



CITY OF COSTA MESA

PLANNING COMMISSION

Agenda

Monday, April 14, 2025

6:00 PM

**City Council Chambers
77 Fair Drive**

The Commission meetings are presented in a hybrid format, both in-person at City Hall and as a courtesy virtually via Zoom Webinar. If the Zoom feature is having system outages or experiencing other critical issues, the meeting will continue in person.

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Favor de comunicarse con la Secretaria Municipal al (714) 754-5225 para solicitar servicios de interpretación de idioma para las juntas de la Ciudad. Se pide notificación por lo mínimo 48 horas de anticipación, esto permite que la Ciudad haga los arreglos necesarios.

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Closed Captioning is available via the Zoom option in English and Spanish.

Zoom Webinar:

Please click the link below to join the webinar:

<https://zoom.us/j/96060379921?pwd=N2lrbzhJM2hWU3puZkk1T3VYTXhoQT09>

Or sign into Zoom.com and “Join a Meeting”

Enter Webinar ID: 960 6037 9921 / Password: 595958

- If Zoom is not already installed on your computer, click “Download & Run Zoom” on the launch page and press “Run” when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
- Select “Join Audio via Computer.”
- The virtual conference room will open. If you receive a message reading, “Please wait for the host to start this meeting,” simply remain in the room until the meeting begins.
- During the Public Comment Period, use the “raise hand” feature located in the participants’ window and wait for city staff to announce your name and unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Participate via telephone:

Call: 1 669 900 6833 Enter Webinar ID: 960 6037 9921 / Password: : 595958

During the Public Comment Period, press *9 to add yourself to the queue and wait for city staff to announce your name/phone number and press *6 to unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

4. Additionally, members of the public who wish to make a written comment on a specific agenda item, may submit a written comment via email to the PCPublicComments@costamesaca.gov. Comments received by 12:00 p.m. on the date of the meeting will be provided to the Commission, made available to the public, and will be part of the meeting record.

5. Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the processes set forth above, please contact the City Clerk at (714) 754-5225 or cityclerk@costamesaca.gov and staff will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City’s website.

Note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information.

All pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments. Please e-mail to PCPublicComments@costamesaca.gov NO LATER THAN 12:00 Noon on the date of the meeting.

Note regarding agenda-related documents provided to a majority of the Commission after distribution of the agenda packet (GC §54957.5): Any related documents provided to a majority of the Commission after distribution of the Agenda Packets will be made available for public inspection. Such documents will be posted on the city's website and will be available at the City Clerk's office, 77 Fair Drive, Costa Mesa, CA 92626.

All cell phones and other electronic devices are to be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to conduct a phone conversation.

Free Wi-Fi is available in the Council Chambers during the meetings. The network username available is: CM_Council. The password is: cmcouncil1953.

As a LEED Gold Certified City, Costa Mesa is fully committed to environmental sustainability. A minimum number of hard copies of the agenda will be available in the Council Chambers. For your convenience, a binder of the entire agenda packet will be at the table in the foyer of the Council Chambers for viewing. Agendas and reports can be viewed on the City website at <https://costamesa.legistar.com/Calendar.aspx>.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (714) 754-5225. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II].

En conformidad con la Ley de Estadounidenses con Discapacidades (ADA), aparatos de asistencia están disponibles y podrán ser prestados notificando a la Secretaria Municipal. Si necesita asistencia especial para participar en esta junta, comuníquese con la oficina de la Secretaria Municipal al (714) 754-5225. Se pide dar notificación a la Ciudad por lo mínimo 48 horas de anticipación para garantizar accesibilidad razonable a la junta. [28 CFR 35.102.35.104 ADA Title II].

PLANNING COMMISSION REGULAR MEETING

APRIL 14, 2025 – 6:00 P.M.

**JEFFREY HARLAN
CHAIR**

**JON ZICH
VICE CHAIR**

**ANGELY ANDRADE
PLANNING COMMISSIONER**

**ROBERT DICKSON
PLANNING COMMISSIONER**

**KAREN KLEPACK
PLANNING COMMISSIONER**

**DAVID MARTINEZ
PLANNING COMMISSIONER**

**JOHNNY ROJAS
PLANNING COMMISSIONER**

**TARQUIN PREZIOSI
ASSISTANT CITY ATTORNEY**

**SCOTT DRAPKIN
ASSISTANT DIRECTOR**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ANNOUNCEMENTS AND PRESENTATIONS:

1. [2024 ANNUAL PROGRESS REPORT](#) [25-266](#)

RECOMMENDATION:

PLANNING COMMISSION RECEIVE STAFF'S 2024 ANNUAL PROGRESS
REPORT PRESENTATION

Attachments: [2024 ANNUAL PROGRESS REPORT PRESENTATION](#)

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Comments are limited to three (3) minutes, or as otherwise directed.

PLANNING COMMISSIONER COMMENTS AND SUGGESTIONS

CONSENT CALENDAR:

1. [FEBRUARY 24, 2025 UNOFFICIAL MEETING MINUTES](#) [25-268](#)

RECOMMENDATION:

PLANNING COMMISSION APPROVE THE REGULAR MEETING MINUTES OF FEBRUARY 24, 2025.

Attachments: [FEBRUARY 24, 2025 UNOFFICIAL MEETING MINUTES](#)

PUBLIC HEARINGS: NONE.

OLD BUSINESS:

1. [MINOR CONDITIONAL USE PERMIT \(ZA-22-35\) CONDITION OF 25-267 APPROVAL NO. 28 - SIX-MONTH REVIEW \("ARENA OC"\)](#)

RECOMMENDATION:

PLANNING COMMISSION RECEIVE STAFF'S SIX-MONTH REVIEW PRESENTATION OF "ARENA OC" AND MAKE THE DETERMINATION THAT NO CHANGE IS APPROVED OPERATIONAL CONDITIONS ARE NEEDED AT THIS TIME

Attachments: [MEMORANDUM](#)

[1. ZA-22-35 AGENDA REPORT](#)

[2. ZA-22-35 SIGNED RESOLUTION](#)

[3. CALLS FOR SERVICE LOG](#)

NEW BUSINESS: NONE.

DEPARTMENTAL REPORTS:

1. PUBLIC WORKS REPORT

2. DEVELOPMENT SERVICES REPORT

CITY ATTORNEY REPORTS:

1. CITY ATTORNEY REPORT

ADJOURNMENT

PLANNING COMMISSION MEETING:

Costa Mesa Planning Commission meets on the second and fourth Monday of each month at 6:00 p.m.

APPEAL PROCEDURE:

Unless otherwise indicated, the decision of the Planning Commission is final at 5:00 p.m., seven (7) days following the action, unless an affected party files an appeal to the City Council, or a member of City Council requests a review. Applications for appeals are available through the City Clerk's Office; please call (714) 754-5225 for additional information.

CONTACT CITY STAFF:

77 Fair Drive, Costa Mesa, CA 92626
Planning Division (714) 754-5245
planninginfo@costamesaca.gov



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-266

Meeting Date: 4/14/2025

TITLE:

2024 ANNUAL PROGRESS REPORT

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION

PRESENTED BY: PHAYVANH NANTHAVONGDOUANGSY, PRINCIPAL PLANNER

CONTACT INFORMATION: PHAYVANH NANTHAVONGDOUANGSY, 714-754-5611;
PHAYVANH@COSTAMESACA.GOV

RECOMMENDATION:

PLANNING COMMISSION RECEIVE STAFF'S 2024 ANNUAL PROGRESS REPORT
PRESENTATION

**2024 Housing Element
Annual Progress Report**

**Planning Commission Meeting
April 14, 2025**



2024 HE Annual Progress Report (APR)

- Overview: Summarizes the City's efforts conducted in 2024 to implement its 6th Cycle Housing Element (HE), which covers the planning period October 15, 2021 – October 15, 2029.
- State Compliance: Used by the State Department of Housing and Community Development (HCD) to track progress and required for edibility in multiple State Housing Funding Programs. The APR must be submitted to State agencies by April 1.
- City's Commitment: Adopted in November 2022, the Housing Element features 47 Housing Programs and 97 Housing Opportunity Sites to meet its Regional Housing Needs Assessment (RHNA) goals. The City's RHNA allocation was 11,760 units.

2024 HE Annual Progress Report (APR)

- Completed construction of 284 housing units (209 Multifamily - Lux Apartment – 2277 Harbor Blvd);
- Issued 123 residential building permits;
- Entitled four housing development projects, that will increase the City's net total of 10 housing units; and,
- Received eight housing development planning applications that includes two or more units, for a net total of 272 units.

6th HE Cycle Planning Period Progress

- From Oct. 2021 through Dec. 2024, the City issued permits for 373 residential units.

Total Building Permits Issued in 6th Housing Element Cycle

Income Category	RHNA Allocation (Housing Units)	Oct. 2021- Dec. 2022	2023	2024	Total Progress in Housing Element Reporting Period (Oct. 2021 – Dec. 2024)
Very Low	2,919	27	47	24	98
Low	1,794	56	61	45	162
Moderate	2,088	19	13	20	52
Above Moderate	4,959	16	11	34	61
Total Units	11,760	118	132	123	373

6th HE Cycle Planning Period Progress

Housing Element Programs Implementation Status:

- The City has retained a consulting firm that will assist in completing the Rezoning Program, set to begin Spring 2025. This initiative will implement 18 of the 47 Housing Element programs, focusing on increasing densities and permitting housing in designated areas of the City.
- Other examples of City's effort to implement various Housing Element Efforts are listed on the following slides and a complete list is summarized in the 2024 HE APR Form Table D.

6th HE Cycle Planning Period Progress

- Program 2A: Affordable Housing (Inclusionary) Ordinance (Approved August 2024)
- Program 1C: Monitoring and Preservation of At-Risk Housing Units
- Program 3E: Promote the Development of Accessory Dwelling Units (Ongoing)
- Program 4A: Tenant Protection Program Fair Housing [Program 4A] – Ongoing
- Program 3B: Fairview Development Center Specific Plan

Pipeline Projects

- The City continues to monitor and track the number of housing units in the “pipeline” during the 2019-2021 Housing Element planning period.
- To date:
 - The City has entitled seven housing projects that are expected to complete construction within the 6th Cycle Housing Element period. Once constructed the projects will increase the housing supply by 1,301 units.
 - The City is currently reviewing nine housing projects that will increase the housing supply by 1,303 units, if approved.

Pipeline Projects

APPROVED Housing Development	Very Low	Low	Moderate	Above Moderate	Total Units
1683 Sunflower, One Metro West	67	39	0	951	1,050
695 19th St, Senior Housing (Jamboree)	34	35	0	1	70
1711-1719 Pomona Ave, Live Work	0	0	0	8	8
1540 Superior Ave, Live Work	0	0	0	9	9
1400 Bristol St, Travelodge Conversion - (Project HomeKey)	76	0	0	2	78
2274 Newport, Motel 6 Conversion- Phase II (Project Homekey)	48	0	0	0	48
960 West 16th St, Live Work	0	0	0	38	38
APPROVED Total	225	74	1	1,009	1,301

Pipeline Projects

PROPOSED Housing Development	Very Low	Low	Moderate	Above Moderate	Total Units
3333 Susan St - Multifamily Apartment	45	0	0	1,005	1,050
2205 Harbor Blvd - Single Room Occupancy	46	0	0	1	47
215 and 223 Mesa Dr - Small-Lot Ordinance, Density Bonus Request	0	0	1	5	6
734 W 20th St, Small-lot subdivision	0	0	0	3	3
220, 222, 234, 236 Victoria, Condominium	0	0	0	40	40
3150 Bear St, Single Family and Townhomes	7	0	0	135	142
2195 Pacific Ave, Small-lot Subdivision	0	0	0	10	10
2074 Pomona Ave, Detached Single-Family	0	0	0	2	2
210 Cabrillo St, Duplex +1 detached ADU	0	0	0	3	3
PROPOSED TOTAL	98	0	1	1,204	1,303

Completed Construction

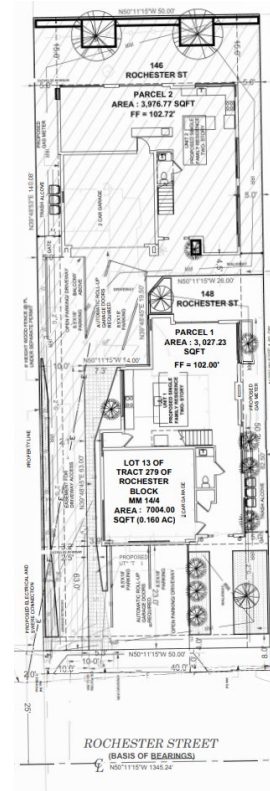
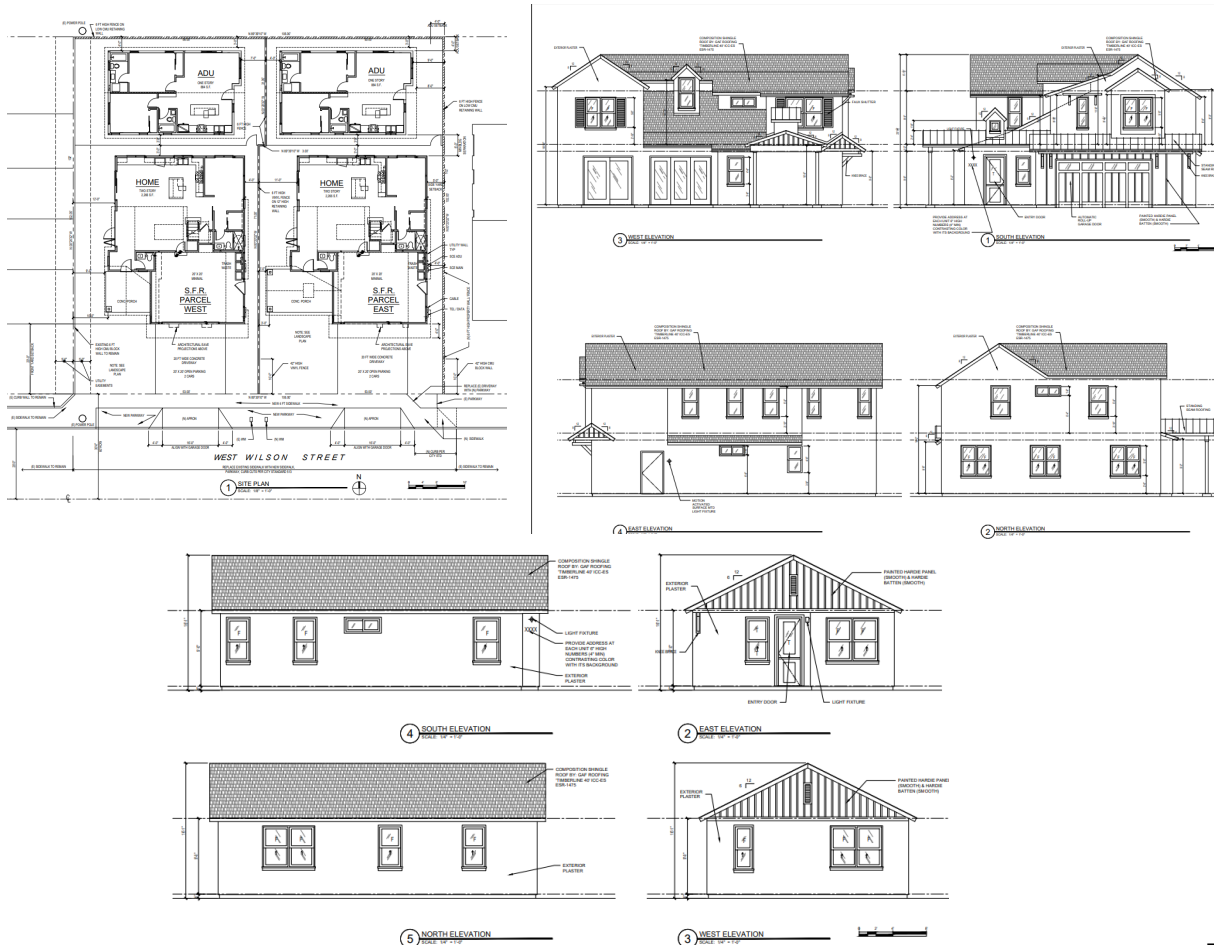
2277 Harbor Blvd., Lux Apartment (209 Units)



