



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: October 23, 2023

ITEM NUMBER: PH-2

SUBJECT: PLANNING APPLICATION 23-12 AND TENTATIVE PARCEL MAP 2023-167 FOR A CONVERSION OF AN EXISTING BUILDING AT 200 EAST BAKER STREET INTO A NON-RESIDENTIAL COMMON INTEREST DEVELOPMENT AND TO ALLOW A FOOD AND BEVERAGE USE IN THE MP (INDUSTRIAL PARK) ZONE

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

PRESENTATION BY: CHRIS YEAGER, ASSOCIATE PLANNER

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RECOMMENDATION

Staff recommends 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 15315 (Class 15), Minor Land Divisions; and
2. Approve Planning Application 23-12 and Tentative Parcel Map 2023-167, subject to conditions.

APPLICANT OR AUTHORIZED AGENT

Timothy Cottage is representing property owner, Project 200, LLC.

PLANNING APPLICATION SUMMARY

Location:	200 East Baker Street	Application Numbers:	PA-23-12 and PM-2023-167
Request:	Planning Application to allow the conversion of an existing building into a 11-unit non-residential common interest development with a tentative parcel map to facilitate the conversion. The application also includes a request for a minor conditional use permit to operate a food and beverage establishment in the MP (Industrial Park) zone.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	MP (Industrial Park)	North:	MP (Industrial Park)
General Plan:	Industrial Park	South:	Across Baker Street, MP (Industrial Park) and PDR-HD (Planned Development Residential, High Density)
Lot Dimensions:	220 FT x 425 FT	East:	MP (Industrial Park)
Lot Area:	93,441 SF	West:	MP (Industrial Park)
Existing Development:	Existing single tenant 38,179-square-foot office building with 147 surface parking spaces.		

DEVELOPMENT STANDARDS COMPARISON

Development Standard	Required/Allowed MP Dev. Standard	Proposed/Provided
Building Height	3 Stories / 45 ft	2 Stories /
Setbacks:		
Front	20 ft.	Building - 95 FT 7 IN Landscaping - 22 FT 1 IN
Side (left/ right)	10 ft. / 10 ft.	58 FT 10 IN / 17 FT 3 IN
Rear	0 ft.	166 FT 10 IN
Landscape Setback – front	20 ft.	21 ft
Parking	117	146
Standard	106	90 ¹
Small Car	11	56 ¹
Bicycle Rack	N/A	1
Floor area ratio (FAR)	.30	0.40
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)	
Final Action	Planning Commission	

¹A deviation is requested to keep existing non-conforming parking. Additional discussion is below.

BACKGROUND:

Project Site/Environs

The project site is located on the north side of Baker Street between Pullman Street and Red Hill Avenue. The property is accessible via one vehicular entrance located on Baker Street. Access to the property is provided through a shared access agreement with 250 Baker Street. The site consists of one parcel totaling 2.14 acres (93,441 square feet) in size. The property is zoned MP (Industrial Park) and has a General Plan Land Use Designation of Industrial Park. The zoning district is intended for large, concentrated industrial areas where the aim of development is to create a spacious environment in a park-like setting. The property is surrounded by similar MP-zoned properties on all sides and the Baker Block Apartments are located across Baker Street and are zoned Planned Development Residential – High Density.

The site contains an existing office building that was constructed in the mid-1980s as a research and development building. The development was approved through Development Review 84-27. The building was most recently occupied by a single tenant. There are no current code enforcement cases on the property.

DESCRIPTION:

The applicant is requesting a Conditional Use Permit (CUP) for the conversion of an existing two-story, 39,457-square-foot single-owner office building into 11 non-residential condominium units on one lot with ancillary common spaces. With the conversion, the 11 units could be sold independently and be privately owned. Proposed ancillary spaces such as interior common areas, café, parking lot, and landscaping would be under common ownership. The proposed conversion would result in units ranging in size from 1,661 to 8,380 square feet. As proposed, the operation of the facility would remain substantially unchanged and future uses are subject to complying with the City's Land Use Matrix. A parcel map is proposed to facilitate the non-residential condominium project and is required to be recorded prior to the sale of the industrial condominium units. The project is also requesting a Minor Conditional Use Permit (MCUP) to permit a 1,031-square-foot food and beverage establishment with a 553-square-foot outdoor dining patio located at the front of the building.

