CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 19, 2005 **ITEM NUMBER:**

SUBJECT: **GENERAL PLAN SCREENING REQUEST GPS-05-01 - SOUTH COAST METRO CENTER LOCATED AT 475 – 595 (ODD NUMBERS ONLY) ANTON BOULEVARD**

DATE: **APRIL 6, 2005**

FROM: **PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT**

PRESENTATION BY: **CLAIRE L. FLYNN, AICP, SENIOR PLANNER**

FOR FURTHER INFORMATION CONTACT: **CLAIRE L. FLYNN, AICP, SENIOR PLANNER (714) 754-5278**

RECOMMENDATION

Accept proposed General Plan amendment screening request for processing.

BACKGROUND

This item was continued from the April 5, 2005 City Council meeting. The following information was provided in the staff report for that meeting.

Project Site

South Coast Metro Center is located south of Anton Boulevard, east of Avenue of the Arts, north of I-405 freeway, and west of Sakioka Lot 2. The site is designated Urban Center Commercial and zoned Planned Development Commercial (PDC). The legal entity that holds the Metro Center property is Stockbridge/MCC South Coast LLC.

Existing Uses and Remaining Entitlement

Existing uses at South Coast Metro Center include the following:

- Three 12-story office buildings
- Romano's Macaroni Grill
- Restaurant Building (vacant)
- Retail Center (Starbucks Coffee, Quiznos Deli, Robeks Juice)
- Experian complex

The only remaining entitlement at South Coast Metro Center is a proposed 300-room hotel (200,000 sq.ft.) at the southwest corner of the property, south of the Macaroni Grill. The Applicant has made some preliminary marketing efforts for the new hotel but has

indicated that the market demand in the lodging sector is declining. (Master Plan and Site Photos, Attachments 2-3).

Previous Project Approvals

In July 1999, the City entered into a 15-year Development Agreement with McCarthy Cook & Company. This Agreement was approved in conjunction with General Plan amendment GP-98-08, North Costa Mesa Specific Plan amendment SP-98-04, and Master Plan amendment PA-98-77.

In 2000, a site-specific FAR of 0.79 was adopted for South Coast Metro Center to allow a maximum square footage of 1,546,180 on the 45-acre site. The 2000 General Plan established a trip budget of 1,729 a.m. peak hour trips and 2,292 p.m. peak hour trips.

On March 1, 2005, the applicant submitted a General Plan amendment screening request to allow a residential condominium project at the South Coast Metro Center property. Pursuant to the City's submittal deadlines for applications received in Spring 2005, this request was scheduled for the April 5th Council meeting. A similar General Plan amendment screening application was approved for CommonWealth Partners' Pacific Arts Center (formerly Two Town Center) on December 6, 2004.

ANALYSIS

Project Description

The Applicant forecasts little to no interest in the remaining hotel entitlement due to market forces. They have indicated the only recent hotel development activity has been in the lower end, limited service/extended stay sector and anticipate the continual downturn in the hotel sector for the next few years. Thus, the Applicant would like to pursue a General Plan amendment for a proposed residential condominium (owner-occupied) building at South Coast Metro Center. The proposed luxury condominium building will replace the existing hotel entitlement.

The residential condominium building is still in its conceptual stages, thus a precise location has not yet been determined. The condominium building is inspired by current demand for upscale residential condominiums in urban centers. The project will contain resident amenities (e.g. pool, indoor patio areas, and fitness/recreational facilities) and will also showcase views of the surrounding area. The proposed project is expected to meet growing demand from a high-end, luxury-housing market while not exceeding the circulation system or infrastructure capacity (Applicant letter, Attachment 4).

The proposed project involves the following:

- Construction of a residential condominium (ownership) high-rise building to replace a proposed 300-room hotel at South Coast Metro Center;
- Projected traffic not to exceed the circulation system's capacity;
- Projected demand not to exceed infrastructure capacity;

- General Plan amendment for a site-specific FAR, site-specific building height, and/or site-specific density;
- North Costa Mesa Specific Plan amendment;
- Master Plan amendment to the South Coast Metro Preliminary Master Plan;
- Negative declaration to document any environmental impacts to be mitigated to below a level of significance, if necessary.

General Plan Screening Criteria

City Council Policy 500-2 establishes a procedure for processing privately initiated General Plan amendments. This procedure involves a City Council screening of these requests prior to their acceptance for formal processing. The policy includes three criteria for accepting requests and two criteria for rejecting requests. The acceptance criteria are as follows:

1. A General Plan amendment is necessary to resolve inconsistency between the General Plan designation and zoning of a parcel.

