

CALIFORNIA COASTAL COMMISSION

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**W9a**

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STAFF REPORT: REGULAR CALENDAR

Application No.: 5-14-1785

Applicant: Olson Real Estate Group, Inc. dba R. D. Olson Development

Agent: Sherman Stacey, Gaines & Stacey LLP

Project Location: 3300 Newport Boulevard & 475 32nd Street, City of Newport Beach, (Orange County)

Project Description: Demolish the existing public facilities structure (former City Hall) and construct a new four-story, 58-foot high, 130-room hotel with 4,453 square feet of function space, 3,195 square feet of restaurant, 856 square feet of retail floor area, and 148 on-site parking spaces. Reconfigure the public street parking on 32nd Street. Grading total: 6,640 cubic yards.

Staff Recommendation: Approval with conditions

SUMMARY OF STAFF RECOMMENDATION

The four-acre project site is owned by the City of Newport Beach and contains the former City Hall complex. The City will lease the site of the proposed development to the applicant which would demolish the old City Hall structures and construct a new hotel, the Lido House Hotel. The proposed 130-room Lido House Hotel includes 98,725 square feet of hotel, meeting space, retail, restaurants, pool and recreation area, and a roof top bar. The proposed project includes a wide, park-like setback on Newport Boulevard for a public pedestrian plaza. The proposed room rates are estimated to be an average of \$212 per night; higher than the statewide average. A 148-stall surface parking lot is proposed on the site to meet the parking demands of the proposed development. The project also includes reconfiguration of the public parking along 32nd Street by incorporating angled parking and increasing the overall street parking spaces from 79 to 80, and to improve the flow of vehicle circulation. There is a Land Use Plan amendment request associated with this project: LUPA No. 3-14 (LCP-5-NPB-14-0831-3).

Staff is recommending **APPROVAL** of the coastal development permit application with conditions. Major issues before the Commission include public access, scenic and visual resources, water quality, and lower cost overnight accommodations. The site is ideally located within close proximity of both the Pacific Ocean and the waters of Newport Bay, prime locations for public recreation. This area of Newport Beach has limited on-street parking and limited public transportation options, despite being a major visitor destination for recreational purposes. The permit is conditioned to ensure that public access to the nearby beach and bay will not be impacted by inadequate parking by requiring the applicant to implement a Transportation Demand Management Plan that includes free coordination services for an employee carpooling program, a public transit incentive program for employees, bicycle storage facilities, a shuttle service for guests traveling between the facility and John Wayne Airport, and parking validations for guests of the on-site commercial uses.

The height of the proposed four-story hotel is 58 feet high with architectural elements up to 60 feet high. The portions of the structure over 35 feet would include a portion of the 3rd floor of the hotel, an observation room, cupolas and flagpoles. The 58-foot height of the proposed structure allows concentrated development that allows for more open space on the site including the expansive setback from Newport Boulevard. With this particular site, which does not have any waterfront access, the height of the proposed structure will not adversely impact the scenic and visual qualities of the area.

Because the project site is within close proximity to both the ocean beach and Newport Bay, the proposed development has a potential for a discharge of polluted runoff from the project site into coastal waters. Special conditions are imposed that require the applicant to implement best management practices during construction that address the storage of construction materials and mechanized equipment, removal of construction debris, and run-off control. Special conditions also require the applicant to submit a water quality management plan and a landscaping plan prior to issuance of the permit. The recommended special conditions will minimize adverse impacts on water quality through both the construction and post-construction phases of the development.

In regards to the lower cost overnight accommodations issue, a special condition requires the applicant to pay a fee in lieu of providing lower cost visitor accommodation within the project. The hotel, as proposed, does not include any lower cost rooms. The applicant will accept the option of the mitigation fee payment in lieu of providing lower cost accommodations on the property. The City of Newport Beach would agree to accept the mitigation funds with the intent to use the money to provide lower cost overnight accommodations in conjunction with an outdoor youth educational program within the City. As contemplated, the outdoor youth educational program would provide multi-night stays for children from Title 1 schools in inland areas who may not otherwise have opportunities for coastal access and overnight visits to the beach. In the event that the City is not able to establish and implement such a program, the mitigation fees would then be directed toward another entity acceptable to the Executive Director, such as the California Coastal Conservancy, Hostelling International USA, California Department of Parks and Recreation, or a similar entity.

Staff is recommending approval of the coastal development permit application with special conditions regarding future development, transportation demand management, lower cost overnight accommodations and general hotel occupancy, final construction and water quality plans, and final landscaping plans. A generic deed restriction is also required. As condition, the proposed development is consistent with the Chapter 3 policies of the Coastal Act. See Page Three for the motion and resolution to carry out the staff recommendation.

TABLE OF CONTENTS

I. MOTION AND RESOLUTION	4
II. STANDARD CONDITIONS.....	4
III. SPECIAL CONDITIONS	5
IV. FINDINGS AND DECLARATIONS.....	12
A. PROJECT LOCATION AND DESCRIPTION	12
B. PUBLIC ACCESS AND RECREATION.....	13
D. LOWER COST OVERNIGHT VISITOR ACCOMMODATIONS	14
E. SCENIC AND VISUAL RESOURCES	20
F. WATER QUALITY	11
G. DEED RESTRICTION	23
H. LOCAL COASTAL PROGRAM.....	23
I. CALIFORNIA ENVIRONMENTAL QUALITY ACT.....	24

EXHIBITS

- Exhibit 1 – Area Map and Site Plan
- Exhibit 2 – Construction Plans
- Exhibit 3 – Elevations
- Exhibit 4 – Visual Simulations
- Exhibit 5 – Proposed Rates
- Exhibit 6 – Draft of the FiiN Program

I. MOTION AND RESOLUTION

Motion:

*I move that the Commission **approve** Coastal Development Permit No. 5-14-1785 pursuant to the staff recommendation.*

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

The Commission hereby approves Coastal Development Permit 5-14-1785 for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that will substantially lessen any significant adverse impacts of the development on the environment.

