



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: June 10, 2024

ITEM NUMBER: PH-1

SUBJECT: PLANNING APPLICATION PCUP-24-0001 FOR A CONDITIONAL USE PERMIT FOR A NEW ESCAPE ROOM USE AND A MINOR CONDITIONAL USE PERMIT TO DEVIATE FROM PARKING REQUIREMENTS AT 2706 HARBOR BOULEVARD, SUITES 200 & 202-205

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

PRESENTATION BY: JEFFREY RIMANDO, ASSISTANT PLANNER

FOR FURTHER INFORMATION **JEFFREY RIMANDO**
CONTACT: **714-754-5012**

CONTACT: **Jeffrey.Rimando@costamesaca.gov**

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
2. Approve Planning Application PCUP-24-0001 based on findings of fact and subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT

The authorized agent is Andros Nguyen, representing the property owner, Mesa Verde Center LLC.

PLANNING APPLICATION SUMMARY

Location:	2706 Harbor Boulevard Suites 200 & 202-205	Application Numbers:	PCUP-24-0001
Request:	Conditional Use Permit to operate a new escape room and a Minor Conditional Use Permit for a deviation from parking requirements.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	C1 (Local Business District)	North:	C1
General Plan:	General Commercial	South:	C1
Lot Dimensions:	165 FT x 250 FT	East:	R3 (Multi-Family Residential District)
Lot Area:	41,500 SF	West:	C1 C2 (General Business District)
Existing Development:	Existing two-story 20,294-square-foot commercial building with shared surface parking.		

DEVELOPMENT STANDARDS COMPARISON

Development Standard	Required	Existing
Building Height	Two-stories / 30 feet Max	Two-Stories (no change)
Setbacks:		
Front	20 FT	115 FT
Side (left/right)	15 feet on one side and 0 feet on the other side	Zero Setback
Rear	0 FT	72 FT
Parking	247 ¹	247 ¹
¹ Pursuant to Table 13-89 in the CMMC when there are mixed uses within a single development that share the same parking facilities, the total requirement for parking should be determined by the Costa Mesa shared parking analysis procedures. Refer to the "Analysis" section of this Staff Report for shared parking analysis results.		
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)	
Final Action	Planning Commission	

BACKGROUND

The subject property is located at 2706 Harbor Boulevard, which is situated near the northeast corner of Harbor Boulevard and Mesa Verde Drive East/Peterson Place. The site is zoned C1 (Local Business District) and is surrounded by other commercially zoned properties (C1, C2 – General Business District, C1-S – Shopping Center District), and an existing R3-zoned (Multi-Family Residential District) apartment development (“Harbor at Mesa Verde”), which contains over 300 residential units to the east of the site. The property is located on one of the City’s primary commercial corridors (Harbor Boulevard) and the surrounding uses predominantly include multi-tenant commercial centers. Existing businesses in these commercial centers consist of a variety of uses such as restaurants/bars, grocery stores, pharmacy, massage and beauty parlors, medical and general offices, gyms and automotive dealerships. The site has a General Plan Land Use Designation of General Commercial. Existing development on the approximate 41,500-square-foot property consists of a two-story 20,294 square-foot commercial building with a shared surface parking lot located at the front (with access from Harbor Boulevard) and rear of the building (with access from Peterson Place).

Image 1 – 2706 Harbor Boulevard



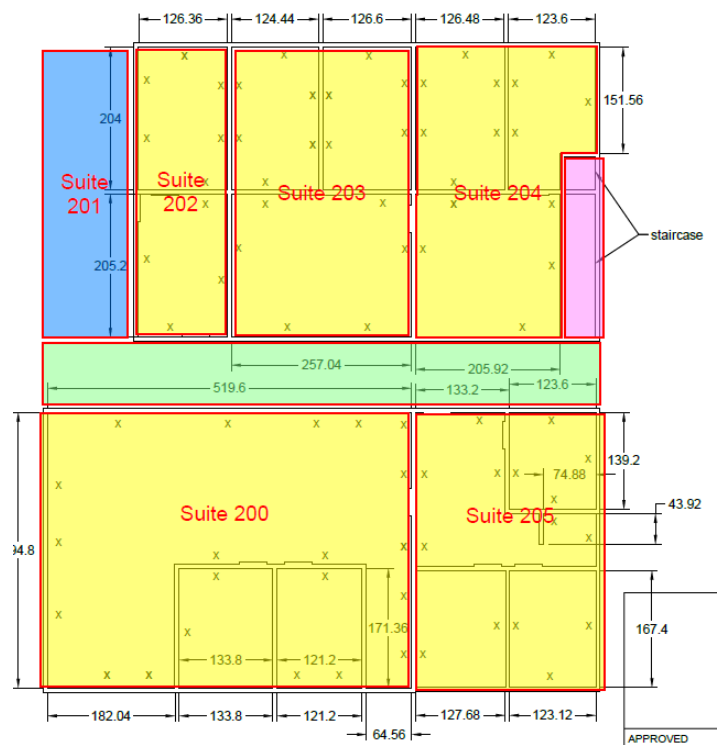
The parking and existing driveways are shared among the commercially zoned properties at 2706 (subject site), 2710, 2730, 2750, and 2790 Harbor Boulevard. There are multiple driveways that provide access to these properties including two driveways along Harbor Boulevard, one along Adams Avenue, and three along Peterson Place (to the rear of the properties). Each of these properties are individually owned. The proposed escape room project will occupy five suites on the second floor of a nine suite, two-story building. The subject suites cumulatively total 4,408 square feet in floor area. Business license history shows that office uses previously occupied these suites.

