



November 4, 2015

Mr. Karl Schwing
Ms. Amber Dobson
California Coastal Commission
200 Oceangate, Suite 1000
Long Beach, CA 90802-4302

Re: Newport Banning Ranch Coastal Development Permit Application 5-13-032

Dear Mr. Schwing and Ms. Dobson:

Enclosed please find the following revised application materials intended to respond to comments provided by the Commission during its consideration of the Newport Banning Ranch Project at its October 7, 2015 hearing, as well as additional comments provided by Commission Staff in our meetings following the hearing:

1. NBR Project Revisions / Updates to Project Description
2. Revised Development Plan Illustrative Submittal
3. Comparison of Revised Development Plan to 10/7/15 Plan
4. Revised Development Plan Disturbance Limits Map
5. Regional Open Space Map with Revised Development Plan

We have worked diligently over the last month to revise the proposed project footprint and design to further protect onsite resources, and to address questions raised regarding the proposed abandonment and remediation plan. We very much appreciate the time Commission Staff has taken to consider and provide feedback on our proposed changes and we look forward to assisting Staff with its review of the revised project in preparation for the January 2016 hearing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael A. Mohler', is written over a light blue horizontal line.

Michael A. Mohler
Senior Project Manager

Cc: Charles Lester, Sherilyn Sarb – CCC
All Coastal Commissioners
George Basye, Chris Yelich - NBRLLC

NBR Project Revisions / Updates to Project Description

Summary

In response to Commission comments at the October 7, 2015 Commission hearing on CDP Application 05-13-032, Newport Banning Ranch LLC (Applicant) has prepared this Updated Project Description (Projection Description). The Project Description 1) summarizes the proposed changes to our project plan, and 2) describes updated project characteristics.

Background

The NBR Property (NBR or Property) is currently an active oil field – and has been for more than 70 years.

The project was approved and an Environmental Impact Report unanimously certified by the City of Newport Beach in August 2012.

The Applicant has worked with Coastal Commission staff for two and one-half years to get CDP Application 05-13-032 deemed complete. On October 7, 2015, NBR requested a 90-day extension and the Commission approved a continuance to allow the Applicant and staff time to attempt to work together prior to January 2016 rehearing. To that goal, NBR has met twice with Commission staff since the October 7, 2015 hearing.

Summary of Project changes since October 7th hearing

	10/7/2015 Hearing	11/4/2015 Submittal
Open Space Preserve, Public Parks, Access and Parking	314 acres	322 acres
Visitor Serving Retail – Square Footage	45,100 s.f.	45,100 s.f.
Neighborhood Commercial	29,900 s.f.	None
Visitor Serving Retail – Acreage	4 acres	4 acres
Overnight Accommodations – Coastal Inn	75	75
Low Cost Overnight Accommodations – Hostel	20	20
Overnight Accommodations – Acreage	6 acres	6.5 acres
Residential Density	1,174 units	895 units
Residential Acreage	67 acres	51.5 acres
Grading Volume	3.6 million c.y.	2.8 million c.y.
Total	384 acres	384 acres

Development Footprint

As a result of eliminating impacts to important onsite resources and protecting existing landform, the development footprint has been reduced from 77 acres to 62 acres. The development changes include:

- Changes to Urban Village – development reduced approximately 0.5 acres to provide a proposed enhancement to the proposed Vernal Pool Complex habitat preserve
- Changes to North Family Village – development reduced approximately 9.0 acres to enhance California gnatcatcher territories in the North-South drainage feature and the previously proposed northern fill slope of the North Village overlooking the northerly Remainder Oil Area
- Changes to South Family Village – development reduced approximately 5.5 acres to provide for a proposed expanded natural area on bluff above West Coast Highway and adjacent to Newport Crest Community
- In total, reduced proposed residential unit count from City approved 1,375 units to 895 units – a proposed reduction of 35%. The density reduction will also reduce traffic volumes and reduce project water demands by more than 30%.

Summary of Feedback from Coastal Commission Hearing, Proposed Revisions and Rationale

Oilfield Abandonment and Remediation

There appeared to be Commission support to pursue abandonment of the oilfield and remediate related impacts in the near future. In response to Commission questions regarding the relationship between the abandonment and remediation (A&R) and development plan footprints, NBR maintains that the A&R plan proposed for the site is the least environmentally damaging alternative, irrespective of the ultimate type and extent of land uses approved by the Commission, and targets only that necessary to remove historic industrial infrastructure, wastes and pollution from the 70+ years of oil production activity.

This is unquestionably the case for A&R activities slated for the 280 acres of proposed open space area, which would be cleaned-up and restored solely for the purpose of habitat and water quality restoration, and introducing public access and recreational opportunities to the property.

This is equally true for A&R activities identified within the revised development plan footprint. The onsite bioremediation, recycling, and reuse plan elements of the A&R align with the principles recommended for Greener Clean-ups as outlined by the US EPA Office of Solid Waste and Emergency Response (OSWER). The staging, processing and ultimate placement of remediated and recycled materials have been strategically planned within the 62 acre development plan footprint, thereby allowing for maximum habitat restoration opportunities across the balance of the site.

Since the October 7, 2015 hearing, NBR has accelerated the field ground-truthing effort that had been identified in the Remedial Action Plan to confirm or disprove the extent of potential impacts requiring clean-up in historic use areas within the Open Space Preserve areas. Results of those efforts have confirmed an overall reduction of impact area by over 12 acres, 9 of which is located in the lowland natural open space area reducing the A&R impact in the lowlands by over 38%.