II. STANDARD CONDITIONS

This permit is granted subject to the following standard conditions:

- 1. Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 4. Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
- 5. Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. FUTURE DEVELOPMENT

This permit is only for the development described in Coastal Development Permit 5-14-1785: a 130-room hotel with a maximum gross floor area of 98,725 square feet, including meeting space, retail floor area, restaurants, and a roof top bar. Pursuant to Title 14 California Code of Regulations section 13253(b)(6), the exemptions otherwise provided in Public Resources Code section 30610 (b) shall not apply to the development governed by the coastal development permit No. 5-14-1785. Accordingly, any future improvements to the structure authorized by this permit, including but not limited to changes in square footage or height of the hotel, conversion of common space, lobbies, or storage areas to guest rooms and vice versa, number of guest rooms, number of on-site parking spaces, and repair and maintenance identified as requiring a permit in Public Resources section 30610(d) and Title 14 California Code of Regulations sections 13252(a)-(b), shall require an amendment to Permit 5-14-1785 from the Commission or shall require an additional coastal development permit from the Commission or from the applicable certified local government.

2. PARKING AND TRANSPORTATION PLANS

A. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall provide for review and approval by the Executive Director, a transportation demand management program as follows:

- (1) The applicant shall provide and maintain a minimum of 148 parking stalls on the site to serve the approved development. Valet parking service is allowed in order to increase the number of vehicles that can be stored on the site. All available parking shall be shared among and equally available to all of the patrons, employees, and other users of the buildings, and no parking spaces shall be assigned for exclusive use, with exception of required ADA parking, including valet service.
- (2) The applicant shall actively encourage employee participation in a Ride Sharing/Carpooling program and shall offer coordination services free of charge.
- (2) A public transit fare reimbursement program shall be implemented by the applicant. The system shall be in effect for at least a 30-year period. The applicant shall provide for a minimum of 50% reimbursement to 100% of the employees of the development for public transit fare to and from work. Posters, brochures and registration materials of the program shall be available to employees at all times. Employees shall be informed of the program upon orientation and annually thereafter.
- (3) The applicant shall provide a bicycle parking area for a minimum of 30 bicycles, free of charge, on the property. All bicycle parking spaces shall be shared among and equally available to all of the patrons, employees, and other users of the buildings.
- (4) The applicant shall implement a publicity program, the contents (posters, brochures and registration materials, etc.) of which is subject to the review and approval of the Executive Director, that indicates how the future occupants of the development will

be made aware of the provisions of this special condition. The publicity program shall be implemented during the first month of occupancy of the new development and annually thereafter.

- (5) The applicant shall provide shuttle service between John Wayne Airport and the project site for all guests of the hotel.
- (6) If the onsite parking lot is not free of charge, a validation program for members of the public utilizing onsite commercial uses shall be provided, offering a discounted parking rate.

The permittee shall undertake the development in accordance with the approved program. Any proposed changes to the approved program shall be reported to the Executive Director. No changes to the program shall occur without a Coastal Commission approved amendment to this coastal development permit unless the Executive Director determines that no amendment is required.

3. CONSTRUCTION AND DEMOLITION PLAN

PRIOR TO THE ISSUANCE OF A COASTAL DEVELOPMENT PERMIT, the applicant shall submit a Construction and Demolition Plan to the Executive Director for review and approval. The plan shall identify the specific location of all construction areas, all staging areas, and all construction access corridors in site plan view. Construction and demolition staging zones shall be limited to the minimum area required to implement that approved project, and to minimize construction encroachment on public areas. The plan shall also identify the type and location of erosion control/water quality best management practices that will be implemented during construction to protect coastal water quality, including the following:

- a) No construction materials, debris, or waste shall be placed or stored where it may enter a storm drain or be subject to wave erosion and dispersion;
- b) Any and all debris resulting from construction activities shall be removed from the project site within 24 hours of completion of construction;
- c) Best Management Practices (BMPs) and Good Housekeeping Practices (GHPs) designed to prevent spillage and/or runoff of construction-related materials, and to contain sediment or contaminants associated with construction activity, shall be implemented prior to the on-set of such activity. BMPs and GHPs which shall be implemented include, but are not limited to: stormdrain inlets must be protected with sandbags or berms, all stockpiles must be covered, and a pre-construction meeting should be held for all personnel to review procedural and BMP/GHP guidelines. Selected BMPs shall be maintained in a functional condition throughout the duration of the project.
- d) Construction debris and sediment shall be properly contained and secured on site with BMPs, to prevent the unintended transport of sediment and other debris into coastal waters by wind, rain or tracking. Construction debris and sediment shall be removed from construction areas as necessary to prevent the accumulation of sediment and other

debris which may be discharged into coastal waters. Debris shall be disposed at a debris disposal site outside the coastal zone.

- e) Silt fences, or the equivalent, shall be installed at the perimeter of the construction site to prevent construction related runoff and/or sediment from discharging onto the nearby waterways.
- f) Equipment washing, refueling, and/or servicing shall not take place on the project site. All construction equipment shall be inspected and maintained at an offsite location to prevent leaks and spills of hazardous materials at the project site.
- g) The construction site shall maintain good construction housekeeping controls and procedures (for example, clean up all leaks, drips, and other spills immediately; keep materials covered and out of the rain, including covering exposed piles of soil and waste; dispose of all waste properly, place trash in receptacles onsite for that purpose and cover open trash cans when not in use).
- h) All erosion and sediment controls shall be in place prior to the commencement of construction as well as at the end of each work day.
- i) Any required dewatering of the site due to groundwater intrusion, or percolating surface water, during construction or post-construction will require filters to be installed on all dewatering pumps and sump pumps. Such dewatering shall comply with the State of California Regional Water Quality Control Board or the Sanitary District discharge requirements.

