RESOLUTION NO. 16-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA ADOPTING AMENDMENT TO NORTH COSTA MESA SPECIFIC PLAN (SP-16-01) RELATED TO: 1) HOME RANCH; 2) 3350 AVENUE OF THE ARTS; AND 3) SAKIOKA LOT 2

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the City Council of the City of Costa Mesa adopted the 2015-2035 General Plan on June 21, 2016;

WHEREAS, the General Plan is a long-range, comprehensive document that serves as a guide for the orderly development of Costa Mesa;

WHEREAS, by its very nature, the General Plan needs to be updated and refined to account for current and future community needs;

WHEREAS, the Planning Commission of the City of Costa Mesa adopted the North Costa Mesa Specific Plan by Resolution No. 94-67 in July 1994;

WHEREAS, the North Costa Mesa Specific Plan provides additional planning guidelines and standards for several large development areas located in north Costa Mesa;

WHEREAS, by its very nature, the North Costa Mesa Specific Plan needs to be updated and refined to account for current and future community needs;

WHEREAS, General Plan 2015-2035 allowed an increase in the Floor Area Ratio (FAR) for Home Ranch site, an increase in the residential density for Sakioka Lot 2, and development flexibility for 3350 Avenue of the Arts within the trip budgets adopted by the Land Use and Circulation Elements;

WHEREAS, Home Ranch site is located in Area 1 (Subarea 3) of the North Costa Mesa Specific Plan, 3350 Avenue of The Arts is located within Area 5, and Sakioka Lot 2 is located in Area 8;

WHEREAS, amendments to North Costa Mesa Specific Plan are required to reflect increased development flexibility for these planning areas as allowed by 2015-2035 General Plan;

WHEREAS, the amendments promote diversity of development options on Home Ranch, 3350 Avenue of The Arts and Sakioka Lot 2 are in conformance with the objectives of the North Costa Mesa Specific Plan and General Plan, including the following:

- North Costa Mesa Specific Plan - Recognize the development potential of the planning area and the need to sensitively integrate new development with the surrounding areas, and therefore, promote both resident and business community confidence in the long-term vision for the plan area.
- General Plan Land Use Objective LU-2A: Promote land use patterns and development that contribute to community and neighborhood identity.
- General Plan Land Use Objective LU-6A: Ensure the long term productivity and viability of the community's economic base.
- General Plan Land Use Objective LU-4A: Encourage new development and redevelopment to improve and maintain the quality of the environment.
- General Plan Land Use Objective LU-5A: Ensure availability of adequate community facilities and provision of the highest level of public services possible, taking into consideration budgetary constraints and effects on the surrounding area.

WHEREAS, on August 22, 2016, the Planning Commission held a public hearing and recommended approval of the amendment;

WHEREAS, a duly-noticed public hearing was held by the City Council on September 6, 2016 to allow for public comment on the proposed project and with all persons having been given the opportunity to be heard both for and against the proposed project. The Planning Commission recommended City Council approval of the proposal;

WHEREAS, the project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures. The proposal has been found to be less than significant with regard to the development limitations in the General Plan and North Costa Mesa Specific Plan, including trip budgets and development intensity. Therefore, the relevant environmental analysis contained in the following previously-approved environmental documents has been found to be valid, and no further environmental review is required:

- City of Costa Mesa General Plan Environmental Impact Report, SCH No. 2015111053, June 21, 2016.
- Segerstrom Home Ranch Environmental Impact Report, SCH No. 2000071050, November 2001.
- Addendum to EIR No. 207011125 adopted in 2007 for Wyndham Hotel.

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record, and the findings contained herein, the City Council adopts amendment to North Costa Mesa

Specific Plan (SP-16-01) consistent with the provisions of the 2015-2035 General Plan attached hereto as Exhibit A to this resolution.

BE IT ALSO RESOLVED that North Costa Mesa Specific Plan SP-16-01 shall be adopted by separate resolution and shall be expressly predicated on the General Plan Amendment being final and effective.

