



Agenda Report

Item #: 23-1327

Meeting Date: 8/01/2023

TITLE: GENERAL PLAN SCREENING REQUEST (GPS-23-03) FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON A 14.25 ACRE SITE LOCATED AT 3333 SUSAN AVENUE ("HIVE LIVE")

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, ASSOCIATE PLANNER

CONTACT INFORMATION: CHRIS YEAGER, ASSOCIATE PLANNER, 714-754-4883

RECOMMENDATION:

Staff recommends the City Council provide direction to staff as to whether to process a General Plan Amendment request and other associated entitlements for the development of a 14.25-acre parcel located at 3333 Susan Street with 1,050 residential units, 2,500 square feet of retail space, and 5.05 acres of open space ("Hive Live").

BACKGROUND:

The General Plan Screening (GPS) is the first step to start the process of a General Plan Amendment for the Hive Live project. The subject request would also include a North Costa Mesa Specific Plan (NCMSP) Amendment, Zone Change, a Development Agreement amendment, Master Plan, and a Tentative Parcel Map.

City Council Policy 500-2 establishes a procedure for processing privately-initiated General Plan amendments. This procedure involves a City Council screening of these requests prior to their acceptance for formal processing. The General Plan Screening is not a public hearing but requires a the City Council to direct staff to either proceed with processing of the application or to return materials to the applicant and refund the application fee. If allowed to proceed, the applicant will prepare a full project submittal which will be reviewed by the Planning Commission for a recommendation to the City Council, which is the final review authority.

PROJECT SITE

The project site, located at 3333 Susan Street, is the current location of the "Hive", which is a 172,176-square-foot creative office space campus that was constructed in the early 2000's. The property is bounded by Sunflower Avenue to the north, Susan Street to the east, South Coast Drive to the South, and the Rail Trail and the Anduril headquarters to the west. The site is zoned "Planned Development Industrial" (PDI), has a General Plan Land Use Designation of "Industrial Park", and is located within the NCMSP boundary - Specific Plan Area 1: Home Ranch.

Surrounding developments include the Anduril headquarters to the west, the Ikea home furnishing retail store to the south (across South Coast Drive), industrial office development to the north, and the Automobile Club of Southern California (AAA) parking lot (across Susan Street) and a gated residential community with a mixture of multifamily and single-family dwellings to the east (Providence Park). The site is situated generally in the northwest portion of the City, north of the I-405 Freeway.

The project site is currently developed with three office buildings (totaling approximately 172,000 square feet) and a professional NFL team practice field. The buildings are occupied by the following tenants:

