



LIVE



WORK



PLAY

# ONE | METRO | WEST

Costa Mesa, CA

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General Plan Screening Application  
& Technical Appendix

**February 2019**

**ROSE EQUITIES**  
OWNER-BUILDERS SINCE 1949

Mr. Barry Curtis  
Economic and Development Services Director  
City of Costa Mesa  
77 Fair Drive, Costa Mesa, CA 92626

February 8, 2019

RE: General Plan Screen for 1683 Sunflower Avenue

Mr. Curtis:

Rose Equities is pleased to present the General Plan Screening Submittal and Technical Appendix, as part of the General Plan Screening Application for ONE METRO **WEST**.

A Summary Booklet for the ONE METRO **WEST** General Plan Screening Application is submitted as a separate document.

Leveraging the highly compatible urban land uses in the area (including jobs, shopping and bike trails), ONE METRO **WEST** is a mixed-use community that will bring multi-family rental residences, creative office space, retail, a park and an event plaza to Costa Mesa. Located on 15.23+/- acres at 1683 Sunflower Avenue in the northwesterly portion of the City of Costa Mesa, the community site is north of the 405 Freeway, near the Santa Ana River, and on the border with the City of Fountain Valley.

The existing General Plan Designation for the site of ONE METRO **WEST** is Industrial Park. The proposed General Plan Designation is Urban Center Commercial, with site-specific base density (up to 80 Dwelling Units per acre and compatible with other sites north of the 405) requested and site-specific base building height of 7-stories of residential and parking garage.

As you know, City Council Policy 500-2 establishes a procedure for processing privately initiated General Plan amendments. This procedure involves a City Council screening of these requests prior to their acceptance for formal processing.

ONE METRO **WEST** will apply relevant Costa Mesa 2015-2035 General Plan Goals and Policies to its design and operation as a unique mixed-use community. The General Plan Goals and Policies are intended to define and guide the General Plan Vision, ensuring new development in the City is economically and environmentally sustainable as well as being compatible with the character of City neighborhoods.

Rose Equities submits that the General Plan Screening Application for ONE METRO **WEST** merits further consideration through the General Plan amendment process. Rose Equities recognizes that acceptance of the screening request does not constitute approval of the community, but allows Rose Equities to further research/develop the proposal and provide City Council with an opportunity to review the qualities of the ONE METRO **WEST** community in greater detail prior to final action.

We appreciate the professionalism of the City Council, Development Services Department and other city staff members in reviewing this General Plan Screening Application, and look forward to providing any additional materials or information requested or required.

Sincerely,



Brent Stoll  
Rose Equities

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**ONE | METRO | WEST**

Costa Mesa, CA

# ONE | METRO | WEST

## Applicant

### Rose Equities

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18900 Teller Avenue  
Irvine, California 92612  
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leonard@roseequities.com

## Air/Noise

### LSA

Contact: Tony Petros  
20 Executive Park – Suite 200  
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tony.petros@lsa.net

## Planning Consultant

### Templeton Planning Group

Contact: Peter Templeton  
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## Fiscal Planning

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## Civil Engineer

### Urban Resources

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## Architect

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Contact: Tom Greer  
444 S. Flower Street – Suite 1220  
Los Angeles, California 90071  
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## Landscape Architects

### Urban Arena

Contact: Michael Schrock  
3195 Red Hill Avenue – Loft F  
Costa Mesa, CA 92626  
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## Traffic

### LSA

Contact: Tony Petros  
20 Executive Park – Suite 200  
Irvine, CA 92614  
Office: 949.553.0666  
tony.petros@lsa.net

## Attorney

### Rutan and Tucker

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Costa Mesa, CA 92626-1931  
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jramirez@rutan.com

**ONE | METRO | WEST**

Costa Mesa, CA



City of Costa Mesa, Development Services Department  
 77 Fair Drive, P.O. 1200, Costa Mesa, CA 92628-1200  
 Phone: (714) 754-5245 Fax: (714) 754-4856 www.costamesaca.gov

Office to Assign

**PLANNING APPLICATION (PART ONE - TYPE OR PRINT) Application #**

PROPERTY ADDRESS: 1683 Sunflower Ave.  
 Property Owner International Asset Mgmt. Holding Group Phone \_\_\_\_\_ Fax \_\_\_\_\_  
 Address 1683 Sunflower Ave, Unit B Email \_\_\_\_\_  
 City COSTA MESA, California State \_\_\_\_\_ Zip Code 92626  
 Property Owner's Signature see note1 below see attached Date \_\_\_\_\_

AUTHORIZED AGENT: Brent Stoll Phone 323 782 4300 Fax \_\_\_\_\_  
 Address 18900 Teller Ave Email brent@roseequities.com  
 City Irvine State CA Zip Code 92612  
 Authorized Agent's Signature see note2 below Brent Stoll Date 12/19/18

PROJECT DESCRIPTION: [Briefly describe project below and attach detailed project description & justification for approval:]  
Approx 16 acre mixed use community

PROJECT RELATED TOPICS: I have noted below the items that are applicable to the project:

- In the Redevelopment Area       Subject to future street widening
- In a Specific Plan Area           Includes a drive-through facility (Special notice requirements, per GC Section 65091 (d))

HAZARDOUS WASTE AND SUBSTANCES SITES: Pursuant to Section 65962.5 of the Government Code, I have reviewed the Hazardous Waste and Substances Site List (see reverse side) and determined that the project:

- IS NOT included in the LIST                       IS included in the LIST

<sup>1</sup>**RIGHT OF ENTRY:** The abovesigned ("Property Owner") is the owner of certain real property identified above in Costa Mesa, California ("Property"), acknowledges that the application process requires the property to be posted with a public hearing notice, where applicable. Property Owner hereby permits the City of Costa Mesa ("City"), by and through its employees or agents, to enter upon the property for the sole purpose of posting, modifying, and removing a public hearing notice relating to Property Owner's Planning Application. The right of entry shall be granted by Property Owner to City at no cost to City and shall remain in effect until the removal of the public hearing notice. Owner further agrees to release, waive, discharge and hold harmless City, its employees and agents, from and against any and all loss, damage, injury, liability, claim, cost or expense resulting from or arising out of the activities of City, its employee and agents, upon the Property, pursuant to this signed application.

<sup>2</sup>**PENALTY OF PERJURY:** I declare under penalty of perjury that all statements contained in this application and any accompanying documents are true and correct, with full knowledge that all statements made in this application are subject to investigation and that any misrepresentations, false or dishonest information contained in the application materials may be grounds for denial of the application.

**WHEN COMPLETED, PLEASE RETURN ALL COPIES TO PLANNING DIVISION (PART TWO BELOW - "OFFICE USE ONLY")**

Date Application Received \_\_\_\_\_ By \_\_\_\_\_ Receipt # \_\_\_\_\_  
 Date Application Determined Complete \_\_\_\_\_ By \_\_\_\_\_

<input type="checkbox"/> Admin Adjustment	\$	<input type="checkbox"/> Gen Plan Screening	\$	<input type="checkbox"/> RCID Conversion	\$
<input type="checkbox"/> Appeal	\$	<input type="checkbox"/> Lot Line Adjustment	\$	<input type="checkbox"/> Rezone	\$
<input type="checkbox"/> CUP	\$	<input type="checkbox"/> Master Plan	\$	<input type="checkbox"/> Specific Plan Amd	\$
<input type="checkbox"/> Design Review	\$	<input type="checkbox"/> Minor CUP	\$	<input type="checkbox"/> Tent Tract/Parcel	\$
<input type="checkbox"/> Dev Agreement	\$	<input type="checkbox"/> Minor Design Review	\$	<input type="checkbox"/> Time Extension	\$
<input type="checkbox"/> Development Review	\$	<input type="checkbox"/> Negative Declaration	\$	<input type="checkbox"/> Variance	\$
<input type="checkbox"/> Gen Plan Amendment	\$	<input type="checkbox"/> Planned Signing Prg	\$	<input type="checkbox"/> Other	\$

TOTAL \$

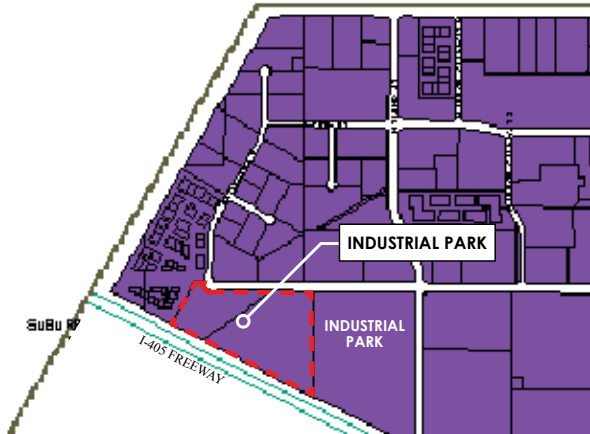
APN: \_\_\_\_\_ Zone: \_\_\_\_\_ General Plan: \_\_\_\_\_

# ONE | METRO | WEST

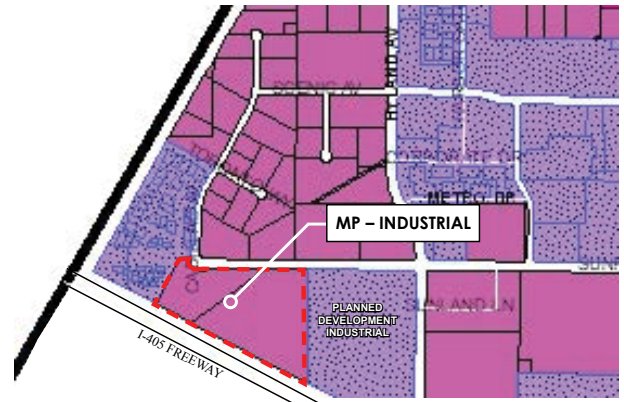
Costa Mesa, CA



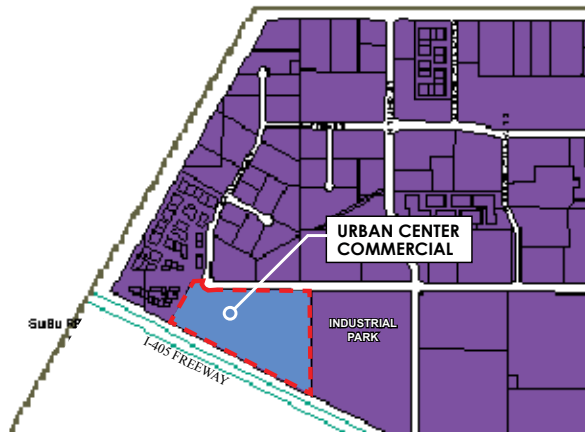
## General Plan / Zoning



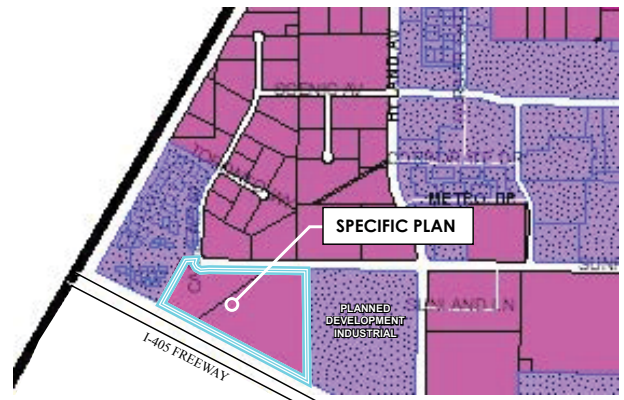
**EXISTING GENERAL PLAN: INDUSTRIAL PARK**



**EXISTING ZONING: MP - INDUSTRIAL PARK**



**PROPOSED GENERAL PLAN: URBAN CENTER COMMERCIAL**



**PROPOSED ZONING: SPECIFIC PLAN**

### General Plan Designation Summary

#### Existing

Industrial Park

#### Proposed

Urban Center Commercial with site-specific base density (80 Dwelling Units per acre) requested and site-specific base building height of 7-stories of residential and parking garage.

### Zoning Designation Summary

#### Existing

MP-Industrial Park

#### Proposed

Specific Plan

**ONE | METRO | WEST**

Costa Mesa, CA

## Costa Mesa General Plan Goals and Policies

ONE METRO **WEST** will apply relevant Costa Mesa 2015-2035 General Plan Goals and Policies to its design and operation as a unique mixed-use community. The General Plan Goals and Policies are intended to define and guide the General Plan Vision of ensuring new development in the City is economically and environmentally sustainable as well as being compatible in scale and character with City neighborhoods. This includes increasing housing opportunities, maintaining a business-friendly reputation, planning for sensible growth while preserving or creating natural open space, supporting intellectual and artistic creativity, celebrating Costa Mesa's historical assets to cultivate cultural enrichment and lifelong learning, and placing transit, bicycle and pedestrian connectivity on a par with traditional roadway improvements.

### **GENERAL PLAN ELEMENTS**

**Land Use Element** – the dominant General Plan element in that its Goals, Objectives and Policies provide the long-range planning guide for development

**Circulation Element** – establishes a mobility network to accommodate all modes of travel, including pedestrian, bicycle, and transit as well as vehicular roadways

**Growth Management Element** – serves as a guide for balancing physical growth with supporting the local road network

**Housing Element** – contains policies, programs and specific actions Costa Mesa will take to accommodate its regional fair-share housing allocation

**Conservation Element** – contains policies about identification, establishment, preservation and management of natural resources within Costa Mesa through discussion of air quality, biological resources, coastal resources, energy and water resources, wastewater, water quality, and waste management

**Noise Element** – identifies projected noise levels associated with many noise sources in Costa Mesa and includes strategies to limit exposure of the community to excessive noise levels

**Safety Element** – contains policies intended to reduce death, injuries, property damage, and economic and social dislocation that may result from seismic conditions, flooding, urban and wildland fire, crime and hazardous materials

**Open Space and Recreation Element** – contains Goals, Objectives and Policies that are intended to meet evolving recreation needs of City residents

**Community Design Element** – promotes quality design for buildings, districts, landmarks, natural features, and significant landscaping

**Historical and Cultural Resources Element** – provides a framework for identifying, maintaining and restoring Costa Mesa's historical and cultural resources

The following Goals and Policies are relevant to the ONE METRO **WEST** project.

**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**

**LAND USE ELEMENT**

<p><b>GENERAL PLAN GOALS AND POLICIES</b></p>	<p><b>ONE METRO WEST CONSISTENCY</b></p>
<p><b>GOAL LU-1</b> A Balanced Community with a Mix of Land Uses to Meet Resident and Business Needs.</p> <p><b>POLICY LU-1.1</b> Provide for the development of a mix and balance of housing opportunities, commercial goods and services, employment opportunities in consideration of the needs of the business and residential segments of the community.</p> <p><b>POLICY LU-1.4</b> Promote housing and employment opportunities within planned development areas to the extent feasible.</p>	<p>ONE METRO WEST is very much in compliance with the above Land Use Element Goal and Policies.</p> <p>ONE METRO WEST (Project) is a true mixed-use project. The Project will include 1,057 multi-family residential (apartment) dwelling units within three buildings (two of which will extend to 7-stories in height and one of which will be 6-stories in height), commercial retail space (6,000 square feet), and a commercial creative office building 25,000 square feet in area. The residential units will be focused on providing varied housing opportunities and will be comprised of studio units, one-bedroom units, two-bedroom units, and three-bedroom units in ratios that approximate the following, respectively: studio units (10%); one-bedroom units (45%); two-bedroom units (45%); and three-bedroom units (5%). This mix of residential units will provide choices for some of those employed in Project office and commercial businesses. The planned commercial opportunities will be focused on providing services for Project residents and employees such as small breakfast/lunch eating opportunities, a specialty diner, house, and a neighborhood market. The creative office space will provide employment opportunities for start-up companies as well as small professional office space for such professions as specialty law, architecture, and insurance businesses. ONE METRO WEST will include various recreational facilities and a 1.74/- acre "Urban Public Open Space" that will provide a variety of landscape and softscape visual and active experiences for Project residents and visitors. In addition to the office employment, the components of the overall Project operation will offer direct "permanent" jobs for employees of the commercial businesses, apartment leasing agents, landscape and building maintenance personnel. Furthermore, Project development will require significant employment of construction-related personnel.</p>
<p><b>GOAL LU-3</b> Development that Maintains Neighborhood Integrity and Character.</p> <p><b>POLICY LU-3.5</b> Provide opportunities for the development of well-planned and designed projects which, through vertical or horizontal integration, provide for the development of compatible residential, commercial, industrial, institutional, or public uses within a single project or neighborhood.</p>	<p>ONE METRO WEST is very much in compliance with this Land Use Element Goal and Policy.</p> <p>The Project's residential buildings integrate two "wrap" style designs with one "podium" design. The creative office building will contain a rooftop plaza. There is sufficient space within the Project design to accommodate a leasing/fitness amenity in the southwest portion of the 15.23-acre Project site as well as a nearby ground level pool and a ground level pet spa for use by residents. The westerly portion of the Project site contains a creative office building and a 1.74/- acre public open space/park that will provide visual, passive, and active space for on-site residents and employees. Other horizontally-integrated recreational uses within the Project include a basement level bowling alley and ground level club/community room for both Project residents and the non-resident public, and a terrace level pool for residents. In total, there will be 54,200 square feet of indoor amenities and 32,800 square feet of outdoor amenities.</p>
<p><b>GOAL LU-5</b> Adequate Community Services, Transportation System, and Infrastructure to Meet Growth.</p> <p><b>POLICY LU-5.1</b> Ensure that new development projects are consistent with the vehicular trip budgets, where adopted.</p> <p><b>POLICY LU-5.7</b> Encourage new development that is organized around compact, walkable, mixed-use neighborhoods and districts to conserve open space resources, minimize infrastructure costs, and reduce reliance on the automobile.</p> <p><b>POLICY LU-5.10</b> Building densities/intensities for proposed new development projects shall not exceed the trip budget for applicable land use classifications, as identified in the Land Use Element.</p>	<p>ONE METRO WEST has been designed as a sustainable-focused mixed use community. Its mix of uses described previously is intended to provide symbiotic residential-employment opportunities for Project residents. The creative office, fitness amenity, bowling alley, leasing and maintenance personnel on the Project site enable and facilitate less automobile use. In addition, ONE METRO WEST's location adjacent to the South Coast Collection of shops and restaurants provides residential opportunities for employees of the South Coast Collection and other nearby businesses. The distances between ONE METRO WEST and nearby residential, office and commercial retail businesses are easily traversed by pedestrians, thereby reducing reliance on automobile travel. ONE METRO WEST is an amenity-rich mixed-use development with complementary land uses, which reduces vehicle miles travelled (VMT), diminishes the level of congestion, and lowers harmful emissions in the area.</p> <p>ONE METRO WEST is requesting a General Plan Amendment and will be preparing a Traffic Study to bring the Trip Budgets into compliance.</p>

**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**


**ONE METRO WEST CONSISTENCY**


**LAND USE ELEMENT (CONT.)**

<u>GOAL LU-6</u> Economically Viable and Productive Land Uses that increase the City's Tax Base.
<u>POLICY LU-6.1</u> Encourage a mix of land uses that maintain and improve the City's long-term fiscal health.
<u>POLICY LU-6.2</u> Continue to promote and support the vitality of commercial uses to meet the needs of local residents and that support regional-serving commercial centers.
<u>POLICY LU-6.7</u> Encourage new and retain existing businesses that provide local shopping and services.
<u>POLICY LU-6.9</u> Support the retention and growth of Class A office tenants, including corporate headquarters for the action sports industry, biotech, and high technology companies within the City.
<u>POLICY LU-6.11</u> Provide opportunities for mixed-use office, manufacturing, and retail development that respond to market and community needs in terms of size, location, and cost.
<u>POLICY LU-6.19</u> Provide flexibility and support for development of residential, office, small retail centers, and similar uses that would serve local residents and would also benefit from the high visibility along major corridors outside of significant commercial or industrial nodes.

<u>GOAL LU-7</u> A Sound Local Sustainable Economy that Attracts Investment, Creates Educational Opportunities, and Generates Employment Opportunities.
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<u>POLICY LU-7.4</u> Cultivate an entrepreneurial and academic environment that fosters innovation through non-traditional housing developments, flexible office spaces, experiential development, and ensuring the diversity of retail/service throughout the urban districts.
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<p>ONE METRO WEST is designed as an economically viable and productive Project. As indicated in the preliminary Fiscal Impact Analysis accompanying the Project application, the fiscal health of Costa Mesa will be enhanced by Project development and operation. The overall net fiscal impact to the City's General Fund resulting from the revenues anticipated to be generated by ONE METRO WEST as compared with the cost of public services associated with ONE METRO WEST's buildout will be an annual recurring fiscal surplus of more than \$21.9,000 (David Taussig &amp; Associates Fiscal Impact Analysis Summary). That is, annual recurring revenues generated by ONE METRO WEST are forecasted to equal approximately 1.15 times the City General Fund costs associated with ONE METRO WEST. Its mix of land uses provides badly needed residential opportunities for single-person households, two-person households, and families. The housing market in southern California is in need of providing higher-density housing near employment, retail and transportation corridors. In addition, the on-site employment opportunities within the creative office building and the overall residential/retail portions of the Project will serve Project residents as well as visitors to ONE METRO WEST. Conversion of underutilized industrial land adjacent to heavily traveled Interstate 405 to mixed residential, commercial, office and recreational uses provides exciting visibility for ONE METRO WEST and further catalyzes the synergy between the Project site and the adjacent South Coast Collection of retail and dining establishments and provides needed residential opportunities to future residents as well as employees of nearby businesses in the South Coast Metro District.</p> <p>The preliminary Fiscal Impact Analysis is based on a basic "multiplier approach" which utilized the City of Costa Mesa's Fiscal Year 2018-2019 budget. A more finalized and more accurate "case study approach" will be used to access the required costs of the City services designated for this community after the General Plan Screening stage.</p>	
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<p>ONE METRO WEST is highly consistent with this Policy.</p> <p>The current industrial uses has been underutilized for some time. We will prepare studies that will compare the current job opportunities provided by the current industrial designation to the projected employment opportunities at ONE METRO WEST at Project completion.</p> <p>The 25,000 square foot creative office space building will enable various floor plans for collaborative and personal business operations. The office tenants are likely to be comprised of attorneys, architects, insurance personnel, human relations companies, and high-tech start-up companies. These and other professional office tenants are representative of future work demand and are anticipated to comprise those who will be most interested in working close to where they may choose to live. ONE METRO WEST provides both an "urban" design of housing and neighborhood commercial opportunities that will serve those working within the Project and those working nearby. ONE METRO WEST development will generate a significant number of construction jobs over the two to three-year time frame for grading and construction of the Project. In addition, approximately 100 jobs will be created that are associated with residential building leasing and interior/exterior maintenance, landscape maintenance, commercial retail businesses, dining establishments, and office professional businesses leasing and maintenance. Indirectly, Project operation will create jobs such as truck and service deliveries, and postal deliveries.</p>	
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**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**

**ONE METRO WEST CONSISTENCY**

**CIRCULATION ELEMENT**

**GOAL C-5**  
Ensure Coordination between the Land Use and Circulation Systems.

**POLICY C-5.1**  
Ensure that new development projects are consistent with the vehicular trip budgets, where adopted.

**POLICY C-5.1.1**  
Maintain balance between land use and circulation systems by phasing new development to levels that can be accommodated by roadways existing or planned to exist at the time of completion of each phase of the project.

**POLICY C-5.1.5**  
Consider the needs of the transportation and infrastructure system early for large developments and coordinate with developers to design projects that minimize traffic impacts and infrastructure demands, and implement system impacts through the implementation of development agreements.

**GOAL C-6**  
**POLICY C-6.1.2**  
Fund and Evaluate the City's Transportation Network.  
Require that every new development project pay its share of costs associated with the mitigation of project generated impacts.

Although the adopted vehicular trip budget for the Project may be exceeded, ONE METRO WEST complies with the remaining relevant Circulation Element policies. ONE METRO WEST will pay its fair share of City-assigned costs associated with mitigation of Project-generated impacts to circulation. ONE METRO WEST is designed according to a "Complete Community" concept. Its mix of residential, commercial retail and dining, office and recreational uses will diminish the need for vehicular trip taking outside the Project site; that is, its mix of uses "internal capture" rate is estimated to be approximately 8-10 percent vehicular trips in comparison to a traditional apartment project. The Southern California Association of Governments, in the 2016 Regional Transportation Plan/Sustainable Communities Strategy indicates that focused mix of land uses in strategic growth areas such as Costa Mesa "creates complete communities wherein most daily needs can be met within a short distance of home, providing residents with the opportunity to patronize their local area and run daily errands by walking or cycling rather than traveling by automobile." ONE METRO WEST's mix of land uses will result in shorter morning and evening commute trips, will reduce the number of vehicle trips because it will be a community located close to higher-destination services such as the adjacent South Coast Collection, and will reduce vehicular trips because the Project is accessible to the Santa Ana River bicycle trail. The increase in destination accessibility that will reduce vehicular trips is quantified in recent research that identifies a 10-30 percent reduction in vehicle trips for "smart growth" development practices (practices that result in more compact, accessible, multimodal communities where travel distances are shorter, people have additional options to vehicular travel, and it is possible to walk and bicycle more. ONE METRO WEST will not only reinforce the idea of destination accessibility, but also will because an influential statement toward "smart growth" but also will become an influential statement for smart growth throughout Costa Mesa. Furthermore, ONE METRO WEST will encourage the connection between the South Coast Collection, Project residents, and the Santa Ana River Trail. The Transportation Emission Guidebook attributes a 1-5 percent reduction in vehicular trips due to association with comprehensive bicycle programs and facilities such as those that will be part of ONE METRO WEST. Furthermore, in addition to phasing Project development with improvements to the surrounding street system, ONE METRO WEST will include a voluntary Transportation Management Association, new tech mobility services, vanpool/carpool parking, electric vehicle charging stations, rideshare amenities, and mobility share opportunities. The surrounding street circulation network will comprise complete streets for walking, cycling, rolling and driving uses.

**GROWTH MANAGEMENT ELEMENT**

**GOAL GM-2**  
Integration of Land Use and Transportation Planning.

**POLICY GM-2.4**  
Support land uses and development which create synergistic relationships with neighboring uses and development, especially those whose addition does not create mutually exclusive additional vehicular trips but adds to the value of the destination by any potential visitor.

ONE METRO WEST is highly consistent with this Goal and Policy.

The Project will be truly mixed-use in nature, containing a varied multi-family residential component of 1,057 total apartment units as well as commercial retail/dining space (6,000 square feet), a creative office building (25,000 square feet in area) and public and privately-focused recreational components. The result of establishing these multiple uses within ONE METRO WEST is to use inclusive site planning to reduce the Project's vehicular trip generation. The benefits from linking land use planning with transportation respond to California Environmental Quality Act requirement, the Southern California Association of Governments Regional Transportation Plan and Sustainable Communities Strategy, the Institute of Transportation Engineers data, and the California Air Pollution Control Officers Association data. As a December 12, 2018 Memorandum from LSA (traffic consultants) states: "Locating well-designed, transportation amenity-rich residential communities within a dense multimodal network and complementary land uses will reduce vehicular trip making and will diminish the level of congestion, vehicle miles traveled (VMT) and harmful emissions locally and regionally. The ONE METRO WEST community will fulfill many of these contemporary planning objectives. The ONE METRO WEST community has the potential to provide mobility choice, to promote short trip making by locating within a future service-rich community, and to reduce vehicular congestion in the greater Costa Mesa area, especially south of Interstate 405 (I-405)."

**GENERAL PLAN CONSISTENCY**


  
 HIGHLY CONSISTENT    CONSISTENT    SOMEWHAT CONSISTENT

02.08.2019

PAGE 3

**CITY OF COSTA MESA**  
**GENERAL PLAN GOALS AND POLICIES**  
**ONE METRO WEST CONSISTENCY**

OPEN SPACE AND RECREATION ELEMENT		
<p><b>GOAL OSR-1</b>                      Balanced and Accessible System of Parks and Open Spaces - Provide a High-Quality Environment Through the Development of Recreation Resources and Preservation of Open Space that Meets Community Needs in Costa Mesa.</p>		
<p><b>POLICY OSR-1.1</b>                      Maintain a system of Neighborhood and Community Parks that provide a variety of active and passive recreational opportunities throughout the City.</p>		
<p><b>POLICY OSR-1.2</b>                      Provide parks and recreation facilities appropriate for the individual neighborhoods in which they are located and reflective of the needs and interests of the population they serve.</p>		
<p><b>POLICY OSR-1.5</b>                      Maximize public space by requiring plazas and public gathering spaces in private developments that can serve multiple uses, including recreation and social needs.</p>		
<p><b>POLICY OSR-1.14</b>                      Consult with law enforcement agencies, surrounding cities, community policing groups, and OC Parks to create a safe and healthy environment at Talbert Regional Park, Fairview Park, and along the Santa Ana River.</p>		
<p><b>POLICY OSR-1.18</b>                      Provide a minimum of 4.26 acres of parkland per 1,000 residents.</p>		
<p><b>POLICY OSR-1.20</b>                      Enhance pedestrian, bicycle, and transit linkages to meet the needs of residents and to provide better access to parks, recreation, and public spaces.</p>		
<p><b>GOAL OSR-2</b>                      Community Services Programs Meeting Community Needs</p>		
<p><b>POLICY OSR-2.1</b>                      Provide high-quality community services programs that are flexible and responsive to the community's changing needs.</p>		

ONE METRO WEST will provide a unique 1.7+/- acre urban public open space/park in the northwesterly portion of the Project. The public open space/park is designed to provide a destination for Project residents and visitors; that is, the public open space/park is designed as a park, "experience" to be discovered. Park design potentially will include use of various hardscapes and softscapes such as landforms, trees, trellises, specialized furniture, sculpture and other art work (such as special paving or small tiled designs) to enhance the park experience. Park design will also contain Wi-Fi so that Project residents, office workers and visitors may connect to the Web. The Urban Public Open Space will have a bicycle/pedestrian connection to the Santa Ana River Trail and form a part of such a connection to the adjacent South Coast Collection. The developer shall be privately maintaining the park and will be providing resident amenity programs in the park and community room. The city and parks/recreation department will also be allowed to use the park and community center for all social and recreational programs; such as: city workshops; town hall meetings, educational classes, and outdoor concerts. The park lawn areas are designed to be large enough for Frisbee and light other recreational uses; however, neither of them are large enough for active sport recreation. The intent is for the residential management & the city to develop a partnership providing innovative, artistic, and educational activities in the community center park. The urban park will provide a unique outdoor environment that embraces cultural and artistic activities. Although more fenced dog parks are needed within the city of costa mesa, the noise and other nuisances that dog parks hold would be incompatible recreationally with this open space area. However, pet waste stations will be provided throughout the park and walkway system in the residential community. In addition, the residential community will contain a dog spa and small fenced outdoor areas for dogs to play in. The project will not only be providing outdoor sculptures within the urban park, but also along sunflower in the right of way, and along the parking garage facing the 405 freeway. The outdoor art gallery changes overtime to create an art-walk throughout the park and community.

Although the size of the Urban Public Open Space falls short of the approximate 10-acre (4.26 acres/1,000 population) the City indicates as a park requirement, the amenities and design of the Urban Park/Plaza, in combination with trail connections to the Santa Ana Trail and to the South Coast Collection and provision of a large fitness center, club/community room and bowling alley within ONE METRO WEST will provide ample recreation and park amenities for Project residents and visitors. City park requirements potentially will be met in part by additional payment of City-required local park fees.

ONE METRO WEST is very much in compliance with this Policy.

The ground level 1,500 square foot public community room in the west-central portion of the Project provides sufficient space for Project residents and visitors from the public at large to conduct parties and community meetings and to host lectures and special events. Project residents will be able to stage events. In addition, the City of Costa Mesa and private groups/clubs will be able to secure use of the public community room, which makes this a true venue for high-quality community services programs.

**CITY OF COSTA MESA**  
**GENERAL PLAN GOALS AND POLICIES**

<b>OPEN SPACE AND RECREATION ELEMENT (CONT.)</b>		<b>ONE METRO WEST CONSISTENCY</b>
<b>GOAL OSR-4</b> Extensive Arts and Culture Programs and Services - Provide Comprehensive and Multifaceted Arts and Culture Programs and Services that Provide Education and Entertainment to the Community and a Broader Audience.		
<b>POLICY OSR-4.3</b> Encourage additional indoor and outdoor facility spaces citywide to display public art and host arts and culture special events.		
<b>POLICY OSR-4.11</b> Provide opportunities for local artists to create and display for work.		
<b>POLICY OSR-4.16</b> Pursue the placement of public art in prominent locations, particularly along major travel corridors to enliven and beautify the public realm.		
<b>POLICY OSR-4.17</b> Develop incentives or programs that encourage art in new developments.		

<b>COMMUNITY DESIGN ELEMENT</b>		
<b>GOAL CD-1</b> Vehicular and Pedestrian Corridors - Strengthen the Image of the City as Experienced from Sidewalks and Roadways.		
<b>POLICY CD-1.2</b> Coordinate street furniture elements (benches, bus shelters, newspaper racks, trash receptacles, kiosks, etc.) whenever possible. Develop design standards and guidelines for the street furniture within and adjacent to public rights-of-way to complement the specific recommendations provided for streets in the City of Costa Mesa Streetscape and Median Development Guidelines.		

<b>GOAL CD-3</b> High Quality and Visually Interesting Nodes.		
<b>POLICY CD-3.2</b> Reinforce a sense of arrival into the City by promoting architecturally significant development and significant landscape plantings at key nodes. Undertake a visioning process to develop specific design guidelines that articulate the desired character for each node within Costa Mesa.		

ONE METRO WEST is very much in compliance with this Goal and these Policies.

Art work will be prominent throughout ONE METRO WEST. The extended portion of Building A adjacent to Interstate-405 potentially provides ample spatial opportunity for sculptural treatment of the building wall to soften its visual appearance from passing motorists. More importantly, there are several locations within the Project where murals, pavement treatment, unique street furniture and/or sculptures may be placed outdoors. This is especially the case in the Urban Public Open Space, where use of visual and tactile art works will play a major role in park design. In addition, the creative office building exterior and lobby will provide display areas for local artists' works. Furthermore, internal areas for art work displays include the club/community room, leasing centers, fitness center, bowling alley. The pet spa also may display feline/canine subject art works. Lastly, the club/community room will provide a facility where arts and cultural special events may be held.

ONE METRO WEST is very much in compliance with this Goal and Policy.

The street furniture internal to the Project will be of coordinated design throughout the Project. Standards for, and examples of, street furniture internal to the Project and within and adjacent to the adjacent Sunflower Avenue right-of-way will be portrayed and discussed in the ONE METRO WEST Specific Plan.

ONE METRO WEST is very much in compliance with this Policy.

The concept Landscape Plan for the Project will be further defined in the ONE METRO WEST Specific Plan. Project landscaping and open space, including the park, will cover approximately 26% of the ONE METRO WEST community. Extensive landscaping will be used in the westerly area of the Project site to enhance the Urban Public Open Space, improved connection to the Santa Ana River Trail, and Project frontage along Sunflower Avenue. In addition, the interior of the Project will have landscaped "nodes" to enhance the visual experience for residents. Specific landscape design standards will be defined and portrayed in the ONE METRO WEST Specific Plan.


