



## NOTICE OF PREPARATION

**Date:** March 16, 2009  
**To:** Reviewing Agencies and Other Interested Parties  
**Subject:** Notice of Preparation Draft Environmental Impact Report  
**Project Title:** Newport Banning Ranch

The purpose of this Notice of Preparation (NOP) is to notify potential Responsible Agencies (Agencies) that the Lead Agency, the City of Newport Beach, plans to prepare a Program Environmental Impact Report (EIR) for the Newport Banning Ranch Project (Project) and to solicit comments and suggestions regarding (1) the scope and content of the EIR and (2) the environmental issues and alternatives to be addressed in the EIR (California Environmental Quality Act [CEQA] Guidelines §15082). This NOP also provides notice to interested parties, organizations, and individuals of the preparation of the EIR and requests comments on the scope and contents of the environmental document.

As the Lead Agency, the City of Newport Beach requests that Agencies respond to this notice in a manner consistent with CEQA Guidelines §15082(b). The attached summary of the Project's probable environmental effects and alternatives is not an analysis of the Project or its impacts. The Project summary information is intended to provide said Agencies, persons and organizations with sufficient information describing the Project and the environmental issues that will be addressed in the EIR so that meaningful responses and comments can be provided.

The City of Newport Beach requests your careful review and consideration of this notice, and it invites any and all input and comments from interested Agencies, persons, and organizations regarding the preparation of the EIR. Pursuant to CEQA §21080.4, Agencies must submit any comments in response to this notice no later than *30 days after receipt of this notice*. The City will accept comments from other parties regarding this notice through the close of business on April 17, 2009.

All comments or other responses to this notice should be submitted in writing to:

Debby Linn, Contract Planner  
City of Newport Beach  
Planning Department  
3300 Newport Boulevard  
Newport Beach, California 92658

The City of Newport Beach will also accept responses to this notice by e-mail received through the close of business on April 17, 2009. If e-mail comments are submitted with attachments, it is recommended that the attachments be delivered in writing to the address specified above. Virus protection measures and variety of formats for attachments can limit the ability for the attachments to be delivered. E-mail responses to this notice may be sent to [dlinn@city.newport-beach.ca.us](mailto:dlinn@city.newport-beach.ca.us).

All parties that have submitted their names and mailing addresses will be notified of the availability of the Draft EIR. If you wish to be placed on the mailing list, have any questions, or need additional information, please contact the person identified above at (949) 718-1848.

### **Scoping Meeting**

The City will hold a Public Scoping Meeting to solicit comments on the scope of the EIR at 7:00 PM on April 2, 2009, at Newport Beach City Hall, 3300 Newport Boulevard, Newport Beach, California 92658, as required by CEQA Guidelines §15082(c)(1).

## **NEWPORT BANNING RANCH PROJECT SUMMARY**

The Newport Banning Ranch Project (Project) proposes the development of up to 1,375 residential dwelling units, 75,000 square feet of commercial uses, and 75 overnight resort accommodations on a Project site of approximately 401 acres. These uses are consistent with the description of the proposed land uses for this property in the Newport Beach General Plan, adopted by the City and its electorate in 2006. The Project Applicant has submitted applications for a Planned Community Development Plan, a Master Site Plan, a Zoning Code Amendment, and a Vesting Tentative Tract Map to the City for review. More specific information regarding the Project location and setting, existing conditions and the proposed development, including the necessary discretionary approvals, are set forth below.

### **Existing Setting**

The Newport Banning Ranch Project site (Project site) encompasses approximately 401 acres. Approximately 40 acres of the Project site are located within the incorporated boundary of the City of Newport Beach; the remainder of the Project site is within unincorporated Orange County, in the City of Newport Beach's adopted Sphere of Influence, as approved by the Local Agency Formation Commission of Orange County. The entire Project site is within the boundary of the Coastal Zone as established by the California Coastal Act. A regional location map and local vicinity map are provided as Exhibits 1 and 2, respectively.

The Project site is generally bound on the north by Talbert Nature Preserve/Regional Park in the City of Costa Mesa and residential development in the City of Newport Beach; on the south by West Coast Highway and residential development in the City of Newport Beach; on the east by residential, light industrial, and office development in the Cities of Costa Mesa and Newport Beach; and on the west by the U.S. Army Corps of Engineers (ACOE) wetlands restoration area and the Santa Ana River. The City of Huntington Beach is west of the Santa Ana River. At its nearest point, the Project site is less than 0.25 mile inland from the Pacific Ocean. There is no interior public access to the Project site.

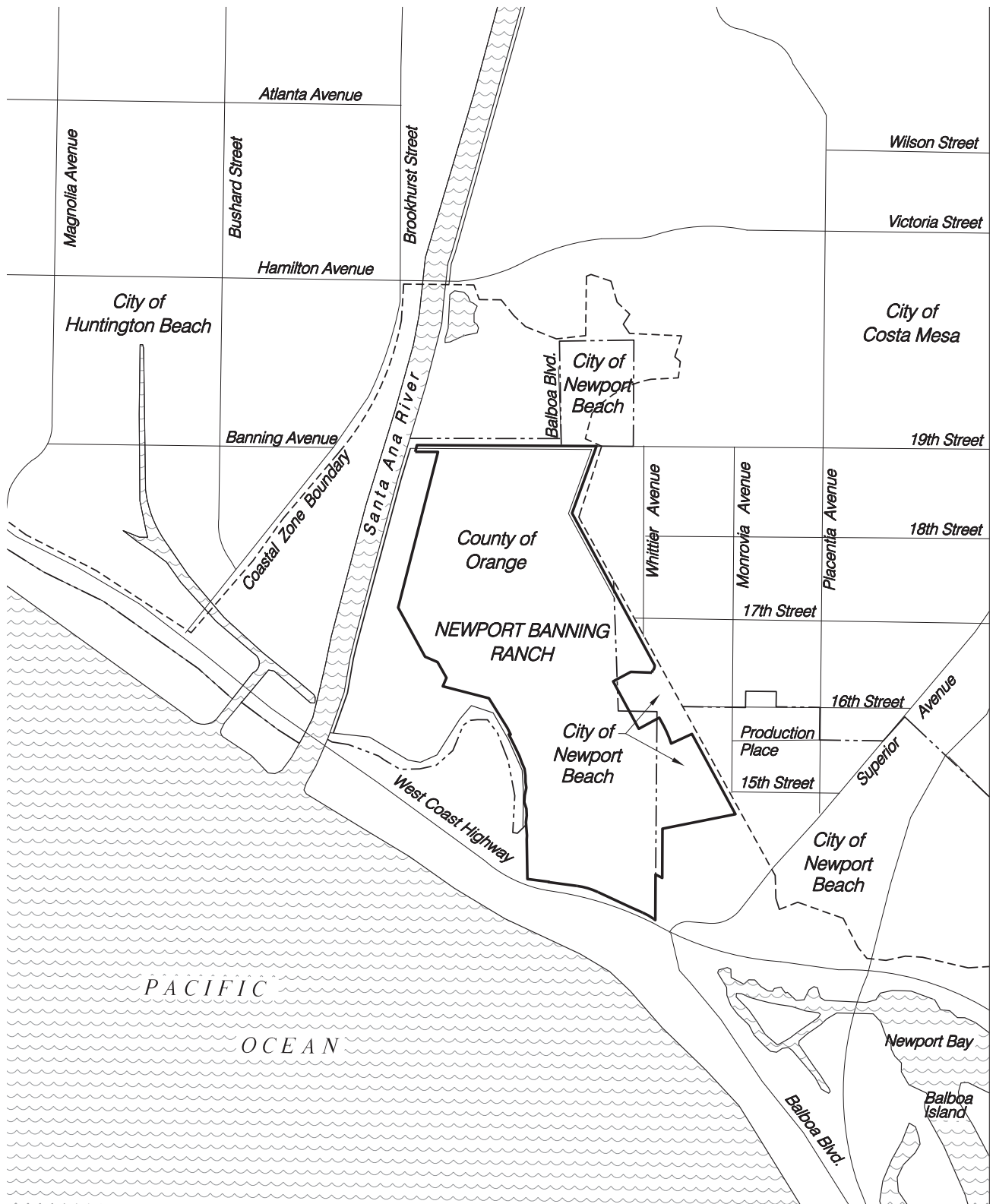
The Project site is primarily undeveloped but has been in active operation as an oil field since the mid-1940s. The Project site contains approximately 500 producing/potentially producing and abandoned oil well sites and related oil facility infrastructure, including but not limited to pipelines, storage tanks, power poles, machinery, improved and unimproved roadways, buildings, and oil processing facilities. Of the approximately 500 oil well sites, the City of Newport Beach operates 16 wells and an oil processing facility proximate to the southwestern boundary of the Project site, accessed from West Coast Highway. West Newport Oil Company, the current operator of the oil field, operates approximately 90 producing/potentially producing oil well sites.