Table 1 – Currently Occupied Suites

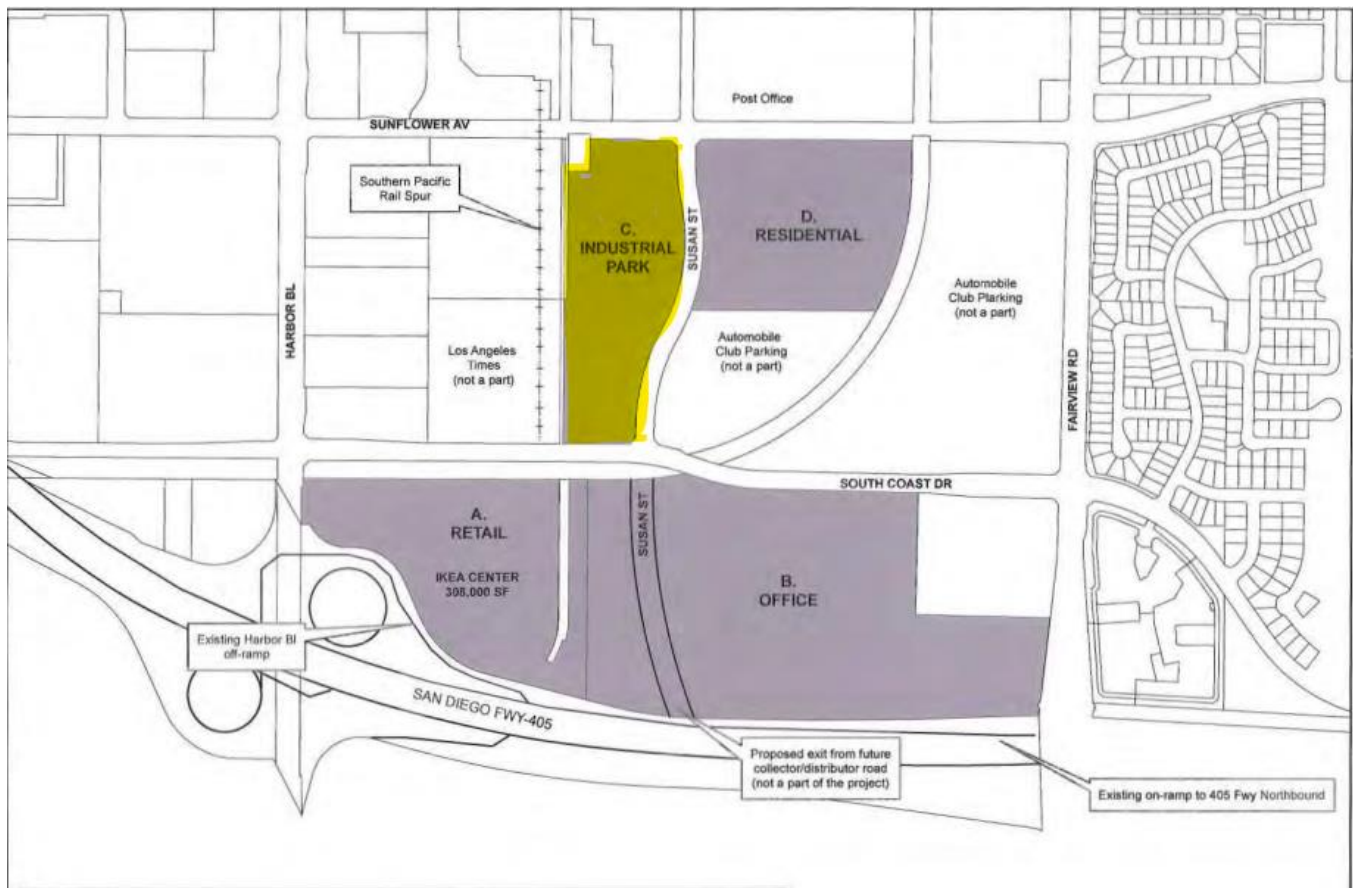
| Tenant | Suite | Size | Lease Expiration |
|--------------------------|-------|---------|------------------|
| 3333 Susan Street | | | |
| Chargers | 100 | 101,325 | 04/30/2028 |
| 3335 Susan Street | | | |
| Chargers | 150 | 1,037 | 04/30/2028 |
| Chargers | 225 | 3,478 | 04/30/2028 |
| Steelwave | 250 | 4,432 | 12/31/2024 |
| Agility Fuel Systems | 100 | 12,072 | 11/30/2025 |
| Lost Bean | Café | 1,500 | 7/31/2027 |
| 3337 Susan Street | | | |
| Lazy Dog | 100 | 13,901 | 05/31/2026 |
| Anduril | 150 | 4,924 | 04/30/2029 |
| TRS Staffing | 175 | 3,327 | 11/30/2024 |
| Casanova Pendrill | 200 | 13,877 | 06/30/2027 |
| Legacy Partners | 250 | 3,500 | 12/31/2028 |

The 2015-2035 General Plan, which was approved in 2016, designates the project site as Industrial Park. The project site is regulated by the North Costa Mesa Specific Plan, and the maximum development potential for this site and surrounding area is limited by various approved development agreements.

The City adopted the 6th Cycle Housing Element on November 15, 2022. The Chargers training field portion of the project site was identified as a candidate housing opportunity site in the 6th Cycle Housing Element. Pursuant to the recently adopted Housing Element, this site was estimated for up to 90 dwelling units per acre.

