

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING SITE DEVELOPMENT PERMIT
NO. 1579191 AND NEIGHBORHOOD DEVELOPMENT
PERMIT NO. 1579192 FOR THE NEW ONE PASEO AND
WAIVING THE REQUIREMENT OF A PLANNING
COMMISSION HEARING AND RECOMMENDATION PRIOR
TO THE PASSAGE OF THIS ORDINANCE – PROJECT NO.
451328.

WHEREAS, Kilroy Realty, L.P., a Delaware Limited Partnership, Owner/Permittee, filed an application with the City of San Diego pursuant to San Diego Municipal Code (SDMC) Sections 126.0402(d) and 153.0201(a) for Site Development Permit No. 1579191 and Neighborhood Development Permit No. 1579192 to construct a mixed-use development consisting of multi-family residential, commercial retail and commercial office known as the New One Paseo project; and

WHEREAS, the 23.6-acre site is located at the southwest corner of the intersection of Del Mar Heights Road and El Camino Real within the CVPD-MC Zone, the Carmel Valley Community Plan and the Carmel Valley Employment Center Precise Plan. The project site is legally described as Parcels 1 and 2 of Parcel Map No. 15061 and Parcel 2 of Parcel Map No. 19130; and

WHEREAS, due to recusals, the Planning Commission of the City of San Diego was unable to obtain a quorum to hear and provide a recommendation on the New One Paseo project; and

WHEREAS, under Charter section 280(a)(2), this ordinance is not subject to veto by the Mayor because this matter requires the City Council to act as a quasi-judicial body and where a public hearing was required by law implicating due process rights of individuals affected by the decision and where the Council was required by law to consider evidence at the hearing and to make legal findings based on the evidence presented; and

WHEREAS, the matter was set for public hearing on June 27, 2016, testimony having been heard, evidence having been submitted, and the City Council having fully considered the matter and being fully advised concerning the same; NOW, THEREFORE,

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

Section 1. That it adopts the following findings with respect to Site Development Permit No. 1579191:

Site Development Permit - Section 126.0504

1. The proposed development will not adversely affect the applicable land use plan.

The project site is located south of Del Mar Heights Road between El Camino Real and High Bluff Drive. The project includes amendments to the General Plan, Carmel Valley Community Plan, and the Carmel Valley Employment Center Development Unit Number Two Precise Plan (Precise Plan), a Municipal Code amendment, a Vesting Tentative Map (including public right-of-way and easement vacations), a Site Development Permit, and a Neighborhood Development Permit for the development of a mixed-use project. The project contains approximately 1,175,871 square-feet (sf) consisting of approximately 280,000 sf of commercial office, 95,871 sf of commercial retail, and 608 (800,000 sf) multi-family residential units. Ten percent of the on-site housing would be affordable to households earning 65% or less of the Area Median Income.

The City's General Plan identifies specific communities as distinct planning areas. The project site is within the Carmel Valley Community Planning Area which comprises approximately 4,300 acres east of the I-5 freeway and the Torrey Pines Community, west of the communities of Pacific Highlands Ranch and Del Mar Mesa, south of the San Dieguito River Valley and north of Los Penasquitos Canyon and the Torrey Hills Community.

The community plan defers to neighborhood Precise Plans for specific land use recommendations. The Carmel Valley Employment Center Development Unit Number Two Precise Plan was adopted in 1981 and covers the existing 118-acre business park located between the I-5 freeway and El Camino Real and south of Del Mar Heights Road, which includes the

project site. The Community Plan and Precise Plan designate the project site for use and development of an Employment Center. The site was previously rezoned to the Carmel Valley Planned District Mixed-Use Center (MC) zone. This MC zone is intended to create a community village which is compact, multi-functional, and pedestrian-oriented. The MC zone permits a diversity of uses, including residential multiple dwelling units, retail sales, offices and commercial services.

Approval of the development project and related permits also requires approval of land use plan amendments to bring the General Plan and the land use plan into consistency with the underlying zone applied to the site and for the proposed project to be consistent with the community plan land use.

In addition, a Municipal Code amendment is being processed to the MC zone applied to the site to reduce the allowable height for the office use, modify the minimum land use mix table and reduce the floor area ratio. The land use plan, code amendment, and the development project are being processed concurrently.

Amendments are proposed to the Precise Plan to redesignate the site from *Employment Center* to *Community Village* and incorporate project design guidelines, implementation measures, and other details related to the project. The Precise Plan amendment also constitutes amendments to the Carmel Valley Community Plan and to the General Plan. The Precise Plan amendment would change the General Plan land use designation from *Industrial Employment* to *Multiple Use* and change the Carmel Valley Community Plan land use designation from *Employment Center* to *Community Village*.

The proposed development will not adversely affect the applicable land use plans upon approval of the required land use plan amendments described above. The change to the land use plans will also bring them into alignment with the underlying MC zone. The proposed development would also further several goals of the General Plan and Community Plan as described below.

A goal of the Precise Plan amendment is to provide a mixed-use community village for Carmel Valley. The General Plan describes a series of village types of varying parameters and intensities, with neighborhood and community village centers ranging from just a few acres to more than 100 acres. Therefore, the 23.6-acre site would be sufficient to achieve this goal, as it is a relatively large, vacant, centrally located site within this community. The project with the proposed land use plan amendments would achieve the goals related to a mixed-use community village for Carmel Valley by providing residential, retail, commercial office and public space uses with a pedestrian-friendly design.

The project has been designed to implement the vision and goals of the General Plan's Strategic Framework Element, particularly the City of Villages Strategy. The City of Villages Strategy is a departure from the suburban development model employed for many areas of the City by the 1979 General Plan. The General Plan states that "over the last two centuries, San Diego has grown by expanding outward onto land still in its natural state. This is the first General Plan in the City's continuing history that must address most future growth without expansion onto its open lands. It establishes the strategic framework for how the City grows while maintaining the

qualities that best define San Diego.” Therefore, the General Plan’s direction is to efficiently use the remaining developable land in the City consistent with the new policies of the Strategic Framework. As described above, the project proposes a mixed-use development of commercial office, retail and multi-family residential and several plazas for community gathering.