The Project site topography is characterized by lowland and upland mesa areas which generally divide the Project site. From south to north, the site's topography becomes more gradual and transitions to sloping hillsides. The lowland mesa (lowland) areas encompass approximately one-third of the Project site and comprise the northwestern portion of the property. Elevations range from approximately one foot to ten feet above mean sea level (msl). The upper mesa areas comprise approximately two-thirds of the Project site in its southern and eastern portions. Elevations range from approximately 60 feet above msl in the southwestern area to approximately 105 feet above msl in the eastern-central area. Bluffs<sup>1</sup> traverse the Project site; extend along the southwestern and southern edges of the upper mesa portion of the Project

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<sup>1</sup> Per the City of Newport Beach Municipal Code, "bluff" is any landform having an average slope of 26.6 degrees (50 percent) or greater, with a vertical rise of 25 feet or greater.

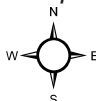




## Local Vicinity Map

## Exhibit 2

Newport Banning Ranch





site; and serve to visually separate the majority of the Project site from West Coast Highway. The upper mesa area contains three arroyos with the southern arroyo being the largest; the middle arroyo being the smaller; and the northern arroyo being the smallest of the three.

Newport Banning Ranch is located adjacent to the Newport-Inglewood Fault, which generally extends from the City of Newport Beach to the City of Inglewood. Splays of the fault have been mapped on the Project site. Proposed habitable structures would be required to be set back from these fault zones pursuant to State guidelines.

Although the Project site has been disturbed by historic and ongoing permitted oil operations and is largely dominated by non-native vegetation, it contains diverse flora and fauna. Native vegetation that remains intact on the Project site consists of several large patches of maritime succulent scrub and southern coastal bluff scrub. This vegetation supports several special status species, including the coastal California gnatcatcher (*Polioptila californica californica*), a federally listed species, and the coastal cactus wren (*Campylorhynchus brunneicapillus couesi*), a California Department of Fish and Game (CDFG) Species of Special Concern. The lowland supports special status plants (e.g., southern tarplant [*Centromadia parryi* ssp. *australis*]) and a number of wetland habitats, including areas of tidal coastal salt marsh that support the State-listed Endangered Belding's savannah sparrow (*Passerculus sandwichensis beldingi*); southern willow scrub; and southern willow forest that support the State and federally listed Endangered least Bell's vireo (*Vireo bellii pusillus*) and a variety of special status nesting raptors. In addition, vernal pools occur on the Project site and may be occupied by the San Diego fairy shrimp (*Branchinecta sandiegoensis*), a federally Endangered species.

The Project site includes aquatic habitat areas that fall under the jurisdiction of the ACOE and the CDFG streambed protection program. The Project site also includes areas that may be defined and regulated under the California Coastal Act (CCA) as either wetlands or environmentally sensitive habitat areas (ESHAs) and may be defined by the City of Newport Beach Coastal Land Use Plan (CLUP) as an Environmental Study Area (ESA). The Project site contains areas of upland scrub communities, as well as riparian and wetland habitat.

### **Surrounding Land Uses**

As depicted on Exhibit 3, the Project site is generally bound by the land uses listed below.

**North:** Talbert Nature Preserve, an approximately 180-acre County of Orange nature preserve and wilderness park facility located in the City of Costa Mesa.

Newport Terrace, a residential development located in the City of Newport Beach.

**South:** West Coast Highway, a State highway.

Lido Sands, a single-family residential community in the City of Newport Beach, located south of West Coast Highway.

Single-family and multi-family residential units located south of Lido Sands within West Newport Beach.

**East:** Residential developments, including the California Seabreeze community, located generally between 19<sup>th</sup> Street and 18<sup>th</sup> Street contiguous to the Project site in the City of Costa Mesa.



## Surrounding Land Uses

## Exhibit 3

Newport Banning Ranch



Uses that transition from residential to light industrial and office located between 18<sup>th</sup> Street and Newhall Street.

A Newport-Mesa Unified School District-owned parcel adjacent to the Project site. The parcel, located predominantly in the City of Newport Beach, is used for storage.

A City of Newport Beach Utilities Yard accessed from West 16<sup>th</sup> Street.

Between 16<sup>th</sup> Street and 15<sup>th</sup> Street, uses adjacent to the Project site include Carden Hall, a private school for kindergarten through 8<sup>th</sup> grade, office uses, and light industrial uses.

Additional residential uses south of 15<sup>th</sup> Street, including the condominium developments of Newport Crest, Newport Knolls, and Seawind Newport in the City of Newport Beach.

The City of Newport Beach's proposed Sunset Ridge Park, located contiguous to the Project site's southeastern boundary.

