



## IRVINE BUSINESS COMPLEX

Please use this Information Sheet to enhance your understanding of City of Irvine Zoning Ordinance Chapter 9-36, Planning Area 36 (Irvine Business Complex) and Chapter 5-8 Irvine Business Complex Residential/Mixed Use Overlay Zone requirements. This section of the Ordinance describes the requirements for development in the Irvine Business Complex, including residential and mixed use development pursuant to the IBC Vision Plan, adopted by the City Council in July 2010. To help facilitate your understanding, definitions are included as part of the Information Sheet for underlined terms. If you have any questions or need further assistance, please contact the Development Assistance Center (DAC) at 949-724-6308.

### INFORMATION SHEET

#### **SECTION A: IRVINE BUSINESS COMPLEX LOCATION**

The Irvine Business Complex (IBC) is designated as Planning Area 36 and is located along the western edge of the City. The planning area is divided into four zoning districts: 5.0 IBC Mixed Use, 5.1 IBC Multi-Use, 5.2 IBC Industrial and 5.3 IBC Residential (The 5.3 IBC Residential zone is no longer applicable for future residential development, but remains in place for existing residential developments within the 5.3 IBC Residential Zone.) The City of Irvine Zoning Ordinance identifies the type of uses permitted and conditionally permitted under each zoning district in Sections 3-37-28 through 3-37-32.

#### **SECTION B: IBC VISION PLAN**

The IBC Residential/Mixed-Use Vision Plan and Overlay Zoning Code development standards ("IBC Vision Plan") have been developed to facilitate the continued evolution of the IBC from solely office, industrial, and commercial uses into a fully mixed-use business and residential community. The IBC Vision Plan, adopted as Element "N" in the City's General Plan, represents policy direction to create a neighborhood framework for the IBC, while the overlay zone and related code amendments create development standards for new residential and mixed-use development to ensure proper integration of these uses into the planned neighborhood framework.

The IBC Vision Plan also sets forth design-related criteria that the City will use as a basis for reviewing future IBC residential and mixed use projects and identifies a number of physical improvements to enhance livability and pedestrian activity in the IBC area.

The IBC Vision Plan project expands residential land use options while maintaining all existing non-residential development rights and entitlements for property owners pursuant to the underlying zoning designations. The IBC Vision Plan established an overlay district that gives property owners an additional option to develop residential units as an alternative to, or in conjunction with, their existing development rights. The overlay district, defined as an "Overlay Zone" in the Zoning Ordinance, permits new residential development within most areas of the IBC where residential development has traditionally occurred. The overlay district provides the flexibility to develop residential units in the areas covered by the overlay. Units are not assigned to specific parcels, rather they are tracked by the City, and may be used by developers on a first come, first-served basis until the maximum number of units is reached. For property owners that choose to develop residential units on their property, a conditional use permit application will be required to be submitted and must be approved by the Planning Commission.

Chapter 9-36 of the Zoning Ordinance allows for a maximum of 15,000 residential units. The maximum units exclude density bonus units as an incentive for affordable housing. Residential units are a conditionally permitted use in the Urban Neighborhood overlay district, as depicted on the map in Chapter 5-8 of the Zoning Code (attached), and are subject to a maximum height of 75 feet. The required minimum density is 30 units per acre. Units are not permitted in the Business Complex overlay district. Units are subject to the development intensity regulations and transferability provisions outlined in Chapter 9-36 of the Zoning Code and summarized in this handout.

Specific development standards for residential/mixed use projects are also outlined in Chapter 5-8 of the Zoning Code. These standards focus on land use compatibility with adjacent uses, and include provisions for development adjacent to

the San Diego Creek, the vicinity of John Wayne Airport, and within 1,000 feet of certain defined users of hazardous materials. The standards also include requirements for air quality hazard mitigation, Green-Point rated building (minimum 50 points), and public safety design criteria. Chapter 9-36-20 also contains additional measures related to greenhouse gas reduction required for all IBC development, as stipulated by the IBC Vision Plan Environmental Impact Report.