  
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**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**

**ONE METRO WEST CONSISTENCY**

**COMMUNITY DESIGN ELEMENT (CONT.)**

<p><b>GOAL CD-6</b> Image - Enhance Opportunities for New Development and Redevelopment to Contribute to a Positive Visual Image for the City of Costa Mesa that is Consistent with the District Image.</p>	
<p><b>POLICY CD-6.1</b> Encourage the inclusion of public art and attractive, functional architecture into new development that will have the effect of promoting Costa Mesa as the "City of the Arts."</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies. ONE METRO WEST will incorporate contemporary, but unique, signage design characteristic of the uniqueness of the Project itself. Signage type, standards, location, materials, font and color will promote artistic techniques and results. Details of such signage will be focused on defining ONE METRO WEST as a unique mixed use community and will be discussed and portrayed in detail in the ONE METRO WEST Specific Plan.</p>
<p><b>POLICY CD-6.2</b> Encourage the use of creative and well-designed signs that establish a distinctive image for the City.</p>	
<p><b>GOAL CD-7</b> Quality Residential - Promote and Protect the Unique Identity of Costa Mesa's Residential Neighborhoods (Excellence in Architectural Design).</p>	<p>ONE METRO WEST is very much in compliance with this Goal. ONE METRO WEST is designed as a unique mixed use community. Its mix of four multi-family residential opportunities, combined with commercial retail/dining, creative office and recreational (active and passive) features provide a special case for superior building and land planning design.</p>
<p><b>GOAL CD-8</b> Quality Commercial Development - Achieve a High Level of Design Quality for Commercial Development.</p>	
<p><b>POLICY CD-8.2</b> Use distinctive commercial architectural styles to reinforce a positive sense of place. Commercial architectural design elements and materials must be of high quality and style as well as suitable for long-term maintenance. Consistent architectural design should be considered in choosing materials, finishes, decorative details, color, accent features, etc.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies. Fronting Sunflower Avenue in the northeasterly portion of the Project site, the 6,000-square foot commercial retail/dining building will use contemporary building materials, colors, window treatments, accent features, signage and roof lines to articulate an inviting commercial and dining experience. Parking for the building will be positioned to the rear of the structure on the ground level. In addition, parking will be available along Sunflower Avenue in front of the building. A major entry way to ONE METRO WEST will proceed from Sunflower Avenue immediately adjacent (to the west) of the commercial/dining building and will provide vehicular access to patrons.</p>
<p><b>POLICY CD-8.5</b> Ensure that site access, parking, and circulation for commercial uses are designed in a logical, safe manner. Parking should not dominate the site in areas adjacent to street, and should be well landscaped with a clear hierarchy of circulation. Whenever possible, parking lots should be divided into a series of connected smaller lots utilizing walkways and raised landscape strips. Parking lots should also include landscaping that accents the importance of driveways from the street, frames the major circulation aisles, and highlights pedestrian pathways.</p>	

CITY OF COSTA MESA GENERAL PLAN GOALS AND POLICIES		ONE METRO WEST CONSISTENCY
<b>COMMUNITY DESIGN ELEMENT (CONT.)</b>		
<u>GOAL CD-9</u> Mixed Use - Promote Development of Mixed-Use Projects that Seamingly Integrate Multiple Uses both Functionally and Aesthetically.		
<u>POLICY CD-9-1</u> Require that mixed-use development projects be designed to mitigate potential conflicts between uses. Consider noise, lighting, and security.		
<u>POLICY CD-9-2</u> Provide adequate parking, open space and recreational facilities to serve residents in mixed-use development projects. Design parking and other areas to acknowledge different users (residents versus shoppers) and to be compatible with the architectural character of the building(s).		
<u>POLICY CD-9-5</u> Promote new types of urban housing that could be target marketed to people seeking alternative housing choices in proximity to a major commercial area.		
<u>GOAL CD-12</u> Public Safety through Design - Use Design Approaches to Enhance Public Safety.		
<u>POLICY CD-12-2</u> Continue to implement and refine development standards and/or guidelines based on Crime Prevention Through Environmental Design (CPTED) for new development and redevelopment with emphasis on site and building design to minimize vulnerability to criminal activity.		
<b>SAFETY ELEMENT</b>		
<u>GOAL S-2</u> High Level of Police and Fire Services and Emergency Preparedness.		
<u>POLICY S-2-9</u> Emphasize prevention and awareness of fire safety guidelines to minimize risk and potential damage to life, property, and the environment. In areas designated by the Costa Mesa Fire Department as having a high fire hazard, ensure adequate fire equipment, personnel, firebreaks, facilities, water, and access for a quick and efficient response in any area.		
	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p> <p>The ONE METRO WEST community is comprised of the following: a mix of land uses that includes 1,057 multi-family residential units (studio, 1-, 2-, and 3-bedrooms) within three six- to seven-story buildings; 6,000 square feet of commercial retail and dining establishments primarily to serve Project residents and visitors; an approximately 25,000 square foot creative office building with rooftop plaza; and, a 1.7+- acre Urban Public Open Space. The residential opportunities within ONE METRO WEST will attract single-person households, couples, and families. In addition, ONE METRO WEST will contain a 35,000 square foot leasing and fitness center, pools for Project residents' use, a 1,500 square foot public community room for private and public events, an 8,000 square foot basement level bowling alley, an outdoor pet spa, and both surface level and garage type parking. Building architecture will be contemporary in nature and make use of consistent materials, color, surface, elevation and roof treatments to connect aesthetically the various uses within the Project. Residential parking will be provided at a ratio of 1.75 spaces/unit which is similar to other recent Costa Mesa urban projects such as 580 Anton and Symphony Towers). Commercial and office parking will be provided at the City of Costa Mesa-required ratios. The public open space/park parking will be shared with the creative office parking. ONE METRO WEST will improve the connecting trail to the Santa Ana River Trail system, thereby encouraging more pedestrian and bicycling use. These multiple uses work together functionally to encourage and facilitate living, working and recreating within the ONE METRO WEST community.</p> <p>The 6,000 square feet of retail has been designed for the residences' convenience, and an anticipated use is a boutique grocery store that also provides prepared food. The restaurants and specialty food stores in South Coast Collection also supplement the residence lifestyle. Grocery delivery services are also a lifestyle change that fulfills the needs of the target rental group.</p>	
	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p> <p>ONE METRO WEST Project planning and design emphasizes natural surveillance opportunities within the Project. Two of the three residential buildings are "wrap" buildings with residences surrounding plazas, courtyards, or parking areas and that have surface and subterranean parking. The third residential building (adjacent to Sunflower Avenue) is a 7-story tall podium structure built above a parking garage. Creative office building parking and public open space/park parking are ground level and adjacent to the two land uses. Commercial parking is available on the ground level to the rear of the commercial retail/dining businesses and along Sunflower Avenue in front of that 6,000 square feet building. Project design places windows overlooking parking lots and sidewalks. Project lighting will illuminate pathways, stairways, entrances and exits to the Project site, parking areas, mail box areas, children's play areas, recreation areas, pools, dumpster areas and other locations suggested by the City of Costa Mesa and the Costa Mesa Police Department. Office and commercial uses on-site may choose to install closed circuit television cameras for addition safety. CPTED standards and design measures will be discussed in the ONE METRO WEST Specific Plan.</p>	
	<p>ONE METRO WEST is very much in compliance with this General Plan Policy.</p> <p>The Project site is not located within a designated "High Fire Hazard" area. According to the General Plan Safety Element, "no part of Costa Mesa is listed as and SRA (State Responsibility Area) or located within the Very High Fire Hazard Severity Zone." Fire and emergency services to the Project site will be provided by Costa Mesa Fire Stations - the nearest of which to the Project site is the Royal Palm Fire Station - and could be supplemented by nearby stations in the City of Santa Ana or the City of Fountain Valley through a mutual response agreement. The Project is designed with perimeter and internal fire lanes to facilitate Fire Department vehicular access to all areas of the Project.</p>	

**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**

**ONE METRO WEST CONSISTENCY**

**CONSERVATION ELEMENT**

<p><b>GOAL CON-2</b> Conserve Natural Resources through Environmental Sustainability - Reduce the City's Carbon Footprints and Manage Resources Wisely to Meet the Needs of a Growing Population and Economy. Base Community Planning Decisions on Sustainable Practices that Reduce Environmental Pollutants, Conserve Resources, and Minimize Waste. Encourage the Design of Energy Efficient Buildings. Use Renewable Energy, and Promote Alternative Methods of Transportation.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p> <p>The Project is designed from a sustainable standpoint, recognizing the needs for resource conservation and pollutant minimization. ONE METRO WEST is committed to developing an energy efficient and sustainable design. These features, in addition to the design of operational programs will be incorporated into the Project, including those required by California Green Building Standards Code (CALGreen; CCR, Title 24, Part 11). Energy-saving and sustainable design features and operational programs would be incorporated into the Project, including those required by the California Green Building Standards Code (CALGreen; CCR, Title 24, Part 11). The Project would also incorporate design features and attributes promoting energy efficiency and sustainability. Redevelopment and revitalization of the project site promotes efficient use of scarce real property. Further, redevelopment and reuse of the site supports sustainable and efficient use of resources by taking advantage of currently available utilities and public services. An Active Transportation Hub will be placed immediately adjacent to the park, adding a unique amenity to the community. The Active Transportation Hub will include bike racks and lockers, bike storage, repair facilities, and community-wide bike-share programs and events. Installation of electric vehicle charging stations and inclusion of preferential parking for low-emitting, fuel-efficient, and carpool/van vehicles will also be incorporated. Solar panels will be installed on south-facing roofs. All major appliances will be Energy Star-certified or equivalent energy efficiency. To reduce water demands and associated energy use, the Project uses would implement a water conservation strategy and demonstrate a minimum 20 percent reduction in indoor water usage when compared to baseline water demand. Project uses would also be required to implement a landscaping palette emphasizing drought-tolerant plants consistent with provisions of the State Model Water Efficient Landscape Ordinance and/or City requirements, water-efficient irrigation techniques, and US Environmental Protection Agency (EPA) Certified WaterSense or equivalent faucets, toilets, and other plumbing fixtures.</p> <p>The many details of sustainability for the Project are in the architectural and landscape design working-drawings. We are committed to sustainability but are still at a General Plan and Zoning stage.</p>
<p><b>POLICY CON-2.A.1</b> Promote efficient use of energy and conservation of available resources in the design, construction, maintenance, and operation of public and private facilities, infrastructure, and equipment.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p>
<p><b>POLICY CON-2.A.5</b> Promote environmentally sustainable development principles for buildings, master planned communities, neighborhoods, and infrastructure.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p>
<p><b>POLICY CON-2.A.6</b> Encourage construction and building development practices that reduce resource expenditures throughout the lifecycle of a structure.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p>
<p><b>GOAL CON-4</b> Improved Air Quality - Take Steps to Improve and Maintain Air Quality for the Benefit of the Health and Vitality of Residents and the Local Economy...</p>	<p>A Health Risk Assessment Study will be prepared for the Project. The design has provided a parking garage barrier for residents to mitigate for noise and air quality from the freeway. There will be extensive mitigation measures to insure a high quality living environment as it pertains to air quality and sound attenuation.</p>
<p><b>POLICY CON-4.A.5</b> Encourage compact development, infill development, and a mix of uses that are in proximity to transit, pedestrian, and bicycling infrastructures.</p>	<p>Air quality for the residents of the Project and Project vicinity will be maintained through Project design. Designed with multiple land uses, the ONE METRO WEST Project operation will result in shorter morning and evening commute trips, will reduce the number of vehicle trips because it will be a community located close to higher-destination services such as the adjacent South Coast quantified in recent research that identifies a 10-30 percent reduction in vehicle trips for "smart growth" development practices (practices that result in more compact, accessible, multimodal communities where travel distances are shorter, people have additional options to vehicular travel, and it is possible to walk and bicycle more). In addition, CALGreen building requirements will ensure air quality impacts from surrounding roadways and land uses will be maintained at a level maintaining the health of Project residents. The Project location near the Santa Ana River Trail and Project design that includes a trail connection to the Santa Ana River Trail will encourage and facilitate bicycling. In addition, the possibility of a direct pedestrian link through the ONE METRO WEST Project site to the South Coast Collection will be explored. ONE METRO WEST's proximity to future nearby developments, such as the proposed 51,000 square foot "Market Hall" project on Harbor Boulevard, further encouraging non-vehicular travel to nearby destinations. The nature of this mixed use community encourages employees of businesses within ONE METRO WEST and in the Project vicinity to reside in ONE METRO WEST residential units, thereby reducing vehicular-generated air pollution.</p>
<p><b>POLICY CON-4.A.6</b> Enhance bicycling and walking infrastructure, and support public bus services, pursuant to the Circulation Element's goals, objectives, and policies.</p>	<p>ONE METRO WEST is very much in compliance with this Goal and these Policies.</p>

**GENERAL PLAN CONSISTENCY**

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**CITY OF COSTA MESA  
GENERAL PLAN GOALS AND POLICIES**

**ONE METRO WEST CONSISTENCY**

**NOISE ELEMENT**

**GOAL N-2**  
Noise and Land Use Compatibility - Integrate the Known Impacts of Excessive Noise on Aspects of Land Use Planning and Siting of Residential and Non-Residential Projects.

**POLICY N-2.1**  
Require the use of sound walls, berms, interior noise insulation, double-paned windows, and other noise mitigation measures, as appropriate, in the design of new residential or other new noise sensitive land uses that are adjacent to arterials, freeways, or adjacent to industrial or commercial uses.

**POLICY N-2.3**  
Consider alternative noise level standards for mixed-use projects that take into consideration the interaction of industrial operation noise impacts and the mixed-use developments planned for the Westside and Sobeca.

**POLICY N-2.7**  
Encourage effective site planning in mixed-use areas that provides the optimal distance between source of excessive sound and residents.

**POLICY N-2.8**  
Require new mixed-use developments to site loading areas, parking lots, driveways, trash enclosures, mechanical equipment, and other noise sources away from the residential portion of the development and adjacent established development.

ONE METRO WEST complies with this Goal and these Policies.

ONE METRO WEST is designed to mitigate noise from Interstate-405 to the maximum extent possible. Residential units within a determined sensitive distance from Interstate-405 will contain sound mitigation construction techniques and materials as required by the City of Costa Mesa. Residential units closest to Interstate-405 are set back approximately 120 feet from the freeway right-of-way and are oriented facing away from the freeway. Parking and a tall wall will provide separation between the residential building on the southerly portion of the Project site and the freeway.



**HOUSING ELEMENT**

**GOAL HOU-1**  
Preservation and Enhancement - Preserve the Availability of Existing Housing Opportunities and to Conserve as well as Enhance the Quality of Existing Dwelling Units and Residential Neighborhoods.

**POLICY HOU-1.8**  
Encourage the development of housing that fulfills specialized needs.

ONE METRO WEST is in compliance with this Policy.

There currently is an imbalance in the jobs-to-housing ratio in Costa Mesa. There are 1.6 jobs per dwelling unit in the City. Given that there are an estimated 25,000 people working in the Project area, there is a need for approximately 20,000 residential units where fewer than 1,000 exist. ONE METRO WEST will provide a significant portion of the needed homes. The Project Applicant will confer with City of Costa Mesa Housing staff to determine definitive ratios of affordable housing and populations to be served, and will satisfy City requirements to be memorialized as part of a future Development Agreement.



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**HOUSING ELEMENT (CONT.)**

<p><b>GOAL HOU-2</b> Preserving and Expanding Affordable Housing Opportunities - Provide a Range of Housing Choices for All Social and Economic Segments of the Community, Including Housing for Persons with Special Needs.</p>	<p>ONE METRO WEST is in compliance with these Goals. ONE METRO WEST is designed to provide varied residential opportunities for single-person households, two-person households, and small- and medium-size families. ONE METRO WEST values the elements mixed-income housing brings to a community. It raises and strengthens its quality of life. ONE METRO WEST is committed to following with the Costa Mesa's lead to develop an affordable housing program for ONE METRO WEST which ensures the housing is financially viable and built.</p>	
<p><b>GOAL HOU-4</b> Equal Housing Opportunity - To Ensure that All Existing and Future Housing Opportunities are Open and Available to All Social and Economic Segments of the Community Without Discrimination on the basis of ... Arbitrary Factors.</p>		
<p><b>POLICY HOU-4.3</b> Encourage programs that address the housing needs of senior citizens.</p>	<p>Encourage and support the construction, maintenance, and preservation of residential developments which will meet the needs of families and individuals with specialized housing requirements.</p>	
<p><b>POLICY HOU-4.4</b></p>	<p>Encourage and support the construction, maintenance, and preservation of residential developments to meet the needs of the developmentally disabled.</p>	
<p><b>POLICY HOU-4.5</b></p>	<p>Encourage and support the construction, maintenance, and preservation of residential developments to meet the needs of the developmentally disabled.</p>	
<p><b>GOAL HOU-3</b> Provision of Adequate Sites - To Provide Adequate, Suitable Sites for Residential Use and Development or Maintenance of a Range of Housing that Varies Sufficiently in terms of Cost, Design, Size, Location, and Tenure to Meet the Housing Needs of All Segments of the Community at a Level that can be Supported by Infrastructure.</p>	<p>ONE METRO WEST will comply with this Policy. ONE METRO WEST is committed to following with the Costa Mesa's lead to develop an affordable housing program for ONE METRO WEST which ensures the housing is financially viable and built.</p>	
<p><b>POLICY HOU-3.3</b> Cooperate with large employers, the Chamber of Commerce, and major commercial and industrial developers to identify and implement programs to balance employment growth with the ability to provide housing opportunities affordable to incomes of the newly created job opportunities.</p>		

# ONE | METRO | WEST

Costa Mesa, CA

# ONE | METRO | WEST

## Location Map



ONE METRO **WEST** is a 15.23+/- acres mixed-use community that will replace the Sakura Paper manufacturing plant at 1683 Sunflower Avenue in the northwesterly portion of the City of Costa Mesa, California, north of the 405 Freeway. ONE METRO **WEST** is easily accessible from the west and east via the San Diego Freeway (I-405), from the south via the San Joaquin Hills Transportation Corridor (State Route 73), and the east via the Costa Mesa Freeway (State Route 55). Locally, Harbor Boulevard and Sunflower Avenue are the major roadways that provide access to ONE METRO **WEST**.

ONE METRO **WEST** can also be accessed by bicyclists and pedestrians traveling along the nearby Santa Ana River Trail, a very popular route that runs 30 miles from the ocean at Huntington Beach to the Orange County/Riverside border. There is an existing path that connects the River Trail to the new community. That path will benefit from a major upgrade as part of ONE METRO **WEST**.

John Wayne Airport is less than six miles away, making ONE METRO **WEST** convenient for businesses and residents needing easy access to travel for work and pleasure.

The Santa Ana Train Station is less than eight miles from ONE METRO **WEST**, and the Tustin Station is less than ten miles away. The stations provide mass transit access to greater Orange County, Los Angeles County, Riverside County and San Diego County via commuter trains.

# ONE | METRO | WEST

## Vicinity Map



ONE METRO **WEST** will serve as the gateway to the city of Costa Mesa where the San Diego Freeway crosses over the Santa Ana River. Nearby are commercial, industrial and logistics businesses in Costa Mesa and the adjacent cities of Santa Ana and Fountain Valley.

Within walking distance of ONE METRO **WEST** is the very successful South Coast Collection (SOCO) retail and dining destination, which will be a next-door neighbor of ONE METRO **WEST**. Across the street from SOCO is the world headquarters for Vans, a global icon of creative expression for youth culture. The 182,000-square-foot headquarters on 14 acres is home to 500 employees, with room for more. Other attractions and businesses that are easily walkable and bikeable from ONE METRO **WEST** include the Santa Ana River Trail, IKEA Costa Mesa, The Observatory music venue, Moon Park, National University, HIVE creative office campus, including The Lost Bean Coffee & Tea, The Press and the former site of Whittier Law School.

ONE METRO **WEST** enjoys easy access to South Coast Plaza, with its collection of more than 275 retail and dining opportunities, and the South Coast Plaza Metro District.

Also within three miles is Orange County's premier cultural venue – the Segerstrom Center for the Arts, a world-renowned performing arts campus featuring more than 6,400 seats in seven concert halls, theaters and studios, as well as gardens, plazas and open space. It is also near centers of higher education, including Orange Coast College, Vanguard University, the Art Institute of California, and University of Redlands, SCM Campus, and other specialty campuses.



# ONE | METRO | WEST

Costa Mesa, CA

## Project Description

### Introduction

The proposed ONE METRO **WEST** community (Project) involves a General Plan Amendment, Zone Change (Specific Plan), EIR, Development Agreement, Parcel Map, and Demolition Permit application. The 15.23 +/- acre project site and Mixed-Use development is comprised of residential, retail, creative office and recreation components. The Project site address is 1683 Sunflower Avenue, Costa Mesa, CA 92626 and is located in the northwest corner of Costa Mesa north of the I-405 Freeway. Currently, the Sakura Paper factory, Robinson Pharmaceuticals, and a bakery sub-tenant occupy the project site, which is bordered to the north and west by industrial/logistics uses, to the south by the San Diego Freeway (Interstate-405), and to the west by the South Coast Collection of retail and dining establishments.

The proposed General Plan Amendment would change the existing “Industrial Park” land use designation to “Urban Center Commercial” with site-specific base density (up to 80 dwelling units per acre) requested and site specific base building height of 7 stories of residential and parking garage. It is anticipated that the community will consist of a maximum of 1057 DUs, 25,000 square feet of commercial creative office and 6,000 square feet of specialty retail.

The proposed Zone Change component of the Project application would replace the current “MP-Industrial” zoning designation of the Project site with “SP-Specific Plan” zoning. Specific Plan zoning is intended to allow a mix of uses and site-specific development standards.

### Residential Community

The proposed Site Plan component of the community includes: three multi-family residential structures; one office building; tenant-serving commercial retail space; a park and event plaza; landscaping; streetscape improvements; and a Class-I bike trail system. The multi-family residential buildings (one 7-story podium style; two “wrap” style; 6 and 7-stories) would house 1,057 apartments within three buildings. The podium building will be located in the northeasterly and northerly portions of the Project site; the wrap buildings in the south easterly portion of the Project site and nearest the San Diego Freeway.

The residential component of the community also will contain 54,500 square feet of indoor amenities and 32,800 square feet of outdoor amenities. Types of amenities include: a Business Center with meeting rooms; co-working space, an 18,000 square foot fitness center with on-demand fitness programs, a yoga and aerobic studio, and wellness room with oxygen and cryotherapy; a club house/community room with a bowling alley, coffee bar, high-tech gaming center, and chef’s demonstration kitchen; an 11,000 square foot lobby and leasing area; a private day-care facility; three resort-style, saltwater, swimming pools (one Junior Olympic-size) with spas and cabana areas; landscaped paseos; multiple rooftop amenity terraces and community/art exhibit spaces; and solar panels on south-facing roofs. Parking for the residential component of the Project site will be provided (approximately 1,850 total spaces) and be located within the podium parking and two parking structures. Parking space dimensions will be per the City of Costa Mesa standards. Each parking area on the Project site will contain electric vehicle charging stations in numbers set forth in the Specific Plan.

ONE METRO **WEST** is committed to following the City of Costa Mesa’s lead to develop an affordable housing program for ONE METRO **WEST** which ensures the housing is financially viable and built for Costa Mesan’s to prosper from.

## Specialty Retail

The specialty retail will be focused on providing for the needs of community residents and might contain a small boutique grocery, dry cleaners, and other service businesses. The commercial uses will be located on the ground floor of the north eastern residential building, facing Sunflower Avenue. Parking for the commercial businesses (24 total spaces) will be provided and will be accommodated within the building's parking structure.

## Creative Office

The office component of the community will occupy 25,000 square feet. The free standing building in the westerly portion of the Project site is 3 stories of office over 1 level of at-grade parking (100 total spaces). The office space is designed as a creative environment, ideal for a single tenant, although it could also be subdivided. The rooftop will have an event terrace, and garden roof overlooking the park and event plaza. It is intended that the creative office component will encourage and enable some ONE METRO **WEST** residents to live and work in close proximity and serve as a customer base for the new commercial businesses on the Project site.

## Off-Sites

Cadillac Avenue and Sunflower Avenue are both designated industrial streets that provide vehicular, pedestrian, and emergency service access to the surrounding area. The narrow existing right-of-way, low traffic volumes and street infrastructure offers a great opportunity to implement Complete Streets for this new community and surrounding neighborhood. The implementation of Complete Streets will provide safe access and mobility for all users including private vehicles, future public mass transit, pedestrians, and bicyclists/active transportation users. These improvements can be completed in conjunction with the surrounding neighborhood to provide an active transportation network of Complete Streets. While safely moving people throughout the neighborhood, these new Complete Streets network offer public spaces to exercise, interact with the neighborhood, and participate in community activities while also improving traffic conditions, environmental impacts, and fiscal impacts within the City.

This proposed community provides an opportunity for Complete Streets components such as wider pedestrian sidewalks which may feature gathering spaces, street furniture, better lighting, wayfinding and public art, safer pedestrian and bike crossings, improved painted bike lanes with safer identification and separation from vehicles, new landscaped street island pockets, and new on-street parking along the south side of Sunflower Avenue. Off-site improvements will add to the character and help unify the immediate area around ONE METRO **WEST**. Decorative elements and added street and sidewalk improvements along the south side of Sunflower Avenue will activate and liven up the streetscape. Additional signage will be provided according to City Municipal Code standards and will be the subject of a subsequent application with the City. All lighting on site will be focused onto the Project site and be low glare in intensity to avoid impacting residential uses on the south side of I-405 Freeway.

ONE METRO **WEST** will complement this new Complete Street section with a new bicycle trail that will connect to the nearby 20-mile Santa Ana River Trail, just west of the Project site. Landscaping and enhancements will be made to the trail as it goes through the southwest portion of the project site and along the I-405 Freeway, eventually connecting to the Santa Ana River Trail.

# ONE | METRO | WEST

## Public Open Space

ONE METRO **WEST** will contain 1.7 +/- acres of public open space/park that will be located in the extreme westerly portion of the Project site and that will be privately maintained. The park will contain various amenities, including an Event Plaza sufficiently enough to contain an outdoor performance area for theatrical and musical events, outdoor play areas, exercise area, and seating. The park will be heavily landscaped. An Active Transportation Hub will be placed immediately adjacent to the park adding a unique amenity to the community. The Active Transportation Hub will include bike lockers, bike storage, repair facilities, and community-wide bike-share programs and events. Lastly, landscaping will be emphasized along the perimeter of the Project site, throughout the residential portion of the community, and within and adjacent to the Park.

## Phasing

ONE METRO **WEST** will be phased over time, subject to market conditions. The first phase will be building A, which will create a sound and noise barrier to the freeway for the subsequent phases and face the building inward to the rest of the community. It also builds a large amenity package in phase one for the initial ONE METRO **WEST** residents. The second phase will be building B, while the third will be building C. The 1.7 +/- acre park/event park is planned to be used as a construction staging area for the first three stages. Both the park and creative office building would be anticipated to be the final phases. Marketplace demand and absorption will be the major driver for how quickly the community is constructed and leased. With little or no vacant residential land remaining in the South Coast Metro area by the time this community is anticipated to be constructed, the demand is expected to be high.

## Energy Efficiency and Sustainability

Energy-saving and sustainable design features and operational programs would be incorporated into the proposed One Metro West community, including those required by the California Green Building Standards Code (CALGreen; CCR, Title 24, Part 11). The ONE METRO **WEST** community would also incorporate design features and attributes promoting energy efficiency and sustainability:

- Redevelopment and revitalization of the community promotes efficient use of scarce real property. Further, redevelopment and reuse of the site supports sustainable and efficient use of resources by taking advantage of currently available utilities and public services.
- An Active Transportation Hub will be placed immediately adjacent to the park adding a unique amenity to the community. The Active Transportation Hub will include bike racks and lockers, bike storage, repair facilities, and community-wide bike-share programs and events.
- Installation of electric vehicle charging stations at non-residential buildings; installation of electric vehicle chargers in residential buildings; and inclusion of preferential parking for low-emitting, fuel-efficient, and carpool/van vehicles.
- Installation of solar panels on south-facing roofs.
- All major appliances (dishwashers, refrigerators, clothes washers, and dryers) to be provided/installed are Energy Star-certified appliances or appliances of equivalent energy efficiency.

- To reduce water demands and associated energy use, the project uses would implement a water conservation strategy and demonstrate a minimum 20 percent reduction in indoor water usage when compared to baseline water demand (total expected water demand without implementation of the water conservation strategy). Project uses would also be required to implement:
  - A landscaping palette emphasizing drought-tolerant plants consistent with provisions of the State Model Water Efficient Landscape Ordinance and/or City requirements.
  - Water-efficient irrigation techniques consistent with City requirements.
  - US Environmental Protection Agency (EPA) Certified WaterSense or equivalent faucets, toilets, and other plumbing fixtures.

# ONE | METRO | WEST

Costa Mesa, CA

# ONE | METRO | WEST

## Existing Conditions

### Current Tenants

Robinson Pharma, Inc.	232,393 sf
South Coast Baking	78,500 sf
Dekra-Lite Industries, Inc.	35,000 sf
Sakura Paper	Address Only



View From Sunflower Ave.



View of the Robinson Pharma office from the North.



View of the sidewalk to the lobby entrance at the Robinson Pharma space.



View of the lobby entrance to the Robinson Pharma office space.



View of Robinson Pharma signage on the South side of the building.

# ONE METRO WEST

## Existing Conditions



View of the Robinson Pharma office area facade.



View of the portion of the south wall at the TY North America space.



View of the picnic table and bike rack in the Robinson Pharma parking area.



General view of the courtyard area on the south side of the Robinson Pharma space.



View of the elevated dock area at the Robinson Pharma space.



View at the TY North America loading dock area.



# ONE | METRO | WEST

Costa Mesa, CA

# ONE | METRO | WEST

## Site Plan / Elevations



ONE METRO **WEST** residences are clustered together, affording more space to the 1.7 +/- acres METRO Park. Open to residents and the public, the park is designed to hold intimate musical performances, outdoor theatrical productions, community-sponsored meetings, celebrations, exercise classes and an exercise course. Within the park is a 25,000 square foot jewel box creative office with a roof garden and event space.

METRO Park is also the center of the community's bicycle-friendly amenities, including a bike parking/active transportation hub. The community also will include upgraded biking paths and facilities around the community, and community-wide bike programs and events.

Adjacent to the park, an existing path offers easy access to the remarkable recreational and transportation opportunities of the Santa Ana Trail. As an extension of the METRO Park at ONE METRO **WEST**, the path to the river trail will be significantly improved and preserved, for residents of the community and the public.

# ONE METRO WEST

## Site Plan / Elevations



## Project Summary

<b>Occupancy Group:</b>	Residential: R2 Parking Garage: S-2 Recreation Area: A-3 Residential Above Podium: Type IIIA Residential Below Podium: Type IA Parking Garage: Type IA Retail/Commercial: Type IA
<b>Construction Type:</b>	15.75 Acres 0.52 Acres 15.23 Acres 1.7 Acres 1,057 Units 25,000 sf 6,000 sf
<b>Site Area:</b>	
<b>OCTA Dedication Area:</b>	
<b>Net Site Area:</b>	
<b>Urban Park:</b>	
<b>Total Units:</b>	
<b>Creative Office Building:</b>	
<b>Retail:</b>	
<b>Amenities:</b>	
<b>Building A</b>	Amenity @ Ground 18,000 sf    Amenity @ 2nd 6,000 sf    Amenity Terrace 4,000 sf <b>Indoor Total 35,000 sf</b> <b>Outdoor Total 4,000 sf</b>
<b>Building B</b>	Amenity @ B1 8,000 sf    Amenity @ Ground 10,000 sf    Community Room 1,500 sf    Amenity Terraces 10,800 sf <b>Indoor Total 19,500 sf</b> <b>Outdoor Total 10,800 sf</b>
<b>Building C</b>	Amenity Terrace 18,000 sf
<b>Grand Total</b>	<b>Indoor Total 54,500 sf</b> <b>Outdoor Total 18,000 sf</b> <b>32,800 sf</b>

## Residential Unit Breakdown

Unit Type	Building A	Building B	Building C	Total	Mix
Studio 1	47	37	28	112	10.6%
1 Bedroom A	34	98	76	208	
1 Bedroom B	0	5	0	5	45.1%
1 Bedroom C	164	86	14	264	
2 Bedroom A	151	129	69	349	
2 Bedroom B	9	9	14	32	39.9%
2 Bedroom C	18	9	14	41	
3 Bedroom A	22	10	14	56	
3 Bedroom B					
<b>Total Units</b>	<b>445</b>	<b>383</b>	<b>229</b>	<b>1057</b>	

## Vehicular Parking

Area	Total Units	Parking Ratio	Parking Provided
Building A	445	1.75 /unit	779
Building B	383	1.75 /unit	671
Building C	229	1.75 /unit	401
Retail		4/1,000 sf	24
Creative Office Building		4/1,000 sf	100
<b>Total Parking</b>	<b>1057</b>		<b>1975</b>



ONE METRO WEST Costa Mesa, California

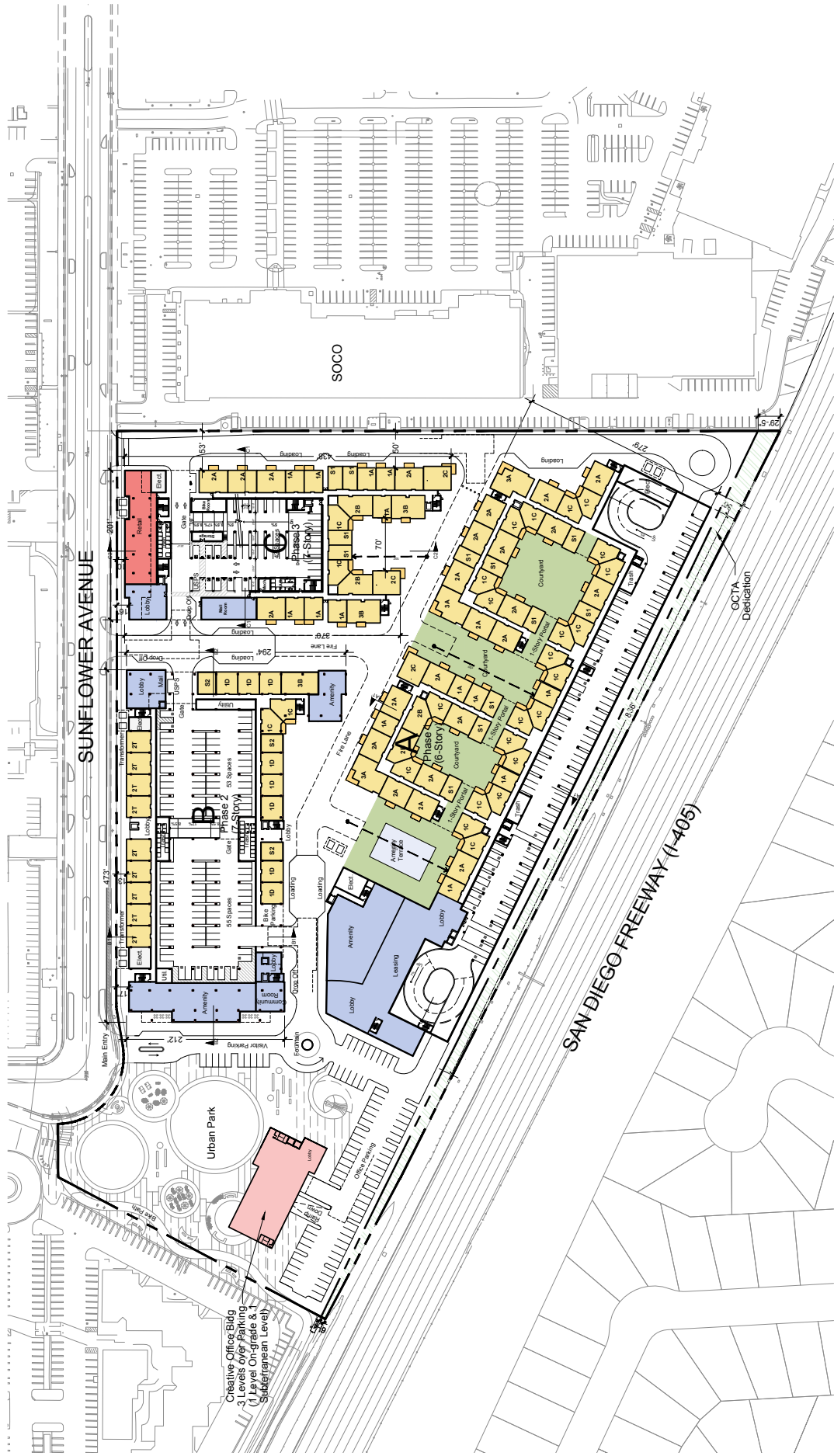
ROSE EQUITIES

togawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08, 2019

Project Summary

A-01



**GROUND LEVEL PLAN**

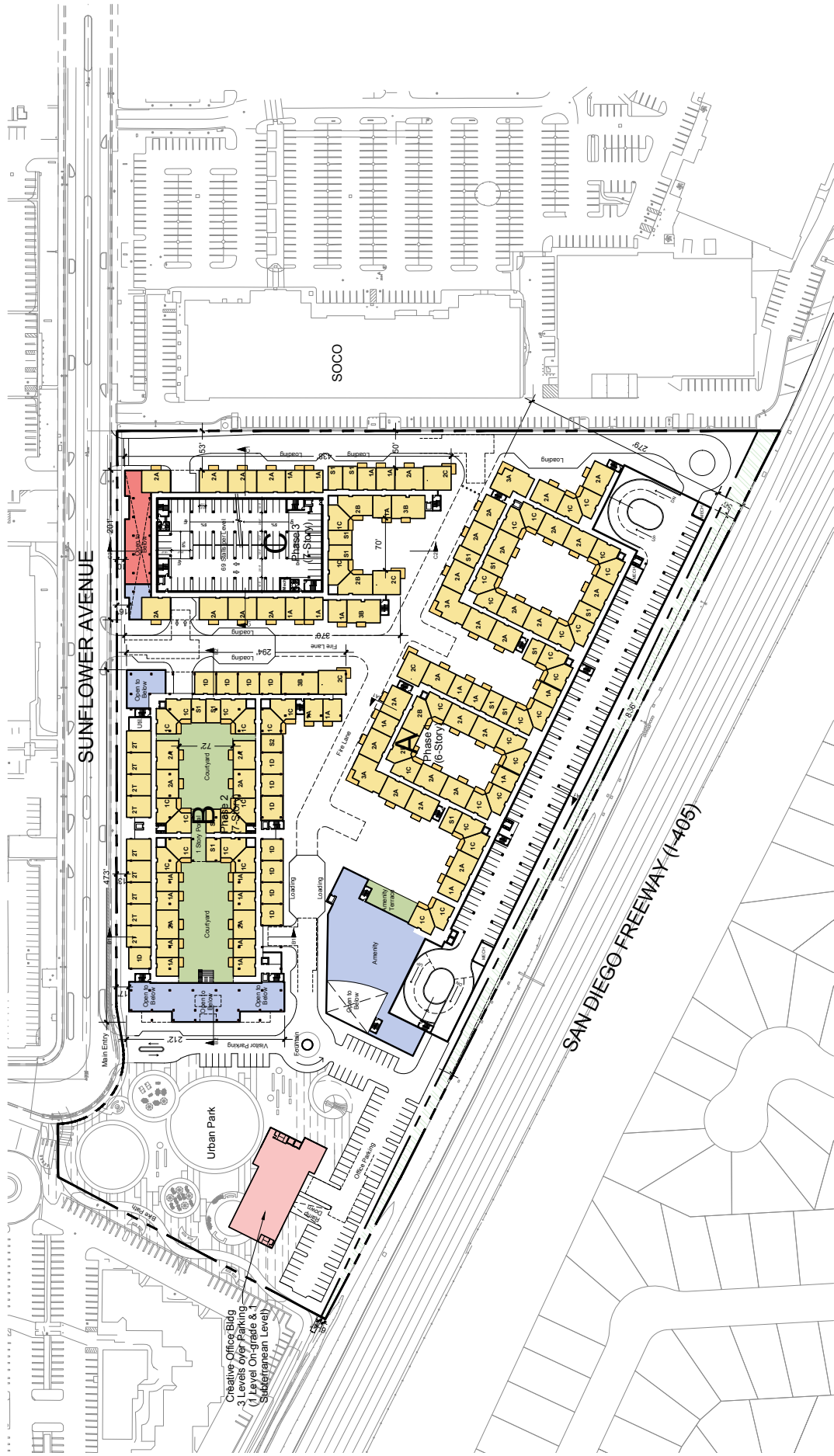
**A-02**



**ONE METRO WEST** Costa Mesa, California

**ROSE EQUITIES**  
 togawa smith martin, inc. | www.tsminc.com project # 1804431.00 | february 08.2019





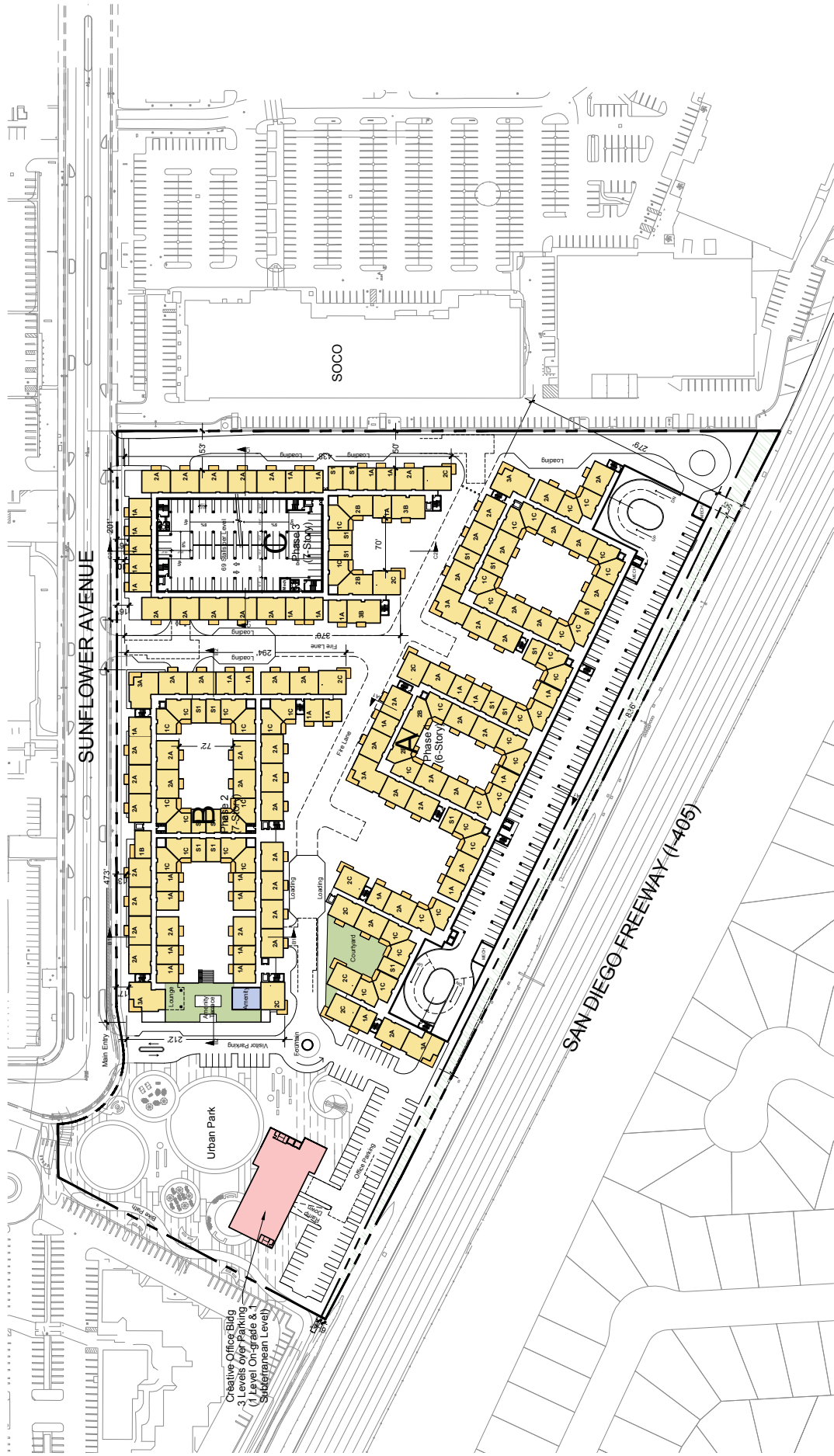
SECOND LEVEL PLAN

A-03



ONE METRO WEST Costa Mesa, California  
 ROSE EQUITIES  
 togawa smith martin, inc. | www.tsminc.com project # 1804431.00 | february 08.2019