Image 1, below, shows the location of Specific Plan Area 1, Home Ranch. The location is north of the 405 freeway, generally between Fairview Road and Harbor Boulevard. The highlighted portion of the map, shows the location of the subject site in relation to the rest of the Home Ranch subarea, in purple. Prior to the current development, the land was used for agricultural purposes.

Image 1 – Location of Specific Plan Area 1, Home Ranch



SITE HISTORY

The North Costa Mesa Specific Plan was adopted by City Council in July of 1994. Since its adoption, there have been several amendments to the plan that modified the development potential on the project site, including:

- On November 19, 2001, City Council approved a General Plan Amendment and North Costa Mesa Specific Plan Amendment to designate the subject property as an industrial site within Specific Plan Area 1, Home Ranch. Prior to the 2001 General Plan Amendment, the site was designated as Medium Density Residential;
- On December 3, 2001, City Council approved Development Agreement (DA) DA-00-01 which provided a vested right to carry out and complete the Home Ranch project within all subareas in accordance with the provisions of the NCMSP and Zoning Code. The DA reflected a maximum 0.40 FAR for the subject site and other development standards established in the NCMSP as shown in table 2 below. In addition, the DA included community benefits including circulation improvements in accordance to the General Plan, various site access improvements, intersection improvements, an offramp from the 405 freeway to Susan Street, the preservation of cultural resources, funding educational and athletics programs, and the provision of funding for a new fire station. Ikea was developed in subarea A and Providence

Park was developed in subarea D. Subarea B (office) remains undeveloped and is in agricultural use. Subarea C is the subject site;

- On October 7, 2002, City Council Adopted Resolution No. 02-76, approving Master Plan PA-02-34 for the construction of three buildings at the subject site. (A Master Plan is required for approval of a specific project on property located within the North Costa Mesa Specific Plan). These buildings began construction in 2003 and remain on the property today; and
- In June 2008, the Planning Commission approved an amendment to the Master Plan for a fourth building on the project site. The subject entitlements specifically permitted a new 65,435-square-foot, two story building; however, the project was never constructed.

Table 2, below shows the current development parameters for each district sub area within the Specific Plan Area 1, Home Ranch.

Table 2 – Current Specific Plan Area 1, Home Ranch Development Parameters

| Table 4A- Segerstrom Home Ranch Sub-Areas | | | | | | |
|--|--------------------|--------------------------------------|---|--|---------------------------------|---------------------------------|
| Land Use | Acreage | Floor Area Ratio/ Density | Maximum Units/ Square Footage | Maximum Stories/Height | A.M. Peak Hour Trips | P.M. Peak Hour Trips |
| A. IKEA | 19.27 | 0.37 FAR | 308,000 sf | 2 stories/45 feet | 43 | 431 |
| B. Office and Office-related uses | 43.57 ² | 0.64 FAR | 1,200,000 sf | 2-5 stories/36 - 75 feet See Figure 11b | 1 1,860 | 1 1,788 |
| C. Industrial Park | 14.5 | 0.40 FAR | 252,648 sf | 1-5 stories/45-60 feet See Figure 11b | 376 ³ | 362 ³ |
| D. Medium Density Residential | 16.0 | 12 units/acre | 136 single-family attached units ¹ | 3 stories/ 50 feet | | |
| | | | 56 single-family detached units' Total Maximum: 192 units | 2 stories/27 feet | 102 | 130 |
| TOTAL: | 93.34 | NA | 192 units 1,760,648 sf | | 2,381 | 2,711 |

PROJECT DESCRIPTION

The proposed development ("Hive Live") involves a General Plan Amendment, Zone Change, Specific Plan Amendment, a Development Agreement, Zone Change and a Tentative Parcel Map. The proposed development is comprised of residential uses and a small resident-serving commercial component. The proposed project is anticipated to be constructed and occupied in three phases. The proposed site plan includes the following:

1. **Multi-family residential units:** Three multifamily residential buildings with integrated parking structures with a total of 1,050 rental units:
 - Phase 1: Building 1, 360 units, 5-story, “wrap” style
 - Phase 2: Building 2, 320 units, 5-story, “wrap” style
 - Phase 3: Building 3, 370 units, 5-story, “wrap” style

The proposed site density is 74 dwelling units per acre. The applicant did not provide unit mix, number of bedrooms, or unit square footages; this information will be evaluated at the time of the full application.