A copy of the approved Construction and Demolition Plan shall be kept at the construction job site at all times and all persons involved with the construction shall be briefed of its content and meaning prior to the commencement of demolition/construction. The permittee shall notify Commission staff at least 3 working days in advance of commencement of the demolition and construction, and immediately upon completion of construction. The permittee shall undertake the approved development in accordance with the approved Construction and Demolition Plan. Any proposed changes to the approved plan shall not occur without a Commission amendment this coastal development permit unless the Executive Director determines that no amendment is necessary.

4. WATER QUALITY MANAGEMENT PLAN

PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall submit for the review and approval of the Executive Director, a Water Quality Management Plan (WQMP) for the post-construction project site, prepared by a licensed water quality professional, and shall include plans, descriptions, and supporting calculations. The WQMP shall incorporate structural and non-structural Best Management Practices (BMPs) designed to reduce, to the maximum extent practicable, the volume, velocity and pollutant load of stormwater and dry weather flows leaving the developed site. In addition to the specifications above, the plan shall be in substantial conformance with the following requirements:

- a) Post-development peak runoff rates and average volumes shall not exceed pre-development conditions.
- b) Appropriate structural and non-structural BMPs shall be designed to treat or filter the runoff from all surfaces and activities on the development site.
- c) Post-construction structural BMPs (or suites of BMPs) should be designed to treat or filter the amount of stormwater runoff produced by all storms up to and including the 85th percentile, 24-hour storm event for volume-based BMPs, and/or the 85th percentile, 1-hour storm event, with an appropriate safety factor (i.e., 2 or greater), for flow-based BMPs.
- d) Runoff from all roofs and parking areas shall be collected and directed through a system structural BMPs of vegetated areas and/or gravel filter strips or other vegetated or media filter devices. The filter elements shall be designed to 1) trap sediment, particulates and other solids and 2) remove or mitigate contaminants through infiltration and/or biological uptake. The drainage system shall also be designed to convey and discharge runoff in excess of this standard from the building site in a non-erosive manner.
- e) The WQMP shall provide for the treatment of runoff from the parking surfaces using appropriate structural and non-structural BMPs. At a minimum this must include a filter designed specifically to minimize vehicular contaminants (oil, grease, automotive fluids, heavy metals), sediments, and floatables and particulate debris.
- f) The applicant shall regularly sweep the parking surfaces on a weekly basis, in order to prevent dispersal of pollutants that might collect on those surfaces.
- g) The detergents and cleaning components used on site shall comply with the following criteria: they shall be phosphate-free, biodegradable, and non-toxic to marine wildlife; amounts used shall be minimized to the maximum extent practicable; no fluids containing ammonia, sodium hypochlorite, chlorinated solvents, petroleum distillates, or lye shall be used;
- h) The applicant shall not spray down or wash down the parking lot or surrounding sidewalks unless the water used is directed through the sanitary sewer system or a filtered drain. No car washing shall be permitted in the parking lot.
- i) All BMPs shall be operated, monitored, and maintained for the life of the project and at a minimum, all structural BMPs shall be inspected, cleaned-out, and where necessary, repaired at the following minimum frequencies: (1) prior to October 15th each year; (2) during each month between October 15th and April 15th of each year and, (3) at least twice during the dry season.
- j) Debris and other water pollutants removed from structural BMP(s) during clean-out shall be contained and disposed of in a proper manner;
- k) It is the applicant's responsibility to maintain the drainage system and the associated structures and BMPs according to manufacturer's specification.
- l) Water from the pool and spa shall not enter any stormdrains without proper treatment.
- m) Provide a detailed description and flows of the "Flow Through" system in the parking lot area.
- n) Provide clarification of the Fire Station parking lot permeability.
- o) Adequate curb cut size, number, and placement called out on the plans.
- p) The center of the parking areas and graded areas shall be constructed to adequately drain toward infiltration zones.
- q) Finished grade of landscaping areas should be at a lower elevation than the surrounding impermeable areas.

The permittee shall undertake development in accordance with the final plan. Any proposed changes to the final plan shall be reported to the Executive Director. No changes to the final plan shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is legally required.

5. GENERAL OCCUPANCY REQUIREMENT

By acceptance of this permit, all hotel facilities shall be open to the general public, except for the pool and spa which may be restricted to hotel guests. The hotel shall be operated as a bon fide hotel. No timeshare or other fractional ownership or long-term occupancy of units is permitted without an amendment to this permit. Rooms may not be rented to any individual, family, or other related group for more than 29 consecutive days or in accordance with any local government limitations on length of hotel stay.

6. LOWER COST OVERNIGHT ACCOMMODATIONS MITIGATION

PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall provide evidence, in a form and content acceptable to the Executive Director, that a fee of \$42,120 per unit for 25% (32 units) of the total number of high cost overnight accommodations (130 high cost hotel rooms) in the approved project, plus a 5% administrative fee, has been paid to an accepting entity as described further below, in lieu of providing lower cost overnight accommodations on site.

A. The required in-lieu mitigation fee of \$1,415,232.00 (herein ‘fee’) shall be deposited into an interest-bearing account, to be established and managed by one of the following entities approved by the Executive Director of the Coastal Commission (herein ‘ED’): the City of Newport Beach, the California Coastal Conservancy, Hostelling International USA, California Department of Parks and Recreation, or a similar ED-approved entity, in support of providing lower cost overnight visitor-serving accommodations such as RV park sites, hostel beds, tent campsites, cabins or campground units, and/or lower cost overnight accommodation opportunities in conjunction with an outdoor youth educational program (further described in subsection B of this condition), within the vicinity of Newport Beach or greater Orange County. The entire fee and accrued interest (herein ‘funds’) shall be used for the above stated purpose in consultation with the ED. All development funded by this account will require review and approval by the ED and a coastal development permit, if a permit is required. The funds shall be used in their entirety within ten years of the fee being deposited into the interest-bearing account established and managed by the accepting entity (or entities). If any portion of the funds remain in the account after ten years and the ED determines the funds should be reassigned, those funds shall be donated to an agency or non-profit entity, to be selected by the ED, providing lower cost overnight accommodations in the Southern California coastal zone to be used for the above stated purpose.