2024 - Approved

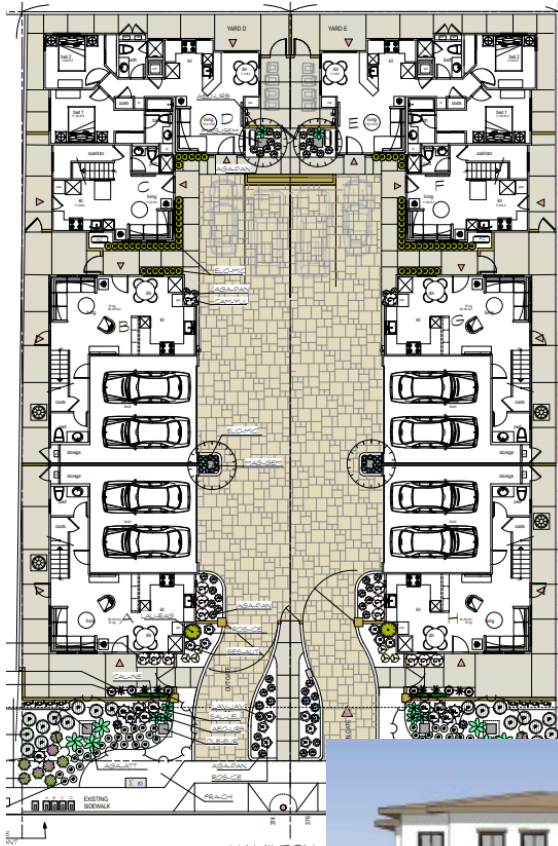
- Two-unit Small-lot Subdivisions
- 1022 W Wilson St. (2 Units)

146 Rochester St. (2 Units)

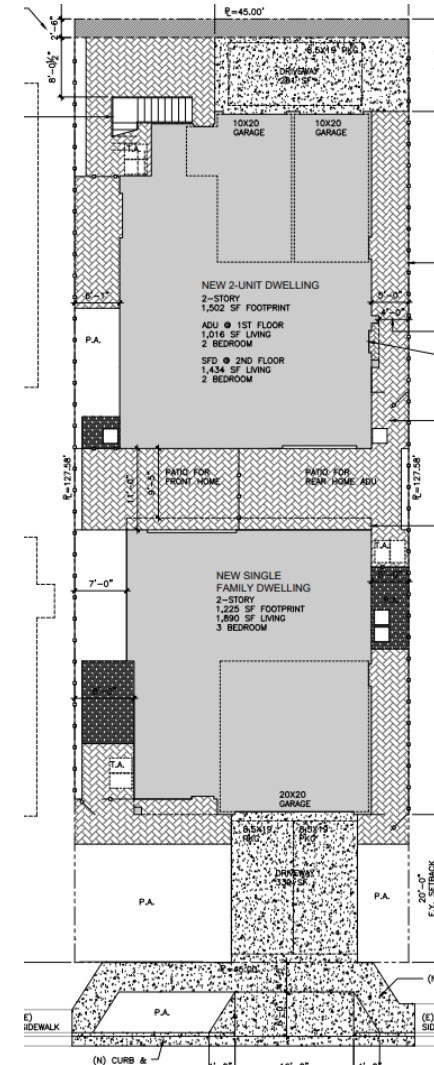


2024 - Approved

374, 376 Hamilton St. (4 units + 4 ADUs)



241 Ogle St. (2 Units + 1ADU)



Pipeline Projects – Approved

1683 Sunflower Ave., One Metro West (1,050 Units)



CREATIVE OFFICE BUILDING | 40



PRECEDENT IMAGERY

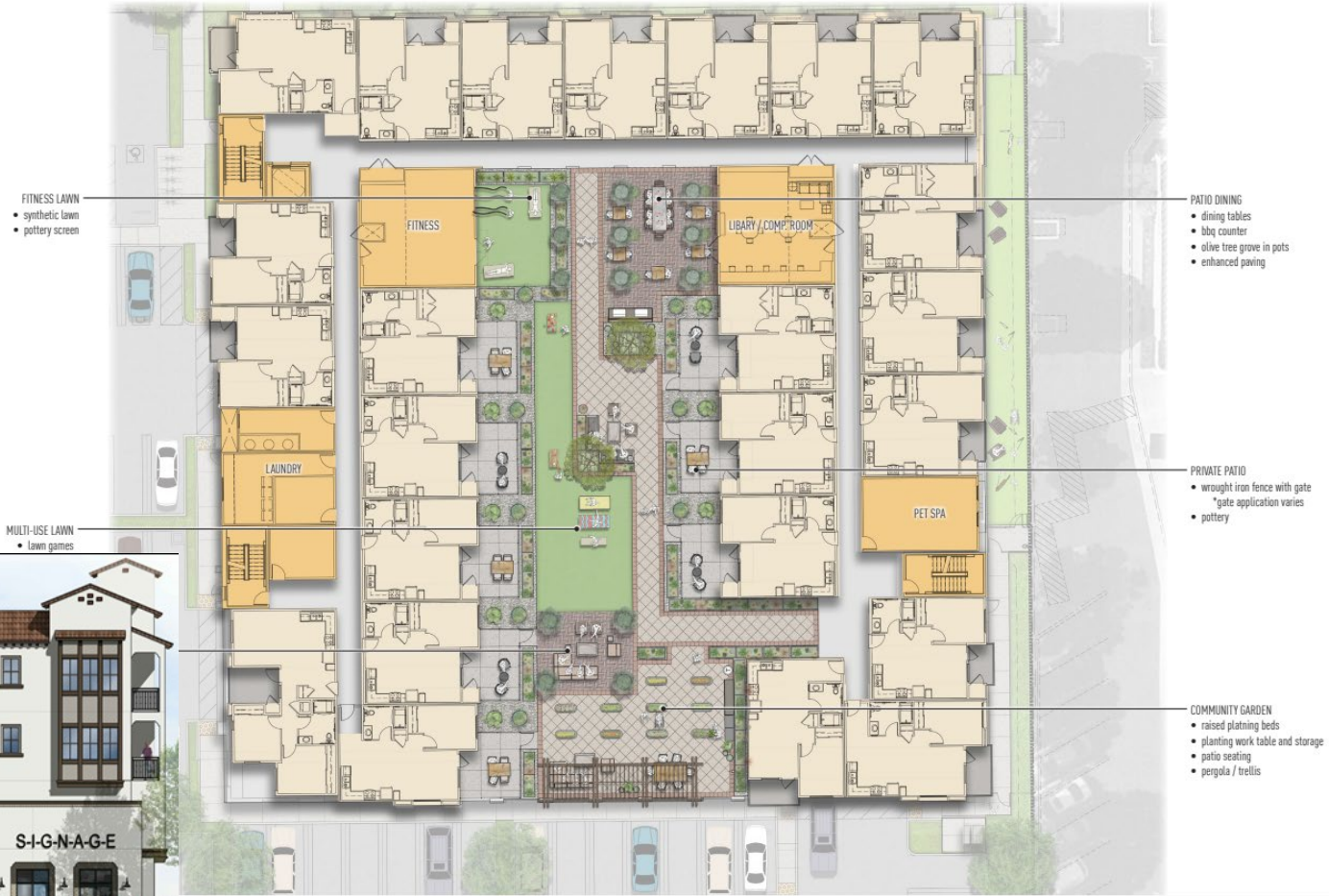


CONCEPTUAL OPEN SPACE PLAN



Pipeline Projects – Approved

695 19th St., Jamboree Senior Housing (70 Units)



Pipeline Projects – Approved

1711-1719 Pomona, Live-Work (8 Units)



Image 1 – Elevation Facing Pomona Avenue



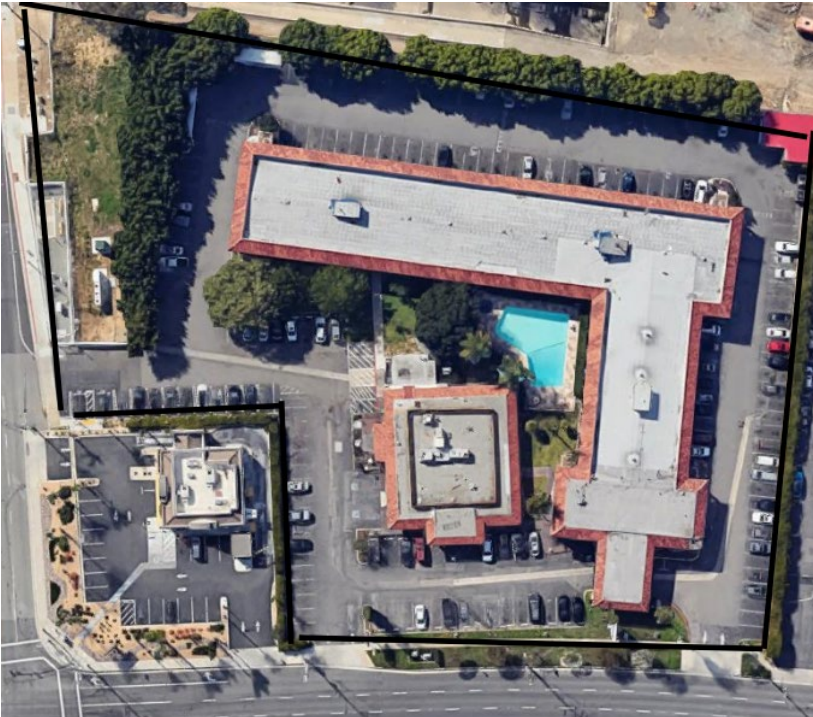
Pipeline Projects – Approved

1540 Superior Ave, Live-Work (9 Units)



Pipeline Projects – Approved

1400 Bristol St., Travelodge Conversion Project HomeKey (78 Units)



Pipeline Projects – Approved

2274 Newport Blvd., Phase II Motel 6 Conversion Project HomeKey
(48 Units)



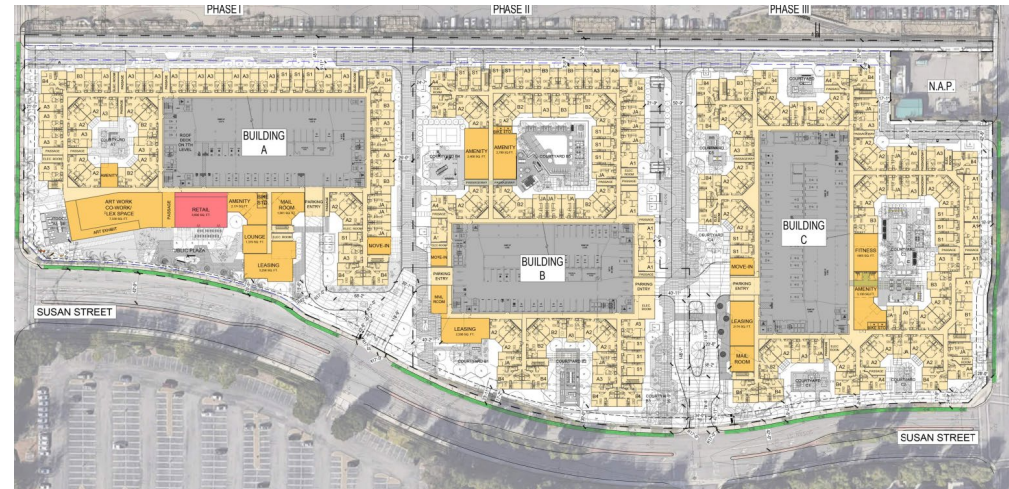
Pipeline Projects – Approved

960 W. 16th St, Live-Work (38 Units)



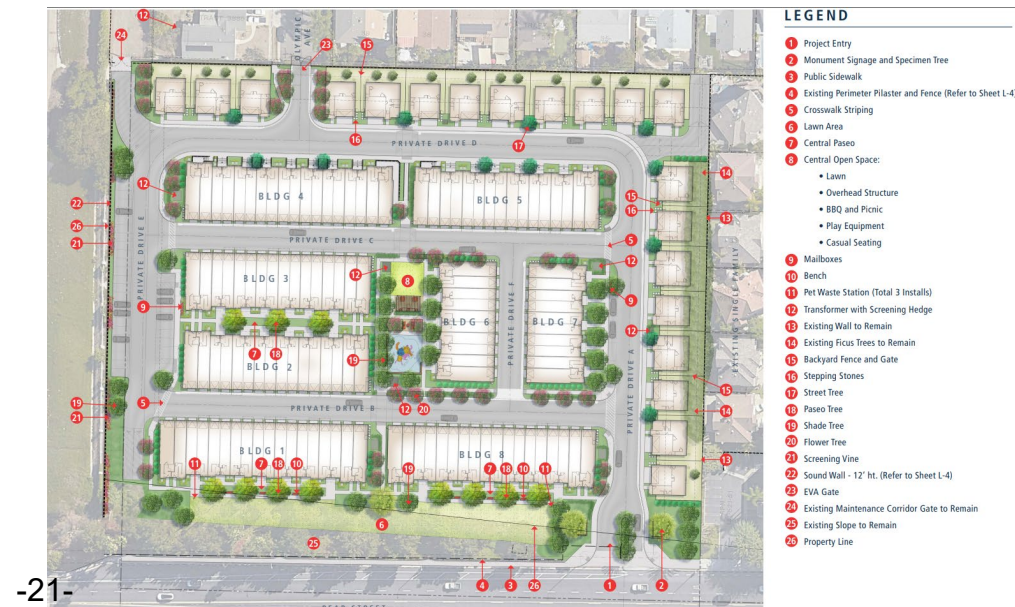
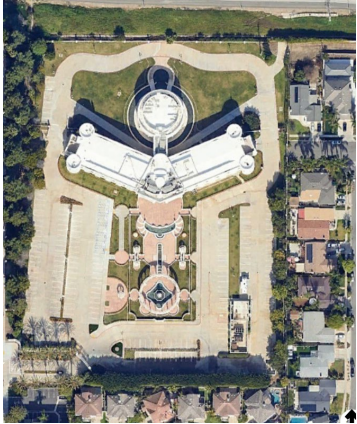
Pipeline Projects – Development Review

3333 Susan St., Hive Live Multifamily Apartment (1,050 Units)



Pipeline Projects – Development Review

3150 Bear St., Detached Single Family Units and Townhomes (142 Units)



-21-

Pipeline Projects – Development Review

220, 222, 234, 236 Victoria St., Condominium (40 Units)



