



PLANNING COMMISSION

AGENDA REPORT

MEETING DATE: JULY 25, 2005

11.1
ITEM NUMBER:

**SUBJECT: DA-05-03 ANNUAL REVIEW OF SEGERSTROM CENTER FOR THE ARTS
DEVELOPMENT AGREEMENT (DA-00-03)
LOCATED EAST OF PARK CENTER DRIVE AND WEST OF THE AVENUE OF THE
ARTS BETWEEN SUNFLOWER AVENUE AND ANTON BOULEVARD**

DATE: JULY 13, 2005

**FOR FURTHER INFORMATION CONTACT: CLAIRE L. FLYNN, AICP, SENIOR PLANNER
(714) 754-5278**

DESCRIPTION

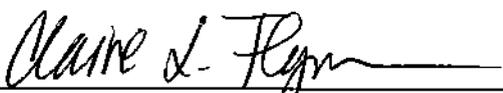
Annual review of the development agreement between the City of Costa Mesa and the Orange County Performing Arts Center and South Coast Repertory Theatre.

APPLICANT

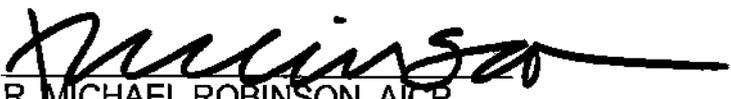
Mr. Kerry Madden is the authorized agent for the Orange County Performing Arts Center and South Coast Repertory Theatre (OCPAC/SCR).

RECOMMENDATIONS

Based on the evidence in the record, find that the Orange County Performing Arts Center and South Coast Repertory Theatre have demonstrated good faith compliance with the terms and conditions of Development Agreement DA-00-03.



CLAIRE L. FLYNN, AICP
Senior Planner



R. MICHAEL ROBINSON, AICP
Asst. Dev. Svcs. Director

BACKGROUND

Seegerstrom Center for the Arts is a sub area of the South Coast Plaza Town Center. See Figure 1. The 2000 General Plan designates the area as "Cultural Arts Center" and the corresponding zoning is "Town Center".

Section 3.5 of the development agreement requires a periodic review of the developer's performance of its obligations under the Agreement. This is the second review of the development agreement.

ANALYSIS

Development Agreement:

The purpose of this annual review is to determine if OCPAC/SCR have made a good faith effort to comply with the provisions of the development agreement, and to this effect, OCPAC/SCR has submitted a letter (see Attachment 2). This review focuses on the community benefits provided for by the developer as described in Exhibit F of development agreement DA-00-03. (see Attachment 3).

The following section summarizes OCPAC/SCR's progress in realizing these obligations for public benefits:

1. **Cultural Benefits:** The following cultural benefits were identified:
 - Expansion of South Coast Repertory Theatre (*Completed*).
 - Construction of a 2,500-seat Concert Hall and 500-seat theater (*Underway*).
 - Creation of a third arts-related venue in the future (*To Be Completed*). The construction completion date is unknown, but OCPAC/SCR is required to improve this area as public open space within 90 days of issuance of the certificate of occupancy for the new concert hall.
 - Creation of exterior plazas, promenades and assembly areas associated with both SCR and the new Concert Hall (*Underway*). The SCR-related exterior improvements are completed, and the exterior improvements related to the Concert Hall will be completed in conjunction with its construction.
 - New venues in the performing arts complex that rival the centers in New York, Washington, D.C., Los Angeles and Denver in importance and quality (*In Planning Stages*).
2. **Open Space:** In September 2001, OCPAC/SCR, in cooperation with South Coast Plaza and the City, amended the Town Center open space easement to facilitate the expansion of the South Coast Repertory Theater and the new concert hall and to make it a permanent open space easement.