2. A General Plan amendment is necessary to provide a uniform land use designation on a single parcel.

3. A General Plan amendment would result in decreased traffic impacts from the property.

The criteria for rejecting an application are as follows:

1. The request applies to a single small lot or a small area, especially if the change would make the property inconsistent with surrounding properties.

2. The property is located in the Redevelopment Area and requires action by the Redevelopment Agency to amend the Redevelopment Plan.

In addition to the above criteria, the policy also states that no request shall be accepted that would increase the overall, citywide development cap. It does, however, allow amendments that would result in development exchanges or transfers to be considered. The policy also acknowledges that these criteria are only guidelines and City Council may accept an application which does not meet the criteria if it finds there are overriding reasons to do so.

Traffic Analysis

A detailed traffic analysis will be conducted with the project-specific environmental review. In consultation with the Transportation Services Manager, the traffic analysis will include, but not be limited to, the following information:

- Proposed trip budgets for buildout of the South Coast Metro Master Plan.
- Pedestrian and vehicle circulation plan.

- Comparison of directional trip budgets for residential versus commercial uses.
- Analysis of any increased traffic in relation to existing and projected traffic levels.
- Trip generation characteristics of residential condominiums in mixed-use zones.

Justification for Acceptance of Screening Request

Staff recommends acceptance of the General Plan screening request for the following reasons:

- *Achieves General Plan Housing Element Goal HOU-3*. The purpose of the three General Plan acceptance criteria is to provide guidelines to screen General Plan amendment requests. While the proposed project does not strictly satisfy these specified criteria, it would achieve an important Housing Element goal by supplementing a diverse housing supply. It would meet the housing needs of the high-income segments of the community at a level *no greater than* which can be supported by planned infrastructure improvements.

- *Creates new housing which would help balance the City's jobs/housing ratio.* The proposed project will target a population including performing artists, art industry professionals/patrons, and cultural art investors. Furthermore, as with CommonWealth's proposed residential highrise at the Pacific Arts Center, the proposed project will be the among the first of this kind of housing type in Costa Mesa and is expected to meet the demand from a high-end housing market.

- *Promotes mixed-use development in the City of Costa Mesa*. The inclusion of a luxury, residential condominium high-rise at South Coast Metro Center may increase its viability as a mixed-use development. South Coast Metro Center currently offers on-site amenities to employees and visitors and captures vehicular trips which would otherwise leave the site to find similar services. Future residents of the condominium building may also patronize these onsite services and thereby decrease vehicle trips.

- *Proposes to be within the circulation system and infrastructure capacity*. The proposed residential condominium building's trip generation would not exceed the General Plan's overall development capacity. While a precise location, density, and size is yet to be determined, the building will be developed to not exceed circulation and infrastructure capacity in the area.

ALTERNATIVES CONSIDERED

City Council has the following alternatives available for consideration:

1. Accept the screening request for processing. Pursuant to Council Policy 500-2, Council may acknowledge that the General Plan screening criteria are only guidelines and that City Council may accept an application that does not meet the criteria based on other considerations. Since the project promotes mixed-use development and helps balance the City's jobs/housing, staff recommends acceptance of the application for processing. Detailed environmental analysis (i.e.

traffic, noise, air quality studies) will be required to identify any impacts of the proposed condominium building.

2. Deny the screening request. Denial of this request would maintain the existing entitlement for a 300-room hotel (200,000 sq.ft.) at South Coast Metro Center.

FISCAL REVIEW

Fiscal review is not required for this item.

LEGAL REVIEW

Legal review is not required for this item.

CONCLUSION

Staff recommends acceptance of the proposed General Plan amendment for processing and additional analysis. The proposed residential condominium building at South Coast Metro Center would achieve the following: (a) satisfy a General Plan goal for diverse housing types, (b) create new housing to help balance the City jobs/housing ratio, and (c) promote mixed-use development at South Coast Metro Center. While project specific environmental analysis is required, the condominium building is anticipated to be within the circulation system's capacity and supported by planned infrastructure improvements.

It is important to note that acceptance of this screening request does not set precedent for approval, but does allow the opportunity to review the request and it's relative merits and compatibility in greater detail prior to final action.