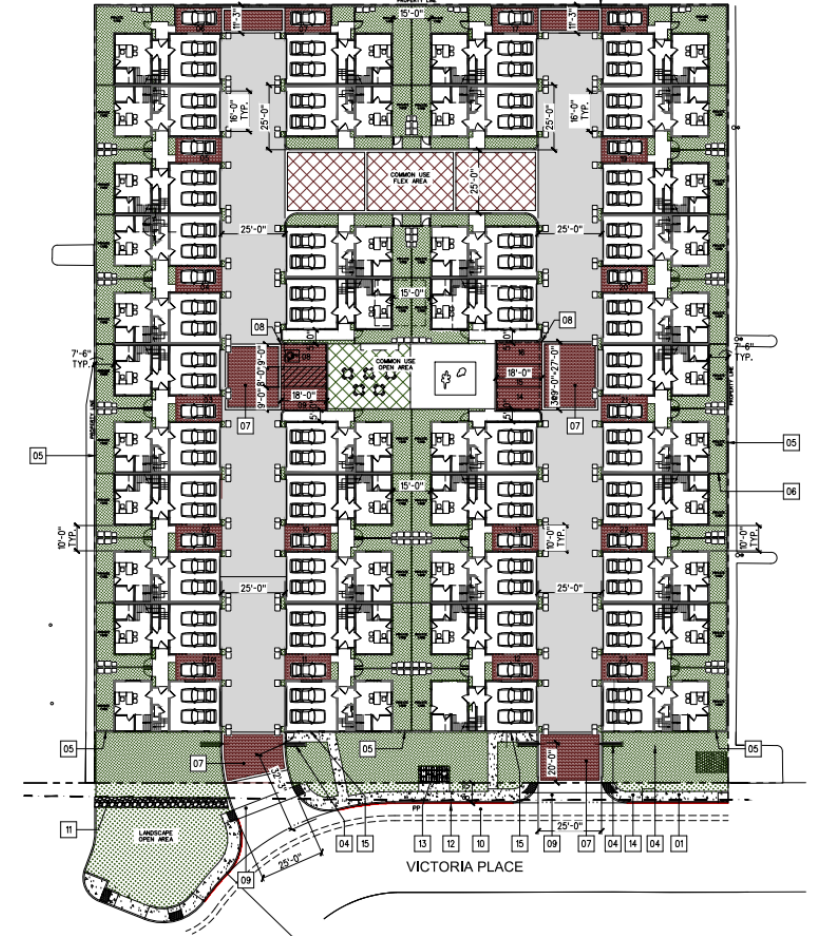
VIEW FROM VICTORIA PLACE



POCKET PARK / STREET FRONTAGE

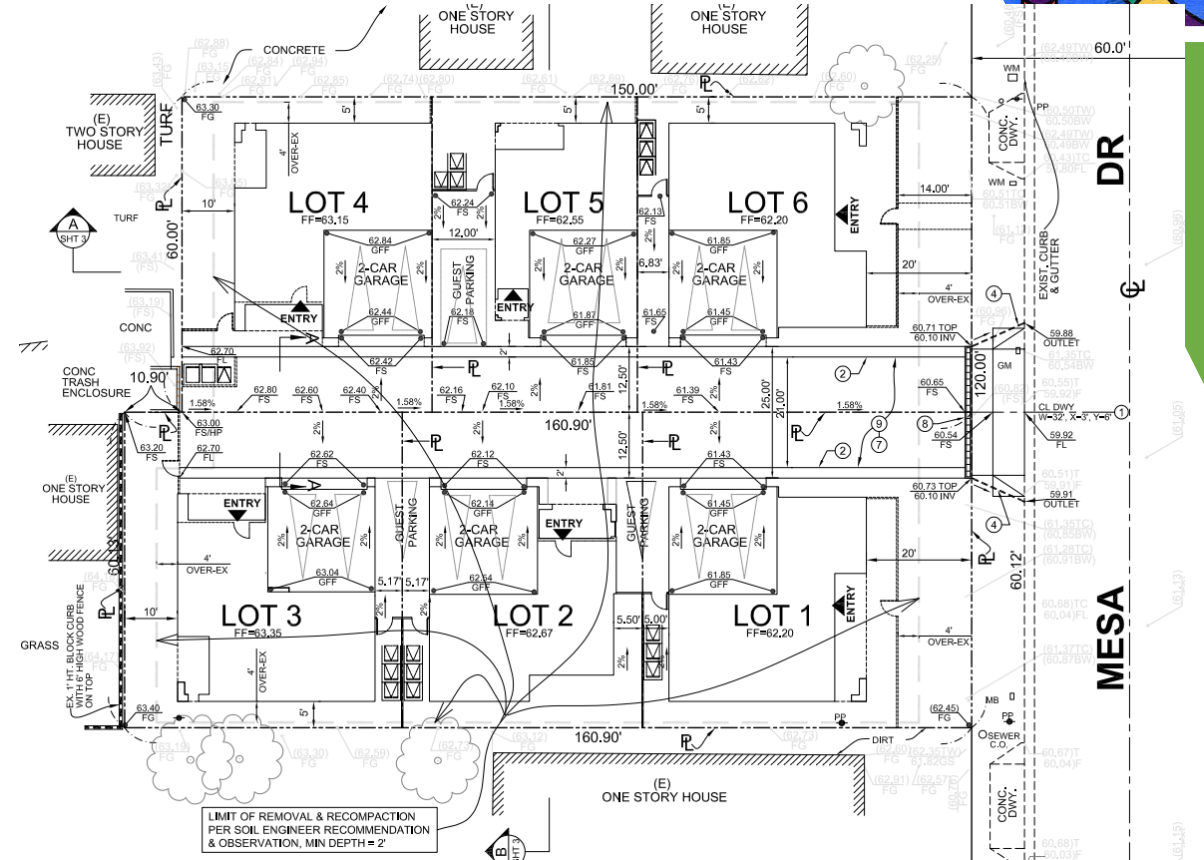


VIEW FROM VICTORIA PLACE



Pipeline Projects – Development Review

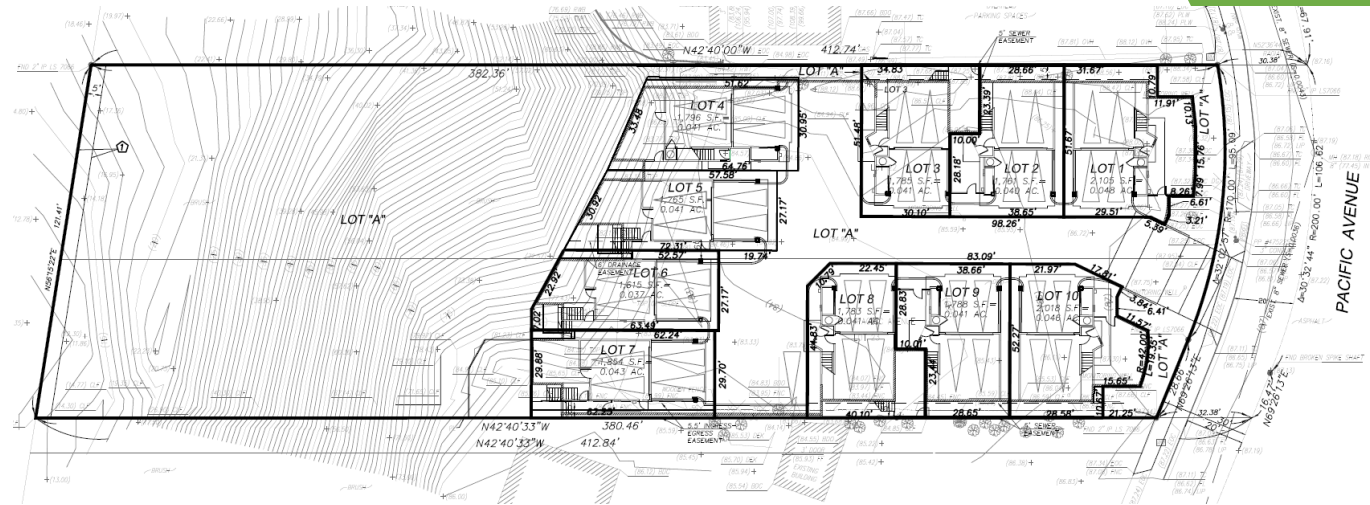
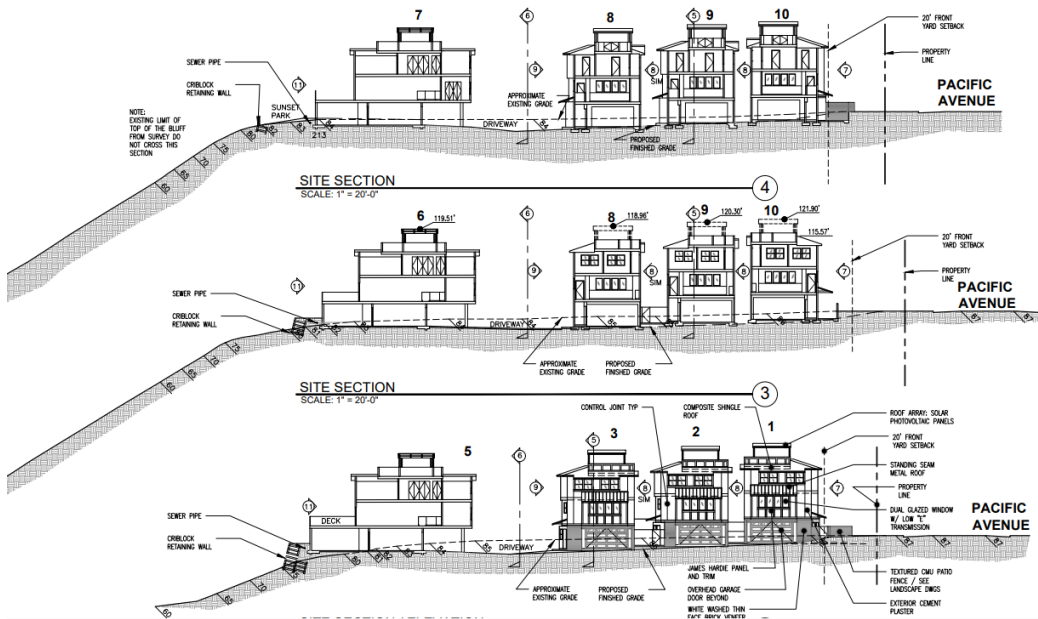
215 and 223 Mesa Dr., Small-Lot Subdivision Density Bonus (6 Units)





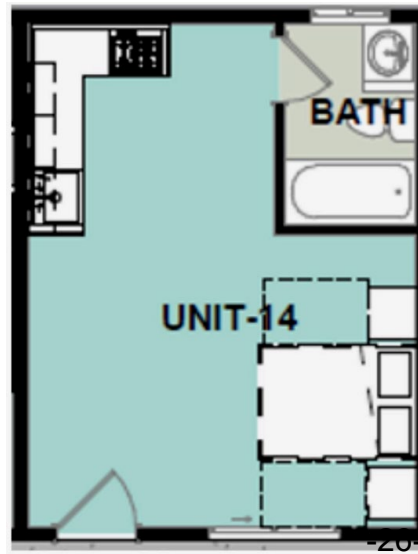
Pipeline Projects – Development Review

2195 Pacific Ave., Small-Lot Subdivision (10 Units)



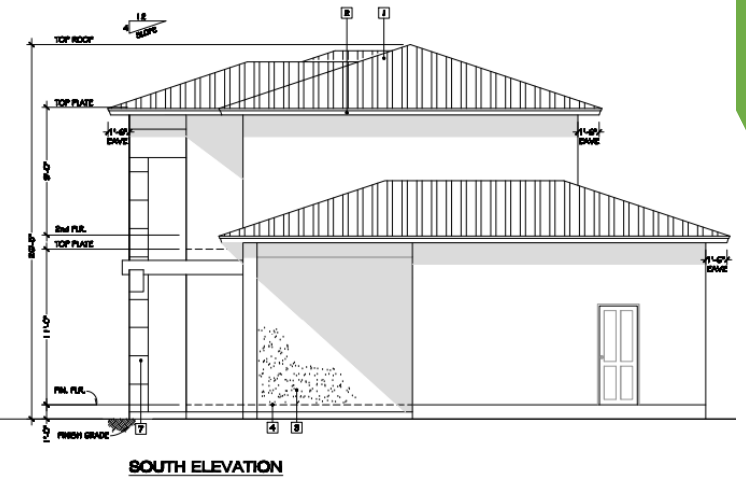
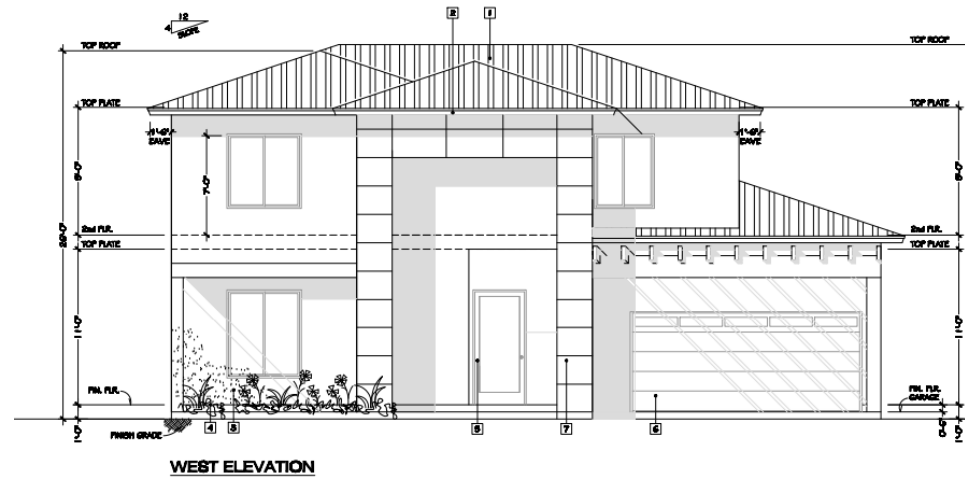
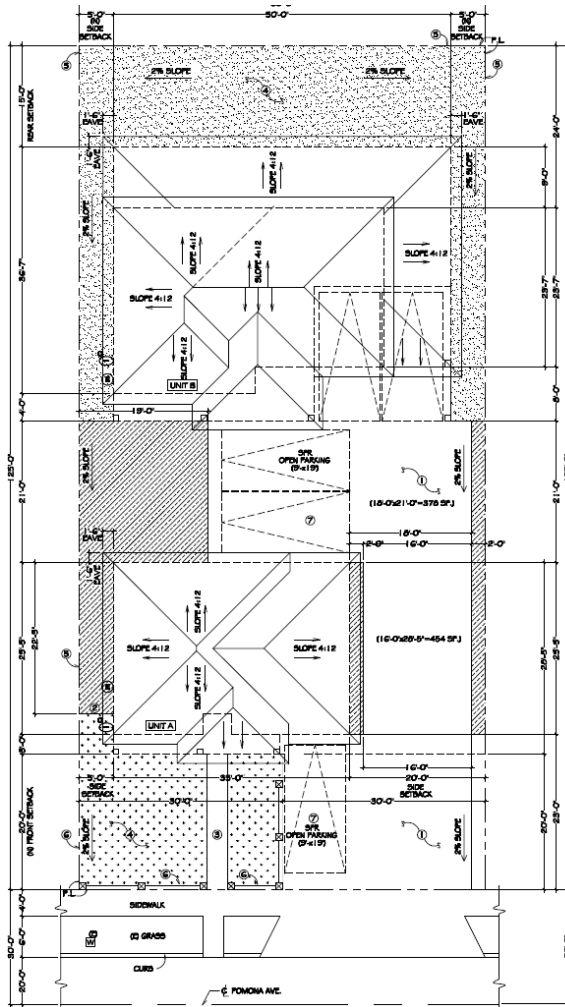
Pipeline Projects – Development Review

