



# CITY OF COSTA MESA

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

DEVELOPMENT SERVICES DEPARTMENT

September 9, 2021

Connor Bannon  
Guthrie Development  
1375 Logan Ave, Unit A  
Costa Mesa, CA 92626

**RE: MINOR CONDITIONAL USE PERMIT ZA-21-23 TO ALLOW FOR GENERAL  
OFFICE USE IN AN INDUSTRIAL ZONE  
1375 LOGAN AVENUE, UNIT A, COSTA MESA**

Dear M. Bannon:

City staff's review of your zoning application for the above-referenced project is complete. The application, as described in the attached project description, has been approved based on the findings and subject to the conditions of approval and code requirements (attached). The decision will be final at 5:00 p.m. on September 16, 2021, unless appealed by an affected party, including the filing of the necessary application and payment of the appropriate fee, or called up for review by a member of the City Council.

If you have any questions regarding this letter, please feel free to contact the project planner, Destiny Andrews, at 714.754.5012 or [destiny.andrews@costamesaca.gov](mailto:destiny.andrews@costamesaca.gov).

Sincerely,

JENNIFER LE  
Director of Development Services/Zoning Administrator

Attachments:        Report  
                          Business Description  
                          Approved Conceptual Plans

cc:                     Engineering  
                          Fire Marshal

## **PROJECT DESCRIPTION**

### *Project Site/Environs*

The property is located south of Logan Avenue and east of College Avenue. The site is zoned General Industrial (MG) and has a General Plan land use designation of Light Industrial. Physical on-site improvements include a 24,882-square-foot, 12-unit industrial building. All units are currently vacant. The property is bounded by industrial buildings on parcels zoned General Industrial to the north across Logan Avenue, as well as to the east and west. To the south, Seapointe Villas apartment complex, zoned R3, abuts the property. Separating the two properties is a fifteen-foot block wall owned by Seapointe Villas.

### *Approved Entitlements*

In 2000, the Zoning Administrator approved ZA-00-29, a Minor Conditional Use Permit (MCUP) for five storage containers within existing parking stalls along the rear of the property. Although the storage occupied six parking stalls, required parking remained unaffected due to excess spaces. The containers have since been removed.

The Planning Commission approved Conditional Use Permit (CUP) PA-05-02 on March 14, 2005, to establish a 1,760-square-foot automotive repair shop within 200 feet of a residentially zoned property within Unit F. The use has since been discontinued.

In 2007, MCUP ZA-07-28 was approved for outdoor storage on-site. In conjunction with the existing storage units, a total of ten parking spaces were allotted to outdoor storage, with required parking remaining intact due to excess spaces. The outdoor storage units have been removed from the property, leaving all existing spaces available for use.

On November 23, 2015, the Planning Commission approved a second automotive repair shop ("Shear Performance") within 200 feet of a residential zone for Unit J, under CUP PA-15-37. Hours of operation for Shear Performance were 8:00 AM to 5:00 PM, Monday to Friday, with all work to occur indoors. This use has also since been discontinued.

On September 28, 2020, the Planning Commission approved a Conditional Use Permit (PA-20-07) for the conversion of the existing industrial building into a 12-unit industrial condominium on one lot with ancillary common spaces. With the conversion, the 12 units can be sold independently and be privately owned. Ancillary spaces such as the common areas, parking lot, and landscaping are under common ownership. In addition, the Planning Commission approved a tentative parcel map (TPM 2020-126) to facilitate the condominium project.

Most recently, the Zoning Administrator approved Planned Sign Program ZA-21-08, including unit signs and two freestanding signs within 300 feet from one another, on May 20, 2021.

The property owner, Guthrie Development Company ("Guthrie"), is in the process of completing the upgrades to the property required under PA-20-07; consequently, all of the units are currently vacant.

### *Proposed Use*

The proposed use is a general office for Guthrie, a full-service real estate company specializing in development, construction, and property management. The applicant proposes to occupy Unit A, a 2,223 square-foot space. Half of the unit will contain office space for four employees and a seating area. The remaining warehouse area will be used for general storage purposes for the business. The applicant requests approval of a minor conditional use permit (MCUP) to allow for the establishment of a general office use in an MG zone. The proposed hours of operation are Monday through Friday from 8:00 AM to 5:00 PM, with client meetings held entirely off-site or virtually.

### **ANALYSIS**

#### *General Office*

As described by the applicant, the proposed general office use offers property, association, and asset management services. Daily office functions will consist of financial analysis, accounting services, and the off-site management of properties by employees via phone and computer. The office will use 2,223-square-feet of the 24,882 square-foot building by Guthrie, a managing member of the property owner, GDC Logan, LLC. Guthrie will sell the remaining 11 units as airspace condominium units to new uses. The office area will consist of four personal cubicles and a small seating/lounge area. A partition will be constructed between the office and warehouse area and will be used for miscellaneous storage. The applicant has stated all third-party meetings will occur virtually or off-site.

