

**REGULAR MEETING OF THE CITY OF
COSTA MESA PLANNING COMMISSION**

February 28, 2005

The Planning Commission of the City of Costa Mesa, California, met in regular session at 6:30 p.m., February 28, 2005 at City Hall, 77 Fair Drive, Costa Mesa, California. The meeting was called to order by Chairman Garlich, followed by the Pledge of Allegiance to the Flag.

ROLL CALL:

Commissioners Present:

Chairman Bruce Garlich

Vice Chair Bill Perkins

Eleanor Egan, James Fisler, and Donn Hall

Also Present: R. Michael Robinson, Secretary

Costa Mesa Planning Commission

Kimberly Hall Barlow, City Attorney

Ernesto Munoz, City Engineer

Raja Sethuraman, Associate Engineer

Mel Lee, Senior Planner

Wendy Shih, Associate Planner

MINUTES:

The minutes for the meeting of February 14, 2005 were accepted as corrected.

PUBLIC COMMENTS:

Ann Hogan Shereshevsky, 2152 Elden Avenue, Costa Mesa, expressed her concerns about affordable and senior housing and asked several questions relating to the subject of density in the City. In response, Mr. Robinson explained the development review process, both through the Planning Division and Planning Commission. Ms. Shereshevsky said her main concerns lie with affordable and senior housing and gave some examples. The Chair suggested that Ms. Shereshevsky make an appointment with Mr. Robinson because many of her questions are beyond the scope of the Planning Commission's ability to deal with. Ms. Shereshevsky also questioned City parking requirements and was referred to the Transportation Services Division. In response to further questions from Ms. Shereshevsky regarding sidewalks, Mr. Munoz explained that the City has a general plan of sidewalks, citywide. He said the plan is visited on an annual basis to determine what the allocations of funding will be and that particular areas are weighed against other areas of priority in the City. He said City Council has adopted a list of priorities, which are implemented annually with the funding available.

Martin Millard, 2973 Harbor Boulevard, Costa Mesa, felt the Commission should become more proactive and he expressed his frustration about the way the Commission votes and earns their salaries. He pointed out areas where graffiti is rampant in the City and commented that nothing has been done about the calls he made to have it taken care of. He also noted that there are many professional people (lawyers, accountants, etc.), leaving the City of Costa Mesa.

**PLANNING COMMISSION
COMMENTS/SUGGESTIONS:**

None.

CONSENT CALENDAR:

None.

PUBLIC HEARINGS:

REZONE PETITION R-04-03
& MASTER PLAN PA-04-05

City of Costa Mesa

The Chair opened the public hearing for consideration of Rezone Petition R-04-03 and Master Plan PA-04-05 for Birtcher Commercial Development, LLC, authorized agent for State Farm Mutual Auto Insurance Company, for a rezone from MP (Industrial Park) to PDI (Planned Development Industrial); and a master plan to demolish approximately 307,000 square feet of building, and construct a 312,540 square-foot, multiple tenant home furnishings center with ancillary retail and food uses, located at 3333 Hyland Avenue in an MP zone. Environmental determination: Mitigated Negative Declaration.

Senior Planner Mel Lee reviewed the information in the staff report and gave a presentation. He said staff is recommending that Planning

Commission adopt the mitigated Negative Declaration and recommend to City Council, approval of the rezone petition and master plan.

In response to a question from Commissioner Fisler regarding the difference between this project being set in an MP or PDI zone and why this project is not being zoned as commercial, Mr. Lee explained that because the zoning is “industrial park”, it has a corresponding general plan land use designation of “industrial park” as well. In order to facilitate a zone change of the property to commercial, it would also require a General Plan amendment. Since the General Plan already has built-in provisions to allow commercial uses in industrial areas, under certain circumstances, it was determined that a zone change and General Plan amendment to commercial would not be necessary for this development.

In response to another question from Commissioner Fisler regarding commercial zoning and parking requirements, Mr. Lee explained that if this project were similar to the Target and Home Depot centers, there would be different parking requirements. Currently, traffic generation is for the industrial-oriented and commercial support uses, which is the category this project falls under.

In response to questions from Commissioner Fisler regarding the number of employees and job/housing comparisons, Mr. Lee stated that these questions would be addressed by the applicant.

