

Eastern Urban Center

Sectional Planning Area (SPA)

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Introduction
Sectional Planning Area (SPA) Plan
PC Regulations / Design Plan
Public Facility Finance Plan (*not included*)
Affordable Housing Program
Sustainability Element
Parks & Recreation Master Plan

INTRODUCTION

The Eastern Urban Center (EUC) will become the urban heart of the 23,000-acre Otay Ranch Community in Chula Vista, California. The EUC (a place-holder name) is 230-acres in size of which the McMillin Companies own and control 210-acres. The future urban center is approved for more than 3.4 million square feet of commercial space (office & retail), and approximately 3,000 multifamily housing units. Located along the completed SR 125 tollway between Birch Road and Hunte Parkway, it will have both exceptional visibility and accessibility to Otay Ranch's 60,000 residents as well as those of the greater San Diego and border region. To implement the EUC vision, McMillin brings experience, capital, design excellence, and enthusiasm to build and own elements of the EUC. McMillin recognizes that America's great places are true communities and not just collections of "projects." Therefore, McMillin seeks to deliver a vibrant and successful urban center where each individual project component both benefits from and supports the success of the whole.

The Jurisdictional Context: City of Chula Vista

Chula Vista is known throughout the region as one of the most business friendly cities in California. Chula Vista is home to many international, high-tech, and growing companies in a variety of business fields. Home to the US Olympic Training Center, just east of the EUC, Chula Vista is a haven for recreation—ranging from the waterfront on San Diego Bay to the rugged and beautiful canyons and mountains to the east. Chula Vista is considered one of the most financially stable cities in the region, is progressive and well managed.

The Community Context: Otay Ranch

Located in the eastern portion of incorporated Chula Vista, the Otay Ranch Community spans almost 23,000 acres. Development is clustered in a series of "villages" that respect the landscape of hills, canyons, and wildlife corridors. Otay Ranch is a balanced and vibrant community, combining the best of old-style neighborhoods with the latest in new community design. The villages provide a variety of amenities, with well-defined edges such as the Chula Vista Greenbelt, parks and open spaces, the Otay River, and a high level of public services such as fire stations and other community-serving uses.

When completed, the 60,000 residents of Otay Ranch will enjoy all of the many components that characterize a self-sustaining community: a full spectrum of residential choice, a wide range of retail offerings, office and industrial employment concentrations, civic and cultural elements, open space and recreation opportunities, and a major transportation network. The Otay Ranch Community is a proud addition to the City of Chula Vista.

EUC Visioning

McMillin has established an overall vision for the EUC that is embodied in the draft Sectional Planning Area Plan (SPA Plan). This vision describes the EUC as an exceptional place, and offers a blueprint for quality growth and development. It is based on the following concepts:

1. ***EUC is the "heart" of Otay Ranch.*** The EUC will become a regional destination, offering a strong sense of community and identity. Numerous locational advantages support the EUC's role as a major sub-center for the San Diego metropolitan region:
 - a. The pleasant foothills location;
 - b. Freeway (I-805 and SR-125) and transit accessibility;

- c. Economic growth associated with the border region. Additionally, linkages with the planned adjacent lifestyle retail center, consortium university campus, and regional technology park—make the EUC a vital center of activity.
2. *EUC is a new urban environment with a variety of uses and activities.* Seen as an antidote to sprawl, the EUC differentiates itself by incorporating all of the best qualities of urbanity. It will be a vibrant urban core for the region, offering a broad and complementary mixture of land uses within a compact development pattern, and satisfying the demands of a growing demographic in search of an active mixed-use setting.
3. *EUC employs unique and timeless architecture.* The EUC will be exceptional—an authentic sense of place regionally appropriate design. Architecture will be eclectic, yet enduring, reflecting the vitality of the district.
4. *EUC integrates Smart Growth planning principles.* Planning and development professionals have come to recognize the benefits of “smart growth” in combating the ill effects of suburban sprawl. The EUC is a real life exemplar of the tenets of this movement—a sustainable, mixed-use environment; supporting transit and facilitating pedestrian movement while reducing auto-dependency.