3. **Parking Agreements:** The agreement requires that adequate parking is available to the existing and future performing arts venues with the following provisions:
 - A shared parking analysis was approved for the entire South Coast Plaza Town Center area in conjunction with the approval of the final master plan for the SCR expansion (*Completed August 2001*).
 - OCPAC/SCR is required to provide a parking discount to Costa Mesa residents attending a cultural arts venue, *if* OCPAC/SCR constructs a parking structure. To date, OCPAC/SCR has not proposed the construction of a parking structure (*In Scoping Stages*).
4. **Vacation of Town Center Drive and a Portion of Park Center Drive:** On February 2, 2004, Council approved the Town Center Drive Master Plan, and the necessary vacation was subsequently completed in 2005 (*Completed*).
5. **Theater and Arts District:** OCPAC/SCR has fulfilled its obligation in preparing a Theater and Arts District Plan (TAD) (*Completed on February 2, 2004*). The TAD Plan provides a list of public improvements to enhance the image and identity of the district that the affected property owners have committed to install and the implementation schedule.
6. **Traffic Mitigation (4 intersections):** The agreement requires improvements to the following intersections:

Intersection	Status
Bristol & Sunflower	Completed in conjunction with SCR expansion.
Fairview & South Coast	Completed in conjunction with SCR expansion.
Bristol & Paularino	Completion tentatively scheduled by 2015 or by final building permit for the Town Center Master Plan projects.
Park Center & Sunflower	Completion tentatively scheduled by 2015 or by final building permit for the Town Center Master Plan projects.

7. **Fire Protection Facilities:** In 2001, City Council waived this fee for the SCR expansion.
8. **Traffic Impact Fee:** In conjunction with new construction, OCPAC/SCR is obligated to pay a traffic impact fee. However, as with the fire protection fee, the City Council waived this fee in 2001, which equaled \$41,800.50, for the SCR expansion. City Council also waived the \$597,000 traffic impact fee for the new concert hall in 2004.

The City Attorney's Office and Transportation Services Division have also reviewed the development agreement and concur that OCPAC/SCR is in compliance with the terms of this Agreement.

ALTERNATIVES

If the Planning Commission finds OCPAC/SCR is not in compliance with the Agreement's terms, evidence supporting that determination would be required.

CONCLUSION

Based on the evidence in the record, staff recommends a finding that the Orange County Performing Arts Center and South Coast Repertory Theatre have demonstrated good faith compliance with the terms and conditions of Development Agreement DA-00-03.

- Attachment: 1. Vicinity Map
2. OCPAC/SCR correspondence
3. Development Agreement DA-00-03

cc: Deputy City Manager - Dev. Svs. Director
Deputy City Attorney
Staff (4)
File (2)

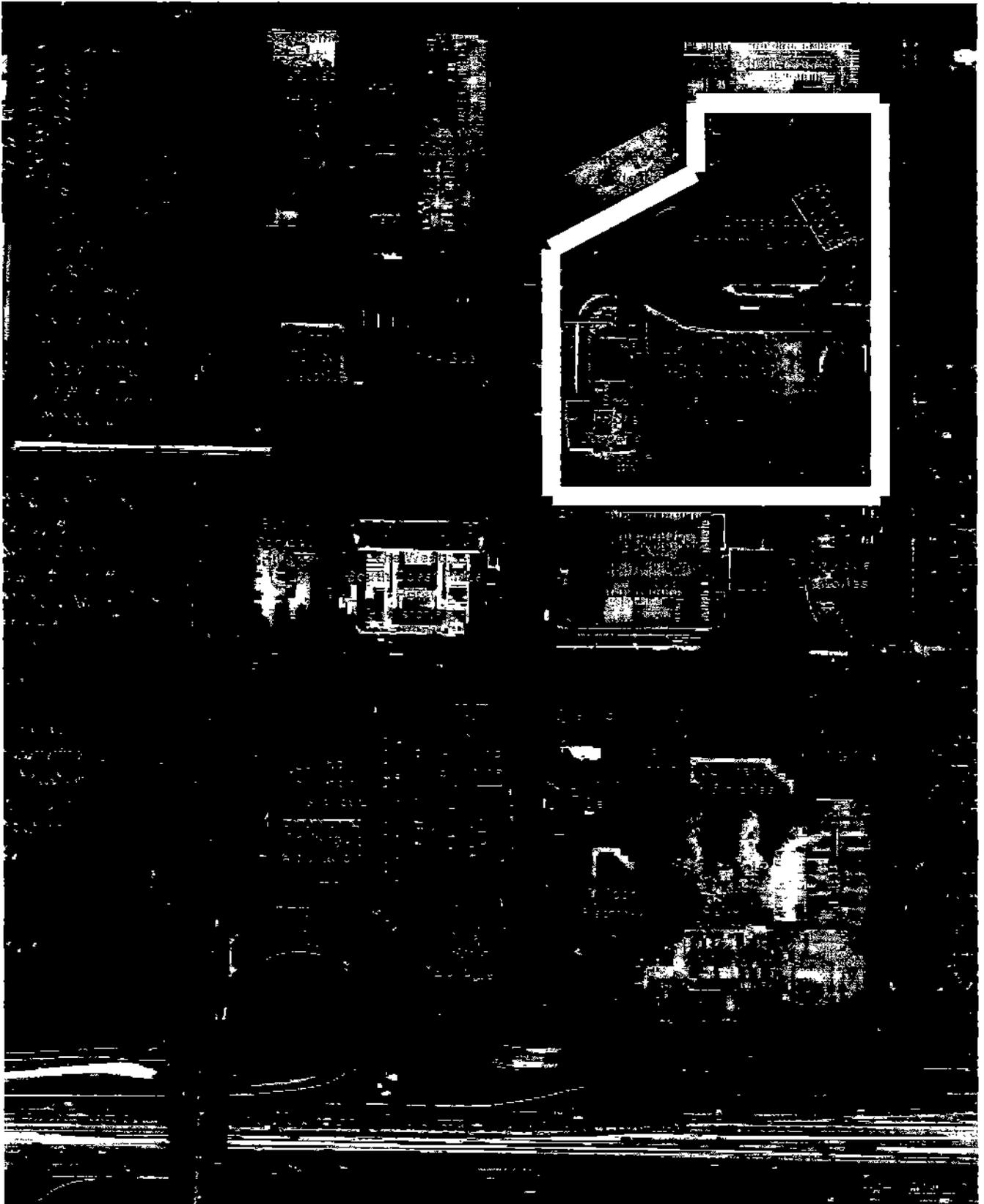
Mr. Kerry Madden
Orange County Performing Arts Center
600 Town Center Drive
Costa Mesa, CA 92626