2. **Open-space and Recreational Areas:** The project site would include open space and recreational areas for residents. These areas include three pools, multiple pedestrian connections to the rail trail, courtyards, and other amenities such as fire pits, sports courts, and barbeques throughout. Each building has one central open air courtyard and amenity area, with plazas and landscaped paseos between buildings. In total, the project proposes approximately five acres of landscaped open space, including connections to the adjacent “Rail Trail” open space area, which is located between the proposed project site and the Anduril headquarters site. Construction of the Rail Trail open space area is nearing completion, will be accessible to the public, and will have pedestrian connectivity from various points at the project site. In addition, the residential units include private balconies, averaging 50 square feet.
3. **Parking Structure:** Three “wrap” parking structures are proposed with a minimum parking ratio of 1.5 parking spaces per unit (1,575 total parking spaces) and would be built in phases concurrently with the residential component of the project. (Wrap buildings consist of residential units and/or retail “wrapping” around an above-grade parking structure to conceal the parking structure from view.)

The proposed parking areas would not be visible from the public right-of-way or neighboring properties. Each parking garage would contain electric vehicle charging stations as required by the California Building Code.

4. **Retail Component:** An approximate 2,500-square-foot resident-serving retail component is proposed on the ground floor at the corner of South Coast Drive and Susan Street. It is anticipated that the current café on the Hive campus (“The Lost Bean”) would relocate to this tenant space. As currently proposed, there are no other commercial components of the project. The retail space would be constructed as part of Phase 1.

Infrastructure and offsite improvements are not identified in the preliminary application. Staff recommends improvements to adjacent streets, sidewalks, and parkways, including bike amenities and multi-modal improvements appropriate for a high density residential use be incorporated into the full application submittal.

ANALYSIS:**General Plan Land Use Designation**

The 14.25-acre site has a current General Plan land use designation of “Industrial Park” which allows for development of office and industrial uses. The “Industrial Park” land use designation is characterized by large parcels in close proximity to major transportation routes for regional accessibility. The overall City-wide land area dedicated to “Industrial Park” is 630.13 acres (this proposed site accounts for approximately two-percent of the City’s “Industrial Park” land use area).

The proposed project would change the General Plan land use designation from “Industrial Park” to High-Density Residential (HDR) and establish a site-specific density of 74 du/acre. The vision of the project is to create a predominantly residential development that would provide housing near existing employment centers with a small component dedicated to tenant and neighborhood focused retail.

According to the City’s General Plan Land Use Element, areas designated as High-Density Residential are intended for residential development with a density of up to 20 units per acre with some exceptions. These exceptions include “density bonuses” or density as permitted through approved Specific Plans or Master Plans. The General Plan states that “High-Density Residential areas should be located in proximity to transportation routes, especially those served by public transit, and also within convenient distances to shopping and employment centers. Although proximity to transportation routes can result in a residential development being subject to impacts, High-Density Residential development can be less susceptible to impacts when visual and acoustical shielding techniques are incorporated into the project. Viable high-density development is also dependent upon site characteristic compatibility, and should be of appropriate size and dimensions. Complementary commercial uses within this designation may be allowed in planned development projects”.

The site is generally consistent with this description in that it is located on three major streets Susan Street, Sunflower Avenue and South Coast Drive. There are OCTA bus routes 43, 47, 150 nearby on Sunflower Avenue, Fairview Road, and Harbor Boulevard. These routes connect the site to the remainder of the City in both a north-south and east-west direction and to Santa Ana. The closest bus stops are at Fairview Road and South Coast Drive, Fairview Road and Sunflower Avenue, Harbor Boulevard and Sunflower Avenue, and Harbor Boulevard north of South Coast Drive. There also on-street Class 2 bike lanes on South Coast Drive, Susan Street, and Sunflower Avenue. The area north of the 405 generally has a mix of retail, restaurant, shopping and employment opportunities. The project site is surrounded primarily by employment opportunities and is also $\frac{3}{4}$ mile from Sprouts grocery store and Target located south of the 405. Resident serving retail and restaurants exist in the area (IKEA is across the street) but most are generally not within walking distance of the site.

