



5

ECONOMIC PROSPERITY

- 5.1 COMMERCIAL DISTRICTS AND CORRIDORS
- 5.2 COMMUNITY REVITALIZATION

INTRODUCTION

Uptown is a lively and vibrant community, which attracts pedestrian activity and interaction at the street level. Uptown contains a sizable amount of the City's employment and is an ideal location for village centers that encourage transit options, provide jobs near transit, and mixed-use housing opportunities for a variety of income levels.

In 2012, Uptown's estimated workforce amounted to approximately 30,000 jobs. At this time, private sector businesses employed nearly 20,000 people, local governments employed nearly 7,500 people and approximately 2,700 were self-employed and working in Uptown. The University of California San Diego (UCSD) Medical Center-Hillcrest and the San Diego Unified School District are the largest government employers in Uptown.

Many of Uptown's businesses serve more than the local residents and workers by attracting consumers from throughout the San Diego region; specifically, health services, professional and business services, and leisure and hospitality businesses.

ECONOMIC PROSPERITY ELEMENT GOALS

- Increase employment within Uptown by increasing small business opportunities.
- A diverse mix of businesses that provide a variety of goods and services.
- Increase the aggregate buying power within the community.
- Successful entertainment districts that appeal to local and regional residents as well as tourists.
- Vibrant neighborhood commercial districts where residents purchase a significant share of their basic needs and services from within the community.
- Parking and multi-modal transit options for the automobile-oriented commercial districts.
- Expansion of medical related development and employment.

EMPLOYMENT PROJECTIONS IN UPTOWN'S INDUSTRY SECTORS

- Uptown's health services, professional and business services, finance and real estate, personal services, and retail trade sectors are expected to experience employment growth and add nearly 2,200 jobs.
- The most substantial growth in jobs during this period is expected to be in the health services sector.
- The transportation and wholesale trade sector is also estimated to add jobs through 2030, but at a much lower rate than the other five sectors.
- The leisure and hospitality, information services, construction, manufacturing, and agriculture and mining sectors are expected to lose jobs.
- The leisure and hospitality sector is projected to lose the greatest number of jobs. The leisure and hospitality sector include hotels, bars, and entertainment business.

5.1 COMMERCIAL AREAS, DISTRICTS AND CORRIDORS

Uptown's commercial development was spurred by the expansion of the streetcar. During the beginning of the 20th century, early commercial development occurred in Uptown along the streetcar lines on Fifth Avenue, University Avenue, Washington Street, and Park Boulevard. Post WWII development in Bankers Hill/Park West and Hillcrest included a substantial number of doctor's offices, medical clinics and nursing homes. Many of these health services businesses located in Uptown because of their proximity to the Mercy Hospital (now Scripps-Mercy Trauma Center) and County Hospital (now the UCSD Medical Center-Hillcrest) hospitals.

In the 1950's, new commercial development in Uptown was no longer restricted along the streetcar routes and began to reflect the freedom and movement of the automobile. These newer commercial "strips"

were constructed along the community's primary commercial corridors and most were accompanied by on-site parking. During the 1960's and early 1970's, Uptown began to experience an economic downturn due to suburbanization. The development of the Mission Valley Shopping Center in 1961 seized a considerable amount of Uptown's regional market share, resulting in the closure of several shops and restaurants in Hillcrest, Mission Hills and University Heights. Beginning in the late 1970's, Bankers Hill/Park West and Hillcrest experienced significant redevelopment. This redevelopment continues to date and includes contemporary mixed-use residential/commercial development, revitalized postwar infill commercial space and historic commercial properties. Additionally, the Lesbian Gay Bisexual Transgender Queer (LGBTQ) community has contributed to the continuing revitalization of the Hillcrest core.

Neighborhood pedestrian commercial uses are located in Mission Hills, along Reynard Way, University Heights, and Bankers Hill/Park West. The commercial areas in the Mission Hills and along Reynard Way provide goods and services that serve the daily needs of adjacent neighborhoods. Similar neighborhood commercial uses can be seen in University Heights where a cluster of services are located along Park Boulevard, south of Adams Avenue.

Uptown has several commercial districts with community commercial uses. The Hillcrest business district is multi-faceted and serves as the primary commercial area for Uptown. The Hillcrest business district also has a wide variety of entertainment and cultural facilities. In addition, there is also a high concentration of commercial office space in the Hillcrest business district which serves residents and attracts consumers from outside Uptown. Hillcrest includes a concentration of professional and business, and medical service firms located along Fourth and Fifth Avenues and Washington Street. The Washington Street serves as a commercial corridor that offers a range of goods and services within the Hillcrest and Mission Hills business districts.