The Strategic Framework Element recommends mixed-use villages as a desirable development pattern, stating that “new policies have been created to support changes in development patterns to emphasize combining housing, shopping, employment uses, schools, and civic uses, at different scales, in village centers. By directing growth primarily toward village centers, the strategy works to preserve established residential neighborhoods and open space, and to manage the City’s continued growth over the long term.” Growth is to be focused into mixed-use activity centers that are pedestrian-friendly districts linked to an improved regional transit system.

The project site is located in a transitional area between the office/industrial development of the Carmel Valley Employment Center, the community’s existing town center across El Camino Real and residential neighborhoods to the north and northeast. As a relatively large, vacant property, the project site provides an infill development opportunity of a unique and distinctive, unifying, mixed-use village center for Carmel Valley. The project proposes to combine housing, shopping, employment and civic uses into a pedestrian-friendly community village that implements the vision of the General Plan.

A main goal of the Carmel Valley Community Plan is to establish a physical, social, and economically balanced community. The balanced community concept is met through identification of a specific amount of single-family and multi-family housing for a range of incomes, the provision of a relatively large employment center, and a town center neighborhood intended to serve as a community core with a mix of retail, office, higher density residential uses and an array of public uses. Each residential neighborhood is to contain a focal point that includes a school and/or neighborhood shopping center linked by pedestrian and bicycle trails. The Community Plan provides a framework for development and adoption of neighborhood plans through a precise plan process, including the timely provision of public facilities.

The project would further the goal of a physically, socially, and economically balanced community by combining residential, commercial, and civic uses within a centrally-located village center. The Carmel Valley community is underserved by retail space so there is a market demand for additional retail. The project would provide additional commercial retail and service uses in the core of the community where they can be more easily accessed via multiple transportation modes. This would allow capture of more shopping and entertainment trips within the community. The addition of multi-family housing and onsite affordable housing within a mixed-use village-type format provides an additional housing choice within the community. Potential impacts to public facilities and services would be offset by payment of the Development Impact Fees.

In addition to the mixed-use land use plan, multiple design elements of the project’s site plan and building program contribute to a pedestrian-friendly design that would implement the General Plan urban design policies related to the City of Villages Strategy. The overall circulation network for the project has been planned to achieve a high degree of compatibility between

pedestrians, bicyclists and vehicles. The connection to the existing community will encourage forms of mobility other than automobiles. The project has been designed with multiple pedestrian connections to the existing street network, while walking and biking from off-site areas is encouraged through a pedestrian-oriented design at site perimeters, and exclusive areas for pedestrian entry. The project would provide for pedestrian and bicycle access throughout the site by a network of passes, sidewalks, pathways, plazas, and public spaces. Class III bicycle routes would be provided within the project site and would connect to existing Class II bicycle lanes along Del Mar Heights Road and El Camino Real.

The project is planned as a “park once” environment, where people are encouraged to park in one place and then make trips on foot, rather than driving from one destination to another, creating the type of environment where it is easy for people to walk between destinations through the paseos and plazas. This is consistent with General Plan guidance to retrofit existing large-scale development patterns, such as “superblocks” or “campus-style” developments, to provide more and improved linkages among uses. The “Paseo” design and centrally located main plazas would provide walking opportunities and gathering spaces to promote social interaction and a sense of community.

The General Plan calls for villages to be connected by “high quality transit,” but does not contain a precise definition for the term. Carmel Valley is not currently served by public transit. The nearest bus line connects North County coastal communities with the University community along Highway 101. There are also Coaster rail stations in Sorrento Valley and nearby Solana Beach. The Solana Beach Coaster station also serves as a regional hub that has state-wide Amtrak service. The 2050 Regional Transportation Plan prepared by the San Diego Association of Governments (SANDAG) identifies several future bus routes that would provide local and regional high frequency service to Carmel Valley with potential stops at the project site. Of these, a rapid bus route would connect Oceanside and University Town Center with potential stops within Carmel Valley and the Sorrento Valley Coaster station in the year 2030. The timing between anticipated completion of the project in 2021 and planned provision of public transit represents a considerable period of time in which the project would not be served by public transit.

To address the lack of current public transit service, the proposed development would include a Transportation Demand Management (TDM) program including a shuttle service between the project and the Solana Beach Coaster station through the Carmel Valley Employment center. Northbound and southbound trains arrive at the station at approximate 30-minute intervals during AM and PM peak periods. As an example, morning southbound Coaster trains arrive at the Solana Beach Station at 5:35, 6:23, 7:00, 7:40, and 8:05 and northbound Coaster trains arrive at 7:04 and 8:24. The private shuttles would arrive every 30 minutes at the station and would be timed in such a way as to minimize the amount of wait-time for passengers traveling in either direction. The shuttle would operate during AM, mid-day, and PM peak periods as further described in Condition Nos. 55 and 56 of the permit. The project’s proposed densities would help justify the provision of future transit services. A TDM plan and a long-term commitment to a private shuttle system are essential project features to bridge the gap between existing conditions and the future public transit services.

2. The proposed development will not be detrimental to the public health, safety, and welfare.

The previously certified Environmental Impact Report (EIR) analyzed the environmental impacts of the approved One Paseo project, Project No. 193036. Implementation of the proposed Mitigation, Monitoring and Reporting Program (MMRP) would reduce, to a level of insignificance, most potential impacts identified in the environmental review process. The Addendum to the previously certified EIR demonstrates that the New One Paseo, Project No. 451328 will not result in any new or more severe significant impacts than the previously identified direct project-level significant, unavoidable impacts within the area of Visual Effects and Neighborhood Character and Transportation/Circulation/Parking.

