



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 23-1232

**Meeting Date:** 7/18/2023

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**TITLE:**

**REVIEW OF PLANNING COMMISSION APPROVAL CONDITIONS FOR THE NORTHGATE MARKET AT 2300 HARBOR BOULEVARD (UNIT C)**

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

**PRESENTED BY:** JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES

**CONTACT INFORMATION:** JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES, (714) 754-5270

**RECOMMENDATION:**

Staff recommends the City Council:

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) for Existing Facilities; and Section 15303 (Class 3), New Construction or Conversion of Small Structures.
2. Review and consider the May 15, 2023 Application for Review and the May 8, 2023 Planning Commission staff report, final resolution, and meeting minutes.
3. Uphold the Planning Commission's approval as written or modify conditions of approval to allow for televisions on the outdoor patio located near Wilson Street, and modified hours of operation to allow the proposed outdoor dining areas to be open for breakfast.

**APPLICANT OR AUTHORIZED AGENT:**

The authorized agent is Le Architecture (representing Northgate Market), and the applicant is Harbor Center Partners.

**BACKGROUND:**

- On May 10, 1999, the Planning Commission approved the redevelopment of the Harbor Center (Master Plan PA-98-50), which included the demolition of a 250,000-square-foot multi-tenant retail center and construction of a new shopping center with approximately 320,000 square feet of commercial floor area. Included with the approval was the requirement for noise conditions to minimize commercial noise affecting the adjacent residential properties.

- The subject Harbor Center tenant space (Unit C) was previously occupied by the Albertsons grocery store which ceased operation in February 2020. Unit C is located near the intersection of Wilson Street and Harbor Boulevard and is situated between Wells Fargo Bank and the TJ Maxx/Homegoods retail stores.
- In January 2023, Northgate submitted an application to occupy the vacant grocery store space (Unit C). The application included:
  - A Major Amendment to previously-approved Master Plan PA-23-03 (PA-98-50 A3) for a reduction of required off-street parking and to modify operational characteristics;
  - Conditional Use Permit PA-23-02 to allow live entertainment within 200 feet of residentially zoned property;
  - Minor Conditional Use Permit ZA-23-01 to allow outdoor dining patios; and
  - A Public Convenience or Necessity determination for alcohol beverage control license Types 21 and 47.
- On May 8, 2023, the Planning Commission approved the project, subject to conditions of approval, on a 5-0 vote (Commissioner Taber was absent and Commissioner Andrade was required to recuse herself due to owning property within close proximity).

The following public comments were considered by the Planning Commission:

- The property owner of Gray Plaza commented on the proposed outdoor dining area and entertainment impacting the Gray Plaza (a shopping center located across Wilson Street at 2200 Harbor Boulevard). Specific concerns included litter, noise, supervision of customers drinking alcohol, off-site parking, removal of parking spaces, and persons loitering;
- A resident of College Park commented on potential noise from the outdoor patio, impacts to Wilson Park from the service of alcohol for on-site consumption, and noise from commercial deliveries;
- A resident of Costa Mesa commented indicating support for the proposed Market and the ancillary service of food. He also supported televisions on the patio;
- A resident of Costa Mesa commented that there should be no parking requirements for the Market, and that the potential noise is not problematic;
- A resident of Costa Mesa commented about the potential impacts to adjacent neighbors from outdoor patio noise;
- A resident of Costa Mesa emailed comments regarding potential outdoor patio noise; and
- A resident of Costa Mesa emailed comments regarding potential outdoor patio noise, alcohol service and live entertainment.

### **ANALYSIS:**

The applicant is proposing to introduce a flagship Northgate Market at the tenant space previously occupied by “Albertsons Grocery” at 2300 Harbor Boulevard (Unit C). The proposed renovation and

occupancy of the space is intended to provide an experiential retail food market that includes the sale of fresh produce, meats, and groceries. The Market also proposes customer dining that includes a restaurant space, and the purchase of food and beverages “a la carte” style from various Market kiosks, to be consumed onsite at open tables provided in both indoor and new outdoor dining patios. Alcoholic beverages are proposed to be sold at the Market for both on-site and off-site consumption. Lastly, the Market is also proposing a 149-square-foot stage located within the market to offer occasional live entertainment.