Bankers Hill/Park West includes community commercial offices uses with office tenants that provide professional, and business, medical, and institutional services. These office buildings are located along First through Fifth Avenues and complement the commercial, residential and mixed-use properties also located along these avenues.

The Middletown/Five Points neighborhood is bounded by Witherby Street on the north to Laurel Street on the south, and from Horton Avenue and Titus Street on the east to Interstate 5 on the west. At the intersection of Washington Street and India Street there are two theaters and a variety of restaurants clustered into a colony-type setting which attracts visitors to the area. On-street parking is provided along India Street and several restaurants have parking options; however, overflow parking limits the parking available for surrounding residences.

COMMERCIAL, OFFICE AND RETAIL

There is a mix of high-rise, low-rise, strip-commercial, and converted residential-office space in Uptown. Due to current market uncertainties and the impacts of the Great Recession, the short-term market demand for speculative office in Uptown is classified as a low possibility. During this time period, development will be driven by owner and tenant build-to-suit projects. With the continued recovery and stabilization of the larger office submarkets in Downtown, Mission Valley and those in the Interstate 15 area, the Uptown and Park West office submarket will likely show long-term demand for the development of speculative office space.

The retail supply in Uptown is much higher than a population of nearly 37,000 typically supports, which indicates that Uptown is attracting consumers from outside the community.

From 1990 to 2012, Uptown's retail sales increased for restaurants and bars, drug stores and food stores. Uptown's 2012 restaurants and bar sales accounted for over thirty-seven percent of this area's total taxable sales. Citywide restaurants and bars' sales tax accounted for seventeen percent of the City's total taxable sales

during this same period. When taxable sales are adjusted to estimate total sales, food stores accounts for forty percent, and bars and restaurants account for twenty-six percent of Uptown's total estimated 2012 sales. Uptown's traditional retail sales account for nearly twenty-two percent of sales.

Opportunities exist to recapture some additional retail sales in the community based on expected future residential growth. And, the increased aggregate buying power of the markets within the community and surrounding area. The surrounding central communities in North Park, Downtown, Golden Hill, Mid-City, and Mission Valley are also expected to continue to experience similar growth.

However, general merchandise retail sellers will continue to face competition from the regional shopping centers in Mission Valley, and other community shopping centers located near Uptown.

The success of Uptown's Entertainment District, primarily located within the Business Improvement District boundaries, depends on continuing to attract consumers from the central communities and the region. Uptown may even be able to capture more of San Diego's visitor trade in Downtown and Balboa Park, due to its proximity, if transportation links are enhanced.

Limited access to parking in the central Hillcrest area has the potential to limit sales growth despite the area's market demand. Therefore, solutions which include multi-modal options, in addition to increasing the parking supply, must be considered.

Uptown does not include land identified as "Prime Industrial Land" or "Other Industrial Land", which supports base sector export-oriented businesses. Businesses located in Uptown's industrial/flex space are engaged in warehousing, wholesale distribution, repair services, storage services and small specialized manufacturing operations.

UPTOWN COMMERCIAL, OFFICE, AND RETAIL MAKEUP

- Nearly 3.6 million square feet of existing office space.
- Forty percent of office space is medical office space.
- Most office space in Uptown is older Class B and Class C office space. As such, rents are lower than newly developed Class A office space.
- Slightly over two million square feet of retail space.
- Nearly 132,000 square feet of industrial/flex space.
- Lease rates for its older industrial/flex properties are nearly 25 percent lower than the City's average lease rates in the San Diego market.

Source: The CoStar Group, 2012



UCSD Medical Center is one of the largest employers in the Uptown Community.



Medical uses are located along the major north-south corridors of Bankers Hill/Park West neighborhoods.