**West:** Santa Ana River. West of the Santa Ana River is the City of Huntington Beach.

Semeniuk Slough (Oxbow Loop). The Semeniuk Slough is a remnant channel of the Santa Ana River that branches off the Santa Ana River and receives runoff from the adjacent oil fields, wetlands, and upper mesa areas including the Cities of Newport Beach and Costa Mesa.

Approximately 92 acres of ACOE-restored wetlands (full tidal wetlands) border the westernmost and southwestern portions of the Project site and are adjacent to the Santa Ana River. This area is a part of the Santa Ana River Flood Control Project.

Newport Shores, a 440-home residential community in the City of Newport Beach, abutting the Project site to the southwest.

### **Property Owner**

Newport Banning Ranch, LLC is the Project Proponent and Project Applicant.

### **General Plan Land Use**

The General Plan Update was adopted by the City Council on July 25, 2006, and approved by the voters on November 6, 2006. The *City of Newport Beach General Plan* establishes criteria and standards for land use development in the City as well as its Sphere of Influence. The Project site is designated as Open Space/Residential Village (OS[RV]). The OS(RV) land use designation allows for both a Primary Use (open space) and an Alternative Use (residential village) of the Project site as described below:

#### *Primary Use:*

*“Open Space, including significant active community parklands that serve adjoining residential neighborhoods if the site is acquired through public funding.”*



## Alternative Use:

*“If not acquired for open space within a time period and pursuant to terms agreed to by the City and property owner, the site may be developed as a residential village containing a mix of housing types, limited supporting retail, visitor accommodations, school, and active community parklands, with a majority of the property preserved as open space. The property owner may pursue entitlement and permits for a residential village during the time allowed for acquisition as open space.”*

As the open space acquisition option is described in the General Plan, it would include consolidation of oil operations; restoration of wetlands; the provision of nature education and interpretative facilities and an active park containing playfields and other facilities to serve residents of adjoining neighborhoods; and the construction of the north-south Primary Arterial<sup>2</sup> extending from Coast Highway to a connection with an east/west arterial roadway.

If, however, the property is not acquired for open space within a time period and pursuant to terms agreed to by both the City and property owner, the Project site could be developed as a residential village containing a mix of housing types, limited supporting retail, visitor accommodations, a school, and active community parklands with a majority of the property preserved as open space. The General Plan identifies the maximum intensity of development allowed on the property to include 1,375 residential units, 75,000 square feet of retail commercial uses oriented to serve the needs of local and nearby residents, and 75 hotel rooms in a small boutique hotel or other type of overnight visitor accommodation.

A majority of the Project site is located in the unincorporated Orange County area with a General Plan designation of “Open Space”. As a part of the Project, these unincorporated areas would be annexed to the City.

The proposed Project would allow for the development of up to 1,375 residential units, 75,000 square feet of retail commercial uses, and 75 hotel rooms consistent with General Plan designated “Alternative Use” for the Project site.

## Proposed General Plan Amendment

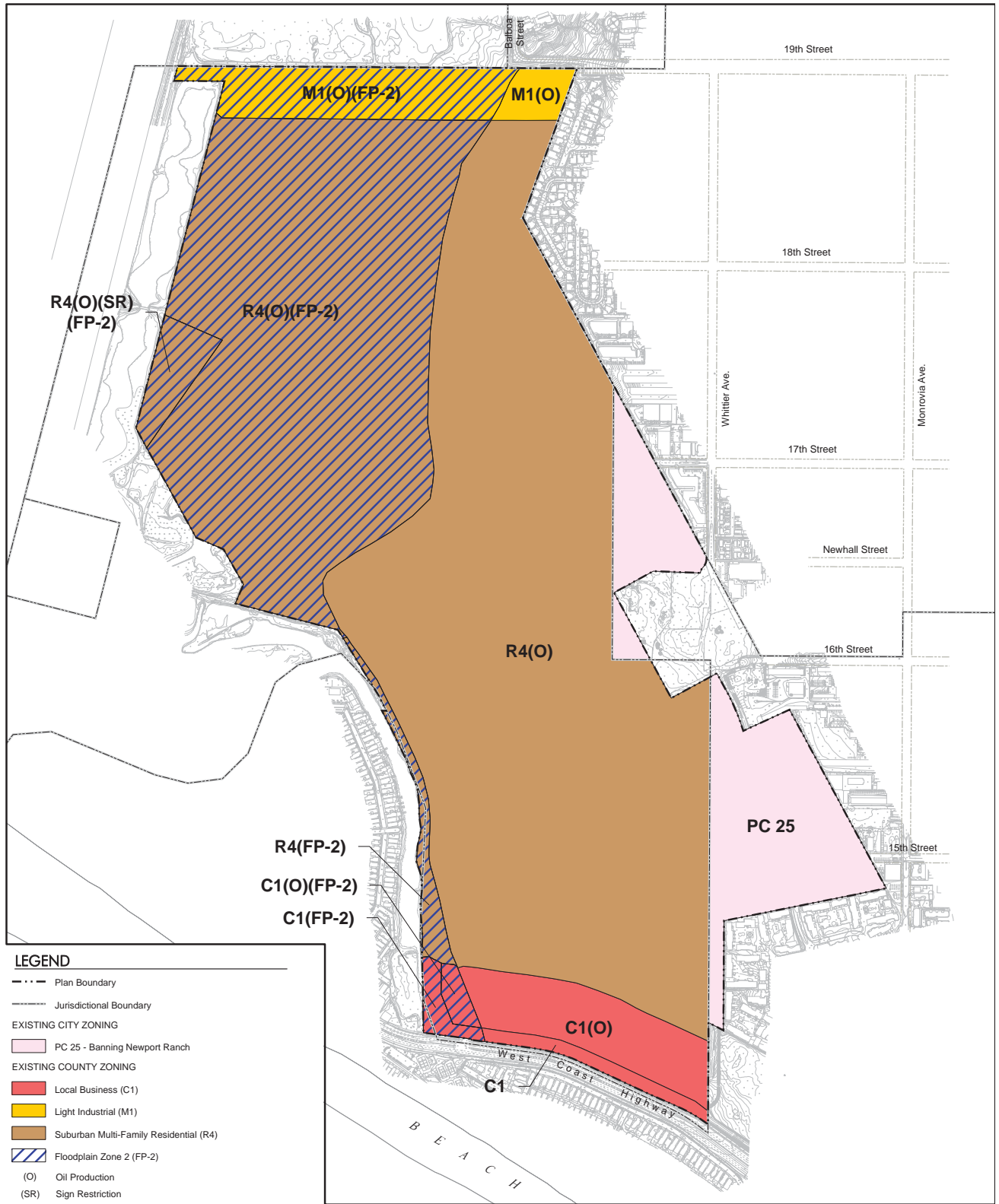
The Project may require an amendment to the General Plan Circulation Element Master Plan of Streets and Highways. The General Plan Master Plan of Streets and Highways depicts a future Primary Arterial through Newport Banning Ranch from West Coast Highway to 15<sup>th</sup> Street. The Project Applicant is proposing to reserve right of way that would allow for the future construction of this road from West Coast Highway connecting to 16<sup>th</sup> Street instead of 15<sup>th</sup> Street. The construction of the road is not proposed as a part of the Newport Banning Ranch Project. This change in proposed alignment of the road as well as other refinements to the circulation system may require an amendment to the Circulation Element Master Plan of Streets and Highways. It is also anticipated that these changes may require a corresponding amendment to the Orange County Master Plan of Arterial Highways.