All Uniform Building, Fire, Plumbing, Electrical and Mechanical Codes governing the construction and continued operation of the development apply to this project to prevent adverse effects to those persons or properties in the vicinity of the project. The project has been designed with adequate storm water controls during construction and operation to comply with the City of San Diego storm water regulations. This will result in better on-site and downstream water quality and therefore protects and preserves the public health and safety.

The overall circulation network for the project has been planned to balance compatibility between pedestrians, bicycles, and motor vehicles, while separating them for enhanced public safety purposes. The project is planned as a “park once” environment, where people are encouraged to park in one place and then make stops on foot, rather than driving from one destination to another. This creates the type of environment where people can easily walk or bike between destinations and reinforces a safe pedestrian and bicycle experience.

The project will pay Development Impact Fees, which will go toward the provision of public services such as roads and open space that will be beneficial to health and welfare of the community.

The permits for the project contains specific conditions addressing project compliance with the City’s codes, policies, regulations and other regional, State and federal regulations to prevent detrimental impacts to the health, safety and general welfare of persons residing and/or working in the area. Therefore, the proposed development will not be detrimental to the public health, safety, and welfare.

3. The proposed development will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

The project is located within the CVPD-MC zone and allows a diversity of uses, including residential, retail, restaurants, hospitality, workplace, and civic activities. The intent of the CVPD-MC Zone is to create a compact, multi-functional, mixed-use community village. Use and development regulations of the CVPD-MC Zone are based on the City-wide CC-5-5 Zone with some exceptions to setbacks, height and floor area ratio. Allowable uses within the proposed zone would be the same as those for the CC-5-5 Zone classification (Table 131-05B in Section

131.0552 of the Municipal Code). The proposed residential, commercial retail, and office uses would be allowable uses per the zone. The Precise Plan amendment, which will be concurrently adopted with the project, provides additional design and implementation regulations consistent with the requirements of the Land Development Code (LDC). The project will therefore comply with all the applicable regulations of the LDC, as amended by the project approvals, and no deviations are requested.

Section 2. That it adopts the following findings with respect to the Neighborhood Development Permit No. 1579192:

Neighborhood Development Permit (NDP) - Section 126.0404

1. The proposed development will not adversely affect the applicable land use plan.

The project proposes commercial tandem parking within the mixed-use development. The San Diego Municipal Code (SDMC) requires the approval of a Neighborhood Development permit to allow for tandem parking for commercial uses. The Carmel Valley and Employment Center Precise Plans do not specifically address interior parking arrangements for commercial developments. However, the General Plan encourages efficient parking arrangements and reduction in parking visibility. The proposed tandem parking arrangement would more efficiently use space by eliminating the need for additional drive aisles.

Tandem parking for commercial uses may be approved provided the tandem parking is limited to the assigned employee parking spaces and/or valet parking associated with restaurant use. Tandem parking is encouraged throughout the City in order to reduce the need for additional parking areas. The permit has been conditioned to allow a maximum of 100 (50 dual) tandem spaces and shall be dedicated to employee parking only. Therefore, the provision of tandem parking would not adversely affect the applicable land use plan.

2. The proposed development will not be detrimental to the public health, safety, and welfare.

The project proposes commercial tandem parking within the mixed-use development. The San Diego Municipal Code (SDMC) requires the approval of a Neighborhood Development permit to allow for tandem parking for commercial uses. Tandem parking for commercial uses may be approved provided the tandem parking is limited to the assigned employee parking spaces and/or valet parking associated with restaurant use. Tandem parking is encouraged throughout the City in order to reduce the need for additional parking areas. The permit has been conditioned to allow a maximum of 100 (50 dual) tandem spaces and shall be dedicated to employee parking only.

The previously certified EIR analyzed the environmental impacts of the approved One Paseo project, Project No. 193036. Implementation of the proposed Mitigation, Monitoring, and Reporting Program (MMRP) would reduce, to a level of insignificance, most potential impacts identified in the environmental review process. The Addendum to the previously certified EIR,

demonstrates that the New One Paseo Project, Project No. 451328 will not result in any new or more severe significant impacts than the previously identified direct project-level significant, unmitigable impacts within the area of Visual Effects and Neighborhood Character and Transportation/Circulation/Parking.

The project would provide 2,747 parking spaces throughout the site upon build out, where 2,587 parking spaces are required for a surplus of 160 parking spaces. The project would utilize a shared parking program, would be able to provide all the required parking, and parking is not considered a significant impact.

All Uniform Building, Fire, Plumbing, Electrical and Mechanical Code governing the constructions and continued operation of the development apply to this project to prevent adverse effects to those persons or properties in the vicinity of the project. Therefore, the proposed tandem parking will not be detrimental to the public health, safety and welfare.

3. The proposed development will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

The project proposes commercial tandem parking within the mixed-use development. The San Diego Municipal Code (SDMC) requires the approval of a Neighborhood Development permit to allow for tandem parking for commercial uses.

Tandem parking for commercial uses may be approved provided the tandem parking is limited to the assigned employee parking spaces and/or valet parking associated with restaurant use. Tandem parking is encouraged throughout the City in order to reduce the need for additional parking areas. The permit has been conditioned to allow a maximum of 100 (50 dual) tandem spaces and shall be dedicated to employee parking only. The project is not requesting any deviations; therefore, it will comply with all the applicable regulations of the Land Development Code.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

Section 3. That, based on the findings hereinbefore adopted by the Council of the City of San Diego, Site Development Permit No. 1579191 and Neighborhood Development Permit No. 1579192 are granted to Kilroy Realty, L.P., a Delaware Limited Partnership, Owner/Permittee, under the terms and conditions set forth in the attached permit, which is made a part of this ordinance, and contingent upon final passage of O-_____ approving amendments to the General Plan, Carmel Valley Community Plan, and Precise Plan.