POLICIES

- EP-1.1** Improve the pedestrian, bicycle and transit infrastructure in Uptown’s commercial districts.
- EP-1.2** Revitalize alleys in commercial mixed-use areas to improve aesthetics and safety and allowing commercial shops and service activities.
- EP-1.3** Explore opportunities for boutique hotels in Hillcrest as the area is close to freeways and Mission Valley.
- EP-1.4** Continue to work with the Uptown Parking District to consider locations for a parking garage near central Hillcrest and other multi-modal transportation options for this area.
- EP-1.5** Promote growth of Uptown’s health sector enhancing the areas reputation for quality care and to support the expected employment growth in this sector.
- EP-1.6** Support incentives for new development of mid-rise office buildings in the east end of Hillcrest, including but not limited to, mixed-use office and residential buildings.
- EP-1.7** Promote the LGBTQ historic heart of Hillcrest’s Entertainment District, which encourages heritage tourism.

- EP-1.8** Request that future City Council legislation be considered to define and recognize the boundaries of the Hillcrest’s Entertainment District.
- EP-1.9** Promote development of shopkeeper units and other types of live/work space.

5.2 COMMUNITY REVITALIZATION

BUSINESS IMPROVEMENT DISTRICTS

Uptown has two Business Improvement District (BID) associations: the Mission Hills BID association, founded in 2004 and the Hillcrest BID association founded in 1984. BID associations are geographic areas, established by the City where the businesses have voted to self-assess, in order to fund activities and services, which promote the business district and to provide services beyond what the City provides.

A BID works to unify the businesses within a particular district to work toward a common goal of economically revitalizing their business district. This is typically done through marketing programs, civic beautification projects, commerce recruitment, and parking and transportation improvements. Current, economic development strategies that all BID associations provide are: organized special events, social media marketing, and membership communication.



Maintenance assessment districts provide special benefit services that could include installation or maintenance of open space, street medians, street lighting and mini parks.



The Hillcrest Business Improvement District is the most prominent business district in the Uptown community.

LOCAL, STATE, AND FEDERAL ECONOMIC REVITALIZATION

Maintaining the efforts and existing revitalization tools for small business and infrastructure financing listed below, in addition to seeking additional economic development tools, within the pedestrian-oriented commercial and mixed-use nodes, will enhance and create competitive commercial destinations. Ongoing economic revitalization projects in Uptown involve public/private partnerships or direct City services from the Economic Development Department's Office of Small Business. Other small business loan programs are offered by the U.S. Small Business Administration directly to applicants. The City has a U.S. Department of Commerce's Economic Development Administration's Revolving Loan Program which provides financing for approved small business. Other programs are available at a state or City level to help finance infrastructure or private or public facilities.

Small Business Assistance

The City's Office of Small Business manages several programs for small business financial assistance, small business contracting, as well as managing a grant leverage program for business-based non-profit organizations. Public/private partnerships such as the Small Business Development Centers, Regional Employment Centers, and the U.S. Business Administration also provide small business financial assistance programs and other support resources.

U.S. Small Business Administration (SBA) Loan Programs

The SBA offers a variety of small business loan programs for very specific purposes. The SBA's most common loan program is the 7(a) General Purpose Loan which includes financial help for businesses with special requirements; the Microloan Program which provides small, short-term loans to small businesses and certain types of not-for-profit child-care centers; and the CDC/504 Real Estate

and Equipment Loan which provides financing for major fixed assets such as equipment or real estate. Disaster loans are also available from the SBA which provide low interest loans to businesses of all sizes, private non-profit organizations, homeowners, and renters for the repair and replacement of real estate, personal property, machinery and equipment, and inventory and business assets that are damaged or destroyed in the event of a declared disaster.

The San Diego Regional Revolving Loan Fund (SDRRLF)

In an effort to help stimulate San Diego's and Chula Vista's economic growth, the loan program offers financial assistance to expanding businesses. The SDRRLF can supplement private financing for the acquisition of new or rehabilitated buildings, acquisition of fixed machinery and equipment, working capital and soft costs. For more information about this program see the City of San Diego's Economic Development, Start Growing & Financing Your Business web page.

Storefront Improvement Program (SIP)

The City's SIP assists small business owners in revitalizing building facades through design assistance and financial incentives.

Maintenance Assessment Districts (MAD)

MADs are established by the City as property based special assessment districts. Adoption of a MAD provides property owners with the opportunity to self-assess to pay for improvements, maintenance, services and activities beyond those general benefits provided by the City. Uptown has four active MADs, the Mission Hills Historic Lighting District MAD, the Hillcrest Commercial Core MAD, the Hillcrest/University MAD and Washington Street MAD. One MAD, the University Heights District is partially in Uptown and partially in Greater North Park.