General Plan Policies

The following project applicable General Plan goals and policies should be reviewed and considered by the City Council in the context of the overall project as it considers the proposed General Plan Screening:

Policy LU-5.10: *Building densities/intensities for proposed new development projects shall not exceed the trip budget for applicable land use classifications, as identified in the Land Use Element. Building intensities for proposed new development projects shall not exceed the applicable floor area standards.*

The proposal exceeds the Land Use Element prescribed trip budget for the site (376 AM peak hour trips and 362 PM peak hour trips) by 13 AM peak hour trips and 48 PM peak hour trips and therefore requires a General Plan Amendment. Based on the preliminary trip generation study for the project, there will be a net increase (based on existing uses) of 2,034 average daily trips (ADT), including five (5) additional AM and 47 additional PM peak hour trips. Project entitlement processing will require a comprehensive traffic study and a Vehicle Miles Traveled (VMT) analysis that will evaluate local roadways and intersections and associated project impacts.

The proposed density of 74 du/acre is similar to several past approved and/or constructed projects in the area and in the City as follows:

- 580 Anton – 240 units at **125 du/acre**
- Halcyon House at 595 Anton Blvd. – 393 units at **80.9 du/acre**
- LUX Apartments – 224 units at **54 du/acre**
- The Baker Block – 240 units at **58 du/acre**
- One Metro West – 1,057 units at **80 du/acre**

Policy LU-6.1: *Encourage a mix of land uses that maintain and improve the City's long-term fiscal health.*

The loss of approximately two-percent of the City's industrial land use area may incrementally affect the City's revenue base. Also, an additional 1,050 residential units would require City services and infrastructure, and provide employees and patrons for Costa Mesa employers and businesses. A comprehensive fiscal evaluation will be completed for the full project application upon submittal.

Policy LU-7.1: *Endeavor to create mixture of employment opportunities for all economic levels of residents and businesses.*

In keeping with this policy, the City will need to retain a sustainable level of industrial and commercial land uses to create mixture of employment opportunities for all economic levels of residents and businesses. Although there will be fewer employment opportunities with the residential proposal in comparison with the current industrial park use, considering the State and regional objective to increase housing supply, housing units may be considered a higher local/regional priority at the Council's discretion. In addition, developing housing in proximity to major employment areas such as the area north of the I-405 Freeway would reduce the vehicle miles travelled and contribute to the overall sustainability goals of the region in terms of reducing greenhouse gas emissions.

Policy C-5.1: *Ensure that new development projects are consistent with the vehicular trip budgets, where adopted.*

Based on the preliminary trip generation study of the project, there will be a net increase of 2,034 average daily trips, and an increase of 5 AM and 47 PM peak hour trips compared to the current development to the general area. The proposal is higher than the adopted trip budget for the site by 13 AM peak hour trips and 48 PM peak hour trips and will require a modification to the NCMSP. If accepted for processing, a more comprehensive traffic study will be prepared that will evaluate local intersections and consider potential project traffic impacts including a trip budget analysis.

Policy C-5.11: *Maintain balance between land use and circulation systems by phasing new development to levels that can be accommodated by roadways existing or planned to exist at the time of completion of each phase of the project.*

If accepted for processing, a more comprehensive traffic study will be prepared that will evaluate local intersections and will consider potential project traffic impacts.

Policy C-5.15: *Consider the needs of the transportation and infrastructure system early for large developments and coordinate with developers to design projects that minimize traffic impacts and infrastructure demands, and implement complete streets wherever feasible. Alternatively, address transportation and infrastructure system impact through the implementation of development agreements.*

If accepted for processing, the NCMSP will need to be modified to allow for the proposed land use change and the intensification of the site. The amended specific plan would include modified provisions for roadway and infrastructure that require implementation during various phases of the project. Terms and conditions of the required improvements will/may need to be negotiated through a Development Agreement. The applicant anticipates requesting a Development Agreement to vest entitlements. Infrastructure improvements required for the project and proposed as an additional community benefit would be negotiated at that time.