ANALYSIS:

Non-residential common interest development standards and requirements

Costa Mesa Municipal Code (CMMC) Sections 13-54.50 through 13-54-53 establishes the requirements for non-residential common interest developments. Pursuant to the CMMC, all conversion of previously occupied non-residential development to common interest development are subject to the conversion standards and are processed through a Conditional Use Permit. In addition, all non-residential common interest conversions

require the approval of a parcel or tract map as required by the California Subdivision Map Act.

The CMMC requires the submittal of various organizational documents and reports to verify that the property, once divided into individual interests, will have a plan for the permanent care and maintenance of open spaces, parking areas, and common facilities. In response, the applicant has provided a draft Covenants, Conditions, and Restrictions (CC&Rs) document as part of the application. Condition of approval (COA) No. 6, requires that the final CC&Rs shall be reviewed and approved by the City Attorney's Office for compliance with all conditions and the CMMC prior to sale of any unit.

In addition, pursuant to CMMC Section 13-54.53(d), building and site inspection reports are required to be submitted with the application materials for the project. The reports are required to ensure that the buildings being converted are compliant with current codes and free of hazards for future industrial condominium owners. The applicant has provided a structural report, pest report, asbestos report, mold report, mechanical equipment report, electrical report, plumbing report, and a roof report which indicate either that the building components are adequate, or outline repairs that are necessary or recommended. Copies of the reports are included as Attachment 8. All improvements cited in the reports, whether required or voluntary, are conditioned to be implemented prior to recordation of the Parcel Map. Required improvements include:

- **Structural Report:** Roof drains to be cleared of debris.
- **Pest Report:** Further inspection required above ceiling tiles as it is currently inaccessible due to heavy insulation. A Supplemental Inspection report will be made available to the Planning division prior to issuance of permits and any recommendations will be incorporated into building permits.
- **Mechanical Report:** All thermostats shall be replaced with programmable thermostats. A new modernized HVAC system shall be installed.
- **Electrical Report:** All electrical panels shall maintain a minimum three-foot clearance. The path of egress shall be clearly marked and additional "bug eye" light fixtures shall be installed to meet minimum code requirements. Occupancy sensors and photocell sensors shall be installed to comply with Title 24 interior lighting standards. All fluorescent lamp fixtures and non-operating fixtures shall be replaced with LED light fixtures.
- **Plumbing Report:** A new sewer clean-out shall be installed to reconfigure the sewer lateral to allow for adequate cleaning and observation.
- **Roof Report:** The existing roof membrane shall be replaced or a restoration coating shall be applied to watertight the existing roof.
- **Asbestos Report:** Prior to renovation, a comprehensive asbestos inspection shall be conducted to ensure that there is no asbestos materials present.

In addition to the required reports, common interest conversion projects require inspections for building code and fire code violations. All identified violations are required to be updated as part of the project. The City's Chief Building Inspector and Fire Marshall inspected the facility and have provided memos of compliance. The memorandums are

attached to the report. As noted in the memos, the project will include substantial renovations and after renovations, the building will comply with all building and fire code requirements.

Site Layout and Operations

As proposed, the use and operation of the facility would remain generally unchanged as compared to what is currently permitted/existing on the site. The building will be updated to meet current building and fire codes and exterior modifications include updates to the exterior facade, additional landscaping, the installation of EV charging stations, and the construction of a new dining patio at the front of the building for the proposed eating and drinking establishment. Additional upgrades are proposed to bring common bathrooms into compliance with current codes and as mentioned above, all recommendations from the required reports shall be incorporated into building permit submittals, and completed before recordation of the Parcel Map.

Zoning Code Compliance

Costa Mesa Municipal Code (CMMC) Section 13-54.53(g)(3) indicates that with the exception of building intensity (floor area ratio) standards, the project shall comply with all requirements of this Zoning Code (CMMC, Title 13), including but not limited to building setbacks, distance between buildings, parking, open space, and landscaping requirements. The final review authority may approve a deviation from a Zoning Code standard in conjunction with the review of the conversion request, in conformance with the findings in Section 13-29(g)(10). The proposed project meets all development standards with the exception of the floor area ratios (FAR) standard and the parking space development standards.

Floor Area Ratio

The existing Floor Area Ratio (FAR) is .40 FAR (38,179.6 square feet) and is not proposed to change. The maximum FAR allowed for a property with an Industrial Park General Plan land use designation proposing moderate traffic-generating industrial uses is .30 FAR. No building additions have occurred since the original project approval in 1984. The existing building complies with front and side building setback requirements and the height of the existing structure is below the maximum allowed.