In addition to the requirements of the Zoning Ordinance, the IBC Vision Plan includes a set of overall design criteria for new residential/ mixed-use projects, adopted by City Council Resolution 10-81. The criteria are intended to ensure a consistent standard of residential design quality throughout the IBC. Examples of these design criteria include: block sizes, pedestrian access, parking design, building setbacks, building articulation, varying rooflines, and setbacks.

The criteria also outline new criteria for neighborhood park space. A variety of open spaces may now be utilized for neighborhood park amenity credits, including roof gardens and certain types of open courtyards. The criteria stipulate that of the required three acres per 1,000 population dedication for neighborhood parks, two acres should be public and one acre should be private.

## **SECTION C: IBC VISION PLAN REQUIREMENTS FOR NON-RESIDENTIAL PROJECTS**

The primary standards for non-residential development are outlined in Chapter 9-36, and Sections 3-37-28 through 3-37-32. The IBC Vision Plan did not change any existing requirements for non-residential development, with the exception of the addition of Chapter 9-36-20, which outlines additional measures related to greenhouse gas reduction required for all IBC development, as stipulated by the IBC Vision Plan Environmental Impact Report, and Section 9-36-23, which encourages accessory retail uses for non-residential development over 250,000 sq. ft. in size.

## **SECTION D: LAND USE AND DEVELOPMENT INTENSITY MONITORING DATABASE**

The City maintains a database for tracking development intensity within the IBC. This database is called the Irvine Business Complex Land Use and Development Intensity Monitoring Data base (IBC Database). This database is an important tool to help ensure the circulation system serving the IBC area is adequate and to ensure roadway improvements are provided at the appropriate time. The database tracks the amount of square footage built (*Existing*), the available square footage (*Additional Zoning Potential and/or Remaining Approval*) and the maximum amount of square footage allocated (*Total Development Potential and/or Buildout = Existing*) to each parcel within the Planning Area.

The foundation of the database is the number of Development Intensity Values (formerly vehicle trips, as discussed in Section G below) generated by each of the seven (7) general land use designations. The database contains an A.M. peak hour (7:00 - 8:30 a.m.), P.M. peak hour (4:45 - 6:15 p.m.), and an Average Daily Development Intensity Value (24 hour period) for each of the following general land uses: Office, Retail, Industrial, Residential, Hotel, Extended Stay Hotel, and Mini-Warehouse. The adopted data base utilizes square footage allocated to each individual parcel, based upon the most recent building permits issued to that property. The Development Intensity Values for each general land use designation have been applied to each parcel to give the parcel a unique number of Development Intensity Values.

The site-specific *Development Intensity Value Budgets* have been calculated based upon an *Office Equivalency* factor. Office equivalent development refers to the conversion of warehouse, commercial, industrial, lodging and/or other uses permitted within the land use designation to office square footage by applying the appropriate Development Intensity Value generation rate. Each parcel has been allowed to develop up to a 0.25 Floor Area Ratio (FAR) in office equivalency. The calculation is as follows: site acreage x 10,890 = 0.25 (10,890 is 25% of 43,560 square feet per acre). This calculation results in the office square footage (equivalency) maximum for the parcel.

This square footage figure is then used to calculate the maximum number of Development Intensity Values allowed (Development Intensity Values Budget) for the parcel. If the parcel is a vacant piece of land, then this calculation is the adopted Development Intensity Value Budget for the site. If the parcel had a building on it at the time the IBC Database

was adopted (October 27, 1992), then the number of Development Intensity Value being generated (Development Intensity Values Used) was calculated using the appropriate Development Intensity Value generation rates for each land use within the building. If these *Development Intensity Values Used* were more than the Development Intensity Values Budget calculated at a 0.25 FAR of office, these properties were "grandfathered" in at their current allocation of Development Intensity Values Used, and therefore, were "*Built-out*" with no additional potential for expansion. If the Development Intensity Values Used were less than the Development Intensity Values Budget, then these properties were given an office equivalent amount of square footage (Additional Zoning Potential) in order to bring the property up to the maximum allowable 0.25 FAR of office equivalency. These excess Development Intensity Values were then divided by the appropriate Development Intensity Values rate to give a square footage figure for the Additional Zoning Potential.