Regional Setting & Context

The EUC is centrally located within the South San Diego region, providing convenient access to and from employment, retail and recreation centers in the San Diego and cross-border region. It is ten miles from downtown San Diego, and four miles north of the new Otay Mesa border crossing via the completed SR 125 tollway. The EUC is close to major San Diego County employment centers – 20 minutes away from downtown San Diego, 25 minutes away from Mission Valley, and 40 minutes away from UTC / Sorrento Hills. Additionally, a planned Bus Rapid Transit line will affordably transport EUC residents to and from existing downtown San Diego and mid-County employment centers. The EUC will be a highly desired residential as well as retail location. Retail will benefit significantly from cross-border shoppers in both the general merchandise and higher-end retail categories. The EUC boasts extraordinary context—on the eastside of Chula Vista bordering the eastern edge of the SR 125 freeway between Birch Road and Hunte Parkway. Otay Ranch Town Center, a new 865,000 square foot regional lifestyle center now open, is immediately north of the site. To the south is the future 400-acre University Campus and Research Technology Park. These two high-profile projects will change the face of eastern Chula Vista. By its strategic location at the junction of the new SR 125 toll road and a planned express transit route, the EUC will also function as a transportation hub.

As the urban heart of Otay Ranch, the EUC will contain the highest concentration of retail, employment, residential, civic, recreation, and cultural uses. A future 70-acre community park located less than a mile to the west will be available to serve residents and visitors. Ultimately the EUC will evolve and become a new center enjoyed by all of Chula Vista and beyond. As South San Diego County’s premier residential and employment center, the EUC will be a leading economic development driver for the region.

When site development activities commence, the site will be bordered on two sides by major city arterials and on a third side by the completed SR 125. The site will also be served by two freeway interchanges providing excellent accessibility. The EUC will increasingly represent a major source of new housing in the South County market area. The project is anticipated to develop from 2008 to 2016, when most of the currently active projects in the Otay Ranch will already be completed.

The EUC Program Summary

To create the “heart of Otay Ranch,” the EUC is comprised of a variety of districts combining a mixture of land use, including the office employment district, a series of residential neighborhoods, a retail “main street,” and a civic core and mixed-use commercial district. Nonetheless, these districts are merely descriptive of a dominant land use, and the plan maintains a degree of flexibility in the distribution of these land uses. Collectively, this urban core will serve the region’s commercial, financial, residential, professional, entertainment and cultural needs, spanning approximately 80 city blocks, and encompassing:

- 30 acres of office – the corporate business center of South County.
- Up to 2,983 urban format multifamily dwellings.
- Up to 3,487,000 SF of retail and commercial uses.
- Recreational amenities, including parks, plazas, town square, paseos, and trails.
- Civic and cultural facilities.
- Integrated bus rapid transit and pedestrian circulation system.

The EUC Districts

Residential Districts: The EUC accommodates up to 2,983 dwelling units in a variety of urban residential products. While the greatest residential densities will surround the Main Street, the EUC also incorporates a series of residential neighborhoods organized around neighborhood parks. Residents within these neighborhoods will have access to a full array of services, such as a supermarket, drugstore, neighborhood shops and restaurants, and active recreation areas within walking distance.