Section 4. That, notwithstanding San Diego Municipal Code section 112.0509, which provides for a Planning Commission hearing or recommendation prior to certain City Council actions, no Planning Commission hearing or recommendation is required related to the actions being authorized pursuant to this ordinance.

Section 5. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 6. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Corrine L. Neuffer
Deputy City Attorney

CLN:dkr:mm
06/08/16
06/21/16 COR. COPY
Or.Dept:DSD
Doc. No.: 1261942_2

RECORDING REQUESTED BY
CITY OF SAN DIEGO
DEVELOPMENT SERVICES
PERMIT INTAKE, MAIL STATION
501

WHEN RECORDED MAIL TO
CITY CLERK
MAIL STATION 2A

SPACE ABOVE THIS LINE FOR RECORDER'S USE

INTERNAL ORDER NUMBER: 24000155

SITE DEVELOPMENT PERMIT NO. 1579191
NEIGHBORHOOD DEVELOPMENT PERMIT NO. 1579192
THE NEW ONE PASEO, PROJECT NO. 451328: MMRP
CITY COUNCIL
DRAFT

This Site Development Permit No. 1579191 and Neighborhood Development Permit No. 1579192 are granted by the City of San Diego to Kilroy Realty, L.P., a Delaware Limited Partnership, Owner/Permittee, pursuant to San Diego Municipal Code (SDMC) Sections 126.0402(d) and 153.0201(a). The 23.6-acre site is located at the southwest corner of the intersection of Del Mar Heights Road and El Camino Real within the CVPD-MC Zone, the Carmel Valley Community Plan and the Carmel Valley Employment Center Precise Plan. The project site is legally described as Parcels 1 and 2 of Parcel Map No. 15061 and Parcel 2 of Parcel Map No. 19130 within the City of San Diego, County of San Diego, State of California.

Subject to the terms and conditions set forth in this Permit, permission is granted to Owner/Permittee to construct a mixed-use development described and identified by size, dimension, quantity, type, and location on the approved exhibits [Exhibit "A"] dated June 27, 2016, on file in the Development Services Department.

The project shall include:

- a. The construction of a mixed-use development with a maximum of approximately 1,175,871 square feet (sf) consisting of approximately 95,871 sf of commercial retail, approximately 280,000 sf of commercial office and 608 (approximately 800,000 sf) multi-family residential units;
- b. Civic space areas (including plazas and paseos), internal roadways, landscaping, hardscape treatments, utility improvements, and parking facilities to support these uses;

- c. A minimum of 2,587 automobile parking spaces (2,747 to be provided at project build out) provided throughout the site in subsurface garages, two multi-level above-ground parking structures, and small surface parking lots;
- d. A maximum of 100 (50 dual) tandem spaces provided and dedicated to office employee parking only;
- e. Associated off-site improvements, including frontage improvements, utility extensions, access improvements, and intersection improvements;
- f. Landscaping (planting, irrigation and landscape related improvements);
- g. Pursue a LEED Gold rating certification for the project's office buildings;
- h. Contribution to Caltrans of \$307,500 in addition to the Owner/Permittee's fair share payment towards the provision of a third eastbound through lane on the Del Mar Heights Road bridge;
- i. Utilization of energy and water efficiency standards, "cool" roofs for the office buildings, and paving materials and an extensive onsite recycling and composting program;
- j. Signage; and
- k. Public and private accessory improvements determined by the Development Services Department to be consistent with the land use and development standards for this site in accordance with the adopted community plan, the California Environmental Quality Act [CEQA] and the CEQA Guidelines, the City Engineer's requirements, zoning regulations, conditions of this Permit, and any other applicable regulations of the SDMC.

STANDARD REQUIREMENTS:

1. This permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this permit is not utilized in accordance with Chapter 12, Article 6, Division 1 of the SDMC within the 36 month period, this permit shall be void unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker. This permit must be utilized by June 27, 2016.
2. This permit supersedes Site Development Permit No. 714398, Conditional Use Permit No. 977693, and Neighborhood Development Permit No. 1124983 under Project No. 193036.
3. No permit for the construction, occupancy, or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:

- a. The Owner/Permittee signs and returns the Permit to the Development Services Department; and
 - b. The Permit is recorded in the Office of the San Diego County Recorder.
4. While this Permit is in effect, the subject property shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the appropriate City decision maker.
 5. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
 6. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
 7. Issuance of this Permit by the City of San Diego does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.).
 8. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee is informed that to secure these permits, substantial building modifications and site improvements may be required to comply with applicable building, fire, mechanical, and plumbing codes, and State and Federal disability access laws.
 9. Construction plans shall be in substantial conformity to Exhibit "A." Changes, modifications, or alterations to the construction plans are prohibited unless appropriate application(s) or amendment(s) to this Permit have been granted.
 10. All of the conditions contained in this Permit have been considered and were determined-necessary to make the findings required for approval of this Permit. The Permit holder is required to comply with each and every condition in order to maintain the entitlements that are granted by this Permit.

If any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" condition(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de novo, and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

11. The Owner/Permittee shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Owner/Permittee of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Owner/Permittee regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

ENVIRONMENTAL/MITIGATION REQUIREMENTS:

12. The Owner/Permittee shall comply with the Mitigation, Monitoring, and Reporting Program (MMRP) as specified in Addendum No. 451328 to Environmental Impact Report No. 193036 to the satisfaction of the Development Services Department and the City Engineer. All mitigation measures described in the MMRP shall be implemented for the following issue areas:

Transportation/Circulation/Parking, Visual Effects and Neighborhood Character, Noise, Paleontological Resources, Biological Resources, Health and Safety, and Historical Resources (Archeology).

