



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 20, 2007

ITEM NUMBER:

SUBJECT: WYNDHAM BOUTIQUE HOTEL/HIGH-RISE RESIDENTIAL PROJECT AT 3350 AVENUE OF THE ARTS:

- FINAL EIR NO. 1054 (SCH# 2007011125)
- OVERRULE OF AIRPORT LAND USE COMMISSION DETERMINATION
- GENERAL PLAN AMENDMENT GP-06-03
- SPECIFIC PLAN AMENDMENT SP-07-01
- FINAL MASTER PLAN PA-06-75
- VESTING TENTATIVE TRACT MAP VT-17172

DATE: NOVEMBER 6, 2007

FROM: PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: CLAIRE L. FLYNN, AICP, PRINCIPAL PLANNER

FOR FURTHER INFORMATION CONTACT: CLAIRE FLYNN, (714) 754-5278

RECOMMENDATION

The proposed Wyndham Boutique Hotel and High-Rise Residential project involves the following:

1. Certification of Final EIR No. 1054 which consists of a comprehensive analysis of the environmental impacts and any required mitigation measures for the proposed project pursuant to State Law.
2. Overrule of the Airport Land Use Commission's Determination of Inconsistency with the John Wayne Airport Environs Land Use Plan (AELUP) by a four-fifths vote of the Council.
3. General Plan Amendment GP-06-03 to amend the Land Use Element of the General Plan to incorporate provisions for high-rise residential development in the project area.
4. North Costa Mesa Specific Plan Amendment SP-07-01 to establish development standards and other related provisions in the NCMSP for the project.
5. Final Master Plan PA-06-75 for major renovation of the existing Wyndham Hotel site including: a reduction in hotel rooms from 238 to 200 rooms; construction of a 23-story high-rise residential building with 120 for-sale condominium units, a lounge/bar, and ancillary retail uses; and demolition of existing parking structure and construction of a new seven-level, 480-space parking structure. This includes a minor modification for encroachment of balconies.
6. Vesting Tentative Tract Map No. 17172 for the subdivision of the property for condominium purposes. This includes a reduction of the width of the landscape easement along Avenue of the Arts from 25 feet to 20 feet.

BACKGROUND

In January 2007, City Council approved master plans for five different high-rise residential developments in North Costa Mesa:

- 3400/3420 Bristol Street (Site 1 – Segerstrom Town Center)
- 605 Town Center Drive (Site 2 – Orange County Museum of Art)
- 580 Anton Boulevard (Site 3 – The Californian at Town Center)
- 585 Anton Boulevard (Site 4 – Symphony Towers)
- 675 Anton Boulevard (Site 5 – Pacific Arts Plaza).

The proposed Wyndham Boutique Hotel / High-Rise Residential Project involves a sixth site for the creation of a new type of urban housing. This project was not included with the North Costa Mesa High-Rises because this application was submitted after the North Costa Mesa high rise planning effort was already underway.

In July 2007, the Federal Aviation Administration (FAA) issued a Determination of No Hazard to Air Navigation for the proposed Wyndham Boutique Hotel / High-Rise Residential project. In context with the other existing high-rise buildings in the South Coast Plaza Town Center area (i.e. Center Tower, Plaza Tower, DiTech/Comerica buildings), the FAA determined that the project would not present a hazard to air navigation.

On August 16 and September 20, 2007, the Airport Land Use Commission (ALUC) considered the proposed Wyndham Boutique Hotel / High-Rise Residential Project. The ALUC has the responsibility for adopting land use restrictions in the vicinity of operating airfields. The ALUC established land use restrictions for John Wayne Airport with the 2002 John Wayne Airport Environs Land Use Plan (AELUP). When a development project within the airport land use plan requires a General Plan and/or Specific Plan amendment, State law requires the ALUC to determine whether the proposed land use is consistent with its regulations and restrictions.