**ONE METRO WEST** Costa Mesa, California

**ROSE EQUITIES**

logawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019

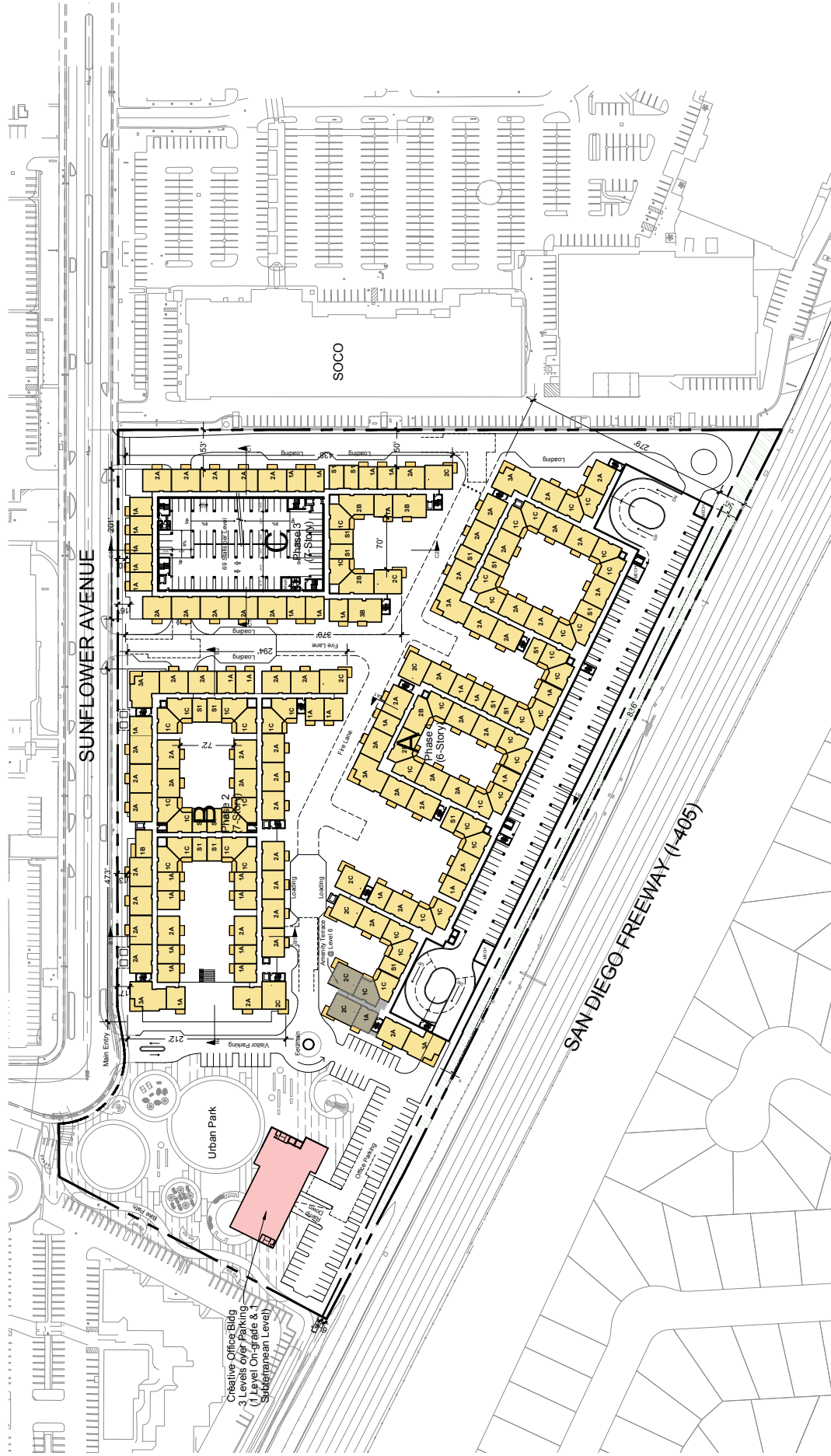


scale: 1" = 120'-0"



**THIRD LEVEL PLAN**

**A-04**



Creative Office Bldg  
3 Levels over Parking  
(1 Level On-grade & 1  
Subterranean Level)



**ONE METRO WEST** Costa Mesa, California

**ROSE EQUITIES**

logawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019

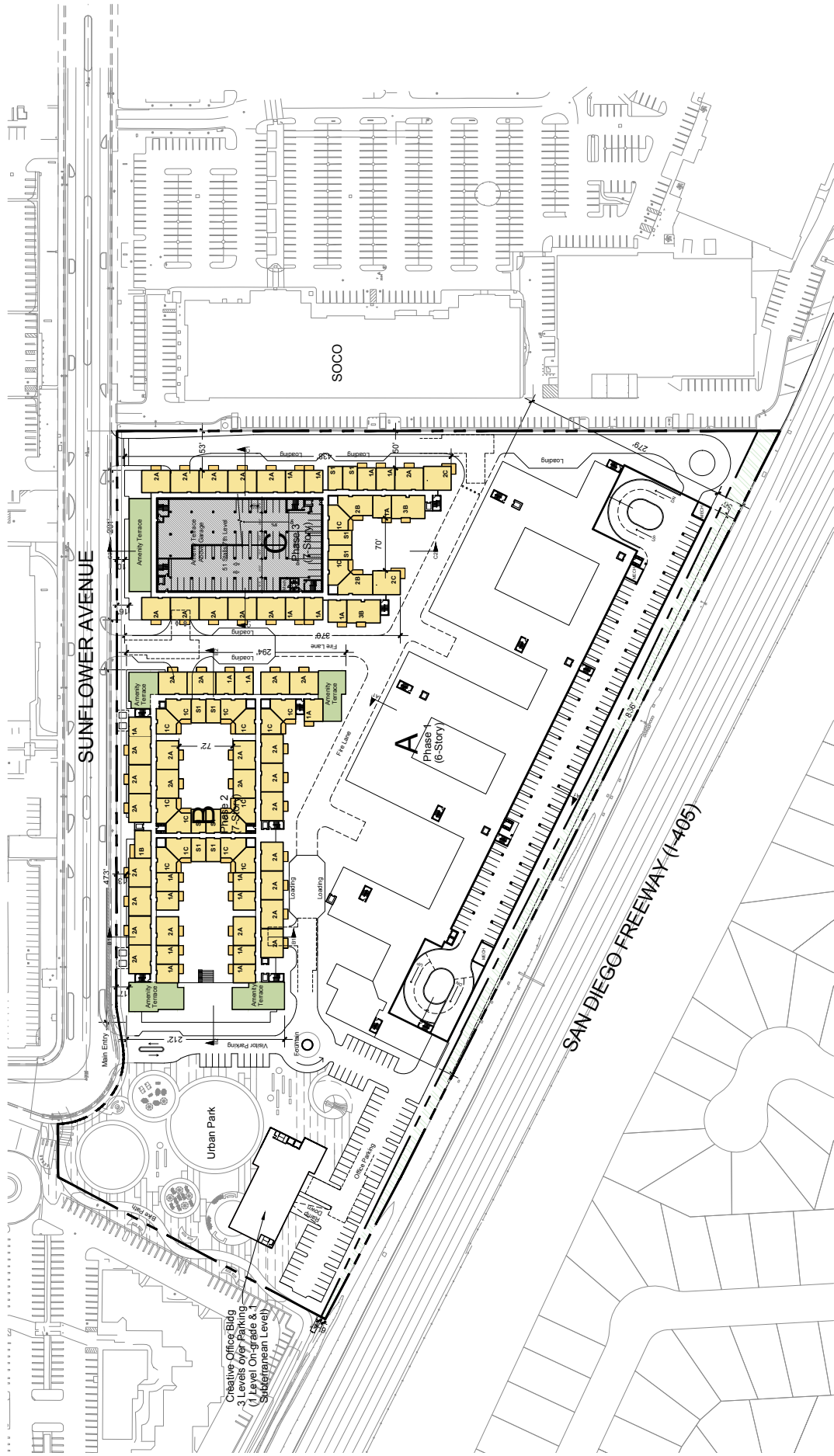
**4TH-6TH LEVEL PLAN**

**A-05**



Scale: 1" = 120'-0"





Creative Office Bldg  
 3 Levels over Parking  
 (1 Level On-grade & 1  
 Subterranean Level)



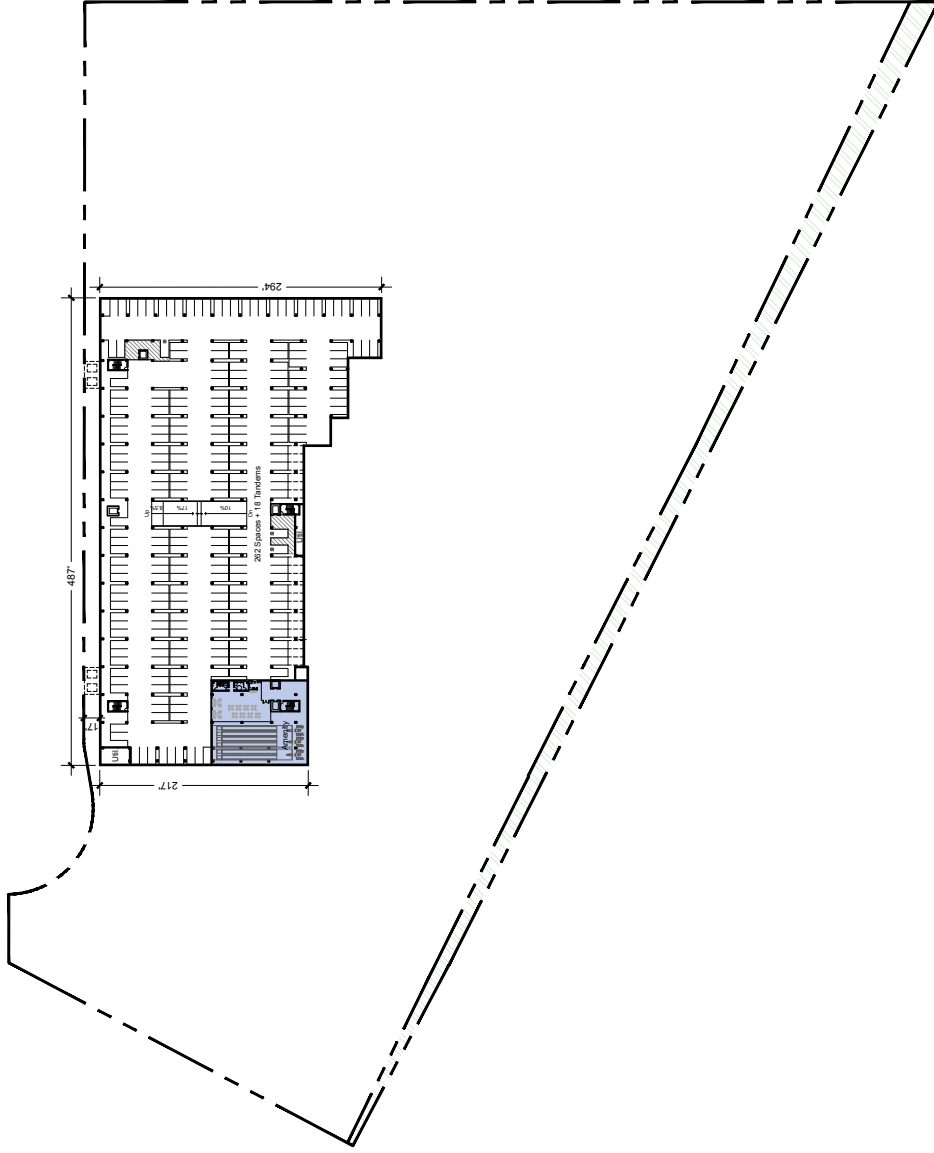
**ONE METRO WEST** Costa Mesa, California

ROSE EQUITIES  
 togawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019



7TH LEVEL PLAN  
 A-06



**ONE METRO WEST** Costa Mesa, California

**ROSE EQUITIES**

logawa.smith.marfin, inc. | www.tsminc.com

project # 1804431.00 | February 08, 2019

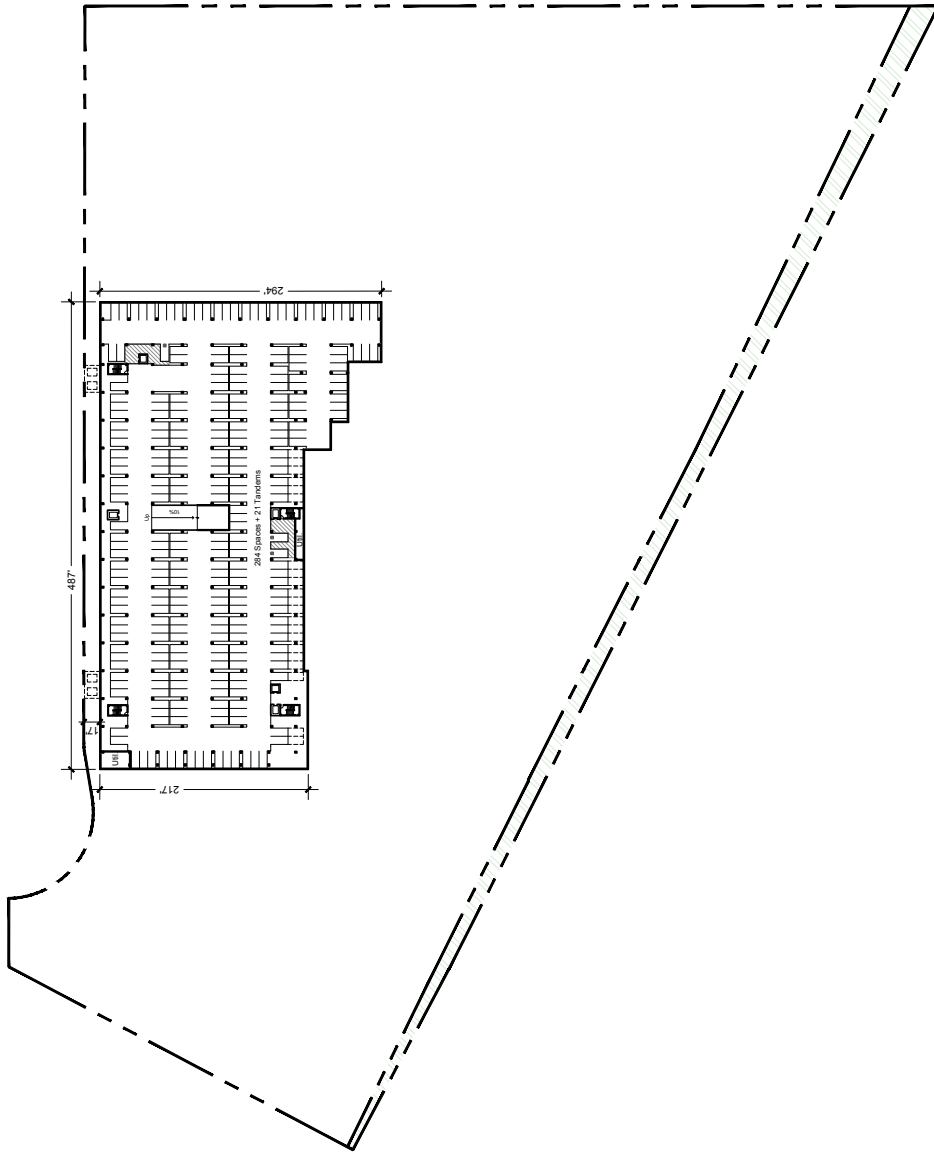
**B1 LEVEL PLAN**



scale: 1" = 120'-0"



**A-07**



**ONE METRO WEST** Costa Mesa, California

**ROSE EQUITIES**

logawa.smith.marfin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019

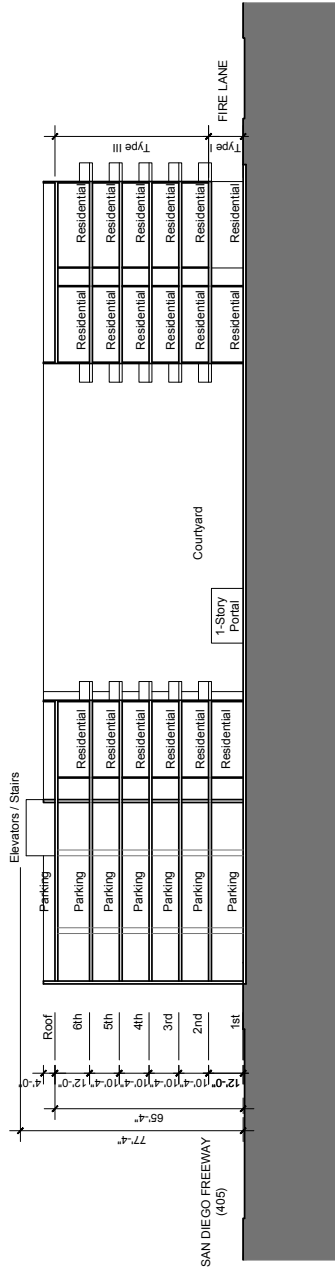
**B2 LEVEL PLAN**



scale: 1" = 120'-0"



**A-08**



Section A1



ONE METRO WEST Costa Mesa, California

ROSE EQUITIES

logawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019

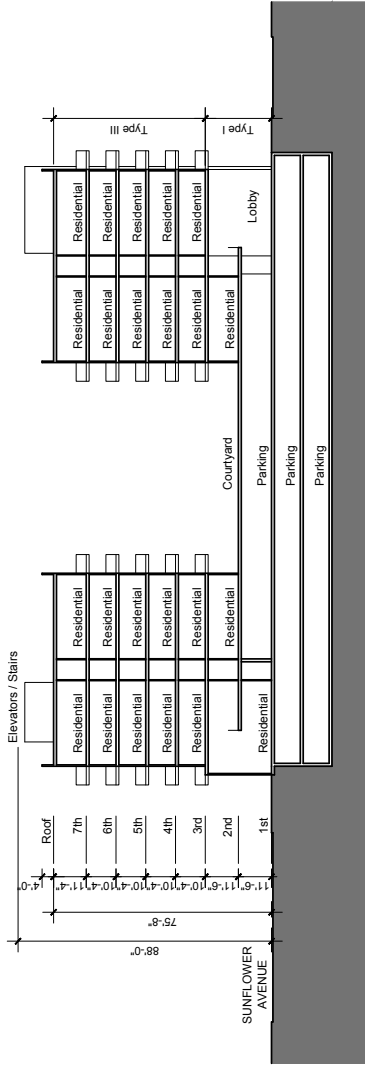
SECTIONS - BUILDING A



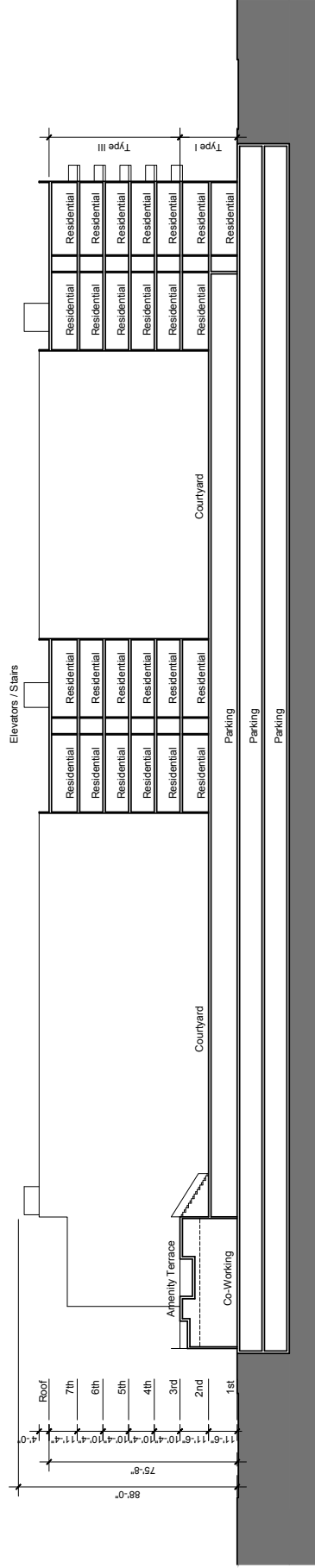
A-09

scale: 1" = 40'-0"





Section B1



Section B2



ONE METRO WEST Costa Mesa, California

ROSE EQUITIES

logawa smith martin, inc. | www.tsminc.com

project # 1804431.00 | february 08.2019

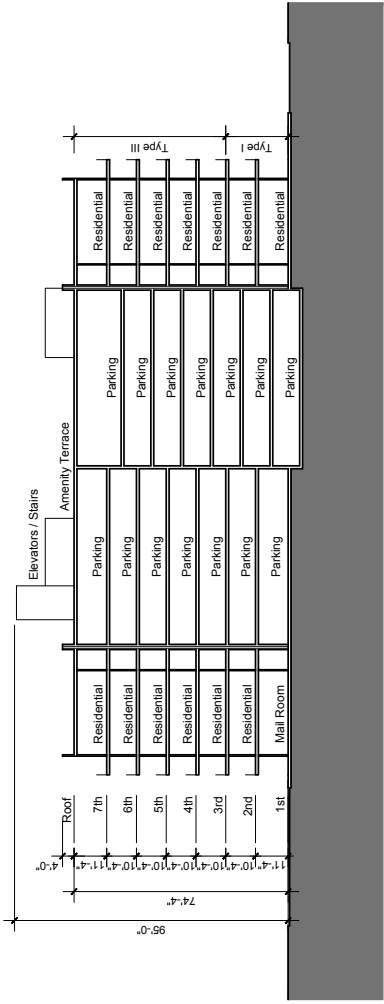
SECTIONS - BUILDING B



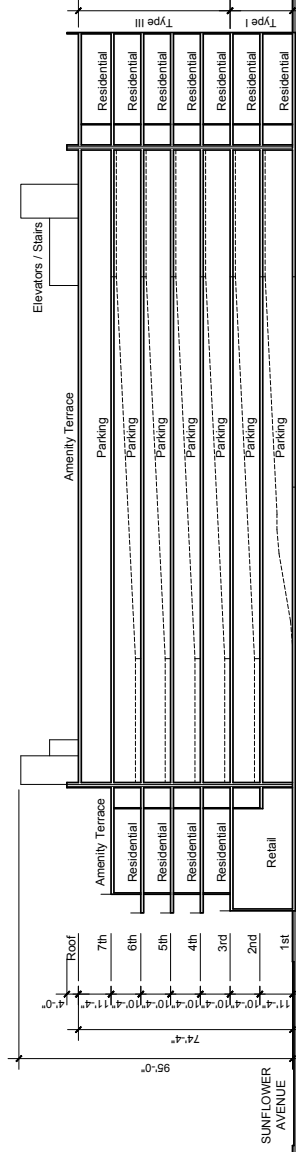
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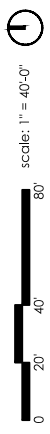
A-10



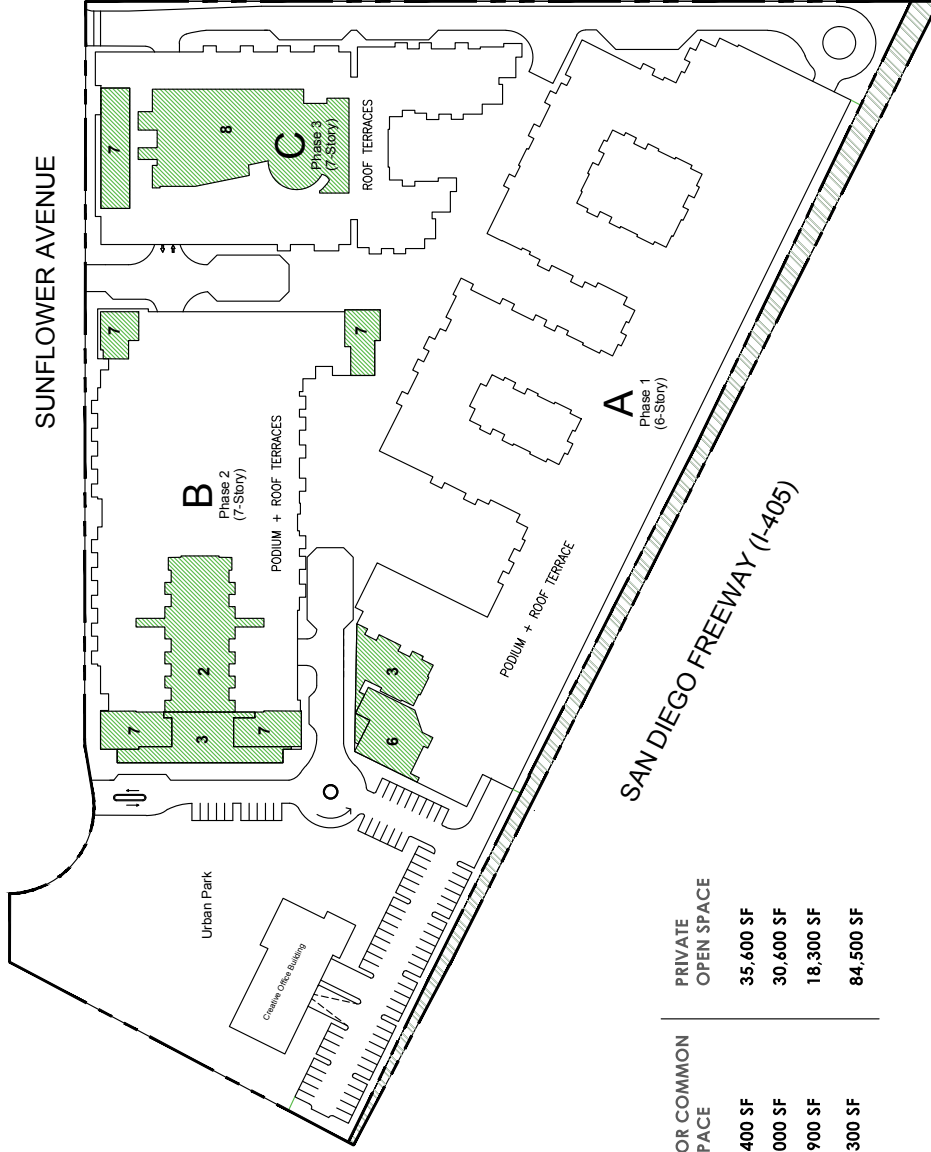
Section C1



Section C2



scale: 1" = 40'-0"



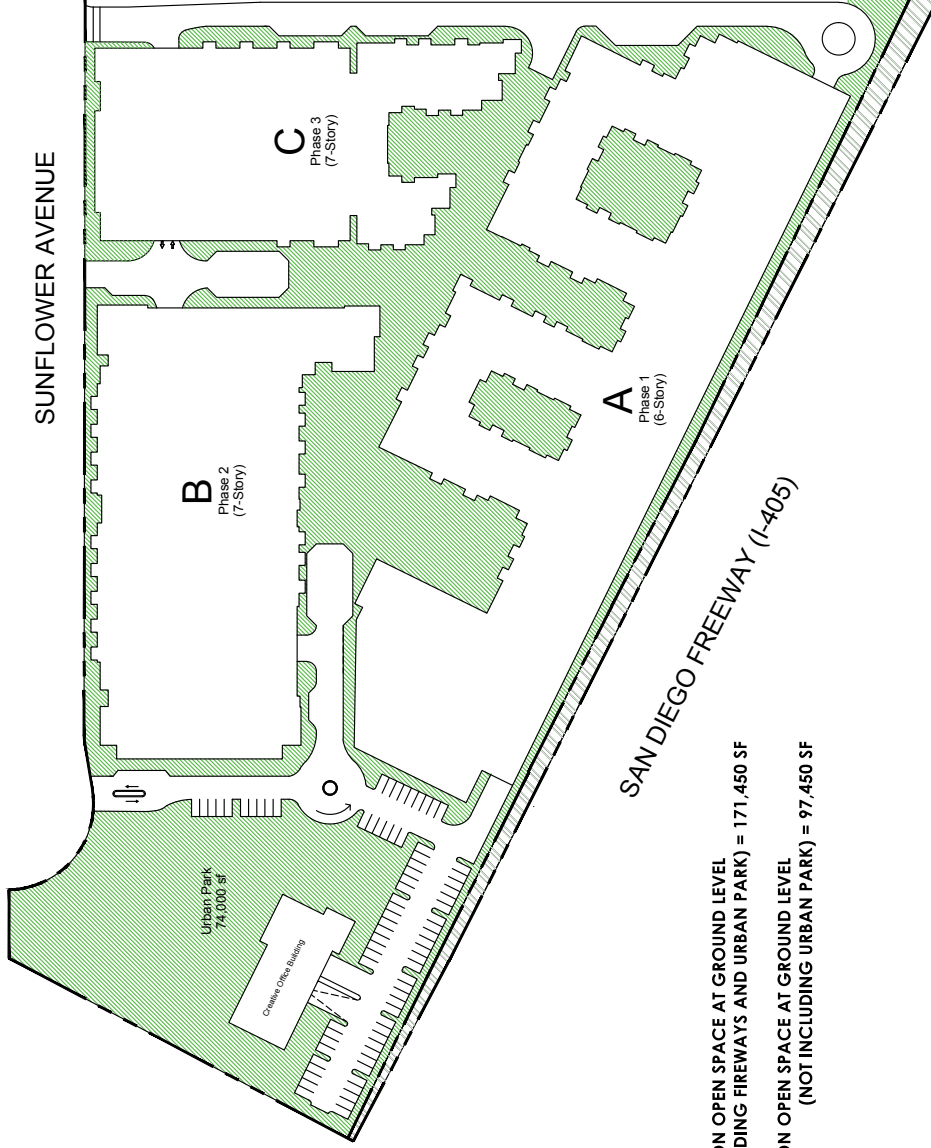
	OUTDOOR COMMON OPEN SPACE	PRIVATE OPEN SPACE
BUILDING A	7,400 SF	35,600 SF
BUILDING B	22,000 SF	30,600 SF
BUILDING C	19,900 SF	18,300 SF
TOTAL	49,300 SF	84,500 SF

**ONE METRO WEST** Costa Mesa, California  
**ROSE EQUITIES**  
 togawa smith martin, inc. | www.ismnc.com

project # 1804431.00 | february 14, 2019  
 scale: 1" = 120'-0"  
 0 60' 120' 240'

**OPEN SPACE ON FLOORS ABOVE**  
**A-01**





COMMON OPEN SPACE AT GROUND LEVEL  
(INCLUDING FIREWAYS AND URBAN PARK) = 171,450 SF

COMMON OPEN SPACE AT GROUND LEVEL  
(NOT INCLUDING URBAN PARK) = 97,450 SF



**ONE METRO WEST** Costa Mesa, California

ROSE EQUITIES  
toga@smithmartin.com | www.ismnc.com | project # 1804431.00 | february 14, 2019

OPEN SPACE ON GROUND FLOOR



A-02



**ONE | METRO | WEST**

Costa Mesa, CA

## Articles/Headlines

October 22, 2018

by AEI

### **California has a housing crisis, and Californians seem confused about how to solve it**

UCLA research found “Opposition to new housing and increased housing density are major components of California’s current housing problem. In many of the state’s cities a vast majority of residential land is zoned only for single-family housing, which drastically limits potential supply.” UC Berkeley experts conclude that “supply matters, and there is an urgent need to expand supply in equitable and environmentally sustainable ways.”

---

March 22, 2018

by OC Voice

### **Orange County Declares Housing Shortage a Threat to Residents and Businesses**

The declaration by Orange County Supervisors acknowledged what economists and business leaders have been saying for years: the shortage of affordable housing presents serious threats to the county’s future, as family budgets get strained, talented young people decide to live in other regions, and traffic congestion worsens as people have to live farther from their jobs.

“The migration of the County’s skilled workers, many of whom grew up in Orange County, to live in distant cities that require significant commutes, is harmful to family life, household budgets, air quality, our business climate, and traffic conditions,” the declaration states.

“The County needs sufficient housing accessible to all of Orange County’s workforce,” it adds. “To extend Orange County’s legacy of economic vitality and quality living into the future, the County must have a broad set of housing options for workers of all income levels.”

---

November 29, 2018

by LA Times

### **California talks a good game on land-use and climate change, but it’s still a land of SUVs and sprawl**

“And so people are often forced to make bad choices. It’s too expensive for many people to live near their workplaces in coastal urban areas, so they buy or rent homes in far-flung suburbs and make the long commute. Within communities, there aren’t enough good options for getting around without a car. Homes are often far from grocery stores and schools. There aren’t enough parks within walking distance. The design of our cities can make it challenging, time consuming or downright dangerous to walk, bike or take public transit.”

November 28, 2018

by LA Times

## **California falling short on climate change goals because driving is increasing, report finds**

The report by the California Air Resources Board, the state's climate change regulator, found that carbon emissions per capita from vehicle travel in California were increasing. That's despite a decade-old law that required regions across the state to plan for housing growth so that people could live closer to where they work or public transit and reduce their time on the state's roadways.

---

January 17, 2017

by OC Register

## **How bad is Orange County's housing crisis?**

The lack of adequate housing is regularly raised as the top concern of O.C. employers. It causes workers to over-pay, over-commute by driving long distances between affordable housing and work, and over-crowd by doubling up in existing homes, impacting city services, local traffic, family health and educational attainment.

Orange County is, indeed, a great place to do business. We're on track to build nearly 150,000 new homes by 2040, but really the county needs to grow that to 250,000 to keep up with a projected 13 percent population increase and 24 percent jobs increase. And that does not include the 65,000 homes the County is currently short.

---

October 2, 2018

by LA Times

## **The homeless in L.A. are not who you think they are**

Many people think of homelessness as a problem of substance abusers and mentally ill people, of chronic skid row street-dwellers pushing shopping carts. But increasingly, the crisis in Los Angeles today is about a less visible (but more numerous) group of "economically homeless" people. These are people who have been driven onto the streets or into shelters by hard times, bad luck and California's irresponsible failure to address its own housing needs.

---

May 15, 2018

by OC Register

## **You need to earn almost \$168,000 a year to afford typical O.C. house**

An Orange County homebuyer needs to earn at least \$167,670 a year to afford a median-priced house using traditional financing methods, the California Association of Realtors reported Tuesday, May 15.

Housing is one of the three basic human needs. It is also the largest cost-of-living line item, not matter if one owns or rents. Ownership information is included to show how difficult it is to purchase a single family home in Orange County. In such a scenario, rental housing is needed to fill the gap.

April 20, 2018

by Feer 7 Peers

## **Top 10 things to know about SB 743**

In addition, the VMT analysis should include estimates of 'project generated VMT' and the 'project's effect on VMT'. The difference in measurement is intended to recognize that some projects such as retail land use changes can generate new VMT from the project site but also decrease community-wide VMT when the effect on the neighboring area is considered. Even residential projects can reduce long-term VMT depending on a community's jobs-housing balance and match when considering the project's effect on VMT.

---

November 28, 2018

by Congressman Harley Rouda

## **Affordable housing is in a crisis**

Nobody grows up dreaming of a life on the streets or in a tent under a bridge. But too many of our fellow Americans do not have a place to call home. They have been left behind by lack of opportunity. Soaring housing prices. Catastrophic illness. Family hardship.

Tackling the housing crisis requires tackling several interrelated issues. We need a coordinated effort that includes:

- Infrastructure that allows people to live where they work
- Affordable housing
- Health care and prescription drug pricing that does not cause financial ruin
- Services that provide adequate care for veterans
- Support systems for vulnerable community members
- Increased job opportunities and higher wages

Complicated problems require comprehensive solutions. And hard work.

I'm ready to roll up my sleeves and work with all levels of government, housing organizations, shelters, and charities to find solutions. Solutions with heart.

---

January 12, 2018

by Seattle Times

## **Seattle-area rents drop significantly for first time this decade as new apartments sit empty**

Rents are dropping significantly across the Seattle area for the first time this decade, as a flood of new construction has left apartments sitting empty in Seattle's hottest neighborhoods. Greg Willett, chief economist for the rental data firm RealPage, cited strong job and population growth as the reason Seattle rents surged for so long. That demand continues to be healthy, but now supply of new apartments is growing even faster.

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July 27, 2018

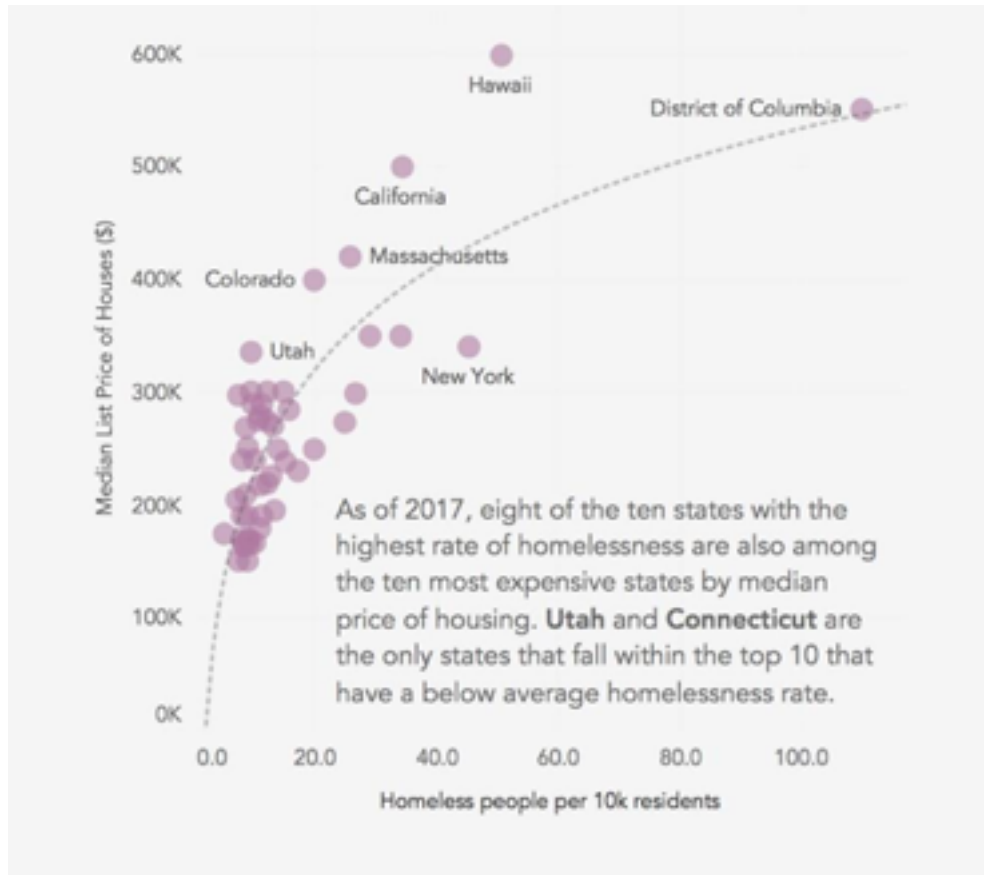
by A Place For Mom, The Nation's Largest Senior Living Referral Services

## **Will 75 Million Baby Boomers' Desire for Walkability Impact City Planning?**

"There are obvious health benefits of walkable neighborhoods for seniors, but dense neighborhoods can benefit from the presence of seniors who can reduce traffic and the stress on local services," said Larry Gerber, founder of EPOCH. "As more and more cities deal with the strains of rapid growth, they would be smart to consider creating housing and walkable communities that appeal to both seniors and millennials."

## The correlation between expensive housing and homelessness is extremely high

Housing is also a regional issue, which no single project, city, or even county can resolve. We all have to do our part. Expensive housing, whether ownership or rental, has a greater propensity to leave portions of the population behind. This is why in Southern California, economically homeless is the fastest growing homeless group.



## Saving for a home down payment in Orange County takes many, many years (Trulia)

Where You Can Save a 20% Down Payment Fast						
With a College Degree				Without a College Degree		
#	U.S. Metro	Years Needed to Save for Down Payment	Required Down Payment at Time of Purchase	U.S. Metro	Years Needed to Save for Down Payment	Required Down Payment at Time of Purchase
1	San Francisco, CA	29.4	\$560,590	San Francisco, CA	Not Possible	N/A
2	Los Angeles, CA	18.8	\$196,616	San Jose, CA	45.4	\$665,508
3	Orange County, CA	18.5	\$235,959	Los Angeles, CA	39.9	\$353,270
4	San Diego, CA	17.7	\$192,081	Orange County, CA	32.3	\$347,842
5	San Jose, CA	17.7	\$289,072	San Diego, CA	29.0	\$262,589

# The benefits to society by choosing alternatives forms of transportation are clear

How much does your commute cost (or save) society? This was originally published as part of Moving Forward, an independent journalism project produced by Discourse Media.

## How much does your commute cost (or save) society?

Every time you travel you put money into the system, but you also cost the system. Your contribution to and burden on the system differs depending on how you travel.

For example, when you ride the bus you pay a fare – money into the system. Your burden on the system includes the cost of operating the bus, and also less obvious impacts like emissions and noise pollution.

By looking at the ratio of what we put in versus what we cost the system, we see that different ways of travelling are more subsidized than others.

The practice of taking these less tangible costs and benefits into consideration and assigning them a dollar value is known as "full-cost accounting." While there are many ways of doing this, this infographic shows one example of how those costs and charges can be calculated.

IF WALKING COSTS YOU \$1



SOCIETY PAYS \$0.01



IF BIKING COSTS YOU \$1



SOCIETY PAYS \$0.08



IF BUSSING COSTS YOU \$1



SOCIETY PAYS \$1.50



IF DRIVING COSTS YOU \$1



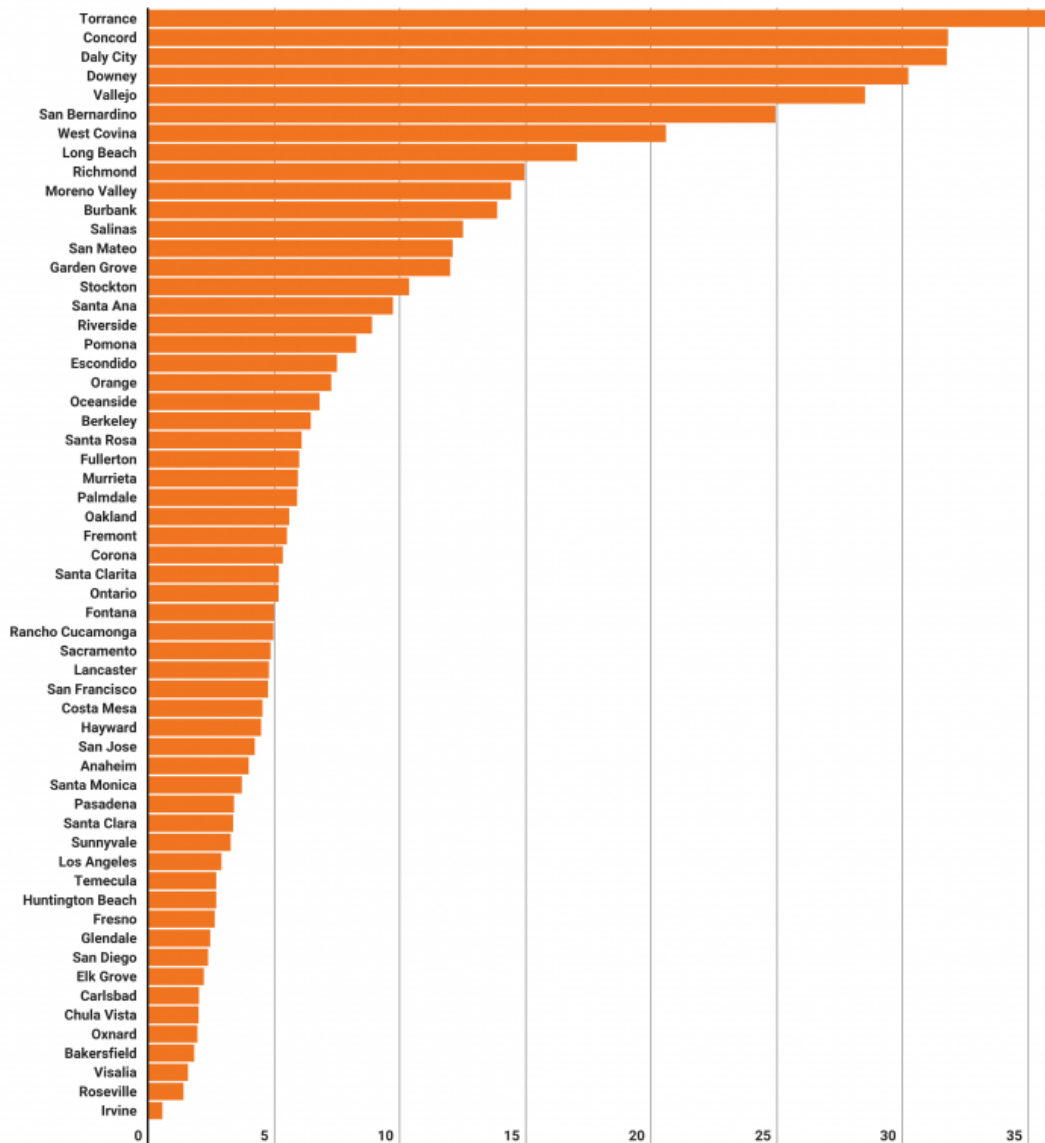
SOCIETY PAYS \$9.20



A regional issue and solution, a jobs-housing balance occurs with 1 home for every 1.15-1.5 jobs

## Most cities have not issued enough housing permits to keep up with new jobs

Added population per new permit, 2010-2016

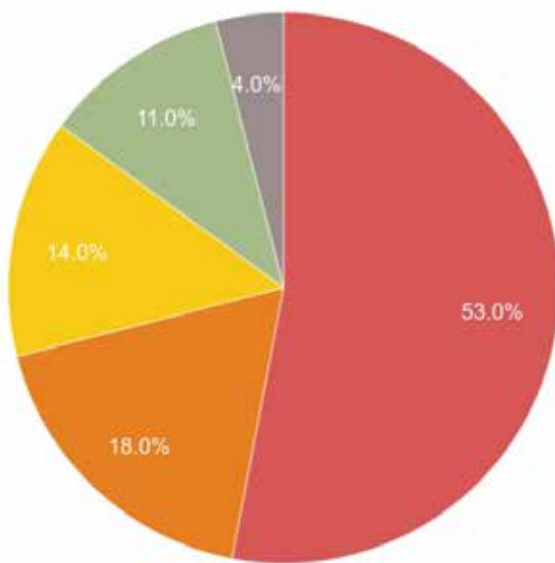


Source: US Census Building Permits Survey and California Employment Development Department

## Only 4% of our vacant land is available to solve California's housing crisis



THE STUDY THAT FORMS THE BASIS FOR NEWSOM'S GOAL ENVISIONS NEW HOUSING COMING ONLINE IN THE FOLLOWING WAYS



-  Developing homes around transit hubs **53%**
-  Adding units to multifamily homes in areas already zoned for denser development **18%**
-  Building additions onto single-family homes **14%**
-  Building homes next to single-family homes **11%**
-  Building on vacant urban land already zoned for multifamily homes **4%**

### SOURCES

A Tool Kit to Close California's Housing Gap: 3.5 Million Homes by 2025, McKinsey Global Institute, October 2016  
<https://www.mckinsey.com/featured-insights/urbanization/closing-californias-housing-gap>  
[www.capitalandmain.com](http://www.capitalandmain.com)



**ONE | METRO | WEST**

Costa Mesa, CA

# ONE | METRO | WEST

## Community Support

The many benefits ONE METRO **WEST** will bring to businesses, residents and other stakeholders North of the 405 and in Greater Costa Mesa are set out in detail in the General Plan Screening Application.

Rose Equities has been in regular contact with neighbors of the proposed new community, and expects enthusiastic and broad support for ONE METRO **WEST**.

We include a letter in support of ONE METRO **WEST** from SteelWave, which has two significant creative office and mixed use properties in the neighborhood: HIVE and The PRESS.

Additional letters of support will be submitted at the time of the public hearing for our application.



Dear Mayor Foley, Mayor Pro Tem Stephens, Council Member Chavez, Council Member Genis, Council Member Mansoor, Council Member Marr, Council Member Reynolds, and Costa Mesa City Staff

**Re: Letter in Support of One Metro West's General Plan Screening Application**

SteelWave would like to submit this letter in support of One Metro West, the mixed-use community proposed by Rose Equities to replace the current Sakura Paper manufacturing plant at 1683 Sunflower Ave.

As you know, SteelWave is a full-service commercial, multifamily and mixed-use real estate management, operating company and investment management firm with an office located in Costa Mesa, CA. We have been active in commercial and multi-family real estate for over 46 years and have built a reputation for successful execution throughout our target markets. Specifically, we have two significant creative office and mixed use properties in Costa Mesa: HIVE and The Press.

HIVE is our 182,000-square-foot creative office campus located at 3333 S. Susan St. We acquired this project in 2015 and repositioned the three buildings to a multitenant creative office project, leasing up the project to near full occupancy which includes the Los Angeles Chargers headquarters and training facility.

The Press, located at 1375 Sunflower and 1376 South Coast Dr., is the former Los Angeles Times printing press warehouse, newsroom, and office building. We are starting construction on this project in Q4 2019 and when complete, Phase I will over 380,000 square feet of top of the market creative office space and a 51,000 square feet retail market hall. The market hall will be comprised of curated multi-tenant food, retail and entertainment that feature local makers, crafters, artisan and restaurant tenants that create a vibrant and engaging campus while offering the community with this unique retail amenity.

As proven by our projects, SteelWave creates exceptional environments, forges strong relationships and creates enduring value. We believe that One Metro West will be a great addition to our community and would be a nice complement to our HIVE and Press projects.

With SOCO, the new Vans headquarters, the Los Angeles Chargers, the Press and Hive, we believe this pocket of Costa Mesa just north of the 405 has already begun to transform and draw top office tenants and visitors. We believe the One Metro West project will contribute to the transformation of the area with the addition of new residential units. And residents will help



activate the area throughout the day and evening which will further transform the area into a true work, live, play submarket.

We appreciate that the completion of a screening application does not set precedent for approval, but rather allows Rose Equities to further research and develop the application.

We hope the City Council will have the opportunity to review the merits of One Metro West in greater detail. We look forward to the same opportunity, and so support approval of the screening application.

Please feel free to contact the undersigned with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Hironura", with a long horizontal flourish extending to the right.

Seth Hironura  
SteelWave, LLC  
Managing Director, Acquisitions & Development

**ONE | METRO | WEST**

Costa Mesa, CA

# ONE | METRO | WEST

Costa Mesa, CA



## MEMORANDUM

**DATE:** February 8, 2019  
**To:** Brent Stoll, Rose Equities  
**FROM:** Anthony Petros, LSA  
**SUBJECT:** One Metro **WEST** Trip Generation

The purpose of this technical memorandum is to identify gross trip generation for the proposed One Metro **WEST** community (community), and to acknowledge that trip reduction will occur over time as the area matures and active transportation and transit infrastructure is constructed around the community within the specific area it would be located.

### PROJECT DESCRIPTION

The community, One Metro **WEST**, is proposed within the South Coast Collection (SOCO) in Costa Mesa, California. Currently, the site has 345,410 square feet (sf) of light industrial use. The community would include 1,057 residential dwelling units, 6,000 sf of retail, 25,000 sf of office space, a community center, and 1.7-acre park. The site is bounded by Interstate 405 to the south, Sunflower Avenue to the north, OC Mix to the east, and office buildings to the west. An access point for the Santa Ana River Trail is immediately west of the site.

### PROJECT TRIP GENERATION

It should be noted that the community site currently has an active land use. The trip generation of the existing land use was credited against the community's trip generation to determine the number of new trips using the roadway network, and land use is fully occupied. Results in Table A (all tables attached) show that the existing land use has the potential to generate 1,713 average daily trips (ADT), of which 242 would occur in the a.m. peak hour, and 218 would occur in the p.m. peak hour.

Trip generation estimate for the project are based on application of trip rate to units of development. Apartment trip generation rates are primarily based on ITE *Trip Generation Manual*, 9th Edition. These rates have been used for other significant projects in the north side of Costa Mesa as well as the Westside Lofts. City of Costa Mesa (City) staff are familiar with these rates and believe they reflect appropriate trip generation for apartment uses today. The event center trip making is based on potential programming of the 2,000-square-foot room. For assembly type uses, it is reasonable to consider a density of 1 person per 35 square feet. The trip generation estimate is based on 100-percent occupancy for one late-evening event. Furthermore, for a conservative analysis, this estimate is based on 50-percent utilization of the event center during both morning and evening peak commute hours. The ITE *Trip Generation Manual*, 10th Edition has been used for

the remainder of the project land-uses. It should be noted that the supermarket rates have been applied to retail. These rates are greater than typical shopping center and would afford the inclusion of some food and beverage offerings in this space.

As Table A shows, applying these trip generation rates results in an estimate that the community would generate 8,229 trips per day, of which 651 would occur during the a.m. peak hour and 799 would occur during the p.m. peak hour. This would constitute the trip generation estimate if these were isolated land uses in separate parcels with no interactions.

The ITE data are developed through surveys of isolated land uses generally on single parcels where travel by automobile is required to access the site. However, the One Metro **WEST** community is a mixed-use community that increases opportunities to walk between different land uses, eliminating some vehicle trips. For example, a person who lives in the multifamily housing has the opportunity to walk or ride his or her bike to retail establishments or the event park, or even to walk to work in the office development within the community. With this in mind, there is the potential that some trips would not require travel on any major arterials, but would instead be captured internal to the community itself. The City recommends an internal capture of 10 percent. This rate has been applied to many approved mixed-use projects in the city. After applying the internal trip capture rate, LSA estimates that the community would generate 7,406 net external trips per day, of which 586 would occur in the a.m. peak hour, and 719 would occur in the p.m. peak hour. After accounting for the existing traffic generation of the site, the net new external trips are 5,693 ADT, 344 a.m. peak-hour trips, and 501 p.m. peak hour trips.

## PROJECT LOCATION AND TRIP MAKING

Work prepared by Competitive Analytics indicates a growth in employment of more than 8,000 jobs in the area bounded by MacArthur Boulevard, Fairview Road, I-405, and the Santa Ana River (the SOCO area). Of those, 3,345 jobs are forecast to be present in the next 5 years. These new Costa Mesa workers will need housing. Using Competitive Analytics' job-to-housing ratio of 1.20:1 to 1.60:1, 3,345 workers generate the need for 2,091 to 2,787 new units. According to Competitive Analytics, a jobs-housing ratio ranging from 1.12–1.32:1 is generally considered in balance. Costa Mesa's jobs-housing ratio is currently 1.6 employees for every home. Under the current General Plan and zoning, the One Metro **WEST** site will continue to offer light industrial and warehousing opportunities, not available housing for future high-skilled employees.

Without locally available housing, new workers, much like the current 25,000 Costa Mesa workers in the area, will seek affordable housing within a larger regional context. This will mean traveling longer distances and burdening the already-congested freeways and arterials. It will mean greater delay for Costa Mesa residents south of I-405 getting on and off the freeway and crossing the freeway along Harbor Boulevard and Fairview Road. It will mean longer travel distances, resulting in greater VMT and increased emissions of greenhouse gases and other air pollutants.

Inserting residential land use at the One Metro **WEST** site will create an intervening opportunity for housing, creating a closer linkage between jobs and housing. This concept of "Complete Communities" is the desired future for development in the Southland.



The community's location has the potential to further reduce automobile trips beyond the internal numbers discussed above. The community is within an emerging, vibrant activity center with employment and a commercial center with a regional audience. This makes the community a potential node of trip attractions with opportunities for external trips to be satisfied before community vehicles reach the wider roadway network. For example, OC Mix is an establishment that features more than 300,000 sf of showrooms, restaurants, artisan food purveyors, boutiques, and creative studios, and is home to Orange County's largest farmers market. Additionally, there are tens of thousands of jobs and multiple schools close to the community, including AAA (approximately 5,000 employees), the Los Angeles Chargers (750 employees), VAN (500 employees), El Pollo Loco (500 employees), Southern California University, National University, and Whittier Law School. Future development, including The PRESS (under construction, upwards of 3,300 employees), will only add to and complement these opportunities, thus further reducing the need for longer vehicle trips. However, these attractions are not quantified for purposes of this trip generation estimate, as the region has not fully matured.

The SCAG RTP/SCS focuses future land use development in Complete Communities. As described in the RTP/SCS:

Development of "complete communities" can provide households with a range of mobility options to complete short trips. The 2016 RTP/SCS supports the creation of these mixed-use districts through a concentration of activities with housing, employment, and a mix of retail and services, located in close proximity to each other. Focusing a mix of land uses in strategic growth areas creates complete communities wherein most daily needs can be met within a short distance of home, providing residents with the opportunity to patronize their local area and run daily errands by walking or cycling rather than traveling by automobile.

Therefore, the One Metro **WEST** project will result in shorter morning and evening commute trips, having an effect on a far smaller radius of roadways and intersections as the distances between jobs and housing will be shorter. In the CEQA context, siting the One Metro **WEST** community in this jobs-rich environment will result in less VMT on the regional and local circulation. This includes freeways such as I-405, State Route 55 and State Route 73, as well as local arterials providing direct access to the area, such as Harbor Boulevard, Fairview Road, and Bristol Street when compared to the current General Plan designation of more industrial/warehouse uses. Traffic modeling using the City of Costa Mesa's own traffic forecasting tool is being conducted now to confirm this phenomenon and to quantify the benefits of this Complete Community planning.

An increase in destination accessibility will also reduce vehicle trips. This can be done by locating a community closer to higher-destination services. The SOCO area is a central location for employment because of its vital job potential and rich diversity of retail and restaurants; the development of One Metro **WEST** will only add to those attractions within this central location. This strategy of increasing destination accessibility is quantified in recent research that identifies a 10–30 percent reduction in vehicle trips for "smart growth" development practices—that is, practices that result in more compact, accessible, multimodal communities where travel distances are shorter, people have more options, and it is possible to walk and bicycle more. Not only will One Metro

**WEST** reinforce this idea of destination accessibility, the development will also become an influential statement towards “smart growth” citywide.

Lastly, vehicle trips are reduced if the community area is accessible to a bicycle path or bicycle lanes. Specifically, the CAPCOA manual states that a community designed around an existing or planned bicycle facility would encourage alternative mode use. With the SOCO area near the Santa Ana River Trail, it is important that this facility be used. The One Metro **WEST** community will encourage the connection between SOCO, residents and the Santa Ana River Trail, resulting in enhanced active transportation in the area. Research for the *Transportation Emission Guidebook* attributes a 1-percent to 5-percent reduction associated with comprehensive bicycle programs and facilities. In addition to the location of the purposed community, the developer is also looking to incorporate bicycle lanes and connections throughout this area, further encouraging a reduction in vehicle trips.

One Metro **WEST** is a community whose design, amenities and location make it unique for its trip reduction and VMT reduction potential. Although a complete traffic impact analysis has yet to be prepared, peer reviewed and completed, it is clear that congestion, VMT impacts, and the need for significant circulation improvements are lower here than in other areas of Costa Mesa and areas south of I-405.

## PROJECT TRIP REDUCTION

The trip generation potential discussed above is based wholly on land use considerations. If the developer offers other incentives, the vehicular trip generation could be further diminished. Table B shows only some of the possible project specific vehicular trip reduction strategies presented within the California Air Pollution Control Officers Association manual. These strategies consist of programs and street design characteristics that, if implemented in combination, present a larger attribution to trip reduction. The strategies summarized in Table B are described below.

### Commuter Trip Reduction Program (Voluntary) and (Mandatory)

When implemented by employers within a project, this program discourages single-occupancy vehicle trips and encourages alternative modes of transportation such as carpooling, taking transit, walking, and bicycling. The Commuter Trip Reduction program will provide employers with assistance in using alternative modes of travel and provide both “carrots” and “sticks” to encourage employees. A Commuter Trip Reduction program can include assistance in providing carpooling, ride-matching, preferential carpool parking, flexible work schedules for carpooling, a half-time transportation coordinator, vanpool assistance, and bicycle end-trip facilities.

### Employee Parking “Cash Out”

This is a program where employers offer employees a choice of forgoing their current subsidized/free parking space for a cash payment equivalent to the cost of the parking space to the employer. The employee forgoing a parking space can use the cash equivalent to pay for alternative travel modes or housing closer to work.

### **Subsidized or Discounted Transit Program**

This is a program where employers provide subsidized daily or monthly public transit passes. Many entities use revenue from parking to offset the cost of such a program.

### **Provide End-of-Trip Facilities**

Nonresidential projects can choose to provide “end-of-trip” facilities for bicycle riders including showers, secure bicycle lockers, and changing spaces. End-of-trip facilities encourage bicycling as a viable form of travel to destinations, especially to work, by providing the added convenience and security needed to encourage bicycle commuting.

### **Commute Trip Reduction Marketing**

Information sharing and marketing are important components to successful commute trip reduction strategies. Implementing commute trip reduction strategies without a complementary marketing strategy will result in lower trip reductions. Marketing strategies may include new employee orientation of trip reduction and alternative mode options, event promotions, or publications.

### **Car-Sharing Program**

This program allows people to have on-demand access to a shared fleet of vehicles on an as-needed basis. User costs are typically determined through mileage or hourly rates, with deposits and/or annual membership fees. The car-sharing program could be created through a local partnership or through one of many existing car-share companies. Car-sharing programs may be grouped into three general categories: resident-based, employer-based, and transit station based. Transit station-based programs focus on providing the “last-mile” solution and link transit with commuters’ final destinations. Residential-based programs work to substitute entire household based trips. Employer-based programs provide a means for business/day trips for alternative mode commuters and provide a guaranteed ride home option.

### **Cordon or Area Pricing**

This type of pricing scheme sets a boundary around a specified area and charges a toll to enter the area by vehicle. The cordon location is usually the boundary of a central business district or urban center. The cordon toll may be static/constant or be variable, with higher prices during congested peak periods. It is critical to have an existing, high quality transit infrastructure for the implementation of this strategy to reach a significant level of effectiveness. The pricing signals will only cause mode shifts if alternative modes of travel are available and reliable.

### **Price Workplace Parking**

Workplace parking pricing may include explicitly charging for parking for employees, implementing above market-rate pricing, validating parking only for invited guests, or not providing employees parking and transportation allowances. Such a program should include educating employees about available alternatives.

### **Bike-Sharing Program (per Day per Bicycle)**

If implemented, bike sharing stations should be located at regular intervals throughout the project site depending on the density of the project and surrounding area. Bike-station density should increase around commercial and transit hubs.

### **Rideshare**

Increasing vehicle occupancy by ridesharing would result in fewer cars driving the same trip. A project could promote ridesharing programs through a multifaceted approach such as:

- Designating a certain percentage of parking spaces for ridesharing vehicles
- Designating adequate passenger loading and unloading and waiting areas for ridesharing vehicles
- Providing a website or message board for coordinating rides

### **Employee Vanpool/Shuttle**

A vanpool will usually service employees' commute to work, while a shuttle will service nearby transit stations and surrounding commercial centers. Employer-sponsored vanpool programs entail an employer purchasing or leasing vans for employee use, and often subsidizing a portion of the operating cost.

### **Active Transportation (per Lane)**

The project could incorporate bicycle lanes, routes, and shared-use paths into street systems, new subdivisions, and large developments. These on-street bike accommodations would be created to provide a continuous network of routes, facilitated with markings and signage. These improvements can help reduce peak-hour vehicle trips by making commuting by bicycle easier and more convenient for more people.

### **Pedestrian Aggressive Enhancement**

Providing a pedestrian access network to link areas of a project site encourages people to walk instead of drive. The project could provide a pedestrian access network that internally links all uses and connects to all existing or planned external streets and pedestrian facilities contiguous with the project site. The project could minimize barriers to pedestrian access and interconnectivity. Physical barriers such as walls, landscaping, and slopes that impede pedestrian circulation should be eliminated.

Attachments: Table A: Trip Generation Summary  
Table B: Trip Reduction Summary

**Table A: Trip Generation Summary**

Land Use	Size	Unit	ADT	AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
<b>Trip Rates</b>									
Apartment <sup>1</sup>		du	6.72	0.10	0.41	0.51	0.40	0.22	0.62
Public Park (411) <sup>2</sup>		acre	0.78	0.01	0.01	0.02	0.06	0.05	0.11
General Office Building (710) <sup>2</sup>		TSF	9.74	1.00	0.16	1.16	0.18	0.97	1.15
Super Market <sup>2</sup>		TSF	106.78	2.29	1.53	3.82	4.71	4.53	9.24
Event Center		Based on Potential Programming							
General Light Industrial (110) <sup>2</sup>		TSF	4.96	0.62	0.08	0.70	0.08	0.55	0.63
<b>Existing Trip Generation</b>									
General Light Industrial (110)	345.41	TSF	1,713	214	28	242	28	190	218
<b>Project Trip Generation</b>									
Apartment	1,057	du	7,103	106	433	539	423	233	655
Public Park	1.7	acre	1	0	0	0	0	0	0
General Office Building	25	TSF	244	25	4	29	5	24	29
Super Market	6	TSF	641	14	9	23	28	27	55
Event Center	2	TSF	240	30	30	60	30	30	60
Gross Trip Generation			8,229	175	476	651	486	314	799
Internal Capture <sup>3</sup>			10%	10%	10%	10%	10%	10%	10%
<b>Net Trip Generation</b>			<b>5,693</b>	<b>(57)</b>	<b>400</b>	<b>344</b>	<b>409</b>	<b>93</b>	<b>501</b>

<sup>1</sup> Westside Lofts IS/MND; am and pm trip rates referenced from the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 9th Edition (2012)

<sup>2</sup> Trip rates referenced from the Institute of Transportation Engineers (ITE) *Trip Generation Manual*, 10th Edition (2017).

<sup>3</sup> Internal Trip Capture based on City experience at other South Coast Metro locations.

ADT = average daily trips

DU = dwelling unit

IS/MND = Initial Study/Mitigated Negative Declaration

TSF = thousand square feet

**Table B: Trip Reduction Summary**

<b>Strategies for Trip Reductions</b>	<b>Range of Trip Reductions</b>	<b>Average</b>
Commuter Trip Reduction Program—Voluntary	8.5–21%	15%
Commuter Trip Reduction Program—Mandatory	21%	21%
Employee Parking “Cash Out”	3–7.7%	5%
Subsidized or Discounted Transit Program	2.4–30.4%	16%
Provide End of Trip Facilities	2–5%	3.5%
Commuter Trip Reduction Marketing	5–15%	10.0%
Car-Sharing Program	23–50%	36.5%
Cordon or Area Pricing	16–22%	19%
Price Workplace Parking	12.3%	12.3%
Bike-Sharing Program (per Day per Bicycle)	33%	33%
Rideshare	1.8–30%	16%
Employee Vanpool/Shuttle	2–20%	11%
Active Transportation (per Lane)	1%	1%
Pedestrian Aggressive Enhancement	0–5%	2.5%

<sup>1</sup> Trip reduction percentages referenced from the *California Air Pollution Control Officers Association (CAPCOA) Quantifying Greenhouse Gas Mitigation Measures (2010)*.

# ONE | METRO | WEST

Costa Mesa, CA



## MEMORANDUM

**DATE:** February 7, 2019  
**TO:** Brent Stoll, Rose Equities, LLC  
**FROM:** Amy Fischer, Principal  
**SUBJECT:** One Metro **WEST** Air Quality, Greenhouse Gas, and Noise Preliminary Analysis

### INTRODUCTION

LSA has reviewed the plans for the proposed One Metro **WEST** community located in the City of Costa Mesa in order to provide this preliminary assessment of potential air quality, greenhouse gas, and noise impacts associated with the community. The One Metro **WEST** community is a campus-type development with a planned mix of uses including approximately 1,057 apartments, about 6,000 square feet (sf) of service retail use, approximately 25,000 sf creative office/technology building with a roof plaza, and approximately 1.7 acres of event plaza and park use. The site is located directly north of Interstate 405 (I-405) in the City of Costa Mesa, just east of Harbor Boulevard.

### AIR QUALITY

This section provides background information on the regulatory environment and policies related to air quality. Potential air quality impacts are also described.

#### Background

The site is located in the City of Costa Mesa, which is part of the South Coast Air Basin and is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). Both the State of California and the federal government have established health-based ambient air quality standards (AAQS) for seven air pollutants. These pollutants include ozone (O<sub>3</sub>), carbon monoxide (CO), nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), and particulate matter less than 10 microns in size (PM<sub>10</sub>), particulate matter less than 2.5 microns in size (PM<sub>2.5</sub>), and lead. These standards are designed to protect the health and welfare of the populace with a reasonable margin of safety. The California Clean Air Act (CCAA) provides the SCAQMD and other air districts with the authority to manage transportation activities at indirect sources. Indirect sources of pollution include any facility, building, structure, or installation, or combination thereof, that attracts or generates mobile source activity that results in emissions of any pollutant. In addition, area source emissions that are generated when minor sources collectively emit a substantial amount of pollution are also managed by the local



air districts. Examples of this would be the motor vehicles at an intersection, a mall, and on highways. SCAQMD also regulates stationary sources of pollution throughout its jurisdictional area. Direct emissions from motor vehicles are regulated by the California Air Resources Board (CARB).

