



CITY OF COSTA MESA

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

DEVELOPMENT SERVICES DEPARTMENT

NOTICE OF DECISION PLANNING COMMISSION ACTION

DATE: September 29, 2015

PROJECT NO: DA-00-02 (DA-15-02) and SP-15-01

SITE ADDRESS: 3400 and 3420 Bristol Street

FINAL ACTION: At a noticed public hearing on September 28, 2015 the Planning Commission recommended that City Council approve the proposed project and give first reading of the Ordinance, subject to conditions, by adoption of Planning Commission Resolution PC-15-53. The final resolution is attached.

APPEAL PERIOD: Not Applicable

PLANNING CONTACT: Minoo Ashabi, Principal Planner, (714) 754-5610
minoo.ashabi@costamesaca.gov

If you have any questions or comments regarding this notice of decision, please contact the project planner (above) or me at 714-754-5278.

Sincerely,

Claire L. Flynn, AICP
Assistant Development Services Director

DISTRIBUTION:

Justin McCusker
C.J. Segerstrom and Sons
3315 Fairview Road
Costa Mesa, CA 92626

RESOLUTION NO. PC-15-53

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA RECOMMENDING CITY COUNCIL TO: (1) ADOPT NORTH COSTA MESA SPECIFIC PLAN AMENDMENT SP-15-01 AND (2) GIVE FIRST READING TO ORDINANCE FOR SECOND AMENDMENT TO DEVELOPMENT AGREEMENT DA-00-02 (DA-15-02)

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Justin McCusker, authorized agent for Segerstrom and Sons, for the following proposed project:

- 1) ***Specific Plan Amendment SP-15-01 for clarifying language and minor updates to the North Costa Mesa Specific Plan.***

No changes to the previously-approved entitlements and trip budgets are proposed.

- 2) ***Second amendment to Development Agreement DA-00-02 (Segerstrom Town Center):***

- Extend the term of the development agreement (originally executed in 2001) for additional 20 years until 2035.
- Include entitlements approved on January 16, 2007 by General Plan Amendment (GP-06-02) in the Development Agreement. These entitlements are described the in North Costa Mesa Specific Plan.

WHEREAS, the City Council executed Development Agreement DA-00-02 with South Coast Plaza, in 2001;

WHEREAS, On April 5, 2004, City Council approved an amendment to the Development Agreement for Segerstrom Town Center (Ordinance 04-3) that allowed obligations for discount parking for Costa Mesa residents attending cultural events to be fulfilled in the parking structure located at the southwest corner of Sunflower Avenue and Park Center Drive;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on September 28, 2015, to allow for public comments on the proposed amendment to development agreement (DA-15-02) and North Costa Mesa Specific Plan SP-15-01 with all

persons having been given the opportunity to be heard both for and against the proposed project;

WHEREAS, the second amendment to the Development Agreement will promote and encourage the development of the proposed project by providing stability and certainty to the developer, and provide to the City and its citizens the public benefits promised in the Development Agreement as specified to date;

WHEREAS, the proposal does not involve any material changes to the maximum allowable traffic generation beyond the currently established trip budgets for Segerstrom Town Center. The site has established maximum trip budgets for the AM Peak Hour and PM peak hour. Future proposed development of commercial office buildings, hotels, mixed-use high rise residential buildings, etc. shall be required to comply with Specific Plan and the maximum trip budgets.

WHEREAS, the proposal does not modify the previously-approved high rise residential entitlements, as adopted by the City Council in 2007. City Council adopted the Development Agreement for Segerstrom Town Center in 2001. Once the second amendment to the DA is adopted, the changes would be in place prior to the next review of the development agreement. Other than incorporating the Specific Plan entitlements and extending the life of the development agreement by another 20 years, the changes to the development agreement do not involve increased intensity or higher density.

Table 5B- Statistical Summary of Unbuilt SCPTC Components as of 2006 North Costa Mesa Specific Plan				
Map Key	Unbuilt Entitlements Approved prior to 2006	Slated for Demolition (sq. ft.)	New Construction Approved in 2006 (GP-06-02)	Maximum Building Height (above grade level)
Segerstrom Town Center Sub-Area 3				
E.	Hotel-200-key (220,000 sq. ft.) 3400 Bristol Street	2 theaters (31,500 square feet)	200-key hotel (220,000 sq. ft.) and a maximum of 50 high-rise residential units in a mixed-use development	315 ft. agl
F.	Office 336,525 sq. ft. 3420 Bristol Street	84,025 sq. ft. office building	A. 336,525 sq. ft. office OR B. Maximum 233,170 sq. ft. office and maximum 225 residential high-rise units in a mixed-use development.	315 ft. agl
Source: City of Costa Mesa May 2006, North Costa Mesa High Rise Residential Projects Program Environmental Impact Report (SCH# 2006011077).				

WHEREAS, the proposal is in compliance with the broader goals of the General Plan and the North Costa Mesa Specific Plan. No changes to the City of Costa Mesa's General Plan are required. The proposal is in conformance with the City's General Plan and is consistent with the land use designation.

BE IT RESOLVED that the Planning Commission hereby **RECOMMENDS** that the City Council: (1) Adopt a resolution to approve North Costa Mesa Specific Plan SP-15-

01 (Exhibit 1) and (2) Give first reading to the ordinance for Development Agreement DA-00-02 (DA-15-02) (Exhibit 2);

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the documents in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

PASSED AND ADOPTED this 28th day of September, 2015.



Jeff Mathews, Vice Chair
Costa Mesa Planning Commission

EXHIBIT 1
NORTH COSTA MESA SPECIFIC PLAN
AMENDMENT

AREA 4- SOUTH COAST PLAZA TOWN CENTER

Existing Land Uses

This 54-acre area is commonly referred to as South Coast Plaza Town Center (SCPTC), and it contains a variety of commercial, entertainment, and high-rise office uses, including the [Segerstrom Center for the Arts](#) [Orange County Performing Arts Center](#). The approval of GP-00-02 resulted in a maximum non-residential building intensity of 4,161,813 square feet.