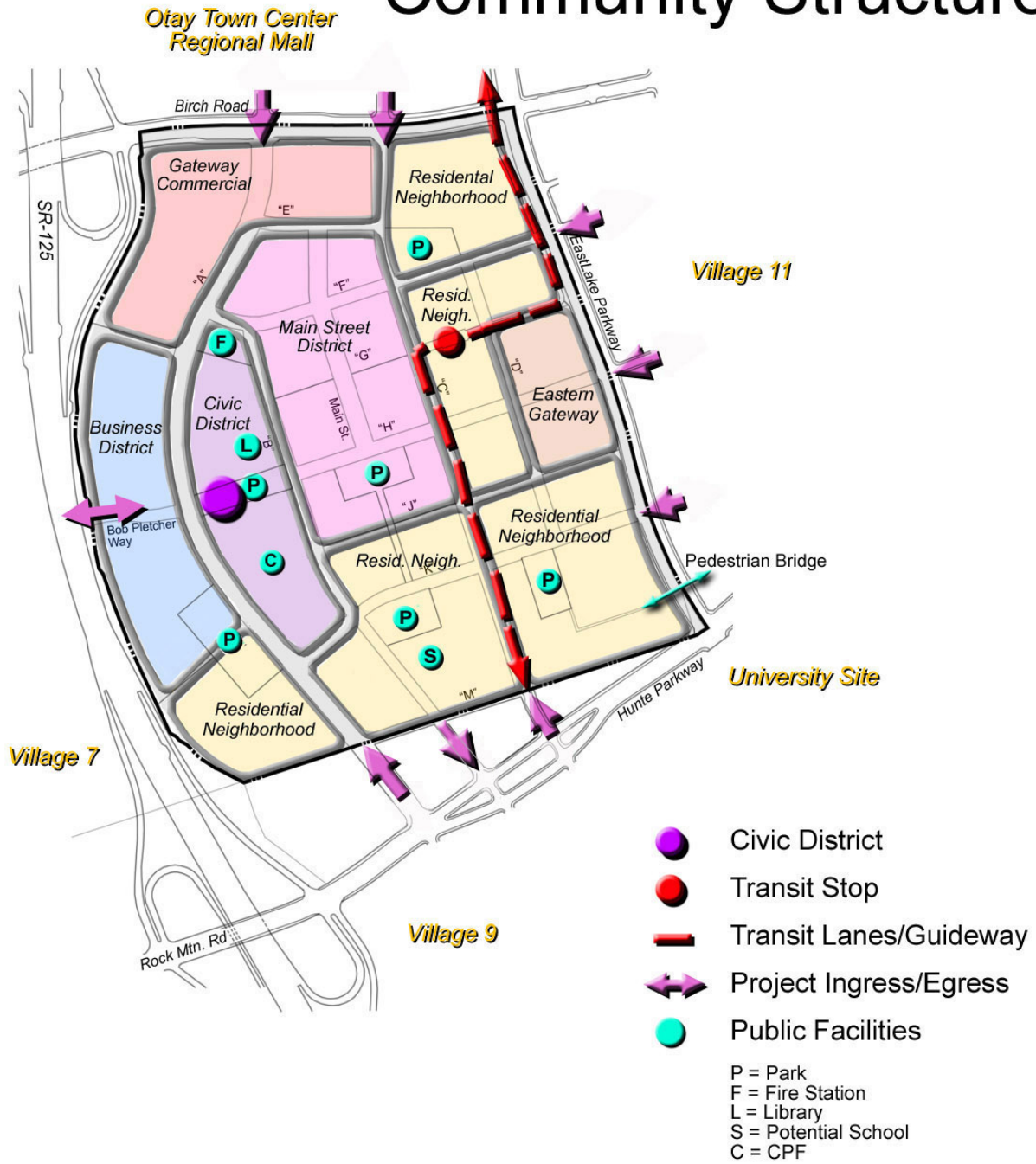
Office District: This district will provide a major office campus with the South County region, including up to 2 million SF of office product. Occupants will benefit from proximity and visibility to SR-125. The office district is perceived as a tremendous complement to other uses in the district, bringing expanded employment opportunities to the community, energizing the Main Street, introducing a significant daytime population, providing riders for area transit.

Main Street District: This district will be the most active and urban component of the project, a mixed-use, pedestrian environment that combines office and residential uses over ground floor retail. Entertainment is an important component of Main Street, including retail shops, restaurants, bars and cafes, generating activity day and night. Public spaces accommodating community events, street fairs, and farmer’s markets will further make this the “place to be.”

Civic / Mixed-Use Commercial Core: EUC’s role as community core is solidified by the presence of the Civic Core. This district functions as the symbolic and ceremonial focus of community government and culture. Cultural activities such as a public library, museum and/or a concert hall will attract broad community interest, augment the public life of Chula Vista, and enliven the EUC.

Gateway Mixed-Use Districts: These districts will serve as the portals that serve as a transition “pull” from surrounding areas into the core of the EUC, including landmark buildings announcing that the EUC is a special place. While both national and regional tenants will be prominent, these districts will emphasize vertical and horizontal mixed-use.

Community Structure



The SPA Plan

The EUC has the first tier entitlement through the Otay Ranch General Development Plan (GDP). Otay Ranch was originally approved in 1993 and most recently updated in December 2005. Final project approval requires the approval by the City of a Sectional Planning Area Plan (SPA). The draft SPA plan was submitted to the City in April 2006 and the current project schedule forecasts City approval of the SPA plan and Tentative Map in summer 2009.