#### *California Air Resources Board Handbook*

The CARB has developed an Air Quality and Land Use Handbook which is intended to serve as a general reference guide for evaluating and reducing air pollution impacts associated with new sites that go through the land use decision-making process. The CARB Handbook specifically states that its recommendations are advisory and acknowledges land use agencies have to balance other considerations, including housing and transportation needs, economic development priorities, and other quality of life issues.

According to the CARB Handbook, recent air pollution studies have shown an association between respiratory and other non-cancer health effects and proximity to high traffic roadways. Other studies have shown that diesel exhaust and other cancer-causing chemicals emitted from cars and trucks are responsible for much of the overall cancer risk from airborne toxics in California.

Air pollution sources of concern include high volume roadways, rail yards, ports, refineries, distribution centers, chrome plating facilities, dry cleaners, and large gasoline service stations. Specifically, CARB identified the following strategies to reduce exposure near high-volume roadways:

1. Use solid barriers, such as sound walls.
2. Develop vegetation that reduces the concentration of pollution by increasing pollutant dispersion.
3. Implement indoor high efficiency filtration that removes pollution from the air.

#### *South Coast Air Quality Management District*

The proposed community would be required to comply with regional rules that assist in reducing short-term air pollutant emissions. SCAQMD Rule 403 requires that fugitive dust be controlled with best available control measures (BACMs) so that the presence of such dust does not remain visible in the atmosphere beyond the property line of the emission source. In addition, SCAQMD Rule 403 requires implementation of dust suppression techniques to prevent fugitive dust from creating a nuisance off site. Applicable dust suppression techniques from Rule 403 are summarized below. Implementation of these dust suppression techniques can reduce the fugitive dust generation (and thus the PM<sub>10</sub> component). Compliance with these rules would reduce impacts on nearby sensitive receptors.

#### SCAQMD Rule 403 Measures:

- Water active sites at least three times daily (locations where grading is to occur will be thoroughly watered prior to earthmoving).

- All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least 2 feet of freeboard in accordance with the requirements of California Vehicle Code (CVC) Section 23114 (freeboard means vertical space between the top of the load and top of the trailer).
- Traffic speeds on all unpaved roads shall be reduced to 15 mph or less.

### *City of Costa Mesa*

One Metro **WEST** would also be required to comply with the applicable policies contained within the Conservation Element of the City of Costa Mesa's General Plan as follows:

- Policy CON-4.A.2: Encourage businesses, industries and residents to reduce the impact of direct, indirect, and cumulative impacts of stationary and non-stationary pollution sources.
- Policy CON-4.A.3: Require that sensitive uses such as schools, childcare centers, parks and playgrounds, housing, and community gathering places are protected from adverse impacts of emissions.
- Policy CON-4.A.5: Encourage compact development, infill development, and a mix of uses that are in proximity to transit, pedestrian, and bicycling infrastructures.
- Policy CON-4.A.6: Enhance bicycling and walking infrastructure, and support public bus service, pursuant to the Circulation Element's goals, objectives, and policies.

### **Impact Analysis**

The release of emissions would occur during the construction and operation of the community. Additionally, nearby roadways could expose future residents of the community to pollutant concentrations.

### *Construction Emissions*

Emissions of pollutants would occur from soil disturbance and equipment exhaust during construction of the proposed community. Major sources of emissions during construction include (1) exhaust emissions from construction equipment and vehicles; and (2) fugitive dust generated by demolition and grading activities, construction vehicles, and equipment traveling over exposed surfaces. The community will implement applicable SCAQMD requirements related to construction, including Rule 403 to minimize fugitive dust emissions associated with construction activities. Additionally, construction equipment associated with the community would utilize cleaner equipment such as Tier 4 engines, if needed to reduce NO<sub>x</sub> and PM<sub>10</sub> exhaust emissions to a less-than-significant level. Peak daily construction emissions would not be expected to result in significant emissions with implementation of SCAQMD dust control measures and feasible emission control technology.

Additionally, the closest off-site sensitive receptors are residences located at a distance greater than 200 feet from the site and are south of I-405; therefore, construction emissions associated with the community would not be anticipated to result in a significant effect on nearby sensitive receptors.

### *Operational Emissions*

Long-term air pollutant emissions associated with land use development is typically related to stationary sources (i.e., landscape maintenance equipment, gas burning appliances, emergency back-up generators) and mobile sources (i.e., vehicle traffic). The proposed community would result in net increases in both stationary- and mobile-source emissions. Operational emissions associated with the proposed community would include energy use for appliances, landscaping equipment, use of consumer products, and motor vehicles. Based on the mix of uses proposed, the community has the potential to result in criteria pollutant emissions.

The largest source of criteria pollutant emissions for residential communities is typically related to vehicle emissions. Mobile source emissions associated with the community would be lower than for a typical residential development due to the community's proximity to shopping, recreational, employment, bicycle facilities, and other features that would reduce vehicle miles traveled (VMT) when compared to trips associated with other similar land use types.

The community will include a voluntary Transportation Management Association (TMA), new tech mobility services, vanpool/carpool parking, electric vehicle charging stations, rideshare amenities, and bicycle share opportunities. The surrounding transportation network is comprised of complete streets for walking, cycling, and rolling, as well as automobiles. Linkages to transit and the Santa Ana River Trail as a non-automobile commute route are also planned. The mix of uses within the site will diminish the need for additional regional vehicle trips. According to the preliminary traffic analysis prepared for the community, the mix of residential retail, office and park uses can result in approximately 8 to 10 percent fewer trips being generated at One Metro **WEST** than a traditional stand-alone apartment community. Because mobile source emissions are the greatest source of emissions associated with residential communities, these features will greatly reduce the mobile source emissions and overall criteria pollutant emissions associated with the community.

### *Health Risk Assessment*

The proposed community would locate residential receptors as close as approximately 130 feet from I-405 which according to the latest Caltrans count report, carries approximately 239,200 average daily trips of with approximately 3.5 percent diesel trucks. CARB recommends avoiding the siting of sensitive receptors within 500 feet from high volume roadways. However, the recommendations are generalized and do not consider site specific meteorology, freeway truck percentages, or other factors that influence risk for a particular site. Fortunately, improvements to diesel fuel and diesel engines have already reduced contaminant levels associated with diesel engines. The On-Road Heavy-Duty Diesel Vehicles (In-Use) Regulation implemented by the CARB to reduce emissions associated with heavier trucks and buses requires that heavier trucks and buses must be replaced starting in 2015. By 2023 nearly all trucks and buses will need to have a 2010 model year engine or equivalent. This regulation has substantially reduced the risk from freeway emissions compared to levels assessed at the time the CARB's 2005 report was released.

The documented 3.5 percent truck traffic on I-405 is a relatively low percentage, which reduces overall freeway health risk. However, based on LSA's analysis of high volume freeways within Southern California and Statewide, depending on truck volume and air dispersion contours, freeway

emissions could result in elevated risk levels. However, if a risk assessment determines that future residents or users of the park would be exposed to higher risk levels, community design features could be incorporated to minimize the health risk levels.

Similar to other Orange County communities located near freeways, the proposed community would implement upgraded HVAC systems that would incorporate sufficiently effective Minimum Efficiency Report Values (MERV) filters for any residential units that would be exposed to an elevated health risk level. Additionally, the on-site parking garage would provide a buffer between the residential units and the freeway. It is anticipated that with the upgraded HVAC systems in place, none of the community's future residents would be exposed to significant health risks levels.

The site is not near other major sources of air pollutants identified by the SCAQMD or CARB. There are no large gas stations, ports, or major rail yard areas within the vicinity.

#### *Air Quality Impacts Summary*

The SCAQMD has established daily emissions thresholds for construction and operational criteria pollutant emissions. The emissions thresholds were established based on the attainment status of the Basin with regard to air quality standards for specific criteria pollutants. Because the concentration standards were set by the EPA at a level that protects public health with an adequate margin of safety, these emissions thresholds are regarded as conservative and would overstate an individual community's contribution to health risks. Further analysis during the environmental review period will be necessary to quantify the specific community impacts for comparison to the SCAQMD's thresholds for air quality and health risk impacts.

## **GREENHOUSE GAS EMISSIONS**

This section describes the regulatory environment related to climate change and the reduction of greenhouse emissions. Community impacts and sustainable design features of the community are discussed. An evaluation of the potentially significant impacts to the climate from greenhouse gas emissions that could result from implementation of the proposed community is also provided.

### **Background**

In 2006, the State Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), which created a comprehensive, multiyear program to reduce greenhouse emissions in California. AB 32 required the CARB to develop a Scoping Plan that describes the approach California will take to reduce greenhouse gases to achieve the goal of reducing emissions to 1990 levels by 2020. The Scoping Plan was first approved by the CARB in 2008 and must be updated every five years.

In 2016, the State Legislature passed SB 32, which codifies a 2030 greenhouse gas emissions reduction target of 40 percent below 1990 levels. With SB 32, the State Legislature passed companion legislation AB 197, which provides additional direction for developing the Scoping Plan. The ARB prepared an update to the Scoping Plan to reflect the 2030 target set by EO B-30-15 and codified by SB 32. ARB released the Final 2017 Climate Change Scoping Plan Update in November 2017. This Scoping Plan Update establishes a proposed framework of action for California to meet

the target of 40 percent reduction in greenhouse gases by 2030 compared to 1990 levels. This goal builds on California's success in establishing effective policies that have helped reduce emissions of greenhouse gases while delivering substantial economic and environmental benefits. Further, the goal aligns California with the rest of the world in the global effort to fight climate change.

The 2017 Climate Change Scoping Plan Update builds on key programs such as the Cap-and-Trade Regulation; the Low Carbon Fuel Standard; and much cleaner cars, trucks, and freight movement, powering the State with cleaner renewable energy, and strategies to reduce methane emissions from agricultural and other wastes by using methane to meet energy needs.

Pursuant to the *State CEQA Guidelines*, the following are considerations when assessing the significance of impacts from greenhouse gas emissions on the environment:

1. The extent to which a project may increase (or reduce) greenhouse emissions compared to the existing environmental setting;
2. Whether a project emissions exceed a threshold of significance that the lead agency determines applies to the project; and/or
3. The extent to which a project complies with regulations or requirements adopted to implement an adopted statewide, regional, or local plan for the reduction or mitigation of greenhouse gas emissions.

#### *City of Costa Mesa*

The Conservation Element of the Costa Mesa General Plan contains several policies related to the reduction of greenhouse gas emissions that would be applicable to the community as follows:

- Policy CON-2.A.1: Promote efficient use of energy and conservation of available resources in the design, construction, maintenance, and operation of public and private facilities, infrastructure, and equipment.
- Policy CON-2.A.5: Promote environmentally sustainable development principles for buildings, master planned communities, neighborhoods, and infrastructure.
- Policy CON-2.A.6: Encourage construction and building development practices that reduce resource expenditures throughout the lifecycle of a structure.
- Policy CON-2.A.7: Continue to require all City facilities and services to incorporate energy and resource conservation standards and practices and require that new municipal facilities be built within the LEED Gold standards or equivalent.
- Policy CON-4.A.5: Encourage compact development, infill development, and a mix of uses that are in proximity to transit, pedestrian, and bicycling infrastructures.

- Policy CON-4.A.6: Enhance bicycling and walking infrastructure, and support public bus service, pursuant to the Circulation Element's goals, objectives, and policies.
- Policy CON-4.A.7: Encourage installation of renewable energy devices for businesses and facilities and strive to reduce communitywide energy consumption.
- Policy CON-4.A.8: Develop long-term, community-wide strategies and programs that work at the local level to reduce greenhouse gases and Costa Mesa's "carbon footprint".

### Impact Analysis

Construction and operation of the community would generate greenhouse gas emissions. Overall, the following activities associated with the proposed community could contribute directly or indirectly to the generation of greenhouse gas emissions:

- **Construction Activities:** During construction of the community, greenhouse gases would be emitted through the operation of construction equipment and from worker and vendor vehicles, which typically use fossil-based fuels to operate. The combustion of fossil-based fuels creates greenhouse gases (e.g., CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O). Furthermore, CH<sub>4</sub> is emitted during the fueling of heavy equipment.
- **Motor Vehicle Use:** Transportation associated with the proposed community would result in greenhouse gas emissions from the combustion of fossil fuels in daily automobile and truck trips.
- **Gas, Electricity, and Water Use:** Natural gas use results in the emission of two greenhouse gases: CH<sub>4</sub> (the major component of natural gas) and CO<sub>2</sub> (from the combustion of natural gas). Electricity use can result in greenhouse gas production if the electricity is generated by combusting fossil fuel. California's water conveyance system is energy-intensive.
- **Solid Waste Disposal:** Solid waste generated by the community could contribute to greenhouse gas emissions in a variety of ways. Landfilling and other methods of disposal use energy for transporting and managing the waste, and produce additional greenhouse gases to varying degrees. Landfilling, the most common waste management practice, results in the release of CH<sub>4</sub> from the anaerobic decomposition of organic materials. CH<sub>4</sub> is 25 times more potent a greenhouse gas than CO<sub>2</sub>. However, landfill CH<sub>4</sub> can also be a source of energy. In addition, many materials in landfills do not decompose fully and the carbon that remains is sequestered in the landfill and not released into the atmosphere.

Greenhouse gas emissions associated with community construction would occur over the short term from construction activities and would consist primarily of emissions from equipment exhaust. Long-term regional emissions would also be associated with community-related new vehicular trips and stationary-source emissions (e.g., natural gas used for heating and the production of electricity used for lighting).

A focus of the South Coast Association of Government's (SCAG's) Regional Transportation Plan – Sustainable Community Strategies, which was prepared as the regions blueprint for achieving the

greenhouse gas reduction targets established by AB 32, is to develop land uses in Complete Communities. Complete Communities provide households with a range of mobility options to complete short trips, by concentrating activities with housing, employment, and a mix of retail and services, located in close proximity to each other. The land use designations proposed as part of the One Metro **WEST** community are anticipated to result in fewer, as well as shorter commute trips due to the shorter distance between employment destinations and the proposed housing. This reduction in VMT is a key element in the implementation of the State's greenhouse gas reduction goals.

Additionally, as described in the community's traffic analysis, the community location would encourage alternative mode use as it will be designed around the existing Santa Ana River Trail. The community will include vanpool/carpool parking, electric vehicle charging stations, rideshare amenities, and bicycle share opportunities. The community implements many of the characteristics that are identified as greenhouse gas reduction measures in the Scoping Plan and other regulatory guidance documents.

The community would also be compliant with the latest Title 24 – Green Building Standards which require solar ready rooftops, increased insulation, low flow fixtures, and energy efficient appliances. The community would be in compliance with the City's General Plan policies contained within the Conservation Element. The community would promote environmentally sustainable development principles by providing a mix of land uses close to employment centers, and would therefore be consistent with Policy CON-2.A.5. The community would also be constructed following the latest building code standards which incorporate energy and resource conservation techniques. Therefore, the community would also be consistent with General Plan Policy CON-2.A.7. General Plan Policy CON-4.A.5 encourages compact development, infill development, and a mix of uses that are in proximity to transit, pedestrian, and bicycling infrastructure. As previously described, the community would provide a mix of uses that are in close proximity to a network of alternate mode amenities, including the existing Santa Ana River Trail. Therefore, the community is consistent with General Plan Policy CON-4.5.

Future quantitative analysis of the community will determine construction emissions; and the specific annual greenhouse emissions from increased energy consumption, water usage, solid waste disposal, and estimated greenhouse emissions from vehicular traffic that would result from implementation of the proposed community.

## **NOISE**

Certain land uses are considered more sensitive to noise than others. Examples of these land uses include residential areas, educational facilities, hospitals, childcare facilities, and senior housing. The community would construct noise sensitive residential uses, in addition to parks and open space. The noise environment in Costa Mesa is regulated by the City's General Plan Noise Element and Noise Ordinance. The applicable General Plan Noise Element Policies are as follows:

- Policy N-1.1: Enforce the maximum acceptable exterior noise levels for residential areas at 65 CNEL.

- Policy N-1.4: Ensure that appropriate site design measures are incorporated into residential developments, when required by an acoustical study, to obtain appropriate exterior and interior noise levels. When necessary, require field testing at the time of community completion to demonstrate compliance.
- Policy N-1.5: Apply the standards contained in Title 24 of the California Code of Regulations as applicable to the construction of all new dwelling units.
- Policy N-2.1: Require the use of sound walls, berms, interior noise insulation, double-paned windows, and other noise mitigation measures, as appropriate, in the design of new residential or other new noise sensitive land uses that are adjacent to arterials, freeways, or adjacent to industrial or commercial uses.
- Policy N-2.3: Consider alternative noise level standards for mixed-use projects that take into consideration the interaction of industrial operation noise impacts and the mixed-use developments planned for the Westside and SoBeca.
- Policy N-2.7: Encourage effective site planning in mixed-use areas that provides the optimal distance between source of excessive sound and residents.
- Policy N-2.8: Require new mixed-use developments to site loading areas, parking lots, driveways, trash enclosures, mechanical equipment, and other noise sources away from the residential portion of the development and adjacent established residential development.

The General Plan also has specific noise policies related to the John Wayne Airport and the OC Fair and Event Center; however, the site is located outside the 65 dBA airport contour and is not within 1,000 feet of the fairgrounds. Therefore, these sources of noise would not significantly impact noise levels on the site.

The General Plan identifies I-405 and nearby Harbor Boulevard as significant noise sources within the City. Additionally, the State's noise insulation standards, which are codified in the California Code of Regulations, Title 24, Building Standards Administrative Code, Part 2, California Building Code, provide noise standards that apply to new construction for providing suitable interior noise environments. The regulations specifically state that an acoustical study must be prepared when noise sensitive structures, such as residential buildings, are located near major transportation noise sources, and where such noise sources create an exterior noise level of 60 dBA CNEL or higher.

The City has identified noise levels that are between 65-70 dBA CNEL as *Conditionally Acceptable* for mixed-use developments. New construction or development under conditionally acceptable noise environments should only be undertaken after a detailed analysis of the noise reduction requirements is made and needed noise insulation features are included in the design.

The City also identifies noise levels between 70 and 75 dBA CNEL as *Normally Unacceptable*. If new construction proceeds, a detailed analysis of the noise reduction requirements must be made and needed noise insulation features included in the design. According to the City's Noise Element,



acoustical studies must accompany building plans and demonstrate the structure has been designed to limit interior noise in habitable rooms to acceptable noise levels. For new residential buildings the acceptable interior noise limit for new construction is 45 dBA CNEL.

Table N-2 of the City's Noise Element presents the noise contours for selected roadways within the City. Noise contours are not presented for I-405, however, based on the contour lines shown for I-55 and based on LSA's experience with noise monitoring for similar freeway locations, it is anticipated that noise levels on the site, at a point closest to the freeway range between 70-75 dBA CNEL. Therefore, an acoustical study to determine the interior noise levels would be required for the community as part of the community's environmental analysis.

Residential structures on the site would be shielded by the parking structure which would be located between the freeway and the residential towers, which would provide noise attenuation for the interior of the residential units. Additionally, the interior noise levels can be reduced in residential structures by providing mechanical ventilation systems so that windows can remain closed. Upgraded window and wall assemblies would be implemented by the applicant as indicated in the acoustical analysis as necessary to reduce interior noise levels to 45 dBA or less. These upgraded building assemblies are accomplished by increasing the STC rating of each component to ensure that adequate noise reduction is achieved. Standard building construction has an estimated STC rating of 46 while standard windows will have an STC rating in the mid to upper 20s. By increasing layers of building materials or adding resilient channels, the STC rating of wall can be substantially increased. Many window manufacturers now have high-end window systems for residential uses that have ratings in the STC 40 range. By being cognizant of the window-to-wall ratio and ensuring that both the exterior wall and windows are upgraded in a similar fashion, the necessary noise reduction can be adequately achieved.

The community would include a park with an event plaza. Based on the standards contained within the General Plan, noise levels between 67.5 and 75 dBA are considered *Normally Unacceptable* for park uses. Noise levels of up to 67.5 dBA are considered *Acceptable*. Portions of the Metro Tech Building will shield areas of the proposed park area. However, noise monitoring during environmental analysis of the community will determine the extent to which further noise reduction measures such as the placement of walls, landscaped berms, or a combination of the two, are needed to minimize noise impacts to park and residential uses associated with the community.

Construction of the community would comply with Section 13-279 of the Costa Mesa Municipal Code by limiting construction activity to the hours of 7:00 a.m. to 7:00 p.m. Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturdays. The applicant will prohibit construction activities on Sundays and federal holidays.

## SUMMARY

Based on the preliminary analysis above, with emission reduction measures for construction and upgraded HVAC systems, the community is not anticipated to result in significant air quality or health risk impacts. The community contains the sustainability features and the VMT reduction potential that is encouraged and supported by SCAG, SCAQMD, and the City to meet the region's

greenhouse gas emissions reduction goals. Additionally, with implementation of noise insulation features, the community is anticipated to meet the City's interior noise standards.

# ONE | METRO | WEST

Costa Mesa, CA

# **ONE METRO WEST COMMUNITY SCHOOL ISSUES REPORT**

**DRAFT**

**FOR  
ROSE EQUITIES**

**DECEMBER 12, 2018**



Prepared by  
Jeanette C. Justus Associates

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DRAFT

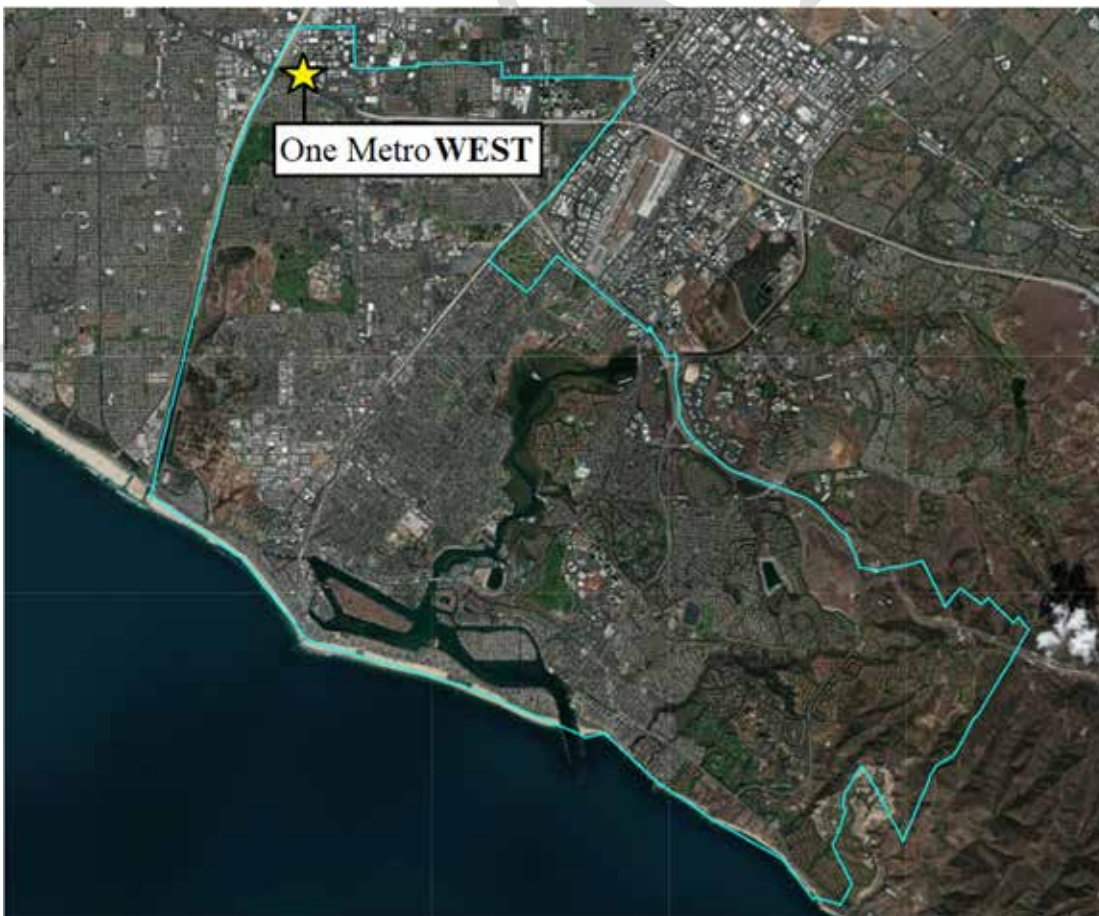
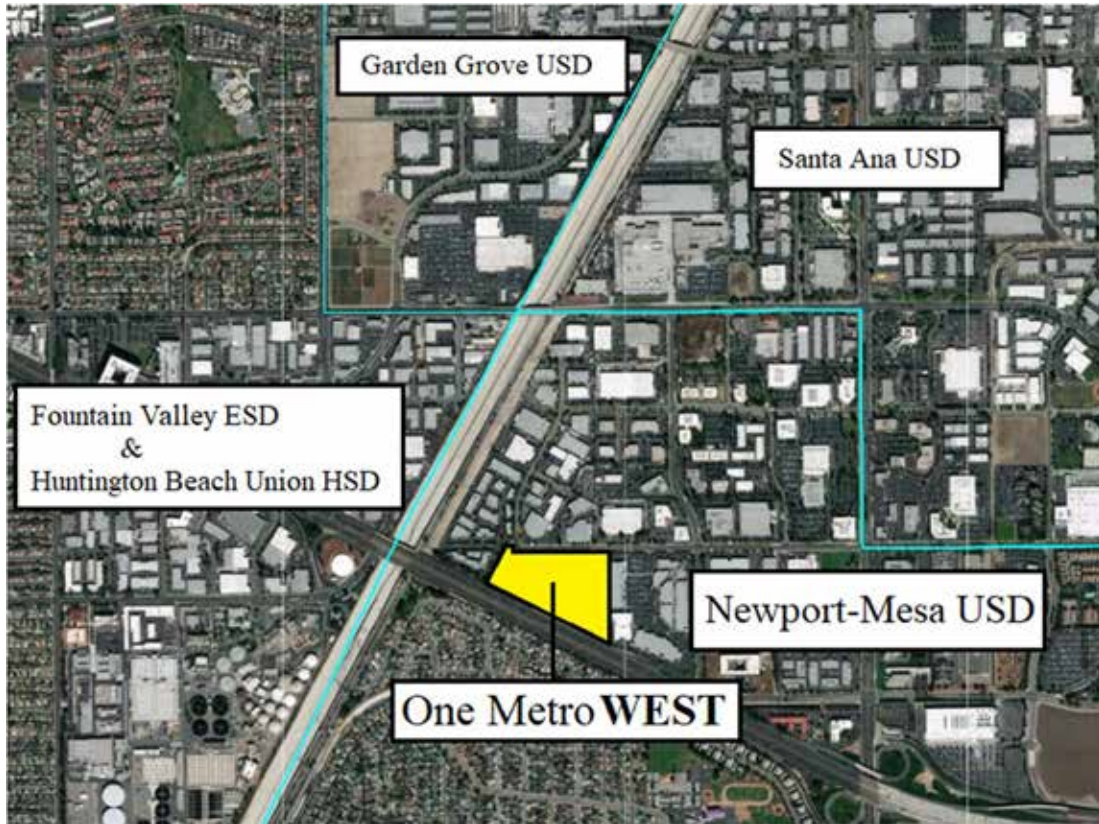
## SECTION 1: BACKGROUND

### INTRODUCTION AND PURPOSE

One Metro **WEST** is a proposed mixed-use community (Community) located in Costa Mesa, Orange County. The Community is bordered by Sunflower Avenue to the north and the I-405 Freeway to the south. The Community will include multiple types of Multi-Family Attached (MFA) residential units, as well as space for creative office/flex use, retail use, a community park and lounge area, and multiple other amenities to serve the needs of the residents. Further description of the Community is outlined below:

- 15.23 +/- -Acre Site (Approx. Gross Acreage)
- 1052 Residential Apartment Dwelling Units (DU) in Total
  - 105± Studio Apartment DU
  - 473± One Bedroom (1-BR) DU
  - 421± Two Bedroom (2-BR) DU
  - 53± Three Bedroom (3-BR) DU
- 6,000 SF of Retail Space
- 25,000 SF of Creative Office/Flex Space
  - 25,000 SF of Free-Standing Building
- 1,500 SF of Public Community Room
- 1.7-Acre Park
  - Active Park with Event Plaza (No Playground Area)
- Acres of Roadways
- 37,500+ SF of Amenities such as
  - Business Center with Meeting Rooms
  - Bowling Alley
  - Community Room
  - Fitness Center/Spa
  - Dry Cleaning/Shoe Repair
  - Day-Care Facility
  - Olympic Size Swimming Pool
  - Landscape Paseos
  - Rooftop Lounging Area

School attendance boundaries assign residents to a particular school district and individual schools. The Community is currently located within the jurisdiction of the Newport-Mesa Unified School District (NMUSD). The graphics on the following page identify the Community location relative to the District boundaries.



The purpose of this report is to provide an overview of the existing conditions, assess student impacts that may be generated by the Community, review school construction costs and discuss funding options.

### EXISTING CONDITIONS

#### NMUSD Profile<sup>1</sup>

##### *Demographics*

The NMUSD oversees 33 schools and had a districtwide enrollment of 21,234 (K-12) students in the 2017-18 school year. Districtwide enrollment has decreased by 3.5% in the last five years and by 0.5% in the last ten years. Approximately 22% of NMUSD students are English learners,<sup>2</sup> and 44.3% of the student population is eligible for free and reduced-price meals.<sup>3</sup>

The NMUSD student population ethnicities include roughly 45% Hispanic, 44% White, 5% Asian, and 1% African American students, with the remaining 5% from other ethnic groups. The NMUSD demographic profile is further illustrated below.

<b>Schools</b>			Free or Reduced Price Meals	44.32%
Level	School Type	Count	Fluent-English-Proficient (FEP)	15.63%
P	Preschool	1	English Learners	22.00%
P-2	Elementary Schools (Public)	1	Redesignated FEP	12.58%
P-6	Elementary Schools (Public)	15	African American	0.85%
K-6	Elementary Schools (Public)	5	American Indian or Alaska	0.16%
3-6	Elementary Schools (Public)	1	Asian	4.71%
7-8	Intermediate/Middle Schools (Public)	2	Filipino	0.81%
7-12	High Schools (Public)	2	Hispanic	45.14%
9-12	Alternative Schools of Choice	2	Not reported	0.11%
9-12	Continuation High Schools	1	Pacific Islander	0.47%
9-12	High Schools (Public)	2	Two or More Races	3.97%
Adult	Adult Education Centers	1	White	43.78%
		<b>Total</b>		
		<b>33</b>		

<sup>1</sup> California Department of Education DataQuest. 2017-18 school year data. Web retrieved November 14, 2018.

<sup>2</sup> English Learners are students who have been determined to lack English language skills of listening comprehension, speaking, reading, and writing necessary to succeed in the school's regular instructional programs

<sup>3</sup> Students qualified for Free or Reduced-Price Meals are students are from families with incomes that qualify them for the federal free or reduced-price meals program.



### *Academic Performance*

Beginning in 2013-14 school year, the California Assessment of Student Performance and Progress (CAASPP) was implemented statewide. The CAASPP is a comprehensive, end-of-year assessment of grade-level learning that measure progress toward college and career readiness. It is designed to inform and promote teaching and learning by providing information that can be used to monitor student progress toward mastery of the Common Core State Standards.

The CAASPP tests academic performance in three core areas: English, Math and Science. Testing results are compared against State criteria using a percentage result versus a point-based scoring system. School districts are considered underperforming if the districtwide scores in English, Math and Science are below the statewide average. The statewide average scores at the K-12 level for English, Math and Science are 49%, 38% and 55% respectively for the 2016-17 school year (with Science scores taken from 2015-16 data).

Table 1 (below) provides academic test score comparisons of the NMUSD to Orange County and the state of California. Test scores are overall (K-12) scores.

**Table 1**  
NMUSD Academic Performance

Category	English	Math	Science*
NMUSD	59%	50%	69%
Orange County	47%	36%	67%
<b>California</b>	<b>49%</b>	<b>38%</b>	<b>55%</b>
Note: CAASPP English and Math scores are as of the 2016-17 school year; Science scores are as of 2015-16 school year. A new science test was piloted in 2016-2017 and, therefore, not reported to the state. Source: California Assessment of Student Performance and Progress (CAASPP) Results. California Department of Education Data Reporting Office. November 14, 2018. Web retrieved. Calculations by Jeanette C. Justus Associates.			

Table 2 (below) provides a summary of the types of schools in the district.

**Table 2**  
NMUSD Schools

School Type	Number of Schools	Average Enrollment	Total Enrollment
<u>Traditional Schools:</u>			
Elementary Schools (P-2)	1	536	536
Elementary Schools (3-6)	1	661	661
Elementary Schools (P-6)	15	496	7,446
Elementary Schools (K-6)	5	456	2,280
Middle Schools (7-8)	2	909	1,818
High Schools (7-12)	1	1,861	1,861
High Schools (9-12)	3	2,065	6,196
<b>Subtotal</b>	<b>28</b>		<b>20,798</b>
<u>Alternative Schools:</u>			
Adult Education Centers	1	N/A	N/A
Alternative Schools of Choice	2	124	247
Continuation High Schools	1	171	171
Preschools	1	N/A	N/A
<b>Subtotal</b>	<b>5</b>		<b>418</b>
<b>Total</b>	<b>33</b>		<b>21,234</b>
<p>Note: Woodland ES (Grades P-2) feeds into Kaiser ES (Grades 3-6) and the schools share an attendance boundary.; Enrollment Statistics not reported for Pre-Kindergarten or Adult schools; The total includes a reported enrollment of 18 students at Nonpublic, Nonsectarian Schools. Averages rounded to the nearest whole number. Calculations by Jeanette C. Justus Associates Source: California Department of Education DataQuest. 2017-18 school year data. Web retrieved November 14, 2018.</p>			

Table 3 (below) provides data on average per grade enrollment for grades K-3, 6-8 and 9-12.

**Table 3**  
NMUSD Average Per-Grade Enrollment

Grade Level	Average Enrollment Per Grade (2017-18)
Grades K-3	1,518 students
Grades 6-8	1,660 students
Grades 9-12	1,735 students
California Department of Education DataQuest. 2017-18 school year data. Web retrieved November 14, 2018. Averages rounded to the nearest whole number. Calculations by Jeanette C. Justus Associates	

From this data, it appears that the NMUSD will continue to decline in enrollment for a number of years in the future.

Table 4 (below) lists the top scoring schools in the district.

**Table 4**  
NMUSD Top District Operated Schools

School	Grade Level	English	Math	Science	5-Year Enrollment Trend	10-Year Enrollment Trend
<b>Elementary Schools (Grades P-6): (Top 5 out of 15 Total)</b>						
Harbor View ES	PK-6	83%	77%	85%	-13.28%	2.79%
Newport Coast Elementary	PK-6	79%	77%	87%	-11.18%	-22.27%
Maude B. Davis ES	PK-6	78%	72%	87%	10.33%	2.12%
Mariners ES	PK-6	75%	73%	86%	-9.91%	3.50%
Newport ES	PK-6	71%	70%	67%	-6.02%	13.59%
<b>Elementary Schools (Grades K-6): (Top 3 out of 5 Total)</b>						
Roy O. Andersen ES	K-6	83%	85%	100%	-8.63%	-29.82%
Abraham Lincoln ES	K-6	75%	70%	85%	-30.04%	-22.90%
Eastbluff ES	K-6	77%	66%	94%	5.26%	13.82%
<b>Middle Schools: (Top 2 out of 4* Total)</b>						
Corona Del Mar HS (7-8)	7-8	65%	59%	N/A	4.81%	18.52%
Horace Ensign Intermediate	7-8	64%	56%	84%	2.46%	1.66%
Costa Mesa High (7-8)	7-8	42%	35%	54%	8.32%	-1.48%
<b>High Schools: (Top 2 out of 4 Total)</b>						
Corona del Mar HS	9-12	72%	64%	86%	4.81%	18.52%
Newport Harbor HS	9-12	67%	38%	63%	-2.55%	-3.39%
<p>*Costa Mesa HS and Corona Del Mar HS serve grades 7-12. The average scores of grades 7-8 in both schools were higher than that of TeWinkle MS.</p> <p>Note: CAASPP English and Math scores are as of the 2016-17 school year; Science scores are as of 2015-16 school year. A new test was piloted in 2016-2017 and, therefore, not reported to the state.</p> <p>School ranking based on average of 2016-17 English/Math scores, 15-16 Science scores for information only. Scores calculated by weighted average using number</p> <p>Enrollment Trends are rounded to the nearest tenth of a percent.</p> <p>Source: California Assessment of Student Performance and Progress (CAASPP) Results. California Department of Education Data Reporting Office. November 28, 2018. Web retrieved. Calculations by Jeanette C. Justus Associates.</p>						

### *Charter Schools*

A charter school is a public school, and it may provide instruction in any of grades K-12. A charter school is usually created or organized by a group of teachers, parents and community leaders or a community-based organization, and it is usually sponsored by an existing local public school board or county board of education. Specific goals and operating procedures for the charter school are detailed in an agreement (or "charter") between the sponsoring board and charter organizers.