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Attachments:
1. Vicinity Map
2. South Coast Metro Master Plan
3. Site Photographs

4. Applicant's Letter of Justification

cc: City Manager
Assistant City Manager
City Attorney
Public Services Director
City Clerk
Staff (4)
File (2)

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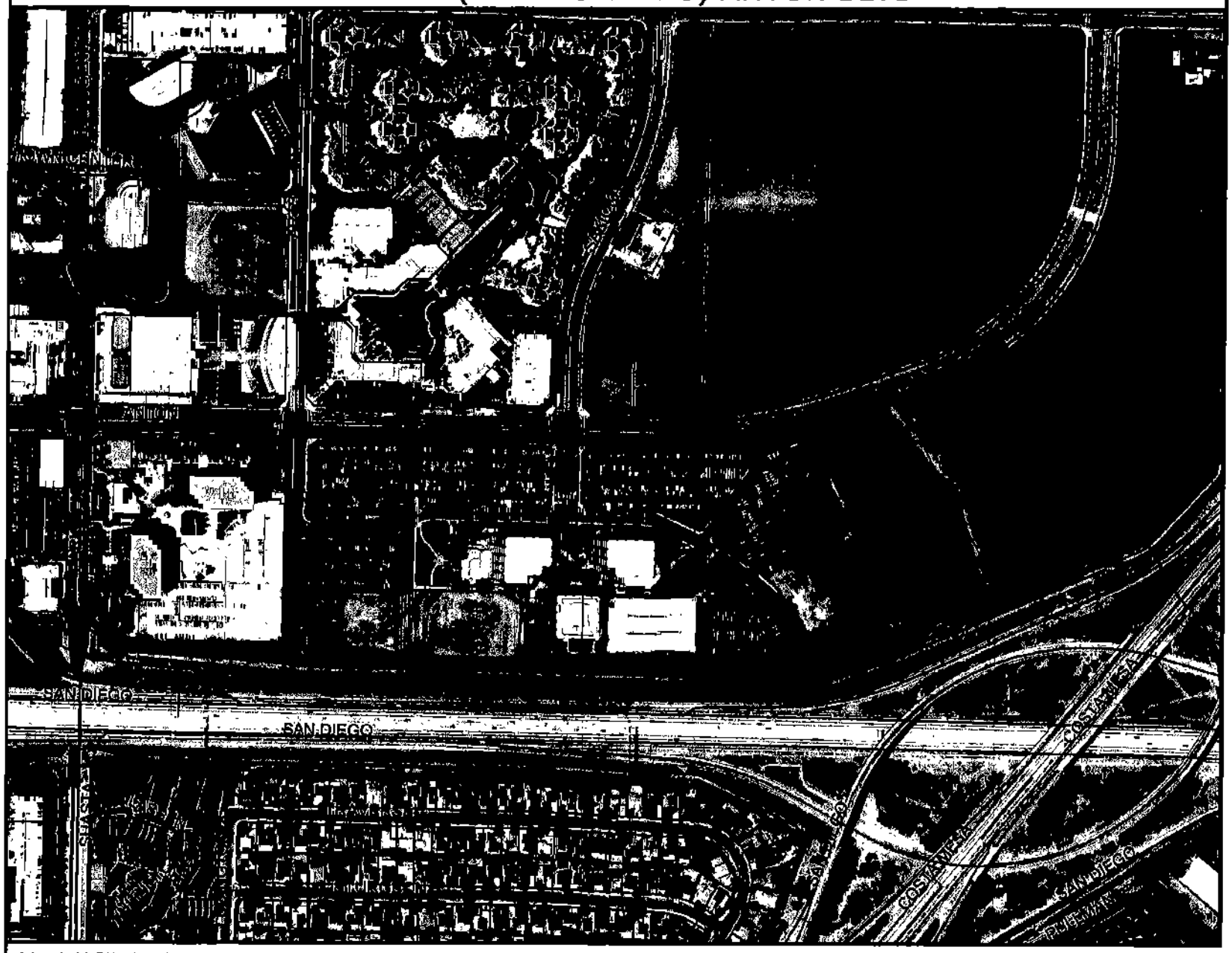
File: 040505GPS0501	Date: 031805	Time: 1115 a.m.

