RECOMMENDATION:

Staff recommends that the Planning Commission adopt a Resolution to recommend that the City Council:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15311 (Class 11), Accessory Structures; and
2. Give first reading to Ordinance 2021-xx to approve Development Agreement 20-01 that incorporates the Planned Signing Program of Zoning Application 19-68, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The applicant and authorized agent is Coralee Newman of Government Solutions, representing the property owner, Triangle Center LLC.
PLANNING APPLICATION SUMMARY

<table>
<thead>
<tr>
<th>Location:</th>
<th>1870 Harbor Boulevard &amp; 1875 Newport Boulevard</th>
<th>Application Number:</th>
<th>ZA-19-68 &amp; DA-20-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request:</td>
<td>The request is for a Development Agreement that includes Zoning Application 19-68, a request for a Planned Signing Program for Triangle Square.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUBJECT PROPERTY:**

<table>
<thead>
<tr>
<th>Zone:</th>
<th>PDC (Planned Development Commercial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan:</td>
<td>Commercial Center</td>
</tr>
<tr>
<td>Lot Dimensions:</td>
<td>Irregular</td>
</tr>
<tr>
<td>Lot Area:</td>
<td>4.6 acres</td>
</tr>
<tr>
<td>Existing Development:</td>
<td>Existing commercial development – Triangle Square commercial center.</td>
</tr>
</tbody>
</table>

**SURROUNDING PROPERTY:**

<table>
<thead>
<tr>
<th>North (across W. 19th St):</th>
<th>C1, C2 &amp; PDC (Local Business, General Business &amp; Planned Development Commercial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South / East (across Newport Blvd):</td>
<td>C2 &amp; PDC (General Business &amp; Planned Development Commercial)</td>
</tr>
<tr>
<td>West (across Harbor Blvd):</td>
<td>PDC (Planned Development Commercial – Costa Mesa Courtyards)</td>
</tr>
</tbody>
</table>

**BACKGROUND:**

The project site is located at 1870 Harbor Boulevard and 1875 Newport Boulevard, an existing commercial development commonly known as Triangle Square. The existing commercial development is zoned PDC (Planned Development Commercial) and has a General Plan land use designation of Commercial Center. Triangle Square is bounded by West 19th Street to the north, Newport Boulevard to the south and east, and Harbor Boulevard to the west. This application is for a Development Agreement that includes a Planned Signing Program. The Development Agreement is a legislative act that must be adopted by ordinance, while the Planned Signing Program is a discretionary approval normally within the Planning Commission’s authority. Because of the differing levels of review for the project, and the fact that the Planned Signing Program is a part of the Development Agreement, the Planning Commission will be making a recommendation to the City Council as to both items pursuant to Costa Mesa Municipal Code (CMMC) Section 13-29(q).

**PROJECT DESCRIPTION / HISTORY:**

Zoning Application 19-68 is a request for approval of a new Planned Signing Program for Triangle Square, including new exterior signage to reflect its refreshed branding effort, as well as incorporating digital and static signage, as part of a development agreement for the property. As described in the project narrative of the Planned Signing Program plans (Attachment A, Draft Development Agreement Exhibit C), the proposed digital Light Emitting Diode (LED) screens would provide on-site and off-site advertising opportunities, as well as being utilized for community engagement (public service announcements, messages, community promotions and events). The digital screens would also be utilized to showcase public art. The proposed hours of operation of the digital signs with dynamic
displays are between the hours of sunrise and 2 AM, with progressive dimming/transition from daytime to nighttime brightness levels and vice versa.

Overall, the Planned Signing Program proposes a total of 4,960 square feet of signage on the property including 522 square feet of project ID/address ID/directional signage, 1,748 square feet of tenant signage (480 square feet of which are provided as freestanding pylon signs) and 2,690 square feet of digital signage with dynamic displays.

New signage within the Planned Signing Program include the three digital signs (dome wrap, screen wall and screen wall wrap) as well as a project ID sign (Sign Type A1). Signs that are proposed to be replaced include the other project ID signs (Sign Types A2 and A3), directional signage (Sign Types A4 and D1) and address ID signage (Sign Type A5). The freestanding pylon signs are proposed to be retrofitted as part of the project (Sign Type C1).