According to the Costa Mesa Municipal Code (CMMC), Section 13-30 general office use in an industrial zone is permissible with a MCUP. Real estate offices are typically considered to be general office use due to the higher rates of public traffic often made without appointments. However, unlike most general offices, where common business services are provided to the public, Guthrie will operate as a management use, overseeing both the subject property as well as other properties in the area. Employees will provide professional services, such as entitlement and asset, construction, property and association management to clients with meetings occurring primarily at the different off-site locations or virtually. Due to the similar operating procedures of a management or consulting office, which are permitted uses in industrial zones, the proposed general office use should be compatible with surrounding properties – especially the residential properties to the south.

#### *Parking*

The Code-required parking ratio for an industrial building is three spaces per 1,000 gross square feet, resulting in 75 parking spaces required for the subject property. Current on-site parking contains 89 spaces: 14 spaces above the necessary parking for an industrial building of its size. For a 2,223-square-foot office, Code would require nine spaces to meet the general office parking rate of four spaces per 1,000 gross square feet. Due to

the excess number of parking spaces, adequate parking exists to support the office use (77 spaces required with the proposed office use; 89 parking spaces provided).

### **CONFORMANCE WITH THE CITY OF COSTA MESA GENERAL PLAN**

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that serve local needs, attract regional and international spending, and provide cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation ensures that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The General Plan land use designation of the property is Light Industrial, limiting use to small manufacturing and service industries. Certain commercial uses may be allowed, provided the commercial use is complementary to the industrial area. Commercial recreational uses may also be appropriate under the same condition. With compliance with the conditions of approval, the use would be quiet enough to protect existing stabilized residential neighborhoods (Seapointe Villas) from potentially disruptive land uses or activities, consistent with Land Use Policy LU-3.1 of the City's 2015-2035 General Plan. Further, it would expand the City's diverse employment base of office and industrial businesses, consistent with Land Use Objective LU-6C. Therefore, the proposed use, as conditioned, is consistent with the Zoning Code and the City's General Plan, and should not adversely impact the surrounding uses.

### **ENVIRONMENTAL DETERMINATION**

The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities. This project site contains an existing building with no increase in total floor area for the use proposed. The project is consistent with the applicable General Plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

### **FINDINGS**

- A. The information presented complies with Costa Mesa Municipal Code Section 13-29(e) in that:

**Finding:** Compatible and harmonious relationship between the proposed building and site development, and use(s), and the building and site development and uses that have been approved for the general neighborhood.

**Facts in Support of Finding:** With operating procedures as described and conditioned – off-site and virtual meetings – as well as to support on-site management, the proposed general office use will be a compatible and harmonious practice with the surrounding properties.

**Finding:** Safety and compatibility of the design of the buildings, parking area, landscaping, luminaries, and other site features, which may include functional aspects of the site development such as automobile and pedestrian circulation.

**Facts in Support of Finding:** The safety and compatibility of the design of buildings, parking area, landscaping, luminaries, and other site features, which may include functional aspects of the site development such as automobile and pedestrian circulation, have been considered and are not impacted by the proposed use.

**Finding:** Compliance with any performance standards as prescribed elsewhere in this Zoning Code.

**Facts in Support of Finding:** The proposed general office complies with any performance standards as described elsewhere in the Zoning Code and, as conditioned, will be required to operate as described in this staff report.

**Finding:** Consistency with the General Plan and any applicable specific plan.

**Facts in Support of Finding:** The proposed use is consistent with the General Plan land use designation of Light Industrial. The proposed use, subject to the approval of minor conditional use permit, is consistent with the General Plan and Zoning Code. Specifically, the proposed use is consistent with Land Use Policy LU-3.1 – to protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities. Additionally, the proposed use is also consistent with Land Use Objective LU-6C – to retain and expand the City's diverse employment base, including office, retail/service, restaurants, high-tech, action sports, boutique and prototype manufacturing, and industrial businesses. The proposed use is consistent with the Zoning Code and the City's General Plan, with the conditions of approval, including operational limitations; consequently, the proposed general office should not adversely affect the surrounding uses.

**Finding:** The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.

**Facts in Support of Finding:** The zoning application is for a project-specific case and does not establish enough precedent for future development. Approval will apply to this project-specific location. Conditions have been included that are specific to the proposed project.

- B. The information presented complies with Costa Mesa Municipal Code Section 13-29(g)(2) in that:

**Finding:** The proposed use, as conditioned, is substantially compatible with developments in the same general area and would not be materially detrimental to other properties in the area.

**Facts in Support of Finding:** The proposed general office use is compatible and harmonious with developments in the same general area and would not be materially detrimental to other properties within the area. Parking impacts will be negligible as adequate parking exists on-site to support a general office use. Additionally, as conditioned, all third-party meetings will occur off-site or virtually.

**Finding:** The proposed use and improvements will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

**Facts in Support of Finding:** Granting the minor conditional use permit will not be detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood because the applicant will conduct all general office operations entirely inside the building.

**Finding:** The proposed use, as conditioned, is consistent with the intent of the Zoning Code and General Plan land use designation for the property and is consistent with the following objectives and policies of the City's 2015-2035 General Plan:

**Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

**Consistency:** The use, as conditioned, will encourage the establishment of a full-service commercial real estate company. The general office use will be quiet enough to protect Seapointe Villas from disruptive activities.