The primary entry street into SCPTC is Anton Boulevard, which also serves as the circulation backbone. Many of the existing developments along Anton Blvd. between Bristol Street and Sakioka Drive are oriented to the pedestrian, thereby encouraging walking. An extensive greenbelt/pathway system within the SCPTC's core also links the various buildings and uses. In order to facilitate foot traffic to and from South Coast Plaza, the Unity Bridge, has been constructed across Bristol Street.

General Plan and Zoning

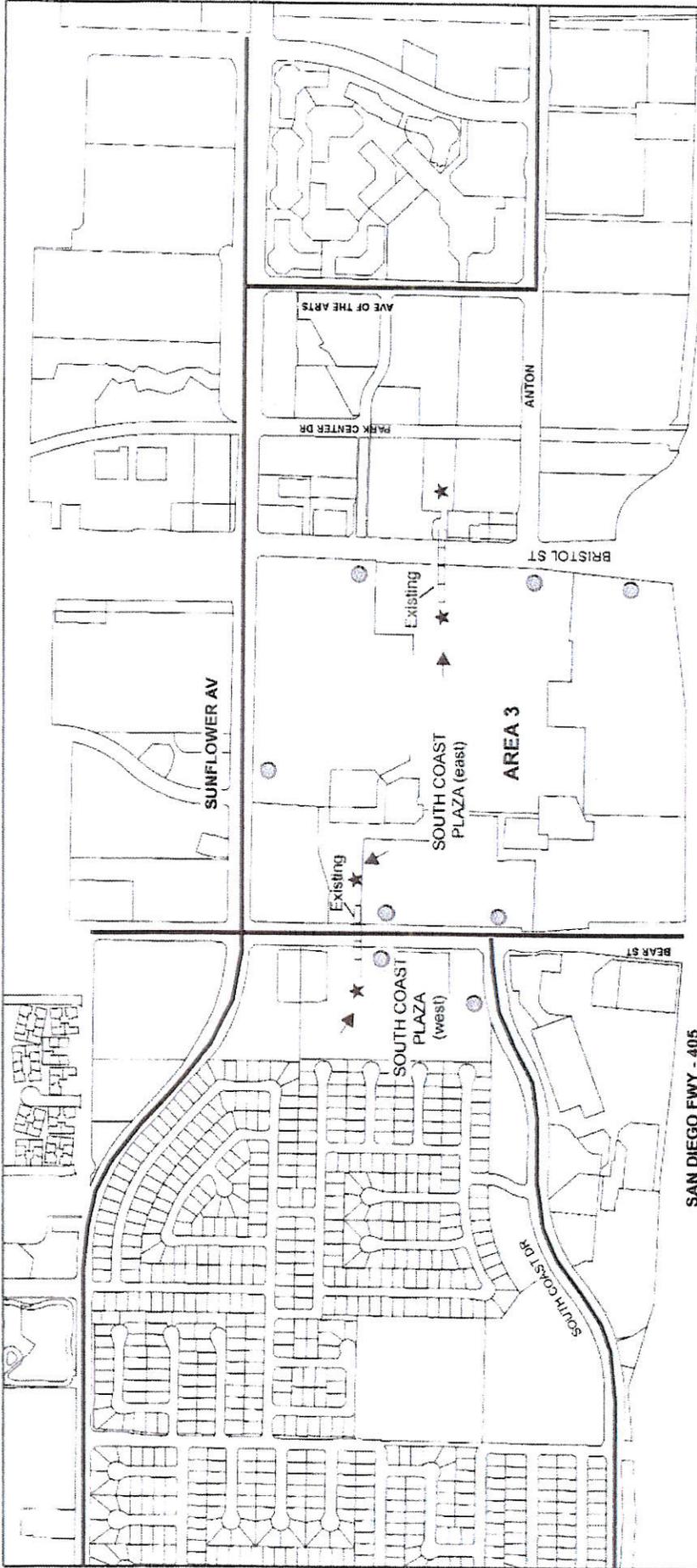
This site is designated Cultural Arts Center by the General Plan and the corresponding zoning is TC. The maximum FAR is 1.77 for the entire project area; this corresponds to a maximum non-residential building square footage of 4,161,813. The non-residential trip budget for this area is 5,180 a.m. peak hour trips and 6,632 p.m. peak hour trips. The FAR for specific non-residential developments or ownership parcels may exceed the maximum of 1.77, provided that the maximum allowable FARs shown in Table 5A for each sub-area are not exceeded.

In 2007, General Plan Amendment (GP-06-02) was approved to allow 535 high-rise/high-density residential units in specific locations in South Coast Plaza Town Center. Table 5A indicates the maximum number of units for each sub-area and the corresponding trip budget associated with the residential uses. See following sub-areas discussion for additional discussion.

Sub-Areas

The SCPTC was divided into three sub-areas in conjunction with the approval of GP-00-02. These three sub-areas are under separate ownership. Provided in Table 5A is a statistical summary of the maximum floor area ratio, building square footage, and trip budgets for each sub-area. Figures 14A & 14B illustrate the boundaries of the sub-areas.

To facilitate flexibility within a sub-area, building square footages may be transferred, provided that the total building square footage, floor area ratio, and trip budget for the affected sub-area are not exceeded as delineated in Table 5A. Transfers between any of the sub-areas are not permitted.



AREA 3 - SOUTH COAST PLAZA
Development Summary

Total Area: 115 Acres
 (97 acres - South Coast Plaza East
 18 acres - South Coast Plaza West)

General Plan: Regional Commercial
 Zoning: PDC

Maximum Intensity: 0.652 FAR - South Coast Plaza (east)
 0.89 FAR - South Coast Plaza (west)

Maximum Square Footage: 2,750,000 sf - South Coast Plaza (east)
 690,350 sf - South Coast Plaza (west)

Trip Budget:
 South Coast Plaza (east) - 1,166 a.m. peak hour trips
 5,036 p.m. peak hour trips
 South Coast Plaza (west) - 293 a.m. peak hour trips
 1,264 p.m. peak hour trips

Maximum Building Height: 4 stories/85 feet

LEGEND

- Project Entry
- ★ Pedestrian Directional Signage
- ▶ Pedestrian Linkage
- Bikeway
- ▬ Pedestrian Overpass

Note: The information provided in graphic form is intended to be illustrative and is not intended to be interpreted as the precise location for future land uses or structures, unless so specified in Section 4.0 Development Standards.