Development may not exceed the Development Intensity Value Budget established for the parcel(s). Increasing the Development Intensity Value Budget requires a Transfer of Development Rights (TDR). Depending on the extent of the TDR a General Plan Amendment, Zone Change and additional environmental analysis may be required.

## **SECTION E: IBC TRANSPORTATION MITIGATION FEE PROGRAM**

A Transportation Mitigation Fee program was established to fund area-wide circulation improvements within the IBC area. The improvements are required due to potential circulation impacts associated with build-out of the IBC area. Fees are assessed when there is new construction or when there is an increase in square footage within an existing building or the conversion of existing square footage to a more intensive use (e.g., converting industrial use to office use). The Development fees collected are used for circulation improvements and right-of-way acquisition in the IBC area.

The current IBC transportation mitigation fees\* are as follows:

|                      |             |                   |
|----------------------|-------------|-------------------|
| Office:              | \$ 7.42     | per square foot   |
| Industrial:          | \$ 2.05     | per square foot   |
| Mini-Warehouse:      | \$ 1.32     | per square foot   |
| Retail:              | \$ 7.42     | per square foot   |
| Hotel:               | \$ 3,313.00 | per room          |
| Extended Stay Hotel: | \$ 2,045.00 | per room          |
| Residential:         | \$ 2,534.00 | per dwelling unit |

**\*NOTE: Effective July 1, 2019, fees were increased based on Caltrans Cost Construction Index.**

Fees are calculated by multiplying the proposed square footage, dwelling unit or hotel room by the appropriate fee rate. IBC Fees for specific proposed projects are determined by the case planner and forwarded to the Building and Safety Division of the Community Development Department, prior to final approval of a building permit application. The IBC Fees are included with any other applicable fees payable at the time the building permit is issued. The IBC development fees are in addition to any other applicable development processing fees and impact fees such as school district fees.

## **SECTION F: IBC NEIGHBORHOOD INFRASTRUCTURE IMPROVEMENT PROGRAM**

The IBC Vision Plan includes a program of improvements and enhancements to IBC infrastructure and services determined necessary to implement a residential neighborhood framework in the IBC. These improvements are outlined in the City Council staff report for the IBC fee program update dated January 25, 2011.

In addition to the Transportation Mitigation fees, only new residential projects are subject to the following fees, which apply to both base units and any density bonus dwelling units. Pursuant to Section 9-36-15 (H) of the Zoning Ordinance, these fees are adjusted annually based on the Engineering News Record (ENR) Construction Cost Index.

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| UNIT TYPE  | FY 2019-20<br>FEE RATE<br>(per unit) |
|--|--------------------------------------|
| Rental - with required Affordable Housing provided on-site                                       | \$ 6,277.00                          |
| Rental - using menu option for Affordable Housing requirement                                    | \$ 8,159.00                          |
| For Sale - On-Site Affordable Housing - with required Affordable Housing provided on-site        | \$ 14,436.00                         |
| For Sale - Affordable Housing Menu Option - using menu option for Affordable Housing requirement | \$ 16,319.00                         |

## **SECTION G: IBC FEE DEFERRAL PROGRAM**

The payment of IBC fees can be a significant cost to a project. The intent of the IBC Fee Deferral Program is to encourage development in the IBC by deferring the cost of IBC fees through a Letter of Credit (LOC) payable to the City of Irvine within a maximum of two years from the date the first building permit is issued. To be eligible for the Program a property owner must have a development project or a major tenant improvement project consisting of a conversion of land use in which IBC fees have not yet been paid to the City. The program is limited to projects requiring payment of IBC developer fees equal to or greater than one hundred thousand (\$100,000) dollars.

