

# STAFF REPORT



ITEM NO. 12  
CITY OF OCEANSIDE

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DATE: August 9, 2006

TO: Honorable Mayor and Members of the City Council

FROM: Community Development Department/Planning Division

SUBJECT: **CONSIDERATION OF A GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE DESIGNATION ON A 28.2-ACRE SITE LOCATED IN THE RANCHO DEL ORO MASTER PLAN AREA, WEST OF COLLEGE BOULEVARD AND NORTH OF OLD GROVE ROAD**

## **SYNOPSIS**

Staff and the Planning Commission recommend denial of the General Plan Amendment to change the land use designation from office/professional to residential on a 28.2-acre site located in the Rancho Del Oro Master Plan area, west of College Boulevard and north of Old Grove Road. Staff and the Planning Commission recommend that the City Council adopt the resolution denying the General Plan Amendment.

## **BACKGROUND**

The site is located within the Rancho Del Oro Specific Plan area (S-1-84) and is currently subject to the RDO Industrial Master Plan Development Plan criteria. The site is a vacant parcel located directly west of the College Boulevard and Old Grove Road intersection and is zoned Rancho Del Oro Planned Development (PD-1) within the Ivey Ranch/Rancho Del Oro Neighborhood. This General Plan Amendment requests to amend the land use designation of the entire 28.2-acre site from 'office/professional' to 'residential' in order to develop a maximum of 339 future residential units.

The RDO Specific Plan covers approximately 1,950 acres and is a land use plan that allows a variety of uses. The plan establishes the general framework for land use types, circulation, grading, density management and major infrastructure requirements. The plan was created to further balance the community by dividing the area into 'residential' villages and tracts, industrial areas, office-professional sites, and commercial/retail centers.

The RDO Specific Plan provides general land use regulations for the entire specific plan area and was originally adopted by the City Council on October 15, 1985, by Resolution No. 85-240. In order to develop property within the specific plan, individual master plans were developed. These master plans established use provisions and development standards for each of the land uses within the specific plan area. Under the current office/professional land use designation the site is subject to the RDO Industrial Master Development Plan criteria.

The applicant requests to change the land use designation and add a new village referenced as RDO Village XII, with a future marketing name of Terraza at Rancho Del Oro. With exception to a shift in density, no other changes are proposed to the RDO Specific Plan (S-1-84). Should the amendment re-designate the land use to 'residential', however, all future development would refer to the RDO Planned Residential Master Plan for use and development standards.

Staff does not support the proposed change to the land use designation from 'office/professional' to 'residential'. The General Plan Amendment requests to amend the RDO Planned Residential Development Master Plan to accommodate a maximum of 339 residential units on the 28.2-acre site. The project site is situated west of College Boulevard and north of Old Grove Road and has recently been used for agricultural activities.

## **ANALYSIS**

**Growing Need for Employment Centers:** It is important to note that the long-term effect of the recent expansion in the local housing markets will create a need for the City to develop quality employment centers in order to maintain communitywide quality of life standards. More specifically, quality jobs will be needed to help the community address the economic impacts created by the recent surge in housing valuations. Staff feels that the true employment needs of the City have yet to be realized and the continued deterioration of employment-generating land uses to convert to residential projects may result in an unexpected and irreversible loss of sustainable employment opportunities within the City.

In particular, the need to provide higher paying and higher quality jobs within and closer to residentially designated areas should be addressed before the shift in valuable employment-generating lands occur. This is particularly important for Oceanside, where such employment will be necessary to help in preserving and forwarding quality of life standards of the community.

Although the trend has already started in parts of Oceanside where industrial lands have been re-designated to residential lands, it is not too late to limit such encroachments into employment-generating lands, and the opportunity exists to forward a sustainable concept favoring a balanced community.

**Elimination of an Employment Center:** The primary concern of the amendment is that it does not propose to replace a component of the 'office/professional' land use designation either on-site or in another part of the City in order to promote a balanced community. Instead, the amendment under consideration requests to eliminate a significant and sustainable office/professional element of the adopted RDO Specific Plan.

Because of the expansion in the housing market, and in particular the higher valuation for housing, the flight to alter land uses to accommodate housing units for economic benefit is a familiar and common trend. Alternatively, it is reasonable to suggest that such requests to alter land use designations to support 'residential' projects would not occur should short-term economic benefits not be the single-most important factor guiding development, and specifically in the case of the general plan under consideration.

The result of an approval of the General Plan Amendment may result in lost jobs and/or relocation of job opportunities from the City to other nearby and far away communities. By relocating jobs further away from the community, economic prosperity and creation of commerce realized with the creation of jobs will also shift to other communities. Added impacts to the community will undoubtedly result in added traffic congestion as more and more residents look to other communities and travel to other communities using the City's already congested surface streets and freeway interchange connections to travel outside of the City for jobs.

It is staff's opinion that the removal of an integral employment generator will create an imbalance within the community. The conversion of a site to accommodate 339 dwelling units where a potential of upwards of 1.2 million square feet of 'office/professional' floor area exists is counterproductive to the intent of the specific plan, as well as the General Plan. The removal of an employment generator may hinder the prosperity or economic vitality of the City as existing and new residents look to the availability of centrally located job centers to help maintain the quality of life that should be expected and experienced throughout the City.

The job estimate and figures in this report are based on a facility management industry standard referenced in the Draft 2005 San Diego County Airport Land Use Compatibility Plan Policy Document, Appendix-D page D-3, which clarifies 'Methods for Determining Concentrations of People.' Staff used the following assumption in establishing the job-generation potential of 1.2 million square feet of office floor area:

| <u>Use Type</u>           | <u>Square Feet per Employee (anticipated)</u> |
|---------------------------|---|
| Call Centers              | 150-175 square feet/employee                  |
| <b>*Typical Offices</b>   | <b>180-250 square feet/employee</b>           |
| Law, Finance, Real Estate | 300-325 square feet/employee                  |
| R/D, Light Industrial     | 300-500 square feet/employee                  |
| Health Services           | 500 square feet/employee                      |

Removing such a large employment generator can reasonably effect a net loss of approximately 3,700 to 6,700 potential 'office/professional' jobs with approval of the amendment.

Staff believes that the approach requested under the current request for a General Plan Amendment is a short-term and shortsighted solution that promotes immediate short-

term and private economic benefits rather than considers a longer-term sustainable approach in balancing the community needs.

**Land Use Compatibility:** The central location of the 28.2-acre site within the City is a preferred location that will help support the larger community by creating points of interest and employment centers within the City. The amendment requests to remove this sustainable element of the General Plan and specific plan and will remove such valuable employment-generating land uses from the City's central employment hub and may transfer such opportunities to other nearby communities.

The applicant will suggest that the community and more specifically, the adjacent residential neighbors to the north are in support of a residential component on this site. Staff believes that any such impacts to residential neighborhoods will not be significant once a comprehensive and properly designed 'office/professional' campus is proposed on the 28.2-acre property.

It is common for residential neighborhoods to question land use designation when seemingly more intense land use other than 'residential' is proposed adjacent residential development. It is staff's opinion that given the site attributes, the current 'office/professional' land use is the preferred land use at this location and promotes compatibility with 'residential' uses on the north and the industrial park to the south.

Since this site is at a significantly higher elevation than the adjacent residential areas on the north, any visual impact expected from future 'office/professional' development on these areas will be minimal. The 28.2-acre site is approximately 35 to 50 feet higher than the adjacent residential areas making this site extremely suitable for a future 'office/professional' center. In addition, all traffic to the site will occur on public streets away from the residential neighborhood along the north that are designed to accommodate an 'office/professional' campus serving Old Grove Road, Mesa Road, and College Boulevard. The traffic and transportation elements are further discussed later in this report.

Staff acknowledges that the existing 'office/professional' land use, as with any land use, will require that future projects proposed on the 28.2-acre site include sensitive design solutions such as landscape buffers and proper site design to transition the site between the residential areas on the north and the industrial park to the south. However, the existing site topography promotes a better land use compatibility that will allow a future 'office/professional' campus to naturally transition and buffer existing residential areas on the north with the industrial lands on the south.

