



CITY COUNCIL

AGENDA REPORT

MEETING DATE: SEPTEMBER 6, 2016

ITEM NUMBER: **PH-1**

SUBJECT: NORTH COSTA MESA SPECIFIC PLAN AMENDMENT (SP-16-01) RELATED TO HOME RANCH SITE, 3350 AVENUE OF THE ARTS AND SAKIOKA LOT 2

DATE: AUGUST 25, 2016

FROM: PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MINOO ASHABI, PRINCIPAL PLANNER

FOR FURTHER INFORMATION CONTACT: MINOO ASHABI (714) 754-5610
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RECOMMENDATION

Adopt resolution to approve the proposed amendment.

BACKGROUND / PROJECT DESCRIPTION

This is a City initiated amendment for consistency between General Plan and North Costa Mesa specific plan. On August 22, 2016, the Planning Commission with a 3-0 vote recommended approval of the proposed amendment.

By statute, specific plans must be consistent with the general plan. (Gov. Code, §§ 65454. Based on the adopted 2015-2035 General Plan the following amendments to the specific plan is required for consistency and as directed by City Council.

SP-16-01 - North Costa Mesa Specific Plan Amendment is requested to address the following:

- 1) Subarea 3.0, Area 1-Home Ranch
 - a. Update information on existing uses and exhibits
 - b. Update Table 4-A, referring to maximum AM and PM peak hours and allowable Floor Area Ratio (FAR) and square footage per 2015-2035 General Plan
 - c. Updates on the historical resources based on 3rd Amendment to Home Ranch Development Agreement
 - d. Updates to Figures 2, 5, 11, 11a, and 11b.
- 2) Area 5 – 3350 Avenue of Arts - Wyndham Hotel
 - a. Add development option 2 as approved by City Council for additional hotel rooms with no residential units
- 3) Area 8 – Sakioka Lot 2
 - a. Amendments to text and exhibits to update development standards related to building height, trip budget and maximum density

ANALYSIS

Amendment to North Costa Mesa Specific Plan

The proposed project is a City-initiated proposal to amend the North Costa Mesa Specific Plan to allow development options on Segerstrom Home Ranch, 3350 Avenue of the Arts, and Sakioka Lot 2 consistent with the development intensities included in the 2015-2035 General Plan.

The adopted 2015-2035 General Plan allows greater opportunities for two large vacant sites within the City; the 43.6-acre Home Ranch site and the 33-acre Sakioka Lot 2 site, and development flexibility for the 3350 Avenue of the Arts site. The proposed revisions would be consistent with the land uses of the North Costa Mesa and would not involve any changes to the adopted trip budgets for both areas. The amendments would allow market-driven forces to determine the development scenarios while keeping the integrity of the maximum allowable trip budgets.

Segerstrom Home Ranch

The Segerstrom Home Ranch is divided into four sub-areas. Table 4A of the NCMSP 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. The 2015-2035 General Plan allows the following intensities as noted in “Bold” track changes to Table- 4A of NCMSP below:

Land Use	Acreage	Floor Area Ratio/Den	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 <u>64</u>	759,165 1,200,000 SF	2-5 stories/36 - 75 feet See Figure 11b	4,593 1,860	4,569 1,788
C. Industrial Park	14.5	0.40 FAR	252,648sf	1-5 stories/45-60 feet See Figure 11b	<u>376</u> ³	<u>362</u> 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 1,319,813 760,648 sf		4,738 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.
3. See partial Assignment and Assumption of Development Agreement recorded on 02/05/2004 as Instrument No. 2004000089554 in official records Orange County.

A comprehensive update to the NCMSPP related to the current conditions and changes related to development agreement and subsequent amendments (i.e., obligations on the historic structures, etc.) are included in Exhibit 1 of the Attachment.

The following amendment is proposed to Area 5, the Wyndham Hotel site to allow a development option without the inclusion of any residential units. The site is within the PDR-HD land use designation. This option with 150 additional hotel rooms was considered by City Council as a General Plan screening on April 5, 2016 and adopted with the 2015-2035 General Plan:

Page 59:

“3350 Avenue of The Arts (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 of 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 all of 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 in direct relation to the reduction of the residential density from 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.~~ “

Sakioka Lot 2

Sakioka Lot 2 is a 33-acre site that is designated for future commercial and residential development. It is currently considered agricultural land for future development purposes. The site is designated Urban Center Commercial by the General Plan and is zoned PDC (Planned Development Commercial).

With the 2015-2035 General Plan, the allowable density for residential development was increased to 80 du/acre and the overall FAR for non-residential development remained unchanged. All development is still subject to the trip budgets established by the 2015-2035 General Plan. The changes to the General Plan should be reflected in the NCMSP as follows:

- The trip budget for this site is 1,062 a.m. peak hour trips and 1,047 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~~ [80](#) 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 20 dwelling units per acre for an independent residential [community development that incorporates](#) affordable housing (See "Affordable Housing / Density Bonus discussion). An independent residential ~~community development~~ is defined as a development in which [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](#).
- [Maximum building height of 8 stories per Airport Land Use Determination dated May 26, 2016 and as reflected in 2015-2035 General Plan.](#)

Other revisions related to Figure 18 are included in Exhibit A of Attachment 1.