PASSED AND ADOPTED this 6th day of September, 2016

STEPHEN M. MENSINGER
Mayor, City of Costa Mesa

ATTEST:

CITY CLERK OF THE
CITY OF COSTA MESA

APPROVED AS TO FORM:

CITY ATTORNEY

STATE OF CALIFORNIA)
)ss
COUNTY OF ORANGE)

I, BRENDA GREEN, City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above Council Resolution Number 16__ as considered at a regular meeting of said City Council held on the 6th day of September, 2016, and thereafter passed and adopted as a whole at the regular meeting of said City Council held on the 6th day of September, 2016, by the following roll call vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the Seal of the City of Costa Mesa this ___ day of _____, 2016

_____
Brenda Green
City Clerk of the City of Costa Mesa

EXHIBIT A

North Costa Mesa Specific Plan

SP-16-01

REVISED PAGES

REVISED 09-06-2016

3.0 SUBAREA ANALYSIS

The plan area is composed of eight unique ~~sub~~areas that are analyzed individually as well as in consideration of surrounding land uses.

AREA 1-HOME RANCH

Existing Land Uses

A portion of ~~T~~this 93-acre site is in agricultural production. Onsite structures include a single- family residence, ~~guesthouse,~~ barn, related farm buildings, and an office building located on Fairview Road. ~~This site is~~ These are all owned by C.J. Segerstrom ~~and Sons~~ family. The single family home and barn are identified in the ~~2000~~ 2016 General Plan in the Historical and Cultural Resources Element. The Segerstrom family, who continue to maintain the house, constructed the farmhouse in 1915. The barn was constructed in 1928. Several farm related structures are located near the house.

Single family attached and detached homes, an Emulex industrial park, and a large IKEA retail/warehouse facility also now sit on the original Home Ranch site.

General Plan and Zoning

The portions of this site owned by the Segerstrom family and IKEA are ~~is~~ designated as Commercial Center ~~Industrial Park~~ by the General Plan and is zoned PDC ~~PDI~~. ~~The maximum Floor Area Ratio (FAR) is 0.40, which equals 961,060 square feet of building area.~~ The General Plan establishes site specific FAR of 0.37 for the 19.27 acre IKEA site and a site specific FAR of 0.64 for remaining 43.6 acres located south of South Coast Drive. ~~The trip budget is 827 a.m. peak hour trips and 855 p.m. peak hour trips.~~

In 2001, GP-00-05 was approved for Home Ranch to allow residential, commercial, office, and industrial uses. The overall allowable square footage was increased to 1,351,698 square feet and trip budget adjusted accordingly. In respect to this specific plan, the Home Ranch area was expanded to include the 30.5 acres located north of South Coast Drive. See following Sub-areas discussion.

In 2003, SP-03-02 was approved that reallocated a 2.074-acre portion of Sub-area B to Sub-area A to be used as the IKEA parking lot. This reallocation ~~of acreage reduced~~ extinguished the square footage development rights attributable to the 2.074 acres, increasing the IKEA site to 19.27 acres and reducing the IKEA site FAR to 0.37 and ~~T~~the overall allowable square footage to 1,319,813~~351,698~~; the overall trip budget remained unchanged. ~~Table 4A was modified to reflect this change.~~

In 2016, General Plan 2015-2035 was approved adjusting the FAR of Sub-Area B resulting in an increase in the FAR and a maximum development square footage of 1,200,000 SF. Table 4A was modified to reflect this change.

Sub-areas

The Segerstrom Home Ranch is divided into four sub-areas. Table 4A provides a statistical summary of the maximum number of dwelling units, floor area ratio, building square footage, and the trip budgets for each sub-area. Figure 11 illustrates the boundaries of the sub-areas.

To facilitate flexibility for Sub-Areas B and C, building square footages and trip budgets may be transferred, provided that the total building square footage, floor area ratio, and trip budget for the combined two sub-areas are not exceeded as delineated in Table 4A. Transfers affecting Sub-Areas A and D are not permitted. Future development in Sub-Area B shall be limited to high quality office, office-related uses, and corporate office/headquarters with subsidiary support functions that may include research and design, minor assembly, light manufacturing, and storage. Retail uses in Sub-Area B shall be limited to those that are ancillary to the office development

Shown below are the development parameters for each distinct sub area.