A charter school is generally exempt from most laws governing school districts, except where specifically noted in the law. Charter school pupils are required to participate in all statewide assessments that are applicable to pupils in non-charter public schools. Parents have the right to waive, under specified conditions, state testing requirements for the California Assessment of Student Performance and Progress (CAASPP) System. A charter school cannot disregard or take away this parental right. The law also requires that a public charter school be nonsectarian in its programs, admission policies, employment practices, and all other operations and prohibits the conversion of a private school to a charter school. Public charter schools may not charge tuition and may not discriminate against any pupil on the basis of ethnicity, national origin, gender, or disability.

As of the 2017-18 school year, the District does not have any charter schools within its boundaries.

### **SUMMARY AND SIGNIFICANCE OF FINDINGS**

The NMUSD has been declining in enrollment over the last five years, illustrated by the enrollment trend graph below.

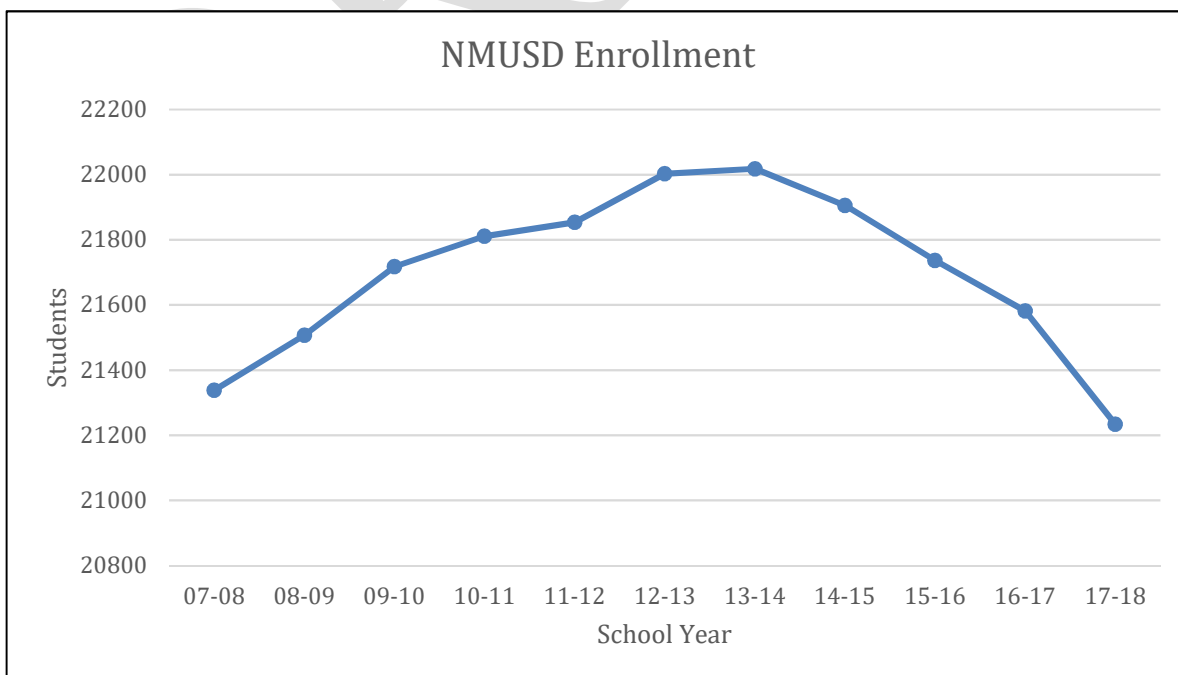


Table 5 (below) provides a side-by-side comparison of the Basic Education Data Profile for the district compared to Orange County. Compared to Orange County, enrollment in the NMUSD has decreased by a similar percentage over the last five years, but decreased by a smaller percentage over the last ten years. The largest ethnic group in both the NMUSD and the County is Hispanic students, but the County has a higher percentage of Hispanic students than the District. Similarly, the District has a smaller percentage of both English Learners and students eligible for Free or Reduced-Price Meals when compared to the County. Finally, while the NMUSD performed higher than the state average in CAASPP scores, Orange County underperformed when compared to the state averages.

**Table 5**  
Basic Education Data Profile

Category	NMUSD	Orange County
2017-18 Enrollment	21,234	485,835
5-Year Enrollment Trend	- 3.49%	- 3.18%
10-Year Enrollment Trend	- 0.49%	- 3.46%
Largest Ethnic Group	Hispanic (45.1%)	Hispanic (49.1%)
English Learners	22.0%	23.5%
Free or Reduced-Price Meals	44.3%	50.6%
Academic Performance	Above Average	Below Average

The next section will assess the school impacts the Community is estimated to have on the assigned schools.

## SECTION 2: COMMUNITY IMPACTS

The following Section 2 will review existing schools, student generation from the Community, and NMUSD's ability to serve Community students in existing schools.

### EXISTING SCHOOLS

The schools assigned to the Community are California Elementary School (California ES), Charles W. TeWinkle Middle School (TeWinkle MS), and Estancia High School (Estancia HS).

#### **NMUSD Elementary School (ES)**

California ES, a K-6 campus originally constructed in 1962 and modernized in 2005, is located north of the intersection of California Street and Utah Circle, roughly 1.7 miles from the Community. In the 2017-18 school year, the school enrolled 429 students. Enrollment has decreased by 1.8% in the last year, but has increased by 1.7% in the last five years. The demographic profile is further identified in the graphic below.

Free or Reduced Price Meals	42.89%
English Learners	13.52%
Redesignated FEP	9.59%
Fluent-English-Proficient (FEP)	3.03%
African American	0.70%
Asian	3.50%
Filipino	0.47%
Hispanic	40.33%
Pacific Islander	1.86%
Two or More Races	9.32%
White	43.82%

The curriculum at California ES includes numerous special programs along with normal elementary instruction. Among these are the music program, which teaches band and choir classes, and the technology program, which teaches students the basics of computer operation and typing, as well as how to navigate through multiple different programs. The school also offers multiple after-school programs, including the Recreation On Campus for Kids (R.O.C.K.S) program, which offers supervised care for grades K-6 until as late as 6 pm, and the Running Club, which is a ten-week training program that culminates with the last mile run at the "Kids Run the OC Marathon" (KROC), for a total of 26 miles over the ten weeks.

Table 6 (below) provides academic test score comparisons of California ES to the NMUSD, Orange County, and the state. Orange County and state scores are provided in the same grade configuration as in California ES. This was accomplished by calculating a weighted average score for grades K-6.

**Table 6**  
California ES Academic Performance

Category	English	Math	Science
California ES	65%	62%	84%
NMUSD (K-6)	59%	54%	69%
Orange County (K-6)	54%	50%	65%
<b>California (K-6)</b>	<b>45%</b>	<b>40%</b>	<b>53%</b>
Note: CAASPP English and Math scores are as of the 2016-17 school year; Science scores are as of 2015-16 school year. A new science test was piloted in 2016-2017 and, therefore, not reported to the state. Source: California Assessment of Student Performance and Progress (CAASPP) Results. California Department of Education Data Reporting Office. November 14, 2018. Web retrieved. Calculations by Jeanette C. Justus Associates.			

### NMUSD Middle School (MS)

TeWinkle MS is a middle school campus serving grades 7-8, originally constructed in 1964 and modernized in 2006. The school is located roughly 1.6 miles from the Community, on the corner of California Street and Gisler Avenue, just south of California ES. In the 2017-18 school year, the school enrolled 654 students. Enrollment has decreased by 5.5% in the last year and by 7.5% in the last five years. Additional demographic statistics are identified in the graphic below.

Free or Reduced Price Meals	79.05%
English Learners	35.32%
Redesignated FEP	28.14%
Fluent-English-Proficient (FEP)	36.54%
African American	1.38%
American Indian or Alaska	0.15%
Asian	2.14%
Filipino	1.99%
Hispanic	79.05%
Pacific Islander	0.61%
Two or More Races	0.15%
White	14.53%



Some of the unique educational programs at TeWinkle MS are the music program, which offers a Jazz Band, the GATE program, AVID, the Community Lead The Way (PLTW) technology program. The school also offers numerous athletic opportunities for students, as well as counseling programs and other clubs such as Yearbook, Nature Academy, and Girls, Inc.

Table 7 (below) provides academic test score comparisons of TeWinkle MS to the NMUSD, Orange County, and the state. Test scores are provided in the same grade configuration as in TeWinkle MS. This was accomplished by calculating a weighted average score for grades 7-8.

**Table 7**  
TeWinkle MS Academic Performance

Category	English	Math	Science
TeWinkle MS	41%	31%	64%
NMUSD (7-8)	55%	47%	75%
Orange County (7-8)	58%	48%	73%
<b>California (7-8)</b>	<b>48%</b>	<b>37%</b>	<b>61%</b>
Note: CAASPP English and Math scores are as of the 2016-17 school year; Science scores are as of 2015-16 school year. A new science test was piloted in 2016-2017 and, therefore, not reported to the state. Source: California Assessment of Student Performance and Progress (CAASPP) Results. California Department of Education Data Reporting Office. November 14, 2018. Web retrieved. Calculations by Jeanette C. Justus Associates.			

### NMUSD High School (HS)

Estancia HS is a high school campus serving grades 9-12, originally constructed in 1965 and modernized in 2006. The school is located on Placentia Avenue, north of its intersection with Joann Street, roughly 4.2 miles from the Community. In the 2017-18 school year, the school enrolled 1,269 students. Enrollment has decreased by 2.4% in the last year and by 0.8% over the last five years. A supplementary demographic profile is provided below.

Free or Reduced Price Meals	71.63%
English Learners	26.16%
Redesignated FEP	14.10%
Fluent-English-Proficient (FEP)	43.81%
African American	0.55%
American Indian or Alaska	0.16%
Asian	1.97%
Filipino	0.95%
Hispanic	77.54%
Not reported	0.08%
Pacific Islander	1.02%
Two or More Races	0.71%
White	17.02%

Estancia HS offers numerous academic programs, including a Digital Arts Media Pathway, the Medical Academy, the Engineering and Design Academy, and Visual/Performing Arts. Students have access to many clubs and organizations, including ASB, Yearbook, an Entrepreneur Club, Journalism Club, and Robotics Club, among many others, and the school offers multiple sports teams. Estancia High School is also accredited by the Western Association of Schools and Colleges (WASC).

TeWinkle and Estancia were included in the OCDE Consortium grant award that will create a career pathways program that connects businesses, K–12 schools, and community colleges to better prepare students for the 21st century workplace. The partnerships funded by this grant will bring real-world experience and hands-on learning to our students, opening new bridges of opportunity from the classroom to success in college and careers.

Table 8 (below) provides an academic test score comparison of Estancia HS to the NMUSD, Orange County, and the state. Test scores are provided in the same grade configuration as in Estancia HS. This was accomplished by calculating a weighted average score for grades 9-12.

**Table 8**  
Estancia HS Academic Performance

Category	English	Math	Science
Estancia HS	48%	16%	52%
NMUSD (9-12)	64%	41%	63%
Orange County (9-12)	67%	43%	62%
<b>California (9-12)</b>	<b>60%</b>	<b>32%</b>	<b>50%</b>
Note: CAASPP English and Math scores are as of the 2016-17 school year; Science scores are as of 2015-16 school year. A new science test was piloted in 2016-2017 and, therefore, not reported to the state. Source: California Assessment of Student Performance and Progress (CAASPP) Results. California Department of Education Data Reporting Office. November 14, 2018. Web retrieved. Calculations by Jeanette C. Justus Associates.			

## SCHOOL IMPACTS

### **Student Generation Rates**

Student Generation Rates (SGR) project the number of students generated from residential development. The SGR is a ratio of students per home, which is usually based on recent construction history or districtwide data. The SGR is also usually grouped by grade level, elementary, middle and high school, and by housing product type. It has been recognized that different types of housing product i.e. Single Family Detached (SFD), Single Family Attached - For Sale (SFA) and Multifamily - Rental (MF) generate students at different rates. SGRs are usually prepared by the school district staff or consultants and are used for estimating developer fees and projecting facility and staffing needs over time.

Factors in addition to product type, including district reputation, fluctuations in the economy, suburban or urban location, aging of the community, size of district, availability of neighborhood schools, and its location in the state, all affect SGRs. New state-of-the-art schools or academically outstanding schools can be attractive to families with children that may be willing to relocate to the housing within the attendance boundaries of such schools.

SGRs are typically collected from a district's developer fee study, an analysis that demonstrates a reasonable relationship between residential, commercial and industrial development in the district and the need for additional school facilities. Fee studies are usually prepared by the school district staff or consultants and are used for estimating developer fees and projecting facility and staffing needs over time.

Since the most recent Developer Fee Justification Study was prepared for the state maximum developer fees in 1996, the NMUSD does not have recent Student Generation Rates. Instead, we will use rates from a nearby district observed in communities similar in density and location in close proximity to job centers to One Metro West.

### **HIGH DENSITY MULTIFAMILY SGR**

Urban communities in California have noticed an increase in construction of high density housing. For the purposes of this report, this product type category will be called high density multifamily (“HD MF”) and include for sale and rental multifamily homes with densities of 50 or more units per acre. The HD MF SGRs tend to be significantly lower than SGRs in communities with traditional housing. Families with children are typically attracted to lower density homes with a greater number of bedrooms and amenities such as backyards, tot lots, and neighborhood parks. Jeanette C. Justus Associates has observed this trend to be consistent throughout California urban areas.

A good example of HD MF SGR is found in Irvine Unified School District, NMUSD’s neighboring district and one of the fastest growing and highest performing school districts in the state. A sample of 5,522 units constructed in similar scale communities maintains an SGR of 0.09 for K-12. The HD MF SGR from Irvine USD is provided below in Table 9.

**Table 9**  
High-Density Student Generation Rates

Grade Configuration	Local HD MF SGR
Grades K-6	0.058
Grades 7-8	0.011
Grades 9-12	0.019
<b>Total (TK-12)</b>	<b>0.087</b>
Sources: HD MF SGR 2016-17 data provided by Donna Jordan, IUSD, November 9, 2016. Sample includes the Village, the Park, Centerpointe and Los Olivos at the Irvine Spectrum.	

There are several existing apartment communities that are similar to the Community, including the Enclave at South Coast. Although located away from the urban core, Newport Bluffs would be similar in density and can also be included in the analysis. An alternative, more accurate student generation rate may be calculated by the NMUSD through matching of the student database to the existing apartments. However, we have observed a consistent trend in urban cores of a student generation rate at or below of 0.1 for K-12.

### **Student Projections**

All 1,052 residential units will be HD MFA apartment units with densities of 60+ DU/Acre. Using the HD MF SGR calculated by Irvine USD, the Community is expected to generate a total of 93 (K-12) students. See Table 10 (below).

**Table 10**  
Student Projection

SGR Source/Type	Dwelling Units	Students Projected			
		K-6	7-8	9-12	TK-12
<b>Local CA HD MF</b>	<b>1,052</b>	<b>61</b>	<b>12</b>	<b>20</b>	<b>93</b>
Projections rounded to the nearest whole number. Calculations by Jeanette C. Justus Associates.					

### Available Capacity

Available capacity is the number of additional students a school can accommodate within its current facilities. The value is determined by comparing the most recent enrollment data to the capacities of a school's facilities.

Facility capacity was determined based on the number of classrooms reported in the 2017-18 School Accountability Report Cards (SARCs) for the schools, as well as from the Department of General Services' (DGS) Project Tracker, which gives records of state funding for classroom construction. We can estimate the total (minimum) capacity of each school given the Office of Public School Construction's (OPSC) Loading Standards.<sup>4</sup> These Standards are 25 students per classroom for elementary schools (grades K-6), and 27 students per classroom for secondary schools (grades 7-12). The Loading Standards for Severely Disabled and Non-Severely Disabled students are 13 students and 9 students, respectively. The 2016-17 School Accountability Report Cards (SARCs) provide the number of classrooms at each site.<sup>5,6</sup>

<sup>4</sup> The Office of Public School Construction (OPSC), working under the State Allocation Board (SAB), is responsible for the implementation and administration of state funding for the construction or modernization of public school facilities, through the voter approved school facilities construction program. The OPSC Loading Standards represent the maximum number of students permitted for a classroom, which schools must meet to be eligible for the State's funding program.

<sup>5</sup> SARC information provides information about facility uses at a particular school and may differ from objective classroom counts and loading. For example, classrooms may be used for storage and teacher lounges.

<sup>6</sup> Number of classrooms adjusted based on visual analysis of satellite images using Google Earth Pro (imagery date: 4/2/2018). Since the 2016-17 school year, California ES has added one portable classroom, and TeWinkle MS has removed 5 portable classrooms.

### Capacity

According to 2016-17 SARC information, California ES has a total of 23 classrooms, TeWinkle MS has 51 classrooms, and Estancia HS has 73 classrooms. We calculate the capacity of each school by multiplying their Loading Standard by the reported number of classrooms. This results in student capacity estimations of 575 students at California ES, 1,377 students at TeWinkle MS, and 1,971 students at Estancia HS. See Table 11 (below).

**Table 11**  
NMUSD School Capacities

School	Grade Level	SARC Classrooms Reported	SARC Capacity	2017-2018 Enrollment	Available Capacity
California ES	K-6	22	575	429	<b>146</b>
TeWinkle MS	7-8	51	1,377	654	<b>723</b>
Estancia HS	9-12	73	1,971	1,269	<b>702</b>

Sources: Online 2016-17 SARC reports for each school and visual analysis of school sites using Google Earth Pro images, dated 4/2/2018. Projections rounded to the nearest whole number. Calculations by Jeanette C. Justus Associates

The next step is to evaluate whether the projected students can be housed in existing school facilities.

### Unhoused Students

As shown below in Table 12, there are 146 seats at the elementary level, 723 seats at the middle school level, and 702 seats at the high school level available for Community students.

**Table 12**  
NMUSD School Impacts

Category	California ES	TeWinkle MS	Estancia HS
Capacity	575	1,377	1,971
Enrollment	429	654	1,269
Available Capacity	146	723	702
Community Impacts	61	12	20
<b>Unhoused Students</b>	<b>0</b>	<b>0</b>	<b>0</b>

From the calculations above, we may presume that the NMUSD will be able to absorb the projected students in existing school facilities, therefore new schools facilities need not be constructed.

### *Construction Costs*

Although unlikely, if NMUSD were to add capacity to accommodate students from this Community, the current construction costs and options would be as outlined below.

### *Modular Construction*

Modular classrooms provide a more cost-efficient delivery method than permanent construction, while providing a better-quality school facility than portable classrooms. Project Frog and Generation 7 classrooms are recognizable modular classroom brand names in Northern California. Based on the standard classroom size of 960 sq ft and a 2018 construction cost of \$350/sq ft, the total construction budget would equal \$336,000 for one classroom.

### *Portable Classroom Cost Estimate*

The addition of portable classrooms to the existing campus would be the less expensive alternative to new construction. Jeanette C. Justus Associates obtained the cost of purchase and installation of new portable classrooms from Irvine Unified School District in June 2018. The most commonly leased portable classrooms have an annual payment of up to \$10,000. Each unit is also subject to one-time fees such as delivery/set-up, painting, additional structural options, and unit removal of approximately \$5,000 unless special site work is required. These costs assume all the infrastructure has been completed and the portables can be dropped at the site with relatively little cost other than transportation.

### *Permanent Classroom Cost Estimate*

If a permanent classroom would be added to a school campus instead of portable, the cost of construction would increase. Based on the standard classroom size of 960 sq ft and a 2018 construction cost of \$550/sq ft, the total construction budget would equal \$528,000 for one classroom.

## SECTION 3: CAPITAL & OPERATIONAL BUDGET IMPACTS

### CAPITAL BUDGET

A school district capital budget can include state funding, developer fees, local general obligation bonds and special Mello-Roos taxes. The capital budget funds modernization, construction and equipment of school facilities used to house students. Capital funding, such as school developer fees cannot be used for operations, that is, to hire teachers or administrators.

#### *State Funding*

Senate Bill (SB) 50, which passed in 1998, provided a comprehensive school facilities financing and reform program and enabled a bond issue to be placed on the ballot. The provisions of SB 50 allowed the state to offer funding to school districts to acquire school sites, construct new school facilities, and modernize existing school facilities. Since 1998, five statewide obligation bond measures (Propositions 51, 1A, 47, 55 and 1D) were approved by voters for a total of over \$42 billion. The most recent of these statewide obligation bond measures was approved in November 2016. A total of \$9 Billion was allocated. As of September 12, 2018, OPSC received requests for new construction projects that exceeded the available bond authority, and any applications received on or after this date will be placed on the Applications Received Beyond Bond Authority List. SFP Regulation Section 1859.95.1 requires that all new construction applications placed on this list must contain a school board resolution specifying certain acknowledgements.<sup>7</sup>

The lack of state bond funding effectively shifts the burden for new school construction to the local level, requiring a greater financial burden be placed on developers to close the gap to fund new school facilities.

#### *State Funding Eligibility*

Historically, the District has actively participated in the state funding program, obtaining state funding for New Construction and Modernization projects. The NMUSD has received over \$118 million in state funding, roughly \$18.8 million of which went to New Construction projects, while the other roughly \$99.5 million went to Modernization projects. Under the existing program rules, a school district must establish districtwide or high school attendance area state funding eligibility to be able to participate in any of the programs listed above. Essentially, districtwide eligibility is a comparison of expected enrollment to seat capacity at existing schools. The resulting “unhoused projected students” determine the amount of eligibility a district receives.

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<sup>7</sup> Executive Officer’s Statement. Financial Reports. State Allocation Board Meeting Agenda. August 15, 2018. Web retrieved November 14, 2018. [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov).



State funding eligibility varies with projected enrollment growth, including growth from new development, as compared to the number of existing seats in the district. Based on the OPSC Project Tracking System records, the NMUSD is eligible for New Construction school funding of 453 seats in grades 6-8, 131 seats for Non-Severely Disabled students, and 226 seats for Severely Disabled Students.<sup>8</sup>

### *General Obligation (GO) Bonds*

To finance capital improvements and new school construction, school districts in California may also borrow money in a form of a GO bond. As a result of passage of Proposition 39, school districts have an option of seeking a two-thirds or 55 percent voter approval, with additional accountability requirements for the lower percentage. In light of the fact that state funding is currently limited, school districts are actively placing new GO bonds on local ballots. The NMUSD has proposed two measures for school funding, both of which were approved by the voters. These measures are described in Table 13 (below).

**Table 13<sup>9</sup>**  
Newport Mesa USD GO Bond History

<p><b>MEASURE A – Passed</b> Date of Election: June 2000 Proposed Bond: \$61 Million Tax Rate: \$22.35 per \$100,000 Vote in Favor: 72.1% (66.7% Required)</p>
<p>Purpose: - Renovation; health &amp; safety upgrades.</p>
<p><b>MEASURE F – Passed</b> Date of Election: November 2005 Proposed Bond: \$282 Million Tax Rate: \$21.60 per \$100,000 Vote in Favor: 56.1% (55.0% Required)</p>
<p>Purpose: - Improve/expand school libraries and increase access to technology, replace seismically unsafe buildings and complete upgrading of school site safety conditions, and construct and reconstruct classrooms and other facilities.</p>

### **Total Debt Rates**

Based upon all outstanding general obligation bond commitments, the effective 2018-19 tax rate is \$16.82 per \$100,000 of assessed valuation within the NMUSD.<sup>10</sup>

<sup>8</sup> OPSC Project Tracker. California Department of General Services. Web retrieved November 20, 2018. [www.dgsapps.dgs.ca.gov/OPSC/PT/Pt/Default.aspx](http://www.dgsapps.dgs.ca.gov/OPSC/PT/Pt/Default.aspx)

<sup>9</sup> Newport Mesa Unified School District Summary. CA Dep of Education Ed-Data Tool. Web retrieved November 15, 2018. Unified <http://www.ed-data.org/district/Orange/Newport--Mesa-Unified>

<sup>10</sup> 2017-18 Tax Rate Book. Orange County Office of Education. Web retrieved November 20, 2018

### *Mello-Roos*

The Mello-Roos Community Facilities Act provided an alternative method for school districts to finance needed improvements by forming Community Facilities Districts (CFDs). CFDs are a financing entity formed by grouping real property. Once grouped, a tax is levied on the property owners of the homes within a CFD. CFDs are normally formed in undeveloped areas or in older areas to help finance new schools or other facility issues. In contrast to a GO bond, a Mello-Roos tax is not limited by the assessed value of property. The tax has a useful life of five years or more and requires a two-thirds vote to be enacted.

As of June 2018, there have been two Community Facilities Districts formed by the NMUSD, CFD No. 90-1 and CFD No. 98-1. These CFDs will not have an impact on the Community.

### *Developer Fees*

SB 50 established a process for determining the amount of fees that developers may be charged to mitigate the impact of development on school facilities. Under this legislation, a school district could charge fees above the statutory cap only under specified conditions, and then only up to the amount of funds that the district would be eligible to receive from the State. According to Government Code Section 65995, the development fees authorized by SB 50 are deemed to be “full and complete school facilities mitigation.” SB 50 provides that a state or local agency may not deny or refuse to approve the planning, use or development of real property on the basis of a developer’s refusal to provide mitigation in amounts in excess of that established by SB 50.

SB 50 established three levels of Developer Fees that may be imposed upon new development by the governing board of a school district depending upon certain conditions within a district. These three levels are described below:

Level 1: Level 1 fees are the base statutory fees. These pre-determined amounts are the statutory maximum that can be legally imposed upon new construction projects by a school district unless the district qualifies for a higher level of funding.

Pursuant to the California Government Code Section 65995, as of January 2018, the statutory maximum Level 1 school fees that may be levied by a K-12 school district on new development are \$3.79 per assessable sq ft of residential construction and of \$0.61 per sq ft of enclosed and covered space for commercial/industrial development. These rates are established by the State Allocation Board (SAB) and may be increased bi-annually to adjust for inflation based upon a statewide cost index for Class B construction. After adoption by the SAB, school district boards may review and approve Developer Fee Justification Studies to implement current Level 1 fees. The NMUSD implements Level 1 fees that are lower than the current statutory maximum.

In 1996, the NMUSD approved the implementation of Level 1 fees of \$1.84 per sq ft of residential development, and \$0.30 per sq ft of commercial/industrial development, the state maximum at the time. As of November 2018, the District has not approved an updated fee study and has no plans to do so.<sup>11</sup>

To estimate potential developer fees from the Community, the average square footage per unit provided in the 2016 NMUSD school fee study were assumed as detailed in Table 14 below.

**Table 14**  
Developer Fee Estimates for the Community

Unit Type	# Units	Avg SF	Total SF	Developer Fee/SF	Developer Fees to be Collected
				NMUSD	NMUSD
HD MF	1,052	1,000	1,052,000	\$1.84	\$1,935,680
Retail	-	-	6,000	\$0.30	\$1,800
Office	-	-	25,000		\$7,500
Amenities	-	-	37,500		\$11,250
				<b><u>TOTAL</u></b>	<b><u>\$1,956,230</u></b>

### **OPERATING BUDGET**

#### *Revenue: Basic Aid School District*

A school district operational budget, which includes Revenue Limit funds and categorical grants from the state and federal government, is used for day-to-day expenses for educating students. Schools in California are financed primarily by state sales and income tax revenue and by local property taxes. They are supplemented by federal funding, the state lottery and miscellaneous local funds. The state expenditures on education make up approximately 40% of total state revenue. Proposition 98 guarantees that at a minimum, the same per student or ADA revenue amount school districts received the prior year.<sup>12</sup> School districts also receive state and federal money for special programs or categories of children with special needs. In the last several years, school districts throughout the state have experienced significant cuts in operational funding from the state. In 2013-2014, the State changed the funding formula to the Local Control Funding Formula (LCFF) eliminating the complexity of multiple special programs and categories. The new model provides substantially more funding to school districts with high numbers of socio-economically disadvantaged students, English learners and foster youth.

<sup>11</sup> Call with NMUSD Facilities Department, November 26, 2018

<sup>12</sup> Cost of Living Adjustments (COLA) and enrollment growth/decline adjustment are made in the subsequent year.

In California, even under the LCFF, each district has its own revenue limit amount, or funding amount per student, coming from state funds and local property tax. With LCFF the funding per pupil depends primarily on the number of students in attendance and importantly their demographic profiles. A count of Average Daily Attendance ("ADA") is multiplied by the district per student LCFF amount to determine the total LCFF income. School districts also receive state and federal money for special programs or categories of children with special needs. School districts throughout the state are declining in enrollment and have experienced significant cuts in operational funding.

Local property taxes provide a portion of the LCFF income while the state provides the balance. There are approximately 100 school districts out of a total 1,000 school districts in California, including the NMUSD, whose property taxes are equal to or exceed the LCFF allowance from the state.<sup>13</sup> These districts, known as "Basic Aid," do not receive much of the state funding, but are allowed to keep all funds from local property taxes. Designation as a Basic Aid is not a choice, but a situation, which occurs when local funds exceed the state-provided funding amount per pupil.

The following information is available from the latest 2018-19 Budget Reports for the NMUSD.<sup>14</sup>

The NMUSD Budget 2017-18 Actuals show that the district received an estimated revenue of \$14,417/pupil in the 2017-18 school year. The 2018-19 Budget projects an increase to approximately \$19,205/pupil.<sup>15</sup>

Because NMUSD is a Basic Aid school district, it is unlikely to get significantly improved funding due to the changes in the operational funding to the LCFF that took place in 2013-14 school year as long as local property values continue to grow.

Approximately 39.06% of the base property tax (1%) goes to the NMUSD for operations.

#### *LCFF Sources*

The NMUSD anticipates a total of \$271.8 million from LCFF Sources in the 2018-19 school year. Approximately \$11.8 million of the total is from Principal Apportionment of state aid and the Education Protection Account (EPA), and \$260.2 million from secured and unsecured roll taxes on local property (about 95.7% of the total). On a per-pupil basis, the district will receive approximately \$582/pupil from the state, and \$12,876/pupil from local property taxes.

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<sup>13</sup> 2014-2015 Basic Aid Districts. Local Control Funding Database. EdSource. Web retrieved November 26, 2018. [www.edsource.org](http://www.edsource.org).

<sup>14</sup> 2018-19 ALL FUNDS FINAL BUDGET BOOK. June 12, 2018. Budget Services. Fiscal Services. NMUSD Website. Web Retrieved November 27, 2018. <http://web.nmusd.us/budget>

<sup>15</sup> The NMUSD received a total revenue of approximately \$306.4 Million in 2017-18. Revenue per student is equal to \$306,363,392.00 divided by the average daily attendance (ADA) of 20,206 students. The NMUSD projects a total revenue of approximately \$318 Million in 2018-19. Revenue per student will be equal to \$318,054,380.00 divided by the average daily attendance (ADA) of 20,206 students.

*Cost to Educate*

Based on the 2017-18 Estimated Actuals provided in both districts' Adopted Budgets for 2018-2019, the NMUSD's current spending is approximately \$15,075/pupil out of the general fund, when all budget categories are considered.<sup>16</sup> If only classified/certificated salaries and cost of books and supplies are considered, the direct cost to the NMUSD is approximately \$9,850 per pupil. This spending per pupil includes one-time expenditures such as capital projects.

On average, school districts spend approximately \$10,000 per pupil in California. Additional analysis would be needed to understand in depth the district's cost to educate students.

*Fund Reserves*

In the 2018-19 Budget, the NMUSD currently plans to keep \$14.4 million "Reserved for Economic Uncertainty" (REU), which is approximately 4.5% of the District's capital outgo. This is 50% higher than the state recommendation for this percentage (3%). The District also has more than \$14.6 million set aside in its "Stabilization Reserve". The Ending Fund Balance of the District General Fund, which makes up the District's reserves, is approximately \$31.5 million, more than 10.3% of its projected Expenditures for 2018-19, reflecting a fiscally conservative and healthy budget of the NMUSD.

Additionally, the NMUSD projects an ending balance of more than \$28.6 million in its Building Fund for 2018-19, most of which is left over from the latest bond issuance. The district plans to use these funds to construct and modernize facilities under the authorization of Measure F.

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<sup>16</sup>Per pupil cost to educate is calculated by dividing total expenditure of \$304,597,745.00 by the average daily attendance (ADA) of 20,206 students in the NMUSD.

## SECTION 4: COMMUNITY BENEFITS

### *Developer fees*

The Community is expected to have 1,052,000 sq ft of assessable residential space within 1,052 apartments, 6,000 sq ft of Retail Space, 25,000 sq ft of Office Space, and over 37,500 sq ft of Amenities.<sup>17</sup> NMUSD would collect approximately \$1.96 million in one-time developer fees. It is unlikely that new facilities are required to house Community students.

### *General Obligation Bond Contribution*

It is assumed that the Community's current assessed valuation is approximately \$21 million and will be a total of \$531.3 million at build out, which represents an increase of approximately \$510.3 million.

At buildout, the Community's contribution toward repayment of NMUSD GO bonds would be approximately \$85,825 annually, based on 2018-19 tax rates. This represents an increase in tax revenue of over \$82,293 to the NMUSD.

Alternatively, rather than helping repay the local GO bonds quicker, the new assessed valuation can contribute to the issuance of new local bonds that may be used to expand or modernize existing school facilities.

### *Operating Budget Contribution*

NMUSD receives approximately 39.06% of the basic 1% property tax for operations.<sup>18</sup> Growth from new development is helpful to Basic Aid districts such as NMUSD financially because development brings additional tax revenues. Districts that are growing due to new development experience efficiencies that occur as new students, as well as additional revenue are brought into the district, particularly when a new facility is not required. Planned growth that is anticipated, comes in regular increments and is understood by the school district facility and fiscal planners is the most beneficial. Basic Aid school districts benefit more from growth that increases its assessed valuation and brings few students, as would be the case with the high density development.

Based on the assumption that NMUSD will retain approximately 39.06% of the local property tax of 1%, the Community would generate approximately \$2.08 million for the NMUSD annually. The annual total cost to educate Community students based upon the maximum student generation of 93 students is approximately \$1.4 million and the annual direct cost to the district is about \$916,050.

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<sup>18</sup>NMUSD received property taxes of \$260,166,092 on approximately \$66.6 billion of assessed valuation within the district, according to the 2018-19 Budget.