Should a future residential development be allowed to occur on this site, it is staff's opinion that additional and more comprehensive design elements will introduce additional and more substantial site grading techniques in order to raise and further separate residential building pads from the industrial park that will be located directly to the south across Old Grove Road. Additional and large-scale retaining walls and noise

barriers may also be required in order to accommodate further separation from the surrounding industrially designated areas.

Apart from site attributes, industrially designated areas typically generate alternative work hours, support alternative traffic generation, and generate incompatible activities that typically conflict with 'residential' land uses. This is one of the main reasons why industrial lands are physically separated from residential areas.

Throughout the City and typical of effective land use planning solutions in many communities, the appropriate pattern of development promotes separation between industrially designated lands by either topography and/or with more compatible and less intense land uses such as open space or commercially designated land uses. It is staff's opinion, however, that if the amendment is considered and the re-designation is allowed, that a result will be a greater level of incompatibility between all adjacent land uses. The incompatibility will be shifted to future residential development that will be built on the 28.2-acre site for future residents that will reside directly across the RDO Industrial Park across Old Grove Road.

**Shift in Density:** The RDO Specific Plan allows for the shift in density. Staff's recommendation to deny the current General Plan Amendment is not based on this element of the request. The recommendation stems largely from the anticipated impacts associated with the replacement of a potentially high-quality employment-generating land use with a land use designated exclusively for residential development. A second and just as important element is based on compatibility; staff believes the 'office/professional' land use designation is much more compatible.

The General Plan Amendment under consideration requests to replace nearly 1.2 million square feet of potential 'office/professional' floor area on the 28.2-acre site with a proposed 'residential' land use designation able to accommodate 339 future residential units on-site. The amendment proposes a density transfer of 339 dwelling units with a density range of 10.5 to 12 dwelling units per acre across the entire project site. Under the request, a new RDO Village XII will be added to the RDO Planned Residential Development Master Plan, with an associated density shift to also occur in the specific plan's Residential Density Management Table.

RDO Specific Plan (S-1-84) allows for a shift in density using the unallocated and/or the density transfer option approved as part of the original specific plan. Although the option is allowed, staff is not in support of the current request for the General Plan Amendment. However, if for any reason the Planning Commission and/or the City Council approve the General Plan Amendment, staff requests that the policy determination consider adding an on-site Inclusionary Housing component to address housing affordability on-site rather than allow future developers to pay an in-lieu fee.

Currently, the density of the specific plan is 2,839 allocated units, with 2,001 unallocated units. The amendment requests to re-allocate unused density and to distribute 339

dwelling units from plan areas and villages of the specific plan that have not and/or will not be developed with the expected yield of residential products.

As a result, the request for density transfer will create a new residential density count of 3,178 total units, with an unallocated balance of 1,662 units. The large number of unallocated units can be attributed to the changes in policy and/or site-specific changes that have limited the potential for the density within the specific plan. In particular, the adoption of the El Corazon Master Plan within the RDO Specific Plan and the reduction in the densities within specific tracts and villages have resulted in a lower net density at built-out than what was originally anticipated for the specific plan area.

**Mixed Use Option Not Considered:** During the review of the project, staff identified a mixed-use opportunity in response to the request for the General Plan Amendment. Staff suggested a need to balance and incorporate an 'office/professional' product with a 'residential' element. This scenario seemed appropriate and continues to be an option to be considered as part of a future and different proposal.

A mixed-use concept would continue to support the land use element of 'office/professional' as referenced as 'Professional' on page B-3 of the RDO Specific Plan. The designation was incorporated into the specific plan to support the statement that an 'increase in population will provide a need for additional professional services. These areas should develop with office buildings and related support uses. Specialized design consideration such as traffic, sewer demand, parking and public protection make it imperative that their locations be delineated as a separate category.'

In suggesting a mixed-use option, staff may consider a minimum of 75-percent/25-percent split where 'office/professional' would comprise 75-percent of the site, while 25-percent would be proposed for the remaining 25-percent. Any future mixed-use development would need to consider a creative integration between the 'office/professional' and 'residential' element to develop a quality project within an integrated campus setting. The applicant decided not to pursue a mixed-use option.

**Loss of Industrial versus Office/Professional Land Uses:** The request of this General Plan Amendment cannot be compared to past approvals of amendments shifting industrial lands in favor of a 'residential' component. The recent approval of the General Plan Amendment of the Ocean Ranch Lot 21 (GPA-2-04)/Saint Clouds (T-5-05) is a prime example of industrial land use changes to serve a large residential project. Three reasons why an amendment to change office/industrial land use designations is different than conversion of past industrial land to 'residential' are noted below.

The first is the job loss scenario. Based on the concentration of people assumptions noted above, 'office/professional' land uses tend to generate a much larger employment base than industrial lands. Based on the assumptions listed above, light industrial uses would generate anywhere between 2,400 to 4,000 jobs based on 1.2 million square feet of building floor area, with many of those jobs typically not targeting a higher quality employment base as compared to 'office/professional' use classifications. Since

**Economic Analysis:** Staff did not prepare a complex economic analysis to rebut the request for a General Plan Amendment. Instead, the reference to loss of employment land, land use compatibility, and other discussion items outlined in this report suggest that the request will negatively impact the community.

Staff believes that the request for an amendment does not analyze or support a sustainable long-term solution for the community. An economic study prepared by the applicant analyzes immediate market conditions as a short-term solution rather than identifying the longer-term benefits of the existing 'office/professional' land use.

Although not a perfect comparison, staff provides reference to the 2000 San Diego Association of Governments (SANDAG) jobs-to-housing ratio as an economic indicator for communitywide availability of jobs for households. The indicator has not been updated since 2000 and only provides a snapshot of all available jobs and households, and does not differentiate between the types or the quality of jobs available in the comparisons.

The City was comprised of about 60,000 households in 2000. At the same time, about 40,000 jobs were available. Based on the jobs-to-housing indicator, the ratio of available jobs for each household was well below a one-to-one ratio and accounted for a .66 ratio, where only 66 percent of the households were able to be accommodated with a job within the City. Compared to Imperial Beach, which provided a 40 percent jobs-to-housing ratio, Oceanside currently ranks as the second lowest when comparing to the other 18 cities countywide when considering the availability of employment for each household.

Other North San Diego County communities such as Carlsbad (1.50), Vista (1.13), San Marcos (1.61), Encinitas (1.02), Del Mar (1.50), and Escondido (1.10) all provide for more sustainable jobs-to-housing availability when compared to Oceanside (.66). In fact, all of the other North County jurisdictions provided for more job opportunities for each residential household than Oceanside based on SANDAG's 2000 statistics.

The countywide average of the jobs-to-housing ratio was 1.33, where 1.38 million jobs were available countywide for 1.04 million households. Where these jobs were located and the quality of jobs throughout the county is the most pressing concern for Oceanside residents. Most jobs were located within the City of San Diego, which provided nearly 777,000 jobs in 2000. The quality of jobs is not an indicator that is easily measured.

With the addition of 3,700 to 6,700 office/professional potential jobs with the existing land use designation, the City of Oceanside's jobs-to-housing ratio when compared to SANDAG's 2000 figure could increase from .66 to .73 and .78, respectively when keeping the household figure constant. Regardless of the ratio, this and/or any added job opportunities within the city will pose a significant improvement for the community as

industrial lands typically tend to generate a lower number of employment opportunities than 'office/professional', it is important to preserve 'office/professional' land use designations.

The second is the availability of lands for specific land uses. The City currently comprises a significant amount of industrial lands. Alternatively, there is only a limited amount of available and marketable vacant 'office/professional' lands that exist which can readily be developed. Although a specific figure accounting for the raw acreage designated for 'office/professional' land uses is not immediately available, it is evident that the land use type is very limited throughout the City, and specifically on a large 28.2-acre tract of vacant land.

Third, it is staff's opinion that the land use compatibility for this site is exceptionally well suited to support the 'office/professional' land use designation. The buffer and transition principle separating industrial lands from 'residential' land is straight-forward in that residential adjacent industrial lands is not as compatible due to the types of activities typical within industrial parks.