**Tenant Signage**

The Planned Signing Program incorporates tenant building wall signage along all three frontages of the property totaling 1,748 square feet (Table 1). Along Newport Boulevard, a total of 16 tenant signs (including two existing tenant pylon signs retrofitted to provide tenant identification signage) are proposed totaling 1,020 square feet. Along Harbor Boulevard, a total of seven tenant signs (including one retrofitted tenant pylon sign) are proposed totaling 484 square feet. Along West 19th Street, a total of four tenant signs are proposed totaling 244 square feet.

<table>
<thead>
<tr>
<th>Location</th>
<th>Quantity</th>
<th>Sign Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newport Boulevard Frontage</td>
<td>16 signs</td>
<td>1,020 SF</td>
</tr>
<tr>
<td>Harbor Boulevard Frontage</td>
<td>7 signs</td>
<td>484 SF</td>
</tr>
<tr>
<td>19th Street Frontage</td>
<td>4 signs</td>
<td>244 SF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,748 SF</td>
</tr>
</tbody>
</table>

**Project / Address / Directional Signage**

The Planned Signing Program also proposes signage for the project ID, address ID and directional signage along all three frontages. This type of signage totals 522 square feet (Table 2) and is described as follows:

- Six project ID signs (Sign Types A1, A2, A3 and C1) which totals 372 square feet
- Five address ID signs (Sign Type A5) which totals 130 square feet
- Eight directional signs (Sign Types A4 and D1)
### TABLE 2

<table>
<thead>
<tr>
<th>Sign Type</th>
<th>Description</th>
<th>Location</th>
<th>Quantity</th>
<th>Total Sign Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Rotunda ID (Project ID)</td>
<td>Harbor Blvd. Frontage</td>
<td>1</td>
<td>100 SF</td>
</tr>
<tr>
<td>A2</td>
<td>Building ID (Project ID)</td>
<td>Newport Blvd. Frontage</td>
<td>1</td>
<td>193 SF</td>
</tr>
<tr>
<td>A3</td>
<td>Secondary Project ID</td>
<td>Newport Blvd. Frontage</td>
<td>1</td>
<td>40 SF</td>
</tr>
<tr>
<td>A4</td>
<td>Parking Blade</td>
<td>Harbor Blvd. Frontage</td>
<td>1</td>
<td>20 SF</td>
</tr>
<tr>
<td>A5</td>
<td>Address ID</td>
<td>Harbor Blvd. &amp; Newport Blvd. Frontage</td>
<td>5</td>
<td>130 SF</td>
</tr>
<tr>
<td>C1</td>
<td>Freestanding Pylon (Project ID)</td>
<td>Harbor Blvd. &amp; Newport Blvd. Frontage</td>
<td>3</td>
<td>39 SF</td>
</tr>
<tr>
<td>D1</td>
<td>Parking Entrance / Exit ¹</td>
<td>All Frontages</td>
<td>7</td>
<td>0 SF</td>
</tr>
</tbody>
</table>

**522 SF**

¹ convenience signs (up to 9 square feet not counted toward sign area (CMMC Section 13-111))

### Digital Changeable Signage

In addition, the Planned Signing Program incorporates digital signage with dynamic content on all three building frontages totaling 2,690 square feet, all of which are located along and visible from the adjacent street frontages (Table 3). The digital dome wrap sign is proposed to be 1,200 square feet and located along the Newport Boulevard and 19th Street frontages. The digital screen wall sign is proposed to be 600 square feet and located along the Newport Boulevard and Harbor Boulevard frontages. And finally, the digital screen wall wrap sign is proposed to be 890 square feet and located along the Harbor Boulevard and 19th Street frontages.

The digital sign package includes architectural lighting on the existing dome. Architectural lighting does not count toward overall signage, since it is not a sign, however, the proposed lighting would enhance the signage displayed on the dome wrap.

