



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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DATE: July 17, 2024

10

TO: Board of Supervisors

SUBJECT

**OTAY MAJESTIC PROJECT, SPECIFIC PLAN AMENDMENT, VESTING
TENTATIVE MAP, SITE PLAN, AND ENVIRONMENTAL DOCUMENT
(ADDENDUM) (DISTRICT: 1)**

OVERVIEW

The Otay Majestic project (Project) is a request to develop a 253-acre property in the Otay Subregional Plan area to allow for industrial development. The Project will replace a previously approved residential development known as “Otay 250” and replace with light industrial warehouse uses and amend the East Otay Mesa Business Park Specific Plan (Specific Plan) and environmental findings prepared in accordance with the California Environmental Quality Act (CEQA).

Today’s requested action is for the Board of Supervisors (Board) to consider amending the East Otay Mesa Business Specific Plan, and to approve the associated implementing actions, such as a Vesting Tentative Map, Site Plan, and environmental document. The Specific Plan Amendment (SPA) will remove the Mixed-Use Designation (residential/employment emphasis) and replace it with Light Industrial land uses and design guidelines. These amendments will also revise certain planned roadways and standards.

The Project will allow the development of up to 2,850,000 square feet of industrial buildings within twelve structures generally used for warehousing, which includes potentially storing goods before they are shipped out to a different location. The Project would result in development on approximately 184 acres of the site and would include approximately 51 acres of permanent open space on the property. No specific tenants have been identified for the proposed warehouse buildings by the Project Applicant at this time.

The Board can: (1) approve the Project, (2) approve the Project with modifications, (3) deny the Project, or (4) send the Project back to staff for additional analysis and/or reconsideration including any additional direction from the Board. If the Board chooses to deny the Project, the Board should direct staff to prepare written findings to deny the Project and return to the Board for consideration.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

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On June 14, 2024, the Planning Commission considered the Otay Majestic project and made the following recommendations to the Board of Supervisors.

1. Adopt the Environmental Findings, which concludes that the previously adopted Environmental Impact Report (EIR) is adequate with an Addendum. PDS2022-ER-98-19-013I (Attachment B, on file with the Clerk of the Board).
2. Adopt the Resolution entitled A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS APPROVING SPECIFIC PLAN AMENDMENT (SPA) PDS2022-SPA-22-001 for the East Otay Mesa Business Specific Plan, for the reasons stated therein and discussed in this report (Attachment C, on file with the Clerk of the Board).
3. Adopt the Resolution entitled RESOLUTION OF THE SAN DIEGO COUNTY CONDITIONALLY APPROVING VESTING TENTATIVE MAP NO. PDS2023-VTM-5651. This Resolution makes the required findings and imposes the requirements and conditions of approval necessary to ensure that the Project is implemented in a manner consistent with State law and County of San Diego regulations and rescinds and replaces Tentative Map 5607RTE (Attachment D, on file with the Clerk of the Board).
4. Approve Site Plan PDS2023-STP-23-007, which imposes the requirements and conditions stated in the Site Plan Form of Decision (Attachment E, on file with the Clerk of the Board).

DEPARTMENT OF PLANNING & DEVELOPMENT SERVICES

Planning & Development Services (PDS) concurs with the recommendations made by the Planning Commission, and makes the following additional recommendations to the Board of Supervisors (Board):

1. Require the applicant to enter into a standard Defense and Indemnification Agreement with the County of San Diego (County) in accordance with County Code Section 86.201 et seq. and authorize the Director of PDS to execute the Agreement. If litigation is filed challenging the Board's action on this project, require Sunroad Otay Partners, L.P. and Otay Majestic Company to provide security in the amount of \$1,000,000, either as an irrevocable letter of credit or bond (whichever is acceptable to County Counsel), within 10 days of litigation being filed (Attachment F, on file with the Clerk of the Board).

EQUITY IMPACT STATEMENT

The Project would provide light industrial uses in the Otay Subregional Plan near other developed industrial land uses along major road corridors that will connect to the international border and enhance leasing opportunities with a diversity of choices for small to large industrial users.

SUSTAINABILITY IMPACT STATEMENT

This Project would provide warehouse and light industrial uses within a campus style site design that includes using one hundred percent electric energy for all Project operations (no natural gas lines will be installed on-site), installation of electric vehicle (EV) charging stations for each

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building, installing solar panels on each building, use of high efficiency light-emitting diode (LED) lighting throughout the Project and installing low flow indoor water fixtures in each building.