Policy C-6.12: *Require that every new development project pay its share of costs associated with the mitigation of project generated impacts.*

The project will be subject to development impact fees at the time of implementation of the or as otherwise negotiated through a Development Agreement.

Policy HOU-2.1: *Facilitate the development of housing that meets the needs of all segments of the population including affordable housing and households with specialized needs.*

The project proposes to include 1,050 residential rental units at market rate or as otherwise required by an inclusionary housing ordinance in place at the time of approval or as otherwise negotiated as a "community benefit" as part of the Development Agreement. The project is located near job centers north of the I-405 freeway. The project will be required to meet all building code requirements including the provision of ADA units.

Policy HOU-3.2: *Encourage the development of well-planned and designed residential or mixed-use projects which, through vertical or horizontal integration, provide for the development of compatible residential, commercial, industrial, institutional, or public uses within a single project, neighborhood, or geographic area within the City.*

If accepted for processing, the Zone Change would include modifying site zoning to Planned Development Residential – High Density (PDR-HD) and amending the NCMSP to modify development standards and subarea buildout assumptions. The project would be subject to the development standards of the PDR-HD zone and the development standards established for the Home Ranch sub area in the NCMSP unless modified. As proposed, the project would need to modify the North Costa Mesa Specific Plan standard for height from three to four stories ranging from 45 to 60 feet in height to 5 stories at approximately 75 feet. The project would also add/modify the proposed parking standard minimum to the NCMSP and Master Plan. The design elements as proposed are high quality and internally consistent and complementary to the surrounding area.

Policy HOU-3.4: *Consider the potential impact of new housing opportunities and their impacts on existing residential neighborhoods when reviewing development applications affecting residential properties.*

The project is proposed across Susan Street, approximately 100 feet from a gated residential community known as Providence Park. Built between 2005-2006, the community includes 60 single family dwellings and 83 townhomes. Although the project is not anticipated to negatively impact the Providence Park community, the required project CEQA review will consider in detail potential environmental impacts.

Policy HOU-3.5: *Encourage residential and mixed-use development along transportation routes and major commercial/mixed use corridors.*

If accepted for processing, the project would be located in close proximity to the I-405 freeway. In addition, the north and south boundaries of the project are Sunflower Avenue and South Coast Drive, both of which are identified as Primary Arterials in the Master Plan of Streets Highways (MPSH).

Policy OSR-1.5: *Maximize public space by requiring plazas and public gathering spaces in private developments that can serve multiple uses, including recreation and social needs.*

The project includes approximately five-acres of open space area, including the Rail Trail, that can accommodate public gatherings. Details of potential public gathering spaces that could be held on the open space site would be considered through the project master plan.

Policy OSR-1.18: *Provide a minimum of 4.26 acres of parkland per 1,000 residents.*

The site will not include a dedicated park site and therefore, will be subject to payment of park in lieu fees in the amount of \$5,000 per unit for rental projects and will be subject to Measure Z open space fees.

Policy CD-9.2: *Provide adequate parking, open space and recreational facilities to serve residents in mixed-use development projects. Design parking and other areas to acknowledge different users (residents versus shoppers) and to be compatible with the architectural character of the building(s).*

The parking design details such as separation of the visitor, guest and resident parking would be considered through the project master plan. The project master plan would also include a detailed parking analysis to determine actual parking demand.

Policy CD-9.5: *Promote new types of urban housing that could be target-marketed to people seeking alternative housing choices in proximity to a major commercial area.*

According to the applicant, the project includes design elements intended to appeal to three distinct target populations. In addition, the site is located in proximity to major commercial centers (SOCO, South Coast Plaza, Metro Pointe, South Coast Metro, etc.). The project is also in close proximity to major commercial corridor on Harbor Boulevard.