2205 Harbor Blvd., Single Room Occupancy (46 Units)



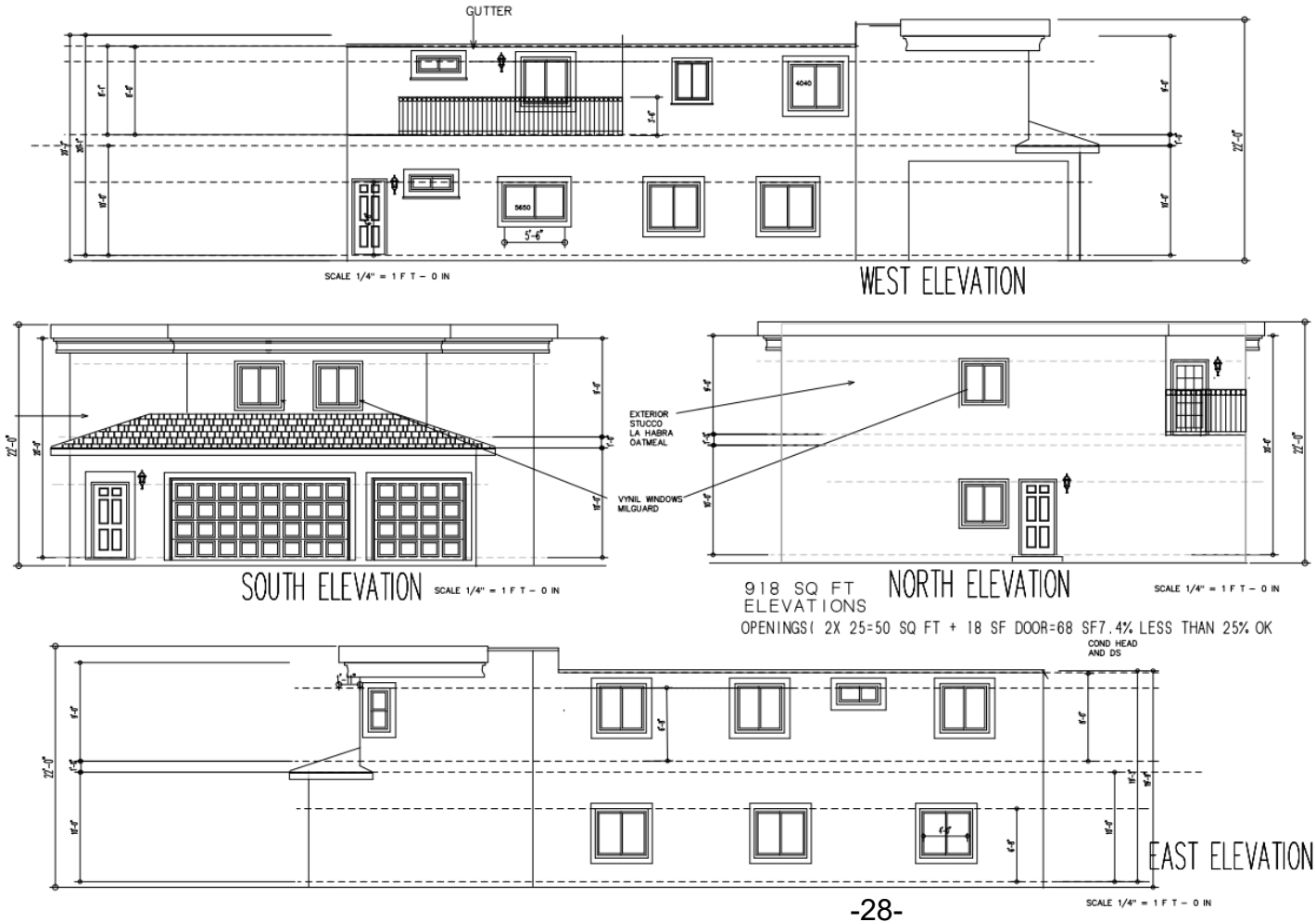
Pipeline Projects – Development Review

2074 Pomona Ave., Detached Single Family Development (2 Units)



Pipeline Projects – Development Review

210 Cabrillo St., Duplex and ADU (3 Units)



Pipeline Projects – Future Application

396 21st St., Detached Townhomes (~21 Units)



Housing Element Annual Progress Report

March 18, 2024
City Council



Affordability Determination

- Utilized the Southern California Association of Governments' (SCAG) ADU Affordability Analysis as well as project specific information (ADU size,

Assumed Costa Mesa ADU Affordabilities
Districts 1, 2, 3 & 6
(based on SCAG Analysis)

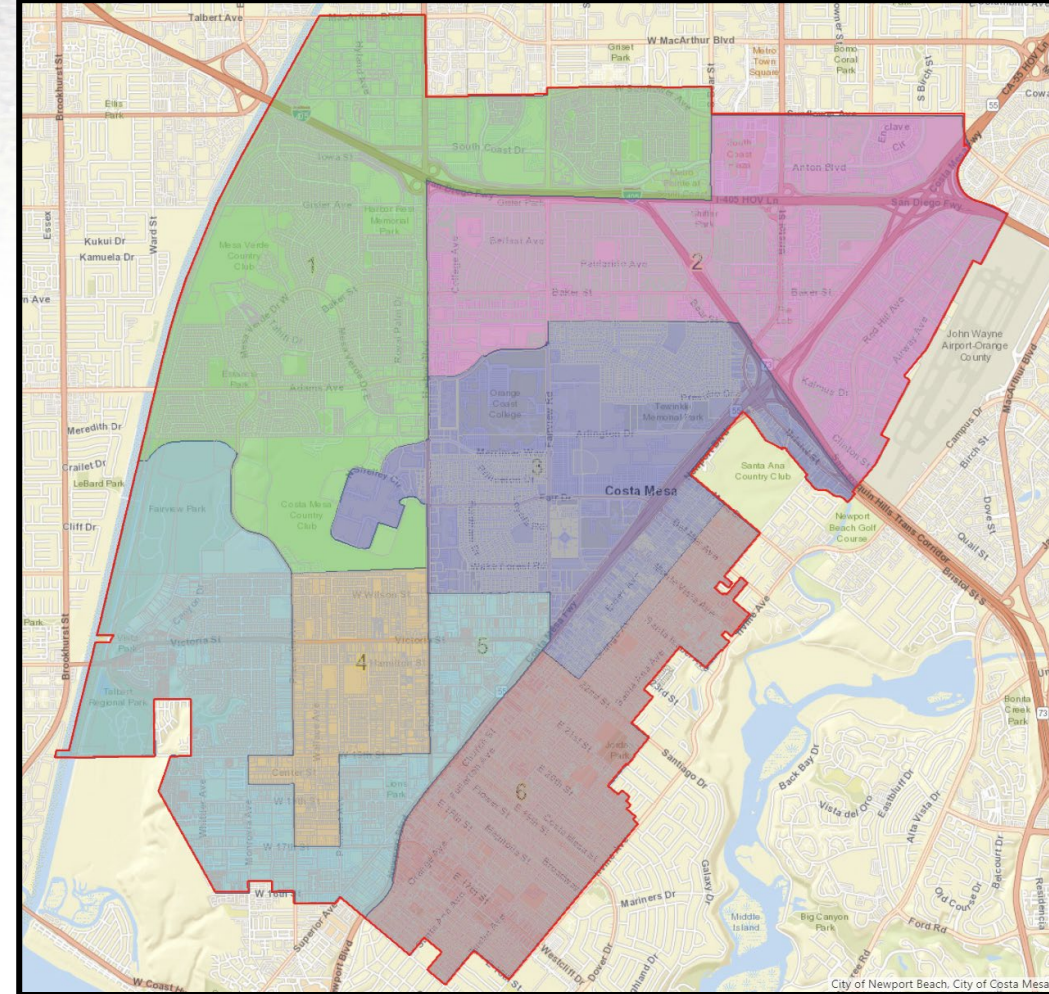
	E Low	Very Low	Low	Moderate
studio	0 - 100 SF	101 - 250 SF	251 - 500 SF	501 SF <
1	0 - 175 SF	176 - 350 SF	315 - 700 SF	701 SF <
2	0 - 300 SF	301 - 550 SF	551 - 850 SF	851 SF <

https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527

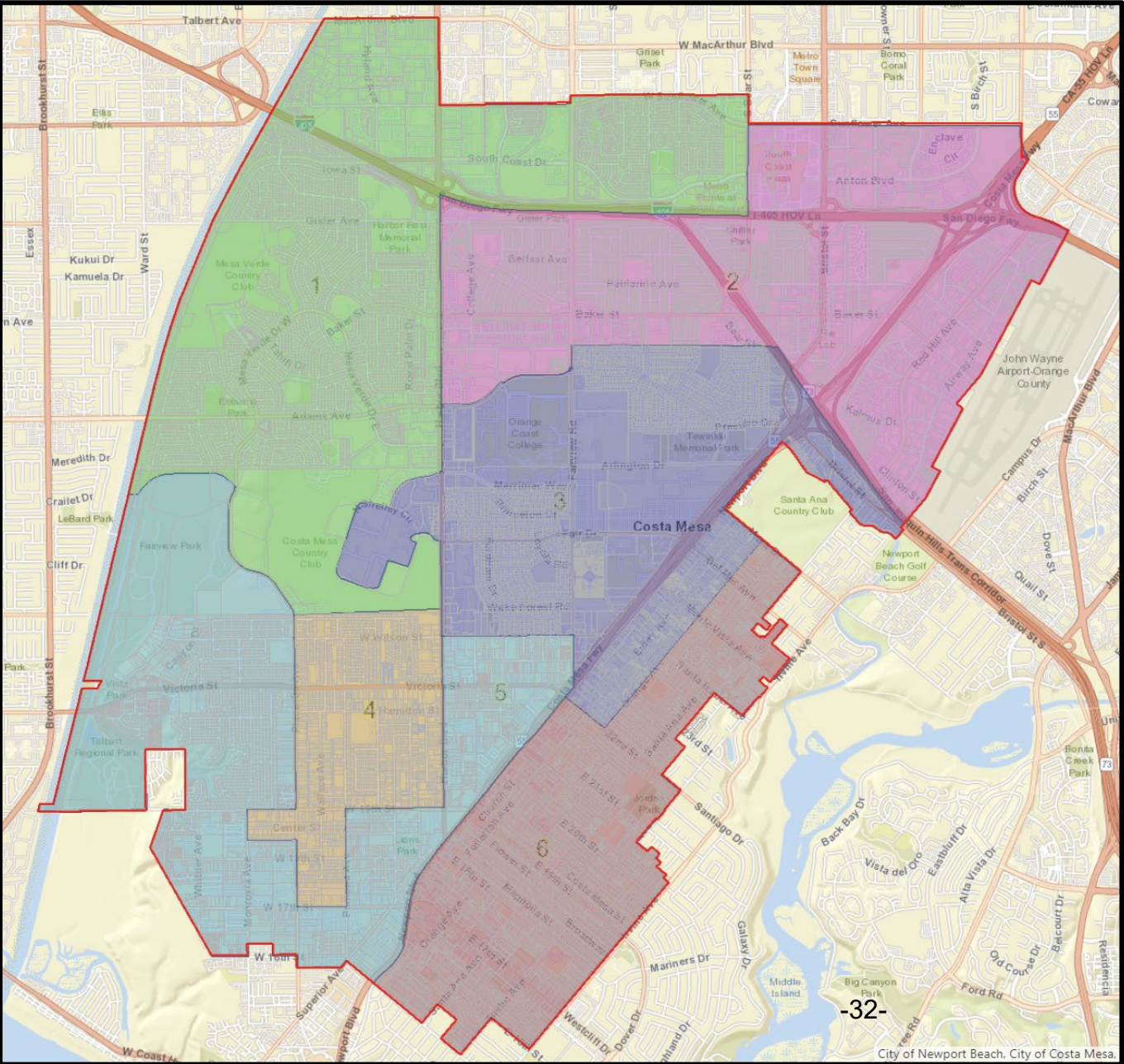
Assumed Costa Mesa ADU Affordabilities
Districts 4 & 5
(based on SCAG Analysis)

	E Low	Very Low	Low	Moderate
studio	0 - 150 SF	151 - 300 SF	301 - 700 SF	701 SF <
1	0 - 250 SF	251 - 500 SF	501 - 850 SF	851 SF <
2	0 - 400 SF	401 - 700 SF	701 - 1,000 SF	1,001 SF <

https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527



City Council Districts



	1
	2
	3
	4
	5
	6



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-268

Meeting Date: 4/14/2025

TITLE:

FEBRUARY 24, 2025 UNOFFICIAL MEETING MINUTES

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING
DIVISION**

RECOMMENDATION:

PLANNING COMMISSION APPROVE THE REGULAR MEETING MINUTES OF FEBRUARY 24,
2025.



REGULAR PLANNING COMMISSION MONDAY, FEBRUARY 24, 2025 - MINUTES

CALL TO ORDER - The Regular Planning Commission Meeting was called to order by Chair Jeffery Harlan at 6:00 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG – Commissioner Klepack led the Pledge of Allegiance

ROLL CALL

Present: Chair Jeffery Harlan, Vice Chair Jon Zich, Commissioner Angely Andrade, Commissioner Karen Klepack, Commissioner David Martinez, Commissioner Johnny Rojas

Absent: Commissioner Robert Dickson

ANNOUNCEMENTS AND PRESENTATIONS: None.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA: None.

PLANNING COMMISSIONER COMMENTS AND SUGGESTIONS:

Commissioner Martinez announced that the City Council has approved a contract to begin the rezoning process, expressing hope for progress soon. He attended CicLAvia in Los Angeles, an event promoting non-vehicle transportation, and hopes Costa Mesa can host a similar event, as Irvine has already done. He highlighted upcoming events, including an Active Transportation Forum in Fullerton on February 27, the Costa Mesa Sanitary District Citizens Advisory Committee application deadline on March 4, and a Community Bike Skills Workshop on March 8 at Iglesia Harbor Church.

CONSENT CALENDAR:

1. JULY 24, 2023 UNOFFICIAL MEETING MINUTES

MOVED/SECOND: ZICH/MARTINEZ

MOTION: Approve the Regular meeting Minutes of July 24, 2023.

The motion carried by the following roll call vote:

Ayes: Chair Harlan, Vice Chair Zich, Commissioner Andrade, Commissioner Klepack, Commissioner Martinez, Commissioner Rojas, Commissioner Rojas

Nays: None

Absent: Commissioner Dickson

Abstained: None
 Motion carried: 6-0-1

-----END OF CONSENT CALENDAR-----

PUBLIC HEARINGS:

Chair Harlan announced that staff requested a reordering of the agenda to hear Public Hearing item number 1 last and asked the Commission to make a motion to reorder the agenda accordingly.

MOVED/SECOND: ZICH/Martinez

MOTION: Reordering of the agenda to hear Public Hearing item number 1 last.

The motion carried by the following roll call vote:

Ayes: Chair Harlan, Vice Chair Zich, Commissioner Andrade, Commissioner Klepack, Commissioner Martinez, Commissioner Rojas, Commissioner Rojas

Nays: None

Absent: Commissioner Dickson

Abstained: None

Motion carried: 6-0-1

2. APPEAL OF THE DIRECTOR OF DEVELOPMENT SERVICES DETERMINATION THAT CONDITIONAL USE PERMIT PA-21-23 TO ESTABLISH A CANNABIS STOREFRONT LOCATED AT 1687 ORANGE AVENUE (KING'S CREW) HAS EXPIRED

Two ex-parte communication reported by Vice Chair Zich and Commissioner Rojas.

Gabriel Villalobos, Assistant Planner, presented the item.

During the discussion with staff, commissioners sought clarification on various aspects of the staff report, including the date it was written, details regarding the applicant's appeal, and information on Southern California Edison, which the applicant was present to address. Questions arose about the criteria for issuing building permits, certificates of occupancy, and business licenses, with staff explaining that a certificate of occupancy could be issued without a building permit in cases where no significant tenant improvements were required. The process of assessing and collecting fees was also discussed, with staff outlining that fees are initially assessed and later collected in various subsequent permit review stages. It was confirmed that applicants are generally responsible for tracking deadlines and requesting extensions, and that significant tenant improvements require a reissued certificate of occupancy. The applicant had agreed to the conditions of approval at the initial hearing (including the expiration requirements). Additionally, commissioners inquired about requests for clean sets of plans, which were confirmed to have been made via email, and it was verified that all relevant

departments had tentatively approved the plans, pending supplemental information and final clean sets for stamping.

The Chair opened the Public Hearing.

Commissioners questioned the applicant about project delays, focusing on why a request for a clean set of plans was not addressed. The applicant explained that Southern California Edison required electrical redesigns which took about two months to complete, delaying their ability to submit updated plans. They also cited challenges with securing an encroachment permit and communication gaps with city staff, including a planner's departure, which contributed to the delays. When asked if they had requested an extension, the applicant stated they had inquired about maintaining compliance with the 2020 building code but had not specifically sought an extension for the Conditional Use Permit, as they were unaware of its pending expiration. Commissioners also sought clarity on the timeline for final city-approved plans, which the applicant estimated would have required an additional three months after Edison's changes.

The Chair Opened for Public Comment.

Public comment:

No public Comments.

The Chair Closed Public Comment.

The Chair closed the Public Hearing and called for a motion.

MOVED/SECOND: ZICH/MARTINEZ

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Chair Harlan, Vice Chair Zich, Commissioner Andrade, Commissioner Klepack, Commissioner Martinez, Commissioner Rojas

Nays: None

Absent: Commissioner Dickson

Abstained: None

Motion carried: 6-0-1

ACTION: The Planning Commission adopt a Resolution to:

1. Find that the appeal is not subject to the California Environmental Quality Act per California Public Resources Code Section 15268; and
2. Uphold the Director of Development Services determination that Conditional Use Permit PA-21-23 has expired pursuant to Costa Mesa Municipal Code Sections 13-29(k)(2) and Conditional Use Permit Condition of Approval No. 2.