FISCAL IMPACT

There is no fiscal impact associated with today's recommendations. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Project site is located within the Otay Subregional Plan Area, which is not represented by a Community Planning or Sponsor Group.

INVOLVED PARTIES

Lisa Gordon (Sunroad Enterprise)

Tom Simmon (Otay Majestic Realty)

See Ownership Disclosure in Attachment H

PLANNING COMMISSION VOTE

On June 14, 2024, the Planning Commission voted 5-0-2-0-0 (Ayes: Ashman, Edwards, Calvo, Hitzke, Pallinger; Noes: 0; Absent: 2; Abstain: 0; Recused: 0) to recommend approval of the Project with no added conditions or revisions. See Attachment I, Planning Commission Report and Action Sheet, for the Planning Commission vote and recommendation.

BACKGROUND

Today's request is for the Board of Supervisors (Board) to consider a Specific Plan Amendment (SPA), Vesting Tentative Map No. 5651 (VTM), Site Plan, and related environmental documents for the proposed Otay Majestic Project (Project). The Project is located within the East Otay Mesa Specific Plan (EOMSP) area, which is in southwestern corner of the unincorporated area near the international border and has been planned for primarily industrial uses. The Project site received a separate prior approval for a residential development project called "Otay 250" in 2018 that allowed up to 3,158 homes to be built on the site, but that residential project has not moved forward to construction. The "Otay 250" project was approved by the Board on July 25, 2018 (1) and included a General Plan Amendment (GPA).

Project Description

The Project is located on approximately 253 acres. The project applicants are requesting the construction of up to 2,850,000 square feet of industrial warehouse buildings and roads spread out over five phases. The Project would include approximately 51 acres of permanently conserved biological open space at the northeastern corner of the site northeast of Lone Star Road, and a combination of permanently conserved open space and manufactured slopes on 13 acres southwest of the intersection of Lone Star Road and Zinser Road. Compared to the prior 2018 entitlement, open space on the site would increase by approximately 8 acres. The Project's internal street pattern would match the existing grid pattern of the surrounding area within East Otay Mesa.

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The Project will include sustainability features throughout the development. The Project will plant approximately 2,850 trees and other types of vegetation including accent shrubs, grasses, and groundcovers throughout the Project site to provide visual screening. Landscaping is also provided between the light industrial lots to provide passive patio areas for employees and visitors adjacent to each structure. The Project also includes six vegetated basins, located along the southern edges (Otay Mesa Road) and northerly property line fronting Zinser Road to treat stormwater runoff.

Specific Plan Amendment (SPA)

The Project proposes a SPA to amend the EOMSP to establish the policies and standards for implementing the plan, including land use regulations and development standards. These amendments would remove the allowance for mixed-use residential development and replace them with light industrial uses. In addition, the SPA will address certain road design changes and identify State Route 11, State Route 125, and the new Port of Entry.

Vesting Tentative Map

The Vesting Tentative Map request is to subdivide the approximately 253-acre site into 12 light industrial lots and related roads, parking areas, and drainage basins. The remaining lots will be used for preserving vernal pools, establishing buffers, and the permanently conserved biological open space. The Vesting Tentative Map also includes a preliminary grading and utility plan, which specifies approximate grading quantities and drainage facilities to serve the entire project. The development lots will vary in size and building construction, as tenants pursue leasing options for the individual buildings. Each building may have one tenant or more depending on operational characteristics and availability of space.

Site Plan

The Site Plan (STP) request it to construct the project into five phases as noted below:

- Phase 1 – consists of approximately 721,000 square feet within four buildings on 9.5 acres with 736 parking spaces and 206 truck spaces.
- Phase 2 – consists of approximately 535,000 square feet within three buildings on 15 acres with 538 parking spaces and 149 truck spaces.
- Phase 3 - consists of approximately 291,000 square feet within one building on 15 acres with 295 parking spaces and 78 truck spaces.
- Phase 4- consists of approximately 534,000 square feet within two buildings on 20 acres with 535 parking spaces and 130 truck spaces.
- Phase 5- consists of approximately 322,000 square feet within two buildings on 12 acres with 323 parking spaces and 269 truck spaces.

Overall, the proposed development will include approximately 161 acres of development that includes buildings, landscaping, employee outdoor areas, parking, and internal circulation, 28 acres of roadways, 51 acres for biological open space, and 13 acres of open space.