On September 24, 2007, Planning Commission adopted resolutions recommending Council approval of the proposed project. *(Electronic files of ALUC staff reports and PC staff reports are provided in CD pocket on the last page of this Council report.)*

On October 2, 2007, City Council adopted a resolution which indicated the Council's intention to overrule the ALUC's Inconsistency Determination by a 3-0 vote.

ANALYSIS

Project Location

The project site is located at 3350 Avenue of the Arts. The three-acre project site is bound to the west by Avenue of the Arts, Plaza Tower and a vacant parcel approved for development as the Orange County Museum of Art; to the north and northeast by The Lakes at South Coast apartment community; and to the south and southeast by The Lakes Pavilions retail center. The Marriott Hotel is to southeast of the project site. Two residential high-rise buildings were approved on the Lakes Pavilions site in January, 2007. (Visual Simulation, Attachment A).

Proposed Project

The proposed project involves reuse of the project site as a mixed-use development with both hotel and residential uses. The existing Wyndham Hotel would be renovated. Although there would be no change to the building square footage associated with the hotel, there would be a reduction in hotel rooms to create a boutique hotel. To accommodate the proposed 23-story, 120-unit high-rise residential tower, the existing hotel parking structure will be demolished. (Rendering, Attachment B).

Airport Land Use Commission Determination

Pursuant to State law, the City is required to initiate the ALUC overrule process in order to consider approval of the proposed project. The overrule process requires 45-day advance notice to the Department of Transportation (Caltrans) Division of Aeronautics and Orange County ALUC of the City's intent to overrule the ALUC Determination. Correspondence from the Caltrans and the ALUC is expected to be received by November 17, 2007. Once received, these letters will be transmitted to the City Council via a supplemental memo prior to the public hearing. A draft Council resolution to overrule the ALUC determination is provided as Attachment 1B.

General Plan Amendment GP-06-03

The project site is designated High Density Residential in the 2000 General Plan. The project site has a zoning designation of Planned Development Residential-High Density (PDR-HD). The High Density Residential designation would allow up to 20 dwelling units per acre (du/ac) on the project site. (Attachment 2, General Plan Amendment).

A General Plan amendment to the Land Use Element for the following reasons:

- To allow a site-specific density of 44 du/ac for the proposed combination boutique hotel and high-rise residential development on the 3-acre site.
- To reflect that the Federal Aviation Administration is the sole authority in making determinations of no hazard to air navigation.

North Costa Mesa Specific Plan Amendment SP-07-01

The project site is located in Area 5 of the North Costa Mesa Specific Plan area. The proposed project requires an amendment to the *North Costa Mesa Specific Plan* to account for the mixed-use development of a boutique hotel and high-rise residential tower. The proposed amendment to the *Specific Plan* would assure that development conforms to General Plan and Specific Plan uses, density, and intensity. (Attachment 3, NCMSP Amendment).

The following table summarizes the NCMSP amendment.

Table 1 – North Costa Mesa Specific Plan Amendment

Site	North Costa Mesa Specific Plan Area	Maximum Non-residential Floor Area Ratio (FAR)		Allowable Maximum Dwelling Units		Maximum Building Height (Feet)	
		Existing	Proposed	Existing	Proposed	Existing	Proposed
Wyndham Boutique Hotel and High-Rise Residential Building at 3350 Avenue of the Arts	Area 5, The Lakes	2.08 FAR for 238-key hotel ^a	2.12 FAR for 200-key hotel	40 (20 du/ac) ^b	132 (44 du/ac) ^b	90 – 110 AGL ^c	280' AGL

a This represents a nonconforming FAR for the existing 272,000 sf hotel on the 3-acre site.

b The Specific Plan amendment would allow development up to a maximum of 44 du/acre. The North Costa Mesa Specific Plan would allow the flexibility to modify the currently-proposed mix of dwelling units and hotel rooms provided that: (a) the maximum allowable number of dwelling units and FAR are not exceeded and (b) the maximum number of hotel rooms may be increased in direct relation to the decrease in the maximum number of high-rise residential units, not to exceed an overall total of 320 rooms/dwelling units. See Appendix B for proposed text changes to the North Costa Mesa Specific Plan.