13. The mitigation measures specified in the MMRP and outlined in Addendum No. 451328 to Environmental Impact Report No. 193036, shall be noted on the construction plans and specifications under the heading ENVIRONMENTAL MITIGATION REQUIREMENTS.

14. Mitigation requirements in the MMRP shall apply to this Permit. These MMRP conditions are hereby incorporated into this Permit by reference.

AFFORDABLE HOUSING REQUIREMENTS:

15. Prior to the issuance of any building permits, the Owner/Permittee shall enter into a written agreement with the San Diego Housing Commission, drafted and approved by the San Diego Housing Commission and secured by a deed of trust, which restricts the rent and occupancy of 61 affordable units on-site at or below 65% of Area Median Income.

SOLID WASTE REQUIREMENTS:

16. Prior to issuance of construction permits, the Owner/Permittee shall include a representative of the Environmental Services Department (ESD) in preconstruction meetings to ensure that:

- An appropriate destination for soils has been identified;
- Concrete, wood, and dry wall are separated and appropriate 100% recycling destinations are identified and used;
- Grubbed material is separated and taken to Miramar Landfill Greenery;
- Contract documents verify that 5% buy recycled program is completed using consumer/preconsumer recycled materials;
- A solid waste coordinator has been identified;
- An appropriate number of bins are provided with appropriate signage;
- Bins are appropriately used and contamination levels are minimized;
- The Construction and Demolition Debris Diversion Deposit Program deposit has been paid;
- Materials are being taken to the appropriate facility.

17. Prior to final inspection or issuance of any Certificate of Occupancy, the Owner/Permittee shall contact a representative of the Environmental Services Department to schedule an appointment to:

- Inspect and approve a storage area that has been provided consistent with San Diego Municipal Code Chapter 14: General Regulations, Article 2: General Development Regulations Division 8: Refuse and Recyclable Materials Storage Regulations;
- Ensure that a hauler has been retained to provide recyclable materials collection and yard waste collection;
- Inspect and approve the education materials for building tenants/owners that are required pursuant to the City's Recycling Ordinance; and
- Identify a contact person for follow-up on food waste collection/composting.

ENGINEERING REQUIREMENTS:

18. This permit shall comply with the conditions of Vesting Tentative Map No. 1579190.

19. Prior to the issuance of any building permit, the Owner/Permittee shall assure by permit and bond the construction of City standard curb ramps with truncated domes at all signalized project entrances and at the southwest corner of Del Mar Heights Road and El Camino Real, satisfactory to the City Engineer.

20. Any excavated material that is exported, shall be exported to a legal disposal site in accordance with the Standard Specifications for Public Works Construction (the "Green Book"), 2009 edition and Regional Supplement Amendments adopted by Regional Standards Committee.

21. Prior to the issuance of any building permit, the Owner/Permittee shall obtain an Encroachment Maintenance and Removal Agreement for private storm drains, landscape and irrigation located within the City's right-of-way and access easement, satisfactory to the City Engineer.

22. The drainage system for this project shall be private and subject to approval by the City Engineer.
23. Prior to the issuance of any building permit, the Owner/Permittee shall obtain a bonded grading permit for the grading proposed for this project. All grading shall conform to requirements in accordance with the City of San Diego Municipal Code and active grading of the project site, including the movement of earthen materials associated with onsite grading and/or the loading of earthen materials into trucks for offsite disposal, shall be limited to 5.75 acres at any one time, in a manner satisfactory to the City Engineer.
24. Prior to the issuance of any construction permit, the Owner/Permittee shall enter into a Maintenance Agreement for the ongoing permanent Best Management Practices (BMP) maintenance, satisfactory to the City Engineer.
25. Prior to the issuance of any construction permit, the Owner/Permittee shall incorporate any construction BMP's necessary to comply with Chapter 14, Article 2, Division 1 (Grading Regulations) of the Municipal Code, into the construction plans or specifications.
26. Prior to the issuance of any construction permit, the Owner/Permittee shall submit a technical report that will be subject to final review and approval by the City Engineer, based on the Storm Water Standards in effect at the time of the construction permit issuance.
27. Development of this project shall comply with all storm water construction requirements of the State Construction General Permit, Order No. 2009-2013-DWQ, or subsequent order, and the Municipal Storm Water Permit, Order No. R9-2007-0001, or subsequent order. In accordance with Order No. 2009-0009-DWQ, or subsequent order, a Risk Level Determination shall be calculated for the site and a Storm Water Pollution Prevention Plan (SWPPP) shall be implemented concurrently with the commencement of grading activities.
28. Prior to issuance of a grading or construction permit, a copy of the Notice of Intent (NOI) with a valid Waste Discharge ID number (WDID#) shall be submitted to the City of San Diego as a proof of enrollment under the Construction General Permit. When ownership of the entire site or portions of the site changes prior to filing of the Notice of Termination (NOT), a revised NOI shall be submitted electronically to the State Water Resources Board in accordance with the provisions as set forth in Section II.C of Order No. 2009-0009-DWQ and a copy shall be submitted to the City.
29. Prior to the issuance of any building permit, the Owner/Permittee shall assure by permit and bond the construction of three City standard driveways, on El Camino Real, and one standard driveway, on Del Mar Heights Road, satisfactory to the City Engineer.

GEOLOGY REQUIREMENTS:

30. The Owner/Permittee shall submit a geotechnical investigation report or update letter that specifically addresses the proposed construction plans. The geotechnical investigation report or update letter shall be reviewed for adequacy by the Geology Section of the Development Services Department prior to issuance of any construction permits.

31. The Owner/Permittee shall submit an as-graded geotechnical report prepared in accordance with the City's "Guidelines for Geotechnical Reports" following completion of the grading. The as-graded geotechnical report shall be reviewed for adequacy by the Geology Section of the Development Services Department prior to exoneration of the bond and grading permit closeout.