3. CONDITIONAL USE PERMIT PCUP-24-0011 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY (“GREEN MART”) LOCATED AT 1912 HARBOR BOULEVARD

Two ex-parte communications reported from Vice Chair Zich and Commissioner Andrade.

Chair Harlan recused himself due to a conflict of interest.

Michelle Halligan, Senior Planner presented the item.

Commissioners and staff discussed several aspects of the project, including floor plan accessibility, traffic/circulation, parking, cannabis delivery regulations, and broader land use policies. Concerns were raised about whether employees could move between restricted and public areas without exiting the building. Commissioners inquired about murals, with staff noting the applicant was considering a green wall at this time. Questions on traffic circulation focused on ensuring delivery vehicles would not obstruct bike lanes and whether store front deliver vehicles should have identifying markings, which staff confirmed is prohibited by state law. Parking concerns were raised regarding the placement of a bike rack, with staff clarifying that while its inclusion was required by condition of approval, bike rack design details were not specified. Bike rack design and other improvement details would be reviewed during the building permit plan check process. Commissioners also sought clarity on distinguishing between vendor deliveries and customer deliveries and concern was expressed regarding future parking impacts along Harbor boulevard due to AB 2097. The conversation shifted to broader cannabis storefront policies, such as how many additional applications are pending. Staff confirmed three additional CUP applications were pending and committed to provide updates on application statuses.

The Vice Chair opened the Public Hearing.

Commissioners sought clarification on how employees would move between the restricted access area and the retail sales area. The applicant explained that employees could access the retail space through a small pony wall with an unhinged opening near the cash registers. Additionally, a secure access door requiring a key card was located across from the restrooms, providing access to storage areas and other restricted sections. The discussion confirmed that both access points were designed to maintain security while allowing staff to assist customers as needed.

The Vice Chair opened for Public Comment.

Public comment:

Jill Welton, expressed strong opposition to the proposed dispensary, citing past negative experiences with an illegal cannabis business that operated on their property. Concerns included parking issues, littering, loitering, marijuana odor, and the presence of homeless individuals, which led to significant financial losses and tenant departures. She argued that the proposed dispensary could cause similar problems, especially given the existing cannabis businesses nearby, and emphasized concerns about the adjacent property owner's poor management and lack of maintenance, which they believed could further contribute to issues in the area.

Jane Flynn (adjacent property owner), expressed strong opposition to the proposed dispensary, citing past negative experiences with the applicant, whom they accused of repeatedly disregarding regulations in another city. She alleged that the applicant had previously misrepresented himself to secure a lease in Newport Beach, where he operated an unpermitted nightclub and adult filming studio, leading to multiple code violations and eventual eviction. Additionally, she noted that the applicant had a Conditional Use Permit revoked in Upland due to public safety concerns. Given this history and concerns over the adjacent property owner's lack of oversight, she urged the commission to deny the permit, warning of potential regulatory violations and negative impacts on the surrounding community.

Kendra Carney-Mayor, attorney representing a neighboring property owner, voiced strong opposition to the proposed dispensary, emphasizing concerns over enforcement, mitigation, and compatibility with surrounding businesses. She argued that the current conditions of approval defer mitigation until after issues arise, placing the burden on neighboring property owners and tenants to report problems. She requested additional conditions, such as a trigger for CUP review and potential revocation if multiple verified complaints are received, as well as an annual review incorporating community feedback. Concerns were also raised about parking, loading access, odor control, and inconsistencies in the project's design, including the lack of rear access and a fireplace inside the retail space. Given the applicant's alleged history of regulatory violations and concerns over the absentee landlord, they urged the commission to deny the permit or impose stricter conditions to ensure compliance and prevent future issues.

Lindsay LoBianco spoke in support of the proposed dispensary, praising the applicant's business acumen, problem-solving skills, and ability to drive growth and efficiency. She described the applicant as an innovator with a professional demeanor and emphasized their positive impact on both the company and the surrounding community.

Braley Conticcio, spoke in support of the applicant, highlighting his leadership, strategic thinking, and problem-solving abilities. She praised his ability to navigate challenges, drive business growth, and foster a positive work environment, emphasizing his integrity and professionalism.

The Vice Chair Closed Public Comment.

The Vice Chair closed the Public Hearing.

Commissioners questioned staff about security, background checks, site conditions, complaint tracking, and parking requirements. Staff confirmed that the floor plan would include a pony wall with controlled access and that applicant background checks focus on criminal and financial history but do not assess prior zoning code violations unless they resulted in criminal charges. Concerns about an existing fireplace were addressed, with staff explaining it would have to be inoperable and would be reviewed building permit during plan checks. Regarding parking, staff acknowledged that while state law AB 2097 prohibits minimum parking requirements, a condition of approval allows the city to work with businesses on mitigation strategies like delivery services and off-site employee parking if issues arise.

The Vice Chair Called for a motion.

Commissioner Martinez made the motion. Seconded by Commissioner Klepack.

Commissioner Martinez expressed support for the motion, referencing City Council's decision to allow up to 35 cannabis storefronts and noting the presence of several nearby bus routes, which minimized his concerns about parking. Commissioner Andrade opposed the motion, citing inconsistency with General Plan Land Use Policies LU-1.1 and LU-3.1. Vice Chair Zich stated he would support the motion and emphasized that the application complies with the city's ordinance. He acknowledged public concerns regarding parking, proximity to family-oriented businesses, overconcentration, safety, and clientele. He also noted that while the applicant's community involvement is appreciated, it does not influence the commission's decision under existing city policy.

MOVED/SECOND: MARTINEZ/KLEPACK

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Vice Chair Zich, Commissioner Klepack, Commissioner Martinez

Nays: Commissioner Andrade, Commissioner Rojas

Absent: Commissioner Dickson

Abstained: Chair Harlan

Motion carried: 3-2-1-1

Action: The Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Class 1) Existing Facilities; and

2. Approve Conditional Use Permit PCUP-24-0011 based on findings of fact and subject to the conditions of approval as contained in the Resolution.

The Vice Chair called for a break.

The Chair called the meeting back into order.

1. A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL GIVE FIRST READING TO AN ORDINANCE TO AMENDING TITLE 13 OF THE COSTA MESA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS TO CONFORM TO RECENT REVISIONS TO STATE LAW (CODE AMENDMENT PCTY-24-0002)

No ex-parte communications

Chris Yeager, Senior Planner presented the item.

Commissioners and staff discussed regulations pertaining to Accessory Dwelling Units (ADUs), deed restrictions, and the City's role in promoting ADU development. Staff explained that while deed restrictions can be applied to Junior ADUs (JADUs), they are prohibited for standard ADUs under state law. Commissioners questioned how the City could enforce short-term rental restrictions on ADUs without deed restrictions, and staff clarified that this restriction was incorporated into the municipal code instead. Further discussion touched on why the City actively promotes ADUs in its housing element, with staff explaining that ADUs provide a quick and efficient way to increase affordable housing stock. Commissioners also raised concerns about ordinance language, noting that the government code section governing ADUs is repeatedly referenced as an exception, and suggested that City Council review the structure of the ordinance for clarity. Lastly, questions arose about the ability of homeowners' associations (HOAs) to prohibit ADUs, with staff stating that HOAs cannot prohibit ADUs.

No Public Comments.

Commissioner Andrade asked how the city plans to track and ensure that future ADU rentals are considered affordable for low- or middle-income households. Staff explained that the city has conducted a survey of previously approved ADUs to gather information on rental rates and tenant income levels, including cases where units are provided to family members for free. Additionally, the new ADU on-line permit process now includes a section requesting this information to help the city count these units toward its Regional Housing Needs Assessment (RHNA) goals.

MOVED/SECOND: MARTINEZ/KLEPACK

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Chair Harlan, Commissioner Andrade, Commissioner Klepack,
Commissioner Martinez, Commissioner Rojas
Nays: Vice Chair Zich,
Absent: Commissioner Dickson
Abstained: None
Motion carried: 5-1-1

OLD BUSINESS: None.

NEW BUSINESS: None.

REPORT - PUBLIC WORKS - None.

REPORT - DEVELOPMENT SERVICES - None.

REPORT - ASSISTANT CITY ATTORNEY - None.

ADJOURNMENT AT 8:29 PM

Submitted by:

SCOTT DRAPKIN, SECRETARY
COSTA MESA PLANNING COMMISSION



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-267

Meeting Date: 4/14/2025

TITLE:

MINOR CONDITIONAL USE PERMIT (ZA-22-35) CONDITION OF APPROVAL NO. 28 - SIX-MONTH REVIEW ("ARENA OC")

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION

PRESENTED BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER

CONTACT INFORMATION: GABRIEL VILLALOBOS, 714-754-5610;
GABRIEL.VILLALOBOS@COSTAMESACA.GOV

RECOMMENDATION:

PLANNING COMMISSION RECEIVE STAFF'S SIX-MONTH REVIEW PRESENTATION OF "ARENA OC" AND MAKE THE DETERMINATION THAT NO CHANGE IS APPROVED OPERATIONAL CONDITIONS ARE NEEDED AT THIS TIME



MEMORANDUM

TO: **PLANNING COMMISSION**

FROM: **SCOTT DRAPKIN, ASSISTANT DIRECTOR OF DEVELOPMENT SERVICES**

DATE: **April 14, 2025**

SUBJECT: **MINOR CONDITIONAL USE PERMIT (ZA-22-35) CONDITION OF APPROVAL NO. 28 - SIX-MONTH REVIEW ("ARENA OC")**

BACKGROUND

On August 12, 2024, Planning Application ZA-22-35 for a Minor Conditional Use Permit (MCUP) to amend the previously approved operations of a nightclub ("Arena OC"), that included entertainment, at 2968 Randolph Avenue was approved by the Planning Commission. Generally, the approved application expanded operations to allow dancing, extended the operating hours to open an hour earlier, and to operate on Sundays and major holidays. In addition, a "Finding of Public Convenience or Necessity" was made for the issuance of a Department of Alcoholic Beverage Control (ABC) Type 90 License. One of the provisions of the Type 90 License that differentiates it from the Arena OC's existing issued Type 48 license is that the Type 90 license does not limit occupants to over 21 years of age. Although customers under 21 years of age cannot be served alcohol, pursuant to this license type, these individuals can attend the approved music/entertainment venues.

The Planning Commission approved the expanded operations subject to certain conditions of approval. In summary, the Planning Commission conditions of approval included, but was not limited to, operational restrictions regarding parking lot security, security staff procedures, responsible beverage service (RBS) training for staff, noise mitigation, hours of operation limitations, a minimum age restriction of 18 years or older, under 21 customers are restricted to Thursdays only, specific designated areas for age restricted customers, wrist bands for identifying both customers under/over 21 years of age, and restricting under 21 years of age customers from attendance on major holidays such as New Years Eve, 4th of July and Halloween.

In addition, the Planning Commission approved Condition of Approval (COA) No. 28 which required:

"A review of this entitlement shall be conducted by the Planning Commission as soon as possible after both the sixth-month and one-year anniversary date of the project approval's effective date to determine if the business is operating in good faith and whether any modifications to business operations or conditions of approval are warranted. If the business is not operating in good faith or other adverse impacts are determined to exist, the Planning Commission may adjust existing conditions of approval or add new conditions to address the concern up to and including initiating a revocation of this use's entitlement."

A detailed description of the project is provided in the August 12, 2024, Planning Commission Agenda Report attached and linked below. The meeting minutes and video are also linked below:

- [August 12, 2024 Planning Commission Agenda Report](#)
- [August 12, 2024 Planning Commission Minutes](#)
- [August 12, 2024 Planning Commission Video](#)

ANALYSIS

The primary purpose of Condition of Approval No. 28 was for the Planning Commission to receive a review and update from staff relating to the unique operations of serving alcoholic beverages in an environment that also permits customers under the legal age limit to consume alcohol. As indicated above, two separate reviews are required by COA No. 28, which are to occur after the six-month and 12-month operational anniversary dates. Arena OC began operations pursuant to the revised use approval on August 19, 2024, and therefore the six-month operational anniversary date was on February 19, 2025. Thus, this memo is intended to respond to COA No. 28 required first six-month review.

In this regard, planning staff has reached out to the Costa Mesa Police Department to request a log of calls for service associated with the 2968 Randolph Avenue property. Between the effective date of approval of August 19, 2024, and the six-month anniversary date of February 19, 2025, there have been a total of 16 calls for service. These calls for service range from battery, to petty theft, to vehicle theft. Of the 16 calls for service on record, only two of the calls were determined to be on a Thursday night when the establishment would allow for under the age of 21 customers in attendance. Of the two "Thursday" calls, one did not involve any voice contact and the other involved a suspicious male. Neither call included a follow up incident report, as such there is no additional information to provide regarding the nature of the call or age of callers or person(s) involved. Lastly, there have been no code violations logged at this property and no applicable noise complaints logged by Costa Mesa Police.

CONCLUSION

Planning staff believes that, during this six-month review period, there has been no substantial increase in calls for service related to Arena OC, and the operations (both in regard to the under-age component and the general day-to-day operations) are consistent with project land use approvals and without issues of neighborhood compatibility. Further, the City's Police Department have indicated that the calls for service reported during this period related specifically to Arena OC are not considered excessive compared to similar establishments operating in the City, and are not adding any unique burden to Police operational resources.

In summary, based on review of Arena OC's operation for the first six-months of permitted modified operations, staff believes that the "business is operating in good faith" and no "modifications to business operations or conditions of approval are warranted" at this time. However, the six-month period is a relatively small sample size and as mentioned by the police representative in attendance at the August 12th Planning Commission hearing, the number of calls may be seasonal, and an uptick may be more apparent during the summer season with an increase in nightlife activity. Therefore, planning and police staff will continue to monitor the activity of this site and will compile the information necessary to provide the Planning Commission's 12 month review (tentatively scheduled for a Planning Commission hearing in September of 2025).

Attachments:

1. August 12, 2024, Agenda Report
2. August 12, 2024, ZA-22-35 Resolution
3. Calls for Service Log



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: AUGUST 12, 2024

ITEM NUMBER: PH-1

SUBJECT: MINOR CONDITIONAL USE PERMIT (ZA-22-35) TO CONSIDER MODIFICATION OF CONDITIONS FOR “ARENA OC” AND TO MAKE A FINDING OF PUBLIC CONVENIENCE OR NECESSITY FOR A NEW TYPE 90 “MUSIC VENUE” ABC LICENSE AT 2968 RANDOLPH AVENUE

**FROM: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION**

PRESENTATION BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER

**FOR FURTHER INFORMATION CONTACT: GABRIEL VILLALOBOS
714-754-5610
GABRIEL.VILLALOBOS@COSTAMESACA.GOV**

RECOMMENDATION:

Staff recommends that the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1), Existing Facilities;
2. Approve Minor Conditional Use Permit (ZA-22-35) based on findings of fact and subject to conditions of approval; and
3. Make a determination in support of a Finding of Public Convenience or Necessity for a New Type 90 “Music Venue” ABC License.

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is F. Michael Ayaz, representing the property owner Jerry Palanjian.

PLANNING APPLICATION SUMMARY

Location:	2968 Randolph Avenue	Application Number(s):	ZA-22-35
Request:	Minor Conditional Use Permit to consider modifying entitlements for Arena OC (formerly "Commissary Lounge") including allowing dancing for an existing business that is permitted for live entertainment and allows for the sale and on-site consumption of alcoholic beverages after 11:00 p.m., to consider modifying the business's hours/days of operation, and to consider a Finding of Public Convenience or Necessity pursuant to City Council Policy 500-8 for the conversion of an existing Type 48 "On-Sale General – Public Premises" Alcoholic Beverage Control ("ABC") license to a Type 90 "Music Venue" ABC license.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	MG (General Industrial)*	North:	C1 (Local Business)
General Plan:	Light Industrial	South:	MG (General Industrial)
Lot Dimensions:	140 FT x 224.34 FT	East:	C1 (Local Business)
Lot Area:	0.72 acres	West:	MG (General Industrial)
Existing Development:	Existing one-story 16,000-square-foot industrial building with 30 on-site surface parking spaces and 24 off-site spaces pursuant to a recorded parking agreement.		
*Property is located within the SoBeca Urban Plan area, the provisions of the urban plan do not have any applicability as there is no mixed-use development onsite.			

