



# Hillcrest Development Site

## Multifamily Development Opportunity

4307 Third Avenue • San Diego, CA 92103

Exclusively presented by:





## Development Opportunity

JLL is pleased to present a ground lease development opportunity located on Third Avenue in the Hillcrest neighborhood of San Diego. The site is located next to the UC San Diego Medical Center campus and is less than a mile from University and Fifth Avenues, the heart of Hillcrest's retail and commercial district. The Hillcrest Site offers panoramic views of Mission Valley to the Pacific Ocean and the rare opportunity to build a multifamily project in Hillcrest, one of San Diego's most popular Uptown neighborhoods.

This marketing package provides details regarding the formal solicitation process through a Request for Information, Request for Statement of Qualifications and a subsequent Request for Proposal (RFI, RFSQ and RFP, respectively) on behalf of the County of San Diego seeking qualified parties to pursue a long-term ground lease and development of the Hillcrest Site.

For more information, please contact the JLL Multifamily Team:

**Darcy Miramontes**

(858) 410-6341

[darcy.miramontes@am.jll.com](mailto:darcy.miramontes@am.jll.com)

CA License #01319361

**Kip Malo**

(858) 410-6340

[kip.malo@am.jll.com](mailto:kip.malo@am.jll.com)

CA License #01807972

**JLL San Diego**

8910 University Center Ln #100

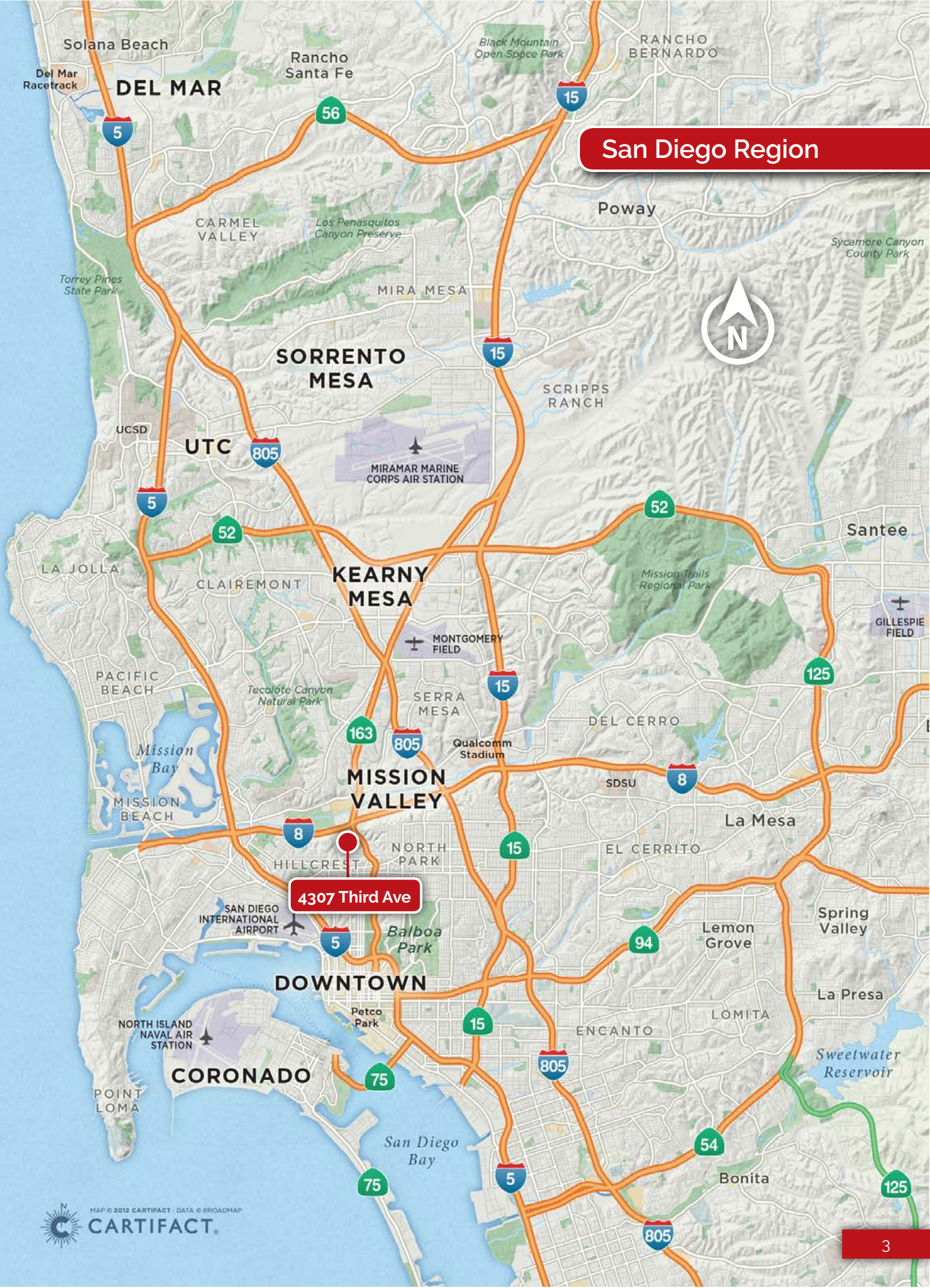
San Diego, CA 92122

[www.jll.com](http://www.jll.com)