Commissioner Hall stated that condition of approval #5 relating to the take-out food area has been modified to read, “including food uses with less than 300 square feet of public area” and wished to know the meaning. Mr. Lee explained that the “take-out only facilities” term was too vague, and that code actually calls out that food establishments with 300 square feet, or less, of public area (seating area within the establishment), then the parking requirement between a “take-out” use versus “sit-down” restaurant does not change at that point—only if an eating establishment has more than 300 square feet of public area, it is evaluated based as a full sit-down type of restaurant, i.e., Denny’s, McDonalds, etc.). Commissioner Hall asked if there are 3 different take-out food restaurants, is it still 300 square feet “per facility.” Mr. Lee confirmed and agreed to add “per facility” to condition of approval #5 as requested by Commissioner Hall.

In response to a question from Commissioner Egan regarding the daily budget trips and the effect for going over the budget, Associate Engineer Raja Sethuraman explained that based on the traffic analysis conducted for this project and covering the years 2006 to the cumulative year of 2025 it was determined that none of the intersections, other than Hyland and Sunflower exceeded the ICU’s (Intersection Capacity Utilization) set for the City. Commissioner Egan asked what was the point of setting a budget, if it will be allowed to exceed by more than a 100%. Mr. Sethuraman explained that the trip budget refers to the number of trips that an industrial project would generate on this site. Now it’s being replaced by a furniture store with a higher trip generation. Mr. Robinson explained that the references to “trip budget” were not regulatory, but only for analytic purposes in the general plan traffic model. He also indicated that references to “trip budgets” for this project should be replaced with a more general “trip generation assumptions” description.

In response to a question from Commissioner Egan regarding the change in the level of service (LOS) for Harbor Boulevard and South Coast Drive (#8) to a Level-E in the year 2025, Mr. Sethuraman explained that the analysis for the year 2006 does not assume the current project. The City will be adding another northbound through lane on Harbor Boulevard up to Sunflower, which will improve this intersection. This mitigation will be completed by the year 2007.

In response to further questions from Commissioner Egan about the 2025 projections, Mr. Sethuraman explained that the analysis for 2025 is based upon industrial businesses. He said we are now going into a commercial project. The direction of the traffic changes and the number of people going out of the industrial park is higher in the evening

and is more balanced, so there is a change in how people are accessing the site.

Mr. Robinson added that when dealing with long-range projections, they are just that, our best guess under the conditions we know at this point in time, that those projections are made based upon the traffic model. He said each year an annual Development Phasing and Performance Monitoring Report looks at the actual performance of intersections on the street and can track how intersection capacity ratios and traffic volumes change over time. With these numbers, we can see when it gets closer to thresholds, and it can be addressed at that time, and then incorporated into the City's future Capital Improvement Program. There was further discussion between Commissioner Egan and Mr. Robinson concerning costs that may or may not be shared by developers.

In response to a question from the Chair regarding the intersection of Hyland Avenue/Sunflower Avenue in 2025, Mr. Sethuraman explained that this analysis assumes that there is no signal in place and if a signal is installed, it would bring it to an LOS-B.

The Chair indicated that Susan Street (Sunflower at Hyland) at the I-405 northbound on-ramp, are shown in 2025 at LOS-E, but there is no discussion or data about mitigation. Mr. Sethuraman explained that the intersection of Susan at Sunflower, on the north side, is Santa Ana and there is only one through lane that gets across, and 2 in the northbound. He said in looking at the General Plan for Santa Ana, it should be a 4-lane roadway—it is not assumed in this calculation but it should take care of it. At the Hyland/I-405, northbound ramp, South Coast right, this intersection, with some striping modifications allowing for the westbound direction, 2 through and an optional right turn lane, should mitigate the problems there. In further response, he said the applicant has no obligation to help with that because they don't increase the ICU values.

The Chair was concerned about the added condition of approval #13 (Supplemental Staff Report, February 23rd) which now has a provision that if the parking becomes a problem, that the applicant will have to propose whatever operational measures are necessary to minimize or eliminate the problem. He also expressed concern because the IKEA provided two times the amount of required spaces to meet anticipated demands. He requested that staff consider deleting the word, "operational" because it seems to set limitations on solutions that are unclear. Staff was agreeable. Chair Garlich felt it might perhaps even preclude a parking structure that might be a necessary alternative. There was further discussion on this subject by the Chair, City Attorney Kimberly Hall Barlow, and Commissioner Hall. It was eventually decided that it should be replaced with the word "appropriate."