Policy CD-12.2: *Continue to implement and refine development standards and/or guidelines based on Crime Prevention through Environmental Design (CPTED) principles for new development and redevelopment with emphasis on site and building design to minimize vulnerability to criminal activity.*

If accepted for processing, the applicant would need to work closely with the Police Department regarding site access and security and CPTED compliant design features; at minimum, additional lighting may need to be provided along the connections to the Rail Trail and any other proposed pedestrian pathways or bikeways.

Proposed Parking

As proposed, each building (phase) would be self-contained in terms of parking. The applicant proposes to provide a minimum parking ratio of 1.5 parking spaces per unit. According to the applicant, this ratio of parking is higher than actual demand at a similar housing project in the City (580 Anton). The applicant will conduct a comprehensive parking study during the entitlement process which would also consider the specific unit mix proposed. Parking for any mixed-use portion of the property will also need to be considered in the master plan process.

The following parking ratios have been approved for high-density apartments in the past five years:

- 125 E. Baker - 1.92 per unit,
- 580 Anton - 1.75 per unit
- 2277 Harbor Boulevard - 2.25 per unit
- 595 Anton - 1.8 per unit
- One Metro West – 1.75 per unit

Trip Generation

The NCMSPP assigns a trip budget to Area 1 - Home Ranch. Trip budgets are calculated on a square footage basis for residential and industrial land uses. The Home Ranch sub area of the NCMSPP contains a specific number of trips allocated to the property. Currently, the subject industrial park sub area of Home Ranch allows for 376 AM peak hour trips and 362 PM peak hour trips. The applicant submitted a trip generation study that has been reviewed by the City's Transportation Division. The preliminary estimated project trip generation is 389 AM peak hour trips (13 trips over the adopted trip budget) and 410 PM peak hour trips (48 trips over the adopted trip budget). If accepted for processing, a comprehensive traffic analysis would be prepared and would need to determine if the trip budget would be increased or if the excess trips would be transferred to another location.

Fire and Emergency Access

If the project is accepted for processing, firefighter and apparatus access will be required throughout the project, and the applicant will work with the Fire Marshal to develop an acceptable project safety plan. The projects incremental impact to fire life safety resources will also be evaluated.

Proposed Building Height and Architecture

The southern half of the Industrial subarea of NCMSPP Area 1 - Home Ranch site has a maximum allowable height of four stories (60 feet) and decreases to three stories (45 feet) on the northern portion of the property. The proposal includes three "wrap"-style buildings that range from five-stories (approximate height of 75 feet) along South Coast Drive and decrease to four-stories (approximate height of 60 feet) towards Sunflower Avenue. The NCMSPP would be amended to allow for the proposed height, which that exceeds the NCMSPP maximum height regulations. To ensure neighborhood compatibility, the design massing of Phase 2 and Phase 3 of the project proposes to step-down towards Susan Street to respond to the nearby two to three story residential neighborhood (Providence Park), which is located approximately 100 feet across Susan Street from the subject site.

The following building heights have been approved for multiple-family residential construction in recent years:

Table 3 – Building Heights

| Project Name | Project Address | Approved Building Height |
|------------------------|------------------------|---|
| One Metro West | 1683 Sunflower Avenue | 7 stories (98 feet) |
| 580 Anton | 580 Anton Boulevard | 7 stories (5 levels over podium) |
| Baker Block Apartments | 125 E. Baker Street | 5 stories – apartment building 6 stories – parking structure |
| Halcyon House | 595 Anton Boulevard | 6 stories (66 feet) |
| Vivante | 1640 Monrovia Avenue | 4 stories (56 feet) |

The applicant has provided several exhibits of potential architectural styles that are contemporary and include a variety of offsets, articulation and construction materials to enhance the aesthetic qualities of the buildings. Details of the architectural style, materials, and building facades, along with shade and shadow analysis, would be required and reviewed in detail with the future project application submittal.

Project Phasing

As noted by the applicant, the build out will be phased over time, and subject to market conditions. The first phase would be generally located on the existing Chargers practice field, and the second and third phase would continue northward on the project site. Phasing would be reviewed as part of the Master Plan approval process to ensure that FARs, parking, and construction staging is adequate.