Parking

Pursuant to Zoning Administrator Determination No. 08-4, office uses in the MP Industrial Zoning District shall comply with the parking requirements established for “industrial use” as indicated in CMMC-Table 13-89. Pursuant to Table 13-89, an “industrial use” shall be parked at three parking spaces per 1,000 square feet of gross floor area for the first 25,000 square feet of building floor area; two parking spaces per 1,000 square feet of gross floor area between 25,000 and 50,000 square feet; and one and one-half parking spaces shall be provided per 1,000 square-feet for the building floor area exceeding 50,001 square feet. In addition, Table 13-89 also requires that food or beverages

establishments with more than 300 square feet of public area shall be parked at 10 spaces per 1,000 square feet for the first 3,000 square feet.

The existing site development consists of a 37,872-square-foot office building. The applicant is proposing to convert 1,031 square feet of the office area to restaurant and add an additional 553-square-foot outdoor dining patio. The following Table 1 summarizes the proposed project parking demand pursuant to the CMMC:

Table 1. Parking Demand

	Area	Zoning Requirement	10% Small Car Parking Allowed
Office and Ancillary Areas	37,872 SF	100.7 spaces	10 spaces
Restaurant (including Outdoor Seating)	1,584 SF	15.8 spaces	1.5 spaces
Total:	39,456 SF	117 spaces	11 spaces (minimum of 106 standard spaces)

The property is currently developed with 147 parking stalls consisting of 91 standard parking spaces and 56 small car parking spaces. The current project proposes a total of 146 parking stalls including one bike rack (56 small car parking spaces and 90 standard sized parking spaces). Pursuant to CMMC Section 13-94 (b), a nonresidential project with greater than 25 parking spaces may have a maximum of 10 percent of the required parking to be designated as small car spaces. Pursuant to the CMMC, the project requires 117 total parking spaces and is eligible for a maximum of 11 small car parking space (10% of 117 total parking spaces). The project requires 106 standard sized parking spaces and, therefore, the project is deficient 16 standard sized parking spaces.

Pursuant to CMMC Section 13-29(G)(10)(e), a proposed common interest development conversion project is required to conform to the Costa Mesa Zoning Code requirements (including the City's parking standards). However, CMMC Section 13-29(G)(10)(f) allows the Planning Commission to consider making a finding to deviate from Zoning Code requirements if:

“For a proposed common interest development conversion project that does not conform to the zoning code requirements, the project due to its proportions and scale, design elements, and relationship to the surrounding neighborhood, is of continued value to the community and it contributes to defining and improving the community as a whole. Deviations from zoning code requirements are acceptable because it would be impracticable or physically impossible without compromising the integrity of the overall project to implement features that could result in conformance with current code requirements”.

Since the applicant is requesting to not provide the CMMC required number of standard parking spaces (106 standard parking spaces), staff has considered the project based

on the above finding. Staff has analyzed the site development and parking space configuration and does not believe a deviation from the required parking spaces can be supported based on the above common interest development finding. As shown on the site plan, more than 50 percent of the site is developed with parking and therefore it would not be “impracticable” or “physically impossible” to reconfigure the abundant parking area in compliance with the CMMC. Further, the applicant has prepared previous analysis that indicates that if the parking lot were to be reconfigured including modifying parking lot landscape areas and re-striping, the project could result in a conforming parking lot with 133 parking spaces, which still exceeds the 117 parking spaces required for the project. Therefore, staff has included Condition of Approval No. 13, which requires that, prior to recordation of the Parcel Map, the parking lot be reconfigured to meet current City parking standards.

Food and Beverage Establishments

The project proposes to include a café which will serve as an amenity to the non-residential condominiums, and will be utilized for catering, a wine of the month program, office gatherings, and general café usage. Future café tenants will be subject to approval from the condominium association. The proposed food and beverage establishment is located at the front of the building and consists of a 504-square-foot indoor dining area, 553-square-foot outdoor dining patio, and a 527-square-foot back of house area. The outdoor patio is proposed to be located within an existing landscaped area (new landscaping is proposed around the patio and at the main entrance of the building to offset lost landscaping).

