

# The San Diego Union-Tribune

## Construction set to begin on landmark Merge 56 project west of Rancho Peñasquitos



An artist's rendering of Merge 56, a large mixed-use development slated to break ground in February near Rancho Peñasquitos.

Development is considered a model for suburban growth but litigation delayed it

By [DAVID GARRICK](#)

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SAN DIEGO — Crews will break ground in February on a 70-acre housing and retail project near Rancho Peñasquitos that San Diego officials have called a new model for suburban development in the city.

The long-awaited Merge 56 project aims to be a densely built, walkable community with a sense of place and an urban vibe unusual for San Diego's suburban neighborhoods.

The project, located along the south side of state Route 56, is slated to include 242 residential units, some six-story office buildings, retail shops, a hotel and a movie theater.

Merge 56 had been delayed nearly two years by an environmental lawsuit filed by a labor union that wanted more union-friendly hiring policies for the construction workers who would build the new community.

The union, Local 89 of the Laborers International Union of North America, eventually agreed to a legal settlement that requires developer Sea Breeze Properties to conduct more environmental mitigation work.

The project, located between Interstates 5 and 15, will be built on mostly vacant land immediately adjacent to the biologically protected Del Mar Mesa Preserve, which includes a U.S. Fish and Wildlife refuge.

In addition to being a potential model for suburban development, Merge 56 is also a milestone project for the area.

It's the last large piece of available property along state Route 56, and the project includes new roads that will complete the traffic grid Rancho Peñasquitos community leaders have envisioned for years.

The developer will complete the extension of Camino Del Sur to Park Village Road and an extension of Carmel Mountain Road. Those projects will reduce traffic on Black Mountain Road by giving about 2,000 homes direct access to the freeway.

"I'm very pleased to hear this project is moving forward," said Councilman Mark Kersey. "This is a dense mixed-use project that has widespread community support, passed the council unanimously and provides 242 much needed middle-class housing units."

Mayor Kevin Faulconer noted that he spearheaded incentives that allowed the developer to build a larger project in exchange for including subsidized low-income units.

Merge 56 is slated to include 47 units reserved for people earning less than 65 percent of the area's median income.

"This is just the latest example of our housing reforms at work," Faulconer said. "This project is taking advantage of the new rules we implemented to lower costs and speed up the construction of affordable housing."

Just over 40 acres of the project will be occupied by the development. The other 32 acres will be occupied by the associated road extensions.

Merge 56 has been consistently described as a new model for suburban development.

“It provides an urban model in a suburban location,” Gary Levitt, founder and president of developer Sea Breeze Properties, said by phone on Wednesday.



Sources: City of San Diego;  
Mapzen; OpenStreetMap

“The suburban models of the past were designed around the car — you accommodated the car and everything else had to fit in accordingly,” Levitt said. “In this project, the buildings are designed to serve people first.”

The parking spots in Merge 56 aren’t located in surface lots, they are located in parking structures that are partly subterranean.

The lawsuit that delayed the project claimed that Seabreeze and the city failed to adequately analyze the project’s potential impacts on nearby wildlife, greenhouse gas emissions, traffic congestion and cancer risk for residents in the area.

Rebecca Davis, an Oakland attorney who represented Local 89 in the case, said Wednesday that the union agreed to the settlement only because the developer agreed to pay for more significant environmental mitigation.

Levitt and many city officials said the litigation was an example of a labor union irresponsibly using the state’s environmental law in an attempt to gain leverage over a developer in a labor dispute.

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“The union came in at the last minute and decided to hold our project hostage,” Levitt said. “When they understood that we intended to fight them and make it expensive legally, they offered us a settlement that made sense.”

Merge 56 was unanimously endorsed by the Rancho Peñasquitos Community Planning Group and the San Diego Planning Commission.