B. Subject to review and approval of the ED, the City of Newport Beach (herein ‘City’) may receive some or all of the funds if the City establishes a program to utilize the funds to provide lower cost overnight accommodation opportunities (in new or existing facilities) in conjunction with an outdoor youth educational program (herein ‘Program’), in a content and form acceptable to the ED. The Program shall provide overnight accommodations and educational and recreational opportunities for disadvantaged youth from Title 1 schools, as defined in the Elementary and Secondary Education Act, as amended, by providing an

outdoor camp-like experience during the academic school year. The funds for the Program will provide for the expenses directly related to the overnight stays and coastal-dependent recreational opportunities such as kayaking, boating, etc. If the City receives some or all of the funds, then the additional 5% administrative fee to the mitigation funds will provide for City staff costs to manage the program annually. The Program will serve a minimum of 350 students per year, provide a minimum of 3-night stays, and will operate a minimum of 10 years from the commencement of the Program based upon an initial funding. The educational component will focus on ocean safety, coastal and marine ecology, coastal hazards, and/or other coastal-related topics and the Program will include water-oriented recreational activities such as kayaking, boating, swimming or surfing, etc. An annual report on Program accomplishments and finances, as well as any recommended changes and/or expansions to the Program, shall be transmitted to the ED for the first 10 years of the Program, or for as long as the funds last, whichever is longer. The Program may be expanded to accommodate more students, and/or more camp sites, and/or more seasons of the year, and can be extended past the initial 10 years if existing funds allow or additional funding is available. Expansion and/or other changes to the program are subject to the review and approval of the ED, or the Commission itself if the ED determines an amendment or new permit is required.

C. If the City does not enter into a memorandum of understanding (MOU) with the Coastal Commission as required in subsection D and implement the above outlined Program within 24 months of issuance of this permit 5-14-1785 all funds shall be assigned to another entity approved by the ED, in order to be used for the purposes stated in subsection A above.

D. Prior to expenditure of any funds required pursuant to this condition, the ED shall review and approve in writing, the proposed use of the funds as being consistent with the intent and purpose of this condition. In addition the entity accepting the funds required by this condition shall enter into a MOU with the Commission, which shall include, but not be limited to, the following: 1) a description of how the funds will be used to provide lower cost overnight accommodations and/or the Program identified in subsection B, above, in the coastal zone; 2) the terms provided in subsection A, and/or B, if applicable, of this condition; and 3) an agreement that the entity accepting the funds will obtain all necessary regulatory permits and approvals, including but not limited to, a coastal development permit; 4) the entity accepting the funds will commence development of the lower cost overnight accommodations and/or Program identified in subsection B, above, within 36 months of the MOU date of effectiveness. The ED may extend the above-identified deadlines, in writing, for good cause.

7. LANDSCAPING: DROUGHT TOLERANT, NON-INVASIVE PLANTS

By acceptance of this permit, newly landscaped areas onsite shall only consist of drought tolerant plants native to coastal Orange County and appropriate to the habitat type. Native plants shall be from local stock wherever possible. No plant species listed as problematic and/or invasive by the California Native Plant Society (<http://www.CNPS.org/>), the California Invasive Plant Council (formerly the California Exotic Pest Plant Council) (<http://www.cal-ipc.org/>), or as may be identified from time to time by the State of California shall be employed or allowed to naturalize or persist on the site. No plant species listed as a “noxious weed” by the State of California or the U.S. Federal Government shall be utilized within the property. All plants shall be low-water-use plants as identified by California

Department of Water Resources

<http://www.water.ca.gov/wateruseefficiency/docs/wucols00.pdf>).

8. DEED RESTRICTION

PRIOR TO ANY CONVEYANCE OF THE PROPERTY THAT IS THE SUBJECT OF THIS COASTAL DEVELOPMENT PERMIT, the landowner shall execute and record a deed restriction, in a form and content acceptable to the Executive Director: (1) indicating that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of that property (hereinafter referred to as the “Standard and Special Conditions”); and (2) imposing all Standard and Special Conditions of this permit as covenants, conditions and restrictions on the use and enjoyment of the Property. The restriction shall include a legal description of the landowner’s entire parcel or parcels. It shall also indicate that, in the event of an extinguishment or termination of the deed restriction for any reason, the terms and conditions of this permit shall continue to restrict the use and enjoyment of the subject property so long as either this permit or the development it authorizes – or any part, modification, or amendment thereof – remains in existence on or with respect to the subject property.

IV. FINDINGS AND DECLARATIONS:

A. PROJECT DESCRIPTION

The four-acre site is located at the intersection of Newport Boulevard and 32nd St. in the Lido Village area, between Newport Bay and the Pacific Ocean, on Balboa Peninsula (**Exhibit 1**). The property is owned by the City of Newport Beach and is occupied by the abandoned former City Hall complex. Newport Beach City Hall was relocated to a new site in 2013 near Fashion Island. The site is currently designated (PF) Public Facility, pending a Land Use Plan Amendment (LCP-5-NPB-14-0831-3) to change the land use designation to visitor-serving commercial.

The proposed four-story Lido House Hotel development includes 98,725 square feet of hotel rooms, meeting space, retail, restaurants, lounge, spa, pool and recreation area, and a roof top bar (**Exhibit 2**). There is approximately 4,453 square feet of function space, 856 square feet of retail floor area, 452 square feet near the main lobby for sundries and a gift shop, and 431 square feet for a small coffee shop near the public sidewalk. There are approximately 2,789 square feet of outdoor dining areas and approximately 750 square feet of area for a rooftop bar (a total of 3,195 square feet for food and beverage). Of the hotel amenities, the pool and spa will be limited to hotel guests only, while the rest of the hotel facility will be available to the general public. The proposed development includes a wide, park-like setback on Newport Boulevard for a public pedestrian plaza.