Justifications for Approval of GP and SP Amendments

The amended pages of the General Plan and Specific Plan are included in Exhibit "A" of each of the resolutions.

Staff recommends approval of these amendments for the Segerstrom Home Ranch site, 3350 Avenue of the Arts and Sakioka Lot 2 for the following reasons:

- *The Specific Plan Amendment (SP-16-01) is a follow-up to adoption of 2015-2035 General Plan and similar changes adopted for the North Costa Mesa High Rise projects and other major projects.*

In 2007 and 2008 for the North Costa Mesa high-rise residential projects, General Plan/Specific Plan amendments were adopted to allow development flexibility for different mixed-use projects, including high-rise residential projects with commercial flex spaces. Similar changes were also approved for Lot 2 to allow more flexible development types in 2011.

Currently, the Specific Plan sets a maximum square footage and maximum FARs for Sakioka Lot 2 and Segerstrom Home Ranch that were amended by the 2015-2035 General Plan. For Sakioka Lot 2, the 2015-2035 General Plan allows higher density for the residential site without an increase to the FAR or trip budgets for the site. This alternative is an alternative for more ground level open space and flexibility in site planning. The increase in the development intensity of Segestrom Home Ranch was considered in the Citywide traffic study for the General Plan and north Costa Mesa intersections; the proposed increase in the intensity does not increase the building heights over 5 stories and would be within the trip budget for the site. The 2015-2035 General Plan allowed flexibility in development such as an expansion to the hotel with no residential units, subject to comparable traffic generation characteristics.

- *The amendment does not involve any changes to allowable traffic generation beyond the established trip budgets by 2015-2035 General Plan for the Home Ranch site, 3350 Avenue of the Arts and Sakioka Lot 2.*

The Home Ranch site has a trip budget of 1,860 A.M. and 1,788 P.M. and a maximum FAR of 0.64 (maximum 1.2M SF) per 2015-2035 General Plan; such development intensities were approved based on a comprehensive traffic analysis for the City and the NCMSP area.

The Sakioka Lot 2 site has established trip budgets of 1,062 A.M. and 1,407 P.M. peak hour trips; maximum 1,437,480 SF of non-residential (1.0 FAR) and maximum 660 units. The proposed development could be a mixed-use facility with a combination of retail/hotel/residential/office uses that cumulatively do not exceed the approved trip budgets.

- *The Development Agreements for Home Ranch and Sakioka Lot 2 could be amended by separate actions by City Council.* City Council adopted the Development Agreement of Sakioka Lot 2 in November 1990 and it will expire in November 2019. The third amendment to Home Ranch Development Agreement extended the agreement until 2030 and the fourth amendment to Home Ranch Development Agreement will be considered by City Council under separate action. In addition, to the development intensities, the development agreements may include other obligations that are not relative to the NCMSP and will be considered separately.
- *The maximum building height for Sakioka Lot 2 was modified by Airport Land Use Commission (ALUC).*

On May 26, 2016, ALUC considered 2015-2035 General Plan and related North Costa Mesa Specific Plan approved it based on the provision that the maximum height of 120 feet/8 stories be established for Sakioka Lot 2, which is 161 feet above means sea level (AMSL). This change is reflected in the proposed amendment.

ENVIRONMENTAL DETERMINATION

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures. The proposal does not make any significant changes to the development limitations in the North Costa Mesa Specific Plan with regard to trip budgets and development intensity. All traffic impacts have been reviewed with the 2015-2035 General Plan EIR. Therefore, the relevant environmental analysis contained in the following previously-approved environmental documents is still valid, and no further environmental review is required:

- City of Costa Mesa General Plan Environmental Impact Report, SCH No. 2015111053, June 2016.
- Segerstrom Home Ranch Environmental Impact Report, SCH No. 2000071050, November 2001.

An addendum to EIR No. 2007011125 adopted in 2007 for the Wyndham Hotel has been prepared that concludes no impacts would occur nor would there be any substantial increase in the severity of any previously identified effects. The addendum is included as Attachment 2 under separate cover.

SPECIFIC PLAN & GENERAL PLAN CONFORMITY

The proposed action promotes diversity of development options on the subject properties in conformance with the objectives of the North Costa Mesa Specific Plan and General Plan, including the following:

North Costa Mesa Specific Plan

- The specific plan recognizes the development potential of the planned 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.

Costa Mesa 2015-2035 General Plan – Land Use Element

- Objective LU-2A: Promote land use patterns and development that contribute to community and neighborhood identity.
- Objective LU-6A: Ensure the long term productivity and viability of the community's economic base.
- Objective LU-4A: Encourage new development and redevelopment to improve and maintain the quality of the environment.
- 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.

FISCAL REVIEW

Fiscal review is not required.

LEGAL REVIEW

The City Attorney's office has approved the attached resolution as to form.

CONCLUSION

The Planning Commission recommended approval of the Specific Plan amendments consistent with the 2015-2035 General Plan to promote development flexibility for Home Ranch, 3350 Avenue of the Arts and Sakioka Lot 2. The objective of these amendments is to provide consistency with the 2015-2035 General Plan and allowed intensities.

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Attachments:

1. [Draft City Council Resolution](#)
2. [Planning Commission Resolution](#)
3. [Addendum to EIR No. 2007011125 \(under separate cover\)](#)
4. [Supplemental Memo](#)

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