Figure 13

Table 5A- South Coast Plaza Town Center Sub-Area Statistics North Costa Mesa Specific Plan					
	Maximum Allowable Non-Residential FAR	Maximum Non-Residential Building Square Footage	Maximum Allowable Number of High-Rise Residential Units	Maximum A.M. Peak Hour Trip Budget	Maximum P.M. Peak Hour Trip Budget
Pacific Arts Plaza Sub-Area 1 (18.19 acres)					
Option 1	1.46 ^{1,2}	1,160,528 sq. ft. ²	180	2,111 ³	2,150
Option 2	1.55 ¹	1,227,978 sq. ft.	0	2,133	2,150
Segerstrom Center for the Arts Sub-Area 2 (11.21 acres)					
	1.67 ⁵	815,285 sq. ft.	80	283	1,029
Segerstrom Town Center Sub-Area 3 (24.5 acres)					
Option 1	1.88 ²	2,015,195 sq. ft. ²	275	2,729 ³	3,453
Option 2	1.98	2,118,550 sq. ft.	0	2,764	3,453
TOTAL SOUTH COAST PLAZA TOWN CENTER					
Option 1	1.70 ²	3,991,008 sq. ft. ²	535	5,123 ³	6,632
Option 2 ⁴	1.77 ⁵	4,161,813 sq. ft.	80	5,180	6,632
<ol style="list-style-type: none"> 1. Maximum floor area ratio calculation includes land dedicated or reserved for right-of-way for the Avenue of the Arts off-ramp and associated flood control improvements. 2. This maximum FAR and building square footage may be increased to no more than the Option 2 FAR and building square footage in direct relation to the decrease in the maximum number of high-rise residential units. 3. This maximum peak hour trip budget may be increased to no more than the Option 2 peak hour trip budget in direct relation to the decrease in the maximum number of high-rise residential units. 4. This alternative includes the 80 high-rise residential units associated with the museum site in Segerstrom Center for the Arts Sub-Area 2. 5. This maximum FAR may not be increased if the 80-unit residential component is not constructed in conjunction with art museum/art academy in Sub-Area 2. 					



Pacific Arts Plaza Sub-Area 1: GP-06-02 amended the 2000 General Plan to allow high-rise/high-density residential units in the Cultural Arts Center land use designation. In this sub-area, 180 residential high-rise residential units may be constructed at the southwest corner of Park Center Drive and Anton Boulevard in conjunction with the demolition of the existing office building. This would result in a maximum non-residential floor area ratio of 1.46 with a maximum number of 180 high-rise residential units on 1.3 acres that equals 138 units per acre (Option 1 shown in Table 5A). This maximum non-residential FAR and building square footage may be increased to no more than the Option 2 non-residential FAR of 1.55 and associated building square footage in direct relation to the decrease in the maximum allowable number of high-rise residential units.

Should the property owner determine not to develop the high-rise residential option, the maximum allowable non-residential square footage for this sub-area is 1,227,978 square feet with a corresponding FAR of 1.55; see Option 2 in Table 5A.

For both Options 1 and 2, Table 5A indicates the a.m. and p.m. trip budgets, maximum number of dwelling units, maximum non-residential building square footage and associated floor area ratio.

As shown in Table 5A, the Option 1 a.m. trip budget may be adjusted to be no more than the Option 2 a.m. trip budget in direct relation to the decrease in the maximum allowable number of dwelling units. Unbuilt entitlements for this sub-area are shown in Table 5B and Figure 14A & 14B.

Seegerstrom Center for the Arts Sub-Area 2: GP-06-02 amended the 2000 General Plan to allow high-rise/high-density residential units in the Cultural Arts Center land use designation. In this sub-area, 80 residential high-rise residential units may be constructed at the vacant southwest corner of Avenue of the Arts and the Pedestrian Plaza in conjunction with the new art museum/academy building. For this sub-area, the maximum allowable floor area ratio is 1.67 and the maximum allowable number of dwelling units is 80 units. Unlike, Sub-Areas 1 and 3, if the 80-unit residential component is not constructed in conjunction with the art museum/academy or fewer than 80 units are constructed, than the maximum allowable non-residential floor area ratio for this sub-area will not increase proportionately. The trip budget for this sub-area is 283 a.m. peak hour trips and 1,029 p.m. peak hour trips. Unbuilt entitlements for this sub-area are shown in Table 5B and Figure 14A & 14B.

Seegerstrom Town Center Sub-Area 3: GP-06-02 amended the 2000 General Plan to allow high-rise/high-density residential units in the Cultural Arts Center land use designation. In this sub-area on 3.3 acres, the following unbuilt entitlements have been approved:

- 200-key hotel (220,000 sq.ft.) and 50 residential units at 3400 Bristol Street.
- Office high rise building (336,525 square feet) at 3420 Bristol Street (OR) mixed-use development of office uses (233,170 square feet) in addition to residential units (225 units) at 3420 Bristol Street.
- ~~a mixed-use development composed of 233,170 square feet of office and 225 high-rise residential units may be constructed at the southeast corner of Bristol~~

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Street and Sunflower Avenue in conjunction with the demolition of an existing office building. Another mixed-use development composed of a 200-room hotel and 50 high-rise residential units may be constructed at the northeast corner of Bristol Street and Town Center Drive in conjunction with the demolition of two existing theaters. In order to be fully implemented, these entitlements require the demolition of the former theater uses (31,500 square feet) which have been demolished and the existing office uses of 84,025 square feet. This would result in a maximum non-residential FAR of 1.88 with a maximum number of 275 high-rise residential units (Option 1 in Table 5A) in this sub-area. This maximum non-residential FAR and building square footage may be increased to no more than the Option 2 non-residential FAR of 1.98 and associated building square footage in direct relation to the decrease in the maximum allowable number of high-rise residential units.

