



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 21-553

Meeting Date: 2/28/2022

TITLE:

PLANNING APPLICATION 21-13 IS A REQUEST FOR A CONDITIONAL USE PERMIT TO ALLOW FOR A PHARMACEUTICAL MANUFACTURING USE LOCATED AT 3030 AIRWAY AVENUE

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES
DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, ASSOCIATE PLANNER

CONTACT INFORMATION: CHRIS YEAGER, 714.754.4883;
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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; and
2. Approve Planning Application 21-13, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

Etienne Runge is the authorized agent for the applicant, 3030 Airway Owner LLC.

BACKGROUND:

The property is zoned Industrial Park (MP) and has a General Plan land use designation of Industrial Park. The subject property is located on the east side of Airway Avenue between Kalmus Drive and Fischer Avenue. John Wayne Airport is located directly to the rear (east) of the property. The site contains an existing 77,100-square-foot industrial building, of which 51,000 square feet is proposed to be used for pharmaceutical manufacturing. The remainder of the space is occupied by a manufacturer of bath and spa parts. Two vehicle access driveways to the existing parking lot are provided to the site.

The previous use of the facility was a garment distribution and storage facility for a surf sportswear company (Rip Curl). The property to the north is a luxury auto storage facility and the property to the south is a multi-tenant building containing various airport service businesses.

The subject site is over 2,000 feet from the nearest residential development, the Baker Block. The City's homeless shelter is located over a half mile from the site at 3175 Airway Drive.

DESCRIPTION:

Planning Application 21-13 is a request for a Conditional Use Permit (CUP) to allow for a pharmaceutical manufacturing use within the MP (Industrial Park) zone. The project proposes a major tenant improvement to establish offices and laboratories (19,000 square feet), manufacturing (21,300 square feet), and warehousing uses (10,700 square feet). Exterior improvements include the removal and decommissioning of rooftop equipment, construction of a central utility plant, installation of an underground waste neutralization system, installation of an emergency generator, switchboards, compressed air systems, bulk tanks, transformer, modification of parking, and the installation of additional landscaping. The facility would be operated by Avid Biosciences, is proposed to operate 24 hours a day, and is projected to employ approximately 50 people over the next five years.

Pursuant to the Costa Mesa Municipal Code (CMMC) land use matrix section 13-30, the manufacturing of pharmaceuticals requires a CUP in the MP zone in order to operate.

ANALYSIS:

Proposed Use

According to Avid Biosciences, the company is a contract development and manufacturing organization focused on development and manufacturing of biopharmaceutical products derived from mammalian cell culture. The biopharmaceutical company is currently headquartered in Tustin and is expanding due to an increase in demand. The subject site will act as an additional biotechnology facility which will focus on gene therapy manufacturing.

Overall, the facility will operate similar to other light industrial manufacturing uses in the area. The facility is subject to regulatory controls and approvals including local, State, US Food and Drug Administration (FDA), and European Medicines Agency (EMA). Various inspections from regulators and clients will occur on-site to ensure compliance with best practices and regulations.

Development Services staff have coordinated with City's Fire Marshal to ensure that the proposed use conforms to the Fire Code in regard to the use and storage of chemicals and any necessary emergency response plan. In the event that Avid Biosciences needs to dispose of hazardous material, they have a contract with ACT enviro - a professional California licensed chemical disposal company - to remove and properly dispose of the waste. A detailed hazardous material plan has been provided by the applicant and is provided as Attachment 3. Odors and noise are not anticipated for this type of light manufacturing uses. Condition of approval (COA) No. 10 has been added to ensure that any odors (if generated) are not detectable outside of the subject property. In addition, on-site equipment would be subject to compliance with the City's noise ordinance.

According to the applicant, the largest quantity of waste generated on site will be disposed of to the sanitary sewer. Therefore, the applicant is proposing to install a waste neutralization system to ensure production drainage to the sanitary sewer will be maintained within permitted specifications, as determined by the Orange County Sanitation District (OCSD). The applicant is currently in discussion with OCSD and Costa Mesa Sanitation District regarding sewer disposal. COA No. 11 requires that the applicant coordinate with the sanitary district, comply with discharge requirements and regulations, and obtain a wastewater discharge permit if required prior to issuance of building permits.

Shipping and receiving is proposed to occur at the rear of the property at the existing loading dock, directly adjacent to John Wayne Airport and is anticipated to occur approximately three times per week. No distribution vehicles are proposed to be stored on-site while not in use. The loading location at the rear of the building in proximity to the airport is appropriate and will minimize operational noise from the site.

Site Design and Landscaping

Overall, the project does not propose any major exterior modifications. The project proposes to decommission and remove the majority of the roof top mechanical equipment and to construct a new central utility plant at the south east corner of the property (on grade). In addition, the applicant proposes to install an emergency generator and an underground waste neutralization system on the south side of the building. COA No. 12, requires that the applicant work with staff to determine the final design of the central utility plant, emergency generator, and waste neutralization system to ensure that all equipment be completely screened and screening is compatible with the Costa Mesa Municipal Code (CMMC) and the existing building architecture.

In order to allow for the above mentioned modifications, the project proposes to modify the number of parking spaces on site. For industrial uses, the CMMC Section 13-89 requires a “sliding scale” parking requirement and specifies three parking spaces shall be provided per 1,000 square feet of gross floor area for the first 25,000 square feet of building; two parking spaces shall be provided per 1,000 square feet of gross floor area between 25,000 and 50,000 square feet of building; and one and one-half parking spaces shall be provided per 1,000 square feet of gross floor area over 50,001 square feet of building. Therefore, based on the building square footage of 78,700 square feet, the property requires 131 parking spaces. The proposed site plan includes 151 parking spaces to be provided on-site and therefore has a surplus of 20 parking spaces.