## San Diego Region





## Site Summary

### Address

4307 Third Ave  
San Diego, CA 92103

### Assessor's Parcel Number

444-110-21

### Land Area

7.24 gross acres in parcel:

- 0.67 acres being retained by the County
- Approximately 0.46 acres of roadways
- Approximately 2.75 acres of open space
- Approximately 3.36 developable acres

### Zoning

A portion of the site is zoned RM-1-1

Residential Multiple Unit:

1 dwelling unit per 3,000 SF

The remainder of the site is zoned OR-1-1

Open Space Residential: open space with limited private residential development

Developer to maintain the open spaces as part of any development agreement.

### Existing Buildings

The site currently houses a 30,960 square foot main building, a 3,075 SF accessory building, and various temporary structures. These structures are to be demolished as part of the development.

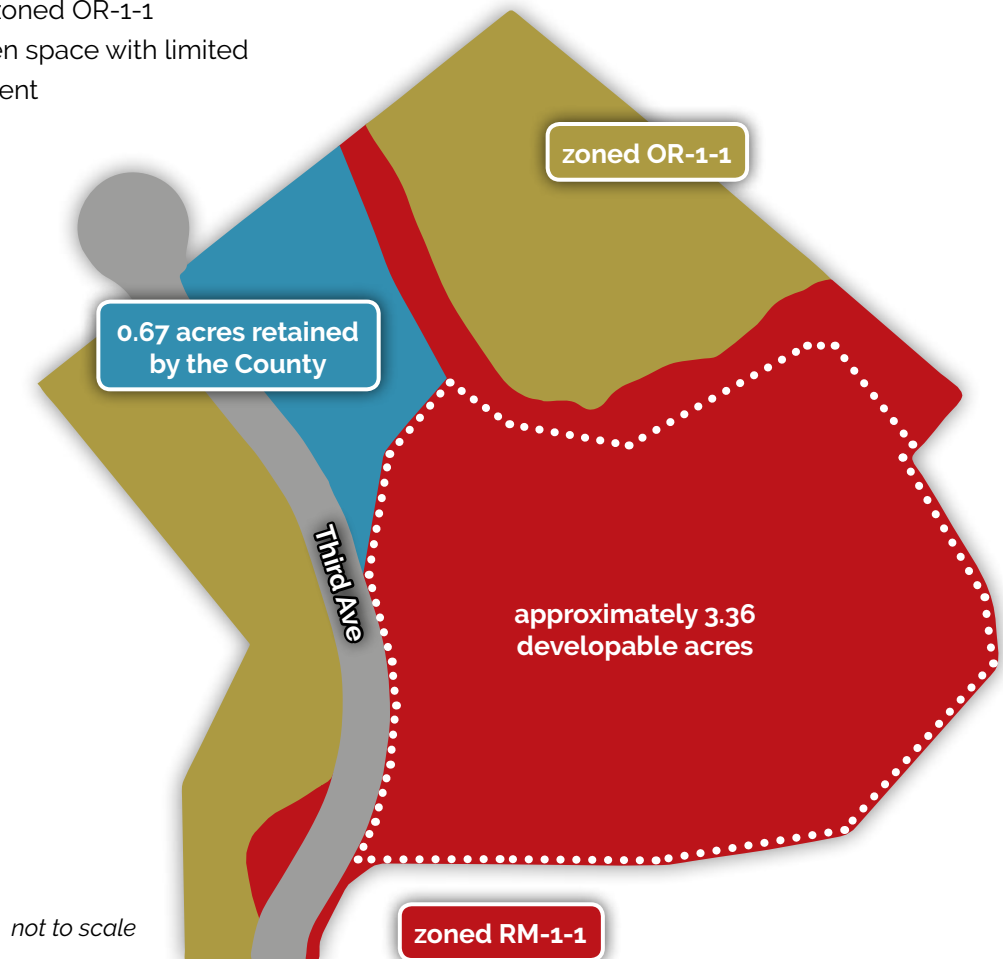
### County Retained Portion

0.67 acres of the site located at 4309 Third Avenue is being retained for use as an overnight foster care facility under a separate lease and is not included in the development program.

### Updated Community Plan

In November 2016 the San Diego City Council adopted an updated Uptown Community Plan. The new community plan zoned the site a mixture of RM-1-1 and OR-1-1 with the goal of promoting residential development while maintaining existing open spaces.