Proposed are 112 standard guest rooms, twelve suites, one presidential suite on the fourth floor, and five two-story family villas on the south side of the site. All 130 units of the hotel are proposed to operate as a standard hotel with no timeshare or limited use accommodations. The yearly average rental rates are estimated to be: \$201 for the standard rooms, \$225 for the suites, \$325 for the family villas, and \$513 for the presidential suite.

A 148-stall parking lot is proposed on the site; largely in the same configuration of the site's existing parking lot connecting Finley Avenue to 32nd Street. With valet-assisted parking, the proposed parking lot will be able to accommodate an additional 42 vehicles. The proposed project also includes reconfiguration of the public parking along 32nd Street by incorporating angled parking and increasing the overall street parking spaces from 79 to 80 and to improve the flow of vehicle ingress and egress in this area. Angled metered parking on the north side of 32nd Street would be relocated to the east, immediately west of Lafayette Road, in order to accommodate additional angled parking along the north side of 32nd Street. Additionally, 32nd Street would be restriped to align the westbound traffic lane to improve vehicle sightlines and egress on the street. An overall net gain of one public parking space on the street would result.

Approximately 6,640 cubic yards of grading will take place on the site with import of fill. The finished floor elevation will be nine feet high. The proposed hotel four-story hotel is 58 feet high, with architectural elements up to 60 feet. There are several large established trees on the site. All trees will be removed with the exception of City significant trees including two ficus trees and ten *Washingtonia robusta* palms.

B. PUBLIC ACCESS AND RECREATION

Section 30211 of the Coastal Act states:

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30252(4) of the Coastal Act states:

The location and amount of new development should maintain and enhance public access to the coast by ... (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation.

The site is ideally located within close proximity of, but not immediately adjacent to, both the Pacific Ocean at Newport Beach and the waters of Newport Bay, prime locations for public recreation. The construction of the hotel and associated structures will not impact the public's ability to access either the ocean or the bay.

This area of Newport Beach has limited on-street parking and limited public transportation options, despite being a major visitor destination for recreational purposes. The ability of the public to access the beach is largely limited by the amount of on-street parking. For this reason, the Commission has generally required that development in near-beach areas provide adequate parking on-site.

In this case, the proposed development includes a 148-stall parking lot on the site. With valet-assisted parking, the proposed parking lot will be able to accommodate an additional 42 vehicles, for a total of 190 parked vehicles. This parking reservoir would serve all visitors to the proposed development, including hotel guests, function space and customers of the commercial uses (retail, restaurant, coffee shop and bar). The applicant has submitted a parking analysis¹ which indicates that the proposed parking lot is sufficient for the hotel and associated commercial uses. The report concludes that similar hotels in the area are adequately parked with meeting and assembly space

¹ *Parking Study for Lido House Hotel* by Stantec, April 2014.

parking allotments of one space per 200 square feet in lieu of the Commission parking standards which usually recommend one space per 35 square feet of meeting space. While the proposed parking supply does not meet the Commission's typical hotel parking standards, the parking analysis concludes that based on average hotel needs, there would be about twenty surplus spaces on most days.

On busy days, however, the proposed on-site parking supply may be inadequate to handle all of the visitors to the site. Therefore, **Special Condition 2** is imposed in order to reduce the parking demand of the development and ensure that nearby on-street will parking remains available for coastal access to the nearby beach and bay, not just on average days, but also on peak-use days. The requirement for transportation demand management plan will mitigate adverse impacts to public access by ensuring that public parking will not be impacted by an inadequate parking supply. The applicant will be responsible for providing free coordination services for an employee carpooling program, offering a public transit incentive program to employees, installing bike racks, operating a shuttle service for hotel guests coming and going to the airport, and issuing parking validation to guests of the commercial uses in the development. **Special Condition 3** also requires the applicant to provide and maintain a minimum of 148 on-site parking spaces for the proposed development, and requires an amendment to this permit for any change in the number of parking spaces, or change in use of the approved development. It also requires that the parking will not be assigned and will be available to all building employees and guests.

Special Condition 5 ensures that all hotel rooms shall be available to the general public and not privatized by long-term occupancy or otherwise restricted from public use. The Commission also imposes **Special Condition 1**, which limits the uses and development for the proposed project and requires an amendment to this permit or a new coastal development permit for any changes to the development, including, but not limited to the parking provisions, land use, or intensification of use. As conditioned, the proposed development will not have any new adverse impacts on public access to the coast or to nearby recreational facilities. Thus, as conditioned, the proposed development conforms with Sections 30211 and 30252(4) of the Coastal Act.

C. LOWER COST VISITOR SERVING FACILITIES

Section 30213 of the Coastal Act states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

The City of Newport Beach certified Coastal Land Use Plan (LUP) states:

2.3.3-1. Lower cost visitor and recreation facilities, including campgrounds, recreational vehicle parks, hostels, and low-cost hotels and motels, shall be protected, encouraged, and where feasible, provided. Developments providing public recreational opportunities are preferred. New development that eliminates existing lower-cost accommodations or provides high-cost overnight visitor accommodations or limited use overnight accommodations such as timeshares, fractional ownership and condominiums hotels, shall provide lower-cost overnight accommodations commensurate with the impact of the development on lower-cost overnight visitor accommodations in Newport Beach or pay

an “in-lieu” fee to the City in an amount to be determined in accordance with law that shall be used by the City to provide lower-cost overnight accommodations.

2.3.3-2. Encourage new overnight visitor accommodation developments to provide a range of rooms and room prices in order to serve all income ranges....

2.3.3-8. A Method to define whether a facility providing overnight accommodations is low, moderate, or high cost for the City of Newport Beach coastal zone shall be developed in the implementing regulations for this Land Use Plan (when such regulations are certified) and through the coastal development permit process.