LANDSCAPE REQUIREMENTS:

32. Prior to issuance of any engineering permits for grading, the Owner/Permittee shall submit complete construction documents for the revegetation and hydroseeding of all disturbed land in accordance with the Landscape Standards, the San Diego Low Impact Development Design Manual, and to the satisfaction of the Development Services Department. All plans shall be in substantial conformance to this permit (including Environmental conditions) and Exhibit "A," on file in the Office of the Development Services Department.

33. Prior to issuance of any engineering permits for right-of-way improvements, the Owner/Permittee shall submit complete landscape construction documents for right-of-way improvements to the Development Services Department for approval. Improvement plans shall show label and dimension a 40-square-foot area around each tree which is unencumbered by utilities. Driveways, utilities, drains, water and sewer laterals shall be designed so as not to prohibit the placement of street trees.

34. Prior to issuance of any construction permits for structures (including shell), the Owner/Permittee shall submit complete landscape and irrigation construction documents consistent with the Landscape Standards to the Development Services Department for approval. The construction documents shall be in substantial conformance with Exhibit "A," Landscape Development Plan, on file in the Development Services Department. Construction plans shall provide a 40-square-foot area around each tree that is unencumbered by hardscape and utilities unless otherwise approved per SDMC 142.0403(b)5.

35. In the event that a foundation only permit is requested by the Owner/Permittee, a site plan or staking layout plan shall be submitted to the Development Services Department identifying all landscape areas consistent with Exhibit "A," Landscape Development Plan, on file in the Development Services Department. These landscape areas shall be clearly identified with a distinct symbol, noted with dimensions and labeled as 'landscaping area.'

36. The Owner/Permittee shall be responsible for the maintenance of all landscape improvements shown on the approved plans, including in the right-of-way, consistent with the Landscape Standards unless long-term maintenance of said landscaping will be the responsibility of a Landscape Maintenance District or other approved entity.

37. All required landscape shall be maintained in a disease, weed and litter free condition at all times. Severe pruning or "topping" of trees is not permitted unless specifically noted in this Permit.

38. If any required landscape (including existing or new plantings, hardscape, landscape features, etc.) indicated on the approved construction document plans is damaged or removed during demolition or construction, the Owner/Permittee shall repair and/or replace in kind and equivalent

size per the approved documents to the satisfaction of the Development Services Department within 30 days of damage or Certificate of Occupancy.

PLANNING/DESIGN REQUIREMENTS:

39. A topographical survey conforming to the provisions of the SDMC may be required if it is determined, during construction, that there may be a conflict between the building(s) under construction and a condition of this Permit or a regulation of the underlying zone. The cost of any such survey shall be borne by the Owner/Permittee.

40. The Owner/Permittee shall develop the project using energy and water efficiency standards, "cool" roofs for the office buildings, and paving materials and will establish an extensive onsite recycling and composting program to the satisfaction of the Development Services Director.

41. Signage shall comply with the Carmel Valley Signage Guidelines and Criteria. Notwithstanding any provision of the Carmel Valley Planned District Ordinance to the contrary, all signage located within the Carmel Valley Planned District area shall conform to the Carmel Valley Signage Guidelines and Criteria adopted by the City Council on January 9, 1991, and filed in the office of the City Clerk as Document No. OO-17578.

42. All construction plans shall be reviewed against the underlying zone and the Carmel Valley Employment Center Development Unit Two Precise Plan design guidelines.

43. The Owner/Permittee shall post a copy of each approved discretionary permit or tentative map in its sales office for consideration by each prospective buyer.

44. All private outdoor lighting shall be shaded and adjusted to fall on the same premises where such lights are located and in accordance with the applicable regulations in the SDMC.

TRANSPORTATION REQUIREMENTS:

45. Prior to the issuance of the first certificate of occupancy, the Owner/Permittee shall install traffic signal upgrades and optimization on a total of 10 intersections along Del Mar Heights Road from the intersection of Mango Drive to the intersection of Lansdale Drive. The upgrades and optimization shall include a communications system, emergency vehicle preemption system, controllers, detection, CCTV monitoring system, and optimized traffic signal timing. The Owner/Permittee shall fully fund the installation of the program, as well as the operation of the program for two (2) years after installation, under the direction of the City's traffic operation division.

46. In accordance with the shared parking study (prepared by Walker Parking Consultants, dated February 24, 2016, that is Appendix "C" of Addendum No. 451328 to Environmental Impact Report No. 193036), a minimum of 2,587 automobile parking spaces (2,747 to be provided at project build out) shall be provided within the approximate location shown on Exhibit 'A,' including 45 automobile accessible, 9 van accessible and 136 carpool spaces. A minimum of 98 motorcycle and 402 bicycle spaces (368 short-term and 94 long-term) shall be provided on-site. Further, all on-site parking stalls

and aisle widths shall be in compliance with requirements of the SDMC, and shall not be converted and/or utilized for any other purpose, unless otherwise authorized in writing by the Director of Development Services Department.

47. The regulations of SDMC Chapter 14, Article 2, Division 5 (Parking Regulations) shall apply, except the minimum required number of parking spaces shall be determined in accordance with the shared parking study (prepared by Walker Parking Consultants dated, February 24, 2016) that is Appendix "C" of Addendum No. 451328 to Environmental Impact Report No. 193036.

48. No medical office use shall be allowed unless and until the Owner/Permittee provides an analysis demonstrating that the project's total Average Daily trips (ADT), AM peak hour in and out and PM peak hour in and out volumes are less than or equal to that shown in the traffic memorandum (prepared by Linscott Law and Greenspan (LLG Engineers), dated January 2016 that is Appendix "B" of Addendum No. 451328 to Environmental Impact Report No. 193036) and that the project's total parking requirement is less than or equal to 2,587 parking spaces per the shared parking study (prepared by Walker Parking Consultants, dated February 24, 2016, that is Appendix "C" of Addendum No. 451328 to Environmental Impact Report No. 193036), satisfactory to the City Engineer.