## Existing Zoning

The existing zoning designations for the Project site are depicted in Exhibit 4. The approximate 40-acre portion of the Project site located within the jurisdictional boundaries of the City of Newport Beach is zoned “Planned Community District 25” (PC-25). The City of Newport Beach

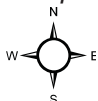
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<sup>2</sup> **Primary Arterial**—A primary arterial highway is usually a four-lane, divided roadway. A primary arterial is designed to accommodate 30,000 to 45,000 Average Daily Trips (ADT) with a typical daily capacity of 34,000 vehicles per day (VPD) (Source: City of Newport Beach General Plan Circulation Element).



## Existing Zoning

Newport Banning Ranch



Municipal Code §20.35.010 states that a PC District is intended to “Provide for the classification and development of parcels of land as coordinated, comprehensive projects so as to take advantage of the superior environment which can result from large-scale community planning...Include various types of land uses, consistent with the General Plan, through the adoption of a development plan and text materials which set forth land use relationships and development standards”. The boundary of the existing Planned Community District (PC-25) includes this portion of the Project site as well as parcels outside the boundaries of the Project site including the Newport-Mesa Unified School District parcel. PC-25 zoning permits residential and professional office/light industrial uses.

The remaining approximately 361 acres of the Project site are located in unincorporated Orange County and within the City’s Sphere of Influence. This portion of the Project Site has not been zoned by the City and retains County zoning designations. County zoning for the Project site includes several zoning districts that permit residential, commercial, and light industrial/employment uses. Approximately 319 acres are zoned for R-4 Suburban Multi-family residential uses, approximately 23 acres area zoned for C-1 Local Business commercial uses, and approximately 19 acres for M1 Light Industrial employment uses. Overlay zones, including Oil Production, Sign Restriction, and Floodplain Zone 2 apply to portions of the property. The R-4 Zone permits one dwelling unit for each 3,000 square feet of net land area (i.e., approximately 14.5 dwelling units/acre [du/ac]).

### **Proposed Zoning**

The proposed Project includes a request for the approval of a Zone Change to change the zoning of the Project site to the Newport Banning Ranch Planned Community (NBRPC) Zoning District. The Project Applicant has submitted the Newport Banning Ranch Planned Community Development Plan in support of the requested zone change. The proposed Newport Banning Ranch Planned Community Development Plan: a) provides zoning regulations for the entire Project site and b) serves as pre-annexation zoning for that portion of the Project site within the City’s Sphere of Influence. Pursuant to annexation by the City of the Project site within the City’s Sphere of Influence, the NBRPC would serve as zoning upon annexation of this area. As a part of the proposed Planned Community Development Plan, the Project Applicant has proposed an amendment to the City of Newport Beach Municipal Code Chapter 20.65, Height Limits, to permit a maximum building height within the NBRPC area of 50 feet for the Visitor-Serving Resort and Residential Districts and a maximum of 65 feet for the proposed Mixed-Use/Residential Land Use District.

Upon approval by the City, the NBRPC zoning would replace the PC-25 zoning as it applies to the Project site.

### **Relationship to California Coastal Act**

The City’s certified Coastal Land Use Plan (CLUP) designates the Project site as a Deferred Certification Area (DCA) due to the fact that it is largely outside the City’s incorporated boundary; as such, a project plan is necessary in order to address land use, public access, and the protection of coastal resources.

Neither the City of Newport Beach nor the County of Orange has a certified Local Coastal Program for the Newport Banning Ranch site. The City does not have a certified Implementing Actions Program as part of its Local Coastal Program and, therefore, does not have the authority to issue Coastal Development Permits.

## **Proposed California Coastal Act Compliance**

Should the City approve the PC zoning, a master site plan, a vesting tentative tract map and a pre-annexation development agreement between the City and the Developer, the Project Applicant will request approval of a corresponding Coastal Development Permit from the California Coastal Commission. It is anticipated that the Coastal Development Permit would include approval of the master site plan, vesting tentative tract map, and pre-annexation development agreement.

## **Description of Project**

The Project proposes up to 1,375 residential dwelling units, 75,000 square feet of commercial uses, and 75 visitor serving resort accommodations. The proposed Master Land Use Plan is depicted on Exhibit 5 and a statistical summary describing the Development Plan is provided as Table 1.