Forma

Should the property owner determine not to develop the high-rise residential option in any form, the maximum allowable non-residential building square footage for this sub-area would be 2,118,550 square feet with a corresponding FAR of 1.98, AM Peak Hour trip budget (2,764 trips), PM Peak Hour trip budget (3,453 trips). This is the Option 2 development scenario shown in Table 5A, and Figure 14A & 14B. Table 5A/Option 2 describes the maximum buildout potential for the Segerstrom Town Center for commercial development. The existing buildings may be demolished, and the property may be redeveloped provided that the specified maximum allowable standards for nonresidential development, as shown in Table 5A, are not exceeded. For example, the single-story (with mezzanine) Park Tower annex building (32,316 square feet) on Town Center Drive may be demolished, and new construction may occur within the Segerstrom Town Center area as described in Table 5A.

For both Options 1 and 2, Table 5A indicates the a.m. and p.m. trip budgets, maximum number of dwelling units, maximum non-residential building square footage, and associated floor area ratio.

As with the maximum FAR and building square footage, the Option 1 a.m. trip budget may be adjusted to be no more than the Option 2 a.m. trip budget in direct relation to the decrease in the maximum allowable number of dwelling units. Unbuilt entitlements for this sub-area are shown in Table 5B.

Table 5B and Figures 14A & 14B provide further detail and illustrations of the anticipated permitted development within each of the three sub-areas. Precise building uses, locations, and square footages will be determined in conjunction with final master plan approvals for the SCPTC.

Preliminary and Final Master Plan

Forma

Title 13 of the Costa Mesa Municipal Code sets forth the processing procedures for preliminary and final master plans. Unbuilt entitlements and other proposed development shall require approval of a final master plan by the Planning Commission, or other final review authority as indicated in the Zoning Code. Proposed development may be constructed in a variety of mixed-use or nonresidential development scenarios subject to



master plan approval and conformance with the North Costa Mesa Specific Plan.

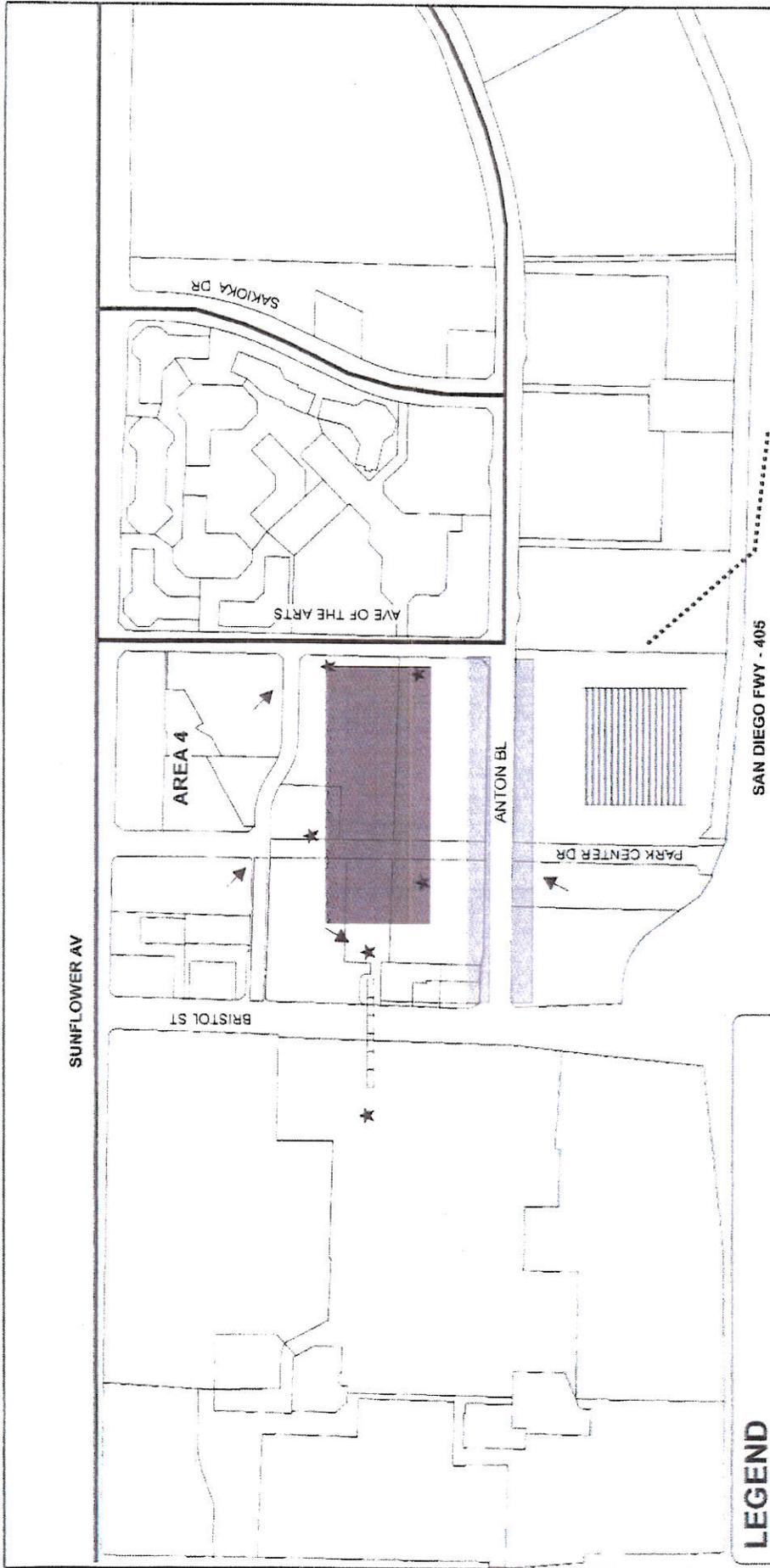
Land Use Compatibility/Integration

The remaining 1.64-acre parcel located adjacent to the Renée and Henry Segerstrom Concert Hall on Avenue of the Arts is in a well-defined urban area. A 140,000 square-foot museum and 80 high-rise residential units are approved for this site. The Segerstrom Hall Orange County Performing Arts Center, South Coast Repertory, Renée and Henry Segerstrom Concert Hall, Samueli Theater, and Plaza Tower are also in the immediate vicinity. Future development of the museum site should be complementary to these surrounding developments, and where possible, linked physically by sidewalks and open space/greenbelts. Anticipated development for this area is detailed in Table 5B and Figure 14A & 14B. Street level and pedestrian appeal should also be taken into account during site design. The site design should also consider The Lakes apartments located across Avenue of the Arts, so as to not cause significant shade or shadow impacts.