Allen Tuntland, authorized agent, Birtcher Commercial Development, 27611 La Paz Road, Laguna Niguel, agreed to the conditions of approval including those discussed previously. Mr. Tuntland gave a brief presentation of the project. He also wished to clarify condition of approval #12 relating to the proposed specialty retail uses. He said they did not want them assigned to any one building since this is a multi-tenant project. In response to the Chair, Mr. Lee noted that condition of approval #12 was to establish for future reference to give staff the ability to identify the types of uses that are allowed within the development. The number of parking spaces will be dictated by total floor area ratios of the anchor and specialty uses as long as those floor areas stay within the ranges discussed in the staff report, and there would be no need to assign a specific use to a specific building.

Mr. Tuntland said in answer to an earlier question about the number of employees, their estimate is approximately 160 employees on this site and represents 20% of the parking dedicated to employees (around the perimeter).

In response to the Chair, Mr. Tuntland said he anticipated a 12 to 14-month period before the grand opening.

Commissioner Hall said he was concerned about the northbound ar-

cade area and didn't want people to feel like they were in a hole between tall buildings. Mr. Tuntland stated they have carefully thought out their design and believe that it will be a suitable comfortable space.

In response to a question from Vice Chair Perkins concerning food services being further south instead of their present configuration, Mr. Tuntland explained that they do not want those people jumping in their cars and driving to the site, but rather they walk; they are also trying to center the services; and they did not want an intense use such as food too close to the freeway intersection because it could create traffic problems.

Martin Millard, 2973 Harbor Boulevard, Costa Mesa, felt this was a nice project, but that it looks like an "outlet" center and that it might evolve into one. He did not feel there was adequate parking for the center and that it had been calculated wrong from the beginning. He also compared it with IKEA and commented that it would become a parking nightmare.

Beth Refakas, 320 Magnolia Street, Costa Mesa, said the project looks nice and would be an improvement for what's there. She was concerned about cumulative traffic from Harbor Boulevard, Sunflower, South Coast and the freeway access to this center; she had concerns about employee and delivery entrances being located on the street. She compared it to the Harbor Center delivery and employee entrances facing the street.

Ann Hogan Shereshevsky, 2152 Elden Avenue, Costa Mesa, asked if this was going to be a mall. In response, Mr. Lee stated that this would be a mall in that you can buy furniture, but it would not be a mall in terms of being similar to South Coast Plaza where numerous items may be purchased. Ms. Shereshevsky was interested in knowing if Kinko's was going to be a 24-hour shop and Mr. Lee confirmed that there are no 24-hour uses proposed for this site.

Mr. Tuntland returned to the podium to address the delivery issue. He said the elevations are designed with a lot of glass. These types of users sell their products by having "storefronts" and the glass provides the opportunity to show those wares. The deliveries are going to be glass through glass doors and labeled, "employee entrance only" so patrons will not be enticed to come in. There will be storefront awnings on those elevations, all in order to dress it up and make it architecturally attractive because they want people to be excited about the project when they arrive. He said delivery hours are restricted because they do not want trucks or things coming into the middle of the project during hours when shoppers will be there—most deliveries are conducted during early morning hours.

There was discussion between Commissioner Hall, the Chair and Mr. Lee concerning the Air Quality mitigation measures and confirmation of the applicant's request to clarify those measures.

No one else wished to speak and the Chair closed the public hearing.

MOTION:
R-04-03/PA-04-05
Recommended to City Council

A motion was made by Chairman Garlich, seconded by Vice Chair Perkins, and carried 4-1 (Eleanor Egan voted no) to adopt mitigated Negative Declaration and recommended to City Council, approval of Rezone Petition R-04-03 and Master Plan PA-04-05, by adoption of Planning Commission Resolution PC-05-14, based on information and analysis contained in the Planning Division staff report and findings contained in exhibit "A", subject to conditions in exhibit "B" and mitigation measures contained in exhibit "C", with the following modifications:

Exhibit B/Conditions of Approval

Renumber the "second" ~~12~~ to 13; ~~13~~ to 14; and ~~14~~ to 15 (page 23 of the staff report).

12. “...with ~~non-table service and take-out only facilities less than 300 square feet of public area per restaurant facility.~~ The applicant shall submit a complete list of permitted uses to the Planning Division for review and...”
13. If parking shortages or other parking-related problems arise, the applicant shall institute whatever operational appropriate measures necessary to minimize or eliminate the problem.

Exhibit C/Mitigation Measures

Renumber “AQ-11” (page 24 of the staff report) to AQ-7a.