## Site Plan







## Site Location



Scripps Home Health Care  
Services Administrative Center

Retained by  
the County

open  
space

open  
space

approximately 3.36  
developable acres

UCSD Medical Center

Third Ave

Arbor Dr



## Development Highlights



### Location:

- Fantastic location in the trendy neighborhood of Hillcrest
- Hilltop location offers potential for panoramic views



### Rare Opportunity:

- Hillcrest is completely built out, only 97 units built since 2011
- Scarce competing development of only 250 units in the pipeline



### Central to Employment Centers:

- Mission Valley is 7 minutes away with 53,500 jobs
- Downtown is 15 minutes away with 92,700 jobs



### Near Hospitals:

- UCSD Medical Center is half a mile to the west
- Scripps Mercial Hospital is half a mile to the south



### Lifestyle:

- Less than a mile from University & Fifth, the heart of Hillcrest's shopping, dining and entertainment district

## Project Background

The Hillcrest Site has been owned by the County of San Diego since the 1950s and was operated as a foster care facility for many decades. The former foster care facilities have been vacated since 2014 and the County of San Diego is now soliciting feedback regarding a potential long-term ground lease and development of the site.

The site is located on a hilltop and offers sweeping views of Mission Valley, the Pacific Ocean, San Diego Bay and Downtown San Diego. UCSD Medical Center and Sharp Mercy Hospital are both within a few blocks.

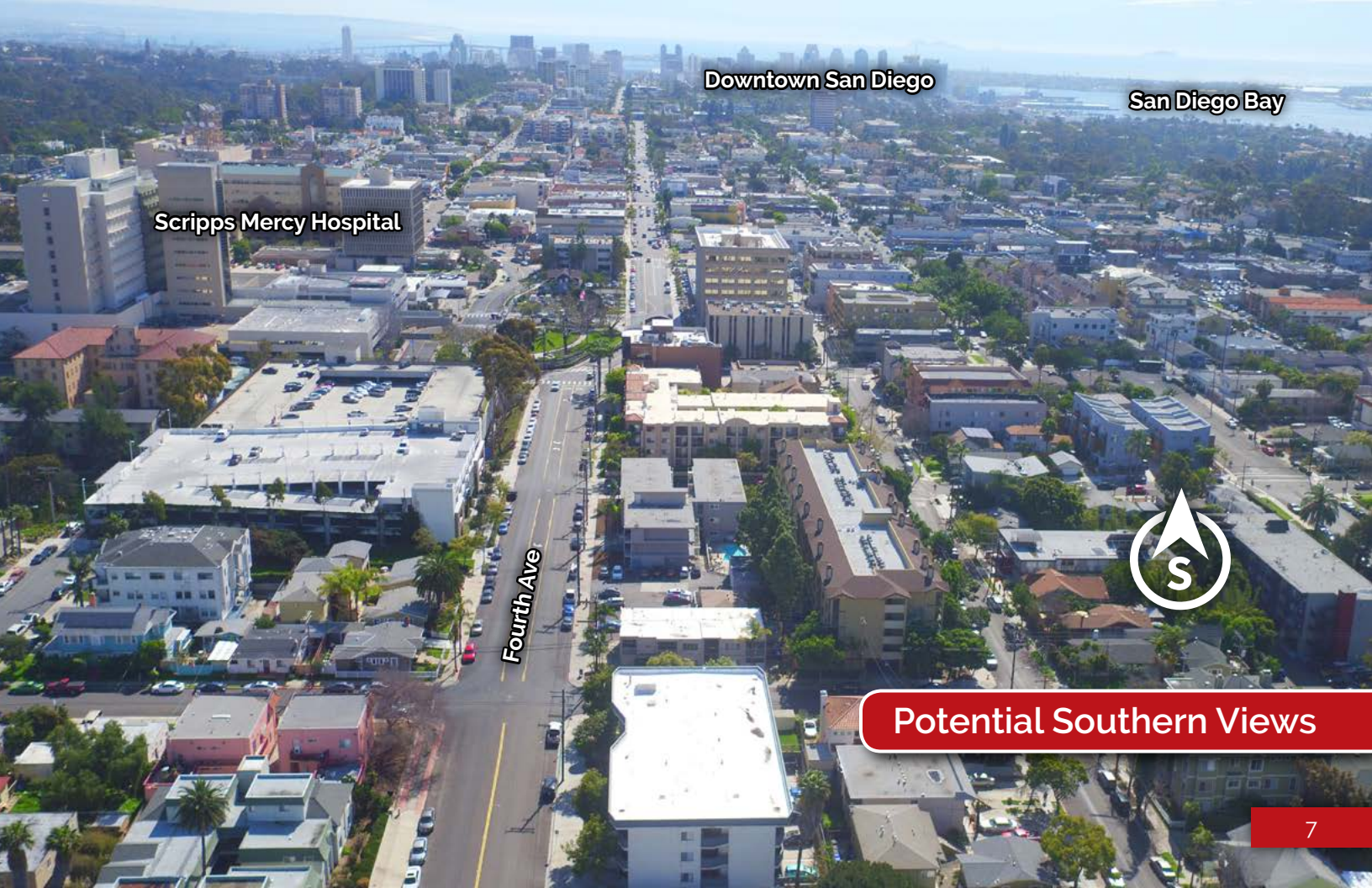
The Hillcrest Site has a superb location in the highly desirable Hillcrest neighborhood and is a prime candidate for multifamily development.