## SECTION 7: EXHIBITS

### Exhibit A - Assigned School Sites:

California ES:



TeWinkle MS:



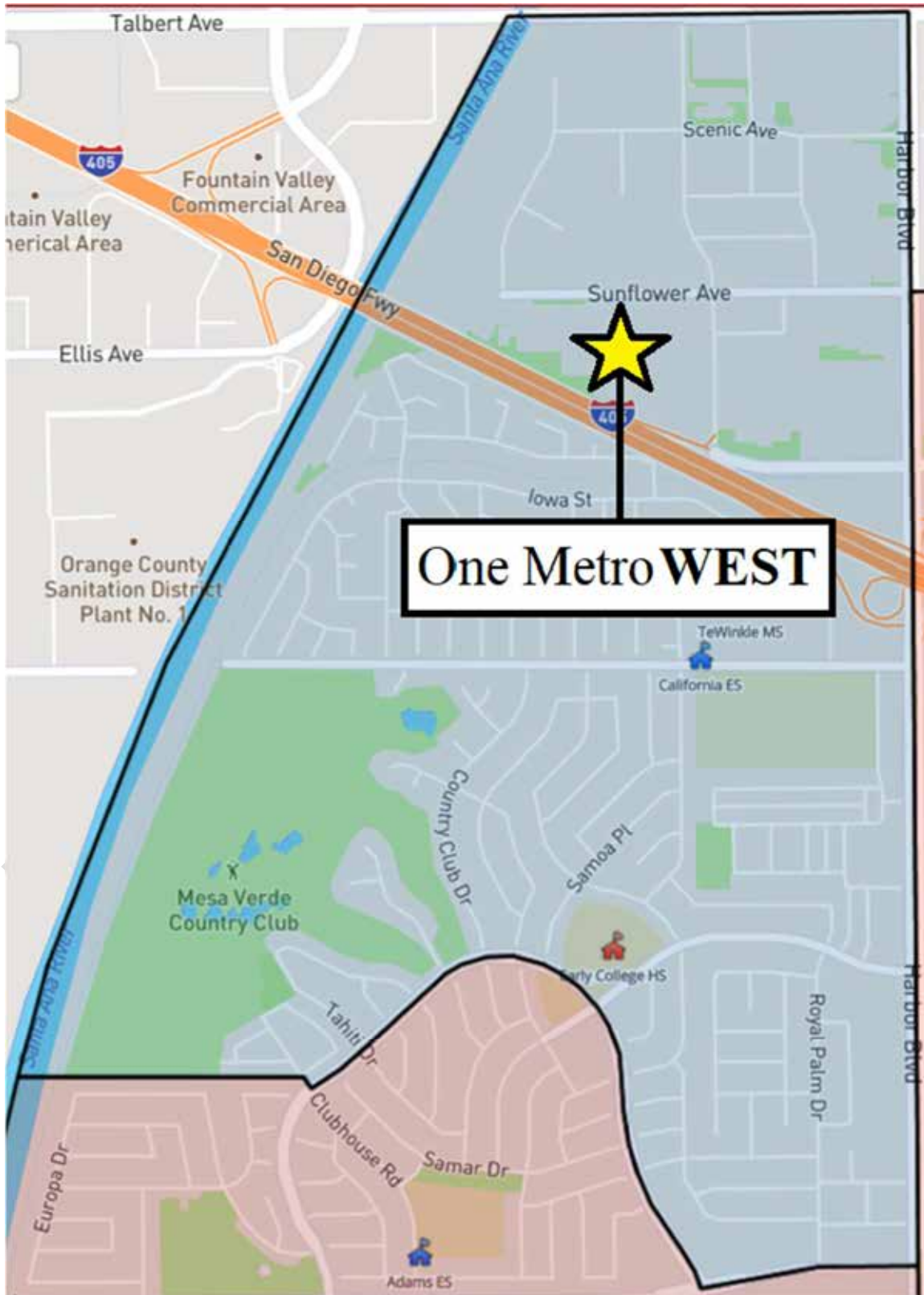


Estancia HS:

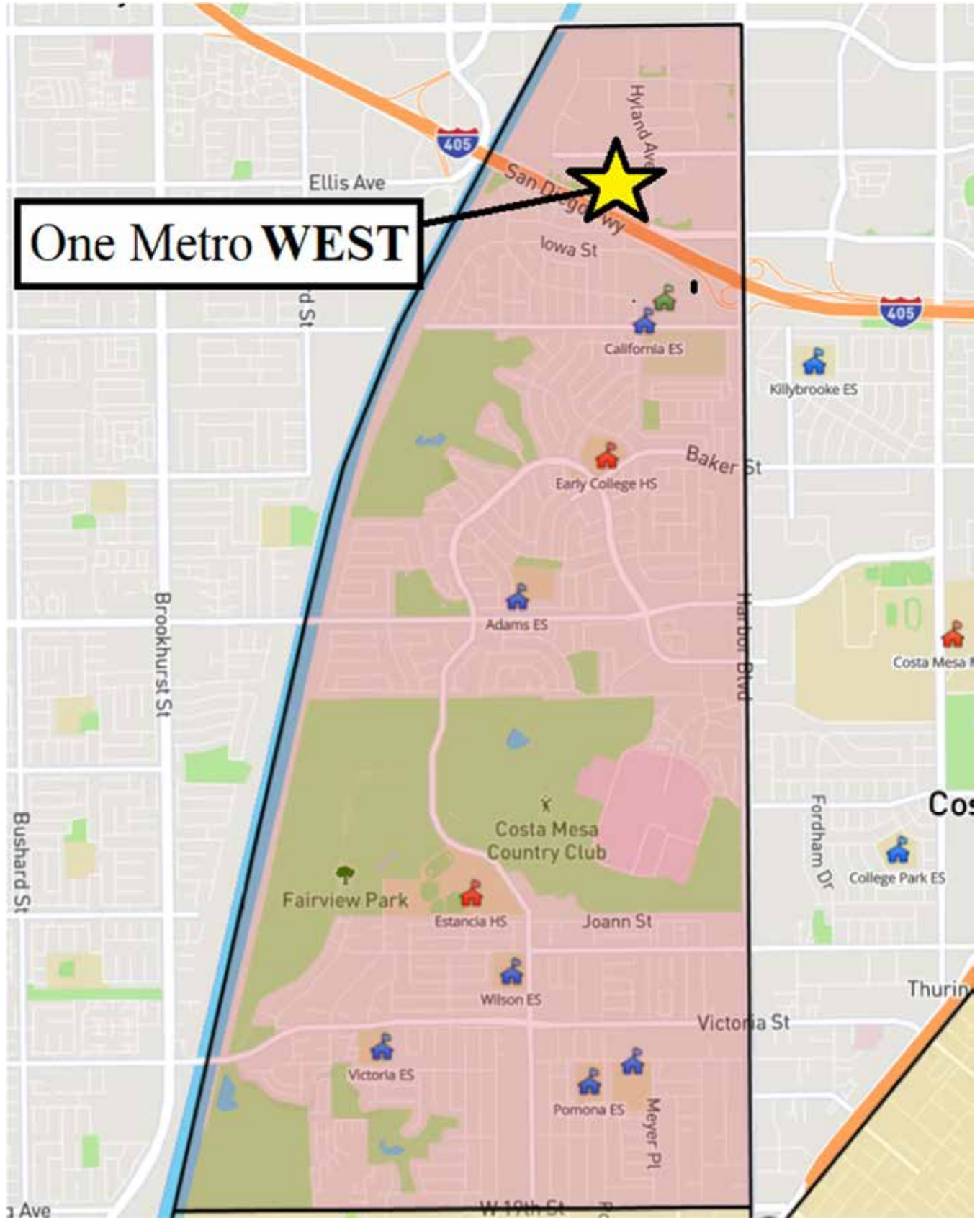


Exhibit B – Assigned School Attendance Boundaries

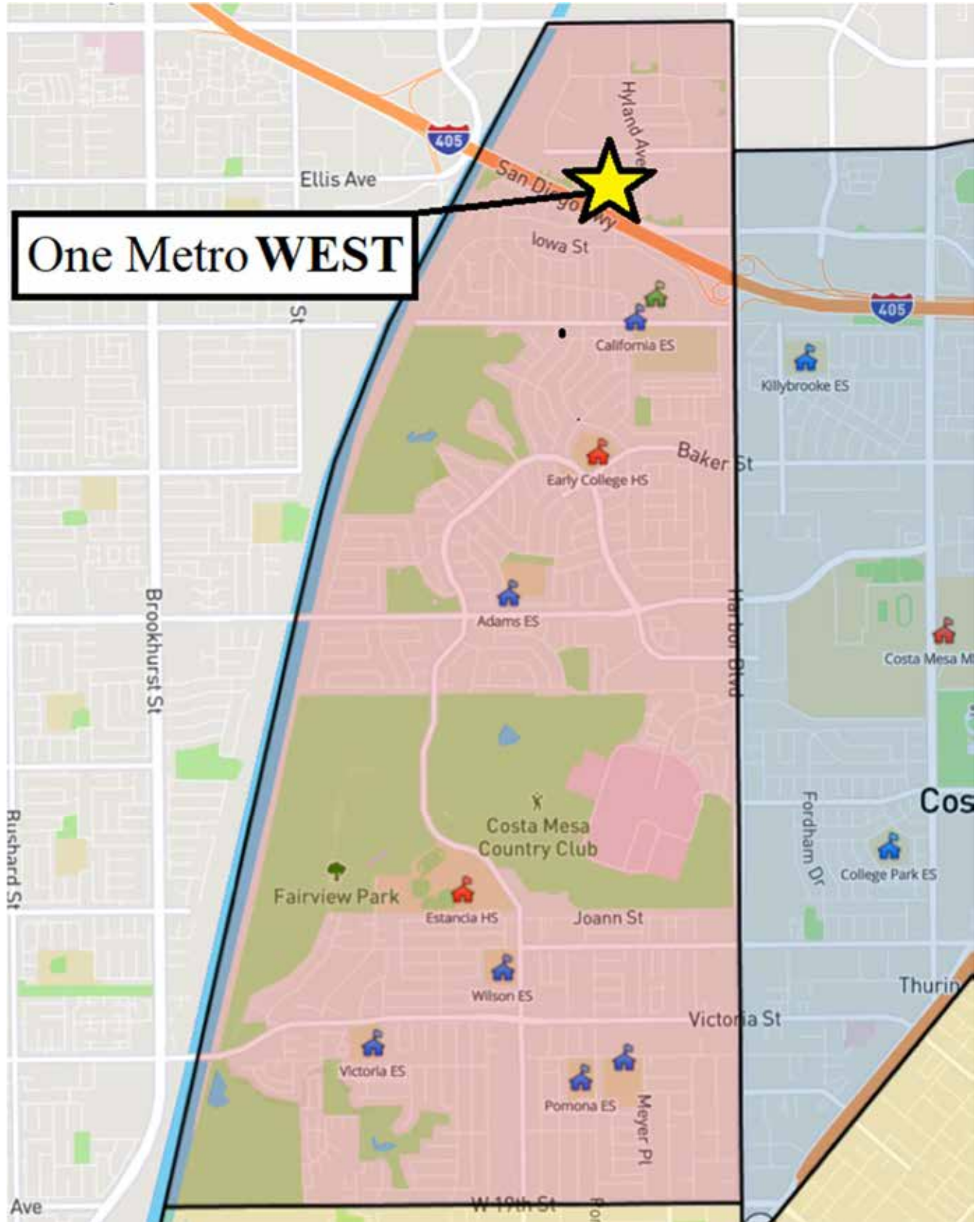
California ES:



TeWinkle MS:



Estancia HS: (Identical to TeWinkle MS)



**ONE | METRO | WEST**

Costa Mesa, CA



Mr. Brent Stoll  
Rose Equities  
18900 Teller Avenue  
Irvine, CA 92612

**Subject: One Metro WEST  
Community Infrastructure Memorandum**

### **Introduction**

One Metro **WEST** is a campus-style community development with a planned mix of uses including: 1,057 Apartment units within two wrap-style buildings and one podium style building that incorporate parking structures into the designs, 25,000 square feet of creative office building space, and highly amenitized private and publicly accessible recreational spaces and urban parks. The 15.23+/- acre community is proposed on the property located just south of the intersection of Sunflower Avenue and Cadillac Avenue. Existing adjacent land uses include the SOCO retail center to the east, existing office/industrial to the north and west, and the San Diego Freeway (I-405) to the south. This is a perfect location for a mixed-use community as proposed with One Metro **WEST** and the existing street and utility infrastructure supports this proposed community.

### **Existing Street Right of Way**

The existing public streets Cadillac Avenue and Sunflower Avenue provide vehicular, pedestrian and emergency service access to the community. The existing infrastructure and right of way meet the traffic demands and pedestrian needs, but the available right of way dimensions also allow for the implementation of smart streets that can safely and aesthetically integrate pedestrian and bicycle users into the existing infrastructure using innovative design ideas that will connect this new community with the rest of the neighborhood. The following will outline the existing public streets. As you can see the existing infrastructure, many already planned pedestrian / bicycle improvements and the ability to enhance these streets will greatly connect this community to the adjacent neighborhood and the rest of Costa Mesa.

#### **Existing Cadillac Avenue**

- Collector
- 50' r/w (25'w/25'e): Sunflower to end of cul-de-sac
- 15' thru lane in each direction, and a 10' center striped median turn lane
- 5' sidewalks on both sides. Combination of curb adjacent and meandering parkway sidewalks
- No existing striped bike lanes
- No parking on either side of street

**EXISTING CADILLAC 40' CURB TO CURB**

5'	15'	10'	15'	5'
WALK	THRU LANE	CENTER LANE	THRU LANE	WALK

**Existing Sunflower Avenue (Cadillac to Hyland)**

- Primary arterial
- 80' r/w (40's/40'n): Cadillac to Hyland.
- Two 11' thru lanes in both directions, and a 10' center striped median / turn lane
- Fully signalized intersection at Hyland
- 8' curb adjacent sidewalk on the north side.
- 8' curb adjacent sidewalk on south side until SOCO, then there is creative rubberized parkway sidewalk along SOCO to Hyland.
- 5' Class II striped bike lanes on both sides of street
- No parking on either side of street
- Class I bike trail proposed from Cadillac going west to the Santa Ana river trail.
- No bus stops
- County of Orange notes an existing off-road paved bikeway connection from Sunflower to the Santa Ana river trail west of Cadillac.

**EXISTING SUNFLOWER 64' CURB TO CURB (CADILLAC TO HYLAND)**

8'	5'	11'	11'	10'	11'	11'	5'	8'
WALK	BIKE LANE	THRU LANE	THRU LANE	CENTER LANE	THRU LANE	THRU LANE	BIKE LANE	WALK

**Proposed Complete Streets Design**

As noted above, the available existing street right of way and street infrastructure offers a great backbone opportunity to implement Complete Streets for this new community and surrounding neighborhood in the public streets that will provide safe access and mobility for all users including vehicles, mass transit, pedestrians and bicyclists. Many improvements would be possible within the public streets that front this community, but improvements could be completed in conjunction with the surrounding neighborhood to provide a network of Complete Streets. While safely moving people throughout the neighborhood, these new Complete Streets offer public spaces to exercise, interact with the neighborhood, participate in community activities while providing beneficial results to traffic, environmental and fiscal impacts within the City. This proposed community has the opportunity to provide Complete Street components that may include wider pedestrian walks that include gathering spaces, seating, lighting, wayfinding and public art; safer crossings including chokers, ramps and crosswalk identification; bike lanes with better identification and separation from vehicles; and traffic calming devices that include street parking, landscape medians, parkways and chokers. The project proposes implementation of a complete street for our property frontage on Sunflower and encourages the extension of these potential improvements east of our site towards Hyland

**Proposed Sunflower Avenue (Property Frontage)**

- Modified Primary arterial
- 80' r/w (40's/40'n): Cadillac to Hyland.
- One 12' thru lane in both directions, and a 10' center striped median / turn lane. Center median may be raised landscape median where not conflicting with intersection turning movements.
- Fully signalized intersection at Hyland
- 8' curb adjacent sidewalk on the north side to remain.
- Proposed 8' landscaped parkway and 6' sidewalk on south side until SOCO, then the existing creative rubberized parkway sidewalk along SOCO to Hyland may remain. The 6' sidewalk will be within a public sidewalk easement dedicated to the city. The 8' landscape parkway will contain any site furnishings and art.
- 8' parallel parking stalls on each side of street. Landscape chokers at intermittent locations.
- 2' striped buffer zone between parking stalls and bike lane.
- 5' Class II striped bike lanes on both sides of street
- Class I bike trail proposed from Cadillac going west to the Santa Ana river trail.
- No bus stops
- County of Orange notes an existing off-road paved bikeway connection from Sunflower to the Santa Ana river trail west of Cadillac.
- Proposed complete street section would be implemented along project frontage and transition back to existing conditions east of site, with the potential of this complete street section being extended to Hyland.

**PROPOSED SUNFLOWER 64' CURB TO CURB (PROPERTY FRONTAGE)**

6'	8'	5'	2'	8'	12'	10'	12'	8'	2'	5'	8'
WALK	LAND PKWY	BIKE LANE	BUFFER	PARKING STALLS	THRU LANE	CENTER LANE MEDIAN	THRU LANE	PARKING STALLS	BUFFER	BIKE LANE	WALK

**Existing Domestic Water**

There is an existing 24-inch CML&C Domestic Water line in Sunflower Avenue and an existing 18-inch ACP Domestic Water line in Cadillac Avenue per the Mesa Water District that currently provide domestic water service as well as fire protection to this site and future community. This existing water infrastructure will have more than adequate pressure and flow based on the existing system to provide domestic and fire flow to this community. It is anticipated that domestic water and fire service will be taken from Sunflower Avenue as well as per an anticipated on-site water loop system within the property to provide proper water service and fire flow protection for the community. Any proposed public water systems within the property would be within an easement dedicated to Mesa Water District. Final water hydraulics and fire flows will be confirmed during the site planning design process and preparation of the water improvement plans for construction.



### **Existing Reclaimed Water**

It is beneficial to know that the Mesa Water District does have an existing backbone reclaimed water network within the City of Costa Mesa. The nearest existing reclaimed water lines area at the intersection of Sunflower Avenue and Harbor Boulevard which include a 24-inch line in Harbor. Although not immediately adjacent to the site, it does offer an opportunity to access reclaimed water that could be brought to this new community if deemed feasible during the design process.

### **Existing Sanitary Sewer**

There is an existing Mesa Water District 8-inch and 12-inch VCP Sanitary Sewer line in Sunflower Avenue. The existing property is currently served by two 6-inch sewer laterals from this existing sewer in Sunflower. The existing 8-inch and 12-inch line in Sunflower collect and convey sewer flows to an existing sewer manhole in Sunflower just about the middle of this property, where the flows are diverted to the existing 72 to 84-inch Orange County Sanitation District mainline sewer that runs from east to west in Sunflower. This line extends west through the northwest corner of the property within an easement. The existing manhole connection on the OCS D mainline also provides a stub to the south that could also be used by this property for service connection if needed, otherwise connections will continue to be made to the Mesa Water District lines. There is also an existing 48-inch OCS D sanitary sewer line that flows diagonally through the property from the Cadillac and Sunflower intersection to approximately the midpoint of the site's westerly property line. This line as well as an originally 39-inch OCS D sewer are within an existing easement as they cross the site. There is an existing manhole on the 48-inch line with in the site that offers additional sewer connection opportunities for this community as deemed appropriate by Mesa Water District and OCS D. It is anticipated that the community will have an on-site sanitary sewer system comprised of public and private sewer components. Any proposed public sewer systems within the property would be within an easement dedicated to Mesa Water District. Final sewer connection locations, hydraulics and capacities will be confirmed during the site planning design process and preparation of the sewer improvement plans for construction.

### **Existing Storm Drain**

The existing Sunflower Avenue and Cadillac Avenue surface flow via curb and gutter to a low point in the street at the intersection of the two streets at the northwest corner of the property. The street flows are collected within existing 10-foot catch basins on both sides of the public street. These catch basins are connected to the existing public storm drain system with the public street right of way and within an easement that runs almost directly north/south through the property within a 12-foot wide easement. There is an existing 3'x5.5' box culvert within the intersection of Sunflower and Cadillac that joins a 66-inch CIPP storm drain line flowing north/south through the property within the easement. The 66-inch storm drain continues flowing south and crosses beneath the San Diego Freeway with ultimate outlet to the Santa Ana River. The existing 66-inch line within the property provides four existing connections that serve the property. There is an existing 10-inch ACP, 12-inch ACP, 15-inch ACP, and 18-inch ACP storm drain lateral connections that provide direct existing connections to the existing 66-

inch line. The southwest corner of the existing site drains to an existing 24-inch storm drain system along the easterly property line that connects to the existing Caltrans storm drain system within the freeway right of way and then drains easterly to a connection at the existing 13x6 RCB that crosses the freeway near Hyland. The proposed community will continue to respect the existing site hydrology and infrastructure hydraulics and will continue to connect to the existing 66-inch line and the 24-inch within the property. The existing 66-inch storm drain line is owned and maintained by the City of Costa Mesa within the existing easement dedicated to the City. The existing 24-inch line is private and connects to the public Caltrans system. The community will provide an on-site private storm drain system that collects and conveys the site stormwater to the existing public system by way of private storm drains, area drains, detention and water quality treatment systems as required for the community.

### **Existing and Proposed Storm Drain Hydrology**

Hydrology for the existing site condition and proposed community condition will be analyzed to compare the volume and rate of stormwater runoff for the new community, relative to the existing site condition, and will determine whether storm water detention will be required onsite to mitigate any increase to the storm water runoff in the new community condition. If stormwater detention is required, a subsurface stormwater feature such as a storage tank or storage pipes will be utilized to provide the required stormwater mitigation. The hydrology analysis conducted will include analysis for the 10-year, 25-year, and 100-year storm event. The existing site is not located in a special flood hazard zone, and it is located in Flood Zone X per FEMA FIRM Map No. 06059C0258J, dated December 3, 2009.

### **Existing and Proposed Storm Drain Water Quality**

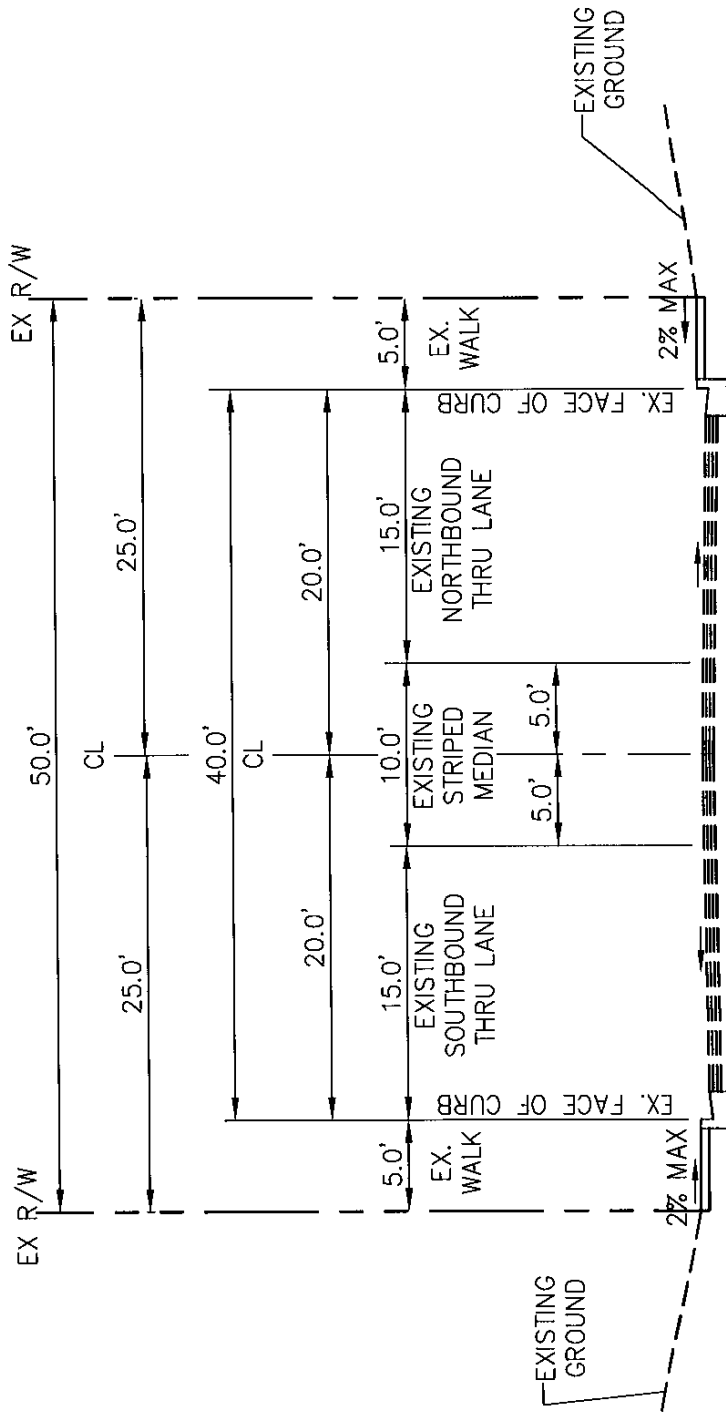
The existing site does not have any available storm water quality features that would meet the current water quality requirements in the County of Orange. Therefore, the proposed community will provide onsite private storm water quality control measures to meet the requirements of the latest County of Orange Model Water Quality Management Plan and Technical Guidance Document. Storm water quality for the new community will be met with the incorporation of source control measures such as efficient landscaping, and the incorporation of structural control measures such as infiltration, harvest and reuse, and/or biotreatment. Additionally, based on the North Orange County Hydromodification Susceptibility Map Figure XVI-3c found in the OC Technical Guidance Document, the proposed community is not located in a potential area of erosion, habitat, and physical structure susceptibility, and the new community should not be required to incorporate hydromodification control measures.

## **Conclusion**

The One Metro **WEST** community will be an amazing addition to the City of Costa Mesa, and it has the benefit of an existing street and utility infrastructure that more than adequately will provide access and utility service to this community. The proposed utility designs will provide appropriate, creative and technologically advanced utility systems within the community that will enhance the existing site conditions and that can be implemented into the existing City and County infrastructure. The available infrastructure enables this community to easily join the existing neighborhood and the City of Costa Mesa.

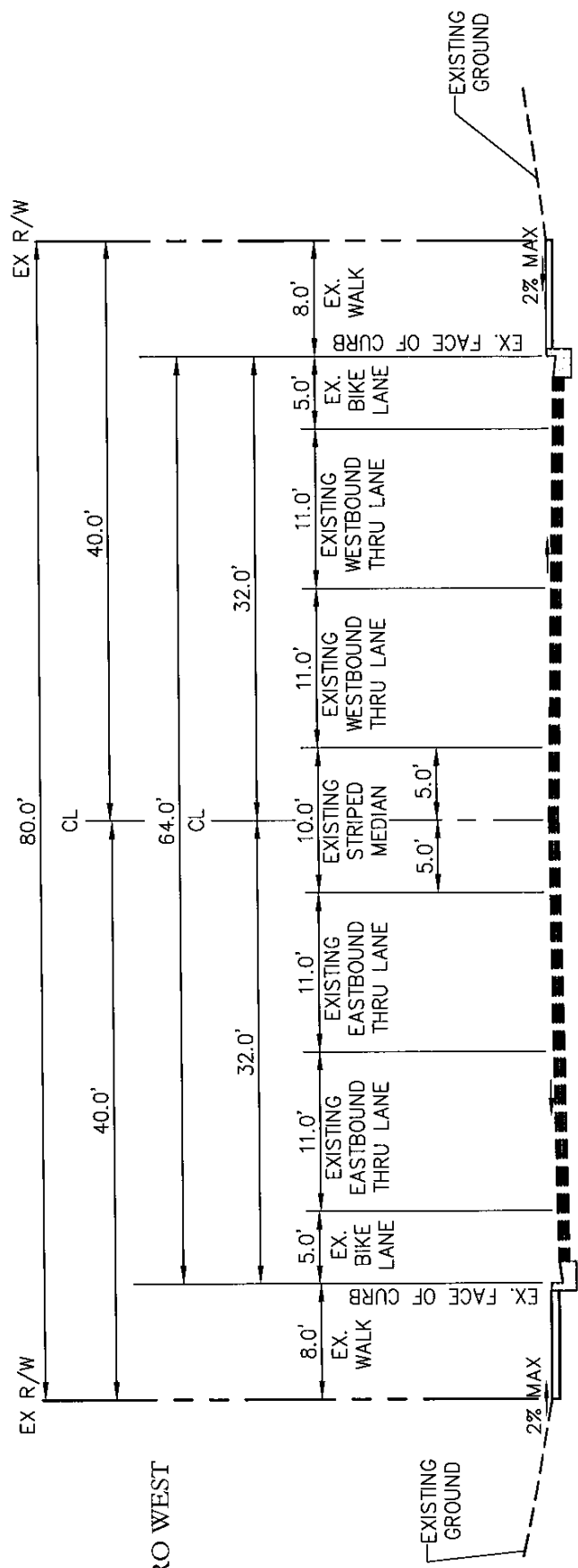
Sincerely,  
**Urban Resource Corporation**

Jay Ruby  
President



# EXISTING CADILLAC AVENUE

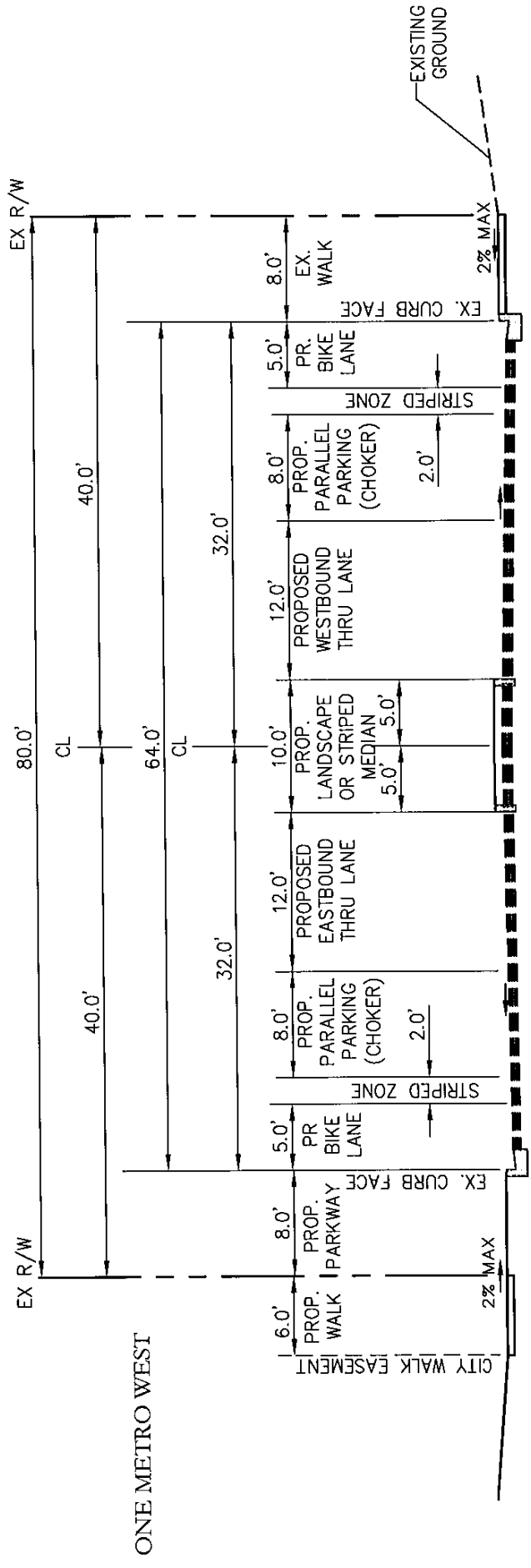
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ONE METRO WEST

# EXISTING SUNFLOWER AVENUE

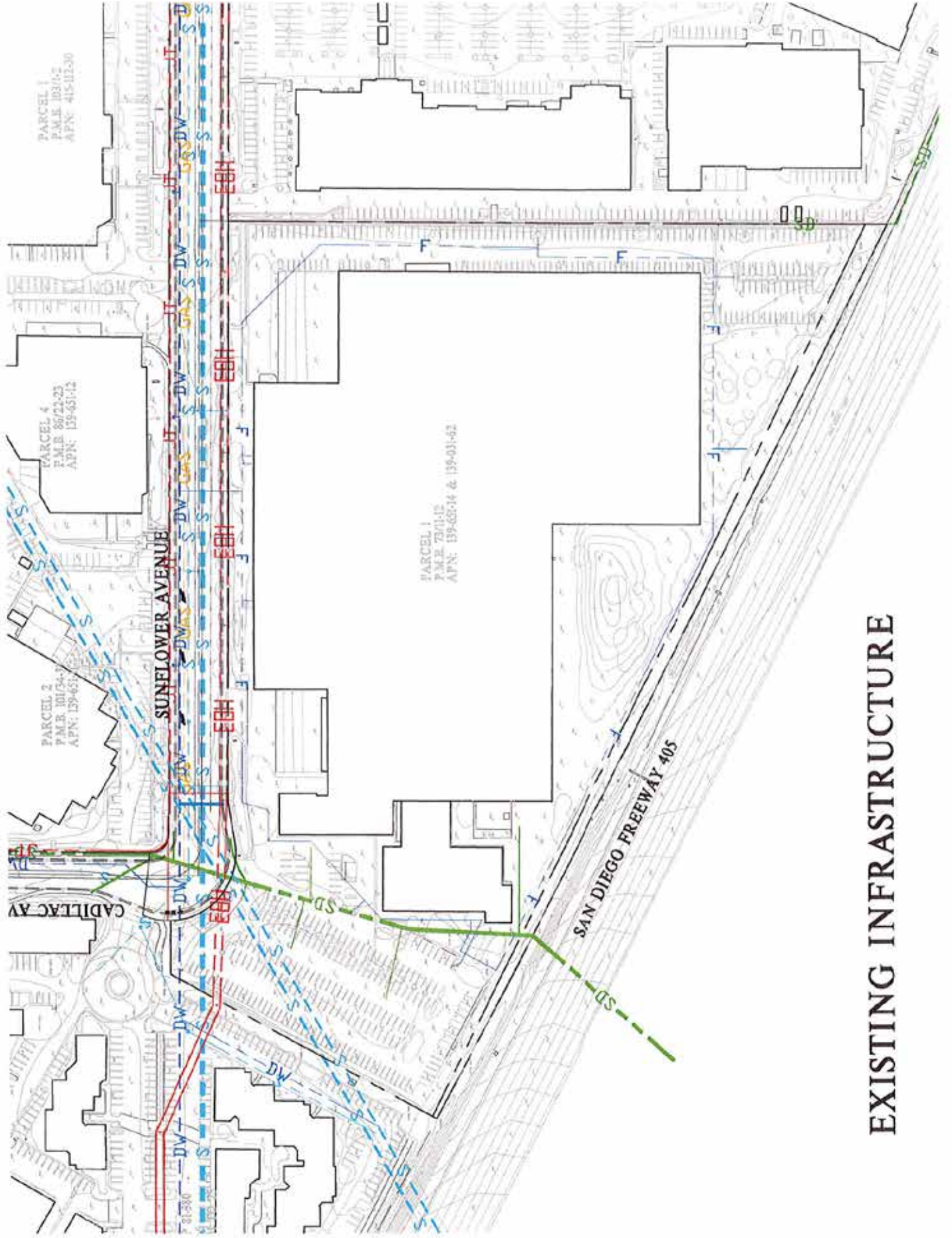
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ONE METRO WEST

# PROPOSED SUNFLOWER AVENUE

NOT TO SCALE



**EXISTING INFRASTRUCTURE**

# ONE | METRO | WEST

Costa Mesa, CA



## SUMMARY MEMORANDUM

December 12, 2018

To: Leonard Glickman and Brent Stoll, *Rose Equities*

From: David Taussig and Jerry Wen, *David Taussig & Associates, Inc.*

Subject: Fiscal Impacts Resulting from the Proposed One Metro **WEST** Community at 1683 Sunflower Avenue (Former Robinson Pharma)

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Attached for your review is an Executive Summary of a preliminary Fiscal Impact Analysis (“FIA”) evaluating a mixed use community known as One Metro **WEST** (the “Community”) that is being proposed by Rose Equities on the site of a former Robinson Pharma manufacturing plant located at 1683 Sunflower Avenue in the City of Costa Mesa (the “City”), Orange County (the “County”). The intent of this memorandum is for David Taussig and Associates, Inc. (“DTA”) to provide a brief summary of the projected fiscal impacts to the City’s General Fund that would result from the development of the Community. The specific purpose of this analysis is to determine whether the Community will fully pay for all of the services that it will be receiving from the City.

As the Community is still in its preliminary planning stages, DTA relied mostly on a “multiplier approach” which utilized the City’s Fiscal Year 2018-2019 budget to determine the average cost of each City-provided service on a City-wide basis. It is DTA’s intent that once the planning of the Community and its amenities has been finalized, a “case study approach” will be used to more accurately assess the required costs of City services specifically designated for the Community itself (including public safety services), as opposed to City cost averages. This case study approach would enable the fiscal analysis to better reflect economies of scale associated with existing City departments, the specific demographics of the Community (e.g., household size), and the specific City services that are provided directly to Community residents and employees.

The Community is located next to SoCo Collection and The OC Mix and is proposed as a mixed use development comprised of a 1,052 unit luxury apartment complex, an office building comprised of 25,000 gross building square feet of creative space, a community grocery store of 6,000 gross building square feet, and a series of sophisticated on-site recreation amenities. With its desirable location and amenities, the Community is anticipated to be an attractive destination for people with above-average income seeking an urban life style. For additional details regarding the specific assumptions and methodology utilized to calculate the fiscal impacts for the Community, please see Exhibit A, which is attached.

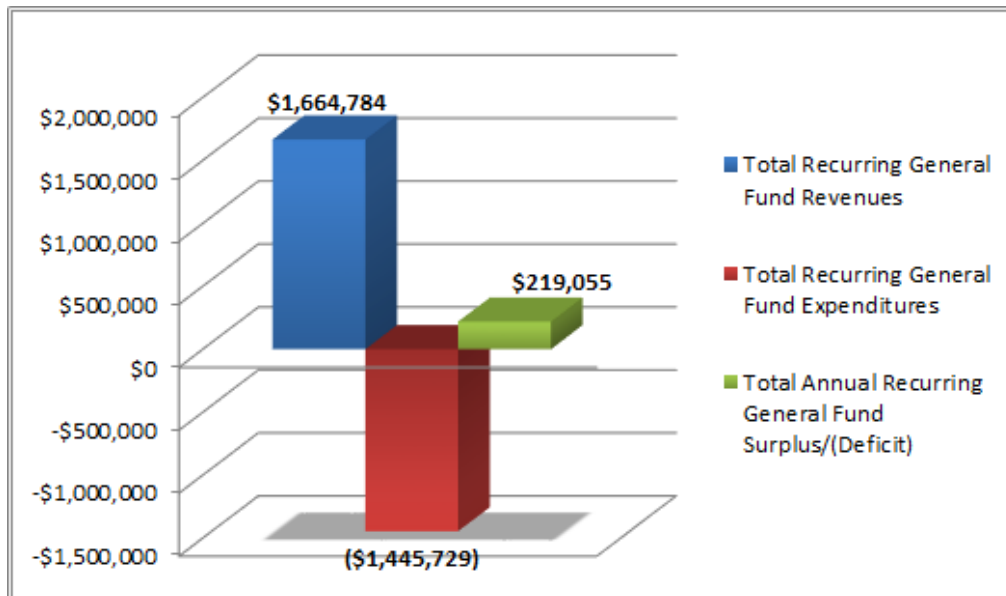
Notably, only recurring revenues and costs are analyzed in the model. Costs that are considered non-recurring, such as capital expenditures, are excluded from the analysis. This is because new development is generally required to construct its own new capital improvements, such as roads or parks, or to pay development impact fees that enable the City or some other developer to construct

these improvements. As these are considered to be “one-time” costs that will not recur, there is no expectation that new development will need to pay for these capital expenditures a second time. Likewise, revenues to the City that are considered to be non-recurring, such as development impact fees paid by developers, are also excluded from the model. In sum, the model reflects the estimated recurring annual deficit or surplus to the City’s General Fund that will result from the development of the Community.