Clean & Safe Program

Safety ambassadors, sidewalk sweeping, trash and debris removal, power washing sidewalks, systematic graffiti removal, maintenance of landscaping, and public safety services are frequent components of a neighborhood Clean and Safe Program. As these services and activities are special benefits above-and-beyond the City's general benefits, such services and activities are supported by assessment district funding.

Business Improvement District (BID) Associations

BIDs are geographic areas, established by the City, where the businesses have voted to self-assess themselves to fund activities and services, which promote the business district. These activities and services are above-and-beyond general benefit City services. Uptown has two business improvement districts, the Hillcrest BID association and the Mission Hills BID association.

National Main Street Organizations

National Main Street Organizations are organizations that follow the Main Street Four-Point Approach which supports small independent business owners through revitalization efforts by leveraging local assets - historic, cultural, and architectural and community pride.

Micro Assessment Districts

A Micro Assessment District is an area of small businesses that contains less than 300 individual members.

Urban Forestry

Expand urban forestry efforts in Uptown to increase the number of trees within this area in hopes of improving the quality of life.

Uptown Community Parking District

This District creates and implements parking strategies and mobility improvements throughout Uptown.

Historic Districts

A historic district is an area which contains buildings of historical significance and value that has legal protection

from development. Its purpose is to preserve and build upon the natural character of its surrounding neighborhood. There are two historic districts in Uptown, the Fort Stockton Line Historic District and the Mission Hills Historic District. For more information see the Historic Element.

Public Art

The inclusion of art or cultural uses in private development projects within the community.

Event Programs

These activities range from special events such as restaurant tours, block parties, weekly farmers markets and holiday festivals. Such event programs are often efforts of an active BID association or a neighborhood/community organization.

