



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 23-1391

Meeting Date: 12/5/2023

TITLE:

OPEN SPACE EASEMENT DEED AND AGREEMENT (“RAIL TRAIL”) WITH THE PRESS OWNER, LLC

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER (714) 754-5633

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the Open Space Easement Deed and Easement Agreement (“Rail Trail”) between the City of Costa Mesa (City) and The Press Owner, LLC (Press LLC).
2. Authorize the City Manager or designee to execute the Open Space Easement Deed and Easement Agreement and any future authorized amendments to this agreement.

BACKGROUND:

Following the various land use approvals by the City, Anduril Industries moved to its newest headquarters in Costa Mesa, occupying the former site of The Press, which once housed the offices of the Los Angeles Times. The new campus includes a new 200,000 square-foot research and development space, a parking structure, and a substantial remodel of the existing buildings onsite at 1375 Sunflower Avenue, 1376 Sunflower Avenue, and 3370 Harbor Boulevard. The address of the site has been revised to 1400 Anduril and will support nearly 2,500 employees.

The Press Owner, LLC (Press LLC) and The Hive Creative Office, Inc. (Hive), are the current underlying property owners, a portion of which will become the Open Space Easement (“Rail Trail”). Pursuant to conditions of approval imposed as part of the development process, the two owners have agreed to dedicate an easement to the City over a 75-foot wide linear portion of their properties to be restricted as open space and to create a “Rail Trail” to allow the local community to enjoy exercise facilities and provide a Class I bicycle and multi-purpose trail connection between Sunflower Avenue and South Coast Drive.

Both Press LLC and the Hive separately own portions of the 75-foot wide linear open space. Both owners will be entering into a Trail Easement Agreement in which the Hive grants to Press LLC, an irrevocable easement with the rights of ingress, egress, and access onto the Hive’s portion of the open space for the purposes of dedicating the open space Rail Trail to the City. Under this

agreement, Press LLC will be responsible for the maintenance, repair, and use of the open space Rail Trail (Attachment 1).

ANALYSIS:

On August 14, 2017, the Planning Commission approved Preliminary Master Plan and Zoning Application PA-17-03 that allowed for the development of the new Anduril headquarters site at 1375 Sunflower Avenue, 1376 Sunflower Avenue, and 3370 Harbor Boulevard. In August 2021, an amendment to Zoning Application PA-17-03 was approved by the Zoning Administrator, and minor modifications were addressed regarding the open space Rail Trail per the second amendment (PA-17-03 A2).

The proposed project called for the development of 655,000 square feet of office space divided into three (3) phases. One of the conditions of the Master Plan is to improve the 75-foot wide linear open space along the easterly property boundary that once served as a rail spur for the site that was previously occupied by the Los Angeles Times.

This open space Rail Trail includes a pedestrian walkway, Class I bike trail, and open space amenities that are open to the public from Sunflower Avenue to South Coast Drive. This bicycle trail is consistent with the City's Active Transportation Plan.

However, since this open space Rail Trail is along privately owned property, an easement is required for the strip of open space located at the easterly property to be accessible to the public during daytime hours. The attached Open Space Easement Deed and Easement Agreement will enable the City to secure the necessary rights to allow for public use of the Rail Trail. Following approval and execution of the deed and agreement, it will be recorded at the Orange County Clerk-Recorder's office.

Staff is recommending that the City Council approve the Open Space Easement Deed and Easement Agreement to allow for public use of the Rail Trail as contemplated by Attachment 2.

ALTERNATIVES:

The City may elect not to enter into the Open Space Easement Deed and Agreement with Press LLC. Staff does not recommend this alternative, as this would deprive the community of a landscaped Rail Trail and also reduce bicycle mobility within the vicinity. This would also be inconsistent with the recommendation of the Active Transportation Plan.

FISCAL REVIEW:

There is no fiscal impact to the City with the Open Space Easement Deed and Easement Agreement.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report and the Open Space Easement Deed and Easement Agreement and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This agreement works toward achieving the City Council goal to “Strengthen the Public’s Safety and Improve the Quality of Life.”

CONCLUSION:

Staff recommends the City Council:

1. Approve the Open Space Easement Deed and Easement Agreement (“Rail Trail”) between the City of Costa Mesa (City) and The Press Owner, LLC (Press LLC).
2. Authorize the City Manager or designee to execute the Open Space Easement Deed and Easement Agreement and any future authorized amendments to this agreement.