Coastal Act section 30213 and the LUP state that lower cost overnight visitor accommodations shall where feasible, be provided. The applicant has argued that the City determined the development of the hotel did not have any impact on the supply of existing lower cost accommodations and therefore, under the LUP, they were not required to pay an in-lieu fee that “commensurate(s) with the impact of the development.” The applicant did not provide a feasibility study that concluded it was infeasible to provide lower cost overnight accommodations within the proposed hotel development, and no lower cost overnight accommodations are proposed on the City-owned site; therefore the proposed development is inconsistent with Coastal Act section 30213.

Historically, the Commission has approved new hotel developments along the coastline because they are visitor-serving facilities. These hotels, however, are often exclusive because of their high room rates, particularly in recent years. Often, the Commission has secured public amenities when approving these hotels (e.g., public accessways, public parking, and open space dedications) to address the Coastal Act priorities for public access and visitor support facilities. The Commission has also required mitigation for the use of land that would have been available for lower cost and visitor serving facilities (e.g. NPB-MAJ-1-06A). The expectation of the Commission, based upon several recent decisions, is that developers of sites suitable for overnight accommodations will provide facilities which serve the public with a range of incomes [HNB-MAJ-2-06-(Huntington Beach-Timeshares); A-6-PSD-8-04/101 (San Diego-Lane Field); A-5-RPV-2-324 (Rancho Palos Verdes-Long Point); RDB-MAJ-2-08 (Redondo Beach); SBV-MAJ-2-08 (Ventura); 5-98-156-A17 (Long Beach-Pike Hotel); LOB-MAJ-1-10 (Long Beach-Golden Shore)]. If the development does not provide for a range of affordability on-site, the Commission has required off-site mitigation, such as payment of an in-lieu mitigation fee, to fund construction of lower cost overnight accommodations such as youth hostels and campgrounds.

In light of the trend in the market place to provide luxury hotels, as well as the demolition of existing lower cost motels along the coast, the Commission is faced with the responsibility to protect and to provide lower-cost overnight accommodations as required by Section 30213 of the Coastal Act. Although statewide demand for lower-cost accommodations in the coastal zone is difficult to quantify, there is no question that camping and hostel opportunities are in high demand in coastal areas, and that there is an on-going need to provide more lower-cost opportunities along California’s coast. For example, the California Department of State Parks estimates that demand for camping increased 13% between 2000 and 2005 with nine of the ten most popular State Park campgrounds being on the coast.

Lodging opportunities for more budget-conscious visitors to the coast are increasingly limited. As the trend to demolish or convert low-cost hotels/motels continues, and only new luxury hotels are

being built, persons of low and moderate incomes will make up fewer of the guests staying overnight in the coastal zone. Without low-cost lodging facilities, a large segment of the population will be excluded from overnight stays at the coast. By forcing this economic group to lodge elsewhere (or to stay at home), there will be an adverse impact on the public's ability to access the beach and coastal recreational areas. Therefore, by protecting and providing low-cost lodging for the price-sensitive visitor, a larger segment of the population will have the opportunity to visit the coast. Access to coastal recreational facilities, such as the beaches, harbor, piers, and other coastal points of interest, is enhanced when lower cost overnight lodging facilities exist to serve a broad segment of the population.

In order to protect and provide for lower-cost visitor-serving facilities, the Commission has imposed in-lieu mitigation fees on development projects that remove existing facilities and/or propose only new high cost overnight accommodations, or change the land use to something other than overnight accommodations. By requiring such mitigation a method is provided to assure that at least some lower-cost overnight accommodations will be protected and/or provided.

Defining Lower Cost

In a constantly changing market, it sometimes can be difficult to define what price point constitutes low cost and high cost accommodations for a given area. In its previous actions, the Commission has addressed what are appropriate terms for defining low cost and high cost hotels (Coastal Development Permit Nos. 5-04-291, 5-88-062, 5-84-866, 5-81-554, 5-94-172, 5-06-328, 5 A-253-80, and A-69-76, A-6-IMB-07-131, 3-07-002, 3-07-003). More recent Commission actions have utilized a formula that can be used to determine low and high cost overnight accommodations for a specific part of the coast (SBV-MAJ-2-08). The formula is based on California hotel and motel accommodations (single room, up to double occupancy), and does not incorporate hostels, RV parks, campgrounds or other alternative accommodations into the equation, as these facilities do not provide the same level of accommodation as hotels and motels. Hostels, RV parks and campgrounds are inherently lower cost, and are the type of facilities that a mitigation fee for the loss of existing lower cost over-night accommodations or the failure to provide new lower cost facilities would support.

The formula compares the average daily rate of lower cost hotels in a specific coastal zone area (e.g., city or bay) with the average daily rates of hotels and motels across the entire State of California.

The applicant submitted an inventory survey of hotels and motels in the Newport Beach area.² For the designated area, the report analyzed the supply and demand by three price tiers. The price tiers were calculated by utilizing the 2014 average daily rate (ADR) for the State of California of \$140.16, as reported by Smith Travel Research. Low cost is defined by multiplying the California ADR by 75 percent. High cost is defined by multiplying the California ADR by 125 percent. The moderate price tier is between 75 percent and 125 percent. The identified lodging properties were allocated to these three tiers based on the 2014 estimated ADR.

The tiers are defined as:

- low - ADR below \$105
- Moderate- ADR between \$105 and \$175
- High- ADR above \$175

² *Analysis of Market Price and Supply for Accommodations in the vicinity of the City of Newport Beach, CA* by PFK Consulting USA, February 2015.

The report concludes that an average daily rate of \$175 or more is considered is high cost. The applicant proposes the hotel rates to be an average of \$212 per night, above the statewide average (**Exhibit 5**).