**Policy LU-6C:** *Retain and expand the City's diverse employment base, including office, retail/service, restaurants, high-tech, action sports, boutique and prototype manufacturing, and industrial businesses.*

**Consistency:** As a full-service commercial real estate company, Guthrie will expand the diverse employment base by establishing a general office use that supports fixed assets and maintains industrial properties in Costa Mesa.

- C. The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Guidelines Section 15301 for Existing Facilities. This project site contains an existing building with no increase in total floor area for the use proposed. The use, as conditioned, is consistent with the applicable General Plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- D. The project is exempt from Chapter XII, Article 3, Transportation Management of Title 13 of the Costa Mesa Municipal Code.

### **CONDITIONS OF APPROVAL**

- P1ng.
  - 1. The use shall be limited to the type of operation described in this staff report: A general office that will provide development, construction, and property management services for the subject and other properties with all client meetings to occur off-site or virtually. Any change in the operational characteristics including, but not limited to, increased occupancy, or type of service provided, may require approval of an amendment to the minor conditional use permit, subject to Zoning Administrator approval.
  - 2. A copy of the conditions of approval for the minor conditional use permit shall be kept on-premises and presented to any authorized City official upon request. New business/property owners shall be notified of conditions of approval upon transfer of business or ownership of land.
  - 3. The applicant shall contact the Planning Division to arrange a Planning inspection of the site. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.
  - 4. The applicant shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any lawsuit, claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the applicant's obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
  - 5. If any section, division, sentence, clause, phrase or portion of this approval is 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.

## **CODE REQUIREMENTS**

The following list of federal, state, and local laws applicable to the project has been compiled by staff for the applicant's reference. Any reference to "City" pertains to the City of Costa Mesa.

- Plng.      1.      Approval of the zoning application is valid for two years from the effective date of this approval (September 16, 2021) and will expire at the end of that period (September 16, 2023) unless applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and a valid building permit has been maintained by making satisfactory progress as determined by the Building Official; 2) a certificate of occupancy has been issued; or 3) the use has been established and a business license has been issued. A time extension can be requested no less than 30 days or more than sixty 60 days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180 days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
3.      All contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.
4.      Permits shall be obtained for all signs according to the provisions of the Costa Mesa Sign Ordinance.
5.      Prior to issuing the Building permit, the conditions of approval shall be required to be incorporated on the approved Architectural plans.
- Bldg.      6.      Comply with the requirements of the following adopted codes Code, 2019 California Building Code, 2019 California Electrical code, 2019 California Mechanical code, 2019 California Plumbing code, 2019 California Green Building Standards Code, and 2019 California Energy Code (or the applicable adopted, California Building code California Electrical Code, California Mechanical code California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance ) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings, and elements by individuals with disability shall comply with chapter 11B of the 2019 California Building Code.
- Bus.      7.      All contractors and subcontractors must have valid business licenses to do  
Lic.      business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.
8.      Business license shall be obtained prior to the initiation of the business.
- Fire      9.      Comply with the requirements of the 2019 California Fire Code and referenced standards as amended by the City of Costa Mesa.





City of Costa Mesa  
Development Services Department  
77 Fair Drive, Costa Mesa, CA 92626

APPLICANT LETTER – MINOR CONDITIONAL USE PERMIT

Guthrie Development Company is requesting a MCUP in order to occupy 1375 Logan Ave, Unit A, Costa Mesa, CA 92626 for its general office use. The premises is a part of a 12-unit building currently zoned General Industrial. Per the attached plans, Guthrie Development Company would utilize the existing office portion of the unit for general office use, along with a small portion of the warehouse space. Partitions would be placed in a portion of the warehouse area as referenced in the attached plans. The remainder of the warehouse space would be used for the storage of miscellaneous items. No structural changes will be made to the space.

Guthrie Development Company is a full-service real estate company that specializes in development, construction management, entitlement services, asset management, property management, and association management. The office space will be used by their employees to perform their daily tasks via phone and computer. The daily office use consists of financial analysis, accounting services, and the off-site management of properties.

The total square footage of 1375 Logan Ave, Unit A is 2,223sf. The whole building is 24,882sf and has ample parking, totaling 89 stalls. The minimum required parking for an industrial property of this size is 81 stalls. Guthrie Development currently employs 4 employees, and 1 part-time employee. Of the 4 employees, only 2 are in the office daily, and 1 exclusively works remote. Our general hours of operation are 8am-5pm, Monday through Friday. Guthrie Development does not have customers or patrons visit our office. Our meetings with 3<sup>rd</sup> parties are typically held off-site at job sites or via Zoom / conference call.

The proposed use is consistent with many of the uses in the vicinity. The previous use was an auto-repair shop. The remainder of the building is currently vacant, and the property owner, an LLC in which Guthrie Development is the managing member, is recording a condominium map in order to sell individual units to local business owners and investors. As the managing member, Guthrie Development Company will be able to vet out future uses at the project to avoid any over-parking concerns down the road.

Respectfully,

Robert W. Guthrie  
President, Guthrie Development Company