The Planning Commission approved an escape room use (“Legacy Escape Rooms”) located at 1525 Mesa Verde Drive East, Suite 212, on May 31, 2018, which is still in operation. “Unlocked: Escape Room” currently operates at 1111 Baker Street - Building A, and was previously approved by the Planning Commission on March 12, 2020. The business owner of “Unlocked: Escape Room” intends as part of this application to relocate to the subject site.

DESCRIPTION

Escape rooms are an experiential entertainment use where groups of guests are placed within either a single room or a series of rooms containing puzzles, riddles, or clues that require solving in order to “escape” from the room(s). The proposed hours of operation for the escape room are from 6:30 PM to 10 PM Monday through Friday, and from 11 AM to 11:45 PM on Saturday and Sunday.

Exhibit 1 – Escape Room Floor Plan



ANALYSIS

Proposed Use

Escape rooms are not a use listed within the Costa Mesa Municipal Code (CMMC) Section 13-30 (Land Use Matrix); however, the Code allows uses that are not listed to be approved through a Conditional Use Permit. As such, Planning Application PCUP-24-0001 is a request for a Conditional Use Permit to operate an escape room at 2706 Harbor Boulevard, Suites 200 & 202-205. In addition, the request includes a Minor Conditional Use Permit (MCUP) to deviate from parking requirements based on the use’s unique operating characteristics. Pursuant to the CMMC Table 13-89 (Non-Residential Parking

Standards) regarding mixed use developments, a reduction in parking may be approved by minor conditional use permit when it can be demonstrated that less parking is needed due to the hours of operation or other unusual features of the users involved. Pursuant to CMMC, the approval of the minor conditional use permit is subject to the Zoning Administrator's review and approval, or the higher-level review authority when multiple applications are applied.

Proposed Escape Room Operation

The proposed floor plan layout (Attachment 6 to this report) consists of a main entrance lobby/receptionist area and storage rooms within Suite 200. The game rooms would operate in Suites 203, 204 and 205 with the control rooms contained within Suite 202. The games would be played in a total of nine individual spaces located throughout the game room suites. The spaces would be clustered into three designated areas (identified on the plans as Rooms 1, 2 and 3). As proposed, the players (customers) move between the rooms within each designated area during the course of the game. The escape room operations require approximately one to three employees at the facility at any given time.

According to the applicant, guest access to the escape room facility is by appointment only. Once the reservation has been confirmed by the receptionist, the group enters the first room, and an employee explains the rules of the particular game and discusses the procedures in the event of an emergency, or if a player needs to communicate with an employee to ask for assistance if the group is "stuck" on a puzzle. Games change periodically to facilitate interest from a continued customer base.

Each game has a 60-minute time limit. The start of each game would be staggered so that only a maximum of two designated areas would be occupied at any given time. There would be a minimum 30-minute time gap between each game to allow adequate time for one group to depart before the arrival of the next group. Players under 18 years of age must be accompanied by a parent, legal guardian or adult chaperone. No food or beverage service is offered. Due to the staggered schedule, only a maximum of 17 occupants (customers and employees) would be in attendance at any given time for the business.

Shared Parking Analysis and Parking Availability

Pursuant to Table 13-89 in the CMMC, when there are mixed uses within a single development that share the same parking facilities, the total requirement for parking is determined by the Costa Mesa shared parking analysis procedures. The City's shared parking analysis considers parking demand by use type, floor area, and by time period (peak hourly demand). Pursuant to the CMMC Section 13-6, a "mixed-use development" is defined as "the development of lot(s) or structure(s) with two (2) or more different land uses such as, but not limited to a combination of residential, office, manufacturing, retail, public, or entertainment in a single or physically integrated group of structures." The subject site includes multiple land uses and is therefore considered a "mixed-use development" pursuant to the CMMC. In addition, the CMMC Section 13-89.5 specifies that a reduction in parking may be approved by minor conditional use permit where it can

be demonstrated that less parking is needed due to the hours of operation or other unusual features of the uses involved.