DEVELOPMENT STANDARDS COMPARISON

Development Standard		Required/Allowed MG Dev. Standard	Proposed/Provided
Building Height		2 Stories / 30 ft	1 Story / 15 ft. 2 in.(no change)
Setbacks:			
Front		10 ft.	19 ft. 6 in.
Side (left/ right)		0 ft. / 0 ft.	0 ft. / 40 ft.
Rear		0 ft.	46 ft.
Parking		0 spaces*	29 on-site parking spaces 24 off-site parking spaces
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)		
Final Action	Planning Commission**		
* Assembly Bill 2097 (AB2097) limits cities from imposing minimum parking requirements to development projects located within ½ mile of a major transit stop. This project site meets location criteria to benefit from AB 2097.			
** The Zoning Administrator has forwarded this application to the Planning Commission pursuant to CMMC Section 13-11(b).			

EXECUTIVE SUMMARY:

The applicant (Arena OC) is requesting Planning Commission approval to modify entitlements for an existing bar/lounge approved with entertainment located on Randolph Avenue, which was formerly known as "The Commissary". Specifically, this application seeks to modify conditions to allow dancing, expand the operating hours to open an hour earlier, and to operate on Sundays and major holidays. In addition, a "Finding of Public Convenience or Necessity" is requested for the issuance of a Department of Alcoholic Beverage Control (ABC) Type 90 License.

The project has been noticed as required by the Costa Mesa Municipal Code (CMMC) and staff has received response letters from nearby property owners and residents voicing concerns regarding parking, noise, and land use compatibility. In addition, the Costa Mesa's Police Department have also indicated project concerns (further described below in this report). In light of these concerns, staff has included specific operational conditions for the Planning Commission consideration.

Based on review of the application, as conditioned and as further detailed in the below report, staff finds that the application is in compliance with applicable requirements of the City's General Plan, Zoning Ordinance, and provisions of State law. Staff is recommending that the Planning Commission find the project exempt from the California Environmental Quality Act (CEQA) and approve the application based on findings of fact and subject to conditions of approval contained in the attached resolution.

SETTING:

Arena OC is located at 2968 Randolph Avenue (see the below Exhibit 1) and is currently operating under previously approved City land use entitlements. It is situated on the east side of the street between Baker Street and Bristol Street in the same tenant space formerly occupied by "The Commissary". The applicant is the same business operator as "The Commissary".

EXHIBIT 1: LOCATION MAP



The project site is designated Light Industrial by the City's Land Use Element of the General Plan and is zoned MG (General Industrial). The Light Industrial designation is intended for less intense small manufacturing and service industries, as well as larger industrial operations that can limit disruptions to surrounding uses. The MG zone allows for a variety of land uses including a wide range of light and general industrial activities and other conditionally permitted uses such as establishments selling alcohol with live entertainment.

The property is located within the SoBeca Urban Plan area, which is a local planning area characterized by a variety of unique uses that include retail, food establishments, offices, automobile services, and industrial uses. Allowed uses include a mix of housing and retail/service commercial businesses, light industrial uses, creative studios, retail campuses, and entertainment and restaurant uses that attract local residents and visitors. The SoBeca Urban Plan is an overlay zone that seeks to improve the area by encouraging the development of live/work units or residential development. The overlay zone supersedes the underlying zoning provisions; however, only if activated through the approval of a residential master plan application. At this time, because there is no residential/live/work uses proposed, the provisions of the SoBeca Urban Plan do not apply to the project site.

The project site is located adjacent to other industrially zoned properties to the south and west and commercially zoned properties to the north (along Baker Street) and east (along Bristol Street). Pentridge Cove, a residential condominium community, is located approximately 350 feet away on the north side of Baker Street. Additionally, the subject property is located within a major commercial area of the City, with destinations such as "The LAB" and "The Camp" located in close proximity. Other similar businesses near the project site include several breweries and nightclub/bars such as "Gunwhale Ales", "Green Cheek Beer", "Salty Bear Brewing", "The Huddle" and "Mesa". The remainder of the nearby area consists of other light industrial and commercial land uses including offices, retail stores, and automotive repair shops.

BACKGROUND:

Site and Improvements

The subject property is comprised of Lots 9 and 10 of Tract 3631, which were legally created on March 17, 1960. Each lot is rectangular in shape and measures 70 feet wide by 224.30 feet deep, and have an area of 15,701 square feet.

On April 8, 1960, the Building Department issued Permit No. 11277 to construct a 16,000 square-foot, one-story (15-foot tall) light industrial building. At 100 feet wide, this building extended across the existing lot line and necessitated that Lots 9 and 10 be combined for the purpose of complying with applicable codes. Other on-site improvements included a 19' – 6" landscaped front setback, and an on-site surface parking lot located adjacent to the building and along the rear property line. Access to the site is provided from a driveway shared with Lot 8 (2960 Randolph Avenue). City records show that an easement was

recorded for access purposes as well as to share parking between the two sites. With the addition of the parking spaces at 2960 Randolph Avenue (Lot 8), the total available shared parking for the project is approved with 48 spaces.

The project site was initially occupied as an industrial warehouse used for manufacturing purposes. In 1984, the building was internally divided to accommodate multiple tenants. As of today, the building is divided into four tenant spaces that are occupied by the following uses: Process Creative Production Company (office use), Pacific Point Church (religious use), Mellowist (retail use), and Arena OC (formerly Commissary (bar/lounge use)).

It should be noted that an unpermitted approximate 1,250 square-foot structure has been constructed at the rear of the property. This structure appears to be used for storage purposes and serves the Pacific Point Church. While the structure conforms to setback requirements, it exceeds the properties floor area ratio (FAR).

EXHIBIT 2: SITE AERIAL



As a result of unpermitted structure, the subject property on-site parking has been reduced by approximately five spaces. Additionally, Lot 8 is improved with a one-story, 7,500-square-foot light industrial building that is occupied by an auto wholesaler/machine shop and a microbrewery known as Gunwhale Ales. Gunwhale Ales has installed four picnic benches in two of the parking spaces beside their tenant space. Staff does not have record of issuing Gunwhale Ales a temporary use permit for the tables in the parking lot; however, Gunwhale Ales has expressed interest in permitting this seating area.

Separately, staff will be working with the brewery to determine if this outdoor area can be permitted subject to applicable City codes, or require the benches to be removed. However, as a result of the unpermitted picnic benches encumbering two parking spaces, and the unpermitted storage building encumbering approximately five parking spaces, the actual available parking for the use is less than approved.

EXHIBIT 3: ON-SITE GROUND LEVEL VIEW



Prior Entitlements

On January 14, 2013, the Planning Commission approved Conditional Use Permit PA-12-26 by a vote of 5-0. This approval allowed a bar/lounge (i.e., “Commissary Lounge¹”) to operate Thursday through Saturday from 9:00 p.m. to 2:00 a.m., and included a finding of public convenience or necessity in support of a Department of Alcoholic Beverage Control (ABC) Type 48 (On-Sale General - Public Premise) license.

The Type 48 license is most often issued to bars and allows for the sale of beer, wine and distilled spirits for consumption on the premises. Minors are not allowed to enter the premises and food service is not required. In addition to being able to sell a full complement of beer, wine, and distilled spirits, the City’s approval also allowed for live entertainment in the form of a disc jockey only. The Planning Commission’s approval

¹ The Commissary Lounge was initially approved through PA-07-36 in 2008 and operated at The LAB at 2960 Bristol Street, Suite A101 as a wine bar/art gallery that conducted shows and music-related events with live entertainment in the form of a disc jockey (live music and dancing were prohibited).

included a number of operational conditions of approval. A link to the January 14, 2019, Planning Commission Minutes is provided below:

<https://www.costamesaca.gov/home/showpublisheddocument/9719/636490563866670000>

The 5,403 square-foot “Commissary” tenant space included a 4,256 square-foot lounge area, a 314-square-foot bar area, an 85-square-foot entry, a 389 square-foot restroom area, and a 359 square-foot storage area.

On February 21, 2019, the Zoning Administrator approved Minor Conditional Use Permit ZA-18-51. This approval modified the 2013 conditional use permit by allowing additional forms of live entertainment such as live bands, comedians, poetry readings, and karaoke. The Zoning Administrator approval also allowed electronic game machines in an area not exceeding 570 square feet of the existing floor area. A link to the Minor Conditional Use Permit (ZA-18-51) is provided below:

<https://www.costamesaca.gov/home/showpublisheddocument/36569/636863604424930000>

Public Safety and Calls for Service

Since July 2021, the Costa Mesa Police Department has received 39 calls for service associated with the address of 2968 Randolph Avenue (subject property). A copy of the police log is provided as an attachment to the staff report.

The Police Department has also reviewed the application, visited the site and has provided a Memorandum regarding the proposed modifications to the approved operations (the Police Memorandum is provided as an attachment to this report). The Police Memorandum indicates that the current use averages approximately 12 police calls for service a year, which is not considered excessive based on other similar bars and night clubs operating in the City. However, the Police indicate that previous 18 and over clubs that have operated in the City have created “an unsafe environment and undue burden upon the community resulting in increased calls for service”. The Police Memorandum specifically indicates that previous types of calls for service include fights and physical altercations, intoxicated persons causing disturbances, drinking in public, noise disturbances and littering in surrounding businesses and residential neighborhoods. Lastly, the Police Memorandum indicates that “the changes being requested would allow for a licensing change and the addition of 18–20-year-olds into an environment that sells alcohol and is primarily an adult entertainment environment, which creates an inherent concern of underage drinking and ultimately has the potential to become a detriment to the community”.

Type 90 On-Sale General Music Venue Alcohol License

Senate Bill (SB) 793 became effective on January 1, 2023, and resulted in the State of California's newest Alcoholic Beverage Control license: Type 90 On-Sale General Music Venue. The California Department of Alcoholic Beverage Control (ABC) website describes this license type as authorizing the sale of beer, wine, and distilled spirits for consumption on the premises in a music entertainment facility as defined in Business and Professions Code Section 23550. Sale, service, and consumption of alcoholic beverages are limited to the time period from two hours before a live performance until one hour after the live performance. Minors are allowed on the premises under a Type 90 License. This license type is subject to Responsible Beverage Service (RBS) requirements and requires alcohol servers and managers of alcohol servers to be RBS certified. One of the provisions of the Type 90 License that differentiates it from the existing issued Type 48 license is that this ABC license does not limit occupants to over 21 years of age.

SB 793 defines a music entertainment facility as a publicly or privately owned live performance venue, concert hall, auditorium, or an enclosed arena where music or entertainment events are presented for a price of admission. The facility does not have to be used exclusively for music or entertainment events. SB 793 further stipulates that a music entertainment facility must satisfy all of the following criteria:

- The facility has defined performances and audience spaces;
- The facility includes mixing equipment, a public address system, and a lighting rig;
- The facility employs one or more individuals to serve a number of specified roles, including a sound manager, promoter, stage manager and a box office manager;
- There is a paid ticket or cover charge to attend performances and artists are paid or do not play for free or solely for tips, except for fundraisers or similar charitable events; and,
- Performances at the facility are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media.

According to the author of the Senate Bill, "SB 793 will provide much needed relief for California's independent venues to ensure they are able to recover economically after the COVID-19 pandemic by creating a new license category for music entertainment venues. The pandemic has had a devastating impact on California's live entertainment venues, which were among the first businesses required to close in March 2020, and will likely be among the last to reopen. California State law does not offer a type of liquor license tailored to the unique needs of the State's live entertainment venues. As a result, venue operators face challenges in accessing liquor licenses and complying with their operating requirements".

REQUEST:

Consistent with the requirements of the Type 90 ABC license, Arena OC seeks to establish itself as a focused live entertainment venue. In conjunction with the ABC License change, the applicant is also requesting approval to modify prior entitlements, including:

- 1) To allow dancing;
- 2) To open at 8:00 p.m. (currently permitted to open at 9:00 p.m.), and
- 3) To open on Sundays and major holidays (currently permitted to operate Thursday through Saturday)

In addition, pursuant to State Department of ABC regulations, the applicant is asking the City to make a finding of public convenience or necessity for their requested Type 90 license. The State has informed the City that a determination of public convenience or necessity (i.e., PCN) is required because the census tract that Arena OC is located in is entitled to seven licenses and 57 exist (including their current Type 48 license). Therefore, there is an overconcentration of alcohol licenses in this Census Tract. However, and it is important to note that the requested change in ABC license would not result in a net increase in ABC licenses in the Census Tract. In addition, the City's 2013 and 2019 approvals already establish the underlying land use approvals necessary for a live entertainment venue, and the City previously made a finding of public convenience or necessity in support of the existing Type 48 ABC license for this location. Though the applicant is seeking to convert their Type 48 license into a Type 90 license with the Department of ABC, there is no difference in the types of alcohol that can be served and consumed on the site.

STANDARD OF REVIEW:

All planning applications should demonstrate compatibility to applicable goals, objectives, and policies of the City's adopted General Plan. When evaluating the applicant's request to modify prior conditional use permit and minor conditional use permit approvals, staff also considers whether or not the modification aligns with the findings required to be made pursuant to Costa Mesa Municipal Code Section 13-29(g)(2)(a-c). Those findings generally require the use to:

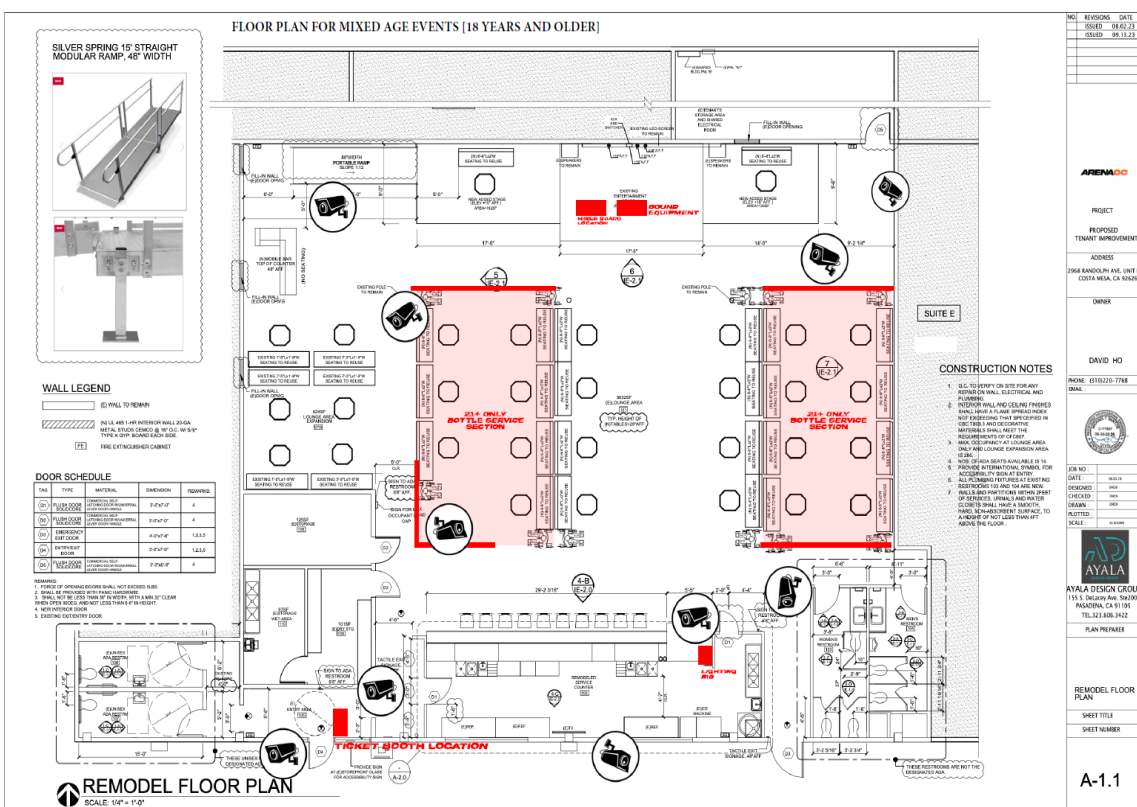
- Be compatible with and not be materially detrimental to nearby properties;
- Not be materially detrimental to the health, safety and general welfare or injurious to nearby properties; and
- Not allow a use, density or intensity not in accord with the general plan designation and applicable specific plan.

