



CITY COUNCIL AGENDA REPORT

MEETING DATE: APRIL 5, 2016

ITEM NUMBER: **NB-3**

SUBJECT: GENERAL PLAN SCREENING FOR PROPOSED 150-ROOM HOTEL EXPANSION AT 3350 AVENUE OF THE ARTS FOR THE AVENUE OF THE ARTS HOTEL (FORMERLY WYNDHAM HOTEL)

DATE: MARCH 23, 2016

FROM: PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MINOO ASHABI, PRINCIPAL PLANNER

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RECOMMENDATION

Accept General Plan screening request for processing a proposed 15-story, 150-room high-rise hotel to serve as an expansion of the Avenue of the Arts hotel (238 rooms existing, 388 rooms proposed).

PROPOSED PROJECT

The applicant is proposing a second development option to the previously-approved 100-unit, 23-story residential condominium tower. As an alternative to the originally proposed residential high-rise building, residential units, this second option involves the expansion of the existing boutique hotel.

The proposed project involves demolition of the existing parking structure and expansion of the Avenue of the Arts Hotel with addition of a new 15-story hotel tower with multiple banquet rooms and 150 guest rooms above a 6-level parking structure.

If the General Plan Screening is accepted for processing, the revision will be included in the upcoming 2015-2035 General Plan Update and the proposal would require:

- Adoption of consistency finding with North Costa Mesa Specific Plan
- An Addendum to Final EIR No. 1054
- Approval from the Federal Aviation Administration in making determinations of no hazard to air navigation.
- Approval of a Master plan for site design and architectural plans.

Staff believes that the proposed project is consistent with the North Costa Mesa Specific Plan which allows development flexibility provided that the traffic generation is comparable to Option 1, the originally proposed 120-unit condominium project.

BACKGROUND

Final Environmental Impact Report

In 2007, Final EIR 1054 (SCH# 2007011125) was prepared to address the reuse of the project site as a mixed-use development with both hotel and residential uses. The existing Wyndham Hotel was proposed to be renovated to reduce the number of rooms from 238 to 200 and to add an approximate 4,735-square-foot (sf) spa on the hotel's first floor. The 2,775-sf hotel restaurant would also be remodeled as part of the previously approved project. These proposed modifications would not change the hotel's overall square footage.

Additionally, a 23-story, 120-unit high-rise residential tower was proposed to be constructed adjacent to the hotel, following demolition of the hotel's parking structure, and would include approximately 3,450 square feet of lounge/bar space and 1,740 square feet of ancillary retail space. A new 7-level, 480 space parking structure was also proposed to be constructed east of the proposed residential tower, which would serve both the residential tower and the hotel. Based on existing entitlements and according to the analysis presented in FEIR 1054, it was determined that the overall mix of hotel rooms and residential units may be modified, but could not exceed an overall total of 320 hotel rooms/dwelling units. The Costa Mesa City Council certified FEIR 1054 in November 2007.

The previously approved project also required amendments to the *City of Costa Mesa 2000 General Plan* and the *North Costa Mesa Specific Plan* to allow for a combination of a boutique hotel and high-rise residential development on the site at a site-specific density of 44 dwelling units per acre (du/ac) for the proposed residential uses. The Federal Aviation Administration is the sole authority in making determinations of no hazard to air navigation and issued a determination for this project.

ANALYSIS

Project Site

The project site at 3350 Avenue of the Arts is currently developed with a three-level parking structure with 280 stalls and a 238-room 6-story hotel (Wyndham Hotel). The site is to the north of a recently approved mid-rise residential project with 250 units at 580 Anton Boulevard (Lakes Pavilion commercial center) and south of 3400 Avenue of the Arts apartment complex. The site takes access from Avenue of the Arts, with a main access leading to the hotel's lobby and the parking structure to the north. There is a secondary access further to the north for the open employee parking at the rear. The proposal will remove the existing parking structure retaining the hotel and its lobby and replace it with a 6-level parking structure and a 15-story high-rise hotel addition.