The Hillcrest Site is perched at the edge of a bluff overlooking Mission Valley. Its superb location affords a multistory development the potential for panoramic views of Mission Valley, Mission Bay, Downtown San Diego, San Diego Bay, the Pacific Ocean, and more.

### Potential Western Views



### Potential Southern Views



## Hillcrest Overview

Hillcrest is one of San Diego's most popular dining and entertainment destinations, with an ever-expanding host of popular dining, drinking establishments and boutique shops. This eminently walkable neighborhood is home to local boutiques, bookstores, bars, coffee shops and major national retailers. Every Sunday the Hillcrest Farmers Market brings together vendors of fresh produce, flowers, freshly prepared food and various local crafts and services in one of San Diego's most popular farmers markets.

Hillcrest is one of San Diego's most exciting neighborhoods and perpetually drives high residential demand.

### Dining & Shopping

Hillcrest is celebrated as one of the best dining scenes in San Diego with new chef-focused restaurants opening every year. Notable award-winning restaurants include TRUST, Bull & Grain and Bread & Cie. The area is also replete with trendy wine bars, cocktail lounges and craft breweries, making it a popular nightlife spot.

The Hillcrest site is 7 minutes away from Mission Valley, San Diego's largest retail submarket with two super regional malls, over 6 million square feet of retail and 6,500 retailers.

### Recreation

Hillcrest residents have access to a rich variety of outdoor activities, allowing them to fully enjoy all aspects of the laidback San Diego lifestyle:

- Golf courses and miles of multipurpose trails in Mission Valley along the San Diego River
- Athletic facilities and open spaces in Balboa Park including golf, tennis, hiking and biking trails, a cycling velodrome and Morley Field Sports Complex,
- Beaches and water recreation in Mission Bay including windsurfing, jet skis, sailing and kayaking

### Transportation

Interstate 8 and State Route 163 are both located within two miles and grant the site convenient access to the entire San Diego region. San Diego International Airport is a short 15-minute drive away.

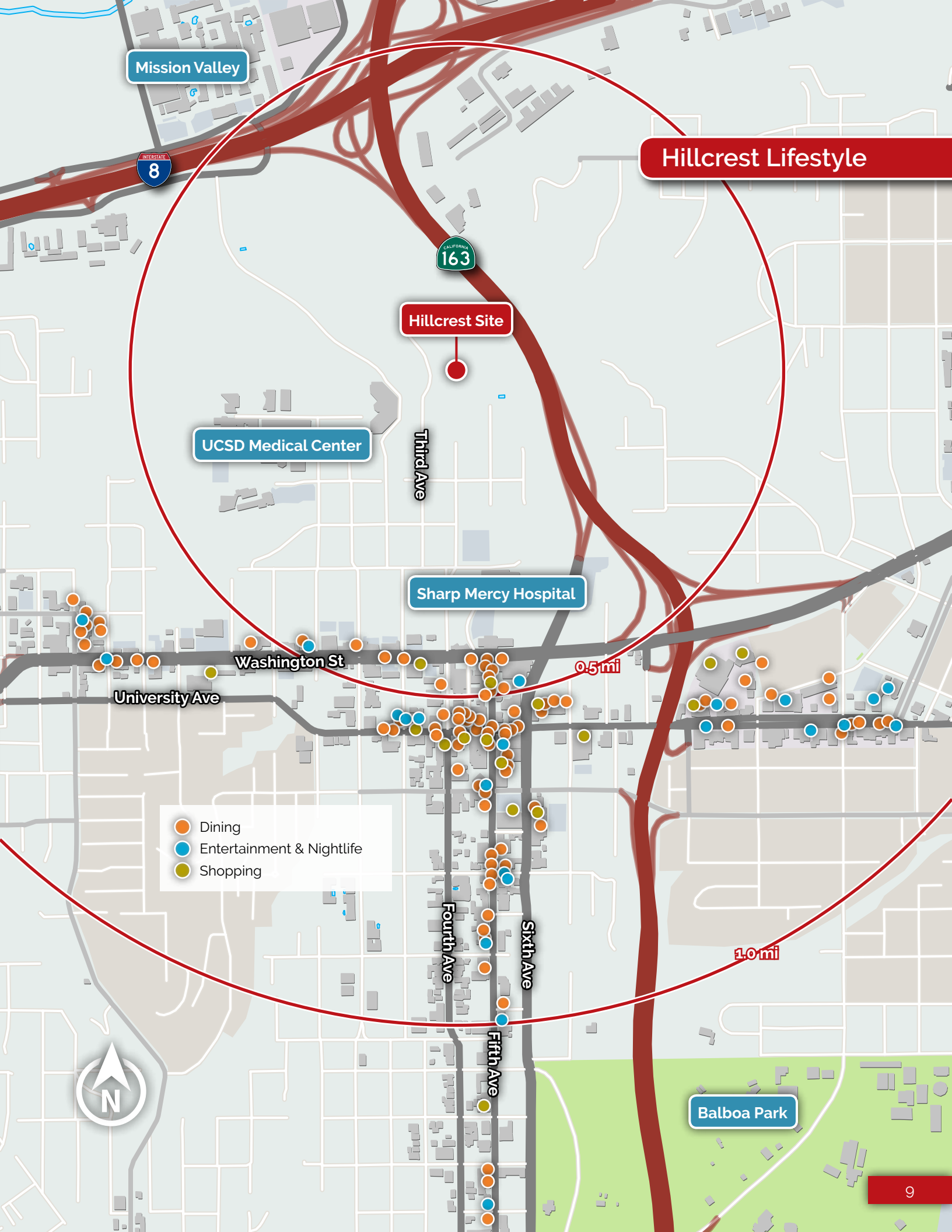


**TRUST Restaurant**



**Balboa Park**





Mission Valley

INTERSTATE 8

CALIFORNIA 163

Hillcrest Lifestyle

Hillcrest Site

UCSD Medical Center

Third Ave

Sharp Mercy Hospital

Washington St

University Ave

0.5mi

- Dining
- Entertainment & Nightlife
- Shopping

Fourth Ave

Sixth Ave

Fifth Ave

1.0mi

Balboa Park



## Surrounding Region

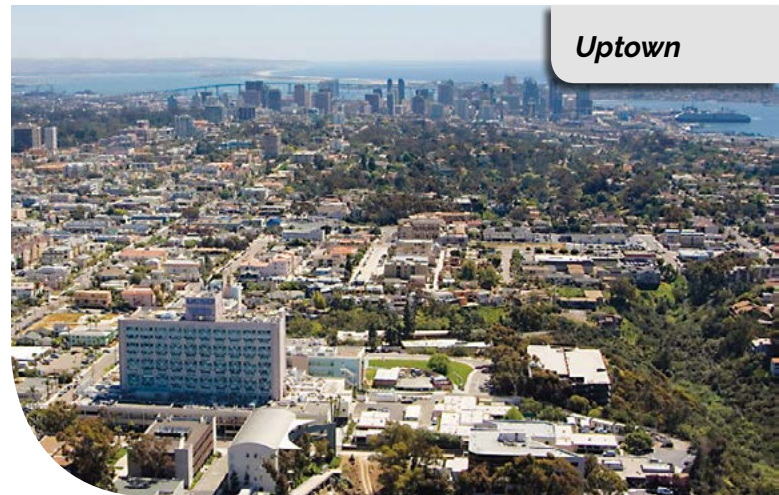
The Hillcrest Site's central location grants it superb access throughout the San Diego region. Shopping, dining, employment, education and transportation are all within easy reach.

**Uptown** includes the neighborhoods of Hillcrest, North Park, Bankers Hill and Mission Hills and is known for unique its restaurants, boutiques and night life. It includes some of San Diego's oldest neighborhoods, dotted with Craftsman homes and historic buildings. Uptown surrounds Balboa Park, the nation's largest urban cultural park, home to 15 major museums and the world-renowned San Diego Zoo. Uptown's communities are evolving from historical neighborhoods of single-family homes and bungalows to higher density contemporary multifamily developments.

**Mission Valley** offers the finest luxury shopping experience in San Diego with 6,500 retailers in over 6 million square feet of retail. Fashion Valley Mall, one of only 30 destination shopping centers in the United States with sales in excess of \$1,350 a square foot, offers the finest shopping experience in all of San Diego with fine and casual dining, entertainment and live events, and anchored by luxury department stores Bloomingdale's, Neiman Marcus and Nordstroms. Mission Valley also hosts 53,500 jobs.

**Downtown** is San Diego's premier employment center and entertainment district, directly accessible from Metro Center via walking, trolley or car. The area is home to 92,700 jobs, making it the largest concentration of jobs in San Diego. Downtown has also become the destination for many San Diego residents to enjoy the hustle and bustle of urban life while still enjoying the relaxed atmosphere of America's Finest City.

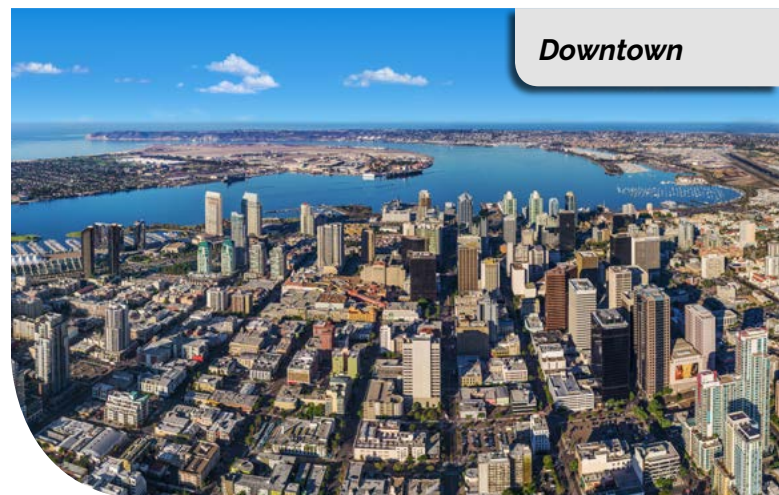
**Regional recreation** is just minutes away from the Hillcrest Site, including San Diego's world-famous beaches, the sprawling Balboa Park, the San Diego Zoo, Seaworld San Diego theme park, and the Gaslamp Quarter, Downtown San Diego's chief entertainment district.



***Uptown***



***Mission Valley***



***Downtown***



## Drive Times

10 minutes to USD

7 minutes to Mission Valley

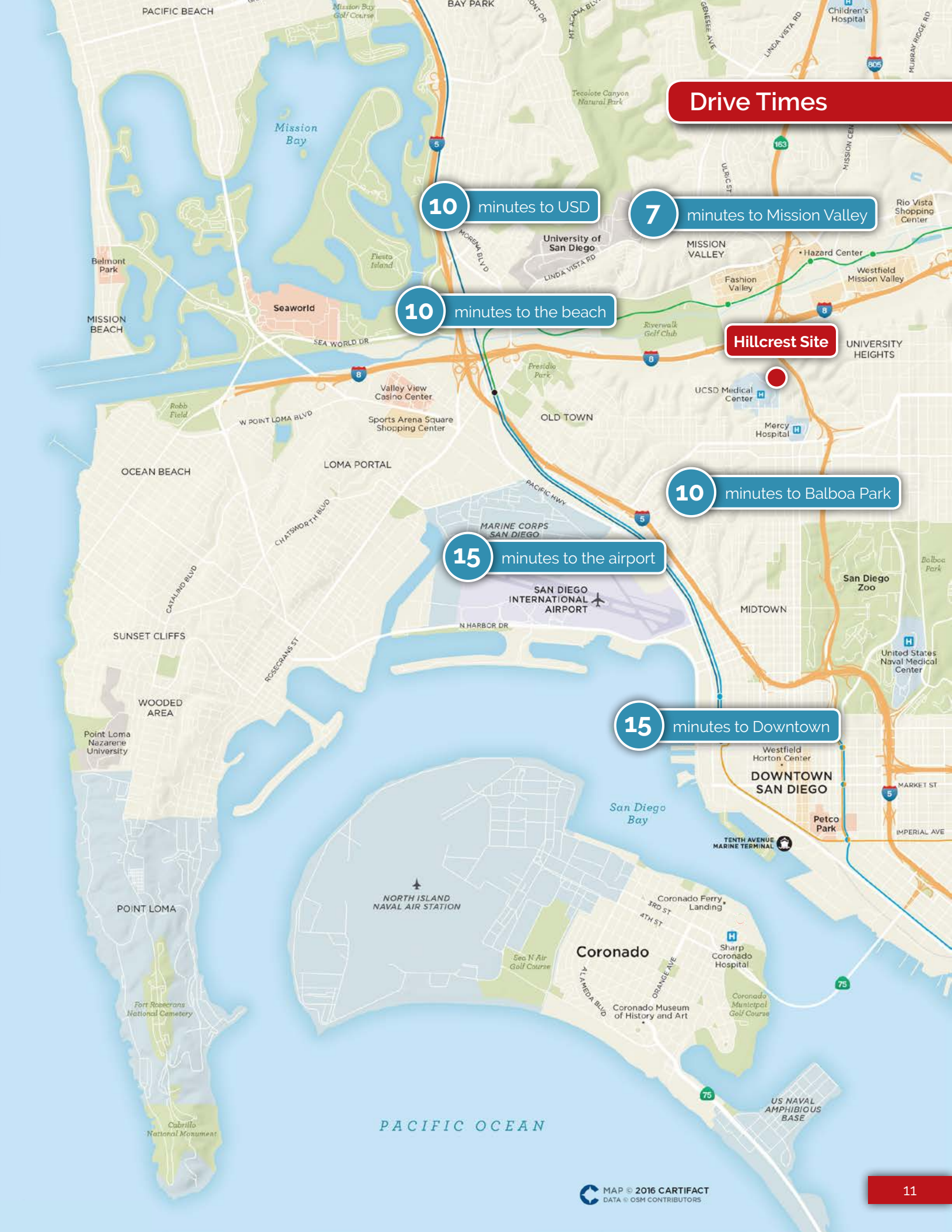
10 minutes to the beach

**Hillcrest Site**

10 minutes to Balboa Park

15 minutes to the airport

15 minutes to Downtown





## Hillcrest Multifamily Market



Hillcrest is a popular lifestyle neighborhood that underwent rapid regentrification during the economic recovery. The popularity of the Hillcrest residential market is constrained by virtue of being completely built out and the scarcity of additional developable land due to the area's hilly topography.

Only 97 new units have been delivered in Hillcrest since 2011. Two projects totaling 110 units are currently under construction and scheduled to deliver later in 2017.

A whopping 75% of Hillcrest residents rent due to the area's prohibitively expensive housing market. The median home price for a single family home in Hillcrest is \$671,000, up 3.4% over the past year, and the median price of a condominium is \$417,000, up 5.3% over the past year. At these prices most Hillcrest residents are forced to rent out of necessity.

Rents in Hillcrest have grown an average of 4.5% annually over the past five years and 5.8% over the past 12 months. Rents are forecast to grow another 2.3% during 2017.

**7,386**  
Existing Units

**\$1,567**  
Average  
Asking Rent

**75%**  
of Hillcrest  
Residents Rent

**72 Units**  
Delivered Past  
12 Months

**\$2.14**  
Asking Rent  
Per SF

**\$671,000**  
Median Home Price  
Past 12 Months

**3.5%**  
Vacancy

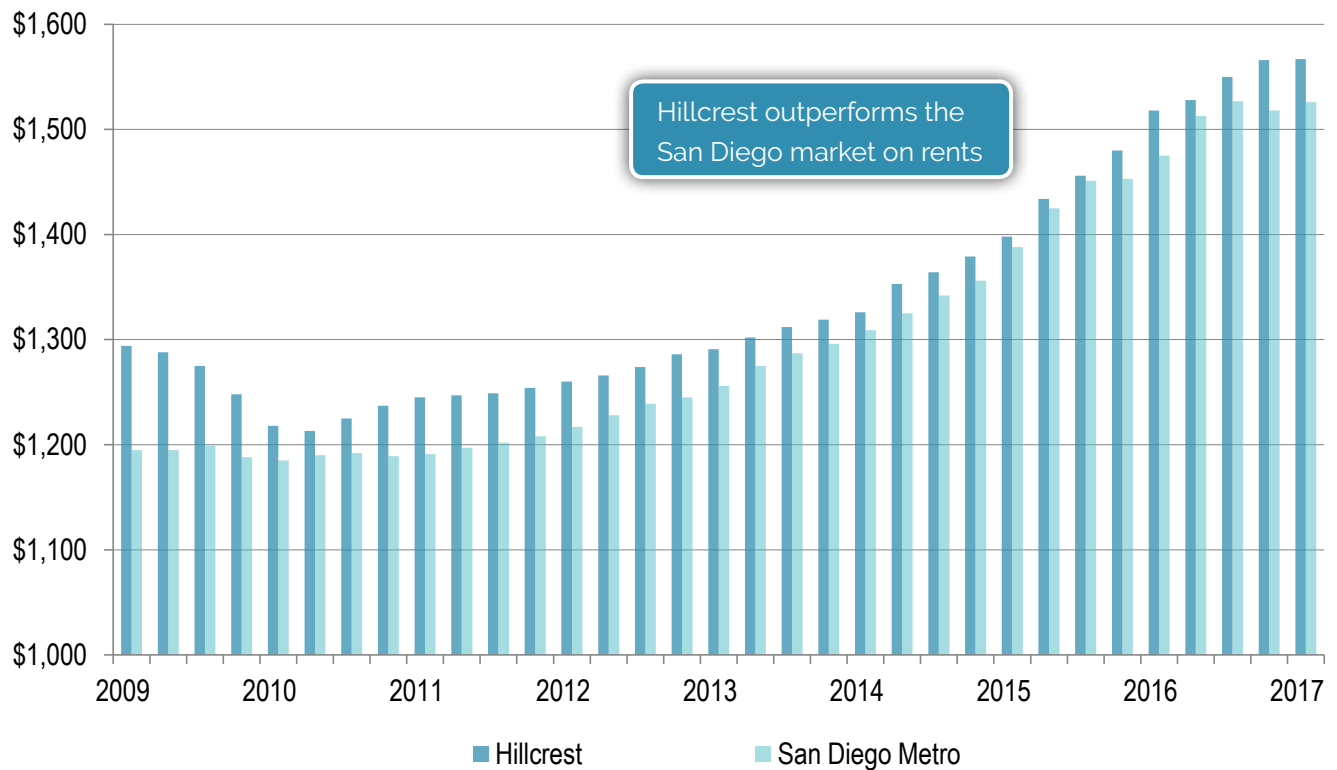
**+5.8%**  
Rent Growth  
Past 12 Months