Pursuant to CMMC Table 13-47, food and beverage establishments with more than 300 square feet of public area requires an MCUP in order to operate in the MP zone. In addition, an MCUP is required for an outdoor area to encroach into an existing landscape area. Lastly, CMMC Section 13-49 requires that food or beverages serving uses located within two hundred (200) feet of residentially-zoned property shall comply with the following applicable development standards, unless the standards are modified through the issuance of a minor conditional use permit or conditional use permit:

1. All exterior lighting shall be shielded and/or directed away from residential areas;
2. Outdoor public communication systems shall not be audible in adjacent residential areas;
3. Trash facilities shall be screened from view and designed and located appropriately to minimize potential noise and odor impacts to adjacent residential areas;
4. Outdoor seating areas shall be oriented away or sufficiently buffered from adjacent residential areas;
5. Hours of operation for customer service shall not occur any time between 11:00 p.m. and 6:00 a.m.; and
6. Truck deliveries shall not occur anytime between 8:00 p.m. and 7:00 a.m.

The property is approximately 130 feet from the residentially zoned Baker Block Apartments (approximately 340 feet from building to building) and therefore requires compliance with the above standard provisions, unless requesting an MCUP for modifications to these standards. Based on the proposed site plan, the café would comply with the above standards and staff does not anticipate any impacts to the adjacent residential property.

Landscaping

The applicant has provided a landscape plan which includes preserving existing mature vegetation on site. In addition to the 31 trees on site, the project proposes to plant 11 new trees. Shrubs and ground cover are proposed to be modified to include additional native and drought tolerant plant species. If landscaping is required to be modified to comply with required parking (as indicated above), staff has included Condition of Approval No. 13 that requires CMMC landscaping compliance, prior to recordation of the Parcel Map.

Parcel Map

A tentative parcel map is proposed to convert the existing commercial building into a 11-unit airspace condominium on one lot with ancillary common spaces. Pursuant to Section 66474 of the California Subdivision Map Act, a subdivision must be denied if one or more findings are made:

- 1. "That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451;*
- 2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans;*
- 3. That the site is not physically suitable for the type of development;*
- 4. That the site is not physically suitable for the proposed density of development;*
- 5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;*
- 6. That the design of the subdivision or type of improvements is likely to cause serious public health problems; and*
- 7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. The governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. These provisions shall apply only to easements of record or to*

easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.”

None of the above findings of Section 66474 can be made or associated with the proposed subdivision as indicated in approval findings within the Findings section of this report below.

GENERAL PLAN CONFORMANCE:

The Industrial Park General Plan land use designation is intended to apply to large districts that contain a variety of industrial and compatible office and support commercial uses. Industrial parks are characterized by large parcels and landscaped setbacks that create a campus-like environment. The proposed conversion of the existing office building to an industrial common interest development may be permitted provided that the use is determined to be complementary to the industrial area. The proposed use is in conformance with the City's General Plan including:

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

Consistency: The conversion would allow for ownership and investment opportunities for a variety of long-term office and industrial uses to operate within the City. The proposed food and beverage establishment will also provide an additional employment and service to surrounding businesses and residents.

2. **Policy LU-6.11:** Provide opportunities for mixed-use, office, manufacturing, and retail development that respond to market and community needs in terms of size, location, and cost.

Consistency: This proposed conversion facilitates current market trends for smaller office spaces, and would allow for ownership and investment opportunities within an established industrial district and encourage long-term tenancy in the spaces. As proposed, the development would include a mix of office and food and beverage serving use.

3. **Policy LU-7.5:** Support and provide flexibility for development projects and businesses which produce, care, and maintain material goods or fixed assets meant to support the production of market goods, especially for niche industries within the City of Costa Mesa.

Consistency: Providing ownership opportunities for office and industrial spaces would allow for a flexibility in the uses and allow for the establishment of businesses that support established and niche industries within the City.

4. **Policy LU-7.6:** Seek out opportunities to attract primary businesses within stable industries and support industries that already exist within the City

Consistency: Providing ownership opportunities for office and industrial businesses would attract businesses that desire to operate within the City and also own commercial property.