For eligible property owners wishing to participate in the Program, a minimum of 20% of the IBC fee amount must be paid prior to issuance of the first building permit. The remaining 80% of the IBC fee amount, including interest, must be paid prior to the issuance of the first building permit in the form of a LOC payable to the City of Irvine for a maximum term of two years. For interested participants in the Program, a Letter of Agreement must be executed between the property owner and the City agreeing to the terms and conditions of the IBC Fee Deferral Program. The LOC must be in a form, with terms and conditions, consistent with the Letter of Agreement (which can be obtained at the Community Development Department's Development Assistance Center). Prior to execution of the LOC between the property owner and the lending institution, it must be reviewed and determined to be acceptable to the City.

To apply for the IBC Fee Deferral Program the applicant must comply with the following:

1. Submit a Letter of Agreement in conjunction with the building permit application.
2. Submit a Letter of Credit prior to issuance of the first building permit.
3. Pay 20% of the IBC fees due upon issuance of the first building permit.

If you have any questions or want more information about this program, please contact the Development Assistance Center at 949-724-6308. We would be happy to meet with you if desire.

## **SECTION H: DEVELOPMENT INTENSITY (FORMERLY TRIP GENERATION) RATES**

The database identifies the amount of development intensity allocated (development intensity budget) and used for each parcel by address. This intensity was originally established as part of the IBC rezoning in 1992, and at that time, this intensity was measured in terms of vehicle trips for the a.m. and p.m. peak periods, and average daily trips (ADT). Vehicle trips as a measure of intensity were utilized since they generally corresponded with the vehicle trips as defined by the Institute of Traffic Engineers (ITE) and used in the 1992 IBC Traffic Study. However, since that time, the definitions and characteristics of vehicle trips as defined by the ITE for traffic studies has continuously evolved, while the vehicle trips defined in the Zoning Code for IBC intensity have not. To address this difference and to avoid confusion over the use of

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the term "vehicle trips" for determining allowable intensity in the IBC, the Zoning Code amendments adopted as part of The IBC Vision Plan include amendments to Chapter 9-36 to change references from "vehicle trips" to "Development Intensity Values" for purposes of intensity monitoring in the IBC database. The Development Intensity Values of a.m., p.m., and ADT continue to apply as they did prior to adoption of The IBC Vision Plan.

For a project proposal, once the development intensity values to be generated has been calculated, it can be determined if the proposed project exceeds the number of **permitted** DIV's (DIV Budget) for the site.

To determine the number of DIV's generated by a project, the amount of proposed square footage, dwelling units and/or hotel rooms is multiplied by the appropriate DIV rate for A.M., P.M., and ADT (square footage x Development Intensity Value rate = Development Intensity Values used). DIV rates vary for each land use category as follows:

| DIV RATE | OFFICE<br>(per sq. ft.) | RETAIL<br>(per sq. ft.) | INDUSTRIAL<br>(per sq. ft.) | MINI-<br>WAREHOUSE<br>(per sq. ft.) | RESIDENTIAL<br>(per unit) | HOTEL<br>(per room) | EXTENDED<br>STAY HOTEL<br>(per room) |
|----------|-------------------------|-------------------------|-----------------------------|-------------------------------------|---------------------------|---------------------|--------------------------------------|
| A.M.     | .00130                  | .00254                  | .00045                      | .00029                              | .50                       | .42                 | .38                                  |
| P.M.     | .00138                  | .00696                  | .00042                      | .00027                              | .52                       | .68                 | .42                                  |
| ADT      | .01377                  | .08400                  | .00462                      | .00304                              | 6.30                      | 10.00               | 5.14                                 |

The Development Intensity Value Budgets for each individual site are calculated in the same manner and are recorded in the IBC Database. The number of Development Intensity Values used will then be compared to the number of Development Intensity Values allocated for the proposed site (Development Intensity Value Budget) in the database, in order to determine if the proposed project may be developed. If the Development Intensity Values generated by the proposed project exceed the Development Intensity Value Budget for that site, then the proposed development **cannot** occur. Once all the Development Intensity Values allocated in the database are used, no more intensification of development may occur on the site.