- AQ-11 The project proponent will incorporate into the project street/public art ~~and/or~~ street furniture, and articulated storefronts and display windows with visual interest to encourage...
- AQ-12 The project proponent will provide secure bicycle parking areas, bike paths that connect to the surrounding bicycle lanes ~~in~~ adjacent to the project area, employee lockers, and other...
- T-1 “...The Traffic Impact Fee is estimated to be ~~\$578,858~~ \$575,958 based on current traffic...” “...based on traffic impact fee schedule in effect at the time ~~Certificate of Occupancy~~ of issuance of building permits and applicant shall be responsible for payment of the ...”
- T-3 The project applicant shall pay for the installation of a traffic signal at the intersection of Hyland Avenue and Sunflower Avenue.

Commissioner Egan felt it was a really nice project and that she would like to see it in Costa Mesa but in a commercial district and suggested Bristol Street or Harbor Boulevard. She felt this was a transitional project into commercial taking place in a long-standing industrial area; the business name, “South Coast” in the title suggests there is an extension of South Coast Plaza through Home Ranch and west of Harbor Boulevard; and lastly, IKEA has been cited as a “precedent.” She felt the City should look at what they are giving up and what they are gaining. Secondly, she did not believe the PDI zone is suitable for this project; PDC perhaps. She explained that the real estate market allows for a substantially lower rental rate in industrial zones versus regular commercial zones. It was her feeling that it was possible that the effect could cause competitors to go out of business, stores get closed, buildings are shuttered and an entire commercial district may go down hill. She said if the project is appropriate for this location, she would recommend a General Plan amendment to commercial for this particular site and possibly the area around it (overlay) to see if we want to transition more commercial use. She said it may require an EIR which would give broad notice to the public that something major may be going on here.

Commissioner Hall said normally he did not like to respond to fellow Commissioner’s comments, but in this case, he felt it was necessary. He said this is an example of the “free market” deciding what the possibilities are for a particular area. If they are spending their money and they see something worthwhile in this area, maybe the “free market” will look at it and say, we ought to transition this area.

Chairman Garlich stated that he believed the issues discussed this evening relative to the project in terms of the parking and traffic issues have been sufficiently addressed to handle as best we can see, the future impact. With regard to Commissioner Egan’s concern about transitioning, he believed that was in the “eye of the beholder” and speculative at this point. It is not obvious that the City has a plan to transition this area, however, if we see another use such as this, it might send a red flag up that perhaps we should take a look at a specific plan, or a general plan amendment. He said he would presume that Commissioner Egan’s recommendations, comments and thoughts relative to the zoning issue would be adequately incorporated into the

minutes. He said he believed we could deal with any of the problems that may arise down the road and felt it would be a good project for the City.

The Chair explained the appeal process.

In response to the Chair, Mr. Robinson stated that this item would go to the City Council meeting of April 5, 2005.

PLANNING APPLICATION

PA-04-44

Boyd/Zehnder

The Chair opened the public hearing for consideration of Planning Application PA-04-44 for Peter Zehnder, authorized agent for Robert Boyd, to convert an existing 1-story, 12-unit, apartment complex to condominiums, located at 535-545 Bernard Street, in an R2-HD zone. Environmental determination: exempt.

Associate Planner Wendy Shih reviewed the information in the staff report and gave a presentation. She said condition of approval #5 required a slight modification (as shown in the motion below). Ms. Shih said staff was recommending approval by adoption of Planning Commission resolution, subject to conditions.

Peter Zehnder, authorized agent, Newport Beach resident, agreed to the conditions of approval. He requested clarification for condition of approval #6 (page 10 of the staff report), in reference to a list contained in condition of approval #13. Ms. Shih confirmed.

Martin Millard, 2973 Harbor Boulevard, Cost Mesa, stated that the problem with this project is that it does not have adequate parking.

Jessica Campbell, a 3-year resident of Bernard Street, Costa Mesa, stated that she and her husband were very happy to hear about this project because they love the area and were excited to hear about all of the improvements that will be made to this property. She said they would even like to purchase a unit and hoped the Commission would approve it.

No one else wished to speak and the Chair closed the public hearing.

MOTION:
PA-04-44
Approved

A motion was made by Commissioner Hall, seconded by Vice Chair Perkins and carried 4-1 (James Fisler voted no), to approve by adoption of Planning Commission Resolution PC-05-15, based on information and analysis contained in the Planning Division staff report and findings contained in exhibit "A", subject to conditions in exhibit "B" with the following modification:

Conditions of Approval

- 5. To avoid an alley-like appearance, the site shall be developed without a center swale. Design shall be...