49. Off-street loading spaces shall be provided per SDMC Section 142.1010. The Owner/Permittee shall provide 10 off-street loading spaces.

50. Prior to the issuance of the first building permit, the Owner/Permittee shall record Shared Parking Agreements among all parcels for the proposed parking spaces located on site, satisfactory to the City Engineer.

51. The 1,057 residential parking spaces shall be physically separated from the commercial spaces and be clearly marked and designated as residents' parking.

52. A maximum of 100 of the required parking spaces may be provided as tandem spaces (50 dual spaces) and shall be dedicated to office employee parking only.

53. Prior to the issuance of the first building permit, the Owner/Permittee shall assure by permit and bond the widening of Del Mar Heights Road to provide an eastbound (EB) exclusive right turn lane at two project entrances and at the intersection of Del Mar Heights Road and El Camino Real with 8-foot wide non-contiguous sidewalk within a 22-foot wide landscaped parkway, satisfactory to the City Engineer.

54. Prior to the issuance of the first building permit, the Owner/Permittee shall assure by permit and bond the widening of El Camino Real to provide southbound (SB) exclusive right turn lanes at four project entrances with an 8-foot wide non-contiguous sidewalk within a 17-foot wide landscaped parkway, satisfactory to the City Engineer.

55. The Owner/Permittee shall implement the Transportation Demand Management (TDM) Plan, dated February 2016, in accordance with the TDM Recommendation Table in that document. The TDM includes information kiosks in central locations, bike lockers, priority parking spaces for

carpools, electric vehicle charging systems and a shuttle system operation (as detailed in condition #56).

56. Prior to the issuance of the first certificate of occupancy for the second office building or the third residential building, whichever occurs first, the Owner/Permittee shall provide and maintain a shuttle vehicle system which includes shuttle service from the project through the Employment Center in Carmel Valley to the Solana Beach Coaster Station, arriving and departing at a minimum of 30 minute intervals during AM/PM peak periods, the lunch hour and other times as appropriate satisfactory to the City Engineer. The frequency and operation of the shuttle service shall be maintained until public transit service is available to serve the project or within close proximity, satisfactory to the City Engineer. Additional routes may be provided to link the project to the Employment Center and local school, in accordance with the TDM plan.

57. Any work performed within Caltrans right-of-way will require review and approval by Caltrans.

58. Prior to the issuance of the first building permit the Owner/Permittee shall provide an Access Easement Agreement containing the legal description of the properties involved, the reason for the agreement, and the conditions of the agreement to ensure perpetual mutual access for all lots within the development, satisfactory to the City Engineer.

59. Prior to the issuance of the first building permit, the Owner/Permittee shall assure by permit and bond the construction of a right-in, right-out only restricted access commercial driveway on Del Mar Heights Road at Driveway "B" (private driveway) on Exhibit "A" including widening to provide an exclusive eastbound right turn lane satisfactory to the City Engineer. This driveway shall be completed and accepted by the City Engineer prior to the issuance of the first certificate of occupancy for the project.

60. Prior to the issuance of the first building permit, Owner/Permittee shall assure by permit and bond the construction of a signalized intersection on Del Mar Heights Road at Driveway "A" (private driveway) on Exhibit "A" including widening to add two westbound left turn lanes and an exclusive eastbound right turn lane, satisfactory to the City Engineer. This signalized access shall be completed and accepted by the City Engineer prior to the issuance of the first certificate of occupancy for the project.

61. Prior to the issuance of the first building permit, Owner/Permittee shall assure by permit and bond the modification of the traffic signal at El Camino Real/Del Mar Highlands Town Center driveway to provide a fourth approach, satisfactory to the City Engineer.

62. Clustered mail boxes shall be located internal to the site and not in or adjacent to the public right-of-way. Access and/or parking requested by U.S. Postal Service shall be fully accommodated on-site (in addition to the minimum required parking).

63. Mitigation Measure 5.2-1: Prior to issuance of the first building permit for an office building, the project applicant shall assure by permit and bond reconfiguration of the median on the Del Mar Heights Road bridge to extend the EB to NB dual left-turn pocket to 400 feet to the

satisfaction of the City Engineer and Caltrans. Prior to issuance of the first certificate of occupancy for an office building, the median reconfiguration shall be completed and accepted by the City Engineer or Caltrans.

64. Mitigation Measure 5.2-1.1: Prior to issuance of the first building permit, the project applicant shall contribute to Caltrans \$1,192,500 toward the provision of a third eastbound through lane on the Del Mar Heights Road bridge to the satisfaction of the City Engineer. The project applicant has voluntarily agreed to pay Caltrans an additional \$307,500 at that time, an amount in excess of its fair share contribution, for a total payment of \$1,500,000. The amount paid in excess of the applicant's fair share contribution is included as a project feature.

65. Mitigation Measure 5.2-2: (a) Prior to issuance of the first building permit, the project applicant shall assure by permit and bond the widening of the segment of Del Mar Heights Road within City jurisdiction to extend the WB right-turn pocket at the Del Mar Heights Road/I-5 NB on-ramps by 470 feet east of the existing limit line (at intersection) to the satisfaction of the City Engineer. Prior to issuance of the first certificate of occupancy, the widening and lengthening shall be completed and accepted by the City Engineer. (b) Prior to issuance of the first building permit for an office building, the project applicant shall assure by permit and bond the widening of the segment of Del Mar Heights Road to include a second WB to NB right turn lane at the Del Mar Heights Road/I-5 NB on-ramp within Caltrans' jurisdiction to the satisfaction of Caltrans and the City Engineer. Prior to issuance of the first certificate of occupancy for an office building, the widening shall be completed and accepted by Caltrans and the City Engineer. Upon completion of this mitigation measure, one right-turn lane shall extend to the west side of the AT&T building and one right-turn lane shall extend to the east side of the AT&T building.