Table 4A- Segerstrom Home Ranch Sub-Areas						
Land Use	Acreage	Floor Area Ratio/Density	Maximum Units/ Square Footage	Maximum Stories/Height	A.M. Peak Hour Trips	P.M.Peak Hour Trips
A. IKEA	19.27	0.37 FAR	308,000 sf	2 stories/45 feet	43	431
B. Office and Office-related uses	43.57[2]	0.~~40~~ 64	~~759,165~~ 1,200,000 SF	2-5 stories/36 - 75 feet See Figure 11b	1,~~593~~ 1,860	1,~~569~~ 1,788
C. Industrial Park	14.5	0.40 FAR	252,648 sf	1-5 stories/45-60 feet See Figure 11b	376[3]	362[3]
D. Medium Density Residential	16.0	12 units/acre	136 single-family attached units[1]	3 stories/ 50 feet		
			56 single-family detached units[1]	2 stories/27 feet	102	130
			Total Maximum: 192 units			
TOTAL:	93.34	NA	192 units 1,~~760,648,319,813~~ sf		~~1,738~~ 2,381	~~2,130~~ 2,711

Note:

1. The mix of units is for illustrative purposes only; the precise mix of product types will be determined during master plan review; in no instance shall the 192-unit maximum and/or the morning and evening peak hour trip budget be exceeded.
2. The 1,200,000 maximum square footage is calculated based on the full acreage originally in Home Ranch which includes acreage transferred to the State of California for public improvements This full square footage intensity may be used for development in Sub-Area B.

~~1.~~3. See partial Assignment and Assumption of Development Agreement recorded on 02/05/2004 as Instrument No. 2004000089554 in official records Orange County.

Land Use Compatibility/Integration

The Segerstrom farmhouse provides a unique opportunity for preservation of a small piece of the City's agricultural heritage. This two-story home and accompanying barn are familiar sights in the area and stand as a reminder of the farming community that was evident here in the early 1900's. Although the Segerstrom home and barn are designated as Commercial Center on the General Plan Land Use Map, it would be in keeping with Policy HCR-1A.5 of the General Plan to preserve these historical structures.

Preservation of these structures in their current location ~~could be~~ has been accomplished by ~~transferring the development potential of the area to be preserved to the remainder of the Industrial Park area. At that time, the General Plan would be amended to an appropriate~~ land use ~~designation (e.g., Public-Semi Public) and a land use restriction~~ recorded restrictions which include provisions for the ~~property which recognizes the~~ long-term preservation of these buildings as historical resources. The property covered by the recorded restrictions is a 1.5-acre site shown in Exhibit 11a and includes the home, barn, and two related structures. The boundaries of the property may be modified, as approved by the City's Development Services Director, so long as the site continues to include 1.5 acres and all four historic structures. The barn may be relocated within the site. Ownership of the property could remain with the Segerstrom family until such time they wished to ~~sell~~transfer the property. At that time, the City, another public agency, or private ~~organization should~~ owner could acquire ~~be given~~ the site subject ~~first right of refusal to purchase the site.~~ to the recorded restrictions for preservation of this valuable community resource.

The retention of the farmhouse results in a site design consideration. Non-residential buildings should be set back from the farmhouse site so as to not visually encroach into this area. Buffering could include walls/fencing, landscaping, and/or parking areas. Consideration should be given to physically linking the adjacent development to the farmhouse site with pedestrian paths.

~~In conjunction with approval of GP-00-05, a historical preservation area was identified on Home Ranch, as shown in Exhibit 11a.~~ The ~~barn is to be relocated into the preservation area. The Segerstrom Home Ranch development agreement includes provisions for the land dedication, building preservation, and long-term management of this valuable community resource. Mesa Consolidated Water District has also expressed an interest in obtaining land from the property owner in order to place an underground reservoir adjacent to the preservation area. Should this occur, the anticipated office development could not occur over the reservoir site; it would be necessary for it to remain as open space. The~~ development ~~agreement specifies that development~~ potential (square footage and trip budget) of the 1.5-acre site ~~and any future reservoir site can be~~ has been transferred to the portion of the Home Ranch site located south of South Coast Drive and east of the ~~proposed~~ Susan Street.