## **SECTION I: TRANSFER OF DEVELOPMENT RIGHTS**

An applicant may purchase additional intensity (extra Development Intensity Values) from other sites within the IBC (Planning Area 36) exclusively. This transfer of intensity is called *Transfer of Development Rights* (TDR). Development rights may be transferred from one site to another site in conjunction with a *Master Plan and/or Conditional Use Permit* in conjunction with a defined project. The applicant must submit conceptual project plans, the adjusted Development Intensity Values Budgets for both the sending and receiving sites and any other required information, which describes how the intensity will be used. Zoning Ordinance Section 9-36-18, Transfer of Development Rights, provides a detailed explanation of submittal requirements for this action.

The City has the discretion to permit an applicant to transfer Development Intensity Values. Approval of the transfer by the Planning Commission is based on, at a minimum, its effects on the City infrastructure and services as well as the surrounding circulation system. The City also requires the applicant to submit legal documentation acknowledging agreement between both parties to the Transfer of Development Rights for review by the Director of Community Development and the City's Attorney, prior to submittal of an application for building permits.

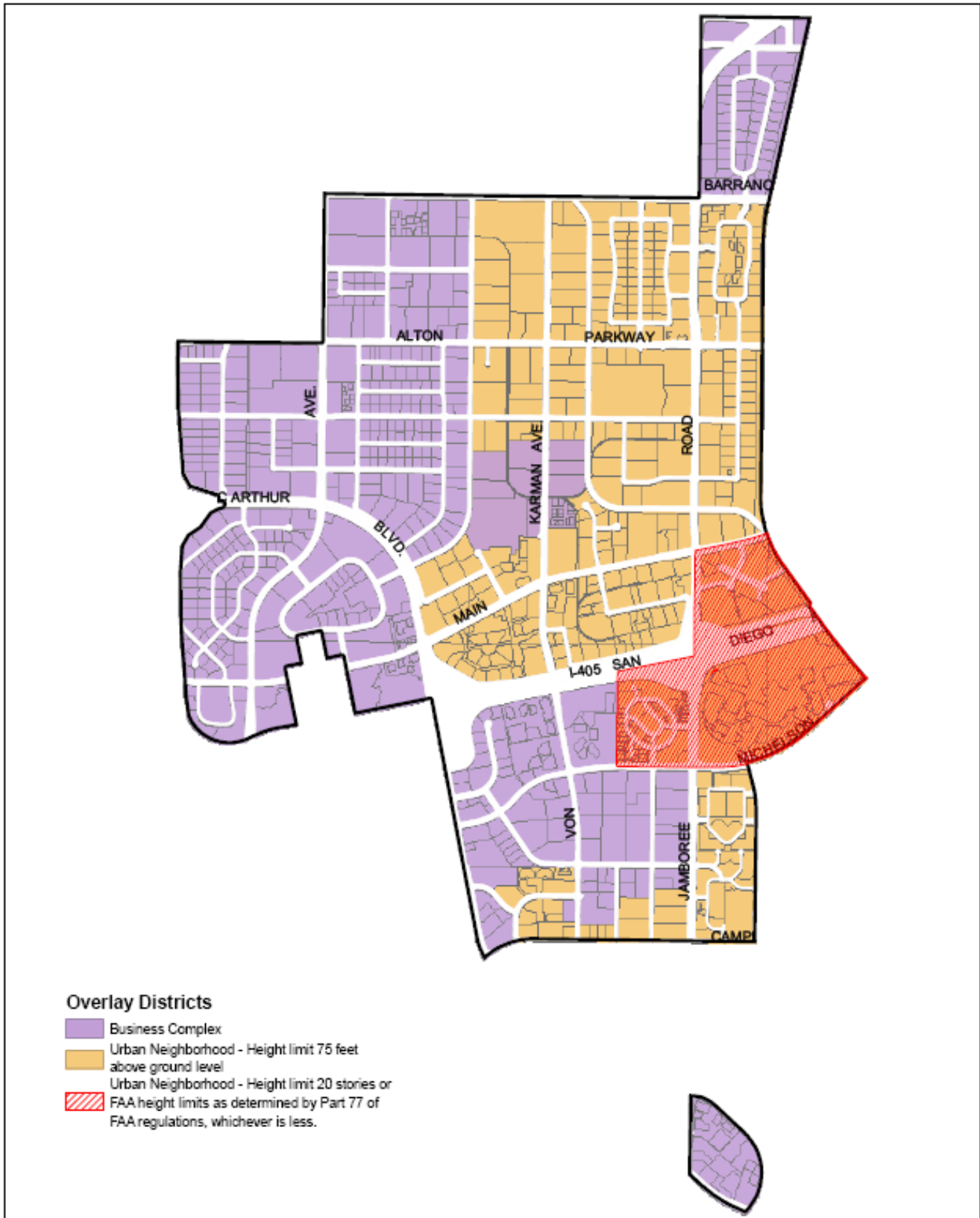
Upon approval by the City for the Transfer of Development Rights through a Master Plan and/or Conditional Use Permit, the applicant is required to pay a fee prior to the issuance of building permits for the receiving site. The fee is calculated as follows:  $500.00 \times \text{Transferred P.M. DIV's} = \text{Total TDR Fee}$