The SPA plan proposes a very flexible regulatory framework that provides for a variety of possible land use scenarios in each district and is intended to allow the project to respond to market cycles and Place Making opportunities without the need for amending the GDP. An environmental impact report (EIR) is being prepared that is intended to alleviate any need for further environmental analysis.

EUC Urban Design Goals

The Eastern Urban Center will be an extraordinary opportunity. The 210-acre Greenfield site is located at the center point of one of the premier master planned communities in the western United States with exceptional transportation infrastructure and surrounding land uses such as the lifestyle retail center, university campus and regional technology park that will anchor and provide synergy with the EUC. A flexible regulatory approach to land planning will allow for maximum creativity in mixing land uses to achieve the City's overall goals for the project and the specific development goals for each district.

The Eastern Urban Center will be the catalyst for high-quality urban housing, retail, and employment in south San Diego County. Thus, McMillin's expectations, as well as those of the City and public, for quality design and Place Making, smart-growth and sustainable development are high. These high standards are embodied in the Otay Ranch GDP and in McMillin's vision for the project. Key design expectations from the Otay Ranch GDP include:

- Buildings will be oriented to create a continuous façade along primary pedestrian ways and spaces. Primary pedestrian ways and areas will be designed to provide a continuous pedestrian experience.
- An urban street scene will be emphasized by locating buildings at the sidewalk edge, except where creating pedestrian-oriented open spaces such as patios, plazas, malls, and squares.
- Buildings fronting on primary pedestrian spaces will contain uses that support pedestrian activities such as dining, retail and entertainment, galleries and cultural experiences.
- Individual buildings or building clusters will incorporate artwork that can be viewed and experienced from adjacent public spaces.
- To create vitality and excitement, activities will flow out from buildings onto public spaces with sidewalk cafes, street vendors, sidewalk entertainers, and other inviting pedestrian activities.
- Buildings will incorporate design features that complement a comfortable pedestrian scale, such as horizontal components, overhangs, façade details, display areas, and pedestrian seating.
- Buildings will exhibit an urban character through the use of appropriate materials, textures, and scale.
- The scale of landmark buildings will be of prominent architecture quality, generally mid-rise up to a maximum of 15 stories.

- Buildings will display a high quality of architectural design and materials.
- Streetscapes will exhibit high quality design and amenities such as enhanced street paving, bollards and street furnishings to establish a distinctive overall identity.
- View corridors will be established that focus on scenic vistas and connect key visual landmarks.
- Major activities nodes such as transit stations, civic buildings and urban parks shall be prominently featured throughout the EUC.
- Varying, but complementary, land uses will be integrated to provide a mixed- use environment. Strong pedestrian connections will be created between uses and between adjacent areas such as the University Study Area to the south and the regional lifestyle retail center to the north.
- Mixed land uses are encouraged, particularly where buildings front an urban plaza or park.
- A variety of uses, including residential, will be incorporated within a single structure where feasible.
- The vehicular circulation system will minimize conflicts with the pedestrian system.
- Along main thoroughfares and primary pedestrian ways, off-street parking shall be provided primarily behind buildings or within parking structures. Exceptions that allow parking on an interim basis adjacent to such thoroughfares and pedestrian ways (to accommodate build-out of development) may be permitted when the interim-phase status of the parking can be justified. For all other streets, off-street parking situated along and adjacent to the other street frontage shall be minimized in order to maintain a pedestrian orientation and preserve the urban character of the EUC.

THE CHALLENGES

Designing, building, and operating a complex, mixed-use, multi-phase, and successful urban *place* is fraught with challenges. Place Making, a term coined by the Urban Land Institute, is expressed, in simplest term as:

“The process of identifying and revitalizing underutilized public and private spaces that results in the fundamental transformation of community.”

Urban Land, January 2000

The Otay Ranch residential community, of which the McMillin Companies have played a vital role, is now being carried over to the creation of the Eastern Urban Center (EUC). The EUC, as previously mentioned, is a placeholder name. It has not as yet received its permanent name, as the identity, brand, character, and other attributes of this urban place are still being defined.