Mesa Consolidated Water District at one time held a ground lease from the Segerestrom family for a small portion of the property in Sub-area B and had expressed an interest in acquiring the site. The Water District has since removed all of its facilities from the site, terminated the lease, and abandoned the site. This leaves this site available for development as a part of Sub-area B.

Building Heights

The General Plan specifically limits building heights to a maximum of five stories (and only in the project's center) for this site. Five stories approximate a 75-foot height limitation. Exhibit 11b indicates the various height limits for Home Ranch. The actual siting of future buildings shall take into account surrounding development in order to minimize visual impacts. The use

of low- reflective materials for the building's exteriors will minimize glare impacts. In Building Height Area 1 adjacent to Fairview Road, the City of Costa Mesa shall also require a shade/shadow analysis for any building proposed to exceed 30 feet in height in order to ensure that building's shade or shadow does not extend beyond the project site or public rights-of-way.

Circulation

The primary project access/egress points should be aligned with Susan Street and the existing Automobile Club entry to the north. Access to the farmhouse preservation site should be considered from within this area so as to minimize the number of driveways on South Coast Drive.

Freeway access improvements in the immediate area include the widening of the Fairview Road off-ramps, both northbound and southbound, and the construction of the new South Coast Drive off-ramp. Both are completed.

Final Program Environmental Impact Report No. 1048 for Home Ranch included a preliminary analysis of a Susan Street exit from the new South Coast Drive-Fairview Road- Harbor Boulevard collector road included in the 1-405/SR-73 confluence project. Prior to approval of this additional exit by CalTrans, additional environmental documentation would be required. The Susan Street exit is not required for the Home Ranch project.

A future bikeway was shown on the Master Plan of Bikeways traversing this site to South Coast Drive from the 1-405 bikeway undercrossing. However, in conjunction with GP-00-05, this bike trail undercrossing and related linkages were deleted from the Master Plan of Bikeways. This deletion was necessitated by the CalTrans/FHWA freeway improvements in the general area.

Parks and Recreation

The Segerstrom family house and barn may also be considered as meeting a portion of the future park needs for any future residential development north of South Coast Drive. It would not meet any active recreational needs, but serve rather as a cultural/historical center.

In conjunction with GP-00-05, the historical reservation area was established. See previous Land Use Compatibility/Integration discussion.

Fire Protection Services

Future development plans and environmental analyses for this site need to assess the future fire station in the North Harbor area; i.e.; location and timing of construction.

In conjunction with adoption of GP-00-05, it was determined that Segerstrom Home Ranch (Area 1) increased the demand for City fire suppression services in the City's northwest area. The Segerstrom Home Ranch development agreement includes provisions for the necessary land acquisition, building design, and construction costs. The City of Costa Mesa Fire Department is responsible for determining the timing of land acquisition and fire station construction. If the fire station is ultimately located on Segerstrom Home Ranch, the development agreement allows for transfer of development rights (building square footage and trip budget) to the balance of the Home Ranch project.

The Wyndham Hotel Site: In 2007, Specific Plan Amendment (SP-07-01) was approved for the 3-acre site. The Specific Plan Amendment includes a development option that would allow a mixed-use development consisting of a 200-room boutique hotel and 120-unit high-rise building with approximately 1,740 sq.ft. of retail space and 3,450 sq.ft. for a bar/lounge. This would result in a maximum nonresidential floor area ratio (FAR) with a maximum 120 dwelling units.

Development Option	Maximum No. of Hotel Rooms	Maximum Allowable Non-Residential FAR	Maximum Allowable Number of High-Rise Residential Units
Option 1	200 rooms	2.12 FAR	120 units
Option 2	388 rooms	2.29 FAR	-0-

The Specific Plan allows development flexibility with regard to the overall mix of hotel rooms and residential units. This is subject to compliance with the following conditions through the final master plan review process:

- The applicant can demonstrate traffic-generation characteristics comparable to Option 1.
- For mixed use, ~~D~~development may be allowed up to a combined maximum of 320 hotel rooms/dwelling units, provided that the maximum number of hotel rooms in the mixed-use development does not exceed 200 rooms.
- The maximum FAR may be increased to no greater than 2.12 FAR in direct relation to the reduction of the residential density from and 44 du/acre and 2.29 FAR for hotel development;
- The maximum allowable number of high-rise residential units may be increased to no greater than 132 units (44 du/acre) in direct relation to the reduction of the nonresidential FAR from 2.12 FAR.
- The 238 existing hotel rooms may be reduced to allow additional residential units.~~, but any increase in the number of existing hotel rooms is prohibited~~.