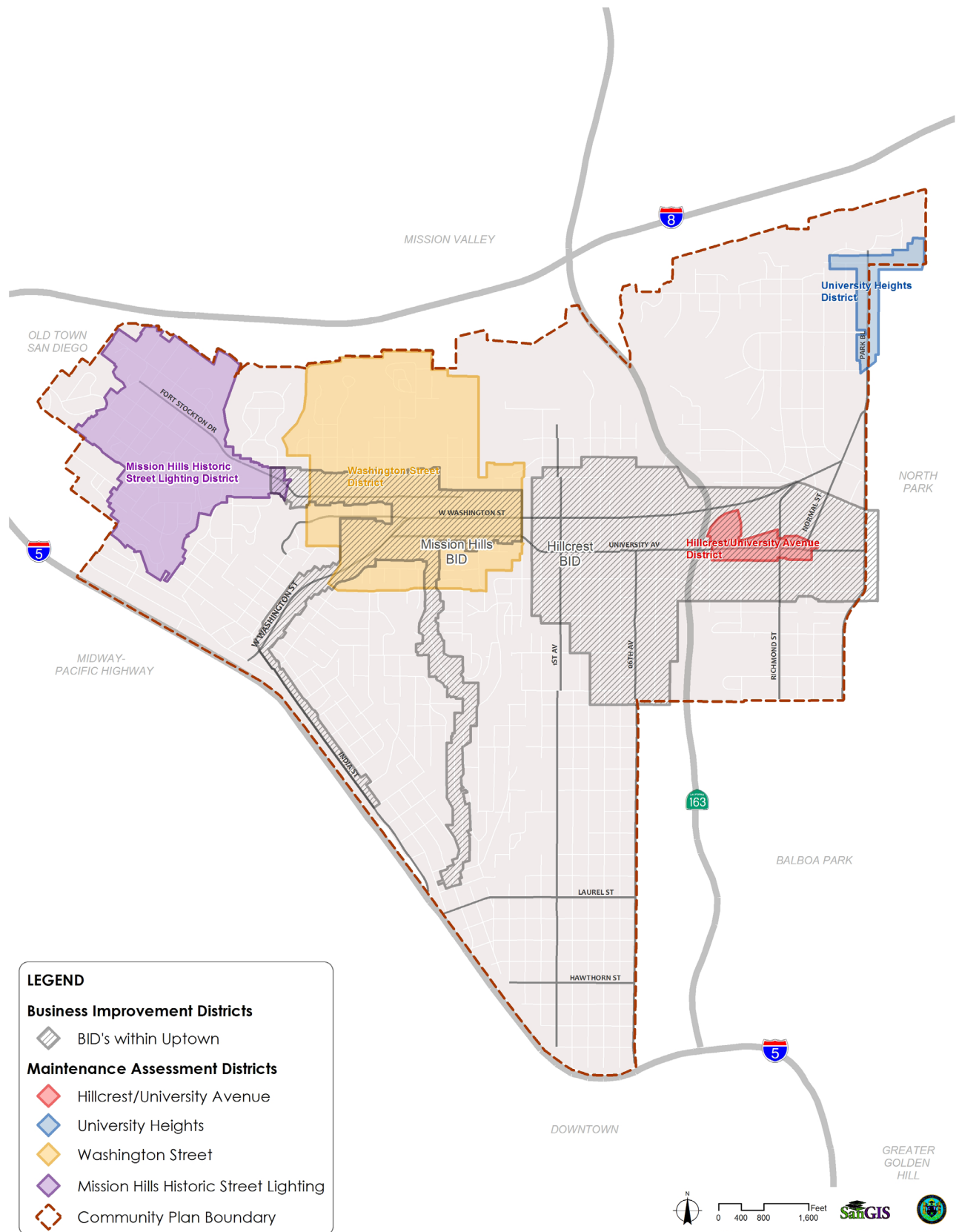
Capital Improvements

Like many cities, the City of San Diego has a Capital Improvements Program (CIP) for installing new and replacing or rehabilitating existing infrastructure such as sidewalks, roads, bikeways, and water and sewer facilities. These improvements and their continual maintenance and upgrades are not only important to the community, but also to the viability of the community's commercial business districts especially where access to commercial goods and services is encouraged by walking, biking, and by transit.

New Market Tax Credits

The New Markets Tax Credit (NMTC) Program is a federal tax credit program that promotes investment in businesses and community facilities located in low-income communities. In exchange for a qualified equity investment, pursuant to the NMTC program requirements, an investor is provided a tax credit. The proceeds of the equity investment are utilized to fund low-income community businesses located in qualified low-income census tracts. For more information see Civic San Diego's Program - New Market Tax Credits.

FIGURE 5-1: ECONOMIC REVITALIZATION AREAS



Community Finance Districts (CFD)

CFDs establish a special tax assessment on properties located within an established district to fund public facilities and services. Supported by Municipal Bond revenue, CFDs provide upfront funding to build improvement or fund services up and beyond City general services.

Enhanced Infrastructure Financing District (EIFD)

One or more EIFDs Enhanced Infrastructure Financing District may be created within a city or county and used to finance the construction or rehabilitation of a wide variety of public infrastructure and private facilities. An EIFD may fund these facilities and development with the property tax increment of those taxing agencies (cities, counties, special districts, but not schools) that consent.

Partnerships in Economic Revitalizations

Many ongoing targeted economic revitalization efforts in Uptown involve partnerships between residents, property owners, community groups, business organizations and the City. The City's Economic Development Department and the Planning Department will continue these partnerships with the objective of improving the economic prosperity of Uptown. The small businesses in Uptown are unique and economic revitalization and assistance through private\public partnerships will also continue for this major component of Uptown's economy.



Street trees and landscaping attract pedestrians and help support vibrant commercial districts.

Uptown's community dedication to quality of life is demonstrated by the different self-assessments residents, property owners and business owners have approved for their community. The Business Improvement Districts associations and Maintenance Assessment Districts in Uptown continue to invest in their community to revitalize the area and enhance the community's quality of life. These districts provide services above-and-beyond the general benefit level of services provided by the City. In addition, the Business Improvement Districts associations sponsor events which spotlight the community character of their district. Figure 5-1 details the boundaries of these self-assessment revitalization areas in Uptown.

POLICIES

- EP-2.1** Support programs and strategies for attracting, supporting, and retaining small businesses within Uptown.
- EP-2.2** Support the designation of Hillcrest's core as a Main Street under the National Main Street program.
- EP-2.3** Consider expanding the Hillcrest/University Avenue Maintenance Assessment District through a public/private partnership.
- EP-2.4** Position and expand the Hillcrest Entertainment District to attract more regional patrons and tourist.
- EP-2.5** Market the Downtown and Balboa Park visitor trade and improve convenient transportation linkages from those destinations to Uptown, including a potential street car linkage.
- EP-2.6** Utilize economic development tools and programs to attract and retain small businesses, through the maintenance and enhancement of commercial areas.

This page is intentionally left blank.