A detailed description of the proposed use and the required permits are provided in the May 8, 2023 Planning Commission staff report and attachments, linked below:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6198547&GUID=F784A360-6693-40DC-9BA1-5B0046308694>

During the May 8, 2023 public hearing, the Planning Commissioners generally supported the application; however, they expressed concerns regarding potential noise resulting from the outdoor patio proposed near Wilson Street, considering its proximity to the adjacent residences. As a result, the Commission directed staff to modify and/or add project conditions of approval in regard to noise monitoring, hours of live entertainment and restricting televisions on the Wilson Street outdoor patio. These changes were reflected in Conditions 43 through 46, shown below.

The final Resolution reflecting the May 8, 2023 Planning Commission action, including the modified and added conditions of approval, is provided as Attachment 4 to the report. The meeting minutes from the May 8, 2023 Planning Commission meeting are provided as Attachment 5. The May 8, 2023 Planning Commission meeting video is linked below:

[https://costamesa.granicus.com/player/clip/3987?view\\_id=14&redirect=true&h=e37121f156f36a68633126cb7823bcf8](https://costamesa.granicus.com/player/clip/3987?view_id=14&redirect=true&h=e37121f156f36a68633126cb7823bcf8)

### Call for Review

On May 15, 2023, Mayor Stephens submitted an application to call up for review the Planning Commission action, which is provided as Attachment 2 to the report. The purpose of the call for review was for the City Council to:

- 1) Reconsider the proposed outdoor dining area hours of operation, and specifically, whether to allow for the outdoor patio (located near Wilson Street) to be open for breakfast (outdoor dining patio hours are currently restricted by Condition of Approval No. 5 to 11 AM to 11 PM); and
- 2) Reconsider the condition restricting the use of televisions in the outdoor patio area proposed near Wilson Street (currently restricted by Condition of Approval No. 44).

For reference, the aforementioned conditions and the Planning Commission’s modified or added conditions are provided below:

- Condition of Approval No. 5

The hours of operation of the outdoor patio areas shall be limited to Monday - Sunday 11 AM to

11 PM with a last call for food and beverages at 10:30 PM.

- Condition of Approval No. 43 (modified)

Public Address (PA) systems are prohibited in any outdoor patio area. Operations must comply with the security plan provided to the police department for review. All doors, except for the main entrance to the grocery store, must remain closed while live entertainment is conducted within the market. All emergency doors are to remain closed at all times and only used during emergencies.

- Condition of Approval No. 44 (added)

There shall be no TVs on the outside patio along Wilson Street.

- Condition of Approval No. 45 (added)

Noise monitoring data shall be kept digitally, and stored for six months and available to the City upon request.

- Condition of Approval No. 46 (added)

All music and entertainment (amplified and non-amplified) shall cease Friday and Saturday at or before 10 PM and Sunday through Thursday at or before 9 PM.

### **ENVIRONMENTAL DETERMINATION:**

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), for Existing Facilities and Section 15303 (Class 3), New Construction or Conversion of Small Structures.

### **ALTERNATIVES:**

The City Council may take any of the following actions:

- Uphold the decision of the Planning Commission approving Planning Application 23-02 & 23-03, ZA-23-01, and Public Convenience or Necessity Determination for Alcohol Beverage Control License Type 21 and 47, subject to conditions of approval as written;
- Approve Planning Application 23-02 & 23-03, ZA-23-01, and Public Convenience or Necessity Determination for Alcohol Beverage Control License Type 21 and 47, subject to modified conditions of approval; or
- Overturn the Planning Commission's decision and deny Planning Application 23-02 & 23-03, ZA-23-01, and Public Convenience or Necessity Determination for Alcohol Beverage Control License Type 21 and 47.

**FISCAL REVIEW:**

There are no fiscal impacts with this agenda item.

**LEGAL REVIEW:**

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

**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. (See attached Notification Radius Map.)
- 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.

This item was originally noticed for the June 6, 2023 City Council meeting but was not heard. The item was re-noticed for the July 18, 2023 City Council meeting. Comments received are provided as Attachment 6 to this report. Any additional public comments received prior to the July 18, 2023 City Council meeting will be provided separately.

Written public comments considered by the Planning Commission are provided as Attachment 3.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item is administrative in nature.

**CONCLUSION:**

The subject application review is intended to provide the City Council with the opportunity to review the Planning Commission's approval of the Northgate Market application (subject to conditions of approval), and specifically to consider conditions of approval relating to televisions on the outdoor dining patio located near Wilson Street, and whether to allow outdoor dining patio areas to be open for breakfast.