c 90 feet AGL for residential uses and 110 feet AGL for commercial uses is currently allowed in Area 5 of the North Costa Mesa Specific Plan area inclusive of the project site. However, the 2-acre site at 580 Anton Boulevard for The Californian at Town Center is allowed a site-specific building height of 280 feet AGL pursuant to General Plan Amendment GP-06-02 and Specific Plan Amendment SP-06-02 adopted in January 2007.

Final Master Plan PA-06-75

The Zoning Code requires approval of a “final” master plan prior to development in a Planned Development Zone. The primary distinction is that “preliminary” master plans provide a general description of a proposed development, while a “final” master plan provides specific details regarding the site plan, floor plans, elevations, parking supply, landscape plan, architecture, on-site amenities, and vehicle/pedestrian circulation. Please refer to the site plan/floor plan/elevations (Attachment 6).

- **Boutique Hotel** -- The Wyndham Hotel is an existing 6-story, 272,000 square foot structure with 238 hotel rooms, meeting facilities, and a restaurant. As a part of the proposed area project, the existing Wyndham Hotel would be renovated as a “boutique” hotel. There would be no change in the square footage associated with the overall footprint of the hotel. A boutique hotel typically consists of 200 rooms or fewer with high-end amenities and services for guests.

Proposed modifications to the hotel are as follows:

- Hotel rooms would be renovated and reduced from 238 to 200 rooms.
 - The 2-story ancillary structure of the hotel would be renovated.
 - Lobby facilities would be relocated internal to the hotel.
 - The entrance to the existing hotel would be modified and enhanced
 - A 4,765 square foot spa and a fitness facility would be constructed internal to the hotel on the first floor of the hotel.
 - The hotel restaurant, kitchen areas, and meeting rooms would be renovated and increased in size.
- **High-Rise Residential Tower** – The existing parking structure for the hotel would be demolished. In its place, a 23-story highrise residential tower would be constructed along Avenue of the Arts. The high-rise tower would not exceed 270 feet in height above grade level (AGL). The luxury residential tower would have 120 for-sale condominium units on the second through twenty-third stories; a 3,450 square foot

lounge/bar and 1,740 square foot of ancillary retail uses would be located on the ground level.

- **7-level Parking Structure** – The seven-level parking structure will include a total of 480 parking spaces for the residential high-rise building and hotel uses. Shared parking will occur between the guest parking areas for the residential and hotel guests. A shared parking study was prepared by Linscott, Law, and Greenspan.

Master Plan Review

The following analysis provides analysis of the final master plan:

- Proposed project would not result in significant traffic impacts and no mitigation is required. Austin-Foust, and Associates prepared the traffic study in the Final EIR. The project will generate a net increase in 771 average daily trips (33 AM Peak Hour / 73 PM Peak Hour), and this increase would not result in significant impacts to the circulation system. The trip generation summary is shown below.

Table 2 – Trip Generation Summary

Land Use	AM Peak Hour	PM Peak Hour	Average Daily Trips
<u>Existing</u> Hotel (238 rooms)	161 trips	168 trips	2,140 trips
<u>Proposed</u> Boutique Hotel (200 rooms)	135 trips	141 trips	1,801 trips
<u>Proposed</u> High-Rise Residential Building (120 units, ancillary retail, and bar/lounge)	59 trips	100 trips	1,110 trips
PROPOSED PROJECT TOTAL	194 trips	241 trips	2,911 trips
NET INCREASE	33 trips	73 trips	771 trips