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The Applicant has an agreement with numerous union trades, including the Laborer's International Union of North America (LIUNA), Carpenter Unions, Plumbers, Steamfitters, & HVAC, Fire Sprinkler, and Ironworker Unions.

PROJECT ANALYSIS

Planning & Development Services (PDS) reviewed the Project for conformance with all relevant ordinances and guidelines, including the San Diego County General Plan. A summary of the Project's consistency with applicable codes, policies, and ordinances is provided below.

Addendum to Previously Certified EIRs

The Project complies with CEQA through an addendum to three previously certified EIRs and adopted Addenda that have analyzed development of the site. There have been three EIRs certified for the Project site, including one for the East Otay Mesa Specific Plan (EOMSP), a Supplemental EIR (SEIR) for an industrial development, and a SEIR for the Otay 250 project. The Project qualifies for an addendum to the previous EIRs because the Project does not require major revisions of the previous EIRs due to new significant impacts or impacts that are more severe than identified previously. The previous EIRs analyzed development of the site and the Project does not result in any new impacts or increase the severity of previously identified impacts. As a result, an addendum complies with CEQA and the impacts of the Project have been adequately addressed.

Traffic and Vehicle Miles Traveled (VMT)

Senate Bill 743 (SB 743) was passed in 2013, which required that by July 1, 2020, a project's transportation impacts be evaluated based on a Vehicle Miles Traveled (VMT) measure, instead of evaluating impacts based on Level of Service (LOS) criteria. However, for projects that are relying on a previously approved project specific environmental analysis, VMT would not apply if a project is not increasing traffic beyond what was previously analyzed. As a result, the Project is not required to analyze VMT because the previous EIRs analyzed traffic impacts using LOS and the Project is not increasing traffic beyond what was previously studied.

A Traffic Analysis was prepared for the Project to determine whether the Project would have new, or substantially more severe transportation impacts as compared to the previously approved projects by comparing the average daily trips (ADT) from the Project to previously approved projects on the site. The Project would generate 6,569 ADT. In comparison, the previously approved project analyzed in the 2000 SEIR for light industrial and commercial uses would generate 26,780 ADT. In comparison, the Project would reduce trips by 20,211 ADT (33%). Similarly, the previously approved project analyzed in the 2018 SEIR for mixed uses would generate 34,124 ADT. In comparison, the Project would reduce trips by 27,555 ADT. Therefore, the Project would have a less than significant impact on Transportation.

Greenhouse Gas (GHG) Emissions

A greenhouse gas analysis was prepared for the proposed Project and analyzed potential impacts associated with the project while considering the previous environmental analysis for the 2000 SEIR, 2003 and 2013 Addenda, and 2018 SEIR. Vehicle emissions are a substantial source of emissions associated with projects and the proposed Project implements sustainability measures to reduce emissions associated with mobile sources. The Project includes several features and other

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sustainability measures that would result in the reduction of GHG emissions, such as over 400 electric vehicle (EV) charging stations, no natural gas, over 3,000 trees being planted, and operational measures to reduce idling trucks.

Coupled with the proposed Project's fewer average daily trips as compared to the previously approved project evaluated by the 2018 SEIR. The Project's level of GHG emissions would be reduced in comparison to the previously approved projects evaluated by the 2000 SEIR, 2003 and 2012 EIR Addenda, and the 2018 SEIR.

Biology/Multiple Species Conservation Program (MSCP)

As compared to the previously approved project, the Project would result in fewer or similar impacts to biological resources. The limits of disturbance for the Project would impact less on-site biological resources than under the previously approved project. Specifically, the Project would avoid direct impacts to aquatic resources that include wetlands.

Project impacts to non-native grassland in the area adjacent to these disturbed wetlands would also be reduced. Furthermore, the Project would not adversely affect wildlife corridors, which is the same conclusion found in the 2018 SEIR for the previously approved project. In summary, the Project would result in fewer impacts to biological resources compared to those identified in the 2018 SEIR and no additional mitigation would be required. Therefore, the Project would result in fewer impacts to sensitive plant and wildlife species as compared to the impacts disclosed for the previously approved project.

Regional Housing Needs Allocation (RHNA)

State Housing Law mandates that the Regional Housing Needs Allocation (RHNA) be incorporated as an integral component of the Housing Element periodic update. The State's RHNA quantifies a jurisdiction's capacity to meet existing and future housing needs. The County is required to demonstrate to the State that it has the capacity to accommodate its RHNA allocation for all income categories. The unincorporated area's RHNA allocation for the 2021 - 2029 planning period is 6,700 new dwelling units spread across very-low, low, moderate, and above-moderate income categories. Of these 6,700 units, 2,826 of these units are required to be built within the lower income categories (very-low and low).

Since the 2021 Housing Element Update, 993 of the 2,826 lower-income units have been built, leaving 1,833 units required by RHNA that have not been built for this planning period. The State no-net-loss requirement mandates that the County maintain a Site Inventory that can accommodate the required lower-income RHNA units that have not been built at all times. Currently, the County's Site Inventory shows capacity for 2,896 units, exceeding the 1,833 remaining unbuilt lower-income units required by RHNA by 1,063 units.

The approved Otay 250 residential (2018) project represents 663 residential units of the County's current Site Inventory capacity. As long as the remaining capacity in the Site Inventory (2,896 units) is equal to or more than the remaining RHNA allocation (1,833 units), the County's Housing Element will continue to comply with State law. The removal of the 663 units represented by the Project site from the Site Inventory would decrease the County's current lower-income unit buffer

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from 1,063 to 400 (14% buffer). As a result, removing the housing units from the Project site would not conflict with the RHNA or require additional housing units to be assigned to another site.

ENVIRONMENTAL STATEMENT

The Project has been reviewed for compliance with the California Environmental Quality Act (CEQA). An Environmental Impact Report (EIR) Addendum dated January 18, 2024, relies on the analysis from the 1994 EIR, 2000 SEIR, 2003, 2012 EIR Addenda, and 2018 SEIR. These are on file with Planning & Development Services. It has been determined that the Project, as designed, will not cause any significant impacts to the environment which require mitigation measures that were not previously analyzed in the previously certified EIR's and Addendums. There are no substantial changes to the Project, changes in circumstances, or new information that would result in new significant environmental effects or a substantial increase in the severity of previously identified significant effect from what was analyzed in the certified EIR's or Addendums. The Initial Study Checklist and Addendum can be found in Attachment B.

PUBLIC INPUT

A notice was sent to 36 property owners within 1,725 feet of the Project site when the Project application was submitted on June 1, 2023. A notice of the public review period for the Specific Plan Amendment was sent to 36 property owners, 4 tribal entities, 16 agencies, and 3 interested parties. The Specific Plan Amendment was circulated to the public for 45 days from January 18, 2024, to March 4, 2024. Due to noticing issues, the County initiated an additional 45-day public review period from March 7, 2024, to April 22, 2024. One comment letter was received during the public reviewing period. The comment letter was received from Sierra Club, which raised general concerns regarding tiering from the previously adopted environmental documents, VMT analysis, air quality, greenhouse gas emissions, sensitive species, project description, and cumulative impacts. Staff has prepared responses to the concerns raised in the comment letter, specifically that the Project's impacts will be less than the previously approved project and is able to rely on an Addendum to the previous EIRs. The comment letter and corresponding responses are included within the Public Documentation (Attachment G).

Prior to the Planning Commission hearing on June 14, 2024, notice was sent to 36 property owners located within 1,725 feet of the Project site, including 4 tribal entities, 16 agencies and 3 interested parties, consistent with County Code, Board Policy I-49, and State law. No public comments were received prior to or at the public hearing.

DEPARTMENT REASONS FOR RECOMMENDATION

The Project will provide new light industrial opportunities in an area suitable for this use while preserving a large area of natural habitat, vernal pools, and open space. The Project contributes to the continued need for a variety light industrial use in the Otay Subregional Area and is consistent with the General Plan, which supports light industrial uses in appropriate areas.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Strategic Initiatives of Equity, Empower, and Community in the County of San Diego's 2024-2029 Strategic Plan by ensuring that San Diego is a vibrant region with planning, development, infrastructure, and services that strengthen the local economy.

Respectfully submitted,



AMY HARBERT
Interim Deputy Chief Administrative Officer

ATTACHMENT(S)

Attachment A	Planning Documents
Attachment B	Environmental Findings and Documentation
Attachment C	RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS ADOPTING SPECIFIC PLAN AMENDMENT (SPA) PDS2022-SPA-22-001
Attachment D	RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS CONDITIONALLY APPROVING VESTING TENTATIVE MAP NO. PDS2023-VTM-5651
Attachment E	Form of Decision Site Plan PDS2023-STP-23-007
Attachment F	Defense and Indemnification Agreement
Attachment G	Public Documentation
Attachment H	Ownership Disclosure
Attachment I	Planning Commission Report and Action Sheet