The P.M. DIV's are used in this fee calculation based upon City Council Resolution 93-35. This fee is in addition to other development processing fees, school districts fees and IBC fees, which will be collected at the time of issuance of Building Permits.

## **SECTION J: IBC DATABASE TERMS AND DEFINITIONS**

|   |  |
|---|--|
| <i>Existing:</i>                            | Square footage of an existing building on a parcel/site.   |
| <i>Remaining Approval:</i>                  | The amount of square footage approved under a conditional use permit, master plan, development agreement, etc. for the site. This figure only represents approved square footage.  |
| <i>Additional Zoning Potential:</i>         | The allocated amount of square footage (always in office equivalency) to bring the parcel/site to a 0.25 FAR of office equivalent development. This provides the applicant with an estimate of the amount of pure office square footage that can be added to the site.   |
| <i>Total Development Potential:</i>         | The maximum square footage for the parcel/site. This maximum is comprised of Existing, Remaining Approvals, and Additional Zoning Potential, and may be exceeded depending upon how the Additional Zoning Potential allocation is built (e.g., industrial uses would result in more square footage than office uses because of the lower Development Intensity Value generation rate).   |
| <i>Buildout=Existing:</i>                   | Indicates that the existing building(s) on the site is (are) at or above the .25 FAR of office equivalent development and therefore, no Additional Zoning Potential is allocated to the site.  |
| <i>Amenity Credit:</i>                      | Additional square footage allocated under the previous Zoning Ordinance (1989) for providing extraordinary amenities to the site.  |
| <i>TDR Approval:</i>                        | Transfer of Development Right Approval. This allows the transfer of development rights from one (1) eligible sending site to increase the development potential of an eligible receiving site. The development rights must be transferred in a "block" of office equivalent intensity, which must include the corresponding number of A.M. peak hour, P. M. peak hour and Average Daily Development Intensity Values (formerly trips). |
| <i>Development Intensity Values Budget:</i> | The maximum number of Development Intensity Values allowed for each parcel/site which must include A.M. peak hour, P.M. peak hour and ADT.   |
| <i>Development Intensity Values Used:</i>   | The number of development intensity values currently being generated by each parcel/site. If this number equals the corresponding Development Intensity Value Budget, then the site is deemed to be built-out and has no Additional Zoning Potential.  |
| <i>Master Plan:</i>                         | A Master Plan is required for certain uses to provide for the resolution of major issues associated with the development of certain sites and land uses through discretionary review by the Planning Commission.   |
| <i>Conditional Use Permit:</i>              | A Conditional Use Permit is required for all uses within the City of Irvine where the Zoning Ordinance identifies the land use as "conditionally permitted."   |
| <i>Office Equivalency:</i>                  | Development intensity within Planning Area 36 (IBC) which is based upon Development Intensity Value rates commensurate with office development.  |

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## IBC RESIDENTIAL MIXED USE OVERLAY ZONING CODE REGULATORY PLAN