## **Disposition of Oil Facilities**

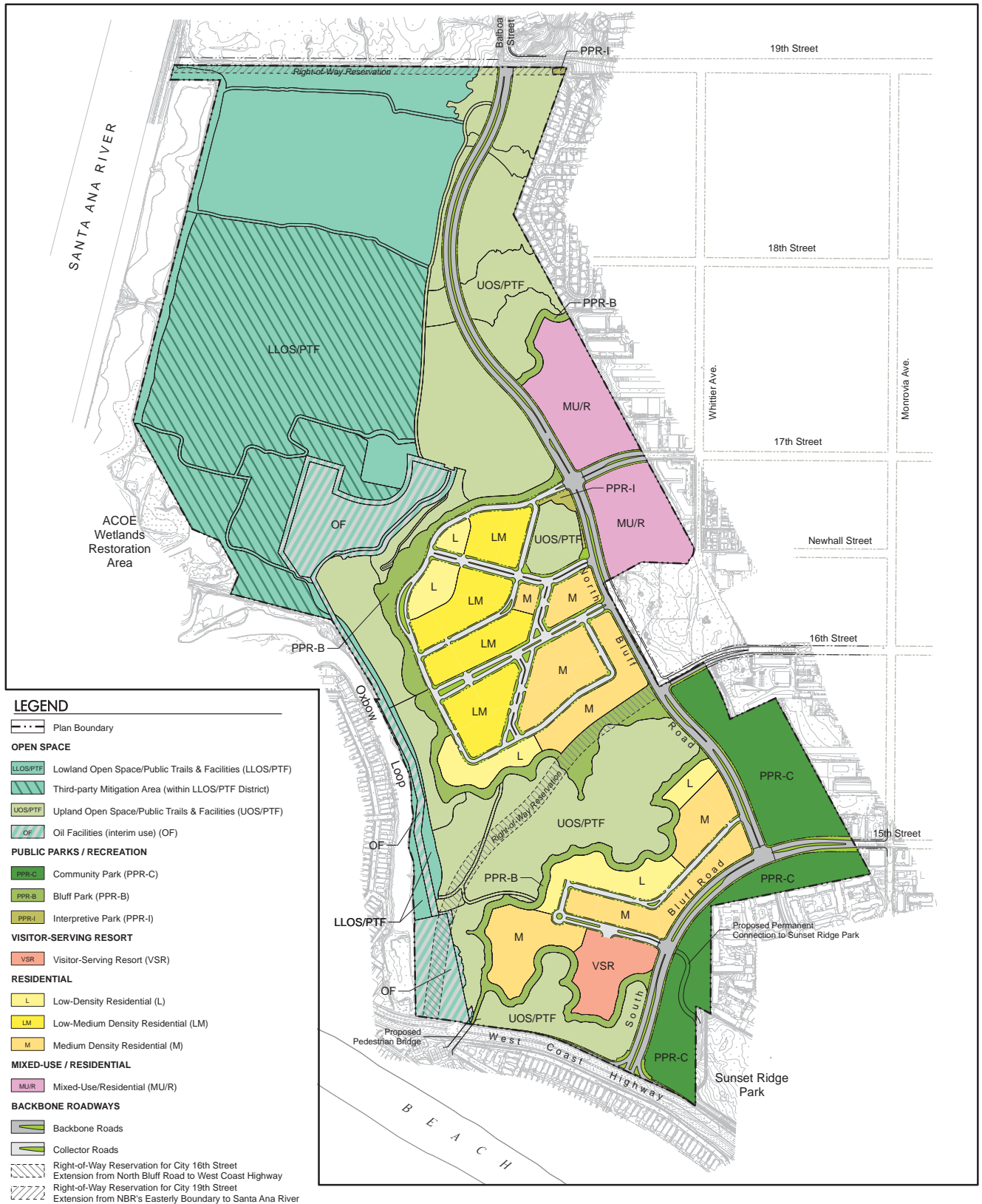
To allow for the implementation of the Project, existing oil wells that are located within proposed development and open space areas would be abandoned and these areas would be remediated. No active wells would be retained within these areas. All producing/potentially producing and abandoned oil well sites would be abandoned and/or re-abandoned in compliance with State and local regulatory requirements. Oilfield tanks, equipment, pipelines, structures, roadways, and related facilities would be demolished and removed from the Project site. Soil impacted by oil operations would be remediated to applicable oversight agency standards. It is anticipated that a certain percentage of the soil/material from the oil remediation and oil well closure process would not be recyclable or suitable for use on site and would be exported for proper disposal at permitted facilities.

The following provides a summary description of the Land Use Districts.

## **Residential District**

The Project proposes approximately 68 of the 401 acres for development of 569 residential dwelling units. As identified in Table 1, of the 569 residential units, 57 units are proposed as Low Density Residential (L); 163 units are proposed as Low-Medium Residential (LM); and 349 units are proposed as Medium Density Residential (M). The proposed Residential District would allow for a range of housing types and densities to address a range of income levels and lifestyles. A mix of housing types would be provided, including single-family detached, single-family attached, and multi-family units. Residential development would be sited in the southern and central portions of the Project site (Exhibit 5) and developed as smaller village areas with a variety of architectural styles and product types. The proposed PC zoning includes provisions allowing for the transfer of residential units within the Residential District or between Residential areas and Mixed-Use/Residential Land Use areas in accordance with the provisions of the proposed Planned Community Development Plan which require that the transfer not result in an increase of more than 15 percent of the total number of Planned Dwelling Units established for the Land Use District, that the total number of dwelling units within the Mixed Use/Residential District does not exceed the number of Planned Dwelling Units for that district, and provided the total number of units does not exceed 1,375.





## Conceptual Master Land Use Plan

Newport Banning Ranch



**TABLE 1**  
**NEWPORT BANNING RANCH STATISTICAL SUMMARY**

Land Use District		Gross Acres <sup>a</sup>	Planned Dwelling Units <sup>b</sup>	Maximum Permitted Commercial (sf)	Maximum Permitted Overnight Accommodations (Rooms)
<b>Open Space</b>					
LLOS/PTF	Lowland Open Space/Public Trails and Facilities <sup>d</sup>	131	—	—	—
UOS/PTF	Upland Open Space/Public Trails and Facilities <sup>c, d</sup>	92	—	—	—
OF	Consolidated Oil Facilities (interim use) <sup>c</sup>	20	—	—	—
<b>Subtotal Open Space</b>		<b>243</b>	—	—	—
<b>Parks/Recreation</b>					
PPR-C	Community Park	25	—	—	—
PPR-B	Bluff Park <sup>c, d</sup>	19	—	—	—
PPR-I	Interpretive Parks <sup>d</sup>	1	—	—	—
<b>Subtotal Public Parks/Recreation</b>		<b>45</b>	—	—	—
<b>Visitor-Serving Resort</b>					
VSR	Visitor-Serving Resort	5	—	—	75
<b>Subtotal Visitor-Serving Resort</b>		<b>5</b>	—	—	<b>75</b>
<b>Residential<sup>f</sup></b>					
L	Low Density Residential (up to 8 DU/Ac)	13	57	—	—
LM	Low-Medium Density Residential (up to 16 DU/Ac)	21	163	—	—
M	Medium Density Residential (up to 24 DU/Ac)	34	349	—	—
<b>Subtotal Residential</b>		<b>68</b>	<b>569</b>	—	—
<b>Mixed-Use/Residential<sup>f</sup></b>					
MU/R	Mixed-Use/Residential	18	806	75,000	—
<b>Subtotal Mixed-Use/Residential</b>		<b>18</b>	<b>806<sup>g</sup></b>	<b>75,000<sup>h</sup></b>	—
<b>Total Land Use Districts</b>					
		<b>379</b>	<b>1,375<sup>i</sup></b>	<b>75,000<sup>h,g</sup></b>	<b>75</b>
<b>Backbone Roadways</b>					
—	North Bluff Road	14	—	—	—
—	South Bluff Road	5	—	—	—
—	15 <sup>th</sup> Street	1	—	—	—
—	16 <sup>th</sup> Street	1	—	—	—
—	17 <sup>th</sup> Street	1	—	—	—
<b>Total Backbone Roadways</b>		<b>22</b>	—	—	—
<b>Total</b>					
		<b>401 acres</b>	<b>1,375 du<sup>i</sup></b>	<b>75,000 sf<sup>h</sup></b>	<b>75 rooms</b>