### TABLE 3

<table>
<thead>
<tr>
<th>Sign Type</th>
<th>Description</th>
<th>Location</th>
<th>Sign Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Screen – Dome Wrap</td>
<td>Newport Blvd. &amp; 19th St.</td>
<td>1,200 SF</td>
</tr>
<tr>
<td>2</td>
<td>Screen – Wall</td>
<td>Newport Blvd. &amp; Harbor Blvd.</td>
<td>600 SF</td>
</tr>
<tr>
<td>3</td>
<td>Screen – Wall Wrap</td>
<td>Harbor Blvd. &amp; 19th St.</td>
<td>890 SF</td>
</tr>
<tr>
<td>4</td>
<td>Lighting – Dome</td>
<td>Newport Blvd. &amp; 19th St.</td>
<td>0 SF</td>
</tr>
</tbody>
</table>

**2,690 SF**

Pursuant to CMMC Section 13-120, signs may be authorized as part of a Planned Signing Program even if they do not conform to all specific regulations contained elsewhere in the CMMC. A Planned Signing Program is intended to provide the latitude to encourage variety and good design, and to allow responsiveness to special circumstances, but is not
intended to be used to circumvent the objectives of the sign code. The objective and intent of the sign code section is to create and maintain an aesthetically pleasing and functional environment and to create an environment where businesses can succeed while being in harmony with other City goals.

Planned Signing Programs are typically reviewed by the City’s Zoning Administrator; however, the Zoning Administrator has referred this request to the Planning Commission to review the proposed signs, specifically, the proposed digital LED signs, which are otherwise prohibited by the CMMC.

Electronic changeable copy signs, except theater marquees and time/temperature signs, are prohibited, per CMMC Section 13-112(I). The intent of the prohibition on electronic signs was to prohibit signs with flashing, moving, or intermittent lighting because surrounding properties (particularly residential properties) may be impacted by the lighting effects of these types of signs, even if the homes are not in close proximity to the actual business location (Ordinance No. 99-10). Signs may be authorized as part of a Planned Signing Program even if they do not conform to all specific regulations contained in the Zoning Code, such as proposing a prohibited sign type. As such, the proposal to incorporate digital changeable signs requires approval of a Planned Signing Program.

**April 13, 2020 Planning Commission Meeting**

On April 13, 2020, the application was scheduled to be heard by Planning Commission. This was the first meeting after COVID-19 procedures were established allowing the Planning Commissioners to use teleconferencing and the public to submit comments via email. Prior to and during the meeting, a total of 97 written correspondences from 84 individuals were received on the application. On a 4-3 vote, the Planning Commission continued the item without discussion.


The meeting video for the April 13th hearing can be found here: [https://costamesa.granicus.com/MediaPlayer.php?view_id=10&clip_id=3540](https://costamesa.granicus.com/MediaPlayer.php?view_id=10&clip_id=3540)
ANALYSIS:

April 13th Planning Commission Public Comments

Staff received 97 comments regarding the proposed Planned Signing Program for Triangle Square. Comments were received at the time the project was originally scheduled for Planning Commission review in April 2020, and an additional 14 comments have been received subsequent to that meeting. Some residents provided multiple comments expressing either their concerns or support.

Those in opposition to the project expressed concern regarding the following issues: driver distraction, neighborhood compatibility, brightness of signs, precedent setting and community character, and inability to control sign content. The most often cited concern is driver distraction and traffic safety. Comments provided by nearby residents also cited neighborhood compatibility and the brightness of the signs.

Those in favor of the Planned Signing Program were supportive expressing that new signage will help revitalize the center, provide economic stimulation and jobs, offer unique branding opportunities and create a focal point for the community.