JUSTIFICATIONS FOR APPROVAL:

Pursuant to CMMC Section 13-28(b)(1), proposals to convert an occupied or previously occupied non-residential complex to a non-residential common interest development shall be processed through a Conditional Use Permit and findings should be made for the CUP (CMMC Section 13-29(g)(2)), Non-Residential Common Interest Development Conversion Findings (CMMC Section 13-28(b)(1)), and Parcel Map findings (CMMC Section 13-29(g)(13)). In addition, MCUP Findings (CMMC Section 13-29(g)(2)) are required to establish a food and beverage establishment in the MP zone. In order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required findings:

Non-Residential Common Interest Conversion Conditional Use Permit (CUP) Findings, and Minor Conditional Use Permit (MCUP) Findings for Food and Beverage Serving Use

- *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*

The proposed non-residential condominium would be substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area in that the use and operation of the underlying property, with the exception of minor exterior and interior tenant improvements, would remain substantially unchanged and any future uses would be required to comply with applicable requirements of the MP zoning standards. The proposal primarily affects the ownership of the property; a single owner versus multiple owners via an airspace condominium established through a parcel map. In addition, the provision of a food and beverage establishment in the MP zone would be compatible with the developments in the same general area in that it would provide a walkable service to surrounding residential, industrial, and commercial uses. The food and beverage establishment complies with CMMC requirements/standards for establishments located within 200 feet of a residential zone.

- *Granting the minor 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 proposed industrial condominium conversion would allow ownership of the 11 individual units and would not modify the use or operation of the current commercial site. The project will bring the existing building into conformance with the building and fire codes, and therefore, granting the conditional use permit would improve the health, safety, and general welfare of the public, and the property/improvements within the immediate neighborhood. The proposed food and beverage establishment would comply with all code requirements/standards for establishments located within 200 feet of a residential zone and therefore would not be materially detrimental to the health, safety, and general welfare of the general public and immediately surrounding neighborhood.

- Granting the minor 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 Industrial Park General Plan land use designation allows for large developments that contain a variety of industrial and compatible office and support commercial uses. The proposed condominium conversion is an existing permitted use in the Industrial Park zoning district subject to a conditional use permit. Approval of the conversion of the existing building will not change the overall building area or allowable land uses; therefore, the intensity of development on the site will remain unchanged. The establishment of a food and beverage establishment is permitted subject to obtaining a MCUP and would provide a walkable service to the surrounding developments.

In addition, the project complies with CMMC Section 13-29(g)(10), findings for a common interest development conversion, in that:

- The applicant has submitted an adequate and legally binding plan which addresses the displacement of long-term residents, particularly senior citizens and low- and moderate-income families and families with school-age children.

The proposed non-residential condominium does not displace any residents.

- The proposed common interest development conversion project conforms to adopted general plan policies.

The proposed condominium conversion conforms to Policies LU-6.1, LU-6.11, LU-7.5, and LU-7.6 of the City's 2015-2035 General Plan, as discussed in detail above.

- The establishment, maintenance, or operation of the project will not be detrimental to the health, safety, peace, comfort, and general welfare of persons residing or working in the surrounding neighborhood, nor will the project be

detrimental or injurious to property and improvements in the neighborhood or the general welfare of the city.

The proposed condominium conversion would not be detrimental to the health, safety, peace, comfort, and general welfare of persons working in the surrounding neighborhood, nor would the project be detrimental or injurious to property and improvements in the neighborhood or the general welfare of the City since the conversion is primarily intended to allow for commercial ownership opportunities, and any future uses are required to comply with the MP Zoning District. Additionally, the proposed café complies with the CMMC standards in regard to a food and beverage use located within 200 feet of residential.

- The overall design and physical condition of the common interest development conversion project achieves a high standard of appearance, quality, and safety.

The overall design and physical condition of the proposed condominium conversion project will achieve a high standard of appearance, quality, and safety. Exterior improvements include new landscaping and facade improvements. Interior improvements will bring the building into compliance with current building and fire codes as required by the Building Division and Fire Department.

- The proposed common interest development conversion project conforms to the Costa Mesa Zoning Code requirements.

The proposed common interest development conversion conforms to the Costa Mesa Zoning Code requirements in that the proposed project would have one lot containing the parking lot and landscape area to be held in common ownership and maintained by a property owners association; consequently, the general operation and use would remain relatively unchanged. Additionally, with the exception of the floor area ratio, the development as proposed and conditioned complies with current development standards.

- For a proposed common interest development conversion project that does not conform to the zoning code requirements, the project due to its proportions and scale, design elements, and relationship to the surrounding neighborhood, is of continued value to the community and it contributes to defining and improving the community as a whole. Deviations from zoning code requirements are acceptable because it would be impracticable or physically impossible without compromising the integrity of the overall project to implement features that could result in conformance with current code requirements.