**TABLE 1 (Continued)**  
**NEWPORT BANNING RANCH STATISTICAL SUMMARY**

Land Use District	Gross Acres <sup>a</sup>	Planned Dwelling Units <sup>b</sup>	Maximum Permitted Commercial (sf)	Maximum Permitted Overnight Accommodations (Rooms)
<p>sf: square feet DU: dwelling unit Ac: acre</p> <p><sup>a</sup> Gross acres are rounded to the nearest whole number and are typically measured to centerlines of adjacent local road rights-of-way where such roads are shown on the plan (Exhibit 5). Refinements to the gross acres within each Land Use District are permitted subject to the criteria set forth in the proposed Newport Banning Ranch PC Development Plan.</p> <p><sup>b</sup> Planned dwelling units may be transferred from one Residential or Mixed-Use/Residential Land Use District to another in accordance with the provisions of the Newport Banning Ranch PC Development Plan, provided the transfer does not result in an increase of more than 15% of the total number of Planned Dwelling Units established for the Land Use District.</p> <p><sup>c</sup> The right-of-way reservation for the 16<sup>th</sup> Street extension, from North Bluff Road to West Coast Highway, encompasses approximately 7 acres, including approximately 2 acres of the Bluff Park District, 3 acres of the Upland Open Space/Public Trails and Facilities District, and 2 acres of the Oil Facilities District.</p> <p><sup>d</sup> The right-of-way reservation for the 19<sup>th</sup> Street Extension from Newport Banning Ranch's easterly boundary to the Santa Ana River encompasses approximately 3 acres, including less than 1 acre (approximately 0.5 acre) of the Upland Open Space/Public Trails and Facilities District, less than 1 acre (approximately 0.1 acre) of the Interpretive Parks District, and approximately 2 acres of the Lowland Open Space/Public Trails and Facilities District.</p> <p><sup>e</sup> Gross acres for the Bluff Park District and Interpretive Parks District may include fuel management zones, interpretive trails and facilities, and landscape focal points and greens.</p> <p><sup>f</sup> Gross acres for Residential Districts and the Mixed-Use/Residential District may include fuel management zones, privately owned and maintained parks and recreation facilities, and landscape focal points and greens.</p> <p><sup>g</sup> For the Mixed-Use/Residential District, the number of Planned Dwelling Units is the same as the maximum number of permitted dwelling units.</p> <p><sup>h</sup> Up to 2,500 square feet of commercial uses may be transferred to a Residential Land Use District in accordance with the provisions of Chapter 3, "Land Uses and Development Standards", of the Newport Banning Ranch PC Development Plan, provided the total area of commercial uses for the Planned Community does not exceed 75,000 sf.</p> <p><sup>i</sup> A maximum 1,375 dwelling units are permitted within the Newport Banning Ranch PC Development Plan irrespective of maximum permitted dwelling units for individual Land Use Districts within the Newport Banning Ranch PC Development Plan.</p>				

### Mixed-Use/Residential District

The Mixed-Use/Residential District (MU/R) (High Density, up to 46.0 du/ac provides for the development of up to 806 units and 75,000 square feet of retail uses on 18 acres on the eastern side of North Bluff Road north and south of 17<sup>th</sup> Street, adjacent to the City of Costa Mesa. The MU/R District permits residential development with the potential for lofts, live-work units vertically and/or horizontally integrated with retail uses. The proposed Project includes an application for an amendment to the City's Municipal Code to allow a maximum height of 65 feet in portions of the MU/R District of the NBRPC.

Up to 75,000 square feet of retail development are proposed in this District. Neighborhood commercial uses are proposed to serve on-site residents and nearby off-site residents.

### Affordable Housing

Affordable housing units are proposed as a part of the Project, and would likely be developed within the Mixed-Use Residential District. The City of Newport Beach requires that projects of more than 50 units prepare an Affordable Housing Implementation Plan (AHIP) that specifies how the development will meet the City's affordable housing goal.

### Visitor-Serving Resort District

A Visitor-Serving Resort (VSR) is proposed on approximately five acres of the Project site. Consistent with the General Plan, the resort could have a maximum of 75 guest rooms. Resort

amenities could include but not be limited to restaurants, shops, a fitness center, a swimming pool, a health spa, conference facilities, and banquet rooms.

### **Open Space District**

The proposed Project designates approximately 243 of the Project site's 401 acres for Open Space uses. The Open Space District comprises three categories: (1) Lowland Open Space/Public Trails and Facilities (LLOS/PTF); (2) Upland Open Space/Public Trails and Facilities (UOS/PTF); and (3) Consolidated Oil Facilities (OF).

Approximately 131 acres are designated as LLOS/PTF. The LLOS/PTF area is generally located in the northwestern portion of the Project site and is contiguous to the ACOE Wetlands Restoration Area. This LLOS/PTF area would include wetland restoration areas, water detention and cleansing areas, public interpretive trails and viewpoints, and habitat conservation areas. The LLOS/PTF area includes an approximately 75-acre area designated as a "Third-party Mitigation Area" to be used by entities outside of the Project site for restoration and/or payment for restoration in exchange for compensation for impacts from projects outside Newport Banning Ranch.

Approximately 92 acres are designated as the UOS/PTF area extending from the northern to southern boundary of the Project site both east and west of Bluff Road. This area includes land that would be retained in open space, areas for habitat and wetlands restoration, and areas for public interpretive trails and viewpoints. Trails in this area would connect to trails in the Lowland Open Space, public parks and trails on the site and off site, and proposed residential areas within Newport Banning Ranch.

Approximately 20 acres are designated OF for use as an oil production facilities consolidation area. All existing oil wells that are located within proposed development and other open space areas would be abandoned and remediated on the 20-acre OF area. No active wells outside the consolidated oil facilities sites would be retained. As a part of the Project, oil operations would continue to be allowed within the OF area within two consolidation sites connected by a non-exclusive joint-use easement oil access road. One site is located in the southwestern corner of the property with access from West Coast Highway. The second site is located in the central portion of the Project site contiguous to the Lowland Open Space (LLOS/PTF). Upon cessation of all oil operations, the two consolidated oil operations areas would be remediated, abandoned, and restricted to open space uses.

The Project Applicant proposes that all Open Space areas be reserved as open space in perpetuity through an irrevocable offer(s) of dedication, deed restrictions or conservation easements over all designated open space and dedicated to a public agency or offered to a qualified non-profit organization in a phased program that would be implemented after receiving all local, State, and federal approvals needed to complete the Project. Much of the Open Space consists of degraded habitat that would need to be restored to increase its function and value. Some restoration would occur as mitigation for Project impacts; some would be undertaken above and beyond mitigation requirements as part of the Project's design; and a portion of the open space would be available for restoration by third parties or on behalf of third parties to mitigate for impacts associated with projects outside the Project site.

### **Parks/Recreation District**

The proposed Project includes 45 acres for a Parks/Recreation District, including 25 acres for a Public Community Park, 19 acres for a privately owned and publicly accessible Bluff Park, and

1 acre for a privately owned and publicly accessible Interpretive Park. The parks proposed as part of the Project are described below.

**Community Park.** Approximately 25 acres are proposed for a Public Community Park to include passive and active park and recreational uses for both surrounding communities and future residents of Newport Banning Ranch. The Community Park site is proposed east of Bluff Road from West Coast Highway to 16<sup>th</sup> Street. Potential park uses could include sports fields, hard courts (basketball and/or tennis), tot lot(s), open-play turf areas, picnic facilities, trails, and parking.