Off-Site Improvements

Off-site improvements include, but are not limited to, upgrades to local streets, sidewalks, water and sewer, drainage, curbs and gutters, street signs, park in lieu fees, utility easements, and landscaping. If accepted for processing, details and phasing of required off-site improvements would be included in the proposed amended Specific Plan.

Rail Trail Access

There is a bike trail along the westerly side of the project on the adjacent property, known as the Rail Trail, which will eventually connect Costa Mesa's and Santa Ana's bicycle infrastructure. The City has a public access easement over the area and the bike trail was recently resurfaced and landscaped as part of the Anduril Headquarters development. Details of the design and modifications to the approximately 30 feet wide by ¼ mile long Rail Trail easement would be considered in conjunction with review of the master plan application.

Community Outreach and Visioning for Key Commercial and Industrial Corridors

On November 8, 2022, voters approved a measure that modified existing City regulations to allow for the development of housing in commercial and industrial areas, while keeping residential neighborhoods intact and revitalizing commercial corridors. This site is within a commercial/industrial corridor covered by the measure. If an application for an entitlement moves forward, staff recommends the applicant proceed with community engagement for the project.

Measure Z

On November 8, 2016, voters approved Measure Z, which established an open space and public park impact fee and revised the name and composition of the Open Space & Recreation Advisory Committee. Since the project is a new development within the Measure Z boundaries, the commercial and office portion would be subject to the potential Measure Z park fee requirement of \$1.50 per square foot or as otherwise adopted by fee schedule. The Measure Z fees would be assessed at the time of issuance of building permit.

California Environmental Quality Act (CEQA)

The project is subject to environmental review pursuant to the California Environmental Quality Act, and therefore, an initial study will be prepared to determine whether the project might result in environmental effects. The proposed project will most likely require preparation of an Environmental Impact Report (EIR). The environmental document would include all CEQA-related analysis including studies related to public services such as police and fire and emergency services. The environmental

document would identify feasible mitigation measures (e.g., noise reducing and air quality measures for residential units) to reduce any significant environmental impacts of the project. Additional technical studies are required and would include infrastructure studies, Phase 1 hazardous materials study, noise study, air quality study, Vehicle Miles Traveled/traffic study and a water supply study.

ALTERNATIVES:

City Council may take one of the following actions:

1. Direct staff to proceed with the General Plan Amendment.
2. Direct staff not to proceed with the General Plan Amendment.
3. Continue the item to a date certain to request additional information.

FISCAL REVIEW:

Through the 2015-2035 General Plan update, the City prepared a fiscal model based on adopted land uses. Industrial uses were assumed on the project site for fiscal analysis purposes; this included a variety of assumptions such as property tax, sales tax, franchise tax, etc.

Potential fiscal benefits of the proposal include:

- Additional sales tax revenue generated by the small retail establishment;
- Additional property tax revenue generated from the new uses;
- Additional City of Costa Mesa fees for public improvements in the City;
- Generation of temporary construction jobs; and
- Generation of additional long-term employment opportunities related to management and maintenance of 1,050 new apartment units.

If the City Council directs staff to proceed with the project, a comprehensive project-specific fiscal analysis would be completed and would include an identification of both positive and negative fiscal impacts.

LEGAL REVIEW:

The City Attorney has reviewed this report and has approved it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Diversify, stabilize and increase housing to reflect community needs.

CONCLUSION:

The General Plan Screening is a preliminary requirement necessary to continue processing an application for the proposed land use change and associated development. Staff recommends that the City Council provide direction to staff as to whether to process a General Plan Amendment request and other associated entitlements for the development of a 14.25-acre parcel located at 3333 Susan Street with 1,050 residential units, 2,500 square feet of retail space, and 5.05 acres of open space ("Hive Live").

If the Council allows the project to proceed to an entitlement application, submittal of applications for a General Plan Amendment, Specific Plan Amendment, Zone Change, Development Agreement, Master Plan and Tentative Map would be required. Entitlement processing would include a comprehensive environmental review process and technical studies including infrastructure studies, Phase 1 hazardous materials study, noise study, water supply study, and a fiscal analysis.