



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: July 13, 2026

ITEM NUMBER: PH-2

SUBJECT: PROPOSED AMENDMENTS TO TITLE 13 (PLANNING, ZONING AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE TO UPDATE LAND USE CLASSIFICATIONS FOR VARIOUS NON-RESIDENTIAL USES INCLUDE BUT NOT LIMITED TO, PERSONAL SERVICES, ARTISAN STUDIO AND RETAIL USES, ACTIVE ENTERTAINMENT USES, EVENT CENTERS AND ASSEMBLY USES, SPECIALIZED FITNESS STUDIOS, AND OTHER NON-RESIDENTIAL USES AND STANDARDS- PCTY-26-0001 (CONTINUED FROM JUNE 22, 2026)

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

**PRESENTATION BY: AMBER GREGG, CONTRACT PLANNER, AND
MARTINA CARON, PLANNING MANAGER**

**FOR FURTHER INFORMATION CONTACT: MARTINA CARON
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RECOMMENDATION

Staff recommends the Planning Commission:

1. Find that the proposed Zoning Code Amendment is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(3) and 15305; and
2. Adopt a Resolution recommending that the City Council approve amendments to Title 13 (Planning, Zoning and Development) of the Costa Mesa Municipal Code to update land use classifications for various non-residential uses include but not limited to, personal services, artisan studio and retail uses, active entertainment uses, event centers and assembly uses, specialized fitness studios, and other non-residential uses and standards.

APPLICANT OR AUTHORIZED AGENT

City-Initiated request.

BACKGROUND

On April 13, 2026, the Planning Commission conducted a study session to review potential amendments intended to modernize the City's land use framework and address several recurring implementation issues. The Planning Commission was generally supportive of the proposed Zoning Code Amendments and expressed appreciation for the effort to modernize regulations. Commissioners discussed several implementation considerations, including potential traffic and circulation impacts associated with ghost kitchens, operational considerations for small fitness studios, and the importance of maintaining parking requirements that reflect current Institute of Transportation Engineers (ITE) data. Additional comments included support for adding new land use categories such as escape rooms, climbing gyms, and trampoline parks.

April 13, 2026, Agenda Report:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7976488&GUID=694B0C33-AB5F-4F28-8F1C-4E67CB6704A9&Options=&Search=>

On June 22, 2026, staff presented a package of eleven targeted Zoning Code amendments intended to modernize land use classifications and development standards, improve regulatory clarity, and address issues identified through the City's review of development applications and business inquiries. The amendments are also intended to support the City's economic development goals by facilitating reinvestment in commercial properties, reducing uncertainty in the entitlement process, and better accommodating evolving business models. An excerpt of the draft June 22, 2026nd minutes can be found under Attachment 3. The summary of the proposed changes and June 22, 2026, Agenda Report can be found here:

<https://costamesa.legistar.com/View.ashx?M=F&ID=15589938&GUID=28AC4200-2BB0-4336-8E4F-5C3DB5633A4D>

The proposed amendments are intentionally focused on a limited number of high-priority and commonly occurring issues. Although additional Zoning Code topics may merit future evaluation, the current effort is intended to advance a manageable package of amendments that can be effectively reviewed and implemented within existing staffing capacity and departmental work program constraints.

Public comments were generally supportive of modernizing the Zoning Code and simplifying the approval process for contemporary business uses. Commenters also encouraged the City to reevaluate parking requirements for small fitness studios, conduct more frequent reviews of the Zoning Code.

The Planning Commission expressed general support for the overall direction of the amendments and recognized the proposal as a strong foundation for modernizing the City's regulations. However, the Commission requested additional analysis and refinement regarding two primary issues. First, the Commission requested that staff

further evaluate the parking requirements and applicable size or operational thresholds for small fitness studios to better distinguish these uses from larger fitness facilities. Second, the Commission requested additional review of the proposed exclusions from floor area ratio calculations, particularly the treatment of storage areas, equipment rooms, and other non-occupied spaces.

Staff proposed the option of forwarding the portions of the amendment package that had broad support to the City Council for consideration, while continuing to refine the remaining items, however, the Planning Commission preferred to consider the amendments as a complete package. The Commission therefore reopened the public hearing and continued the item to the July 13, 2026, Planning Commission meeting and requested staff consider the Planning Commission's recommendations and revisions and provide additional clarification.

A summary of the proposed amendments, including the revisions made in response to the Planning Commission's comments, is provided below.