When considering the applicant's requested finding of public convenience or necessity, the standard is whether or not the City believes that public convenience or necessity is served by the issuance of the additional license. This requirement comes from State law as this process does not exist within the Costa Mesa Municipal Code; however, City Council Policy 500-8 authorizes the Planning Commission to be the decision-making body for this type of request. Section 23958.4 of the California Business & Professions Code uses a ratio of alcohol licenses (either on-sale or off-sale) to population within a census tract compared to the ratio of those alcohol licenses to population in the county as-a-whole. When the census tract ratio exceeds the countywide ratio, an "overconcentration" or "undue concentration" is deemed to exist. When an over or undue concentration exists,

The City's review is limited to only the applicant's current specific requests as the City's approvals of the original conditional use permit in 2013 and its modification in 2019 already establish the land use right to sell beer, wine, and distilled spirits Thursday through Saturday from 9:00 p.m. to 2:00 a.m. with live entertainment.

Floor Plan

EXHIBIT 4: PROPOSED FLOOR PLAN



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the main entertainment area. The area intended for dancing is located between the third and fourth rows of seats in an open area. A lighting rig is built into the ceiling and lighting can be directed to highlight both the dance floor and the performance stage.

The seating areas located left and right of the dance floor will be roped-off and can be purchased as reserved seating. Security guards will be stationed at each roped-off entry to the reserved seating areas. All other patrons will purchase general admission tickets to the venue and will be allowed to observe performances from other than the reserved seating areas. The venue has two sets of restrooms.

Security Plan

Arena OC has prepared a Security Policy & Procedure Manual (Manual) and is included as an attachment to this report. The Manual is intended to provide employee procedures to reduce and eliminate potential problems that may arise during the course of business, and prevent neighborhood disturbances. The security procedures include both the use of electronic video surveillance and security guards. Specifically, the applicant proposes ten security cameras to be installed (two exterior cameras and eight interior cameras), and seven security guards (two guards will be stationed at the facility's exterior doors and the other five will monitor the interior spaces). The manual also includes provisions for employee training – including for alcohol beverage servers and managers.

The Manual includes direction for employee screening of all customers to ensure that that occupants are 18 years of age or older, and that they are issued a brightly-colored, large, tamper-proof wristband that properly identifies the guest by their age cohort (i.e., under 21 years and over 21 years of age). The Manual also identifies what types of identification are acceptable to verify a person's age. The Manual requires that ID be checked not only upon entry but also before serving alcoholic beverages.

Other topics covered by the Manual include guidelines for handling intoxicated persons, dealing with unacceptable guest behavior, and a conflict resolution process up to and including guest removal. Because Arena OC proposes to allow customers aged 18 and above, the Manual stipulates that only persons 21 and over are allowed within the bottle service area and that an entire group must be present before being escorted by an employee to their table in this age-restricted area. In addition, the Manual requires that prior to the service of alcohol in this area, Arena OC employees are directed to re-check the age identification for all guests being served. The bottle service area will be monitored by security personnel to ensure that alcoholic drinks are not provided to underage persons.

Parking

Arena OC currently operates within a 5,403-square-foot portion of a larger 16,000-square-foot building that is occupied by other businesses including offices, a retail shop, and a church. Each of these businesses is not in operation when Arena OC proposes to operate, which is Thursday through Sunday from 8:00 p.m. to 2 a.m. Per a recorded reciprocal

parking and shared access agreement, the subject property also shares parking spaces with a brewery and automotive shop at 2960 Randolph Avenue. The neighboring brewery use (Gunwhale Ales) was approved through a CUP (PA-15-50) and was conditioned to operate Thursday through Saturday from 12 p.m. to 8:30 p.m. to accommodate the parking demands for the existing bar/lounge.

Current entitlements require 48 parking spaces for Arena OC (formerly The Commissary). This parking ratio is compliant with the Costa Mesa Municipal Code's standard for food and beverage establishments. As mentioned earlier, there is a recorded reciprocal parking agreement with the adjacent property that provides a total of 48 parking spaces; however, due to unpermitted site plan changes made to both the subject and shared parking site, less parking spaces are currently available than previously approved.

In September 2022, Assembly Bill 2097 (AB 2097) was signed into law by Governor Newsom and became effective on January 1, 2023. The primary objective of this legislation is to limit local governments from imposing minimum parking regulations on commercial and residential projects that are located within 0.5 miles of a major transit stop. AB 2097 defines "major transit stop" as an existing rail or bus rapid transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

Staff has reviewed the nearby public transit facilities and determined that the subject property is located within 0.5 miles of a major transit stop (the intersection of Bristol Street and Baker Street). Therefore, and notwithstanding the above parking assessment, pursuant to AB 2097 the City of Costa Mesa cannot impose a minimum parking requirement on this land use entitlement.

ANALYSIS:

Modifications to Existing Conditions of Approval

Staff supports the applicant's request to permit dancing in that the provision of dancing is a complimentary use to the permitted music venue, which would also be substantially compatible with many of the other customer serving uses (including bars, restaurants and breweries) that operate in the SoBECA area.

In addition, staff supports the applicant's request to open at 8:00 p.m. instead of 9:00 p.m. Prior conditions limiting business hours were based on the availability of shared parking; however, with the State's enactment of AB 2097, the City is barred from imposing a minimum parking requirement on uses in this area and therefore parking availability is no longer a project limitation. Also, similar live music venues such as "The Observatory", "Constellation Room", "La Santa", "The Yost" in Santa Ana and "The Coach House in San Juan Capistrano" open as early as 7:00 p.m. and therefore the proposed hours of operation are consistent with similar venues in the local area and region.

Staff also supports the applicant's request to open on Sundays and major holidays. The surrounding area consists of a varied mix of land uses that generally do not operate on Sundays, and therefore potential impacts of traffic and parking are lessened. In addition, Arena OC does not operate Sunday through Wednesday and therefore permitting an additional day of operation will allow the business to be more market competitive and therefore also consistent with General Plan Land Use Element Policy 6.7 which "encourages new and retain existing business that provide local shopping and services". Approving an additional day of operation is also consistent with General Plan Land Use Element Objective LU-6C which states 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", in that the additional day of operation would add additional employment opportunities in the City. Lastly, other nearby operating similar uses such as "The Huddle" and "Mesa" operate on Sundays.

Type 90 ABC License

Pursuant to Section 23552 of the California Business and Professions Code, an on-sale general public premises licensee may exchange that license for a music venue license, subject to the qualifications of the premises as specified by the requirements listed in Table 1 below. The applicant has submitted a floor plan and operational plan that demonstrates how their venue complies with the requirements of the Type 90 ABC license, which is more specifically detailed below in Table 1.

Table 1: Type 90 ABC License Compliance

Requirement	Proposed
Defined performance and audience spaces	An approximately 450 SF existing stage area will be used as performance space. The audience space is comprised of approximately 4,256 square feet of floor area and includes seating and standing, room only areas.
Mixing equipment, a public address system, and a lighting rig.	lighting and sound equipment. The venue would include large digital screens large located behind the stage and dynamic lighting installed on the ceiling along with sound equipment for disc jockeys.
One or more individuals to serve not less than two of the following roles: a) A sound engineer b) A booker c) A promoter d) A stage manager e) Security personnel	The Arena OC will include employees that serve as stage manager, sound and lighting engineer, booker/promoter, box office manager and security personnel.

f) A box office manager	
There is a paid ticket or cover charge to attend performances at the facility and artists are paid and do not play for free or solely for tips, except for fundraisers or similar charitable events.	Tickets will be available for purchase online or at the door.
Performances at the facility are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media.	Performances at the facility will be advertised through their website and on social media.

Public Convenience or Necessity (PCN) Finding

Based on the Countywide ratio, the State requirements limit the applicable census tract 639.08 to seven on-sale licenses. Pursuant to State records, 57 on-sale licenses already exist within this census tract. If the applicant's request is approved, the number of on-sale licenses within the census tract would remain at 57 licenses. A PCN finding can be made for the requested upgrade in ABC license as there will be no increase in the number of ABC licenses in the census tract. This request would not be considered a premise-to-premise transfer as the business is already located at the subject property and has operated there under an on-sale license type. The request would convert the Type 48 license to a Type 90, which both allow for similar onsite consumption and similar alcohol types. If approved, the Type 48 license would become inactive and could not be used at this location anymore. The applicant has the ability to sell the Type 48 license to another location as a premise-to-premise transfer.

As confirmed in an email exchange between City staff and ABC staff, if the Type 90 license is approved, the existing Type 48 license will be surrendered by the applicant upon issuance of a Type 90 license. Type 48 licenses are in high demand and, as such, are a commodity that can be sold. Since ABC only allows one alcohol license to be in use by a business at a time, the Type 48 license will remain unused in the Census Tract until it is sold. If/when sold, there is no ABC requirement that the Type 48 license remain in this census tract or even the City of Costa Mesa.

GENERAL PLAN CONFORMANCE:

The following analysis further evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** Provide for the development of a mix and balance of housing opportunities, commercial goods and services, and employment opportunities in consideration of the needs of the business and residential segments of the community.

Consistency: The project will allow for continuation of an existing land use that provides commercial services in the form of enhanced live entertainment. The proposal to amend an existing ABC license and allow

for the establishment of a new, and the first Type 90 ABC license, within the City would establish the subject property as a music venue for live entertainment and nightlife destination within the City. The use would not remove any commercial or residential land, thus maintaining the balance of housing opportunities, commercial goods and services, and employment opportunities.

2. **Policy LU-6.7:** Encourage new and retain existing businesses that provide local shopping and services.

Consistency: Arena OC (formerly known as “Commissary”) has existed at the subject property since the approval of conditional use permit PA-12-26 in 2013. The proposed amendment intends to allow the business greater flexibility in the type of events at the subject property including various types of musical acts and events that are intended for patrons 18 years and older.

3. **Objective 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: Permitting an additional day of operation (Sunday) will result in additional employment opportunities in the City.

FINDINGS:

Pursuant to Title 13, Section 13-29(g), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required findings:

- *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.*

The proposed amendment to the permitted use is substantially compatible with developments in the SoBECA area, including numerous restaurants, bars and breweries, and would not be materially detrimental to other properties within the area in that the business is existing and the proposed changes, including operating an hour earlier, opening on Sunday and permitting dancing are not anticipated to result in detrimental effects to properties within the area. Additionally, the project is conditioned to account for concerns regarding neighborhood compatibility, including a condition requiring a Planning Commission reevaluation of the approval six months and one-year from opening.

- *Granting the minor conditional use permit 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.*

The proposal 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 as the project is conditioned to address potential safety concerns. In addition, the applicant will operate consistent with a Security Policy and Procedure Manual that outlines training and protocols that staff will be instructed to follow, and includes information such as providing specific wristbands to distinguish patrons under 21 years of age from those that are older, providing numerous security guards in strategic areas and installing video surveillance.

- *Granting the minor conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.*

The proposal will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property. The subject property includes a land use designation of Light Industrial which allows for certain commercial recreational uses, provided that the commercial use is determined to be complementary to the industrial area. The business is already in existence and this proposal would generally maintain existing operations that include the service of on-site alcohol and to be closed at 2 a.m. The proposed modifications that include opening an hour earlier, operating on Sundays and permitting dancing is not inconsistent with the General Plan. The SoBECA Urban Plan is not applicable in that the project does not include a request for residential or live/work.

ENVIRONMENTAL DETERMINATION:

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities. This application is for the proposed amendment of prior entitlements associated with an existing beverage serving establishment to allow for a change in ABC license type and modification of previous operational conditions of approval. There will be no increase in floor area for the site, no significant exterior changes and the business operations will remain relatively similar to what currently exists onsite in relation to potential environmental impacts. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies in that the Project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location, and would not impact any historic resources.

ALTERNATIVES:

The Planning Commission can consider the following alternatives:

1. Approve the application with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the item should be continued to a future meeting to allow a redesign or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions.
2. Continue the application to a date certain. The Planning Commission may need more information from staff or the applicant to inform their decision-making. In this case, it would be appropriate to continue the application to a date certain so the requested information can be gathered for presentation to the Planning Commission.
3. Deny the application. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution for denial. If the project were denied, the applicant could not submit substantially the same type of application for six months.

LEGAL REVIEW:

The draft Resolution has been approved as to form by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to CMMC Section 13-29(d) three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site on July 25, 2024. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site on July 26, 2024.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper on July 27, 2024.

As of the date of distribution of this report, staff has received five written public comments. These comments are attached for the Planning Commission's reference and generally express concerns about parking availability, patrons illegally parking on neighboring properties, traffic congestion, noise levels, disturbing the peace in nearby residential areas, loitering, trash, and vandalism. Any public comments received after the agenda is posted (prior to the August 12, 2024, Planning Commission meeting) will be provided under separate cover.

CONCLUSION:

Planning staff has determined that the project, as conditioned, will be compatible with surrounding properties and will not impose any substantial health and safety risks and will not be materially detrimental to the general area. However, the Costa Mesa Police Department has expressed certain concerns about this type of land use and, specifically notes that there are a number of similar uses in this immediate area and the City that, collectively, have generated calls for service. The Planning Commission should consider the Police Department concerns and determine if the proposed operational conditions would eliminate the applicable Police concerns.

RESOLUTION NO. PC-2024-19

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING ZONING APPLICATION ZA-22-35 FOR A MINOR CONDITIONAL USE PERMIT TO AMEND EXISTING CONDITIONS OF APPROVAL AND REPLACE AN EXISTING TYPE 48 ABC LICENSE WITH A TYPE 90 "MUSIC VENUE" LICENSE IN THE MG ZONE FOR THE PROPERTY LOCATED AT 2968 RANDOLPH AVENUE

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA FINDS AND DECLARES AS FOLLOWS:

WHEREAS, Zoning Application 22-35 was filed by F. Michael Ayaz, authorized agent for the property owner, Jerry Palanjian requesting approval of the following:

A Minor Conditional Use Permit application to replace an existing ABC liquor license (Type 48 "On-Sale General – Public Premises") with a Type 90 "Music Venue", and modifications to conditions of approval, including expanded hours of operation, expanded operating days and to allow dancing;

WHEREAS, a duly noticed public hearing held by the Planning Commission on August 12, 2024 with all persons having the opportunity to speak for and against the proposal;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), for Existing Facilities;

WHEREAS, the CEQA categorical exemption for this project reflects the independent judgement of the City of Costa Mesa.

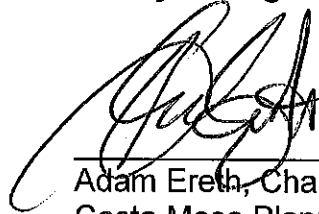
NOW, THEREFORE, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained within Exhibit B, the Planning Commission hereby **APPROVES** Zoning Application 22-35 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Zoning Application 22-35 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall

be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the document in the record in support of this resolution, are 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.

PASSED AND ADOPTED this 12th day of August, 2024.

A handwritten signature in black ink, appearing to read 'Adam Ereth', is written over a horizontal line.

Adam Ereth, Chair
Costa Mesa Planning Commission

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss
CITY OF COSTA MESA)

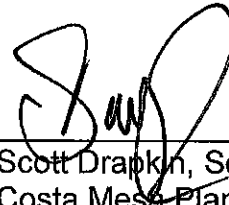
I, Scott Drapkin, Secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution No. PC-2024-19 was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on August 12, 2024 by the following votes:

AYES: Ereth, Andrade, Klepack, Martinez, Rojas

NOES: Toler, Zich

ABSENT: None

ABSTAIN: None



Scott Drapkin, Secretary
Costa Mesa Planning Commission

Resolution No. PC-2024-19

EXHIBIT A

FINDINGS

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29(g)(2) because:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Findings: The proposed amendment to the permitted use is substantially compatible with developments in the SoBECA area, including numerous restaurants, bars and breweries, and would not be materially detrimental to other properties within the area in that the business is existing and the proposed changes, including operating an hour earlier, opening on Sunday and permitting dancing are not anticipated to result in detrimental effects to properties within the area. Additionally, the project is conditioned to account for concerns regarding neighborhood compatibility, including a condition requiring a Planning Commission reevaluation of the approval six months and one-year from opening.