Sign Design and Sign Area

The proposed signage within the Planned Signing Program exceeds the maximum signage allowed per the CMMC for the site and zoning, which may also be authorized as part of the Planned Signing Program. Based on the most recent approval, the maximum sign area permitted from the previous Planned Signing Program was 3,445 square feet. Overall, the Planned Signing Program proposes a total of 4,960 square feet of signage on the property. While the proposed Planned Signing Program exceeds the maximum sign area permitted by the CMMC, Triangle Square is uniquely situated in that the property is completely surrounded by three arterial streets, and is also located at the entry way to Costa Mesa at the transition of the Costa Mesa Freeway (SR-55) to Newport Boulevard. The property is 4.6 acres in size and is a prominent commercial center in the City with a regional draw due to its unique location (a similar type of commercial center to South Coast Plaza, MetroPointe and/or SOCO), further distinguished through its location at the transition point of a major freeway.

Architecturally, the signs proposed in the Planned Signing Program are compatible with the existing development. The signs proposed would be visually integrated into the building’s façade and would feature colors and lighting complementary to the architectural design of the building. All signage also incorporates the same color palette, typography and materials. In addition, the existing freestanding pylon signs would be retrofitted and upgraded with a similar style and color, consistent with the design of other proposed signs.

Ultimately, whether the sign design and the overall sign proposal are appropriate considering the site’s location and context is at the discretion of the Planning Commission and the City Council.
Caltrans Review and Transportation

An important component of any project's land use evaluation is the potential impact on adjacent traffic operations. Digital signs are still a relatively new form of signage with most occurring in the past decade and more recently in Orange County. Currently, Costa Mesa digital signs are located either adjacent to the 405 freeway or across from City Hall at the Fairgrounds. A concern noted in public comments received associated with the proposed digital signs is the potential impact they may have on driver distraction and in fact this was the most frequently cited concern from public comments received.

To assist in the evaluation, staff consulted a preliminary investigation produced for the Caltrans' Division of Research and Innovation (DRI), which provides an overview of safety issues related to digital signs. The Executive Summary is attached (Attachment 5). The Executive Summary references studies that conclude digital billboards may contribute to driver distraction although no correlation could be found “between the presence of billboards and increased crash rates.” Guidelines recommend certain design and operational design features to improve traffic safety for proposed signs. These guidelines address message duration, message interval, display brightness, spacing between billboards, and location of billboards near traffic control devices. The proposed digital message signs have incorporated the recommended features and met these guidelines.

More specifically an undated chart from the Outdoor Advertising Association of America, as well as the Federal Highway Administration (FHWA) recommends the following (Triangle Square proposals provided in brackets):

- Message duration is between 4-10 seconds with 6-8 seconds most common. [display not to be refreshed more often than once every 8 seconds]
- Maximum interval between messages is 1-4 seconds. [Screen to have seamless transition when displaying media to create a cohesive image transition; staff is recommending a condition of approval to allow a maximum interval between messages of 1 second]
- Spacing between billboards is most commonly greater than 500 feet. [all three have spacing greater than 500 feet]

In each of these three areas, longer duration, shorter intervals and increased distance is associated with increased safety. Display brightness (or billboard luminance) should be “subjected to brightness levels of no greater than 10-40 times the brightness level to which their eyes are adapted for the critical driving task.”

Below is a portion of applicable Caltrans' requirements for Outdoor Advertising Permits, also posted on their website. The proposal complies with the requirements below.

https://dot.ca.gov/programs/traffic-operations/oda/permit

- Display must be 500 feet from any other permitted display on the same side of any highway that is a freeway.
- Display must be 100 feet from any other permitted display on same side of any primary highway that is not a freeway and is within the limits of an incorporated city.
• Maximum height for the advertising display area is 25 feet in height and 60 feet in length, not to exceed an overall maximum of 1,200 square feet.

Caltrans also has requirements (Business and Professions Code Section 5402 & 5403) related to advertisement displays conditions and restrictions including, but not limited to:
• Statements or words of an obscene, indecent or immoral character.
• Displays simulating or imitating any directional, warning, danger or information sign.
• Displaying any red or blinking or intermittent light likely to be mistaken for a warning or danger signal.
• Any illumination that impairs the vision of travelers on adjacent highways.
• Displaying any flashing, intermittent, or moving light or lights.

The proposed digital signage is in conformance with Caltrans’ requirements (Attachment 4). Conditions of approval require the applicant to obtain a Caltrans Outdoor Advertising Display Permit prior to issuance of building permits (COA No. 15). Caltrans has approved their preliminary application and Caltrans Traffic Operations has no further comments.