Mitigation Requirement

The Commission has found in past actions that the loss of existing, low cost hotel units should, under most circumstances, be mitigated at a 1:1 ratio lost to new units provided. For high cost overnight visitor accommodations where low cost alternatives are not included onsite, a mitigation fee of \$30,000 per room (adjusted for inflation since 2007) was required for 25% of the high cost rooms constructed in recent Commission action. Although the actual provision of lower-cost accommodations in conjunction with a specific project is preferable, in past action, the Commission has also found that when this approach is not feasible, then the requirement of in-lieu fees to provide new lower-cost opportunities constitutes adequate mitigation for the lack of lower cost overnight accommodations being provided

In 2007, Hostelling International (HI) submitted a report to the Commission regarding the cost of land acquisition and renovating an existing structure for hostel use (Model 1), which estimated the construction costs per bed to be \$34,653 and the total cost per bed (including land purchase) to be \$44,898. Under a leased existing structure (no land acquisition costs) the total cost per bed was estimated to be \$18,300 (Model 2). Not knowing whether land costs were needed or if conversion of existing structures into hostels was possible under all scenarios, the Commission at the time decided to use a mid-range figure for the in-lieu mitigation fee in between the two estimates: \$30,000 low cost room. This figure has been used consistently for the in-lieu fee since 2007 and adjusted for inflation according to the Consumer Price Index (CPI). Since 2007, Commission staff and the Coastal Conservancy have had a difficult time finding lower cost accommodation projects in which to invest the mitigation fees because the fee has not been sufficient for new construction of hostels and other lower cost accommodations. The limited funding for new projects is rarely accepted by organizations without securing supplemental funding to complete a project.

Since receiving this information, the Commission has acted upon several permits and plans (6-92-203-A4/KSL, A-6-ENC-07-51, Oceanside LCPA 1-07, Redondo Beach LCPA 2-08, A-6-PSD-08-004, 5-13-0717, San Buenaventura LCPA 1-08 and 2-08, 5-13-0717) requiring the payment of an in-lieu fee of \$30,000 per unit (adjusted for inflation) to mitigate for the loss of lower cost overnight accommodations.

Following recent questions regarding the adequacy of the in-lieu fee at Commission hearings, HI provided an updated report in 2014 representing the true construction costs of a new hostel. The 2014 report stated that new construction costs \$42,120 per bed without the cost of land acquisition. The report assumed that at \$100/square foot of land purchased (at 120 sq. ft. per bed), the total cost per bed would be \$54,120.

While this information was reported by HI, it is important to note that in-lieu mitigation fees are accepted and used by many public and non-profit organizations. The in-lieu fees provide funding to public agencies and non-profit organizations including California State Parks and non-profit concessionaires, various counties and cities across California, as well as HI, for the provision of lower cost overnight visitor accommodations within or in close proximity to the coastal zone, including but not limited to RV park sites, hostel accommodations, campgrounds, cabins, or lower cost hotel or motel accommodations.

An independent consultant was hired by the Commission in 2015 to verify the report's figures. The consultant concluded that \$42,120 per bed for new construction of hostels is an accurate figure and can be applied statewide, but concluded that assuming \$100/square foot of land is unrealistic and inadequate.³ The recommendation was to separate the two figures, based on the specifics of the project. The land costs should be factored into the equation based on the average land cost per square foot in the area of the impact and added to the construction cost of \$42,120 per bed.

For this project, staff has communicated with City of Newport Beach regarding a mitigation alternative that would provide outdoor educational programming for students from Title 1 inland area schools, as well as provide overnight accommodations through existing cabins and/or tent camping at the Newport Dunes Back Bay. The proposed program, Fostering interest in Nature (FiiN), would be established by the in-lieu fee provided by the applicant. The program would focus on 5th and 6th grade classes from Title 1 inland schools, and provide a four-day, three-night minimum stay in tents or cabins for the students to engage in coastal-related education. The program would initially serve one classroom-sized group (approximately 30 to 35 children) each week during a twelve-week period per year. The program may serve as many as 360-420 students annually. The educational component would focus on ocean safety, coastal and marine ecology, coastal hazards, and/or other coastal-related topics. The program would include water-oriented recreational activities such as kayaking, boating, swimming or surfing, etc. The program would run for a minimum of ten years from the date of establishment.

A preliminary budget estimate for a four-day and three-night camp experience for approximately 420 students (one group of 35 students per week, for twelve weeks) is approximately \$110,000 per year. The cost per child would be approximately \$260-\$305; however the cost to the child's family and/or school district would be nominal. The City has indicated the program operation may be expanded to accommodate more children and/or more camp sites and/or additional times of the year upon the availability of additional interest, grants, private funding, etc. Future funding sources would contribute to sustaining the program for a longer duration, and expanding the program to accommodate more children per week or expand the program into other seasons. Such expansion opportunities may be developed as part of the City's certified LCP as a potential use of mitigation funds.

The mitigation funding for the proposed development's consistency with Section 30213 of the Coastal Act, may be used for the above outlined program and the City would enter into an MOU with the Commission detailing the FiiN program. Additional information is needed in order for the Executive Director to determine if the program is a suitable use for the mitigation funds including a detailed budget addressing all program elements, including but not limited to, the costs incurred by the participating school districts and/or participants; initial budget and expected annual budget; sources of any additional funding; expected cost of transportation, tents, food, lodging, curriculum, staff, equipment, supplies, etc. Additionally, the list of Title 1 schools participating in the program, as well as the list of organizations and/or non-profits involved with the educational and recreational programming must be provided.

³ *Evaluation of Hostelling International's (HI) 'Cost Estimates for New Hostel Development'; and thoughts on the sufficiency of the Shore Hotel's Mitigation Fee* by Maurice Robinson, Consultant. August 2015.

While the City's proposed FiiN program would not directly establish any new permanent, physical lower cost overnight accommodations available to the general public, it would provide overnight stays for school-aged children from inland areas who may not otherwise have opportunities for coastal access and overnight stays. The mitigation would provide an alternative use for the in-lieu mitigation fees required by the Commission to offset the lack of lower-cost overnight accommodations in the proposed development.