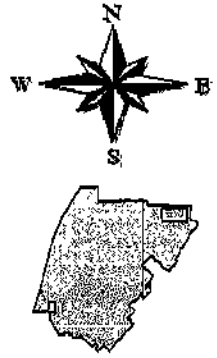
SOUTH COAST METRO/EXPERIAN

475-595 (ODD NUMBERS) ANTON BLVD



Legend

- Hydrology Channels
- Street Names
- Street Centerlines
- Parcel Lines
- City Boundary
- Ortho Photography



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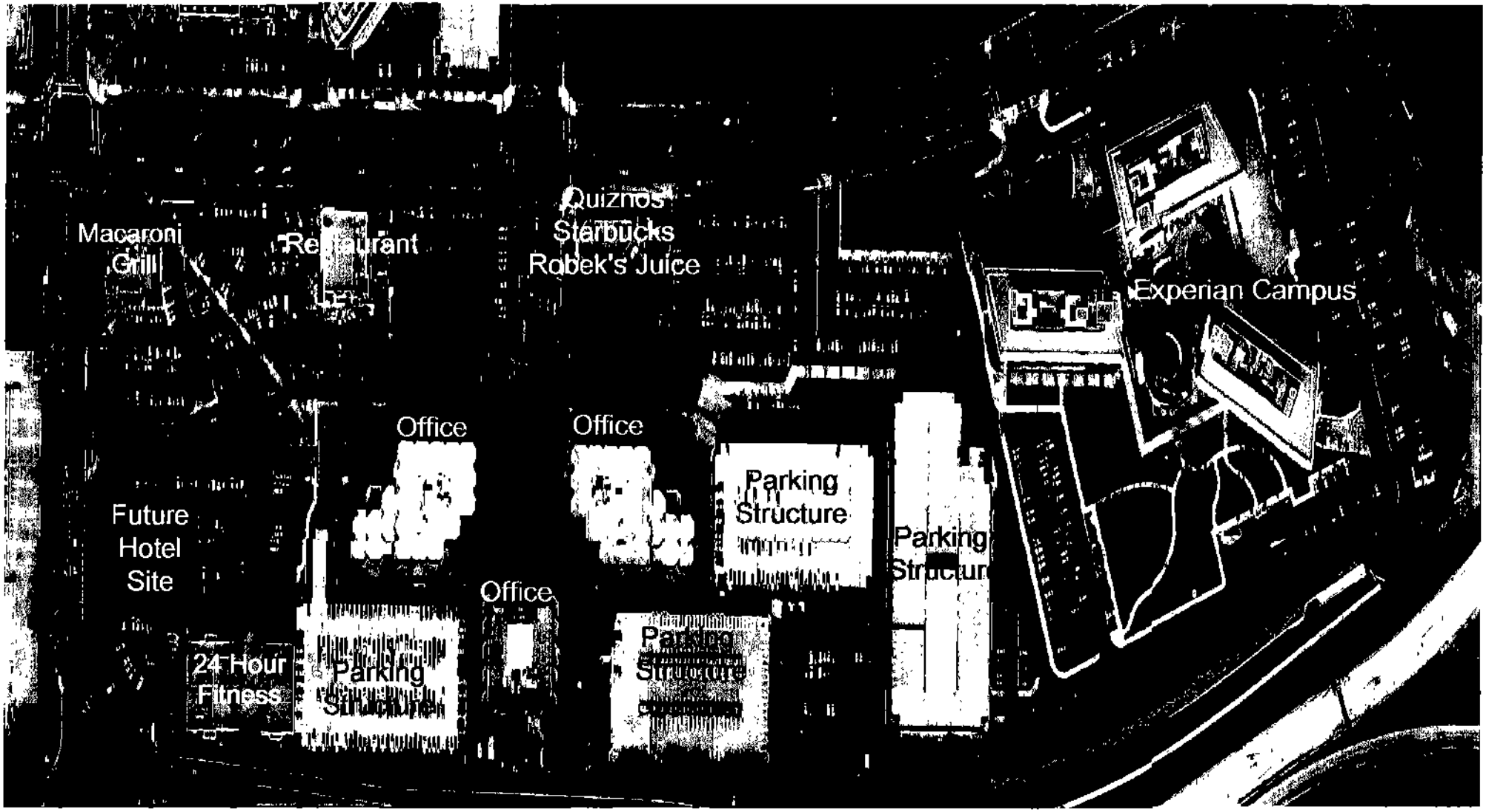
ATTACHMENT 1

South Coast Metro Center



ATTACHMENT 2

CITY OF COSTA MESA

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DEVELOPMENT SERVICES DEPARTMENT

FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT, PLEASE CONTACT THE CITY CLERK'S OFFICE AT (714) 754-5121

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