Proposed Project

In order for the Avenue of the Arts recent proposal of 150 new hotel units (expansion of existing 238-unit hotel) to be compliant with the North Costa Mesa Specific Plan, the project must demonstrate traffic generation characteristics comparable with Option 1 (200 hotel rooms, 2.12 FAR, 120 units). The following is a comparison of the project as it evolved from 2007 to the current proposal:

Table 1 - Comparison
Original Project, Approved Amendment and New Proposal

	Wyndham Hotel /High-rise 11-20-2007 Approval	Wyndham Hotel/ High-rise 2015 Master Plan Amendment	2016 Proposal
Density Condominium units	44 du/acre 120 units	34 du/acre 100 units	-0-
Hotel Rooms	200	238 (existing)	388 (existing plus 150 new rooms)
Retail Space	1,740 SF	-0- SF (removed)	-0- SF
Lounge/bar	3,450 SF	-0- SF (removed)	-0- SF
Total parking provided	480 spaces	422 spaces	343 spaces
Building Height			
Stories	23 stories – 270 AGL	23 stories – 270 AGL	15-stories

General Plan Amendment Screening Criteria

City Council Policy 500-2 sets forth the criteria to evaluate General Plan amendment requests. Council takes action on whether or not a proposal should be accepted for processing by using these criteria as guidance. The Policy establishes a procedure for processing privately initiated General Plan amendments (Attachment 1). The policy also acknowledges these criteria are only guidelines and City Council may accept an application which does not meet the criteria if it finds there are overriding reasons to do so.

Additionally, acceptance of a proposal for screening is not a commitment to approve the project. This action represents that Council would like to consider the request for processing, and subsequently explore alternatives prior to making a final decision on amending the General Plan.

The Specific Plan does not specifically address expansion of the existing hotel in lieu of the development of a high-rise residential project. Therefore, provided that the trip envelope and development standards (height, setbacks, etc.) have not significantly changed, staff believes that the Specific Plan could be interpreted to allow development flexibility for the proposed 150 unit expansion of the Avenue of the Arts hotel.

NORTH COSTA MESA SPECIFIC PLAN CONSISTENCY FINDING

The Wyndham Hotel site is located in the HDR General Plan land use designation and within the North Costa Mesa Specific Plan. The requirements of the specific plan applicable to this site is stated as follows:

The Wyndham Hotel site: In 2007, Specific Plan Amendment (SP-07-01) was approved for the 3-acre site. The Specific Plan Amendment includes a development option that would allow a mixed-use development consisting of a 200-room boutique hotel and 120-unit high-rise building with approximately 1,740 sq.ft. of retail space and 3,450 sq.ft. for a bar/lounge. This would result in a maximum nonresidential floor area ratio of 2.12 FAR with a maximum 120 dwelling units.

Development Option	Maximum No. of Hotel Rooms	Maximum Allowable Non-Residential FAR	Maximum Allowable Number of High-Rise Residential Units
Option 1	200 rooms	2.12 FAR	120 units

The specific plan allowed development flexibility for this site for a mix of hotel rooms and residential units as long as trip generation was comparable to Option 1 noted above, maximum number of high-rise residential units did not exceed 132 units, maximum FAR was not greater than 2.12, and the number of hotel rooms did not exceed 238 rooms. Although the specific plan allowed flexibility in the mix of development, it did not anticipate an addition to the hotel with no residential units.

On April 13, 2015, the Planning Commission made a specific findings based on the noted criteria and approved an amendment to the project allowing demolition of the existing three-story parking structure and construction of a 100 dwelling unit high-rise condominium unit. The proposal was to maintain the 238 existing number of guest rooms and reduce the condominium units from 120 units to 100 units.

Staff has analyzed the proposed project with the trip envelope for Option 1 by taking into account: (1) Proposed 388-room resort/business hotel; (2) credit for removal of originally-proposed 1,740 sq.ft. retail space; (3) credit for deletion of 3,450 sq.ft. bar/lounge area. The proposed hotel expansion would result in comparable trip generation and is therefore in conformance with the North Costa Mesa Specific Plan.

ALTERNATIVES

In addition to providing general feedback on the proposed project, City Council would need to take action on the General Plan amendment screening request.

1. Accept processing of the General Plan Amendment request. This will require amending the General Plan to allow an expansion of the hotel with 150 guest rooms in place of an existing parking structure as an option to the previously approved mix of hotel and residential units.
2. Deny General Plan Amendment request from further processing. If the application is denied, the property owner will be able to retain the current entitlement approved in 2015 for development of the site with a 23-story tower including 100 condominium units.

FISCAL REVIEW

Fiscal review is not required for this item.

LEGAL REVIEW

The City Attorney's office has considered the proposal and determined that a General Plan amendment is necessary in order for the project to proceed as proposed.

CONCLUSION

Staff believes the proposed development meets the goals and intent of the City's General Plan and North Costa Mesa Specific Plan. The proposed development will be a great addition to North Costa Mesa and provide for luxury accommodation in proximity to the performing arts and shopping centers.

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- Attachments:
1. [Council policy 500-2](#)
 2. [Vicinity Map](#)
 3. [General Plan Map](#)
 4. [Zoning Map](#)
 5. [Submitted plans](#)
 6. [Supplemental Memo](#)