As previously mentioned, the subject property shares a common parking lot with several adjacent properties (2710, 2730, 2750 and 2790 Harbor Boulevard), and a recorded ingress/egress and parking agreement has been in place since 1968. The common parking area includes 247 parking spaces which are available to all employees and customers for the aforementioned properties. Utilizing the City's shared parking method to analyze the parking demand based on the proposed and existing uses, during the operating hours on the weekdays and weekends, there is a constant parking surplus at the site, as shown in the below Tables 1 and 2. The analysis regarding the proposed escape room use conservatively estimates for all hours of operation that the use would operate at maximum customers and employees on site.

Table 1 – Mixed Use Parking Demand (Weekdays)				
Monday – Friday	Parking Demand Per Hour (Existing)	Parking Demand Per Hour (Escape Room)	Parking Demand Per Hour (Total)	Parking Available
6:00 PM	222.79	17	239.79	7.21
7:00 PM	228.47	17	245.47	1.53
8:00 PM	225.92	17	242.92	4.08
9:00 PM – 10:00 PM	190.94	17	207.94	39.06

Table 2 – Mixed Use Parking Demand (Weekends)				
Saturday - Sunday	Parking Demand Per Hour (Existing)	Parking Demand Per Hour (Escape Room)	Parking Demand Per Hour (Total)	Parking Available
11:00 AM	144.16	17	161.16	85.84
Noon	171.80	17	188.80	58.20
1:00 PM	179.09	17	196.09	50.91
2:00 PM	180.05	17	197.05	49.95
3:00 PM	180.81	17	197.81	49.19
4:00 PM	182.76	17	199.76	47.24
5:00 PM	198.40	17	215.40	31.60
6:00 PM	201.04	17	218.04	28.96
7:00 PM	175.31	17	192.31	54.69
8:00 PM	154.23	17	171.23	75.77
9:00 PM	119.62	17	136.62	110.38
10:00 PM	108.57	17	125.57	121.43
11:00 PM – 12:00 AM	70.52	17	87.52	159.48

Further, staff has visited the site after 6:30 PM on several weekdays and witnessed the actual parking demand was never exceeded, and a surplus of significantly more than the 17 parking spaces were available. However, if parking shortages or other parking-related problems develop, the business operator would be required to institute appropriate operational measures necessary to minimize or eliminate the problem including, but not limited to, reducing maximum participants per room and/or reduced or modified operating hours of the business (COA No. 8).

GENERAL PLAN CONFORMANCE

The following analysis further evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan.

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

Consistency: Developing a diverse and comprehensive supply of services for the primary and secondary business markets within the community assists in retaining existing and attracting new businesses. The proposal would provide an entertainment use (an experiential service) for residents and visitors of Costa Mesa to enjoy and also consider using other local City uses such as eating and drinking establishments.

2. **Policy LU-6.7:** *Encourage new and retain existing businesses that provide local shopping and services.*

Consistency: The applicant currently maintains an existing business of a similar use at 1111 Baker Street - Building A and is intending to relocate into the proposed location. The proposed application will result in retaining an existing business that provides an entertainment service for City residents and visitors.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the CMMC, 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:

- *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 use would be compatible and harmonious with developments in the same general area and would not be materially detrimental to other properties within the area. Parking impacts would be avoided because the escape room would limit the number of occupants, and the use would generally operate during offset hours from the surrounding uses. By doing so, any potential site circulation and/or use compatibility issues would be avoided.

- *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.*

Granting the approval of the escape room use would not be detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood. All business activities would be

conducted within the building (underroof), and, prior to operations, the proposed tenant improvements will be reviewed by the City's Building and Fire Departments to ensure safety, suitable occupancy and the necessary occupant ingress and egress.

- *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 use would be compatible with the existing uses in the commercial complex and meets the intent of the Local Business District in that the district encourages "a wide range of goods and services in a variety of locations throughout the City". Based on this, the proposed use is consistent with the General Plan's General Commercial land use designation intended land uses, and complies with the applicable development standards of the Zoning Code. Lastly, the proposed operations would occur within existing tenant spaces, and no additional floor area is proposed.

ENVIRONMENTAL DETERMINATION

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of existing facilities. This project site contains an existing building, and the application does not propose an increase in floor area. The project would result in limited interior (such as devising walls) and exterior site improvements (such as signage) to adequately address operation and safety concerns as conditioned. The project is consistent with the applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. Specifically, the project would not result in a cumulative environmental impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location; and would not impact any historic resources.

ALTERNATIVES

Planning Commission alternatives include the following:

1. *Approve the project with modifications.* In consideration of any required findings or project use operations, the Planning Commission may suggest specific project changes. If any of the additional requested changes are substantial, the hearing could 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.
2. *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 is 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 June 10, 2024, Planning Commission meeting will be provided separately.

CONCLUSION

Approval of the project would allow for the use of an escape room within an existing building with a deviation from parking requirements based on unique operating characteristics. The proposed use is in conformance with the General Plan and Zoning Code. The operation of the escape room, as conditioned, would be compatible with the surrounding commercial and industrial businesses.