pride of ownership. Would like an added condition they be "for sale."

Backoff: Product type doesn't lend itself for rentals. There's nothing to prevent condo owners from renting.

Flodine: Investor could buy and rent to students.

Kildoo: Any change in housing type/design would have to come back to Commission. City has one of the best rooming house ordinance guidelines in County. Not sure it would come up as a problem.

Jones: Don't know price of homes, but that might take care of it. May not be economical to rent out and could be anticipating a problem that may not occur.

Howell: Project designed with benefit of extensive marketing and research. Not intended to be rentals, it's marketed as "for sale" home sites. City will have much control over that.

Jacoby: Inquired if there would be other parking, in addition to parking spaces & garages?

Rogers: Very mindful of parking. Used .85 per guest, almost three times the City standard. With smaller products, the garages are full of stuff and not cars. Two neighborhoods that adjoin Twin Oaks Valley Road are gated to ensure students are not going in to park. This ensures plenty of parking.



Kildoo: Asked if it's conditioned to use the garage for parking and not storage?

Backoff: Not specific to conditions. City reviews CC&R's.

Kildoo: Have done that in the past. Asked if part of CC&R's or conditions?

Backoff: Have required Parking Management Plans. Could add to the resolution.

Kildoo: Whatever way would require use of garage for vehicles, with minimum amount of hassle for developer.

Jacoby: Asked if that isn't part of City code already?

Backoff: No. HOA would have to enforce.

Kildoo: Would like to add to CC&R's.

Flodine: Asked if MND is included with resolutions?

Backoff: Yes, part of.

Action:

COMMISSIONER KILDOO MOVED TO APPROVE SP 13-006 AS SET FORTH IN RESOLUTION PC 14-4405;
SECONDED BY COMMISSIONER JACOBY AND CARRIED BY THE FOLLOWING ELECTRONIC VOTE;

AYES: COMMISSIONERS: FLODINE, JACOBY, JONES, KILDOO, MINNERY, NORRIS, PENNOCK

NOES: COMMISSIONERS: NONE

ABSENT: COMMISSIONERS: NONE

ABSTAIN: COMMISSIONERS: NONE

COMMISSIONER KILDOO MOVED TO APPROVE TSM 13-004 AS SET FORTH IN RESOLUTION PC 14-4397;
SECONDED BY COMMISSIONER NORRIS AND CARRIED BY THE FOLLOWING ELECTRONIC VOTE;

AYES: COMMISSIONERS: FLODINE, JACOBY, JONES, KILDOO, MINNERY, NORRIS, PENNOCK

NOES: COMMISSIONERS: NONE

ABSENT: COMMISSIONERS: NONE

ABSTAIN: COMMISSIONERS: NONE

4. **Case No:** P13-0045: GPA 13-004, SP 13-002, MFSDP 13-001, SDP 13-003, TPM 13-003, ND 13-009



Application of: El Dorado II, LP – Todd Cottle

Request: A General Plan Amendment, Specific Plan, Multi-Family Site Development Plan, Site Development Plan, Tentative Parcel Map and Mitigated Negative Declaration (the environmental review document) for a proposed mixed-use project consisting of 120 unit affordable family apartments, 1,850 square feet of community center/leasing office, 1,000 square feet laundry facility and 7,000 square feet of commercial space spread over nine buildings located on 3.8 acres. This project is located in the Richmar Specific Plan Area and is proposed to be developed under the design criteria established in the El Dorado II Specific Plan document.

Location of Property: 304 W. Mission Road (Mr. Taco), 312-318 (Hair Salon/Barber Shop/Tax Preparer), 320 (vacant), 330 (vacant), 340 (vacant) & 350 (vacant) and 303 Richmar Road (12 unit apartment), 331 (17 unit apartment), 343 (La Fiesta Grande Market), & 363 (vacant), San Marcos, more particularly described as: Portion of Lot 1, Block 50 of Rancheros Los Vallecitos de San Marcos, in the City of San Marcos, County of San Diego, State of California, according to Map No. 806 filed in the County Records of San Diego County, December 21, 1895. Assessor's Parcel No.: 220-100-08, 09, 10, 12, 14, 29, 56, 59, 62, 63, 64, 66 & 67

Item continued to the 4/28/14 PC meeting as per applicant's request.

PLANNING DIRECTOR COMMENTS

Backoff: Welcomed new & reappointed commissioners.

(Carl Maas returned).

PLANNING COMMISSIONERS COMMENTS

Kildoo: Commented that a Richmar area project will be opening soon and that Palomar Station is looking good, it's transit-oriented, first along Sprinter corridor & also opens soon.

ADJOURNMENT

At 10:00 p.m. Commissioner Flodine adjourned the meeting.

ERIC FLODINE, CHAIRMAN
CITY OF SAN MARCOS

ATTEST:

LISA KISS, OFFICE SPECIALIST III
SAN MARCOS PLANNING COMMISSION