The subject property conforms to the Zoning Code requirements and is physically suitable to accommodate the proposed tentative parcel map in terms of its proportions and scale, design elements, and relationship to the surrounding

neighborhood since the use, operation, and form will remain largely unchanged from the existing development. A deviation from the parking configurations is requested because the parking lot was approved in 1984. As conditioned, the legal non-conforming parking lot will be upgraded to remove non-conforming parking stalls, including reducing the amount of small car parking space ratio in compliance with the current CMMC.

- For a proposed common interest development conversion project located in an urban plan area, the proposed conversion is consistent with the applicable mixed-use overlay zoning district. Specifically, the proposed non-residential conversion project supports a mixed-use development or a similar land use that is not allowed in the base zoning district, or the proposed conversion project is a residential common interest development that is permitted by either the base or overlay zoning district.

The proposed common interest development is not located in an urban plan area.

Tentative Parcel Map Findings

The information presented for the Tentative Parcel Map complies with CMMC Section 13-29(g)(13), findings for a Parcel Map, in that:

- The creation of the subdivision and related improvements is consistent with the General Plan, any applicable specific plan, and this Zoning Code.

As proposed and conditioned, the commercial condominium conversion conforms to Policies LU-6.1, LU-6.11, LU-7.5, and LU-7.6 of the City's 2015-2035 General Plan, and the Costa Mesa Zoning Code requirements (as indicated further in this report).

- The proposed use of the subdivision is compatible with the General Plan.

The use of the proposed condominium is not proposed to change and will remain compatible with the underlying Industrial Park General Plan land use designation. The application does not propose any alterations to zoning or allowable land uses.

- The subject property is physically suitable to accommodate the subdivision in terms of type, design and density of development, and will not result in substantial environmental damage nor public health problems, based on compliance with the Zoning Code and general plan, and consideration of appropriate environmental information.

With the exception of the legal non-conforming floor area ratio and parking configuration, the existing development conforms to the Zoning Code requirements and is physically suitable to accommodate the proposed tentative parcel map in terms of its proportions and scale, design elements, and relationship to the surrounding neighborhood since the use, operation, and form. The CMMC allows the FAR to remain nonconforming and as conditioned, the parking would be modified in compliance with the CMMC prior to recordation of the Final Map.

- *The design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision, as required by State Government Code section 66473.1.*

The overall design and physical condition of the proposed condominium conversion project achieves a high standard of appearance, quality, and safety while allowing for energy efficient systems which would be required as applicable for any future tenant improvements. The building improvements will meet current building codes and will be more energy efficient than the existing unmodified structure.

- *The division and development will not unreasonably interfere with the free and complete exercise of the public entity and/or public utility rights-of-way and/or easements within the tract.*

The proposed parcel map does not modify any existing easements and will not interfere with the free and complete exercise of any public entity or utility rights-of-way or easements.

- *The discharge of sewage from this land division into the public sewer system will not violate the requirements of the State Regional Water Quality Control Board pursuant to Division 7 (commencing with State Water Code section 13000).*

As required, the property is connected to the public sewer system and is required to comply with all applicable laws and regulations.

ENVIRONMENTAL DETERMINATION:

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), Existing Facilities and Section 15315 (Class 15), Minor Land Divisions. Section 15301 allows for minor alterations to existing structures, involving negligible expansion of the use. The project falls within this exemption category because the division of the existing building does not involve any expansion to the existing development such that overall building square footage is not changed; and the conversion would involve minor alteration to the existing structure such as updated facades, and interior improvements. The conversion does not allow for a substantive expansion of the use. Section 15315 allows for division of property in urbanized areas

that are zoned industrial into four or fewer parcels. The project falls within this exemption category because the 11 industrial condominium units would be located on one parcel with shared ancillary space.

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 a redesign or additional 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, provide facts in support of denial, and direct staff to incorporate the findings into 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 and this report have 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 the date this report was circulated, no written public comments have been received. Any public comments received prior to the October 23, 2023 Planning Commission meeting will be provided separately.

CONCLUSION:

Approval of the Conditional Use Permit, Minor Conditional Use Permit, and Tentative Parcel Map would allow for the existing building to be converted and sold as 11 separate industrial condominium units and generally does not change the existing use of the property. As conditioned, the project includes new landscaping, and restriping the parking lots in compliance with the CMMC, and upgrades to comply with required building reports and the CMMC.