**Off-Site Advertising**

As shown in the project plans, the digital signing program proposes to include off-site advertising. Per CMMC Section 13-111, a sign that advertises a business, product, service or activity not conducted on the premises is defined as a billboard sign. As proposed in the Planned Signing Program, all digital changeable sign types (the dome wrap, the screen wall and the screen wall wrap) propose off-site advertising content. The off-site advertising is proposed as an alternative revenue stream for the property which has struggled as a viable commercial property for many years. A Development Agreement that includes revenue sharing with the City and also includes advertising content restrictions is being proposed, as discussed below. The request to allow for off-site advertising is a policy decision, at the discretion of the Planning Commission and the City Council.

**Applicant’s Community Outreach (October)**

Following the April 13, 2020 Planning Commission Meeting, the applicant conducted three community outreach meetings. These community meetings were held on:
• Wednesday, October 7th
• Thursday, October 8th and
• Wednesday, October 14th

All three meetings were conducted virtually via Zoom and included a PowerPoint presentation for the proposed Planned Signing Program and provided responses to community comments from the April 13th Planning Commission meeting. All three meetings also included Question and Answer time at the conclusion of the presentation. A summary of the community outreach meetings can be found within the revised sign package (Planned Signing Program plans; Attachment 1).
Revisions to Planned Signing Program (Screen – Dome Wrap Sign)

As a result of the applicant’s community outreach, the placement of the proposed digital screen (dome wrap sign) was lowered by 5 feet.

![Previous Sign Type 1](image1)

![Proposed Sign Type 1](image2)

**Light Study**

Lighting Design Alliance, Inc. (LDA) conducted a study (Attachment 3) to evaluate the potential impacts of the proposed digital signage on the adjacent residential properties. The study evaluates light levels at various residential neighborhoods including residential properties across 19th Street (along Bernard Street – approximately 300 feet away), residential properties located northwest of Triangle Square (approximately 500 feet away), and residential properties located across Newport Boulevard (closest property approximately 325 feet away). The study evaluated the potential impacts from light spill and glare at multiple locations identified as sensitive receptors and included recommendations that were included as part of the applicant’s proposal.

**Revisions to Light Study**

Following the Planning Commission’s continuance of the project, and due to the amount of public comments received concerning project lighting, the City retained its own consultant to complete a comprehensive third-party review of the Light Study provided with the project application. Based on that review, the LDA Light Study was revised to incorporate the City’s feedback. The revised LDA Light Study is provided as an attachment to this report.

Overall, there were no significant changes to the conclusions of the LDA Light Study. Some of the revisions to the light study include: revisions related to lowering of Dome sign, updates and references to all relevant Code Sections and Standards reviewed (including the California Energy Code, the California Vehicle Code, as well as CalGreen standards and Illuminating Engineering Society of North America (IESNA) standards, and additional more detailed information related to signage operational features and settings descriptions.
The study concluded that the proposed digital signage would result in minimal increased lighting at sensitive receptors and would be a sufficiently low level that it would be difficult to perceive the difference in lighting levels at adjacent residential properties as compared to existing lighting conditions. The study included specific operational and design features that would ensure minimal impacts from the proposed digital signs on adjacent residential uses. Those design features and operational features were incorporated into the applicant's proposal and are required as Conditions of Approval No. 3 through 14. With these conditions, staff finds that light levels would be appropriately minimized.

Development Agreement (DA-20-01)

The applicant is requesting that the proposed Planned Signing Program be approved as part of a Development Agreement between Triangle Center LLC and the City of Costa Mesa.