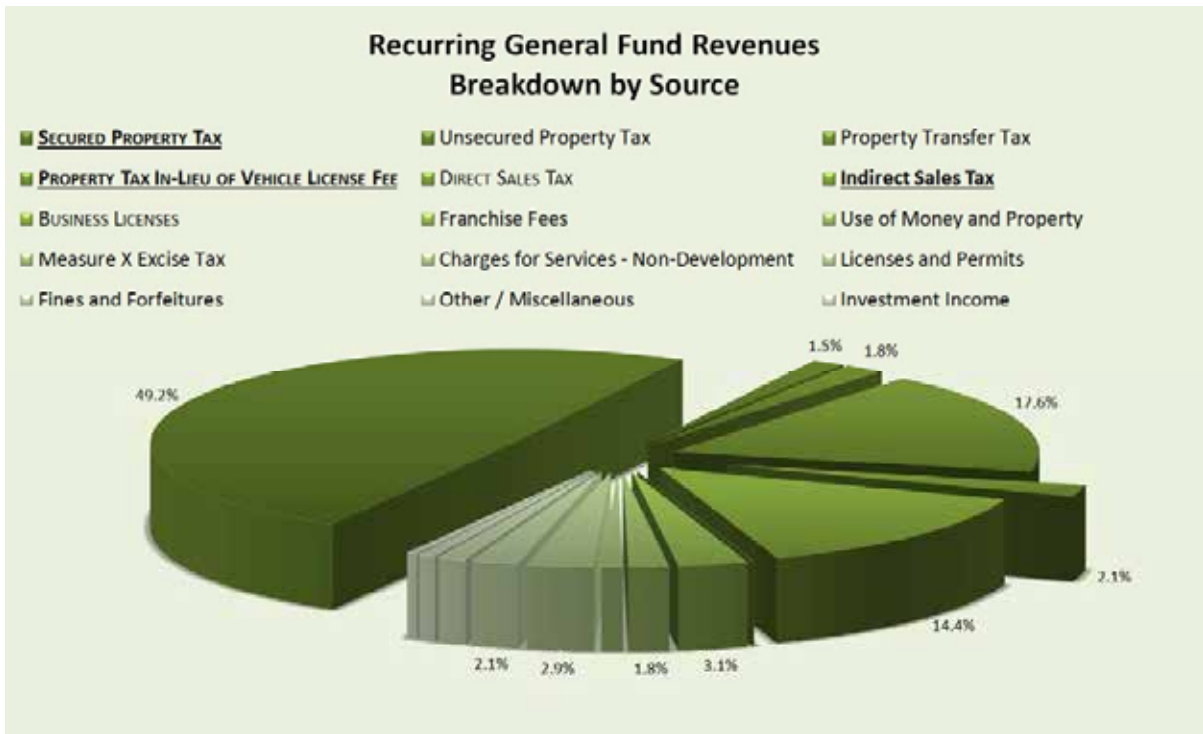
**City General Fund – Net Fiscal Impact Summary**

As reflected in Table 1 and Graph 1 below, the overall net fiscal impact to the City’s General Fund resulting from the revenues anticipated to be generated by the Community as compared with the cost of public services associated with the Community’s buildout, will be an annual recurring fiscal surplus of \$219,055. Annual recurring revenues generated by the Community are forecasted to equal approximately 1.15 times the General Fund costs associated with the Community.

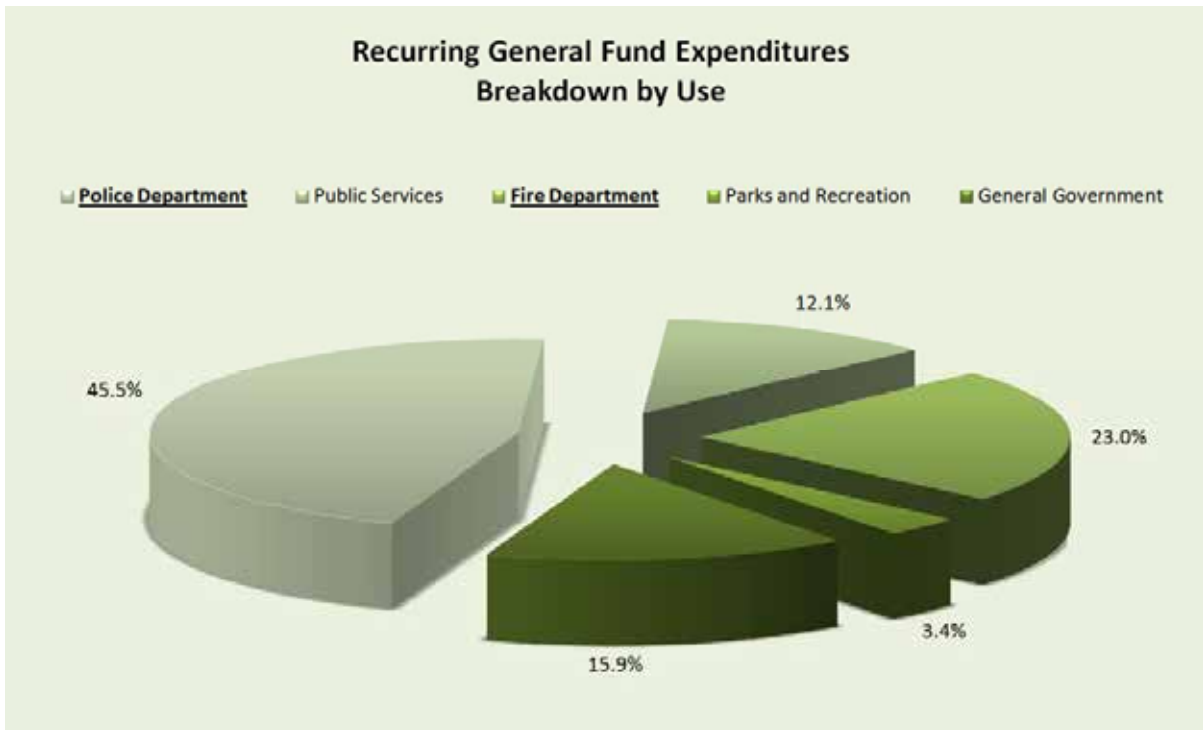
**GRAPH 1**



**GRAPH 2**



GRAPH 3



A more detailed breakdown of the revenues and costs associated with the construction of the Community is listed in Table 1, below. The largest two projected City General Fund revenue sources attributable to the Community are Property Taxes (including Property Tax In-Lieu of Vehicle License Fees) and Indirect Sales Taxes. Property Taxes alone will generate 70.0% of the City's revenues from the Community, with Indirect Sales Taxes another 14.4%. Conversely, the largest projected City General Fund expenditures will be Police Protection (45.5%) and Fire Protection (23.0%).

**Table 1**  
**General Fund - Net Fiscal Impact Summary**

<b>FISCAL IMPACT CATEGORY</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>
<b>Recurring General Fund Revenues [1]</b>		
Secured Property Tax	\$819,202	49.2%
Unsecured Property Tax	\$24,343	1.5%
Property Transfer Tax	\$29,680	1.8%
Property Tax In-Lieu of Vehicle License Fee	\$292,646	17.6%
Direct Sales Tax	\$34,500	2.1%
Indirect Sales Tax	\$239,735	14.4%
Business Licenses	\$755	0.0%
Franchise Fees	\$51,552	3.1%
Use of Money and Property	\$29,812	1.8%
Measure X Excise Tax	\$15,907	1.0%
Charges for Services - Non-Development	\$49,034	2.9%
Licenses and Permits	\$35,150	2.1%
Fines and Forfeitures	\$21,138	1.3%
Other / Miscellaneous	\$13,130	0.8%
Investment Income	\$8,200	0.5%
<b>Total Recurring General Fund Revenues</b>	<b>\$1,664,784</b>	<b>100.0%</b>
<b>Recurring General Fund Expenditures [2]</b>		
Police Department	\$658,342	45.5%
Public Services	\$174,912	12.1%
Fire Department	\$333,099	23.0%
Parks and Recreation	\$49,421	3.4%
General Government	\$229,955	15.9%
<b>Total Recurring General Fund Expenditures</b>	<b>\$1,445,729</b>	<b>100.0%</b>
<b>NET FISCAL IMPACT</b>		
<b>Total Annual Recurring General Fund Surplus/(Deficit)</b>		<b>\$219,055</b>
<b>Total Annual Revenue/Expenditure Ratio</b>		<b>1.15</b>

**NOTES:**

[1] Please see Exhibits A-4 through A-7 for the derivation of these calculations.

[2] Please see Exhibits A-8 and A-9 for the derivation of these calculations.

\* All figures subject to rounding

There are several reasons for the fiscal surplus being generated by the Community. First, the parcel on which the site is located has not changed hands in many years, so the existing assessed value has been artificially restricted by a 2% annual escalator that has not reflected the impacts of real estate inflation on new development sales prices over the years. The development and sale of the

components of the Community would remove that restriction and substantially increase the property taxes and in-lieu vehicle license fee revenues for the site. Second, the estimated value of \$505,000 per unit for the 1,052 apartment units and \$550 per square foot for the 25,000 square foot creative office building both significantly increase the City's property tax revenues. Finally, at a monthly rent of \$3,400 per unit, the luxury apartments also provide additional shoppers with an above-average disposable income to the City's off-site existing retail development, thereby generating \$239,735 in indirect-sales taxes for this off-site retail development.

DTA chooses its analytical assumptions in accordance with industry standards and documents those decisions carefully. The following list explains how certain of these assumptions were derived:

- Discounting Revenues: Certain revenues are not expected to increase one-to-one with new development. Thus, a 25% discount rate has been applied to various General Fund revenues to reflect the estimated ratio of fixed revenues (not impacted by future development) to variable revenues.
- Discounting Expenses: Notably, DTA has conservatively assumed that no discount factors would be applied to expenditures for public safety services, even though it is likely that certain services costs will not need to be duplicated despite the influx of new residential and non-residential development within the Community. However, the expenses for Parks & Community Services Department and Public Services Department are not expected to increase one-to-one with development of the Community and were discounted as discussed below.
  - Parks & Community Services Department: Since the Community is proposed to construct a series of sophisticated on-site recreation amenities for both its residents and office users, including a park with an events plaza, a major amenity terrace, roof gardens, and Olympic pools, it is expected that residents and office users within the Community will primarily utilize these on-site amenities for their daily activities. A discount rate of 50% is applied in this fiscal analysis to the General Fund expenditures for Parks & Community Services Department to estimate the reduced usage of City parks and community facilities by the residents and office users within the Community.
  - Public Services Department: Since the aforementioned recreation amenities within the Community are expected to be privately maintained, the Community will not impose additional costs to the Public Services Department to maintain those facilities. Furthermore, development of the Community will not require construction of any additional public infrastructure. It is anticipated that development of the Community will impose additional usage on the City's existing public infrastructure due to the increase in residential population and employees generated by the Community; however, such additional usage is not expected to increase on a one-to-one basis. A discount rate of 33% was applied to the General Fund expenditures for the Public Services Department to reflect the estimated ratio of its fixed expenses (not impacted by development of the Community) to variable expenses.
- Persons per Household: The City commissioned a demographics analysis from Stanley R. Hoffman Associates in 2015 which utilized Public Use Microdata Areas data to estimate persons per household for each residential land use type within the City. The

analysis reflects an average persons per household figure of approximately 2.00 for the applicable residential use category of “Renter Occupied Units - 50 of More Apartments”. This figure was employed by DTA to estimate the total residential population for the Community. Notably, the demographics analysis does not provide the average persons per household based on the amount of monthly rent. At an expected average monthly rent of \$3,400 per unit, the actual average persons per household in the Community may actually be lower than the 2.00 figure employed in this analysis. However, additional demographic work would be required to determine a lower figure, and such data was not available to DTA, so the 2.00 figure was utilized in the analysis.

- Square Feet per Employee: DTA maintains a database of fiscal impact studies and employment information per building square foot for non-residential development that was obtained from numerous city planning departments, including from cities located within Orange County. It is through this process that the number of employees generated by the proposed Community was estimated.
- Tax Sharing (Secured Property Taxes): Property Tax revenue estimates were based on apportionment factors provided by the County Auditor. Property tax revenues were projected based on the City’s estimated share of the general 1% property tax levy. Total secured property tax revenues received by the City from the proposed Community will equal approximately 14.95% of the basic 1% (Prop 13) property tax levy from the Tax Rate Area encompassing the Community. Please note that the gross tax increment, as calculated by the County Auditor-Controller, has been reduced to account for the projected Education Revenue Augmentation Fund (“ERAF”) property tax shifts.
- Property Tax In-Lieu of Vehicle License Fees (“VLF”): The approval of Proposition 1A by California’s electorate in 2004 enacted a constitutional amendment that introduced a new methodology to calculate property taxes in-lieu of VLF. Per California Revenue and Taxation Code §97.70, the property tax in-lieu of VLF amount now grows in proportion to the growth rate of gross assessed valuation in a city or county. Property taxes in-lieu of VLF revenues are projected to grow with the change in the City-wide gross assessed valuation of taxable property from the prior fiscal year. Property tax in-lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for purposes of this FIA at **\$0.57 per \$1,000 increase in assessed valuation on a City-wide basis.**

For more information regarding the assumptions utilized in analyzing the Community’s fiscal impact on the City General Fund, please see Exhibit A, which is attached to this memo. If you have any further questions regarding this Executive Summary, please feel free to contact David Taussig or Jerry Wen at (949) 955-1500.

**EXHIBIT A**

ONE METRO **WEST** COMMUNITY - FISCAL IMPACT ANALYSIS



**EXHIBIT A-1**

**COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
CITY GENERAL FUND REVENUES (BY TYPE)**

**I. Demographics and Other Data**

<b>2018 Estimated City Population [1]</b>	115,296
<b>2018 Estimated City Employees [2]</b>	85,940
<b>2018 Persons Served Population [3]</b>	158,266

**Notes:**

- [1] California Department of Finance, Housing and Population Information, January 1, 2018.
- [2] Source: Environics Analytics Inc. - Business-Facts Summary (2018). City of Costa Mesa employment estimate. Preliminary, subject to change.
- [3] Assumes City population plus 50% of employees.
- [4] Certain revenues are not expected to increase one-to-one with the new development. A discount of 25% was applied to reflect the estimated ratio of fixed revenues to variable revenues and/or one-time to recurring revenues.

**II. City Revenue Sources (by Type)**

Revenue Type	Total Revenues	Revenue Type	Fiscal Impact Basis	Discount [4]	Fiscal Impact Revenue Factor
<b>Tax Revenue</b>	<b>\$98,194,939</b>		<b>Persons Served</b>		<b>\$0.00</b>
Property Tax - Exclude In-Lieu of Vehicle License Fee	\$30,679,547	Recurring	Case Study	0%	NA
Sales Tax	\$57,058,647	Recurring	Case Study	0%	NA
Property Transfer Tax	\$885,403	Recurring	Case Study	0%	NA
Transient Occupancy Tax	\$9,571,342	Recurring	Case Study	0%	NA
<b>Business Licenses</b>	<b>\$910,913</b>	<b>Recurring</b>	<b>Per Employee</b>	<b>25%</b>	<b>\$7.95</b>
<b>Franchise Fees</b>	<b>\$5,054,219</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$23.95</b>
<b>Interest Income</b>	<b>\$458,009</b>	<b>Recurring</b>	<b>Case Study</b>	<b>0%</b>	<b>NA</b>
<b>Use of Money and Property</b>	<b>\$2,922,689</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$13.85</b>
<b>Measure X Excise Tax</b>	<b>\$1,560,000</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$7.39</b>
<b>Charges for Services - Non-Development</b>	<b>\$4,807,887</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$22.78</b>
<b>Charges for Services - Development</b>	<b>\$921,211</b>	<b>Non-Recurring</b>	<b>NA</b>	<b>0%</b>	<b>NA</b>
<b>Licenses and Permits</b>	<b>\$3,445,541</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$16.33</b>
<b>VLF/Property Tax Compensation</b>	<b>\$11,447,958</b>	<b>Recurring</b>	<b>Case Study</b>	<b>0%</b>	<b>NA</b>
<b>Fines and Forfeitures</b>	<b>\$1,554,770</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>0%</b>	<b>\$9.82</b>
<b>Intergovernmental</b>	<b>\$422,508</b>	<b>Non-Recurring</b>	<b>NA</b>	<b>0%</b>	<b>NA</b>
<b>Other / Miscellaneous</b>	<b>\$1,287,097</b>	<b>Recurring</b>	<b>Persons Served</b>	<b>25%</b>	<b>\$6.10</b>
<b>Total Recurring Revenues</b>	<b>\$131,644,022</b>				

**EXHIBIT A-2**  
**COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY**  
**CITY GENERAL FUND EXPENDITURES (BY TYPE)**

**I. Demographics and Other Data**

<b>2018 Estimated City Population [1]</b>	115,296
<b>2018 Estimated City Employees [2]</b>	85,940
<b>2018 Persons Served Population [3]</b>	158,266

**Notes:**

[1] California Department of Finance, Housing and Population Information, January 1, 2018.

[2] Source: Environics Analytics Inc. - Business-Facts Summary (2018). City of Costa Mesa employment estimate. Preliminary, subject to change.

[3] Assumes City population plus 50% of employees.

[4] Certain expenditures are not expected to increase one-to-one with the new development. Discounts of 33% and 50% were applied to reflect the estimated ratio of fixed expenditures to variable expenditures and/or one-time to recurring expenditures.

**II. City Expenditures (by Type)**

<b>Expenditure Type</b>	<b>Total Expenditures</b>	<b>Expenditure Type</b>	<b>Fiscal Impact Basis</b>	<b>Discount</b>	<b>Fiscal Impact Expenditure Factor</b>
<b><u>GENERAL GOVERNMENT</u></b>					
Legislative	\$563,258	Recurring	Case Study	0%	NA
Administration	\$11,062,879	Recurring	Case Study	0%	NA
Finance	\$3,309,961	Recurring	Case Study	0%	NA
Development Services	\$6,565,349	Recurring	Case Study	0%	NA
Non-Departmental	\$9,688,286	Non-Recurring	Case Study	0%	NA
Information Technology	\$3,555,681	Recurring	Case Study	0%	NA
<b><u>NON-GENERAL GOVERNMENT</u></b>					
Police Department	\$48,405,145 [4]	Recurring	Persons Served	0%	\$305.85
Public Services	\$19,194,194	Recurring	Persons Served	33%	\$81.26
Fire Department	\$24,491,458 [5]	Recurring	Persons Served	0%	\$154.75
Parks and Recreation	\$7,267,131	Recurring	Persons Served	50%	\$22.96
<b>Total Recurring Expenditures</b>	<b>\$124,415,056</b>				

[4] Include budgeted expenditures for police services for Prop 172 Fund.

[5] Include budgeted expenditures for fire protection services for Prop 172 Fund.

**EXHIBIT A-3  
COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
LAND USE AND DEMOGRAPHICS SUMMARY**

**FUTURE LAND USE DATA**

**I. Developable Land Use Description**

<b>A. Residential Land Uses</b>	<b><u>Number of Units [1]</u></b>
Apartments	1,052
<b>B. Commercial Land Uses</b>	<b><u>Sq. Ft. [1]</u></b>
Office	25,000
Retail - Grocery Store	6,000

**DEMOGRAPHIC DATA**

**II. Demographics**

<b>A. Residential Land Use Population</b>	<b><u>Persons per Household [2]</u></b>
Persons per Household	2.00
<b>B. Non-Residential Land Use Employee Generation</b>	
<b>Commercial Land Uses</b>	<b><u>Sq. Ft. per Employee [3]</u></b>
Office	300
Retail - Grocery Store	500

**POPULATION AND EMPLOYEES (CALCULATIONS)**

<b>III. <u>Residential Land Use Type</u></b>	<b><u>Number of Units</u></b>	<b><u>Residential Population</u></b>
Apartments	1,052	2,105
<b>IV. <u>Non-Residential Land Use Type</u></b>	<b><u>Sq. Ft.</u></b>	<b><u>Total Direct Employees</u></b>
Office	25,000	83
Retail - Grocery Store	6,000	12

**POPULATION AND EMPLOYEES (TOTALS)**

<b>V. Total Projected Residential Population</b>	<b>2,105</b>
<b>VI. Total Projected Direct Employees</b>	<b>95</b>
<b>VII. Total Persons Served Population</b>	<b>2,153</b>

**NOTES:**

[1] Source: Community Proponent.

[2] Based on the estimated numbers of persons and households for residential land use category of "Renter Occupied - 50 or More Apartments" in the demographics analysis for the City of Costa Mesa prepared by Stanley R. Hoffman Associates.

[3] Source: DTA Public Works Database.

\* ***All figures subject to rounding***

**EXHIBIT A-4**  
**COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY**  
**PROPERTY TAX REVENUE ANALYSIS**

**GENERAL PROPERTY TAX ASSUMPTIONS**

**I. Property Tax Allocation (as a Portion of the 1% General Property Tax Levy) [1]**

Category / Code	Allocated to City
City of Costa Mesa [2]	14.95%
<b>Total</b>	<b>14.95%</b>

**II. Homeowner's Exemption**

Homeowner's Exemption (Annually)	\$7,000
Percent of Sale Units Taking Homeowner's Exemption [3]	90%

**ASSESSED VALUATION ASSUMPTIONS**

**III. Assessed Valuation - Projected Land Uses**

**Residential Land Uses**

**A. Apartments**

Number of Units [4]	1,052
Estimated Value per Unit [5]	\$505,000
Total Estimated Net Taxable Value	\$531,260,000

**Non-Residential Land Uses**

**B. Office**

Estimated Number of Sq. Ft. [4]	25,000
Estimated Valuation per Sq. Ft. [5]	\$550
Total Estimated Net Taxable Value	\$13,750,000

**C. Retail - Grocery Store**

Estimated Number of Sq. Ft. [4]	6,000
Estimated Valuation per Sq. Ft. [5]	\$500
Total Estimated Net Taxable Value	\$3,000,000

**D. Total Land Use Net Taxable Value**

**\$548,010,000**

**OTHER PROPERTY TAX REVENUE ASSUMPTIONS**

**IV. Unsecured Property Taxes - Assumptions [6]**

**Residential**

Unsecured Taxes as a % of Secured	2.75%
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**Non-Residential**

Unsecured Taxes as a % of Secured	10.00%
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**V. Property Tax Transfer - Assumptions [7]**

Residential Property Turnover Rate	10.00%
Non-Residential Property Turnover Rate	5.00%
Transfer Tax as a % of Assessed Value	0.11%
Property Transfer Tax Passed Through to City of Costa Mesa	50.00%

**VI. Motor Vehicle Licensing Fees - Assumptions**

Vehicle Licensing Fees per Capita	NA
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**EXHIBIT A-4**  
**COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY**  
**PROPERTY TAX REVENUE ANALYSIS**

<b>VII. <u>Property Tax In-Lieu of Vehicle License Fee - Assumptions</u></b>	5.74%
Total City of Costa Mesa Gross Assessed Value [8]	\$19,953,537,995
City of Costa Mesa Property Tax In-Lieu of Vehicle License Fee [9]	\$11,447,958
Property Tax In-Lieu of Vehicle License Fee Increase per \$1,000 Assessed Value	\$0.57

**Fiscal Impact Calculation**

<b>VIII. <u>Fiscal Impact Category</u></b>	<b><u>Fiscal Impact Amount</u></b>
<b>A. <u>Secured Property Tax</u></b>	
<b>Residential Land Uses</b>	
Apartments	\$794,163
<b>Non-Residential Land Uses</b>	
Office	\$20,554
Retail - Grocery Store	\$4,485
<b>B. <u>Unsecured Property Tax</u></b>	
<b>Residential Land Uses</b>	
Apartments	\$21,839
<b>Non-Residential Land Uses</b>	
Office	\$2,055
Retail - Grocery Store	\$449
<b>C. <u>Property Transfer Tax</u></b>	
<b>Residential Land Uses</b>	
Apartments	\$29,219
<b>Non-Residential Land Uses</b>	
Office	\$378
Retail - Grocery Store	\$83
<b>D. <u>Property Tax In-Lieu of Vehicle License Fee [10]</u></b>	
Projected Residential and Non-Residential Land Uses	\$292,646

<b>Total Property Tax Revenues</b>	<b>\$1,165,871</b>
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**NOTES:**

- [1] Based on "General Fund" levy for Tax Rate Area (TRA). Data provided by the County of Orange Auditor-Controller's Office. TRA allocations adjusted for ERAF. Note, figure does not include non-General Funds.
- [2] Post ERAF rates based on the weighted average of the rates applicable to the TRAs in the Community.
- [3] Estimate, subject to change.
- [4] Please see Exhibit A-3. Subject to change.
- [5] Source: Community Proponent.
- [6] Based on typical DTA baseline assumptions.
- [7] Source: California Revenue & Taxation Code §11901, et seq.;
- [8] Source: County of Orange Assessor; Fiscal Year 2018-19, City of Costa Mesa total assessed value.
- [9] Based on City of Costa Mesa Adopted Budget, Fiscal Year 2018-2019.
- [10] Property Tax in-lieu of Vehicle Licensing Fees applies to incremental property value. Current assessed value of Community site of \$37,934,204 excluded from calculation.

\* **All figures subject to rounding**

**EXHIBIT A-5  
COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
SALES TAX REVENUE ANALYSIS**

**INDIRECT SALES TAX ASSUMPTIONS**

**I. Residential Indirect Sales Tax Assumptions**

**A. Rent Assumptions**

**Projected Residential Units**

**Apartments**

Projected Rent Payment per Unit [1]	\$40,800
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**B. Disposable Income Assumptions**

**Projected Residential Units**

**Apartments**

Average Household Income (3:1 Income to Household Payment Ratio)	\$122,400
Retail Taxable Expenditures (as a % of Disposable Income) [2]	24.46%

**I. Indirect Sales Tax Assumptions**

**A. Employees (annual spending per employee) [3]**

\$4,976

**B. Retail Taxable Sales Capture**

City of Costa Mesa Retail Taxable Purchase Capture [4]	50%
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**C. Other Sales Tax Assumptions**

% to the City of Costa Mesa [5]	1.50%
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**DIRECT SALES TAX ASSUMPTIONS**

**I. Non-Residential Direct Sales Tax Assumptions**

**A. Taxable Sales per Sq. Ft.**

**Non-Residential Land Uses**

Retail - Grocery Store [6]	\$450.98
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**B. Displaced Taxable Sales**

Displaced Existing Taxable Sales within the City of Costa Mesa [7]	<b><u>Fiscal Impact Amount</u></b> 15%
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**EXHIBIT A-5  
COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
SALES TAX REVENUE ANALYSIS**

**FISCAL IMPACT CALCULATION**

**I. Fiscal Impact Category**

**A. Indirect Sales Tax**

**Projected Residential Land Uses**

Apartments	\$236,189
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**Employee Taxable Sales**

\$3,546

**B. Direct Sales Tax**

**Projected Non-Residential Land Uses**

**Commercial Land Uses**

Retail - Grocery Store	\$34,500
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<b>Total Sales Tax Revenues</b>	<b>\$274,235</b>
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**NOTES:**

- [1] Source: Community Proponent.
  - [2] Source: Bureau of Labor Statistics, 2015 Consumer Expenditure Survey
  - [3] Source: "Office Worker Retail Spending Patterns: A Downtown and Suburban Area Study," ICSC (2004). Adjusted for inflation assuming 3% annual inflation rate.
  - [4] Based on typical DTA baseline assumptions.
  - [5] Source: City of Costa Mesa Municipal Code Chapter 16-14 and Proposition 172.
  - [6] Based on the average trailing twelve months sales per square foot for Whole Foods Market, excluding sales of perishable groceries.  
Source: eMarketerRetail - retail-index.emarketer.com, <https://retail-index.emarketer.com/company/5374f24e4d4afd2bb4446642/whole-foods-market>.
  - [7] Estimate, subject to change.
- \* **All figures subject to rounding**

**EXHIBIT A-6**

**COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
MULTIPLIER REVENUE SOURCES ANALYSIS**

**ASSUMPTIONS**

**I. Multiplier Revenues**

<b>Revenue Category</b>	<b>Multiplier Factor [1]</b>	<b>Revenue Projection Basis</b>
Business Licenses	\$7.95	Per Employee
Franchise Fees	\$23.95	Persons Served
Use of Money and Property	\$13.85	Persons Served
Measure X Excise Tax	\$7.39	Persons Served
Charges for Services - Non-Development	\$22.78	Persons Served
Licenses and Permits	\$16.33	Persons Served
Fines and Forfeitures	\$9.82	Persons Served
Other / Miscellaneous	\$6.10	Persons Served

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**FISCAL IMPACT CALCULATION**

**II. Fiscal Impact Category**

**Fiscal Impact Amount**

Business Licenses	\$755
Franchise Fees	\$51,552
Use of Money and Property	\$29,812
Measure X Excise Tax	\$15,907
Charges for Services - Non-Development	\$49,034
Licenses and Permits	\$35,150
Fines and Forfeitures	\$21,138
Other / Miscellaneous	\$13,130

<b>Total Multiplier Revenues</b>	<b>\$216,478</b>
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**NOTES:**

[1] Based on City of Costa Mesa Adopted Budget, Fiscal Year 2018-2019.

\* ***All figures subject to rounding***



**EXHIBIT A-7  
COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
INVESTMENT INCOME REVENUES ANALYSIS**

**ASSUMPTIONS**

**I. Investment Income Assumptions**

Investment Period for Recurring Non-Interest General Fund Revenues	12 Months
Local Agency Investment Fund (LAIF) Rate of Return [1]	0.99%
Local Agency Investment Fund (LAIF) Percentage of Earnings Cost [1]	50.00%

**FISCAL IMPACT CALCULATION**

**II. Fiscal Impact Category**

**Fiscal Impact Amount**

Total Property Tax Revenues (Exhibit A-4)	\$1,165,871
Total Sales Tax Revenues (Exhibit A-5)	\$274,235
Total Multiplier Revenues (Exhibit A-7)	<u>\$216,478</u>

<b>Projected Recurring General Fund Revenues Available for Investment</b>	<b>\$1,656,584</b>
<u>Plus: Investment Income (Less Earnings Cost)</u>	\$8,200
<b>Total Recurring General Fund Revenues</b>	<b>\$1,664,784</b>

**NOTES:**

[1] Estimate. Subject to change.

\* *All figures subject to rounding*

**EXHIBIT A-8  
 COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
 MULTIPLIER EXPENDITURES ANALYSIS**

**ASSUMPTIONS**

**I. Multiplier Expenditures**

<b>Expenditure Category</b>	<b>Multiplier Factor [1]</b>	<b>Expenditure Projection Basis [1]</b>
Police Department	\$305.85	Persons Served
Public Services	\$81.26	Persons Served
Community Development	\$0.00	Persons Served
Fire Department	\$154.75	Persons Served
Parks and Recreation	\$22.96	Persons Served
Other/Miscellaneous	\$0.00	Persons Served

**FISCAL IMPACT CALCULATION**

<b>II. <u>Fiscal Impact Category</u></b>	<b><u>Fiscal Impact Amount</u></b>
Police Department	\$658,342
Public Services	\$174,912
Community Development	\$0
Fire Department	\$333,099
Parks and Recreation	\$49,421
Other/Miscellaneous	\$0

<b>Total Multiplier Expenditures</b>	<b>\$1,215,774</b>
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**NOTES:**

[1] Based on City of Costa Mesa Adopted Budget, Fiscal Year 2018-2019.

\* *All figures subject to rounding*

**EXHIBIT A-9  
COSTA MESA, CALIFORNIA: ONE METRO WEST COMMUNITY  
GENERAL GOVERNMENT EXPENDITURES ANALYSIS**

**ASSUMPTIONS**

Total Recurring General Fund Expenditures (excluding General Government Overhead) [1]	\$99,357,928
Recurring General Government Overhead Expenditures (as a % of Total Recurring General Fund Expenditures) [2]	25.2%
Marginal Increase in General Government Costs	75%

**FISCAL IMPACT CALCULATION**

<b><u>I. Fiscal Impact Category</u></b>	<b><u>Fiscal Impact Amount</u></b>
Total Multiplier Expenditures (Exhibit A-9)	\$1,215,774
Total Case Study Expenditures (Exhibit A-10)	\$0
<b>Projected Recurring General Fund Expenditures</b>	<b>\$1,215,774</b>
Plus: General Government Costs	\$229,955
<b>Total Recurring Expenditures</b>	<b>\$1,445,729</b>

**NOTES:**

[1] Based on City of Costa Mesa Adopted Budget, Fiscal Year 2018-2019.

[2] General Government Overhead Expenditures defined as costs for Legislative, Administration, Finance, Development Services, and other General Government.

\* ***All figures subject to rounding***

**ONE | METRO | WEST**

Costa Mesa, CA

# ONE | METRO | WEST

## City Measures

Measure X and Measure Y were both on the ballot for Costa Mesa voters on November 8, 2016. Both measures passed.

Measure X allows and regulates medical marijuana research and manufacturing in certain industrial zones north of the 405 Freeway. ONE METRO **WEST** is planned for a site north of the 405 Freeway.

Measure Y pertains to changes to citywide land uses, requiring voter approval for developments that necessitate General Plan amendments or zoning changes.

Rose Equities recognizes that Measure X and Measure Y may be of interest in the evaluation of the General Plan Screening Application for ONE METRO **WEST**.

Both measures are addressed in the following pages.

## Measure X

In 2016 the citizens of Costa Mesa approved Measure X with 54.6 percent of the vote. The initiative regulates and allows companies that test, research, process and manufacture some marijuana products to operate only in a specific area north of the 405 Freeway. Retail sales of marijuana and marijuana products are prohibited there, and anywhere in Costa Mesa.

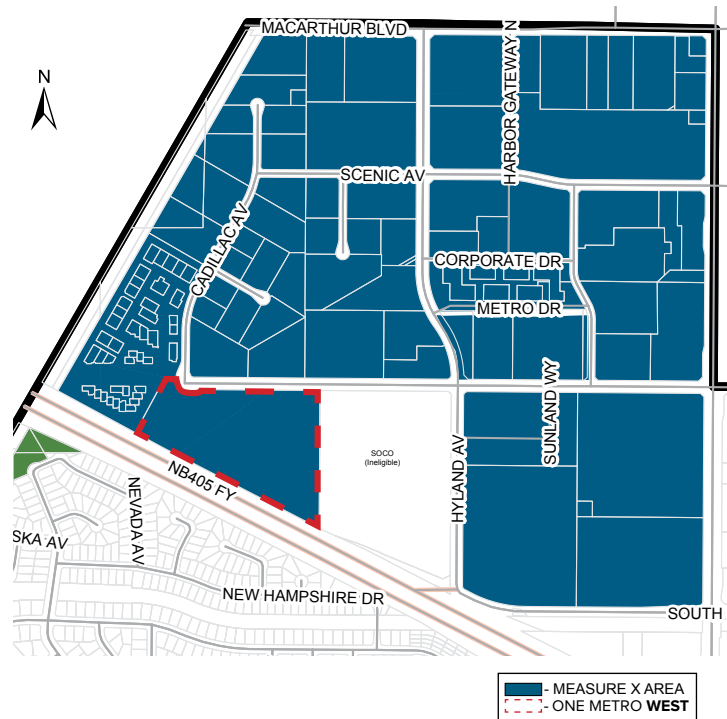
ONE METRO WEST is within the area designated for Measure X businesses, which includes the area north South Coast Drive, west of Harbor Boulevard, south of MacArthur Boulevard and east of the Santa Ana River, though not in South Coast Collection.

Several of the businesses approved by the city of Costa Mesa pursuant to Measure X are operating in the Cambridge Park commercial center located adjacent to the Santa Ana River and neighboring ONE METRO WEST.

The city has indicated that the concentration of marijuana businesses within the Measure X zone allows cannabis companies to work together and improve security. This has been confirmed in public hearings and in local news reports by representatives of the Measure X companies, including former planning commissioner Jim Fitzpatrick, who has said that medical marijuana businesses will work collaboratively to ensure the Measure X zone is well-monitored and secure, making the area “the safest place in Costa Mesa.”

The Measure X businesses are a well-regulated part of the Costa Mesa business community, and should be regarded no differently than all other legal businesses north of the 405.

ONE METRO WEST believes the many uses in the area north of the 405, including Measure X businesses, are compatible with the mixed-use community of residences, offices and retail it proposes as an addition to the creative fabric of the evolving area.



### Medical Marijuana Measure X Area

ONE METRO WEST does not anticipate having any Measure X Medical Marijuana uses within its community boundaries.

# ONE | METRO | WEST

## Measure Y

In 2016, Costa Mesa voters favored the resident-sponsored Measure Y requiring voter approval for developments that necessitate General Plan amendments or zoning changes and meet a variety of standards, including adding 40 or more additional dwelling units.

At the completion of the entitlement process, Rose Equities will seek voter approval for this people-oriented, eco-friendly community.

The need for all types of housing located in close proximity to jobs is an acute regional issue that leaders and stakeholders across the spectrum understand. The desire of Costa Mesans for “must visit” attractions and amenities is woven into their fabric. The community benefits associated with ONE METRO **WEST** will be a great additional source of civic pride.

All of this is being proposed in a location, north of the 405, which has long been the city’s largest economic driver, serving to protect its cherished and traditional neighborhoods. Costa Mesa has long benefited from visionary, generational families who have created great value to the community. Rose Equities is an owner-builder in that tradition.

For all of these reasons, Rose Equities believes both city leadership and its citizens will see ONE METRO **WEST** as a value addition to the city’s sustainable framework.

# ROSE EQUITIES

OWNER-BUILDERS SINCE 1949