Pedestrian-oriented directional signage should be added within the existing 3-acre open space easement in Town Center. Signage should be placed at key entry points, particularly adjacent to the hotel, to guide pedestrians to the various attractions.

Building Heights

Building heights shall be limited to 315 feet above grade level. Buildings above 173 feet above grade level in height will require a Federal Aviation Agency (FAA) determination of no hazard.



LEGEND

-  California Scenario Plaza
-  Pedestrian Zone
-  Park/Greenbelt
-  Pedestrian Linkage
-  Pedestrian Directional Signage
-  Freeway Ramp
-  Bikeway
-  Pedestrian Overpass

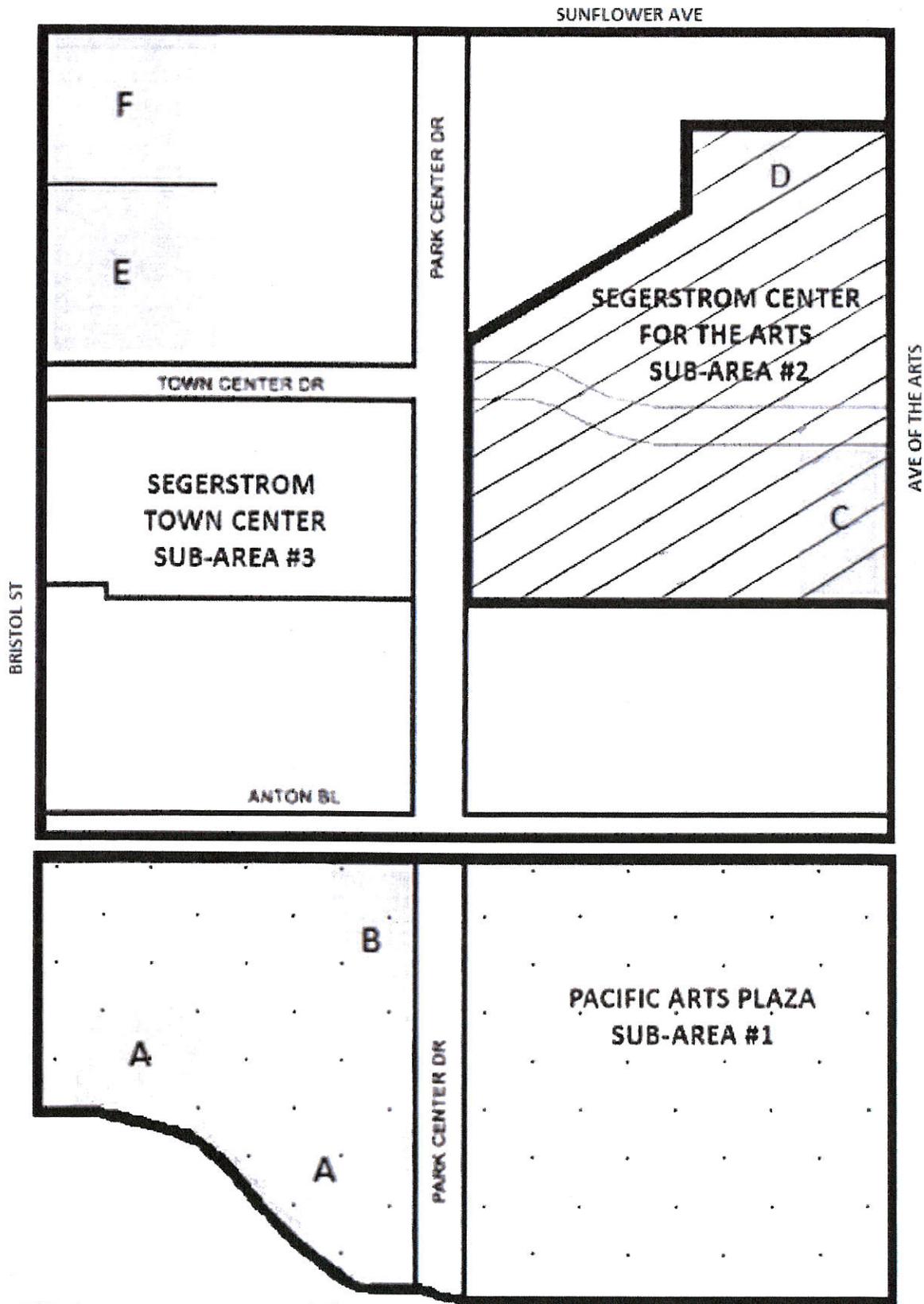
AREA 4 - SOUTH COAST PLAZA TOWN CENTER
Development Summary

Total Area: 54 Acres
 General Plan: Cultural Arts Center
 Zoning: TC
 Maximum Intensity: 1.77 Floor Area Ratio
 Maximum Square Footage: see text
 Trip Budget: see text

Maximum Building Height: 315 feet above grade level

Figure 14

Note: See Figure 9 for Urban Rail Information.



LEGEND

 Future Development Area

Note: See Table 58 for project information.