Finding: Granting the minor conditional use permit 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: The proposal 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 as the project is conditioned to address potential safety concerns. In addition, the applicant will operate consistent with a Security Policy and Procedure Manual that outlines training and protocols that staff will be instructed to follow, and includes information such as providing specific wristbands to distinguish patrons under 21 years of age from those that are older, providing numerous security guards in strategic areas and installing video surveillance.

Finding: Granting the minor conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The proposal will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property. The subject property includes a land use designation of Light Industrial which allows for certain commercial recreational uses, provided that the commercial use is determined to be complementary to the industrial area. The business is already in existence and this proposal would generally maintain existing operations that include the

service of on-site alcohol and to be closed at 2 a.m. The proposed modifications that include opening an hour earlier, operating on Sundays and permitting dancing is not inconsistent with the General Plan. The SoBECA Urban Plan is not applicable in that the project does not include a request for residential or live/work.

- B. The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities. This application is for the proposed amendment of prior entitlements associated with an existing beverage serving establishment to allow for a change in ABC license type and modification of previous operational conditions of approval. There will be no increase in floor area for the site, no significant exterior changes and the business operations will remain relatively similar to what currently exists onsite in relation to potential environmental impacts. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies in that the Project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location, and would not impact any historic resources.
- C. The project is not subject to a traffic impact fee, pursuant to Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

- PIng.
1. The use shall be limited to the type of operation as described in the staff report, i.e., live entertainment in the form of live bands, comedians, spoken word/poetry readings, and karaoke. The applicant is entitled to operate pursuant to the California Department of Alcoholic Beverage Control Type 90 (On-Sale General – Music Venue) license except when said provisions are refined by these conditions of approval. Any change in the operating characteristics including, but not limited to, hours of operation and additional services provided, shall require review by the Planning Division and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change. The applicant is reminded that Costa Mesa Municipal Code allows the Planning Commission to modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
 2. The conditions of approval and code requirements included herein shall supersede and replace the conditions of approval and code requirements for Conditional Use Permit PA-12-26 and Minor Conditional Use Permit ZA-18-51.
 3. Street address shall be displayed in a manner visible to the public street and clearly legible for quick identification by emergency service personnel. Numerals shall be a minimum 12" in height with not less than 3/4" stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be 4" in height with not less than 1/4" stroke and shall contrast sharply with the background.
 4. The licensee shall not employ or use the services of any full or part time active or reserve peace officer currently employed by the City of Costa Mesa for security purposes.
 5. Pursuant to Costa Mesa Municipal Code Section 9-193(2), the applicant must obtain a "Public Entertainment Permit," which is renewable on an annual basis, and shall maintain said permit in good standing by adhering to conditions stipulated as part of that permit.
 6. A maximum occupancy of 296 people, determined by City of Costa Mesa Building Division and Fire Department, has been established pursuant to applicable provisions of the Uniform Building Code and other applicable codes, shall be conspicuously posted in public view within the premises, and shall not be exceeded at any time. It shall be the responsibility of management to ensure that this occupancy limit is not exceeded. This occupancy limitation is inclusive of all patrons, employees, contractors, and other individuals within the licensed premises at any given time.
 7. The business shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The applicant

and/or business owner shall institute appropriate security and operational measures as necessary to comply with this requirement.

8. There shall be no sales of alcoholic beverages for off-site consumption and no alcoholic beverage obtained inside the venue shall be taken outside of or beyond the demising walls of the venue.
9. The parking lot shall be posted with signs directing customers and employees to be considerate when entering, exiting, starting their cars and leaving the parking lot. Signage should clarify and security personnel shall enforce that loitering of patrons, employees, and contractors is not allowed, and any unnecessary or excessive noise created by patrons, employees, and contractors is prohibited.
10. All lots where parking is provided shall be properly illuminated.
11. Qualified and trained security personnel shall be provided to ensure that all parking lots are monitored during the days and hours the business is in operation. Security personnel shall provide parking management, noise control as well as general security of parking areas.
12. Customer and employee parking shall be prohibited on any other privately owned lot or private street not associated with the licensed premises. If parking problems arise, the operator shall institute appropriate operational measures to eliminate issues within 30 days to address the problem.
13. A reciprocal parking and access agreement shall be maintained on both properties to reflect the proposed sharing of the parking lots at 2960 and 2968 Randolph Avenue.
14. The business operator shall include a conspicuous and prominent notification in their online advertisement, social media, and at the point of sale for online tickets that onsite parking is limited and that use of a ridesharing service or alternate means of transportation to and from the site are recommended. Furthermore, the business operator shall provide notice that parking in nearby residential developments or other unaffiliated private property is not allowed and that the illegally parked vehicle is subject to tow without warning.
15. All sales and service staff (within 90 days of hire) shall complete Responsible Beverage Service (RBS) training with a provider approved by the California Department of Alcoholic Beverage Control. A copy of the training certificates shall be kept on premises and presented to any authorized City official upon request.
16. Music or other entertainment shall not be audible beyond the property lines in which the licensed premises is located.
17. No outdoor seating or patio area shall be permitted.
18. The applicant shall maintain free of litter all areas of the premises.
19. A copy of the conditions of approval for the conditional use permit must 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.
20. Hours of operation shall be limited to the hours of 8:00 p.m. to 2:00 a.m., Thursday through Sunday and on the following holidays: New Year's Eve,

Valentine's Day, St. Patrick's Day, Cinco de Mayo, Memorial Day, Fourth of July, Labor Day, Halloween, Veteran's Day, Thanksgiving, and Christmas Day.

21. At the discretion of the Director of Economic and Development Services, upon receipt of noise complaints by the City of Costa Mesa, the applicant shall submit an acoustical analysis prepared under the supervision of a person experienced in the field of acoustical engineering to evaluate existing and projected noise levels and recommend the use of noise attenuation measures and/or noise insulation techniques to muffle sound to a level that conforms to the provisions of Costa Mesa's Noise Ordinance. This is to ensure that any noise impacts to nearby uses are adequately mitigated. The person preparing the report shall, under the direction of a person experienced in the field of acoustical engineering, perform an inspection of the site prior to the opening of the business to the public to ensure that noise attenuation measures are implemented or underway, as recommended by the acoustical expert.
22. The conditions of approval and ordinance or code provisions of Minor Conditional Use Permit ZA-22-35 shall be blueprinted on the face of the site plan as part of the plan check submittal package for any future building permit applications submitted to the City.
23. The applicant, the property owner and the operator (collectively referred to as "indemnitors") shall each jointly and severally defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, legal action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. 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 indemnitors' joint and several 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.
24. If any section, division, sentence, clause, phrase or portion of this resolution 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.
25. The project is subject to compliance with all applicable Federal, State, and local laws.
26. No modification(s) of the approved building elevations including, but not limited to, change of architectural type, changes that increase the building height, removal of building articulation, or a change of the finish

material(s), shall be made without prior Planning Division written approval.

27. No modification(s) of the approved building interior, including but not limited to, floor plan layout, age restricted areas, or gross floor area, shall be made without prior approval from the City. Applicant shall contact the City of Costa Mesa's Economic and Development Services Department's Planning Division to initiate this process.
28. A review of this entitlement shall be conducted by the Planning Commission as soon as possible after both the sixth month and one-year anniversary date of the project approval's effective date to determine if the business is operating in good faith and whether any modifications to business operations or conditions of approval are warranted. If the business is not operating in good faith or other adverse impacts are determined to exist, the Planning Commission may adjust existing conditions of approval or add new conditions to address the concern up to an including initiating a revocation of this use's entitlement.
29. All patrons must be 18 years or older and must provide valid, state-issued identification for entry.
30. If bottle service is to occur within the licensed premises, it shall only be allowed within the specified age-restricted areas shown on the approved project plans.
31. No patrons under the age of 21 are allowed in the age-restricted areas shown on Sheet A-1.1 of the approved plans when bottle service is offered.
32. All age-restricted areas shall be separated from the general areas of the licensed premises by a physical barrier. The physical barrier shall not obscure visibility into the age-restricted areas and the barrier may include a rope or other identifier to clearly mark the restricted area.
33. Security personnel shall be stationed by each age-restricted area when bottle service is occurring to monitor and secure the restricted areas to ensure that minors do not enter into these areas or are otherwise allowed access to alcohol not served by employees of the establishment.
34. Colored wristbands shall be provided to customers over the age of 21 and under the age of 21. Patrons under 21 years of age must be provided distinctly different wristbands for identification than those patrons above the legal drinking age. Wristbands must be of a type and material that is tamper-proof to ensure under age patrons are easily identifiable and unable to purchase alcohol at the establishment. Wristbands given to patrons between the ages of 18 and under 21 shall be of a color that is highly visible and easily contrasts with the wristbands given to patrons who are 21 and older. Wristband color for each age cohort shall be randomly selected by management on a daily basis and shall avoid repeating colors or creating recognizable patterns in order to reduce the ability to counterfeit or falsify age identifiers. Management

shall maintain a log of wristband colors by age cohort assigned each day and shall make said log available for inspection upon demand of the City of Costa Mesa.

35. The applicant shall submit to the City of Costa Mesa a Security Policy & Procedure Manual for approval. The policy manual shall be kept on the premises at all times and all staff shall be trained on the security policies outlined in said document. No changes to the approved Security Policy & Procedure Manual shall be made by management until first approved by the City of Costa Mesa. Updates to the security plan may be required at the request and subject to the Costa Mesa Police Department approval.
36. The applicant shall maintain a log of the number of employees, security personnel, and patrons in attendance each night the business is in operation and shall provide this log to City officials upon demand for purposes of verifying compliance with the business's maximum occupancy of 296 persons.
- PC. 37. No patrons between the ages of 18 and 21 shall be allowed entry to the venue on any night of the week except for Thursday night. However, if a Special Event is held at the venue pursuant to a lawfully issued Special Event Permit by the City of Costa Mesa on a Thursday, then the operator may move the 18 to 21 year old night from Thursday to another approved business night during the same week.
38. Under no circumstances and without exception, patrons aged 18 to 21 shall not be allowed entry to the venue on the following days: New Year's Eve, Independence Day/Fourth of July, and Halloween regardless of which day of the week these days fall on.

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.

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| PIng. | <ol style="list-style-type: none">1. Development shall comply with all requirements of Article 1, Chapter 5, Title 13, of the Costa Mesa Municipal Code relating to development standards for residential projects.2. All noise-generating construction activities shall be limited to 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 6 p.m. Saturday. Noise-generating construction activities shall be <u>prohibited</u> on Sunday and the following Federal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.3. All on-site utility services shall be installed underground.4. Installation of all utility meters shall be performed in a manner so as to obscure the installation from view from any place on or off the property. The installation vault, wall cabinet, or wall box under the direction of the Planning Division. |
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7. Landscaping and irrigation shall be installed in accordance with the approved plans prior to final inspection or occupancy clearance.
8. All unpaved areas visible from public right-of-ways shall be landscaped and the landscaping shall be maintained in a healthy condition, free of dying, dead, diseased, decayed, discarded, and/or overgrown vegetation.
9. Trash facilities shall be screened from view, and designed and located appropriately to minimize potential noise and odor impacts to neighbors.
10. Any mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division.
11. Transformers, backflow preventers, and any other approved above-ground utility improvements shall be located outside of the required street setback area and shall be screened from view, under direction of Planning staff. Any deviation from this requirement shall be subject to review and approval of the Development Services Director.
12. Applicant shall maintain compliance with all applicable ABC regulations at all times.
- Bldg. 13. Prior to building permit issuance, the conditions of approval shall be on the approved Architectural plans.
14. Comply with the requirements of the following current adopted codes, California Building Code, California Electrical code, California Mechanical code, California Plumbing code, California Green Building Standards Code and 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 California Building Code.
- ~~15. A change of occupancy shall require compliance with current California Building codes and Disabled access requirements of Chapter 11B of the California Building Code.~~
16. Prior to building permit issuance, the Applicant shall submit a plan to the County of Orange Health Dept. for review and approval.
17. A change of occupancy shall require compliance with current California Building codes and Disabled access requirements of chapter 11B of the California Building Code.
18. Any increase in building occupancy may only occur if approved by the City based on the completion of code required life-safety upgrades to the venue.
- Fire 19. Comply with the requirements of the current California Fire Code and referenced standards as amended by the City of Costa Mesa.

- Bus. 20. All contractors and subcontractors must have valid business licenses to
Lic. 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.

SPECIAL DISTRICT REQUIREMENTS

The requirements of the following special districts are hereby forwarded to the applicant:

- AQMD 1. Applicant shall contact the Air Quality Management District (800) 288-7664
 for potential additional conditions of development or for additional permits
 required by AQMD.
 2. Prior to the Building Division (AQMD) issuing a demolition permit, contact
 South Coast Air Quality Management District located at:
 21865 Copley Dr.
 Diamond Bar, CA 91765-4178
 Tel: 909-396-2000
- OR
- Visit their web site:
 <http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>
 The Building Division will not issue a demolition permit until an
 identification number is provided by AQMD.
- Cable 3. The applicant shall contact the current cable company prior to issuance
 of building permits to arrange for pre-wiring for future cable
 communication service.
- Sani. 4. It is recommended that the applicant contact the Costa Mesa Sanitary
 District at (949) 645-8400 for current district requirements.
- State 5. Comply with the requirements of the California Department of Food and
 Agriculture (CDFA) to determine if red imported fire ants (RIFA) exist on
 the property prior to any soil movement or excavation. Call CDFA at (714)
 708-1910 for information.

Call Time	Event ID	Rpt #	Street	Nature	Busine
08/18/2024 13:36	2024075782		2968 RANDOLPH AVE	911 WIRELESS NO VOICE CONTA	COMMIS
08/25/2024 02:00	2024077909	24011300	2968 RANDOLPH AVE	BATTERY REPORT	COMMIS
10/24/2024 21:39	2024098632		2968 RANDOLPH AVE	911 WIRELESS NO VOICE CONTA	COMMIS
10/25/2024 01:40	2024098677	24014064	2968 RANDOLPH AVE	PETTY THEFT - PHONE REPORT	COMMIS
10/25/2024 23:16	2024099023	24014064	2968 RANDOLPH AVE	FOLLOW UP REPORT VIA PHONE	COMMIS
11/03/2024 00:37	2024101753		2968 RANDOLPH AVE	DISTURBANCE	COMMIS
11/03/2024 01:00	2024101761		2968 RANDOLPH AVE	911 WIRELESS NO VOICE CONTA	COMMIS
11/03/2024 01:10	2024101762		2968 RANDOLPH AVE		COMMIS
11/03/2024 01:13	2024101764		2968 RANDOLPH AVE		COMMIS
11/03/2024 01:22	2024101765		2968 RANDOLPH AVE		COMMIS
11/07/2024 23:12	2024103395		2968 RANDOLPH AVE	SUSPICIOUS MALE	COMMIS
11/08/2024 00:32	2024103414		2968 RANDOLPH AVE	COMMUNICATIONS CITIZEN ASSI	COMMIS
11/08/2024 01:34	2024103425	24014653	2968 RANDOLPH AVE	VEHICLE THEFT REPORT	COMMIS
11/22/2024 19:42	2024108447	24015392	2968 RANDOLPH AVE	T TRAFFIC STOP	COMMIS
11/23/2024 00:52	2024108523	24015403	2968 RANDOLPH AVE	INTOXICATED IN PUBLIC	
01/25/2025 00:29	2025007534	2500955	2968 RANDOLPH AVE	DRUNK IN NEED OF MEDICS	COMMIS
01/25/2025 00:31	2025007535		2968 RANDOLPH AVE	DRUNK IN NEED OF MEDICS	COMMIS
02/23/2025 00:43	2025016959	2502033	2968 RANDOLPH AVE	DRUNK IN NEED OF MEDICS	COMMIS
02/23/2025 00:44	2025016960		2968 RANDOLPH AVE	DRUNK IN NEED OF MEDICS	COMMIS