The Development Agreement would guarantee entitlement to construct and thereafter operate the signs as described in the Planned Signing Program for a period of 30 years. This term may be extended for up to three (3), twenty (20) year options upon mutual agreement of the City and the applicant. The Agreement requires the applicant or its successor in interest to pay a quarterly fee of 25 percent of the Gross Advertising Revenue beginning three years after the commencement date of the Agreement and to provide a City content allocation of up to 10 percent of the total annual programming for the signs. The Agreement includes advertising content restrictions that include but are not limited to prohibitions against obscene content, illegal products and/or services and specific product advertisements related to sales, discounts, or pricing information. The Agreement also limits off-site advertising content (goods and services not available on the property) to products and services available for sale in the City, major retail and destination retail businesses in the City, as well as, car dealerships, hotels, event centers, experiential restaurants, and tourism uses located within the City. Development Agreement 20-01 is provided as Attachment A to the resolution.

Revisions to Development Agreement

Since the April 13, 2020 Planning Commission meeting, the draft Development Agreement was revised to include clarifying language regarding Non-Commercial Content Allocations, in the event that the City establishes an approval process or body for approval of public art installations or displays of artwork (such as an Art Committee).

GENERAL PLAN CONFORMANCE:

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and continuing to provide cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and
improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project’s consistency with specific goals, objectives, and policies of the General Plan, Land Use Element.

1. **Policy LU-5.6**: Promote development of revenue-generating land uses to help defray the cost of high quality public services.

2. **Objective CD-3A**: Create a sense of arrival to Costa Mesa, and develop prominent community focal points at key nodes within the City.

3. **Policy CD-6.1**: 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”.

4. **Policy OSR-4.11**: Provide opportunities for local artists to create and display their work.

*Consistency*: The Planned Signing Program includes off-site advertising which is proposed as an alternative revenue generating stream for the retail center, which has struggled financially for many years. In conjunction with the proposed Planned Signing Program, a Development Agreement between Triangle Center LLC and the City of Costa Mesa is proposed to accommodate revenue sharing. Revenue collected as a result of the Development Agreement would help defray the cost of providing City services, including the potential for use to enhance public infrastructure and connectivity in the surrounding community. Triangle Square is located at the entry point to Costa Mesa from State Route 55, and has frontages on three prominent arterial streets. The proposed Planned Signing Program and refreshed branding effort for Triangle Square will help create a sense of arrival to Costa Mesa.

The Planned Signing Program proposes to utilize the digital screens to also showcase public art, in addition to advertising and community engagement displays, that will promote Costa Mesa as the "City of the Arts". The public art is proposed in conjunction with three murals on the exterior of the development proposed separately, the first of which was approved by the City's Arts Committee on August 8, 2019; and the proposed digital screens provides for opportunities for local artists to display their work and is therefore consistent with this General Plan policy.

**JUSTIFICATIONS FOR APPROVAL:**

**Planned Signing Program Findings**

Pursuant to Title 13, Section 13-29(g)(8), Planned Signing Program Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence
presented in the administrative record demonstrates that the proposed project substantially meets specified findings. Staff recommends approval of the request, based on the following assessment of facts and findings, which are also reflected in the draft Resolution:

- **The proposed signing is consistent with the intent of Chapter VIII, Signs, and the General Plan.** Although the CMMC prohibits electronic changeable signs, the intent of the prohibition on electronic signs was to prohibit signs with flashing, moving, or intermittent lighting because surrounding properties (particularly residential properties) may be impacted by the lighting effects of these types of signs, even if the homes are not in close proximity to the actual business location. The nearest residentially-zoned property is approximately 300 feet away from the project site. A light study conducted by LDA evaluated the potential impacts from the proposed digital signs on adjacent residential uses. The study concluded that the proposed digital signage, in relation to existing lighting conditions, would have minimal impact. The study included specific operational and design features that would ensure minimal impacts from the proposed digital signs on adjacent residential uses. Those design features and proposed operation were incorporated into the applicant’s proposal and are required as Conditions of Approval No. 3 through 14. Two of the proposed digital signs would be located along a state highway (State Route 55), within the California Department of Transportation’s (Caltrans’) jurisdiction. As a result, those proposed signs are subject to Caltrans requirements and require an outdoor advertising display permit. Caltrans reviews the proposed sign locations and sizes and has requirements aimed at minimizing interference with the driver’s operation of a motor vehicle or obstruct or interfere with traffic signs, devices or signals. The proposed digital signage is in conformance with Caltrans’ requirements (Attachment 4). Conditions of approval require the applicant to obtain a Caltrans Outdoor Advertising Display Permit prior to issuance of building permits (COA No. 15).

