



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

Item #: 24-318

Meeting Date: 09/03/2024

TITLE: SECOND READING OF AN ORDINANCE APPROVING THE FIRST AMENDMENT (DA-20-05) TO DEVELOPMENT AGREEMENT (DA-94-01) BETWEEN THE CITY OF COSTA MESA AND THE INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB ALLOWING FOR A 20-YEAR TIME EXTENSION THAT WOULD EXPIRE OCTOBER 31, 2044; AMENDING PROVISIONS PERTAINING TO THE RATE AND METHODOLOGY FOR CALCULATING TRAFFIC IMPACT FEES; AND, AMENDING PROVISIONS RELATED TO THE SETBACK OF A FUTURE PARKING STRUCTURE; FOR A PROPERTY LOCATED AT 3333 FAIRVIEW ROAD

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTED BY: CHRISTOPHER ALDANA, ASSISTANT PLANNER

CONTACT INFORMATION: CHRISTOPHER ALDANA, ASSISTANT PLANNER, (714) 754-4868

RECOMMENDATION:

Staff recommends the City Council:

1. Find, pursuant to CEQA Guidelines Section 15162, that the project is within the scope of the June 20, 1994-certified Final Environmental Impact Report (EIR) #1045 (State Clearing House No. 94021036) for the Auto Club Expansion project. The effects of the project were examined in the 1994 FEIR, and all feasible mitigation measures and alternatives developed in the 1994 FEIR are incorporated into this project, and no new mitigation measures are required. Therefore, the 1994 FEIR for the Automobile Club Expansion project is determined to be adequate to serve as the environmental documentation for this project, that no further environmental review is required, and that all requirements of CEQA are satisfied.
2. Give second reading to and adopt, by title only, Ordinance 2024-XX approving the First Amendment (DA-20-05) to the Automobile Club of Southern California Development Agreement (DA-94-01) to allow for a 20-year time extension that would expire October 31, 2044; to amend provisions pertaining to the rate and methodology for calculating traffic impact fees; and to amend provisions related to the setback of a future parking structure.

APPLICANT OR AUTHORIZED AGENT:

The applicant and authorized agent is Jennifer J. Farrell, Esq., representing the property owner, Interinsurance Exchange Automobile Club of Southern California.

BACKGROUND:

At the August 6, 2024, City Council meeting, the Council considered the proposed amendments to the above noted Ordinance, considered the Planning Commission recommendation, heard public comment, and passed the Ordinance to a second reading by a 7-0 vote.

The August 6, 2024, City Council report and video are linked below:

August 6, 2024, City Council Agenda Report (also provided as Attachment 3):

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6816050&GUID=783400DD-5790-4172-B7CD-B9A8C26E0A7C>

August 6, 2024, City Council Video:

https://costamesa.granicus.com/player/clip/4159?view_id=14&redirect=true

ANALYSIS:

In voting to introduce the ordinance for first reading, the City Council found that the proposed first amendment to the development agreement is consistent with General Plan policies and objectives, and that the proposed development associated with the Development Agreements is compatible with the nearby existing land uses located north of Interstate 405 which includes larger development such as South Coast Plaza, Metro Pointe, IKEA and the Segerstrom Center for the Arts.

Based on local and State development agreement review provisions/requirements, the City Council found that the extension of the Development Agreement will provide additional time to complete buildout of the Automobile Club's corporate campus; would not be detrimental to the public health, safety, and general welfare; and will not adversely affect the orderly development of the subject or surrounding properties. City Council support for the first amendment was generally based on retention of a large and high-quality local employer, and the preservation and generation of local employment opportunities. Additionally, the project will contribute additional funding for road improvement and circulation projects citywide through the payment of enhanced traffic impact fees.

ENVIRONMENTAL DETERMINATION:

Pursuant to CEQA Guidelines Section 15162, this project remains within the scope of the June 20, 1994 certified Final Environmental Impact Report (FEIR) #1045 (State Clearinghouse No. 94021036) for the AAA Expansion project. The effects of the project were examined in the 1994 FEIR, and all feasible mitigation measures and alternatives developed in the 1994 FEIR are incorporated into this project, and no new mitigation measures are required. Therefore, the 1994 FEIR for AAA Expansion project is determined to be adequate to serve as the environmental documentation for this project, no further environmental review is required, and that all requirements of CEQA are satisfied.

ALTERNATIVES:

The City Council may give second reading and adopt the Ordinance as proposed, modify the Ordinance, or not adopt the Ordinance. If the City Council wishes to make substantive modifications to the Ordinance at second reading, those changes would first need to be negotiated with the applicant and re-introduced for first reading at a future City Council meeting.

FISCAL REVIEW:

The overall impact to the City from Traffic Impact Fee revenue under the revised calculation from \$228 to \$235 per net trip, if AAA expands to the maximum allotted 250,000-square-foot building, would be an additional one-time estimated increase of \$160,000 in revenue to the Traffic Impact Fees Fund (Fund 214).

LEGAL REVIEW:

The draft Ordinance and staff report have been prepared in conjunction with and reviewed by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to Government Code Section 36933, a summary of the proposed ordinance was published once in the newspaper no less than five days prior to the September 3, 2024, second reading. A summary of the adopted ordinance will also be published in the newspaper within 15 days after adoption.

Public comments received prior to the September 3, 2024, City Council meeting may be viewed at this link:

[CITY OF COSTA MESA - Calendar \(legistar.com\)](https://legistar.com/CITY_OF_COSTA_MESA_Calendar)

CITY COUNCIL GOALS AND PRIORITIES:

This item is administrative in nature.

CONCLUSION:

The proposed amendment does not modify the development plan beyond extending the date of expiration, updating the rate and method of calculating traffic impact fees, and modifying language pertaining to increasing the setback of a future parking structure. The City Council voted in favor of the proposed Development Agreement first amendment in that the extended term would support the retention of a long-term, large and high-quality local employer, allow the City the opportunity to benefit from the remaining traffic impact fees which would be used on road improvement projects, and the development will create additional quality local employment opportunities. Finally, the proposal is in conformance with the City's General Plan.