There were also questions related to agency review and approval of the Remedial Action Plan (RAP). The RAP has been submitted to the RWQCB and Coastal Energy staff. Though their review is not required for RAP approval, the RAP has also been sent to the Division of Oil, Gas and Geothermal Resources (DOGGR). The RWQCB has already stated, as confirmed by Coastal Commission staff in the October 6, 2015 Staff Report Addendum, that the RAP will be conditionally approved and can be implemented pending the 401 Certification and 404 Permit issuance. The DOGGR continues to be kept informed and will become significantly more engaged when well abandonment and oil facility removals are initiated. A construction site review by DOGGR will also be conducted once the footprint of the development has been determined (i.e., after an NOI on the CDP is approved).

Preservation of Habitat and Vegetation

It was noted that there are varying levels of habitat quality on the site. The revised project description/plan reduces the development footprint by so to preserve the following:

- Urban Village - Southwestern portion - a proposed enhancement to the proposed Vernal Pool Complex habitat
- North Village - recent California gnatcatcher territories in the North-South drainage feature and the previously proposed northern fill slope of the North Village overlooking the northerly Remainder Oil Area
- South Village - Western portion - an expanded natural area on bluff above West Coast Highway
- Replacement of active park with natural open space adjacent to Newport Crest Community - in response to input from neighbors

The proposed residential and public use development area now comprises 16% of the property located in areas of fragmented native and invasive species vegetation, where historical oilfield impacts are extensive and require remediation.

Approximately 280 acres of the project area (73%) would be designated as an Open Space Preserve and are intended to be managed by the non-profit entity, Newport Banning Land Trust (NBLT).

Approximately 160 acres of the designated Open Space Preserve would be subject to restoration, enhancement and conservation of occupied seasonal features, wetlands, bluffs, and riparian and upland mesa habitat. The Habitat Conservation and Conceptual Mitigation Plan (HCCMP) prepared for NBR would serve as the primary implementation program for the conservation of 280 acres, including the creation, and restoration of a variety of native habitats on the 160 acres noted above. The HCCMP provides a comprehensive approach to: 1) removal of non-native and invasive plant types; and, 2) habitat restoration on the property, focusing both on habitat function and value for the special-status and common species that utilize the site, and ecosystem restoration opportunities for the site and adjacent open space areas.

The revised plan eliminates the designation of approximately 30 acres for third-party wetland mitigation and habitat restoration purposes. Instead these areas have been incorporated into the proposed NBR restoration plan. Designated open space also includes approximately 5 acres of water quality wetland creation/enhancement areas, which would function to control and treat stormwater runoff from on- and off-site sources, thereby enhancing water quality and marine resources on and adjacent to the site.

Approximately 9.5 acres of public interpretative trails are included within the Open Space Preserve, introducing a variety of public access, interpretation and recreational opportunities on the site and completing a trail system that connects the Santa Ana River Regional Trail System and Talbert Nature Preserve.

The project includes improvements for a Talbert Trailhead and a Vernal Pool Interpretative area, which are intended to be managed by the NBLT.

The proposed Open Space Preserve and public access amenities have been design to seamlessly connect with adjacent open space areas (e.g., South Talbert Regional Park), creating a contiguous more than 800 acre publicly accessible open space and recreational resource for the region.

Grading Reductions and Landform Protection

The team acknowledged feedback to reduce grading and preserve existing landforms. The development plan revisions provide for substantial reductions in overall site disturbance and development-related grading, as follows:

- The northern slope of the North Village and the majority of the North-South drainage feature have been preserved.
- Reduction in grading quantities from 3.6 million cu. yds. to 2.8 million cu. yds. (cut and fill combined).

Public Access and Use

There appeared to be public feedback in support of the visitor serving elements of NBR's proposal. These elements include 1) 75 room Coastal Inn, 2) 20-bed Hostel, and 3) visitor serving retail. The revised plan includes the following enhancements:

- Hotel – Located outdoor space to the Bluff Overlooking Ocean so as to provide improved public scenic views

- Hostel – Programming for the 20-bed Hostel has been revised to include a “No Room Cost” program for non-profit youth groups

In addition to the proposed 280-acre Open Space Preserve, the Project includes development of approximately 25 acres of active and passive public parks. Proposed parklands include dedication to the City of Newport Beach approximately 10-11 acres for development of Public Community Parks and an approximately 14-15 acre Bluff Park (North and South), including trails that connect to the Open Space Preserve trail system, picnic areas, and scenic view overlooks.

In addition to the trails system described above, a 17-acre, two-lane backbone road system with bicycle and pedestrian amenities and more than 250 surplus public parking spots are being provided with the Project to facilitate coastal and recreational access for all modes of transportation.

There was some public concern regarding the footbridge over PCH due to increased pedestrian traffic at its outlet near a City park seaward to West Coast Highway. Due to the expansion of natural open space restoration in that area, the revised project plan eliminates this bridge and incorporates provision of a shuttle from the resort area to the beach during the period from Memorial Day to Labor Day.

Attachments

- Revised Development Plan Illustrative
- Comparison of Revised Development Plan to 10/7/15 Submittal
- Revised Development Plan Disturbance Limits Map
- Regional Open Space Map with Revised Development Plan