The FiiN program would be located at the Newport Dunes Back Bay and therefore, would not require land acquisition. The additional mitigation for cost of land acquisition would not be necessary; and would not be included in the in-lieu fee structure. Therefore, the in-lieu fee of \$42,120 per lower cost room is an acceptable per room fee amount. In addition to construction costs, the in-lieu fee must cover the administrative costs to identify, develop and manage the mitigation project. In the past, the Commission has worked to reduce administrative costs as much as possible, and has aimed to limit them to five percent of the project cost. The administrative fee is a necessary component of an in-lieu fee because identifying, developing, and managing a mitigation project requires significant resources. If the City is the accepting entity of the funds, then the five percent administrative fee will provide for City staff costs to manage the program annually. If another entity accepts the funds then the five percent administrative fee will cover the cost of identifying and developing a project for the use of the mitigation funds.

Therefore, consistent with recent past commission actions, an in-lieu fee requirement shall apply to 25% of the proposed 130 rooms (or 32 rooms), the funds of which may be used by the City for establishment and annual operation of the FiiN program. The fee will be \$42,120 per room for 32 rooms, or \$1,347,840, plus and administrative fee of 5% (67,392), for a total of \$1,415,232.00.

As described above, in-lieu of providing onsite lower cost accommodations in the proposed hotel development project, a mitigation fee is required in order to provide for lower-cost overnight accommodations elsewhere within the vicinity of Newport Beach or greater Orange County for the project to be consistent with Section 30213 of the Coastal Act. **Special Condition 6** requires the applicant to deposit \$1,415,232.00 into an interest-bearing account and that the entity accepting the funds enter into a Memorandum of Understanding (MOU) with the Commission. The condition requires the funds be used for lower cost overnight visitor-serving accommodations such as RV park sites, hostel beds, tent campsites, cabins or campground units, and/or lower cost overnight accommodation opportunities in conjunction with an outdoor youth educational program. If the funds are to be used for the FiiN program, the funds would be used for the expenses related to the overnight stays and coastal-dependent recreational opportunities such as kayaking, boating, etc. Only as conditioned can the proposed development be found to be consistent with Section 30213 of the Coastal Act.

D. SCENIC AND VISUAL RESOURCES

Section 30251 of the Coastal Act states:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic

areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

In the City of Newport Beach Coastal Land Use Plan, policy 4.4.2-1 maintains a 35-foot height limit, known as the Shoreline Height Limitation Zone. The Shoreline Height Limitation Zone was adopted by the City in the early 1970s to regulate and control development pressures within the harbor area. The Shoreline Height Limitation Zone (including Policy 4.4.2-1) was adopted into the City's certified CLUP in 2005 to regulate and control development within the harbor area and to reduce impacts to public views. The Shoreline Height Limitation Zone includes West Newport, areas surrounding the harbor, and it extends inland to the Back Bay. The site-specific land use plan amendment (LCP Amendment No. 3-14) adds an exception to the Shoreline Height Limitation Zone to allow structures up to 55 feet high with peaks and sloping roofs and elevator towers up to 60 feet high and architectural elements up to 65 feet high at the project site (3300 Newport Blvd.).

The four-story hotel is proposed to have habitable space up to 48 feet high. The top ridge of the roof is proposed to be 58.5 feet high, while flagpoles and other architectural elements would be up to 60 feet high. Less than 18% of the total site would have a structure over 35 feet high. The portions of the structure over 35 feet would include a portion of the 3rd floor of the hotel, an observation room, cupolas and flagpoles.

The City provided an analysis in the EIR regarding the proposed 58-foot high structure (**Exhibit 4**). The EIR describes the existing aesthetics and potential effects of the proposed Lido House Hotel on the character of the area. The descriptions and analyses provided were based on information contained in the visual simulations provided, as well as site visits. With this particular site, there would be no impacts to the scenic and visual qualities of the coast or the bay with the proposed development at 58 feet high and architectural features up to 65 feet high. The EIR also states that a 58-foot high structure is necessary in order to provide for an expansive setback from Newport Boulevard without minimizing open space the site.

Given the detailed policy language, the height policy exception would prevent the site from massive, block-like structures and prevent impacts on scenic and visual resources. These design measures of the hotel proposal ensure that the site is developed with a structure with the highest points set back from the street. The tiered-heights are limited to a percentage of the site. Portions of the structure higher than 35 feet are limited to 25% or less of the total square footage of the site; and portions higher than 45 feet are limited to 15% or less of the total site. The proposed plans prevent massing and "walling in" of the area, and provide tiered height increments for architectural diversity, while maintaining the character of the area. The structure is sited and designed to minimize its visual impacts through a tiered designed and maximized setbacks.

Therefore, the proposed structure is consistent with the City's CLUP and as proposed, conforms with Section 30251 of the Coastal Act.

E. WATER QUALITY

Section 30230 of the Coastal Act states:

Marine resources shall be maintained, enhanced, and, where feasible, restored. Special protection shall be given to areas and species of special biological or

economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.

Section 30231 of the Coastal Act states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Runoff from the parking lot will drain toward infiltration zones with permeable pavers. Runoff from the vegetated areas and setback pedestrian areas will drain into underground gravel infiltration beds approximately 1.5 feet deep lined with filter fabric and topped with 8-12 inches of permeable topsoil. Curbs will have curb cuts for low flow volumes. There would be approximately six bio-filtration planters, approximately three feet wide, that would accept a maximum of six inches of ponding from runoff near the hotel entrance areas and allow the runoff to percolate into the soil through layers of mulch, planting media, and gravel. Parking areas will be swept on a regular basis according to the BMP Site Plan on file. The hotel's building design will capture a minimum of 80% of the average annual rainfall runoff from all impervious surfaces onsite.

The site will be over excavated and filled with a finished foundation of nine feet. The geological report recommends a mat foundation for the site. The Erosion Control Plan on file describe staging onsite with pollution prevention BMPs of wind erosion control, sandbag and fiber roll barriers, silt fences, construction road grates, gravel bag barriers, storm drain inlet protection, and hydroseeding on slopes.

The proposed hotel building is new development, which affords an opportunity to improve water quality. