



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 17, 2007

ITEM NUMBER: _____

SUBJECT: REPORT ON INTERIM ORDINANCE 07-6 PLACING A MORATORIUM ON THE APPROVAL OF INDUSTRIAL CONDOMINIUM CONVERSIONS

DATE: APRIL 4, 2007

FROM: DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTATION BY: KIMBERLY BRANDT, AICP, ACTING ASSISTANT DEVELOPMENT SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: KIMBERLY BRANDT (714) 754-5604

RECOMMENDATION:

Receive and file; no action is required.

BACKGROUND:

On March 20, 2007, City Council adopted an urgency ordinance which established a moratorium on the approval of industrial condominium conversions, on a 5-0 vote. The initial timeframe for the urgency ordinance is 45 days (which will end on May 3, 2007); the ordinance can be extended to a total time period of two years following additional notice and hearings. Government Code Section 65858 also requires the City to file a report which documents the progress being made to address the issue which resulted in the moratorium. The report must be completed at least 10 days prior to the hearing to extend the urgency ordinance beyond the initial 45 days.

This report fulfills the state law requirements cited above. Council will hold a public hearing on the possible time extension of the moratorium on May 1, 2007.

ANALYSIS:

Since Council's action on March 20, 2007, staff has inventoried recent conversions in the City, surveyed surrounding cities; and met with industrial developers.

Recent Costa Mesa Approvals

As shown in Attachment 1, in the last 5 years, the City has approved 10 conversions of non-residential buildings to condominiums, 8 of which were industrial complexes. As you will note, the majority of the projects (6) were located in the Airport Industrial Park area; one project was located in the Westside.

Survey of Other Cities' Regulations

Staff surveyed surrounding cities, as well as a selected city outside of Orange County, to determine whether any of the cities have a distinct discretionary review process for reviewing non-residential condominium conversions, which would be in addition to the subdivision map review process. Of the responses that we have received to date, only the City of Livermore has a distinct zoning review process for non residential condominium conversion proposals. The other cities surveyed, only require the subdivision map application. Staff is also obtaining samples of development standards and/or conditions of approval. Attachment 2 contains a matrix of the survey results.

Meeting with Industrial Developers

Staff met with representatives of a company that has converted existing industrial buildings into condominiums, as well as constructed new industrial condominiums in other southland cities. They believe the key factor in the long-term success of a condominium complex is the covenants, conditions, and restrictions (CC&R's) that govern the property, and they gave staff a sample format (see Attachment 3). They indicated that common concerns found with industrial condominium conversions are nonconforming parking and landscaping requirements and the overall age of the buildings.

ALTERNATIVES CONSIDERED:

This is a progress report on the industrial condominium conversion moratorium; no action is required by Council at this time. Staff will provide Council with alternative actions in conjunction with the consideration of the time extension of the moratorium scheduled for May 1, 2007.

FISCAL REVIEW:

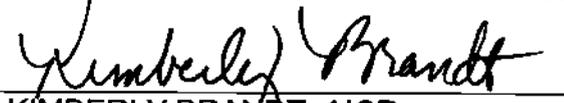
This progress report does not require any fiscal review.

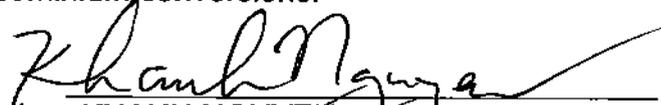
LEGAL REVIEW:

This progress report does not require any legal review.

CONCLUSION:

Staff has completed initial research on the zoning regulations for industrial condominium conversions, but has not yet drafted regulations. Both City Council and Planning Commission have indicated the need for a joint study session to further discuss their concerns with industrial condominium conversions.


KIMBERLY BRANDT, AICP
Acting Assistant Development Services
Director


KHANH NGUYEN
Acting Deputy City Mgr. - Dev. Svs.
Director

DISTRIBUTION: City Manager
Asst. City Manager
City Attorney
Deputy City Manager – Dev. Svs. Dir.
Public Services Director
City Clerk (2)
Staff (4)
File (2)

ATTACHMENTS: 1 Recent Industrial Condominium
Conversions
2 Survey of Other Cities' Regulations
3 Sample CC&R format

File Name: 041707Ind.Condo.Moratorium	Date: 040807	Time: 1:00 p.m.
---------------------------------------	--------------	-----------------

ATTACHMENT 1

Recently Approved Non-residential Condominium Conversions

PROPERTY DESCRIPTION	SIZE	TYPE	OCCUPANCY
PM-02-04 - 3191 RED HILL AV - PARCEL MAP TO SUBDIVIDE AN EXISTING DEVELOPMENT INTO SIX PARCELS WITH ONE COMMON LOT FOR ACCESS AND PARKING.	<ul style="list-style-type: none"> ▪ 6 Parcels and 1 Common Lot ▪ No improvements or physical changes 	Industrial	Occupied
PM-03-02 - 380 CLINTON ST – PARCEL MAP TO SUBDIVIDE AN EXISTING PARCEL AND DEVELOPMENT INTO THREE INDUSTRIAL CONDOMINIUMS.	<ul style="list-style-type: none"> • 3 units • 46,800 bldg. sq. ft. total • Interior renovation 	Industrial	Occupied
PM-03-06 - 3130 AIRWAY AV - TO SUBDIVIDE A 45,539 SQ. FT. INDUSTRIAL BUILDING INTO SIX AIRSPACE CONDOMINIUM UNITS.	<ul style="list-style-type: none"> • 6 units • 33,613 bldg sq. ft. (not counting garage) • 7,584 sq. ft. demolished • Exterior façade and parking upgrades 	Multi-tenant, industrial	Occupied
PM-03-07 – 2900 BRISTOL ST – TENT. PARCEL MAP TO SUBDIVIDE 3 EXISTING PARCELS AT CREEKSIDE COMMERCIAL DEVELOPMENT INTO 6 PARCELS (5 FOR EXISTING BUILDINGS, 1 FOR PARKING AND COMMON AREA).	<ul style="list-style-type: none"> • 6 parcels • 5 buildings total, one parcel for parking • 147,500 sq. ft. office condo complex 	Commercial Office	Occupied
PM-04-04 - 240 BRIGGS AV - TENTATIVE PARCEL MAP FOR A ONE LOT SUBDIVISION OF 240 & 250 BRIGGS AVE. FOR AIR SPACE CONDOMINIUM PURPOSES.	<ul style="list-style-type: none"> • 2 units • 17,000 bldg sq. ft. • No improvements or physical changes 	Industrial	Occupied
PM-05-01 - 3191 RED HILL AV - TENTATIVE PARCEL MAP TO SUBDIVIDE A PROPERTY INTO TWO LOTS FOR CONDOMINIUM PURPOSES. SEE PM-2005-109. 3184 - 3188 PULLMAN ST. AND 3189 - 3193 RED HILL	<ul style="list-style-type: none"> • 2 lots • 595,550 sq. ft. (combined) • A=289,179 • B=306,371 • Minor CUP – shared driveway access 	Industrial	Occupied
PM-05-04 - 3525 HYLAND AV - TENTATIVE PARCEL MAP FOR INDUSTRIAL/OFFICE CONDOMINIUM PURPOSES.	<ul style="list-style-type: none"> • 44,500 bldg sq. ft. • One 2-story bldg, no changes in use • Interior bldg improvements 	Industrial	Occupied
PM-05-09 - 3190 AIRPORT LOOP DR - TENTATIVE PARCEL MAP FOR AIRSPACE SUBDIVISION FOR A SINGLE BUILDING WITHIN AN EXISTING COMMON INTEREST DEVELOPMENT.	<ul style="list-style-type: none"> • 2 units • 8,000 sq. ft. bldg. • Interior bldg improvements only 	Industrial	Occupied
PM-06-22 - 755 W 17TH ST - SUBDIVIDE AN EXISTING INDUSTRIAL DEVELOPMENT INTO INDUSTRIAL CONDOMINIUMS. ALSO INCLUDES 765, 775, 785 W. 17TH ST., AND 1690 PLACENTIA AVE.	<ul style="list-style-type: none"> • 5 bldgs, containing 51 units total • Use and sq. ft. remain the same 	Multi-tenant, industrial	Occupied
PM-07-01 - 1640 NEWPORT BL - SUBDIVIDE EXISTING 4-STORY MEDICAL OFFICE BUILDING (PACIFIC MEDICAL PLAZA) FOR CONDOMINIUM PURPOSES.	<ul style="list-style-type: none"> • 4-story, 76,200 sq. ft. • Office condos are proposed 	Medical Office	Under Construction

ATTACHMENT 2

SURVEY OF SURROUNDING COMMUNITIES

Phone interviews conducted with each of the responding cities shows a uniformity of procedure. All non-residential subdivisions require a tentative parcel or tract map. After approval of the map there are no other restrictions or requirements, assuming the conversion does not require major construction.

The ordinances governing non-residential condominium conversion in the surveyed cities' municipal codes are also similar. Only the City of Livermore has specific language governing non-residential condominium conversions.

City	Interview
Livermore	<ul style="list-style-type: none">• They've had "quite a few" industrial conversions• There's a trend toward smaller industrial uses• No major requirements as compared to residential• The focus is access, parking, etc.• Fairly straightforward process
Mission Viejo	No response to date.
Santa Ana	No response to date.
Newport Beach	No response to date
Fountain Valley	No response to date
Fullerton	No response to date.
Anaheim	<ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Very straightforward
Brea	<ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Their experience was fairly positive
Orange	No response to date.
Lake Forest	<ul style="list-style-type: none">• No special regulations; only a subdivision map approval• Simple process – application for a tentative parcel map• Handled at the staff level unless there's new construction which requires a design review

ATTACHMENT 3



CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,

PLEASE CONTACT THE CITY CLERK'S OFFICE AT

(714) 754-5121