As shown above, if the property owner decides not to develop the high-rise residential option and voluntarily demolishes the hotel instead, the maximum allowable nonresidential square footage would remain at 2.08 FAR with a redevelopment potential of 60,000 sq.ft.

AREA 8- SAKIOKA LOT 2

Existing Land Uses

This 33 acre area is designated for planned development, including mixed-use, residential, and commercial office development and is currently in agricultural production. Two single family homes are located along Sunflower Avenue. Lot 2 is owned by Roy K. Sakioka & Sons.

General Plan and Zoning

This site is designated Urban Center Commercial by the General Plan and is zoned PDC.

Development Standards and Trip Budget

The development intensity for planned development (i.e. master plans) on Sakioka Lot 2 is limited by the following:

- The trip budget for this site is 1,062 a.m. peak hour trips and 1,407 p.m. peak hour trips. The trip budget shall not be exceeded for the aggregate development ~~any master planned development~~ on Sakioka Lot 2.

- Planned Development Standards of the PDC zone are applicable to the site, unless otherwise indicated in the North Costa Mesa Specific Plan.

- A maximum 1.0 Floor-Area-Ratio applies to nonresidential development. Nonresidential development is also subject to the trip budget limitation, applicable development standards of the PDC zone, and consistency with the General Plan.

- The maximum residential density (dwelling units per acre) is ~~a maximum of~~ 28 dwelling units per acre for the residential component of a mixed-use development on a single legal parcel (See "Mixed-Use" discussion) or a maximum of 80 ~~20~~ dwelling units per acre for an independent residential ~~community including~~ development that ~~affordable~~ incorporates affordable housing (See "Affordable Housing / Density Bonus discussion). An independent residential ~~community~~ development is defined as a development in which a separate legal parcel (or parcels) ~~the site~~ is entirely developed as a residential use and therefore does not include commercial uses on the same ~~site~~ legal parcel.

- The maximum building height of 8 stories per Airport Land Use Determination dated May 26, 2016 and as reflected in 2015-2035 General Plan.

The projected trip generation for land uses proposed for Sakioka Lot 2 will be based on latest edition of Trip Generation, Institute of Transportation Engineers. The methodology will consider reasonable allowances for trip credits due to internal capture and pass-by trips. Internal capture credit refers to trips for various uses proposed within the parcel that can be accomplished without having to leave the facility.

For example, an office complex could have restaurants and other ancillary uses which may not generate new trips – rather serve tenants within the complex. Other examples include conference room and fitness facilities. Pass-by trips refers to trips that are already on roadway adjacent to the development and use the facilities. Pass-by trip credits are limited to retail uses.

The credits allowed for internal capture and pass-by trips will be determined by the Transportation Services Manager. The net trip generation after credits will be compared to the trip budget to determine if the proposed development is within the limits prescribed in the North Costa Mesa Specific Plan.

Land Use Compatibility/Integration

Future development of this site is anticipated to include mid- and high-rise office buildings as well as support commercial. Shade and shadow impacts for buildings in excess of 2 stories should be considered in relation to surrounding land uses. Site design should limit vehicular access to and from Sunflower Avenue.

New commercial and office buildings are encouraged to be located along the Anton frontage. Encroachment into the building setback on Anton Boulevard for commercial or mixed-use developments can be considered based on how well the project design accommodates pedestrians and if the parking areas and/or structures are located behind the commercial or mixed-use building(s). Parking areas shall not be allowed to encroach into the street setback, unless they are tucked under the commercial development. Parking lots/structures should be located primarily along the eastern edge of the site adjacent to the Costa Mesa Freeway and the new on-ramp. Internal pedestrian linkages to Anton Boulevard should be provided.