The McMillin Companies recognize the complexity of this undertaking. This is not the first such effort at creating a complex urban place, nor will it be the last. However, the mistakes of the past need not be repeated. Unfortunately, many of these projects do not reach their full potential and anticipated vision. Many projects were subjected to overachievement in the form of unrealistic expectations, impacted by massive front-end investment and cost of capital, irregular rhythms in the pattern of market support, and changes (or misunderstandings) within the leadership core of the public and private partners. All these

challenges put Place Making efforts at significantly more risk than a single use project. After all, this is building the heart of a not-so-small community.

Public – Private Partnerships

Some of the most difficult challenges lie in the form of how to finance and integrate massive expenditures associated with off-site infrastructure, development charges, utilities, circulation, and amenities. These factors—largely financial and time sensitive in nature—are always present as a potential threat to successful evolution of an urban development.

Most of America’s urban places in recent years are developed through public-private financing. When true partnerships are formed, most successful urban places have been a blend of public and private capital, with a range of approximately \$1 public dollar to each \$4 to \$5 private dollars invested.

The public financing component can take a number of forms including, but not limited to, tax incentives, reinvestment of system development charges and fees, dedicated sales tax proceeds, urban renewal, phased infrastructure implementation and financing, and other tools. If the expectation is an urban center of distinction and greatness desired by all participants, a public-private partnership is not just sought-after, it is essential.

Non-financial incentives are another excellent example of public-private partnerships to help cities meet their goals through private development. Examples the city might offer include accelerating the approvals process by creating an alliance with a mutually agreed-upon and detailed plan, granting height, density, or parking bonuses (or waivers) for establishing a creative mixed-use community, and defining new and more appropriate rules for parks and opens spaces within an urban setting.

In terms of challenges, loading the EUC with expectations without supporting those expectations and high standards through a public-private partnership is virtually certain to produce economic frailty or worse. Without such a partnership, components of the project may have to be sacrificed, and it is usually quality. Yet quality is the very thing that makes an overall project successful, both economically and in terms of human satisfaction. For the people who will live, work, play, stay, and learn in the EUC.

Flexibility

A very large, urban, mixed-use, multiple phase, public-private community building project such as represented by the EUC requires flexibility. The Urban Land Institute, the world’s largest and most respected planning and development educational organization, has long communicated the need for flexibility in Place Making, city building, and complex urban place evolution. Markets change, consumer preferences change, and therefore, products designed to house, employ and serve the needs of the markets (people) must also change. Without such flexibility, obsolescence can be sure to follow right behind shifts in market willingness and acceptance.

Successful Place Making and urban evolution therefore necessitate both policies and codes that anticipate change and modification. One of the most rapidly changing urban products is retail. The retail industry “changes its presentation” about every seven to eight years’ sometimes even more frequently. Community centers shifted to regional centers, shifted to big box centers, shifted to lifestyle centers, shifted to urban infill, shifted to Main Street, etc., etc. The “urban theater” represented by retail is the most visible part of the urban environment because it is people oriented, illuminated, transparent, vivid, attractive, and enticing. Large buildings add character and form; retail creates excitement and human interest and attraction.

Therefore, the development codes, and the principles embodied in those codes, cannot be written in such a way as to strangle the creativity associated with successful urban places. This equates to allowing for flexibility within regulatory standards to meet the changing and evolutionary form of the marketplace and lifestyle trends.

Urban Standards

Urban standards differ dramatically from suburban standards. Real estate (space) is always at a premium. Public open space should be designed to serve people. It can be small and intimate, such as “tot-lots,” pocket parks, or even pedestrian walkways moving between clusters of buildings. Thoughtfully designing the inherent open space between the ever-changing built environment creates both an amenity for the investments along the pedestrian way and a most interesting experience for those that will use it. A park does not have to be thought of in terms of acreage, but more in terms of use and proximity to users and other amenities. A pedestrian way or “tot-lot” may be less than an acre, and come in multiple forms, but when designed to enhance and provide relief and an outdoor use between buildings, becomes a much-used place. Similarly, care must be taken that public plazas are not too large. Large plazas are generally underused. On the other hand, small, intimate, public plazas with landscaping, food service, and other urban amenities become an extension of the home—a place where people can visit, meet with friends, and do so with a sense of security.

Proportion must be respected. More and more cities are designing a different set of standards for urban places than might be expected in more suburban settings where land prices are less expensive, and the level of capital investment in the acquired lands for public open spaces is less intensive.

The EUC has the potential to be great. The McMillin Companies welcome a dialogue leading to a successful public-private partnership.