**South Coast Plaza Town Center
Conceptual Location of Future Projects**



Figure 14A

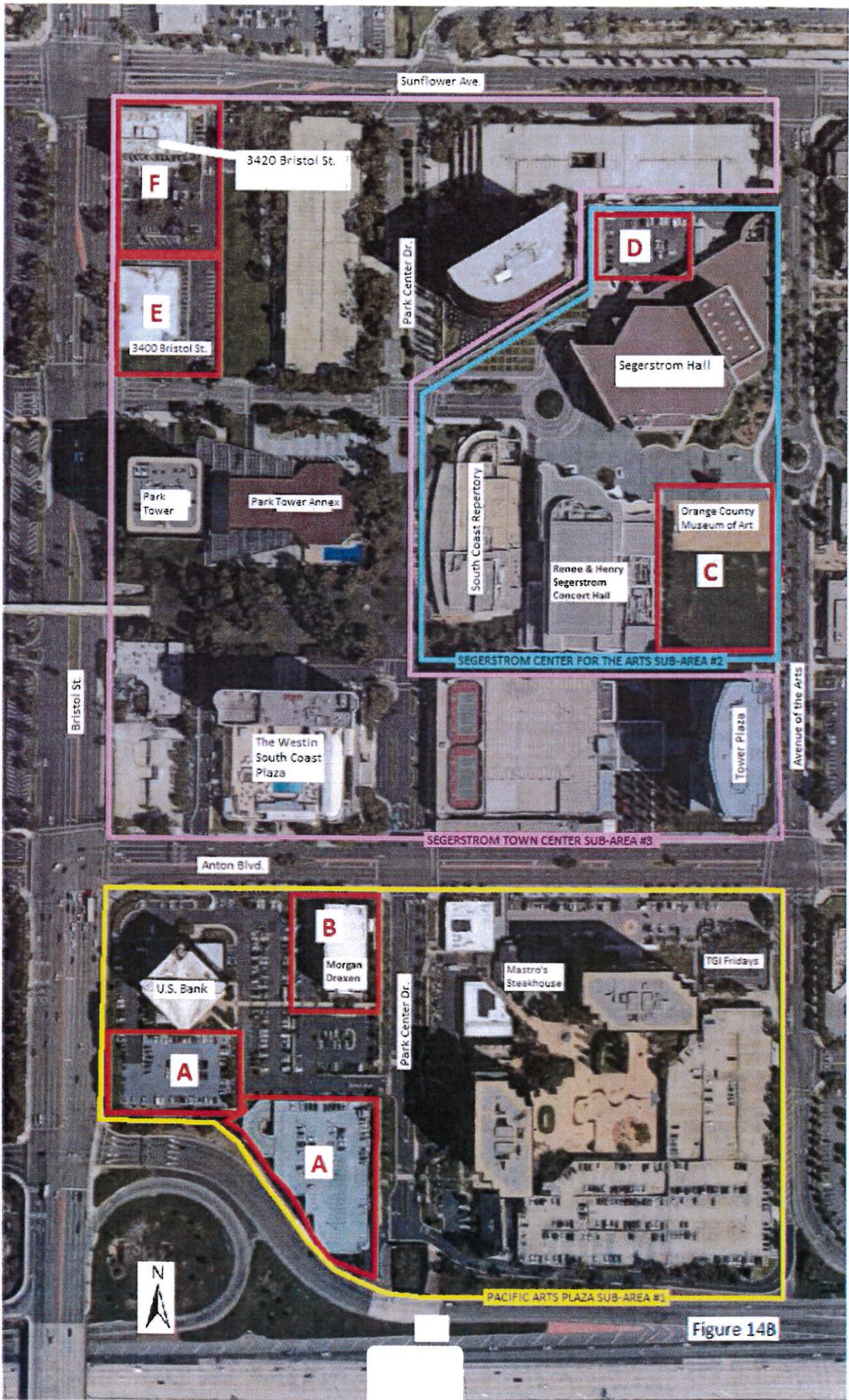




Table 5B- Statistical Summary of Unbuilt SCPTC Components as of 2006 North Costa Mesa Specific Plan				
Map Key	Unbuilt Entitlements Approved prior to 2006	Slated for Demolition (sq. ft.)	New Construction Approved in 2006 (GP-06-02)	Maximum Building Height (above grade level)
Segerstrom Town Center Sub-Area 3				
E.	Hotel-200-key (220,000 sq. ft.) 3400 Bristol Street	2 theaters (31,500 square feet)	200-key hotel (220,000 sq. ft.) and a maximum of 50 high-rise residential units in a mixed-use development	315 ft. agl
F.	Office 336,525 sq. ft. 3420 Bristol Street	84,025 sq. ft. office building	A. 336,525 sq. ft. office OR B. No less than Maximum 233,170 sq. ft. office and no more than maximum 225 residential high- rise units in a mixed-use development.	315 ft. agl
Source: City of Costa Mesa May 2006, North Costa Mesa High Rise Residential Projects Program Environmental Impact Report (SCH# 2006011077) .				



Circulation

The street network for this sub-area is in place. However, the Master Plan of Bikeways indicates a new bikeway on Avenue of the Arts and Sakioka Drive. The widening of the Bristol Street interchange with the I-405 is completed. Figure 9 indicates one urban rail alignment to the east of the project site.

Parks and Recreation

As stated in Section 2, Development Setting, the 3-acre open space/greenbelt easement boundaries were reconfigured and slightly expanded in 2001. In addition, it was secured as part of GP-00-02, as a permanent private open space area in Segerstrom Town Center and Segerstrom Center for the Arts. Also, in conjunction with the Pacific Arts Plaza approval of GP-00-02, the property owner is to preserve and maintain the California Scenario sculpture garden substantially in accordance with its existing configurations and function, commencing immediately and continuing for the useful life of the existing office buildings adjacent to the garden.

In conjunction with high-rise residential projects, private on-site recreational amenities shall be provided to serve the high-rise residents. These amenities may be located on the ground level, rooftop, and/or on a podium.

Theater and Arts District Plan

A Theater and Arts District (TAD) Plan was prepared in conjunction with the development of Town Center. The TAD Plan details the strategy to foster and enhance a unified look and feel for the area. Entry and monument signs, and other signs identifying the Theater and Arts District prominently include the name of the City. The plan addresses public access and parking fee restrictions for SCPTC parking structures for patrons of the cultural arts facilities, and the financing mechanisms for public street amenities. The TAD Plan is included as Appendix D.