The intent of the sign code is to create and maintain an aesthetically pleasing and functional environment and to create an environment where businesses can succeed while being in harmony with other City goals. While the proposed Planned Signing Program exceeds the maximum sign area permitted by the CMMC, Triangle Square is uniquely situated in that the property is completely surrounded by three arterial streets, and is also located at the entry way to Costa Mesa at the terminus of the Costa Mesa Freeway (SR-55). The property is 4.6 acres in size and is a prominent commercial and entertainment center in the City with a regional draw due to its unique location. Furthermore, as described earlier in the report, the proposed Planned Signing Program is consistent with the Commercial Center General Plan land use designation for this site.

- **The proposed signs are consistent with each other in design and construction, taking into account sign style and shape, materials, letter style, colors and illumination.** The proposed signs identifying the property incorporate the same color palette, typography and materials. The existing freestanding pylon signs would be retrofitted and upgraded with a similar style and color, consistent with the design of other proposed signs.
• The proposed signs are compatible with the buildings and developments they identify, taking into account materials, colors and design motif. The signs proposed in the Planned Signing Program are compatible with the existing building and development and are compatible with the tenants they identify. The signs proposed would be visually integrated into the building’s façade and would feature colors and lighting complementary to the architectural design of the building.

• Approval does not constitute a grant of special privilege or allow substantially greater overall visibility than the standard sign provisions would allow. Approval of the Planned Signing Program does not constitute a grant of special privilege or allow substantially greater overall visibility than the standard sign provisions would allow for similarly situated properties. Signs may be authorized as part of a Planned Signing Program even if they do not conform to specific regulations contained in the Zoning Code. The proposed digital signs are appropriate for this site due to the property being completely surrounded by three arterial streets, and also being located at the entry point to Costa Mesa at the terminus of the Costa Mesa Freeway (SR-55). In addition, and as conditioned, the proposed signs would not incorporate any flashing, moving or intermittent lighting.

Development Agreement Findings

Pursuant to City Council Resolution No. 88-53 and Government Code section 65865(c), staff recommends approval of the request, based on the following assessment of facts and findings, which are also reflected in the draft Resolution:

• The Development Agreement between the City of Costa Mesa and Developer is:
  o Consistent with the objectives, policies, general land uses and programs specified in the General Plan and with the General Plan as a whole;
  o Compatible with the uses authorized in, and the existing land use regulations prescribed for, the zoning district in which the real property is and will be located; and
  o Is in conformity with and will promote public convenience, general welfare, and good land use practice.

The proposed Development Agreement is consistent with the General Plan as the agreement would promote development of revenue-generating land uses to help defray the cost of high quality public services with the proposed payment of a quarterly fee. The Development Agreement would also promote Costa Mesa as the "City of the Arts". The digital screens are proposed to be utilized to showcase public art, in addition to advertising and community engagement displays. The digital screens would also provide opportunities for local artists to display their work. No changes in use are proposed with the Development Agreement and incorporated Planned Signing Program and it is therefore compatible with the uses authorized for this zoning district and where it is located. In addition, the proposed digital signs would be utilized to promote community engagement (public service announcements, messages, community promotions and events), as well as providing on-site and off-site advertising opportunities leveraging the property's unique location being completely surrounded by three arterial streets, and
also being located at the entry way to Costa Mesa at the terminus of the Costa Mesa Freeway (SR-55).

- **The Development Agreement between the City of Costa Mesa and Developer will not:**
  - Be detrimental to the health, safety and general welfare; and
  - Adversely affect the orderly development of property or the preservation of property values.