**Bluff Park.** Approximately 19 acres are proposed for a privately owned and maintained Bluff Park to include approximately 2 linear miles of public trails and vista points available for public use. Seating and interpretive signage would be provided at major viewpoints.

**Interpretive Parks.** Approximately one acre is proposed for Interpretive Parks to include a vernal pool preservation area (located southwest of the proposed intersection of Bluff Road at 17<sup>th</sup> Street) and the proposed Talbert Trailhead Staging Area (located at the northeastern corner of the Project site). The vernal pool interpretive area could include signage kiosks and displays. The Talbert Trailhead/Staging Area would provide public access to a regional network of on- and off-site nature trails via a trail through the Upland Open Space. Public parking is proposed on site and off site along the southern side of 19<sup>th</sup> Street. The Interpretive Parks are planned to be privately owned and maintained but accessible to the public.

## Circulation

Public access to the Project site does not currently exist. Access to oil operations is provided from West Coast Highway in the City of Newport Beach and from 17<sup>th</sup> Street in the City of Costa Mesa.

**West Coast Highway.** The primary entrance to the Project site is proposed from West Coast Highway, a Major Arterial.<sup>3</sup> Construction of the planned intersection into the Project site from West Coast Highway consistent with the standards of the City of Newport Beach General Plan Circulation Element and the Orange County Master Plan of Arterial Highways may require the widening of a portion of the northern side of West Coast Highway from Superior Avenue to a point west of the Project site. Because West Coast Highway is a State Highway, California Department of Transportation (Caltrans) approvals would be required.

**Bluff Road.** As a part of the Project, Bluff Road would be constructed from a southern terminus at West Coast Highway to a northern terminus at 19<sup>th</sup> Street. The City of Newport Beach General Plan Circulation Element and the Orange County Master Plan of Arterial Highways depict a north-south roadway through the Project site in this general location. The City's Circulation Element designates this roadway as a Primary Arterial.

Bluff Road would serve as the primary roadway through the Project site, would intersect with the proposed extensions of 15<sup>th</sup> Street, 16<sup>th</sup> Street and 17<sup>th</sup> Street within the Project site, and would connect to 19<sup>th</sup> Street to the north. The intersection of 19<sup>th</sup> Street at Balboa Boulevard would be reconfigured to accommodate Bluff Road. The implementation of Bluff Road may be phased.

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<sup>3</sup> **Major Arterial**—A Major Arterial highway is typically a six-lane, divided roadway that is designed to accommodate 45,000 to 67,000 ADT with a typical daily capacity of 51,000 vehicles per day (VPD). Major arterials carry a large volume of regional through traffic not handled by the freeway system (Source: City of Newport Beach General Plan Circulation Element).

Access into the City of Newport Beach's proposed Sunset Ridge Park is proposed from Bluff Road within the Project site. An interim connection from Bluff Road through the Project site connecting to Sunset Ridge Park may be constructed as a part of the Sunset Ridge Park project. This connection will be identified as a part of the proposed Sunset Ridge Park Project.

**15<sup>th</sup> Street.** 15<sup>th</sup> Street is designated as a Primary Arterial in the City's General Plan. Currently, 15<sup>th</sup> Street does not connect to the Project site. The extension of 15<sup>th</sup> Street from the Project site to Monrovia Avenue is proposed as a part of the Project. In order to extend 15<sup>th</sup> Street as proposed, the City would need to obtain the necessary right-of-way.

**16<sup>th</sup> Street.** The extension of 16<sup>th</sup> Street from its existing terminus at the City of Newport Beach Utilities Yard to the Project site is proposed as a part of the Project. This off-site improvement to 16<sup>th</sup> Street would be partially constructed on Newport-Mesa Unified School District property and be within the right-of-way easement provided for the City of Newport Beach Utilities Yard to join the existing roadway at the easterly School District property line.

**17<sup>th</sup> Street.** In the Project vicinity, 17<sup>th</sup> Street is designated as a Secondary Arterial.<sup>4</sup> 17<sup>th</sup> Street currently terminates at the boundary of the Project site and would be extended through the site to connect with the proposed construction of North Bluff Road.

**Non-Vehicular Circulation.** The proposed Project includes footpaths, trails, and on-street and off-street bike trails. Trail connections would connect to the existing Santa Ana River Regional Trail System. A pedestrian bridge over West Coast Highway with a landing in West Newport Park is proposed to provide connectivity from the beach through the Project site to existing Santa Ana River trail connections and the Talbert Nature Preserve to the north. Since West Coast Highway is a State Highway, Caltrans approvals would be required for the pedestrian bridge.

## Utilities

Both on-site and off-site utility connections and improvements would be required to serve the proposed Project. Utilities necessary to serve the Project include but are not limited to domestic water, wastewater collection and disposal, electricity, gas, telephone, and cable television.

Reclaimed water facilities do not exist in the vicinity of the Project site. As a part of the Project, the Project Applicant may provide a separate, on-site water system to irrigate the parks, open space, and common areas. The separate system would be built to reclaimed water standards but initially be connected to the domestic system. At a time when reclaimed water is available, the system could be disconnected from the domestic potable water system and connected to the reclaimed water line.

## Grading

It is anticipated that approximately 1,200,000 cubic yards (cy) of excavation would be required as part of site development. Cuts would generally vary from 1 foot to 10 feet but may be up to 25 feet; fill would generally vary from 1 foot to 30 feet, but could reach up to 60 feet in limited

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<sup>4</sup> **Secondary Arterial**—A Secondary Arterial highway is a four-lane roadway (often undivided) that distributes traffic between local streets and Major or Primary arterials. Although some Secondary arterials serve as through routes, most provide more direct access to surrounding land uses than Principal, Major, or Primary Arterials. Secondary arterials carry a daily capacity ranging from 20,000 to 30,000 ADT with a typical daily capacity of 23,000 VPD (Source: City of Newport Beach General Plan Circulation Element).

areas. Approximately 1,600,000 cy of additional, corrective/remedial grading is anticipated to implement geotechnical/soils recommendations.

### **Bluff Restoration**

The bluff/slope edge has been eroded as a result of pipeline crossings related to oil operations and uncontrolled drainage through the Project site including urban runoff from Newport Beach and Costa Mesa. As part of the Project grading would be conducted to restore and revegetate the bluff/slope edge and to limit further degradation. Drainage, which currently flows over the bluffs and slopes, would be intercepted and redirected.

### **Development Phasing/Project Implementation**

The Project Applicant proposes to implement the Project starting in the southern portion of the Project site closest to West Coast Highway. Initial phases would include the development of residential uses, resort uses, and a portion of the proposed Community Park, along with internal roadway access and infrastructure improvements. In general, development would be constructed from south to north. Concurrently, there would be ongoing protection, oil facilities cleanup, remediation, and restoration of the Project site.

