



Legislation Text

File #: 2021-0038, **Version:** 1

DATE: June 15, 2021

SUBJECT:

INFORMATIONAL PRESENTATION ON THE RESEARCH AND DEVELOPMENT DISTRICT (RaDD) PROJECT ON THE NAVY BROADWAY COMPLEX SITE, ADJACENT TO DISTRICT TIDELANDS, IN THE CITY OF SAN DIEGO

EXECUTIVE SUMMARY:

Representatives of IQHQ-RaDD I, LLC ("IQHQ") will present information to the Board of Port Commissioners ("Board") on the Research and Development District ("RaDD") Project, located adjacent to District Tideland (Attachment A: Site Map) (a portion of the former Manchester Pacific Gateway ("MPG") project site). The RaDD Project is a mixed-use development including offices, research and development labs, restaurants, retail, and other uses as further explained in the presentation and described in the Discussion section below.

RECOMMENDATION:

Receive an informational presentation from IQHQ on the Research and Development District (RaDD) Project on the Navy Broadway Complex site, adjacent to District Tideland, in the City of San Diego.

FISCAL IMPACT:

This presentation has no fiscal impact.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal.

- A Port with a comprehensive vision for Port land and water uses integrated to regional plans.

DISCUSSION:

IQHQ, a life science real estate investment trust, is developing a world-class urban life sciences district, the RaDD, at the 16-acre Navy Broadway Complex site generally bounded by North Harbor Drive, Pacific Highway, and Broadway. The RaDD will consist of up to approximately 1.35 million square feet of life sciences and commercial office space, research and development space, and labs, as well as ground-floor retail, restaurant, and other public-oriented commercial uses and attractions, primarily oriented toward San Diego Bay. In addition, subject to City of San Diego approval, the

RaDD will also consist of a public open space located at the corner of North Harbor Drive and Broadway. Parking for the RaDD will be entirely subterranean and will be available for public use, subject to availability.

Excavation of the Blocks 2, 3A, and 4 of the IQHQ parcels are currently in progress. Demolition of the former Navy building located on Block 1A is also underway and is expected to be complete by the fourth quarter of 2021. IQHQ is constructing the RaDD in two phases. The first phase, which consists of all proposed development on Blocks 1A, 2B, 3 and 4 inclusive of the subterranean garage and open space, will occur in the first phase and is expected to be complete in the third quarter of 2023. Phase 2, which includes development of Block 2B, could be completed as early as the fourth quarter of 2023.

TUOP Background

IQHQ acquired rights to develop six of the eight blocks included in the Navy Broadway Complex site from MPG as of February 2021. In connection with the acquisition, District staff administratively approved an Assignment and Assumption of a short term (five years or less) Tidelands Use and Occupancy Permit between the District and the previous Licensee, MPG, to IQHQ ("TUOP") for property rights to the area surrounding the RaDD project site.

The TUOP contemplates access and usage of District Tidelands for certain activities to implement the RaDD project, including construction of 1) a temporary construction fence, 2) temporary covered pedestrian walkway, 3) temporary shoring wall and tie backs, and 4) various permanent utility improvements, as well as the cut and cap of existing saltwater tunnels and reactivation of the vehicle access gate needs to occur within the District's jurisdiction on Tidelands.

In addition to granting both access and usage rights, the TUOP also obligates the Licensee to pay one hundred (100%) percent of the costs for the realignment and redevelopment of North Harbor Drive from West Broadway to Pacific Highway from the project property line to the existing curb line on the west side of North Harbor Drive, including, without limitation, resurfacing, striping, sidewalks, curbs and gutters, lighting, hardscape, landscaping, and all costs associated with demolition, design, and permitting of the above-mentioned improvements ("TUOP Obligations"). Construction of the RaDD and the TUOP Obligations are not anticipated to be complete prior to the end of the TUOP expiration of March 27, 2022. Any extension of the TUOP would require further Board approval.

In the future, District consideration, approval, and potential property rights agreements, not to exceed sixty-six (66) years, would also be required for the following activities: long-term placement and operation of utilities, landscaping fixtures and stormwater Best Management Practice infrastructure, and commercial activity areas located on District Tidelands. Any such agreement would come back to the Board for consideration at a later date.

General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda sheet and attachment as presented to it and approves the same as a form and legality.

Environmental Review:

This item consists of an informational presentation regarding the RaDD project. This presentation to the Board does not constitute an “approval” or a “project” under the definitions set forth in California Environmental Quality Act (CEQA) Guidelines Sections 15352 and 15378 because no direct or indirect changes to the physical environment would occur. CEQA requires that the District adequately assess the environmental impacts of projects and reasonably foreseeable activities that may result from projects prior to the approval of the same. Any project developed as a result of the presentation that requires the District or the Board’s discretionary approval resulting in a physical change to the environment will be analyzed in accordance with CEQA prior to such approval. CEQA review may result in the District, in its sole and absolute discretion, requiring implementation of mitigation measures, adopting an alternative, including without limitation, a “no project alternative” or adopting a Statement of Overriding Consideration, if required. The presentation in no way limits the exercise of this discretion. Therefore, no further CEQA review is required.

The presentation complies with Section 35 of the Port Act, which allows the Board to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the presentation is consistent with the Public Trust Doctrine.

The presentation does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit (CDP) Regulations because it will not result in, without limitation, a physical change, change in use or increase the intensity of uses. Therefore, issuance of a Coastal Development Permit or exclusion is not required. However, development within the District requires processing under the District’s CDP Regulations. Future development, as defined in Section 30106 of the Coastal Act, will remain subject to its own independent review pursuant to the District’s certified CDP Regulations, PMP, and Chapters 3 and 8 of the Coastal Act. The presentation in no way limits the exercise of the District’s discretion under the District’s CDP Regulations. Therefore, issuance of a CDP or exclusion is not required at this time.

Diversity, Equity, and Inclusion Program:

Not applicable.

PREPARED BY:

Taylor Stack
Asset Manager, Real Estate

Attachment(s):
Attachment A: Site Map