During discussion on the motion, Vice Chair Perkins commented that he believed this was a step in the right direction in terms of going from rental property to ownership; no affordable housing is lost; and 6 parking spaces are being added.

Chairman Garlich added that several improvements are also being made to the property at the same time.

Commissioner Egan said although she would support the motion, she felt that these condominiums would all belong to different people who might them out. She felt this would not be a good thing, meaning that the property might not be properly maintained; there is the possibility of code violations occurring involving the common area; there will be 12 owners to deal with and possibly 12 tenants; and the parking is still only at 50% of what is needed but it has been improved by 6 spaces with this project. She was optimistic that the people who purchase these units would occupy them.

Commissioner Fisler stated that as a realtor, he has noted that in projects like this one, garages are used for storage with at least two cars per unit—they only have one space and are parking anything

above that on the street and in the guest spaces. He said he could not support this project because of the parking.

Commissioner Egan asked Mr. Robinson if there is a way to add a condition on the project, perhaps through the CC&R's to make sure the garages remain available for parking. Mr. Robinson recalled that the most notable project where the same type of was raised is 1901 Newport Boulevard Plaza residences with garage doors in an enclosed parking structure. He said it could also be applied in this case and would include provisions in the CC&R's that would require the garages to be permanently available for automobile storage and parking.

The Chair asked staff if a homeowners association was formed, could a majority of their members, through their bylaws, change that without the City being able to object. Ms. Shih explained the required CC&R's will be reviewed by Planning staff, however, they are enforced by the homeowner's association. City Attorney Kimberly Hall Barlow indicated the Planning Commission may add a separate condition not attached to the CC&R's requiring that the garages shall be made available for parking, or, no storage shall be allowed in the garages.

Vice Chair Perkins said he was not comfortable adding this condition to him motion because 6 additional parking spaces have been created through this project and he did not feel it was necessary to tell people what to do with their purchase of property.

Commissioner Egan said she will support the motion, however, she still has concerns for the property rights of the neighbors who also need parking spaces.

The Chair said he understood Commissioner Egan's concern, but his view was that the buildings and the size of the buildings and the number of people that live in the buildings will be the same after the conversion as they are today.

The Chair explained the appeal process.

The Chair opened the public hearing for consideration of Planning Application PA-04-47 for Eric Olsen, authorized agent for Keith and Donna Ray, for variances from driveway width (16 ft. required; 8'-9" existing) and driveway landscaping (10' minimum required; 0' existing) requirements, with a minor design review for a 794 sq. ft. second unit over a new detached garage/carport behind an existing residence, located at 205 Del Mar Avenue, in an R2-MD zone. Environmental determination: exempt.

Associate Planner Wendy Shih reviewed the information in the staff report and gave a presentation.

Eric Olsen, authorized agent, 158 North Glassell Street, Orange, agreed to the conditions of approval.

Mr. Olsen said the owners questioned the landscaping area that was required by staff in one of the conditions of approval and he requested that the least amount of landscaping be done to the area to reduce costs and construction. Ms. Shih said she had briefly discussed this with the property owner. She said the idea is to discourage parking in the front setback area. She confirmed with the Chair that this could be worked out through the submittal of the landscaping plan as required by code, and, in conjunction with staff to come to an agreeable design.

No one else wished to speak and the Chair closed the public hearing.

A motion was made by Commissioner Hall, seconded by Vice Chair Perkins and carried 5-0, to approve by adoption of Planning Commission Resolution PC-05-16, based on information and

PLANNING APPLICATION
PA-04-47

Ray/Olsen

MOTION:
PA-04-47
Approved

analysis contained in the Planning Division staff report and findings contained in exhibit "A", subject to conditions in exhibit "B."

The Chair explained the appeal process.

REPORT OF THE DEVELOPMENT SVS. DEPARTMENT:

None.

REPORT OF THE CITY ATTORNEY'S OFFICE:

Pursuant to subdivision (a) of Section 54956.9 of the California Government Code, a closed session has been scheduled for the Planning Commission to confer with legal counsel regarding potential litigation. City Attorney Kimberly Hall Barlow announced that this item would not be heard this evening.

ADJOURNMENT:

There being no further business, Chairman Garlich adjourned the meeting at 8:34 p.m. to the study session of Monday, March 7, 2005.

Submitted by:

R. MICHAEL ROBINSON, SECRETARY
COSTA MESA PLANNING COMMISSION