### **Alternatives to the Proposed Project**

CEQA Guidelines §15126.6(a) requires that, “an EIR describe a range of reasonable alternatives to the Project, or to the location of the Project, which would feasibly attain most of the basic objectives of the Project but would avoid or substantially lessen any of the significant effects of the Project, and evaluate the comparative merits of the alternatives.” The range of alternatives to be addressed for the Project will include alternatives that are specifically required (i.e., No Project; No Action/No Development) by CEQA. Additional land use alternatives to be addressed could include a reduced development alternative and a design alternative. Land Use alternatives currently being considered by the City for analysis in the EIR include but are not limited to the Open Space Alternative and the No Action/No Development Alternative. At least one Circulation Alternative will be considered.

### **Open Space Alternative**

The City of Newport Beach General Plan Land Use Element prioritizes the retention of the Project site for open space. The General Plan Land Use designation of OS(RV) is intended for the preservation of the Project site as open space, restoration of wetlands and other habitats, the development of a community park, and the consolidation of oil extraction and processing facilities. This alternative would also allow for the future construction of roadways through the Project site consistent with the City of Newport Beach Circulation Element. These roadways are: (a) a north-south Primary Arterial with a southern terminus at West Coast Highway to a northern terminus at 19<sup>th</sup> Street; (b) a Primary Arterial extending from West Coast Highway and connecting to 15<sup>th</sup> Street; and (c) the extension of 17<sup>th</sup> Street as a Secondary Arterial on to the Project site and connecting with the north-south Primary Arterial.

### **No Action/No Development Alternative**

The No Action Alternative assumes existing conditions on the Project site and continued use of the property for oil production operations. No uses other than oil operations would occur on the Project site. Oil consolidation, clean up, and remediation would not occur and public access would not be provided.



In addition to other potential land use alternatives, the EIR will address circulation alternatives. These alternatives may include but not be limited to the following:

### **Circulation Alternative**

As previously described, the City of Newport Beach General Plan Circulation Element and Orange County Master Plan of Arterial Highways depict a north-south roadway connection from West Coast Highway to 19<sup>th</sup> Street through the Project site. This Alternative would provide a north-south connection from West Coast Highway to 17<sup>th</sup> Street. As an alternative to the Project's construction of a roadway connection from West Coast Highway to 19<sup>th</sup> Street, this alternative includes a right-of-way dedication within the Open Space Land Use District for future implementation by the City and/or other public agency of Bluff Road between 17<sup>th</sup> Street and 19<sup>th</sup> Street. This alternative is described in the Project Applicant's Draft Planned Community Development Plan and Master Site Plan.

### **Anticipated Discretionary Project Approvals**

Project implementation will require approvals from multiple agencies.

#### **City of Newport Beach**

City of Newport Beach discretionary actions that could be approved based on this EIR would include the following:

- Certification of the EIR.
- Approval of a Pre-Annexation City of Newport Beach General Plan Amendment to the Circulation Element Master Plan of Streets and Highways, if required.
- Adoption of a Pre-Annexation Zone Change to zone the Project site as Planned Community (CA 2008-004) and an amendment to the Banning-Newport Ranch Planned Community (PC-25) District Regulations to remove the Project site from the boundaries of PC-25.
- Approval of an amendment to the City of Newport Beach Municipal Code Chapter 20.65, Height Limits, to permit a maximum building height of 50 feet in the Visitor-Serving Resort District and Residential District and a maximum height of 65 feet within certain portions of the Mixed-Use/Residential Land Use District of the NBRPC.
- Approval of a Newport Banning Ranch Planned Community Development Plan that includes: land use districts/permitted land uses, community regulations, site development standards/regulations, and design guidelines.
- Approval of a Master Site Plan that is anticipated to include: habitat restoration plan, fuel management plan, master grading, master roadway improvements, master infrastructure and utilities, master water quality plans, master landscape plans, master architectural design, and community transition/interface plans.
- Approval of a Traffic Phasing Ordinance (TPO) analysis.
- Approval of a Pre-Annexation and Development Agreement.
- Approval of a Vesting Tentative Tract Map.

- Approval of an Affordable Housing Implementation Plan (AHIP).

Subsequent activities would be examined in the light of the Program EIR to determine whether additional CEQA documentation would be required pursuant to the requirements of CEQA §21166 and CEQA Guidelines §§15162 and 15168 for subsequent approvals.

In addition to the approvals identified above, the Project is subject to other discretionary and ministerial actions by the City as part of Project implementation. Additional City approvals include but are not limited to site development permits, tract maps, grading permits, use permits, sign permits, and building permits.

### **Responsible and Trustee Agencies**

Future implementation of the Project would require permits and/or approvals from the following agencies:

- **CDFG:** Section 1600 Streambed Alteration Agreement.
- **California Coastal Commission:** Coastal Development Permit inclusive of the Master Site Plan, Vesting Tentative Tract Map, and Pre-Annexation and Development Agreement.
- **Regional Water Quality Control Board:** Section 401 Certification.
- **Local Agency Formation Commission:** Annexation of unincorporated area into the City of Newport Beach; Water Agency boundary change.
- **Caltrans:** Encroachment Permit for the pedestrian bridge over West Coast Highway; additional actions would be required for the widening of West Coast Highway.
- **California Department of Conservation, Department of Oil, Gas and Geothermal Resources:** Approval related to site remediation activities.
- **Orange County Transportation Authority:** Amendment to the Master Plan of Arterial Highways, if required.
- **Regional Water Quality Control Board and Orange County Health Care Agency:** Approval related to oil well/facility abandonment and site remediation.

### **Federal Agencies**

- **USFWS:** Section 7 Consultation, and
- **ACOE:** Section 404 Permits.

### **Probable Environmental Effects of the Proposed Project**

The Project has the potential to have significant impacts on a number of environmental factors. Using the City of Newport Beach Environmental Checklist as a guide, at least one impact area has been identified as having a “Potential Significant Impact” in the following areas, and will be addressed in the EIR:

Aesthetics and Visual Resources

Air Quality

Biological Resources	Climate Change
Cultural Resources	Geology and Soils
Hazards and Hazardous Materials	Hydrology and Water Quality
Land Use and Planning	Mineral Resources
Noise	Population and Housing
Public Services	Recreation
Transportation/Circulation	Utility and Service Systems

The only topic identified on the City's Environmental Checklist that is not required for assessment in the EIR is agricultural resources. The Project site does not contain Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. No portion of the Project site is covered by a Williamson Act Contract. Additionally, the Project site is not zoned for agriculture.

### **Anticipated Schedule**

The Project schedule, as currently envisioned, anticipates a Draft EIR to be available for public review in fall 2009. A 45-day public review period will be provided, after which responses to environmental comments received will be prepared. Public hearings before the Planning Commission and City Council are expected to start in spring 2010.