Fitness Uses

In response to the Planning Commission's comments, staff proposes three fitness use categories to better distinguish between different facility sizes and operational models. See the proposed categories below in Table 1:

Table 1 - Fitness Uses

Use	Summary	Review Process	Parking Req.
Small Fitness Studio	Facilities less than 2,500 square feet; generally designed for one-on-one instruction, personal training, or small classes.	Permitted with Special Land Use Regulations	4 spaces per 1,000 sf
Fitness Studio	Facilities of 2,500 square feet to 15,000 square feet; generally intended to accommodate small to mid-sized class-based fitness businesses, such as yoga, Pilates, martial arts, and similar uses.	Permitted with Special Land Use Regulations	10 spaces per 1,000 sf
Physical Fitness Facility	Facilities larger than 15,000 square feet; intended for larger fitness facilities.	CUP (no change)	10 spaces per 1,000 sf

A new Small Fitness Studio category would apply to facilities of less than 2,500 square feet that are generally designed for one-on-one instruction, personal training, or small classes. An intermediary Fitness Studio category would apply to facilities that are 2,500 square feet or larger but do not exceed 15,000 square feet. These new categories are intended to accommodate small- to mid-sized class-based fitness businesses, such as yoga, Pilates, barre, cycling, martial arts, dance-based fitness, circuit training, and similar uses, without classifying them as large fitness centers or health clubs.

The proposed size thresholds provide objective standards for distinguishing these smaller instructional facilities from larger Physical Fitness Facilities, which would remain

subject to a Conditional Use Permit. Small Fitness Studios and Fitness Studios typically operate with scheduled classes, limited occupancy, shorter customer visits, and predictable arrival and departure patterns that generally result in lower traffic and parking demand. By comparison, larger fitness facilities, such as 24 Hour Fitness, commonly include multiple activity areas, extended operating hours, unscheduled customer arrivals, and substantially higher membership volumes, resulting in greater parking demand and traffic generation. Consistent with these operational characteristics, Small Fitness Studios and Fitness Studios would be permitted by right in most commercial zoning districts (subject to special land use regulations), while larger Physical Fitness Facilities would continue to require a Conditional Use Permit.

Fitness Parking

To further differentiate Small Fitness Studios from Fitness Studios and Physical Fitness Facilities, a parking ratio of four spaces per 1,000 square feet is proposed for this category as noted in Table 1. This would result in a maximum parking requirement of 10 spaces for a 2,500-square-foot studio. Fitness Studios would continue to require 10 spaces per 1,000 square feet because these facilities accommodate larger classes, more frequent customer turnover, and higher peak parking demand than a Small Fitness Studio. Physical Fitness Facilities would also require 10 spaces per 1,000 square feet, consistent with their larger scale and broader operational characteristics. Although Fitness Studios and Physical Fitness Facilities would have the same parking ratio, they would remain separate use categories because Fitness Studios would be smaller in scale and permitted by right with Special Land Use Regulations in most commercial zones, while Physical Fitness Facilities would continue to require a Conditional Use Permit.

Floor Area Ratio (FAR)

Floor Area Ratio (FAR) is the City's primary tool for regulating the intensity of nonresidential development. FARs are established in the General Plan and further implemented through the Zoning Code. FAR establishes the amount of building floor area permitted on a site in relation to the size of the lot and is used to ensure that development intensity remains consistent with the General Plan and the City's broader land use objectives.

In the General Plan, FAR is also directly tied to traffic generation and the City's ability to evaluate development intensity based on anticipated trips. Because nonresidential traffic impacts are generally calculated based on the amount and type of active floor area associated with a use, FAR is regulated through building floor area as a practical way to manage the relationship between development intensity, land use, and trip generation. Therefore, it is important that the floor area counted toward FAR reflects the portions of a building that contribute to occupancy, activity, and traffic demand.

The Zoning Code currently provides the following limited definitions for use in application review:

Floor area ratio.

The gross floor area of a building or project divided by the project lot area upon which it is located.

Gross floor area.

The area of all floors within the walls of a structure except elevator and other vertical shafts (including stairwells) and elevator equipment areas.

In addition, Zoning Administrator Determination 17-01 was approved in 2017 to clarify which building areas should be included when calculating parking demand. The determination recognizes that spaces used for electrical and mechanical equipment are not occupied by employees or patrons during the operation of nonresidential uses and, therefore, should not be included in gross floor area calculations for parking purposes.

While the existing definitions provide a basic framework, they do not fully address how floor area should be measured for nonresidential buildings, particularly where portions of a building are devoted to operational, utility, or support functions rather than areas that generate occupancy, customer activity, employee activity, parking demand, or vehicle trips. Because gross floor area is also used as the basis for calculating FAR, the current definition can result in unintended limitations on development by counting areas that do not contribute to the functional intensity of a site.

This lack of clarity can create confusion for applicants and staff, complicate plan check and entitlement review, and result in inconsistent application of the Zoning Code. It may also discourage tenant improvements, building modernization, and reinvestment in existing commercial and industrial properties where utility, service, or support areas are necessary for development functions but do not increase operational intensity.

To address this issue, staff is proposing a new definition for “Nonresidential Gross Floor Area.” The proposed definition is intended to clarify how floor area is calculated for nonresidential development, ensure greater consistency between FAR, parking, and trip generation review, and provide a more accurate measure of the areas that contribute to occupancy and site activity.