Parking

Although the project area is composed of multiple ownerships, the parking demand analysis for SCPTC has always considered the project as a single development. Specifically, parking need not be located on the same parcel as the building for which it is required; all parking facilities are to be available to employees and visitors of all South Coast Plaza Town Center uses. Consistent with the historical analysis of parking demand for this project, any future parking studies need to continue to examine the South Coast Plaza Town Center as a single project.

Persons who are residents of the City of Costa Mesa attending a cultural arts venue during evenings (after 6 p.m.) or on weekends shall be provided a discount of fifty percent



North Costa Mesa Specific Plan

(50%) off the price for parking otherwise applicable to the general public. For the high-rise residential units, the following parking rate range shall be appropriately applied to the residential development in conjunction with approval of any residential final master plan. The parking rate shall take into consideration the shared parking arrangements that exist in the South Coast Plaza Town Center.

Tenants: 1.5 to 2.0 parking spaces per unit

Guests: 0.5 parking spaces per unit for the first 50 units and 0.25 parking spaces for each unit above 50.

Furthermore in the final master plan for any high-rise residential development, consideration may be given to the feasibility of valet parking, tandem parking, and mechanical lift parking devices in order to fully meet the residential parking demands.

EXHIBIT 2
SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
DRAFT ORDINANCE

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF COSTA MESA, CALIFORNIA,
APPROVING A SECOND AMENDMENT TO THE
DEVELOPMENT AGREEMENT NO. DA-00-02
FOR SEGERSTROM TOWN CENTER**

**THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY ORDAIN
AS FOLLOWS:**

Section 1. The City Council of the City of Costa Mesa, California, does hereby find and declare as follows:

1. On or about March 5, 2001, the City Council of the City of Costa Mesa adopted Ordinance No. 01-14 approving Development Agreement DA-00-02 for the Segerstrom Town Center Project.
2. The parties to said Development Agreement have subsequently determined that certain provisions of the Development Agreement require amendment.
3. Public hearings have been held before this City Council pursuant to the procedures described in Council Resolution No. 88-53. At these hearings, the City Council considered the evidence, the testimony presented by the public, and the Planning Commission's recommendation regarding the proposed First Amendment to Development Agreement DA-00-02 between the City of Costa Mesa and South Coast Plaza, a California general partnership ("Owner")
4. The Second Amendment to the Development Agreement between the
City of Costa Mesa and Owner:

- (a) Is consistent with the General Plan and the North Costa Mesa Specific Plan;
 - (b) Is compatible with the uses authorized in, and the existing land use regulations prescribed for, the zoning districts in which the real property covered by the Amendment to the Development Agreement are located; and
 - (c) Is in conformity with and will promote the public necessity, and public convenience, general welfare, and good land use practices.
5. The Second Amendment to the Development Agreement will not:
- (a) Be detrimental to the public's health, safety and general welfare; nor
 - (b) Adversely affect the orderly development of the property.
6. The Second Amendment to the Development Agreement will promote and encourage the development of the proposed project by providing stability and certainty to the Owner, and will provide to the City and its citizens the public benefits promised in the Development Agreement and subsequent Amendments thereto.
7. The Second Amendment to the Development Agreement has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City's environmental procedures, and has been found to be exempt.

Section 2. The City Council hereby approves, adopts and enters into the

Second Amendment to the Development Agreement in the form attached hereto and incorporates the Second Amendment herein by this reference.

Upon execution of the Second Amendment by all parties, the City Clerk is directed to record the Second Amendment pursuant to the City of Costa Mesa Development Agreement Procedures and Requirements.

Section 3. Publication.

This Ordinance shall take effect and be in full force and effect thirty (30) days from and after its passage and, before the expiration of fifteen (15) days after its passage, shall be published once in the NEWPORT BEACH-COSTA MESA DAILY PILOT, a newspaper of general circulation printed and published in the City of Costa Mesa, or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this Ordinance, and within fifteen (15) days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post in the office of the City Clerk a certified copy of this Ordinance together with the names of the members of the City Council voting for and against the same.

PASSED AND ADOPTED this _____ day of _____, 2015

Mayor of the City of Costa Mesa

DRAFT

9/14/15

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF COSTA MESA
77 Fair Drive
Costa Mesa, CA 92626
Attn: CITY Clerk

(Space Above This Line for Recorder's Use)

This Second Amendment to the Development Agreement for Segerstrom Town Center is recorded at the request and for the benefit of the CITY of Costa Mesa and is exempt from the payment of a recording fee pursuant to Government Code § 6103

SECOND AMENDMENT TO THE
DEVELOPMENT AGREEMENT FOR
SEGERSTROM TOWN CENTER

by and between

CITY OF COSTA MESA

and

SOUTH COAST PLAZA

DA-00-02
Ordinance No. 01-4

SECOND AMENDMENT TO THE
DEVELOPMENT AGREEMENT FOR SEGERSTROM TOWN CENTER

THIS SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR SEGERSTROM TOWN CENTER (the "**Amendment**") is executed this ____ day of _____, 2015, by and between The City of Costa Mesa, a Municipal Corporation of the State of California ("**City**"), South Coast Plaza, a California general partnership ("**SCP**"), and One Town Center Associates, a California general partnership ("**OTCA**" and together with SCP, "**Owners**"), with respect to the following:

RECITALS

A. City and SCP entered into that certain Development Agreement for Segerstrom Town Center executed as of March 5, 2001 (the "**Original Agreement**"), as amended by that certain First Amendment to the Development Agreement for Segerstrom Town Center executed April 5, 2004 (the "**First Amendment**"). The Original Agreement and First Amendment were recorded in the Official Records of Orange County, California as Instrument Nos. 20010281648 and 2004000686075, respectively, and are herein referred to together as the "**Development Agreement**." The Development Agreement provides for development within Town Center, as that term is defined in the Original Agreement. OTCA is an affiliate of SCP and successor in interest from SCP to certain property in Town Center.

B. City and Owners desire to amend the Development Agreement to extend its term and to ensure that it includes and references certain changes to accord with changes in the North Costa Mesa Specific Plan approved by the City.