**\$417,000**  
Median Condo Price  
Past 12 Months

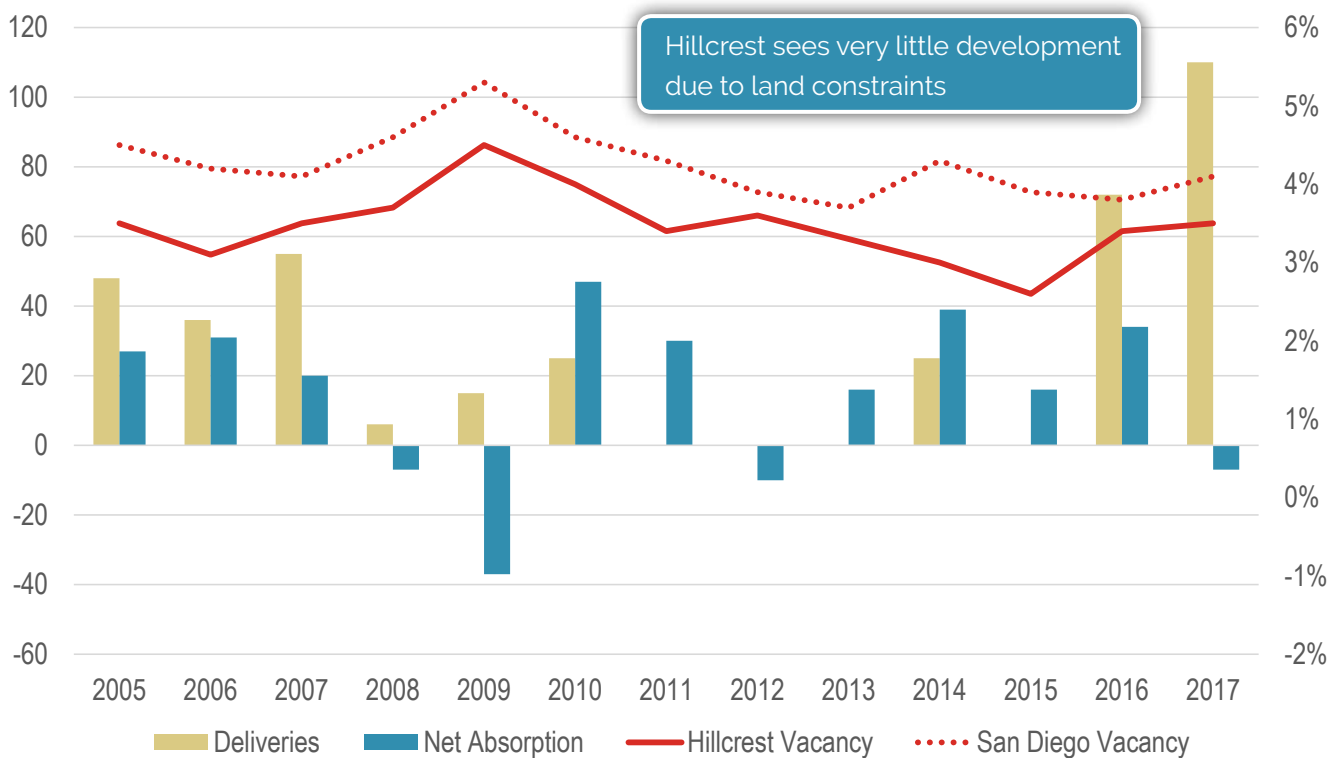


# Multifamily Fundamentals

## Historical Rents



## Deliveries & Net Absorption





# The Qualifications Process

The solicitation will include three phases: a Request for Information ("RFI") phase, a Request for Statement Qualifications ("RFQ") phase and a Request for Proposal ("RFP") issued to the teams short-listed from the RFSQ phase.

**March:**  
**RFI Issued**  
↓  
**Early April:**  
**RFI Due**

## Phase I – Request for Information

The initial Request for Information opens a dialogue between the County and interested parties. Feedback and information gathered during the RFI phase will help shape the RFQ and RFP phases.

**Late April:**  
**RFQ Issued**  
↓

## Phase II – Request for Statement of Qualifications

The purpose of the RFSQ is to qualify and select a short list of highly qualified development teams, who will then be requested to participate in the Phase III RFP. In the RFSQ, respondents are asked to provide their basic project concept to address the County's objectives and requirements and to qualify firms and their key personnel with regards to their ability to provide the experience, capacity and financial resources necessary to develop each of the two project components. Only those development teams short-listed will move forward and participate in Phase III.

**Early June:**  
**RFQ Responses Due**

**July:**  
**RFP Issued**  
↓

## Phase III – Request for Proposals

Phase III will consist of an RFP process in which the short-listed development teams will be requested to submit fully developed project concepts for all components of the project, including preliminary design drawings, financing strategies and pro-formas. The development teams may be asked clarifying questions regarding the proposed project concepts, preliminary design drawings and financing strategies. Based on the development team's responses to the clarifying questions, teams may be given an opportunity to revise their proposals before a decision is made by the selection committee.

**September:**  
**RFP Responses Due**



## Ground Lease

Respondents should be prepared to discuss ground lease terms with the County. The County is open to a long-term ground lease.

link to the County of San Diego's RFI web site:

[www.sandiegocounty.gov/content/sdc/general\\_services/Real\\_Estate/Develp\\_Opp/RES\\_DO\\_Hillcrest.html](http://www.sandiegocounty.gov/content/sdc/general_services/Real_Estate/Develp_Opp/RES_DO_Hillcrest.html)



## Your Exclusive Advisors

*Please contact the JLL team with any questions:*

### **Darcy Miramontes**

(858) 410-6341

[darcy.miramontes@am.jll.com](mailto:darcy.miramontes@am.jll.com)

CA License #01319361

### **Kip Malo**

(858) 410-6340

[kip.malo@am.jll.com](mailto:kip.malo@am.jll.com)

CA License #01807972



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San Diego, CA 92122

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