Mixed-Use

The PDC zoning does permit mixed-use development including residential and nonresidential uses as complementary uses. The residential component of a mixed-use development shall be limited to a maximum density of 28 dwelling units per acre. This maximum density only applies to residential uses as complementary uses to commercial uses within a mixed-use development. It does not apply to an independent residential ~~community~~development ~~–~~that does not include commercial uses on the same ~~site~~ legal parcel. Total building intensity for the entire 33-acre ~~site~~ shall not exceed the maximum allowable development intensity as set forth by the trip budgets. ~~For a mixed-use development~~, the overall mix of uses, including trips from dwelling units, shall be counted together in determining compliance with the trip budgets. The trip budget shall not be exceeded.

The Costa Mesa Freeway, Sunflower Avenue, and Main Street represent significant air quality and noise sources that will impact the siting of residential units and other sensitive land uses. Existing ambient air quality may exceed state and federal levels for carbon monoxide; therefore, significant mitigation measures may be required. Acceptable interior and exterior noise levels for residential uses would need to be achieved. An appropriate interface between the office buildings and residential uses would also be required.

Affordable Housing and Density Bonus

If ~~the entire~~ all or a portion of the site is developed as an independent residential ~~community~~ development that incorporates ~~with~~ affordable housing, the maximum density shall be ~~20~~80 dwelling units per acre involving a maximum number of 660 residential units (including any density bonuses, see Table 8.[1] Total building intensity for the entire ~~33-acre~~ site shall not exceed the maximum allowable development intensity as set forth by the trip budgets.

The maximum number of dwelling units (including any density bonuses) for Sakioka Lot 2 is 660 units. The maximum base density is 528; in order to be granted a 25% density bonus (132 dwelling units), the developer would have to provide affordable housing pursuant to one of the following three options shown in the following table. All affordable housing provisions shall be for a minimum of 30 years.

Table 8- Sakioka Lot 2 Density Bonus Program
North Costa Mesa Specific Plan

MAXIMUM BASE DENSITY	AFFORDABLE HOUSING CATEGORY[1]		DENSITY BONUS CRITERIA
528 UNITS	OPTION 1 VERY LOW INCOME'	REQUIRED PERCENT OF BASE DENSITY TO BE AFFORDABLE	10%
		# OF AFFORDABLE UNITS	53 UNITS
	OPTION2 LOW INCOME	REQUIRED PERCENT OF BASE DENSITY TO BE AFFORDABLE	20%
		# OF AFFORDABLE UNITS	106 UNITS
	OPTION 3 LOW & MODERATE INCOME	REQUIRED PERCENT OF BASE DENSITY TO BE AFFORDABLE	10% LOW & 15% MODERATE
		#OF AFFORDABLE UNITS	132 UNITS
		25% DENSITY BONUS	132 UNITS
		TOTAL UNITS	660

NOTES:

1. Very Low, Low and Moderate determinations are based on HUD definitions and income limits, adjusted for family size.
2. The total number of units assumes that other criteria of the Planned Development Commercial Zone have been met regarding density increases.

3.. Density Bonus as provided herein, or as otherwise provided for by state law (Government Code 65915)

*The maximum number of units (660) in an independent residential community is based on ~~33~~8.25 acres of land and ~~20~~ 80 units per acre..

Building Heights

The maximum building height is ~~180~~120 feet (approximately ~~12~~ 8 stories) south of the new collector street and 60 feet (approximately 4 stories) north of the new collector street. Commercial or mixed use developments that are allowed to encroach into the street setback of Anton Boulevard shall be limited to 2 stories/ 30 feet within the street setback. Buildings above ~~173~~ 161 AMSL feet in height will require approval by the FAA.

Circulation

The Master Plan of Highways includes a new collector street that connects Main Street and Anton Boulevard through this site. A new 1-405 on-ramp from Anton Boulevard is to the south of this site. The Master Plan of Bikeways includes a new bikeway on Sunflower Avenue. ~~As shown on Figure 9, the various alternatives for the urban rail alignment traverse this property and a station is also proposed in the vicinity.~~

Figure 19 provides an overview of the entire plan area and depicts development standards that can be shown graphically. It should be noted that the information is intended to be illustrative and is not to be interpreted as the precise locations for future land uses or structures, or the collector street.