- Building height and scale is appropriate for the City's urban center. The recently-approved Californian at Town Center features two towers (west and east tower) at a maximum building height of 271' to 273' AGL and 25 stories. The proposed 270' AGL building height of the Wyndham High-Rise Residential building is consistent with the scale of existing structures in North Costa Mesa. The Plaza Tower at the northwest corner of Avenue of the Arts/Anton Boulevard is 288' AGL, and the Center Tower is 287' AGL. This area is considered the City's urban center; therefore, high-rise residential structures of this height and scale are compatible with this area. The NCMSP is proposed to be amended to reflect a maximum height limit of 280' AGL for the Lakes.
- Overall architectural design and building materials promotes design excellence. The contemporary-style building is inspired by modernist architecture which features undulating forms instead of straight lines. As shown in the full-color architectural rendering, proposed building materials will include pre-cast concrete panels, custom etched glass, and variable stone surfaces. The high-rise will also consist of the finest building materials including laminated clear glass, spandrel glass, pre-cast concrete panels, and coated aluminum.
- Proposed parking complies with NCMSP standards. A preliminary shared parking study was completed by Linscott, Law, and Greenspan which indicated that the proposed 480

space/7-level parking structure would meet the parking demand for the mixed-use development. Specifically, a minimum of 223 residential parking spaces is required, depending on the bedroom mix of the dwelling units (i.e. studios, 1-bedrooms, 3-bedrooms, etc). The preliminary shared parking study also indicates that a minimum of 168 nonresidential parking spaces are required for the 200-room hotel and ancillary commercial uses. Shared parking is to occur within the residential and nonresidential guest parking areas.

- Minor Modification required for 3-foot balcony encroachment into front setback. Pursuant to Section 13-29(g)(6) of the Municipal Code, the 3-foot encroachment of balconies and architectural features into the 20-foot front setback at Avenue of the Arts are considered minor encroachments. The large balconies will provide additional visual interest to the high-rise residential building and greater private open space areas for the future condominium owners.
- Reduction of landscape easements from 25 feet to 20 feet along Avenue of the Arts. A 25-foot landscaped easement currently exists along Avenue of the Arts within the project limits. When this landscaped easement was originally implemented, the easement was consistent with the 25' perimeter landscape setback required for planned developments. Since that time, this perimeter setback requirement was reduced to 20 feet for the Enclave and Californian at Town Center projects. Similar to these recently-approved development projects, the applicant is requesting a five-foot reduction in the landscape easement from 25 feet to 20 feet on Avenue of the Arts. This is consistent with the current perimeter setback requirements in a planned development zone.

The 20-foot landscape easements on Avenue of the Arts shall be reflected on the final map. A 20-foot easement would still accommodate the 13-foot wide combination bike path/sidewalk required along the north side of Anton Boulevard. A condition of approval requires that the 20-foot easement along both Avenue of the Arts exclude all structures except for items such as tree wells, landscaping implements, and tables/chairs. A maintenance agreement is also required as a condition of approval ensuring that the property owner maintains the landscaping and all improvements within this easement at their own cost.

Vesting Tentative Tract Map VT-17172

The vesting tentative tract map will facilitate the proposed high-rise residential condominium development by allowing the individual units to be sold independent of one another. The map complies with City Code and the State Subdivision Map Act. It should be noted that the vesting tentative tract map shows reduction from 25 feet to 20 feet in the width of the landscape easement dedicated to the City of Costa Mesa along Avenue of the Arts. (Master Plan/Tract Map Resolution, Attachment 4).

ENVIRONMENTAL DETERMINATION

The California Environmental Quality Act (CEQA) requires an environmental impact report (EIR) to be prepared for the proposed project. Final EIR No. 1054 was prepared in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the City of Costa Mesa Environmental Guidelines (EIR Resolution, Attachment 1A).

