



May 19, 2010

Honorable Todd Gloria  
Land Use and Housing Committee  
202 C Street  
San Diego, CA 92101

**CHAIRMAN**

Bob Cummings  
Barratt Group

**VICE CHAIRMAN**

Russ Haley  
CityMark Development

**TREASURER / SECRETARY**

Guy Asaro  
The Corky McMillin Companies

**PAST CHAIRMAN**

Andrew Murphy  
American Property Enterprises

**PRESIDENT & C.E.O.**

Borre Winckel

**AFFILIATES**

California Building  
Industry Association

National Association  
of Home Builders

**Re: Opposition To Agenda Item 8, Proposed Amendments To The  
Downtown Planned District Ordinance**

Dear Councilmember Gloria,

The Building Industry Association of San Diego County is comprised of 800 member companies representing a workforce of 75,000 men and women. As a representative for the regulated community we urge you to oppose the changes to the downtown PDO as proposed in Agenda Item 8.

The Downtown Community Plan and CCDC have been a model of economic success and regulatory efficiency since its inception in 1975. It has generated nearly \$13 billion in private investment and \$191 million in annual property, sales, and TOT taxes. What once was an economic drain on the city - the downtown area now generates millions of dollars each year at a time when the city scratches for every penny.

We urge the Land Use and Housing Committee not to take action that could jeopardize the benefits associated with development in CCDC. The current model works because the city council - working with the community - created a vision for the downtown area and set the ground rules for development via its community plan and environmental analysis. Project applicants willing to abide by the rules established by the city council benefit with regulatory efficiency and time certainty. This dual incentive package has been a major economic attraction to investors who have witnessed processing times elsewhere morph into years and project processing cost climb exponentially.

The BIA believes that to deliberately deny hotels the benefits of regulatory efficiency circumvents the intent of the community plan and the role of CCDC. There is also a concern that the program will be expanded to capture every development project thereby negating the efficiencies long established in San Diego 35 years ago.

The city suffers from massive budget deficits. Unemployment touches 12% and more than 40,000 men and women of the construction industry are out of work. The city's Independent Budget Analyst Report says the intent of the amendment remains unclear and may pose '*significant impacts for downtown development.*'

We conclude that this amendment will only delay economic recovery efforts and slow hotel construction that is essential if the city is to pursue a Convention Center Expansion. The Building Industry Association of San Diego County urges you to oppose the draft changes to the Planned District Ordinance.

Your favorable consideration of our recommendations is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'MJA', with a long horizontal line extending to the right.

Matthew J. Adams  
Vice President

sw:mja