The Development Agreement will ensure the project will not be detrimental to the health safety and general welfare of the public or adversely affect adjacent properties with the inclusion of advertising content restrictions that include but are not limited to prohibitions against obscene content, illegal products and/or services and specific product advertisements related to sales, discounts, or pricing information. The Agreement also limits off-site advertising content (goods and services not available on the property) to products and services available for sale in the City, major retail and destination retail businesses in the City, as well as, car dealerships, hotels, event centers, experiential restaurants, and tourism uses located within the City. Furthermore, the Planned Signing Program will not will not be detrimental to the health safety and general welfare of the public or adversely affect adjacent properties, as described in the findings in the previous section.

- **The Development Agreement between the City of Costa Mesa and Developer will promote and encourage the development of the proposed project and will ensure the public benefits promised in the Development Agreement, by providing stability and certainty to Developer.**

The Development Agreement would guarantee entitlement to construct and thereafter operate the signs as described in the Planned Signing Program for a period of 30 years. The term may be extended for up to three (3), twenty (20) year options upon mutual agreement of the City and the applicant. The Agreement requires the applicant or its successor in interest to pay a quarterly fee of 25 percent of the Gross Advertising Revenue beginning three years after the commencement date of the Agreement and to provide a City content allocation of up to 10 percent of the total annual programming for the signs.

Development Agreement 20-01 is provided as Attachment A to the resolution.

**ENVIRONMENTAL DETERMINATION:**

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15311 (Class 11), Accessory Structures. This exemption consists of construction or placement of minor structures accessory to existing commercial, industrial, or institutional facilities. The project is for new on premise signs which are visually consistent with the existing commercial center and as designed have minimal impact to existing light levels, compared to existing conditions. The project is therefore consistent with this exemption.
ALTERNATIVES:

The Planning Commission has the following alternatives:
1. **Recommend approval of the project.** The Planning Commission may recommend approval of the project as proposed, subject to the conditions outlined in the attached Resolution.
2. **Recommend approval of the project with modifications.** The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the item may be continued to a future meeting to allow a redesign or additional analysis.
3. **Recommend denial of the project.** If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must recommend denial of the application, and provide facts in support of denial.

The Planning Commission recommendation will be forwarded to the City Council for consideration.

LEGAL REVIEW:

The draft Resolution has been approved as to form by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to Title 13, Section 13-29(d), of the CMMC, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:
1. Mailed notice. A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property.
2. On-site posting. A public notice was posted on each street frontage of the project site.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

As of this report, a total of 111 written public comments have been received both in support and opposition of the project, and have been provided as an attachment to the report. Prior to April 13th Planning Commission meeting, 97 written correspondences were received on the application, and 14 since then. Any public comments received prior to the February 8, 2021, Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed request is for a Planned Signing Program for Triangle Square. The Planned Signing Program, as conditioned, is consistent with the intent of the Zoning Code and General Plan. Furthermore, the Development Agreement will provide the City with public benefits in the form of revenue sharing and an allocation to the City for local public content, and include content restrictions mutually agreed upon by the applicant. Staff recommends that the Planning Commission recommend that the City Council give first reading to an
Ordinance approving the Development Agreement that includes the Planned Signing Program, subject to conditions of approval. Ultimately, it is a policy decision by the Planning Commission and City Council as to whether the sign proposal is appropriate considering the proposed design, operational plan, and the site’s location and context.

JUSTIN ARIOS
Assistant Planner

JENNIFER LE
Director of Economic and Development Services

Attachments: 1. Draft Planning Commission Resolution and Exhibits
   - Findings and Conditions of Approval
   - Exhibit C: Ordinance adopting DA-20-01
     - Attachment A: Draft Development Agreement (DA-20-01)
       - Development Agreement Exhibit A & B (Legal Description & Map of the Property)
       - Development Agreement Exhibit C (Planned Signing Program ZA-19-68)
   2. Zoning Map
   3. Caltrans Outdoor Advertising Display Permit (Preliminary Review)
   4. Effects of Outdoor Advertising Displays on Driver Safety – Caltrans Division of Research and Innovation (Preliminary Investigation)
   5. Revised Light Study – Lighting Design Alliance, Inc. (November 16, 2020) [under separate cover]
   6. Public Comments (since April 13, 2020 Planning Commission) [under separate cover]

Distribution: Director of Economic and Development Services
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