C. This Amendment was approved by City of Costa Mesa Ordinance No. _____, adopted by the City Council on _____, 2015, after the public notice and public hearings required by law. The parties have executed this Amendment on the date indicated above after the effective date of this Ordinance.

AGREEMENT

IN CONSIDERATION OF the foregoing Recitals, and for good and valuable consideration, City and Owner agree as follows:

1. Effective Date of Amendment. The effective date of this Amendment shall be the date this Amendment was executed by the parties as indicated in the opening phrase of this Amendment prior to the Recitals.

2. Duration of Agreement. The Development Agreement is hereby extended and shall be operative and continue until that date which is twenty (20) years from the effective date of this Amendment (the "New Expiration Date"). To that end, the first sentence of Section 3.2 of the Development Agreement is hereby amended in its entirety to read as follows:

"This Agreement shall be operative commencing on the Effective Date and continue thereafter until the New Expiration Date, unless otherwise extended by the Parties, subject to earlier termination upon the completion, performance and discharge of all obligations hereunder."

3. Definitions. The following terms in the Development Agreement shall have the definitions as set forth below, which shall replace any previous definitions of the same term in the Development Agreement.:

a. "Property" shall mean that certain property generally located along Bristol Street between Anton Boulevard and Sunflower Avenue as more fully described in Exhibit "AA" and shown in the map set forth on Exhibit "BB" both attached hereto.

b. "STC Project" shall mean the development of the Property pursuant to the Existing Land Use Regulations, Existing Development Approvals, the TAD Plan, the Future Development Approvals, and the terms of this Agreement. The STC Project may include non-residential (i.e. office, hotel, restaurant, retail and cultural uses) and residential uses as more specifically described in the Existing Land Use Regulations.

c. "Existing Development Approvals" and "Existing Land Use Regulations" shall be as defined in the Original Agreement except that all references to the City's General Plan and the North Costa Mesa Specific Plan included therein shall mean the General Plan and North Costa Mesa Specific Plan in effect as of the effective date of this Amendment. In addition, if both City and Owner subsequently agree in writing to amend the Development Approvals or Land Use Regulations at some future date, the term "Existing Development Approvals" or "Existing Land Use Regulations," as applicable, shall mean the Development Approvals or Land Use Regulations in effect as of the effective date of such subsequent amendment (which the parties shall endeavor to reflect in an updated Exhibit "D" to the Development Agreement prepared and exchanged between the parties).

4. Future Design. Precise building uses, locations, square footages and designs for the STC Project will be determined in conjunction with Future Development Approvals. To that end, (a) references in the Development Agreement to a new office building at the corner of Bristol Street and Sunflower Avenue and a hotel at the intersection of Bristol Street and Anton Boulevard are illustrative only, and (b) Article IV of Exhibit "F" to the Development Agreement is deleted in its entirety from the Development Agreement.

5. FAR and Trip Budgets. The FAR and trip budget for the TTC Project, the SCA Project and the Balance of Town Center, as well as the overall FAR and trip budget for the entire Town Center area shall be as provided in the North Costa Mesa Specific Plan in effect as of the effective date of this Amendment and included in the Existing Development Approvals and Existing Land Use Regulations. Exhibit "G" to the Development Agreement is deleted in its entirety from the Development Agreement.

6. Original Agreement Amended and Conflicts. In the event of any conflict between the terms of this Amendment and the remainder of the Development Agreement, this Amendment shall control. Except as otherwise set forth herein to the contrary, all terms and provisions of the Development Agreement shall remain unamended and continue in full force and effect. This Amendment with the remainder of the Development Agreement shall be construed together and shall constitute one agreement.

7. Defined Terms. All capitalized terms used herein and not defined herein have the same meanings as set forth in the Development Agreement.

8. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall be deemed to constitute one instrument. It shall not be necessary that all signatories execute the same counterpart(s) of this Amendment for this Amendment to become effective.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Development Agreement for Segerstrom Town Center as of the date first above written.

CITY OF COSTA MESA,
A municipal corporation

Mayor of Costa Mesa

ATTEST:

City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

City Attorney, City of Costa Mesa

SOUTH COAST PLAZA, a California general partnership

By: C.J. Segerstrom & Sons, a California general partnership, Managing General Partner

By: Henry T. Segerstrom Management LLC, a California limited liability company

By: _____

OR

By: _____
Alternate Manager

AND

By: HTS Management Co., Inc., a California corporation

By: _____
Senior Vice President

ONE TOWN CENTER ASSOCIATES, a California general partnership

By: Henry T. Segerstrom Management LLC, a California limited liability company, Manager

By: _____

OR

By: _____
Alternate Manager

AND

By: HTS Management Co., Inc., a California corporation, Manager

By: _____
Senior Vice President

Exhibit "AA"
Legal Description of Property

Parcels between Sunflower Avenue and Town Center Drive

Parcels 1 and 2 of Lot Line Adjustment No. LL 2013-01, recorded on August 13, 2013, as Instrument No. 2013000478793 in the Official Records of the County Recorder of Orange County, California; and

Parcels 5 and 6 of Parcel Map S-78-10, as shown on a map filed in Book 115, Page 37 of parcel maps, in the Official Records of the County Recorder of Orange County, California.

Parcels between Town Center Drive and Anton Boulevard

Parcel 1 of Parcel Map 81-379, as shown on a map filed in Book 164, Page 10 of parcel maps, in the Official Records of the County Recorder of Orange County, California;

Parcels 1 and 2 as shown on a map filed in Book 12, Page 18 of parcel maps, in the Official Records of the County Recorder of Orange County, California;

Parcels 1 and 2 of Parcel Map S-20-67, as shown on a map filed in Book 11, Page 32 of parcel maps, in the Official Records of the County Recorder of Orange County, California; and

Parcel 2 of Parcel Map S-78-10, as shown on a map filed in Book 115, Page 37 of parcel maps, in the Official Records of the County Recorder of Orange County, California.

Exhibit "BB"
Map of the Property

EXHIBIT "B"
Map of Property