Table 1 - Parking Summary	
Existing Parking Stalls	161 spaces
Proposed Parking Stalls	151 spaces
Required Parking Stalls	131 spaces

The applicant has provided a preliminary landscape plan. The existing property features a front landscape setback, which is entirely sod, as well as various other landscape areas throughout the property. The applicants have proposed to screen the existing backflow preventer in the front landscape setback with a hedging shrub. In addition, four trees are proposed to be planted in the front landscape setback. COA No. 6 requires that prior to building permit issuance, a final landscape plan shall be approved by Planning Staff and should include species, size of the new landscaping materials and the requirement that any landscaping used for screening is properly irrigated and maintained. Additional landscaping will bring the site into closer conformance to City landscape requirements and improve the site compared to existing conditions.

Tenant Improvement

As part of the project, the applicant is proposing a phased tenant improvement. Phase 1 includes the construction of offices and laboratories located toward the front of the building, including the

development of a large open office area surrounded by private offices, file storage, conference/breakout-rooms, restrooms and administrative services. An analytical development quality control area is also proposed in Phase 1.

Phase 2 includes the construction of the manufacturing and warehousing areas including additional labs, preparation areas, storage areas, shipping/receiving areas, and a new main electrical room.

Each phase will include the installation of equipment and set-up for the use of chemicals for pharmaceutical purposes. As part of the plan check process, a detailed equipment and chemical list will be reviewed to ensure compliance with all building and fire codes, consistent with the hazardous materials plan provided as part of the application.

Security

The facility is proposed to be secured with on-site camera surveillance systems, entry intrusion detection, and alarms that will be monitored by an outside security monitoring company. All exterior doors and some interior areas are proposed to be maintained with entry access controls and some finished products such as cell and gene therapy curative medicines will be stored in a fully secured, access controlled, alarmed, limited access dedicated freezer.

GENERAL PLAN CONFORMANCE:

The property has a General Plan designation of Industrial Park. Under the General Plan designation, industrial uses are allowed. As a result, the proposed pharmaceutical manufacturing use conforms to the City's General Plan. The following evaluates the proposed project's consistency with the most relevant goals, objectives, and policies of the General Plan.

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 site is in an industrial area of the City which has a diverse mix of industrial uses. The pharmaceutical manufacturing use is compatible with the surrounding neighborhood and the General Plan land use designation, zoning, and surrounding uses. The use is over 2,000 feet from the nearest residential property and will provide employment opportunities for approximately 50 people.

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: The project will redevelop a vacant industrial suite and will provide space for a pharmaceutical manufacturing facility which will provide high-tech jobs in Costa Mesa. The use, as conditioned, will not negatively affect the surrounding area.

JUSTIFICATIONS FOR APPROVAL:

Pursuant to CMMC Section 13-29 (g)(2), CUP Findings, in order to approve the project, the Planning

Commission shall find that the evidence presented in the administrative record substantially meets specified findings. Staff recommends approval of the proposed project, based on an assessment of facts and findings which are also reflected in the draft Resolution.

- 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.

As conditioned, the proposed project will be compatible with uses that exist within the general area in that it is an industrial project in a predominantly developed industrial sector of the City. The proposed site improvements and landscaping will improve and enhance the appearance of the property from Airway Avenue and the tenant improvements will enhance the existing industrial building. The project is over 2,000 feet from the nearest residences and, therefore, would have no effect on residential properties.

- Granting the 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 development will be required to comply with all applicable California Building and Fire Code requirements to ensure the project is not materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood. The use will be subject to State, Federal, and other applicable regulations. As conditioned, the industrial use is compatible with other similar uses in the area and will not negatively affect the welfare of surrounding industrial properties.

- Granting the 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 project site is zoned MP (Industrial Park) and has a General Plan Designation of Industrial Park. The project does not propose to expand the existing facility and complies with the intent of the Zoning Code as it pertains to building height, setbacks, parking, and overall Project Floor Area Ratio and will not allow a use which is not compatible with the General Plan. The project will bring the property into closer conformance with the City Landscaping Code.

ENVIRONMENTAL DETERMINATION:

The project is exempt from the provisions of the California Environmental Quality Act under section 15301 (Class 1) Existing Facilities. The exemption applies to the operation, repair, maintenance, permitting, or minor alteration of existing private structures, facilities, mechanical equipment involving negligible or no expansion of the use.

ALTERNATIVES:

The Planning Commission has the following alternatives:

1. Approve the project: The Planning Commission may approve the project as proposed, subject to the conditions outlined in the attached Resolution.

2. Approve the project 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 for additional information or analysis. In the event of significant modifications to the proposal, staff will return with a revised resolution incorporating new findings and/or conditions.
3. Deny the project: If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application and provide facts in support of denial to be included in 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 Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, 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. 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.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

As of this report, no written public comments have been received. Any public comments received prior to the February 28, 2022 Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed CUP is consistent with the City's Zoning Code and General Plan and, as conditioned, would not have a detrimental impact to surrounding properties or the general neighborhood. The proposed pharmaceutical manufacturing use will provide a job center for high-tech manufacturing jobs and will add a biotech and pharmaceutical manufacturing company to the City. Staff recommends that the Planning Commission approve the project, subject to the conditions of approval.