66. Mitigation Measure 5.2-3: Prior to issuance of the first building permit, the project applicant shall make a fair-share contribution (2.5 percent) towards the widening of El Camino Real from Via de la Valle to San Dieguito Road to a four-lane Major to the satisfaction of the City Engineer.

67. Mitigation Measure 5.2-4: Prior to issuance of the first building permit, the project applicant shall make a fair-share contribution (9.7 percent) towards the widening of Via de la Valle from San Andres Drive to El Camino Real (West) to a four-lane Major to the satisfaction of the City Engineer.

68. Mitigation Measure 5.2-5: Prior to issuance of the first building permit, the project applicant shall assure by permit and bond installation of a traffic signal at the Carmel Creek Road/Del Mar Trail intersection, to the satisfaction of the City Engineer. Prior to issuance of the first certificate of occupancy, the traffic signal shall be completed and accepted by the City Engineer.

69. Mitigation Measure 5.2-6: Prior to issuance of the first building permit, the project applicant shall assure by permit and bond to the satisfaction of the City Engineer the restriping and signal modification to provide a third NB left-turn lane at the intersection of Del Mar Heights Road and High Bluff Drive, and lengthen the EB left-turn lane by 90 feet and modify the raised median to accommodate this. Prior to issuance of the first certificate of occupancy, the third NB left-turn lane and EB left-turn lane lengthening shall be completed and accepted by the City Engineer.

70. Mitigation Measure 5.2-7: Prior to issuance of the first building permit, the project applicant shall assure by permit and bond construction of a 200-foot long EB right-turn lane plus appropriate transition at the Del Mar Heights Road/El Camino Real intersection, to the satisfaction of the City Engineer. Prior to issuance of the first certificate of occupancy, the 200-foot long EB right-turn lane shall be completed and accepted by the City Engineer.

71. Mitigation Measure 5.2-8: Prior to issuance of the first building permit for an office building, the project applicant shall make a fair-share contribution (2.7 percent) towards the widening and restriping of the EB approach to provide one left, one shared through/left-turn, one through, and two right-turn lanes at the El Camino Real/SR 56 EB on-ramp intersection to the satisfaction of the City Engineer.

72. Mitigation Measure 5.2-9: Prior to issuance of the first building permit for an office building, the project applicant shall assure by permit and bond construction of the following improvements at the Del Mar Heights Road/I-5 NB ramps to the satisfaction of the City Engineer and Caltrans: (1) widen/re-stripe the I-5 NB off-ramp to include dual left, one shared through/right, and one right-turn lane; (2) widen the segment of Del Mar Heights Road to include a second WB to NB right turn lane at the Del Mar Heights Road/I-5 NB on-ramp within Caltrans' jurisdiction; and (3) reconfigure the median on the Del Mar Heights Road bridge to extend the EB dual left-turn pocket to 400 feet. Prior to issuance of the first certificate of occupancy for an office building, all improvements in this mitigation measure shall be completed and accepted by the City Engineer and Caltrans.

73. Mitigation Measure 5.2-10: Prior to issuance of the first building permit for an office building, the project applicant shall make a fair-share contribution (25.5 percent) towards adding an HOV lane to the I-5 SB loop on-ramp to the satisfaction of the City Engineer.

74. Mitigation Measure 5.2-11: Prior to issuance of the first building permit for an office building, the project applicant shall make a fair-share contribution (31.1 percent) towards widening and restriping to add a HOV lane to the I-5 NB on-ramp to the satisfaction of the City Engineer.

PUBLIC UTILITIES DEPARTMENT REQUIREMENTS:

75. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond the design and construction all public water facilities as required in the accepted water study for this project in a manner satisfactory to the Public Utilities Director and the City Engineer. Water facilities, as shown on the approved Exhibit "A", may require modification based on the accepted water study and final engineering.

76. Prior to the issuance of any building permits, the Owner/Permittee shall assure, by permit and bond, the design and construction of new water and sewer service(s) outside of any driveway or drive aisle and the abandonment of any existing unused water and sewer services within the right-of-way adjacent to the project site, in a manner satisfactory to the Public Utilities Director and the City Engineer.

77. Prior to the issuance of any building permits, the Owner/Permittee shall apply for a

plumbing permit for the installation of appropriate private back flow prevention devices (BFPD), on each water service (domestic, fire and irrigation), in a manner satisfactory to the Public Utilities Director and the City Engineer. BFPD's shall be located above ground on private property, in line with the service and immediately adjacent to the right-of-way.

78. No trees or shrubs exceeding three feet in height at maturity shall be installed within ten feet of any sewer facilities and five feet of any water facilities, unless otherwise approved by the Public Utilities Director.

79. The Owner/Permittee shall design and construct all proposed public water and sewer facilities, in accordance with established criteria in the current edition of the City of San Diego Water and Sewer Facility Design Guidelines and City regulations, standards and practices.

80. The Owner/Permittee is required to incorporate/utilize advanced conservation measures and shall achieve a minimum of 5% waster use reduction for commercial uses and 7.5% for residential uses, satisfactory to the Public Utilities Director.

INFORMATION ONLY:

- The issuance of this discretionary use permit alone does not allow the immediate commencement or continued operation of the proposed use on site. The operation allowed by this discretionary use permit may only begin or recommence after all conditions listed on this permit are fully completed and all required ministerial permits have been issued and received final inspection.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this Permit may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code-section 66020.
- This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the City Council of the City of San Diego on June 27, 2016 and Ordinance No.

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