During the June 22, 2026, Planning Commission hearing, the Commission discussed whether the FAR calculation should continue to include building areas that do not contribute to occupancy, development intensity, or traffic generation. The Commission expressed general support for clarifying the definition to distinguish active, occupiable floor area from spaces devoted exclusively to building operations and maintenance. that the Commission questioned whether general storage could be used for the primary development functions should not be excluded from the FAR.

Based on this discussion, the proposed definition has been updated to exclude areas that do not directly contribute to the intensity of the development. The updated definition also recognizes that certain accessory storage areas do not necessarily increase trip generation or operational intensity. For example, on-site storage may allow businesses to rotate seasonal merchandise, store materials for upcoming events, prepare for holiday demand, or manage inventory associated with temporary increases in patrons. Excluding these limited accessory storage areas from nonresidential gross floor area provides businesses with greater flexibility to operate efficiently and respond to changing customer demand, without creating additional occupancy, customer activity, or traffic impacts. See the proposed definition below:

Nonresidential Gross Floor Area

The total horizontal area of all floors within the exterior walls of a structure that contribute to the building's occupancy or intensity of use. Nonresidential gross floor area excludes garages or carports used for parking, elevator and stair shafts, mechanical shafts, pipe chases, equipment and mechanical rooms, electrical rooms, and other accessory storage, utility or service spaces, that are devoted exclusively to development operations and maintenance.

The intent of the proposed update is to ensure that FAR more accurately reflects occupiable building area and the functional intensity of a site, while excluding certain building service, utility, and incidental support areas that do not generate occupancy, increase operational demand, or contribute to trip generation.

GENERAL PLAN CONSISTENCY

The proposed Zoning Code Amendment is consistent with the Costa Mesa General Plan. The amendments support the General Plan's economic development objectives by encouraging reinvestment in commercial properties, improving regulatory clarity, facilitating adaptive reuse, and maintaining development standards that protect community character while accommodating evolving business models. Additionally, the proposed definition of "Nonresidential Gross Floor Area", further implements and clarifies trip generating area calculations, as required by the General Plan.

ENVIRONMENTAL DETERMINATION

The proposed Zoning Code Amendment has been reviewed for compliance with the California Environmental Quality Act (CEQA). The proposed amendments are exempt pursuant to CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption, because it can be seen with certainty that there is no possibility that adoption of the ordinance may have a significant effect on the environment. The amendments primarily involve updates to land use classifications, definitions, and administrative development standards. Additionally, portions of the amendment are categorically exempt pursuant to CEQA Guidelines Section 15305 (Minor Alterations in Land Use Limitations).

PUBLIC NOTICE

Pursuant to California Government Code Section 65854 (amended by Assembly Bill 2904 in 2025) public notification for amending the Zoning Code has been completed no less than 20 days prior to the date of the public hearing:

1. On-site posting. A public notice was posted at City Hall and on the City's website on May 29, 2026.
2. Newspaper publication. A public notice was published in the Daily Pilot newspaper on May 30, 2026.

CONCLUSION

The proposed amendments represent a focused effort to modernize the Costa Mesa Zoning Code and address recurring implementation issues identified by staff, property owners, and business operators. The amendments establish clear classifications for emerging commercial uses, improve consistency in code administration, provide targeted flexibility for building modernization, and clarify implementation of key development standards. Collectively, the amendments will help support economic development, adaptive reuse, and reinvestment in commercial properties while maintaining the City's long-standing planning and compatibility objectives.

Therefore, staff recommends that the Planning Commission adopt the attached Resolution recommending the City Council adopt the proposed Zoning Code Amendment.

ATTACHMENTS

1. Draft Planning Commission Resolution, Title 13 Amendment
Draft City Council Ordinance, Title 13 Amendment
Exhibit A: Chapter 1, Article 2, Definitions
Exhibit B: Chapter IV, Citywide Land Use Matrix
Exhibit C: Chapter V, Development Standards, Article 3 Commercial Districts
Exhibit D: Chapter V, Development Standards, Article 4, Establishments where food and beverages are served
Exhibit E: Chapter VI, Off-Street Parking Standards, Article 2, Nonresidential Districts
Exhibit F: Chapter VI, Off-Street Parking Standards, Article 3, Development Standards
Exhibit G: Chapter IX, Special Land Use Regulations

2. Strikethrough format of the proposed Zoning Code amendments
 - Exhibit A: Chapter 1, Article 2, Definitions
 - Exhibit B: Chapter IV, Citywide Land Use Matrix
 - Exhibit C: Chapter V, Development Standards, Article 3 Commercial Districts
 - Exhibit D: Chapter V, Development Standards, Article 4, Establishments where food and beverages are served
 - Exhibit E: Chapter VI, Off-Street Parking Standards, Article 2, Nonresidential Districts
 - Exhibit F: Chapter VI, Off-Street Parking Standards, Article 3, Development Standards
 - Exhibit G: Chapter IX, Special Land Use Regulations
3. Planning Commission April 13, 2026, Study Session Minutes
4. Excerpt of Draft June 22, 2026 Minutes