**Traffic and Circulation:** The central location of the site within the core area of Rancho Del Oro will be able to readily accommodate vehicular trips traveling to any future employment campus on the well-integrated street network serving the site. In particular, the residents that would no longer be required to travel to other communities for employment will be able to reduce their trip times, while at the same time remove vehicles from the congestion created during commute hours to other communities.

The concept of the reverse commute opportunity exists with the location of this site. Those that typically tend to travel out of the City to get to employment centers will be able to use the lighter reverse directional lanes leading internal to the City when traffic congestion is at its peak during heavy commute hours.

In addition, should employees be attracted to the site from other communities, staff believes that the scenario of a reverse commute trip generation is highly likely. This is because most travelers during the morning peak traffic hours tend to exit the City and create traffic impacts on arterials and surface streets during commute hours. The effect of the reverse travel pattern would have commuters traveling within or into the City by way of less congested travel lanes that lead in the opposite direction than the typical traffic directional flow, which occurs during peak commute times.

Lastly, with the implementation of the Sprinter Light Rail System, opportunities exist in this area for bus feeder service to service a future employment center at this location. Currently, North County Transit District (NCTD) fixed-bus Route 325 services this site along College Boulevard between El Camino Real Transit Center and the Town Center North shopping center. Future Sprinter connections to this area are proposed with a newly added Route 333 that will provide fixed-route bus service along Old Grove Road and to new Sprinter service.

it tries to balance sustainable growth opportunities between the creations of housing with available employment opportunities.

**FISCAL IMPACT**

The applicant has paid application fees for the processing of the General Plan Amendment.

**COMMISSION OR COMMITTEE REPORT**

The proposed amendment was discussed at the June 6, 2006, Economic Development Commission (EDC) meeting.

On June 12, 2006, the Planning Commission considered the proposed amendment. After hearing public testimony, the Planning Commission recommended denial of the amendment on a 7-to-0 vote.

**CITY ATTORNEY'S ANALYSIS**

The City Council, under the provisions of Section 65356 of the Government Code, has the ability to amend the General Plan by resolution. The Planning Commission's public hearing on June 12, 2006, and its recommendation of denial were in accord with the provisions of Section 65353 of the Government Code.

After conducting the public hearing, the Council shall affirm, modify, or reject the Planning Commission's recommendation. A modification not previously considered by the Commission shall be referred to the Commission for review and action as appropriate.

**RECOMMENDATION**

Staff and the Planning Commission recommend denial of the General Plan Amendment to change the land use designation from office/professional to residential on a 28.2-acre site located in the Rancho Del Oro Master Plan area, west of College Boulevard and north of Old Grove Road. Staff and the Planning Commission recommend that the City Council adopt the resolution denying the General Plan Amendment as attached.

**PREPARED BY**

  
\_\_\_\_\_  
Jerry Hittleman  
Acting City Planner

JH/vnm

**SUBMITTED BY**

  
\_\_\_\_\_  
Barry E. Martin  
Interim City Manager

**REVIEWED BY:**

Michelle Skaggs Lawrence, Assistant to the City Manager  
Mike Blessing, Deputy City Manager

  
MBS

**ATTACHMENTS:**

1. City Council Resolution
2. Map
3. Planning Commission Resolution No. 2006-P35
4. Planning Commission Staff Report dated June 12, 2006
5. Methods for Determining Concentrations of People, San Diego County Airport Land Use Compatibility Plan Policy Document (August 2005 Draft), Appending D, Page D-2



1 WHEREAS, a Mitigated Negative Declaration was prepared by the Resource Officer of  
2 the City of Oceanside for the General Plan Amendment pursuant to the California  
3 Environmental Quality Act of 1970 and the State Guidelines; and

4 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

5 1. General Plan Amendment (GPA-7-05) is hereby denied.

6 2. Notice is hereby given that the time within which judicial review must be sought  
7 on this decision is governed Govt.C. Section 65009.

8 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,  
9 this 9<sup>th</sup> day of August, 2006, by the following vote:

10 AYES:

11 NAYS:

12 ABSENT:

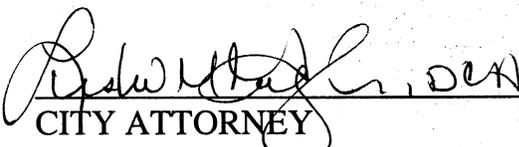
13 ABSTAIN:

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15 MAYOR OF THE CITY OF OCEANSIDE

16  
17 ATTEST:

APPROVED AS TO FORM:

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20 CITY CLERK

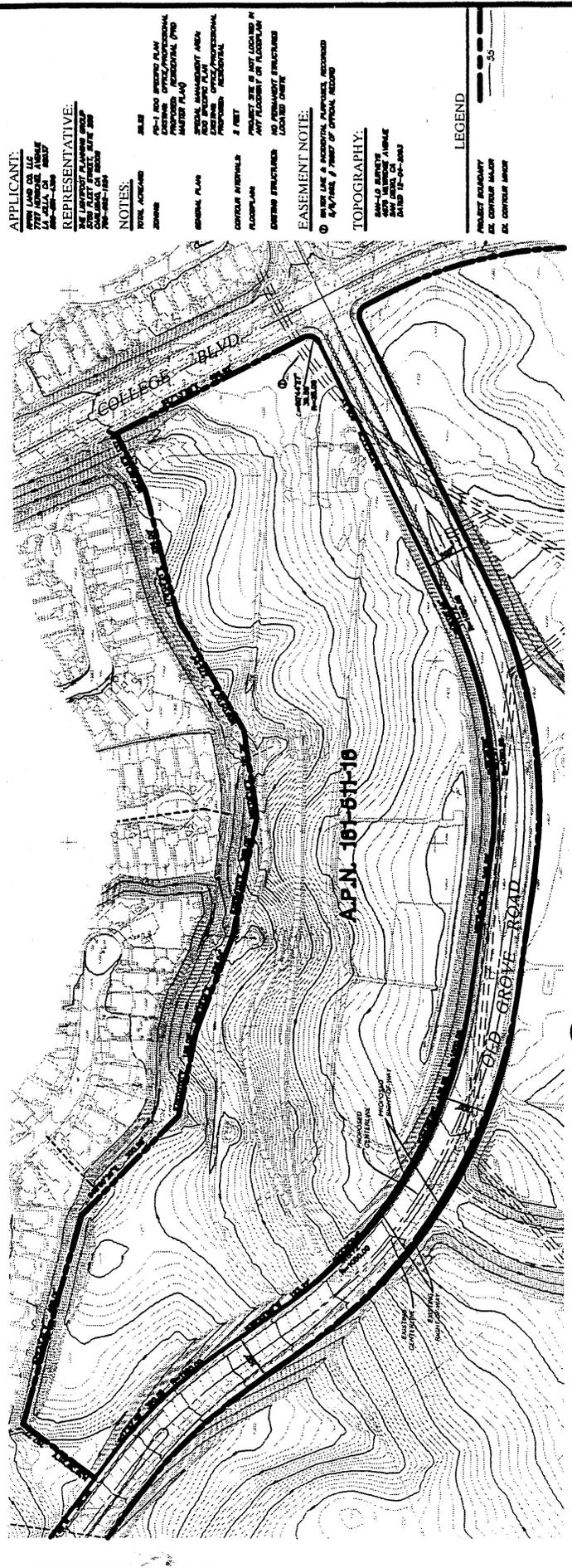
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24 CITY ATTORNEY

RECEIVED

FEB 13 2006

Planning Department

# GENERAL PLAN AMENDMENT & ZONE CHANGE EXHIBIT RDO VILLAGE 12 CITY OF OCEANSIDE



**APPLICANT:**  
BIA INC  
1775 AVENUE 100  
SUITE 100  
LA JOLLA, CA 92037

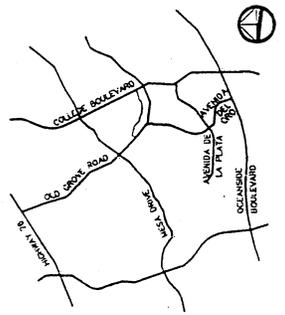
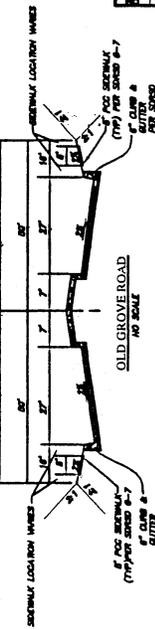
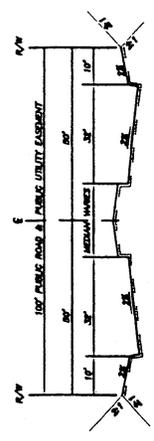
**REPRESENTATIVE:**  
BIA INC  
1775 AVENUE 100  
SUITE 100  
LA JOLLA, CA 92037

**NOTES:**  
1. ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE NOTED.  
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.  
3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.

**LEGEND:**  
PROJECT BOUNDARY  
EXISTING UTILITY EASEMENT  
NEW UTILITY EASEMENT

**EASEMENT NOTE:**  
1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.  
2. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.

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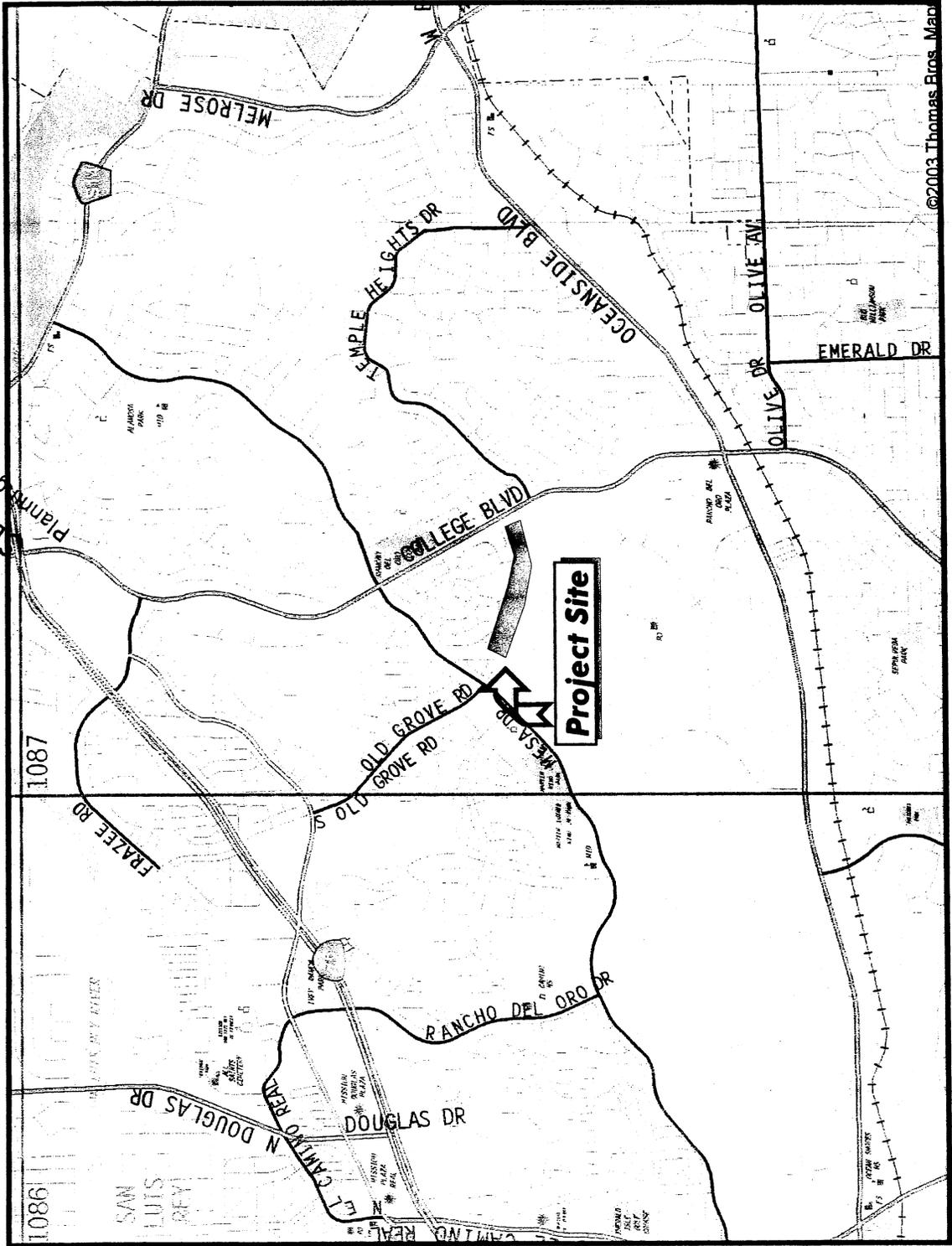
**bia inc**  
1775 AVENUE 100  
SUITE 100  
LA JOLLA, CA 92037  
(760) 941-1700



**Thomas Bros. Location Map**  
**RANCHO DEL ORO VILLAGE XII**  
**SPECIFIC PLAN AMENDMENT**

APN: 161-511-16

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 Planning Department

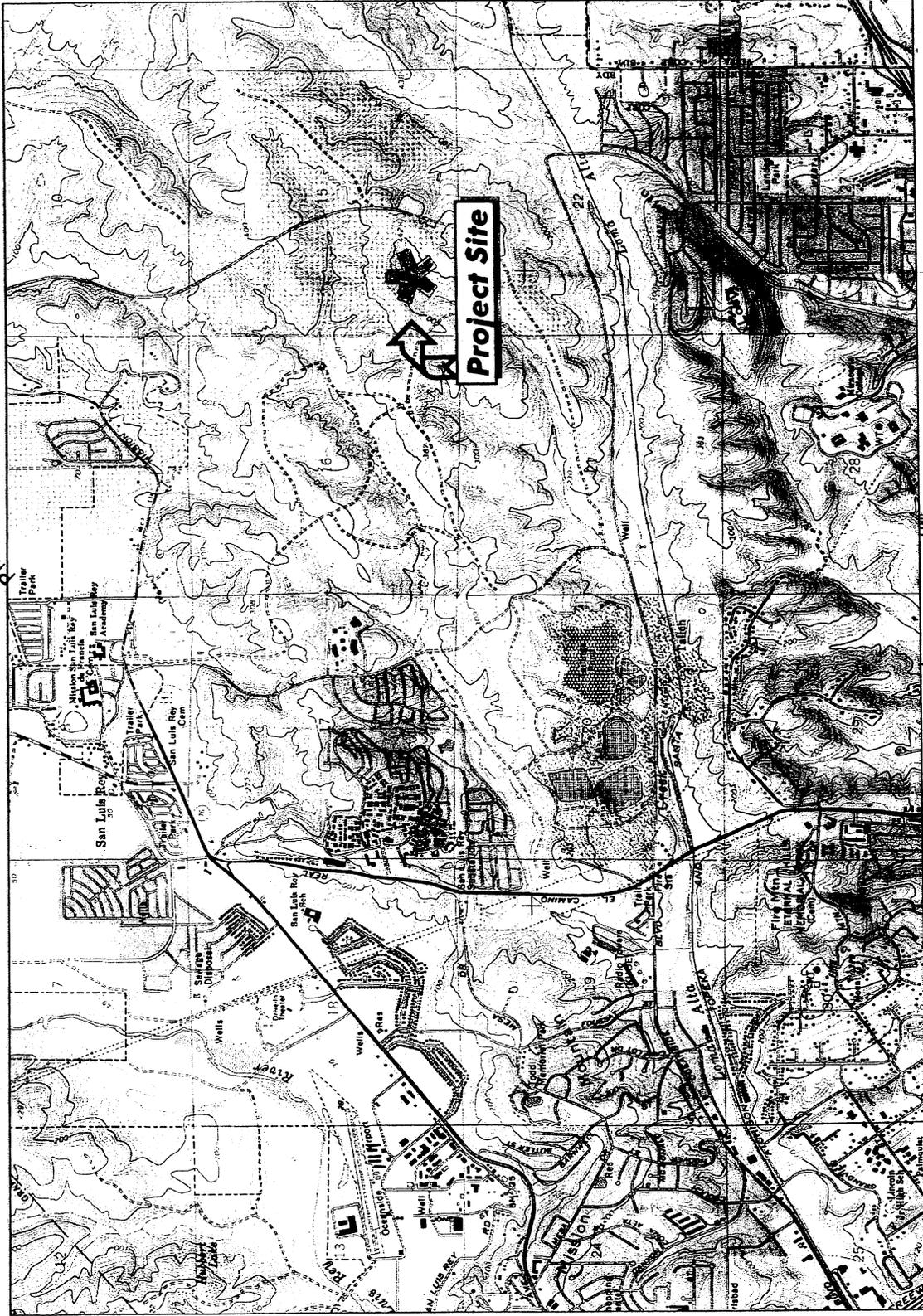


©2003 Thomas Bros. Map



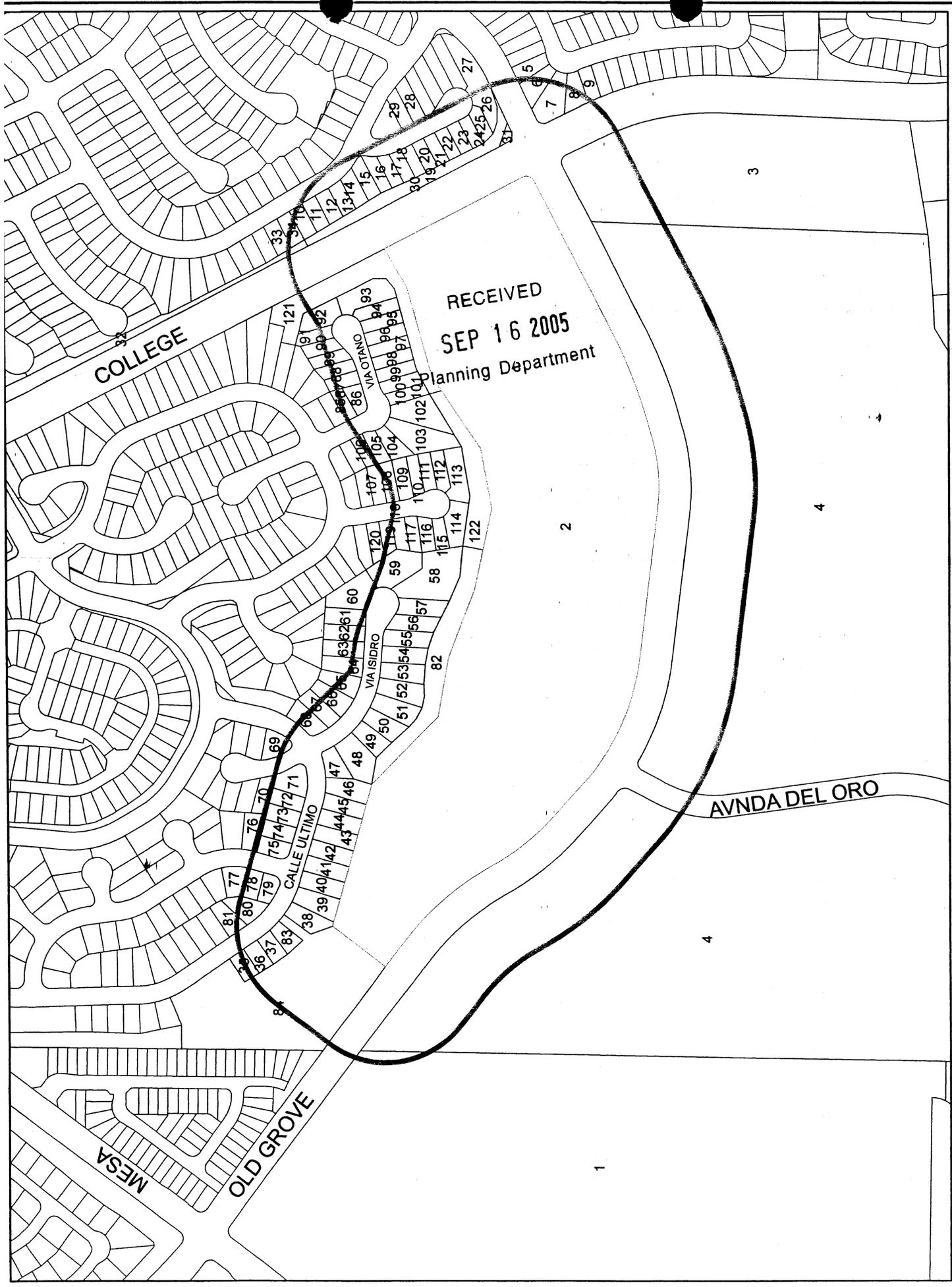
**USGS, Location Map**  
**RANCHO DEL ORO VILLAGE XII**  
**SPECIFIC PLAN AMENDMENT**  
 APN: 161-511-16

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 SEP 16 2005  
 Planning Department

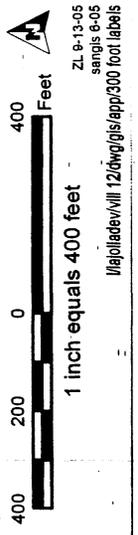


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Planning Department



Village XII  
APN : 161-511-16



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1 PLANNING COMMISSION  
2 RESOLUTION NO. 2006-P35

3 A RESOLUTION OF THE PLANNING COMMISSION OF  
4 THE CITY OF OCEANSIDE RECOMMENDING DENIAL  
5 OF A GENERAL PLAN AMENDMENT ON CERTAIN  
6 REAL PROPERTY IN THE CITY OF OCEANSIDE

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6 APPLICATION NO: GPA-7-05  
7 APPLICANT: RPRN Land Company LLC  
8 LOCATION: West of College Boulevard and North of Old Grove Road

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9 THE PLANNING COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA DOES  
10 HEREBY RESOLVE AS FOLLOWS:

11 WHEREAS, there was filed with this Commission a verified petition on the forms  
12 prescribed by the Commission requesting a General Plan Amendment for the following:  
13 a land use change of a 28.2-acre site from Office/Professional to Residential in order to  
14 accommodate 339 total units (10.5-12 dwelling units per acre);  
15 on certain real property described in the project description.

16 WHEREAS, the Planning Commission, after giving the required notice, did on the 12<sup>th</sup>  
17 day of June , 2006 conduct a duly advertised public hearing as prescribed by law to consider  
18 said application;

19 WHEREAS, pursuant to the California Environmental Act of 1970, the Planning  
20 Commission finds that a Mitigated Negative Declaration has been prepared stating that if the  
21 mitigation measures are implemented, there will not be a significant adverse impact upon the  
22 environment;

23 WHEREAS, studies and investigations made by this Commission and in its behalf reveal  
24 the following facts:

For the Denial of the General Plan Amendment and Zone Amendment:

- 25 1. That the subject site is more suitable to be developed as office/professional use and  
26 would further the goals and objectives of the Land Use Element of the General Plan,  
27 Economic Strategic Plan and Rancho Del Oro Specific Plan (S-1-84).
- 28 2. Changing the Land Use designation on this property would create an imbalance in the  
29 City's jobs-to-housing balance, which is an indicator of the City's economic health.

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NOW, THEREFORE, BE IT RESOLVED that the Planning Commission does hereby recommend denial to the City Council of General Plan Amendment (GPA-7-05).

PASSED AND ADOPTED Resolution No. 2006-P35 on June 12, 2006 by the following vote, to wit:

- AYES: Neal, Parker, Horton, Blom, Martinek, Beach and Balma
- NAYES: None
- ABSENT: None
- ABSTAIN: None

  
\_\_\_\_\_  
Robert F. Neal, Chairman  
Oceanside Planning Commission

ATTEST:  
  
\_\_\_\_\_  
Jerry Hittleman, Secretary

I, JERRY HITTLEMAN, Secretary of the Oceanside Planning Commission, hereby certify that this is a true and correct copy of Resolution No. 2006-P35.

Date: June 12, 2006



DATE: June 12, 2006

TO: Chairman and Members of the Planning Commission

FROM: Community Development Department/Planning Division

SUBJECT: **CONSIDERATION OF GENERAL PLAN AMENDMENT (GPA-7-05) TO CHANGE THE LAND USE DESIGNATION FROM OFFICE/PROFESSIONAL TO RESIDENTIAL ON A 28.2-ACRE SITE LOCATED IN THE RANCHO DEL ORO MASTER PLAN AREA, WEST OF COLLEGE BOULEVARD AND NORTH OF OLD GROVE ROAD. THE PROJECT SITE IS CURRENTLY ZONED PD-1 (RANCHO DEL ORO PLANNED DEVELOPMENT) AND IS SITUATED WITHIN THE IVEY RANCH/RANCHO DEL ORO NEIGHBORHOOD – RANCHO DEL ORO VILLAGE XII – APPLICANT: RPRN LAND COMPANY LLC**

**RECOMMENDATION**

Staff recommends that the Planning Commission deny the requested General Plan Amendment and adopt Planning Commission Resolution No. 2006-P35 recommending denial of General Plan Amendment (GPA-7-05).

**PROJECT DESCRIPTION AND BACKGROUND**

**Background:** The site is located within the Rancho Del Oro Specific Plan area (S-1-84) and is currently subject to the RDO Industrial Master Plan Development Plan criteria. The site is a vacant parcel located directly west of the College Boulevard and Old Grove Road intersection and is zoned Rancho Del Oro Planned Development (PD-1) within the Ivey Ranch/Rancho Del Oro Neighborhood. This General Plan Amendment requests to amend the land use designation of the entire 28.2-acre site from 'office/professional' to 'residential' in order to develop a maximum of 339 future residential units.

The RDO Specific Plan covers approximately 1,950 acres and is a land use plan that allows a variety of uses. The plan establishes the general framework for land use types, circulation, grading, density management and major infrastructure requirements. The plan was created to further balance the community by dividing the area into 'residential' villages and tracts, industrial areas, office-professional sites, and commercial/retail centers.

The RDO Specific Plan provides general land use regulations for the entire specific plan area and was originally adopted by the City Council on October 15, 1985 by Resolution No. 85-240. In order to develop property within the specific plan, individual master plans were developed. These master plans established use provisions and development standards for each of the land uses within the specific plan area. Under the current office/professional land use designation the site is subject to the RDO Industrial Master Development Plan criteria.

The applicant requests to change the land use designation and add a new village referenced as RDO Village XII, with a future marketing name of Terraza at Rancho Del Oro. With exception to a shift in density, no other changes are proposed to the RDO Specific Plan (S-1-84). Should the amendment re-designate the land use to 'residential', however, all future development would refer the RDO Planned Residential Master Plan for use and development standards.

**Amendment Description:** Staff does not support the proposed change to the land use designation from 'office/professional' to 'residential'. The General Plan Amendment requests to amend the RDO Planned Residential Development Master Plan to accommodate for a maximum of 339 residential units on the 28.2-acre site. The project site is situated west of College Boulevard and north of Old Grove Road and has recently been used for agricultural activities.

## **ANALYSIS**

**Growing Need for Employment Centers:** It is important to note that the long-term effect of the recent expansion in the local housing markets will create a need for the City to develop quality employment centers in order to maintain community-wide quality of life standards. More specifically, quality jobs will be needed to help the community address the economic impacts created by the recent surge in housing valuations. Staff feels that the true employment needs of the City have yet to be realized and the continued deterioration of employment generating land uses to convert to residential projects may result in an unexpected and irreversible loss of sustainable employment opportunities within the city.

In particular, the need to provide higher paying and higher quality jobs within and closer to residentially designated areas need to be addressed before the shift in valuable employment generating lands occur. This is particularly important for Oceanside, where such employment will be necessary to help in preserving and forwarding quality of life standards of the community.

Although the trend has already started in parts of Oceanside where industrial lands have been re-designated to residential lands, it is not too late to limit such encroachments into employment generating lands, and the opportunity exists to forward a sustainable concept favoring a balanced community.

**Elimination of an Employment Center:** The primary concern of the amendment is that it does not propose to replace a component of the 'office/professional' land use designation either on-site or in another part of the City in order to promote a balanced community. Instead, the amendment under consideration requests to eliminate a significant and sustainable office/professional element of the adopted RDO Specific Plan.

Because of the expansion in the housing market, and in particular the higher valuation for housing, the flight to alter land uses to accommodate housing units for economic benefit is a familiar and common trend. Alternatively, it is reasonable to suggest that such requests to alter land use designations to support 'residential' projects would not occur should short-term economic benefits not be the single-most important factor guiding development, and specifically in the case of the general plan under consideration.

The result of an approval of the General Plan Amendment may result in lost jobs and/or relocation of job opportunities from the City to other nearby and far away communities. By relocating jobs further away from the community, economic prosperity and creation of commerce realized with the creation of jobs will also shift to other communities. Added impacts to the community will undoubtedly result in added traffic congestion as more and more residents look to other communities and travel to other communities using the City's already congested surface streets and freeway interchange connections to travel outside of the City for jobs.

It is staff's opinion that the removal of an integral employment generator will create an imbalance within the community. The conversion of a site to accommodate 339 dwelling units where a potential of upwards of 1.2 million square feet of 'office/professional' floor area exists is counterproductive to the intent of the specific plan, as well as the General Plan. The removal of an employment generator may hinder the prosperity or economic vitality of the City as existing and new residents look to the availability of centrally located job centers to help maintain the quality of life that should be expected and experienced throughout the City.

The job estimate and figures in this report are based on a facility management industry standard referenced in the Draft 2005 San Diego County Airport Land Use Compatibility Plan Policy Document, Appendix-D page D-3, which clarifies 'Methods for Determining Concentrations of People.' Staff used the following assumption in establishing the job generation potential of 1.2 million square feet of office floor area:

| <u>Use Type</u>           | <u>Square Feet Per Employee (anticipated)</u> |
|---------------------------|---|
| Call Centers              | 150-175 square feet/employee                  |
| <b>*Typical Offices</b>   | <b>180-250 square feet/employee</b>           |
| Law, Finance, Real Estate | 300-325 square feet/employee                  |
| R/D, Light Industrial     | 300-500 square feet/employee                  |
| Health Services           | 500 square feet/employee                      |

Removing such a large employment generator can reasonably affect a net loss of approximately 3,700 to 6,700 potential 'office/professional' jobs with approval of the amendment.

Staff believes that the approach requested under the current request for a General Plan Amendment is a short-term and shortsighted solution that promotes immediate short-term and private economic benefits rather than considers a longer-term sustainable approach in balancing the community needs.

**Land Use Compatibility:** The central location of the 28.2-acre site within the City is a preferred location that will help support the larger community by creating points of interest and employment centers within the City. The amendment requests to remove this sustainable element of the General Plan and specific plan and will remove such valuable employment-generating land uses from the City's central employment hub and may transfer such opportunities to other nearby communities.

The applicant will suggest that the community, and more specifically, the adjacent residential neighbors to the north are in support of a residential component on this site. Staff believes that any such impacts to residential neighborhoods will not be significant and once a comprehensive and properly designed 'office/professional' campus is proposed on the 28.2-acre property.

It is common for residential neighborhoods to question land use designation when seemingly more intense land use other than 'residential' is proposed adjacent residential development. It is staff's opinion that the current 'office/professional' land use and the site attributes is the preferred land use at this location and promotes compatibility with 'residential' uses on the north and the industrial park to the south.

Since this site is at a significantly higher elevation than the adjacent residential areas on the north, any visual impact on expected from future 'office/professional' development on these areas will be minimal. The 28.2-acre site sites approximately 35 to 50 feet higher than the adjacent residential areas making this site extremely suitable for a future 'office/professional' center. In addition, all traffic to the site will occur on public streets away from the residential neighborhood along the north that are designed to accommodate an 'office/professional' campus serving Old Grove Road, Mesa Road, and College Boulevard. The traffic and transportation elements are further discussed in this report.

Staff acknowledges that the existing 'office/professional' land use, as with any land use, will require that future projects proposed on the 28.2-acre site to include sensitive design solutions such as landscape buffers and proper site design to transition the site between the residential areas on the north and the industrial park to the south. However, the existing site topography promotes a better land use compatibility that will allow a future 'office/professional' campus to naturally transition and buffer existing residential areas on the north with the industrial lands on the south.

Should a future residential development be allowed to occur on this site, it is in staff's opinion that additional and more comprehensive design elements will introduce additional and more substantial site grading techniques in order to raise and further separate residential building pads from the industrial park that will be located directly to the south across Old Grove Road. Additional and large-scale retaining walls and noise barriers may also be required in order to accommodate further separation from the surrounding industrially designated areas.

Apart from site attributes, industrially designated areas typically generate alternative work hours, support alternative traffic generation, and generate incompatible activities that typically conflict with 'residential' land uses. This is one of the main reasons why industrial lands are physically separated from residential areas.

Throughout the City and typical of effective land use planning solutions in many communities, the appropriate pattern of development promotes separation between industrially designated lands by either topography and/or with more compatible and less intense land uses such as open space or commercially designated land uses. It is staff's opinion, however, that if the amendment is considered and the re-designation is allowed, that a result will be a greater level of incompatibility between all adjacent land uses. The incompatibility will be shifted to future residential development that will be built on the 28.2-acre site for future residents that will reside directly across the RDO Industrial Park across Old Grove Road.

**Shift in Density:** The RDO Specific Plan allows for the shift in density. Staff's recommendation to deny the current General Plan Amendment is not based on this element of the request. The recommendation stems largely from the anticipated impacts associated to the replacement of a potentially high quality employment generating land use with a land use designated exclusively for residential development. A second and just as important element above is based on compatibility, which staff believes is much more compatible under the 'office/professional' land use designation.

The General Plan Amendment under consideration requests to replace nearly 1.2 million square feet of potential 'office/professional' floor area on the 28.2-acre site with a proposed 'residential' land use designation able to accommodate 339 future residential units on-site. The amendment proposes a density transfer of 339 dwelling units with a density range of 10.5 to 12 dwelling units per acre across the entire project site. Under the request, a new RDO Village XII will be added to the RDO Planned Residential Development Master Plan, with an associated density shift to also occur in the specific plan's Residential Density Management Table.

RDO Specific Plan (S-1-84) allows for a shift in density using the un-allocated and/or the density transfer option approved as part of the original specific plan. Although the option is allowed, staff is not in support of the current request for the General Plan. However, if for any reason the Planning Commission and/or the City Council approve the General Plan Amendment, staff requests that the policy determination consider

adding an on-site Inclusionary Housing component to address housing affordability on-site rather than allow future developers to pay an in-lieu fee.

Currently, the density of the specific plan is 2,839 allocated units, with 2,001 un-allocated units. The amendment requests to re-allocate unused density and to distribute 339 dwelling units from plan areas and villages of the specific plan that have not and/or will not be developed with the expected yield of residential products.

As a result, the request for density transfer will create a new residential density count of 3,178 total units, with an un-allocated balance of 1,662 units. The large number of un-allocated units can be attributed to the changes in policy and/or site-specific changes that have limited the potential for the density within the specific plan. In particular, the adoption of the El Corazon Master Plan within the RDO Specific Plan and the reduction in the densities within specific tracts and villages have resulted in a lower net density at built-out than what was originally anticipated for the specific plan area.

**Mixed Use Option Not Considered:** During the review of the project, staff identified a mixed-use opportunity in response to the request for the General Plan Amendment. Staff suggested a need to balance and incorporate an 'office/professional' product with a 'residential' element. This scenario seemed appropriate and continues to be an option to be considered as part of a future and different proposal.

A mixed-use concept would continue to support the land use element of 'office/professional' as referenced as 'Professional' on page B-3 of the RDO Specific Plan. The designation was incorporated into the specific plan to support the statement that an 'increase in population will provide a need for additional professional services. New areas for 'office/professional' use have been designated as Professional on a land use. These areas should develop with office buildings and related support uses. Specialized design consideration such as traffic, sewer demand, parking and public protection make it imperative that their locations be delineated as a separate category.'

In suggesting a mixed-use option, staff may consider a minimum of 75-percent/25-percent split where 'office/professional' would comprise 75-percent of the site, while 25-percent would be proposed for the remaining 25-percent. Any future mixed-use development would need to consider a creative integration between the 'office/professional' and 'residential' element to develop quality project within an integrated campus setting. The applicant decided not to pursue a mixed-use option.

**Loss of Industrial Versus Office/Professional Land Uses:** The request of this General Plan Amendment cannot be compared to past approvals of amendments shifting industrial lands in favor of a 'residential' component. The recent approval of the General Plan Amendment of the Ocean Ranch Lot 21 (GPA-2-04)/Saint Clouds (T-5-05) is a prime example of industrial land use changes to serve a large residential project. Three reasons why an amendment to change office/industrial land use designations is different than conversion of past industrial land to 'residential' are noted below.

The first is the job loss scenario. Based on the concentration of people assumptions noted above, 'office/professional' land uses tend to generate a much larger employment base than industrial lands. Based on the assumptions listed above, light industrial uses would generate anywhere between 2,400 to 4,000 jobs based on 1.2 million square feet of building floor area, with many of those jobs typically not targeting a higher quality employment base as compared to 'office/professional' use classifications. Since industrial lands typically tend to generate a lower number of employment opportunities than 'office/professional', it is important to preserve 'office/professional' land use designations.

The second is the availability of lands for specific land uses. The City currently comprises of a significant amount of industrial lands. Alternatively, there is only a limited amount of available and marketable vacant 'office/professional' lands that exist which can readily be developed. Although a specific figure accounting for the raw acreage designated for 'office/professional' land uses is not immediately available, it is evident that the land use type is very limited throughout the City, and specifically on a large 28.2-acre tract of vacant land.

Third, it is staff's opinion that the land use compatibility for this site is exceptionally well suited to support the 'office/professional' land use designation. The buffer and transition principals separating industrial lands from 'residential' land is straight-forward in that residential adjacent industrial lands is not as compatible due to the types of activities typical within industrial parks.

**Traffic and Circulation:** The central location of the site within the core area of Rancho Del Oro will be able to readily accommodate vehicular trips traveling to any future employment campus on the well-integrated street network serving the site. In particular, the residents that would no longer be required to travel to other communities for employment will be able to reduce their trip times, while at the same time remove vehicles from the congestion created during commute hours to other communities.

The concept of the reverse commute opportunity exists with the location of this site. Those that typically tend to travel out of the City to get to employment centers will be able to use the lighter reverse directional lanes leading internal to the City when traffic congested is at it's peak during heavy commute hours.

In addition, should employees be attracted to the site from other communities, staff believes that the scenario of a reverse commute trip generation is highly likely. This is because most travelers during the morning peak traffic hours tend to exit the City and create traffic impacts on arterials and surface streets during commute hours. The effect of the reverse travel pattern whereby commuters would travel within or into the City by way of less congested travel lanes that lead in the opposite direction than the typical traffic directional flow which occurs during peak commute times.

Lastly, with the implementation of the Sprinter Light Rail System, opportunities exist in this area for bus feeder service to service a future employment center at this location.

Currently, North County Transit District (NCTD) fixed-bus Route 325 services this site along College Boulevard between El Camino Real Transit Center and the Town Center North shopping center. Future Sprinter connections to this area is proposed with a newly added Route 333 that will provide fixed-route bus service along Old Grove Road and to new Sprinter service.

**Economic Analysis:** Staff did not prepare a complex economic analysis to rebut the request for a General Plan Amendment. Instead, the reference to loss of employment land, land use compatibility, and other discussion items outlined in this report suggest that the request will negatively impact the community.

Staff believes that the request for an amendment does not analyze or support a sustainable long-term solution for the community. An economic study prepared by the applicant analyzes immediate market conditions as a short-term solution rather than identifying the longer-term benefits of the existing 'office/professional' land use.