Table 3 – Summary of Significant Environmental Impacts

Environmental Topic Requiring Mitigation	Level of Significance after Mitigation
Transportation and Circulation	No Impact (No Mitigation Required)
<i>Aesthetics*</i>	<i>Significant</i>
<i>Air Quality*</i>	<i>Significant</i>
Noise	Less than Significant
Geology and Soils	Less than Significant
Hydrology and Water Quality	Less than Significant
Hazards & Hazardous Materials	Less than Significant
Public Services – Police and Fire Services	Less than Significant
<i>Public Services – Library*</i>	<i>Cumulatively Significant Impact</i>
Utilities and Service Systems	Less than Significant

**Impacts remain significant after mitigation measures are implemented.*

A Statement of Facts and Findings and Statement of Overriding Considerations (Attachment 2, General Plan Resolution) provide justification for approval of the proposed project despite inmitigable, significant impacts to aesthetics, air quality, and library services. The Mitigation Monitoring Program is provided as an Exhibit "B" to the Master Plan Resolution (Attachment 4).

The Responses to Comments document includes responses by the City of Costa Mesa as lead agency to significant environmental comments raised during the public review period of the Draft Program EIR (previously provided under separate cover). The Draft Program EIR, along with the Responses to Comments document and redlined/strikeout (errata pages), constitute the Final Program EIR. The Final Program EIR and technical appendices may also be downloaded from the City's website at: www.ci.costa-mesa.ca.us.

LEGAL REVIEW

The City Attorney's office has approved the attached resolutions and ordinance as to form.

ALTERNATIVES

City Council may consider the following alternatives:

1. *Certify Final Program EIR No. 1054 and Approve General Plan Amendment, NCMSP Amendment, and Final Master Plan/Tentative Map.* If approved by City Council, this action will allow the applicants to proceed with development of high-rise residential in the project area as a development option in the Lakes area of the North Costa Mesa Specific Plan.
2. *Certify Final Program EIR No. 1054 and deny all other discretionary applications.* This action will acknowledge that the Final EIR was prepared pursuant to State Law. Since an EIR is an informational and disclosure document only, certification of the EIR reflects the City's due diligence in complying with CEQA. If taken by City Council, this action constitutes a denial of the proposed development project.

CONCLUSION

When Council accepted the General Plan screening request for the Wyndham Boutique Hotel / High-Rise Residential project, Council stressed the importance of the proposals to be within the development capacity of the General Plan, to feature ownership units, and to exhibit architectural design excellence showcasing the City's cultural arts center. The proposed project complies with these important objectives. The proposed project would create a unique housing type and, along with the other proposed residential high-rises in North Costa Mesa, be among the first of this kind of housing type in the city. The new buildings will feature world-class architecture designed by a renowned architect, and the high-rise building will complement the cultural and entertainment arts center uses at South Coast Plaza Town Center.



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Deputy City Mgr./Dev. Svs. Director

Attachments: Attached to the staff report

- A. Visual Simulation of proposed North Costa Mesa High-Rises
- B. Rendering of Proposed Project

Appended with Individual Tab Dividers

1. Final Program EIR No. 1054 Resolution **and** ALUC Overrule Resolution
2. General Plan Amendment Resolution
Exhibits contain Statements of Facts/Findings and Overriding Considerations
3. North Costa Mesa Specific Plan Amendment Resolution
4. Final Master Plan / Tract Map Resolution
Exhibit "B" contains the same Mitigation Monitoring Program
5. Responses to Comments
6. Site Plan/Floor Plans/Elevations

Provided in CD Pocket following staff report

1. Airport Land Use Commission Staff Reports of 8/16/2007 and 9/20/2007
2. 10/02/2007 Council Staff Report on Intent to Overrule ALUC
3. 9/24/2007 Planning Commission Staff Report
4. 9/24/2007 PC Meeting Minutes

Note: These documents are hyperlinked to the Council staff report on the city's website at <http://www.ci.costa-mesa.ca.us/council/cagenda.htm>

Previously Provided under Separate Cover

Wyndham Draft EIR and Technical Appendices

Note: These documents are available on the city's website at www.ci.costa-mesa.ca.us

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