Mr. David Emmes
South Coast Repertory Theatre
655 Town Center Drive
Costa Mesa, CA 92626

Mr. David Wilson
C.J. Segerstrom & Sons
3315 Fairview Road
Costa Mesa, CA 92626

H

South Coast Plaza Town Center



SEGERSTROM HALL

600 TOWN CENTER DRIVE
COSTA MESA, CALIFORNIA 92626
714/556.2121 FAX 714/241.0624
WWW.OCPTAC.ORG

KERRY A. MADDEN
VICE PRESIDENT OF
THEATER OPERATIONS & FACILITIES

June 10, 2005

Ms. Claire L. Flynn, AICP
Senior Planner
City of Costa Mesa
P.O. Box 1200
Costa Mesa, CA 92628-1200

Re: Periodic Review of Development Agreement DA-00-03

Dear Ms. Flynn:

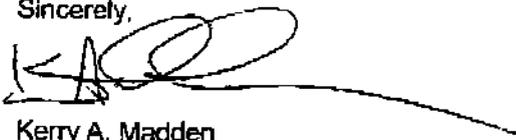
This letter and application address the mandated periodic review of Town Center Development Agreement DA-00-03.

We continue to meet our obligations under that development agreement. We have cooperated with other Town Center property owners in developing a Theatre and Arts District Plan. The draft TAD Plan was reviewed by the Planning Commission, forwarded to the City Council and approved.

The City also required the completion of a traffic improvement on Avenue of the Arts with the addition of a dedicated left turn lane for northbound traffic to access the Center Tower parking structure. This improvement is complete and has worked effectively.

Additionally, we have completed the master planning process for the abandonment of the eastern portion of Town Center Drive and its reconfiguration as a pedestrian plaza, a step envisioned under paragraph IV of exhibit F of DA-00-03. A shared parking analysis completed subsequent to the development agreement found more than adequate parking in Town Center for existing and near-term uses. As development proceeds for additional arts venues, the obligation to ensure adequate parking will be met. This portion of Town Center Drive has been abandoned and we have begun construction mobilization for this project.

Sincerely,



Kerry A. Madden



CITY OF COSTA MESA

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

DEVELOPMENT SERVICES DEPARTMENT

**FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,
PLEASE CONTACT THE PLANNING DIV. AT (714)754-5245.**