Although not a perfect comparison, staff provides reference the 2000 San Diego Association of Governments (SANDAG) jobs-to-housing ratio as an economic indicator for community wide availability of jobs for households. The indicator has not been updated since 2000 and only provides a snapshot of all available jobs and households, and does not differential between the types or the quality of jobs are available in the comparisons.

The City comprised of about 60,000 households in 2000. At the same time, about 40,000 jobs were available. Based on the jobs-to-housing indicator, the ratio of available jobs for each household was well below a one-to-one ratio and accounted for a .66 ratio, where only 66-percent of the households were able to be accommodated with a job within the City. Compared to Imperial Beach, which provided a 40-percent jobs-to-housing ratio, Oceanside currently ranks as the second lowest when comparing to the other 18 cities countywide when considering the availability of employment for each household.

Other North San Diego County communities such as Carlsbad (1.50), Vista (1.13), San Marcos (1.61), Encinitas (1.02), Del Mar (1.50), and Escondido (1.10) all provide for more sustainable jobs-to-housing availability when compared to Oceanside (.66). In fact, all of the other North County jurisdictions provided for more job opportunities for each residential household than Oceanside based on SANDAG's 2000 statistics.

The countywide average of the jobs-to-housing ratio was 1.33, where 1.38 million jobs were available countywide for 1.04 million households. Where these jobs were located and the quality of jobs throughout the county is the most pressing concern for Oceanside residents. Most jobs were located within the City of San Diego, which provided nearly 777,000 jobs in 2000. The quality of jobs is not an indicator that is easily measured.

With the addition of 3,700 to 6,700 office/professional potential jobs with the existing land use designation, the City of Oceanside's jobs-to-housing ratio when compared to SANDAG's 2000 figure could increase from .66 to .73 and .78, respectively when keeping the household figure constant. Regardless of the ratio, this and/or any added job opportunities within the city will pose a significant improvement for the community as it tries to balance sustainable growth opportunities between the creation of housing with available employment opportunities.

### **COMMISSION OR COMMITTEE REPORT**

The proposed amendment was discussed at the June 6, 2006 Economic Development Commission (EDC) meeting. Because the meeting will have occurred following the distribution of this report, the comments from the EDC will be included as part of the City Council report for the General Plan Amendment.

The subject amendment also requires final action by the City Council and has been tentatively scheduled for consideration at the August 9, 2006 City Council meeting, beginning at 5:00 p.m.

### **ENVIRONMENTAL DETERMINATION**

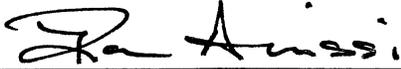
The proposed amendments were reviewed under the provisions of the California Environmental Quality Act and a Mitigated Negative Declaration was prepared stating that if the mitigation measures identified in the document are met, there will not be a significant adverse impact upon the environment. The Negative Declaration will be considered as part of the Commission's action on the proposed amendments.

### **SUMMARY**

Staff believes that the retention of the 'office/professional' land use designation is critical in maintaining the opportunity for future sustainability and economic growth in the City, which in turn will create job opportunities close to existing residential development and contribute to a higher standard of living for the City's residents. The uniqueness of 28.2 acres of vacant 'office/professional' land use availability in the Rancho Del Oro Specific Plan area will have greater long-term impacts should the project be approved. Coupled with the City's .66 jobs-to-housing ratio (SANDAG, 2000) the City has limited opportunities to capitalize on the region's economic growth. Therefore, staff recommends the Planning Commission action should be as follows:

- Move to deny General Plan Amendment (GPA-7-05) and adopt Planning Commission Resolution No. 2006-P35 recommending denial of General Plan Amendment (GPA-7-05).

PREPARED BY:



Roman Anissi  
Senior Planner

SUBMITTED BY:



Jerry Hittleman  
Acting City Planner

RA/fil

Attachments:

1. Map
2. Planning Commission Resolution No. 2006-P35
3. Methods for Determining Concentrations of People, San Diego County Airport Land Use Compatibility Plan Policy Document (August 2005 Draft), Appending D, Page D-2

various time, inconsistent numbers may result. Except for uncommon uses for which occupancy levels cannot be estimated through other means, surveys are most appropriate as supplemental information.

### Maximum Occupancy

A second option for estimating the number of people who will be on a site is to rely upon data indicating the maximum occupancy of a building measured in terms of the number of square feet per occupant. The number of people on the site, assuming limited outdoor or peripheral uses, can be calculated by dividing the total floor area of a proposed use by the square footage per occupant. The challenge of this methodology lies in establishing realistic figures for square feet per occupant. The number varies greatly from one use to another and, for some uses, has changed over time as well.

A commonly used source of maximum occupancy data is the standards set in the Uniform or California Building Code (UBC or CBC). The chart reproduced as Table D1 indicates the required number of square feet per occupant for various types of uses. The CBC, though, is intended primarily for purposes of structural design and fire safety and represents a legal maximum occupancy in most jurisdictions. A CBC-based methodology consequently results in occupancy numbers that are higher than normal maximum usage in most instances. The numbers also are based upon usable floor area and do not take into account corridors, stairs, building equipment rooms, and other functions that are part of a building's gross square footage. Surveys of actual occupancy levels conducted by various agencies have indicated that many retail and office uses are generally occupied at no more than 50% of their maximum occupancy levels, even at the busiest times of day. Therefore, the number of people calculated for office and retail uses can usually be divided in half to reflect the actual occupancy levels before making the final people-per-acre determination. Even with this adjustment, the CBC-based methodology typically produces intensities at the high end of the likely range.

Another source of data on square footage per occupant comes from the facility management industry. The data is used to help businesses determine how much building space they need to build or lease and thus tends to be more generous than the UBC/CBC standards. The numbers vary not only by the type of facility, as with the UBC/CBC, but also by type of industry. The following are selected examples of square footage per employee gathered from a variety of sources.

|  |           |
|--|-----------|
| › Call centers                           | 150 – 175 |
| › Typical offices                        | 180 – 250 |
| • Law, finance, real estate offices      | 300 – 325 |
| › Research & development, light industry | 300 – 500 |
| › Health services                        | 500       |

The numbers above do not take into account the customers who may also be present for certain uses. For retail business, dining establishments, theaters, and other uses where customers outnumber employees, either direct measures of occupancy—the number of seats, for example—or other methodologies must be used to estimate the potential number of people on the site.

### Parking Space Requirements

For many jurisdictions and a wide variety of uses, the number of people present on a site can be calculated based upon the number of automobile parking spaces that are required. Certain limitations and assumptions must be considered when applying this methodology, however. An obvious limitation is

# Jobs to Housing Ratio

|                | Employment | Total Housing | Jobs to Housing Ratio |
|----------------|------------|---------------|-----------------------|
| Carlsbad       | 50,787     | 33,798        | 1.50                  |
| Chula Vista    | 53,731     | 59,495        | .90                   |
| Coronado       | 29,913     | 9,494         | 3.15                  |
| Del Mar        | 3,842      | 2,557         | 1.50                  |
| El Cajon       | 41,341     | 35,190        | 1.17                  |
| Encinitas      | 24,240     | 23,843        | 1.02                  |
| Escondido      | 49,716     | 45,050        | 1.10                  |
| Imperial Beach | 3,931      | 9,739         | .40                   |
| La Mesa        | 25,424     | 24,943        | 1.02                  |
| Lemon Grove    | 8,582      | 8,722         | .98                   |
| National City  | 24,763     | 15,422        | 1.61                  |
| Oceanside      | 39,610     | 59,581        | .66                   |
| Poway          | 21,796     | 15,714        | 1.39                  |
| San Diego      | 777,600    | 469,689       | 1.66                  |
| San Marcos     | 30,353     | 18,862        | 1.61                  |
| Santee         | 16,088     | 18,833        | .85                   |
| Solana Beach   | 8,870      | 6,456         | 1.37                  |
| Vista          | 33,820     | 29,814        | 1.13                  |
| Unincorporated | 140,269    | 152,947       | .92                   |
| Countywide     | 1,384,676  | 1,040,149     | 1.33                  |

May 2, 2006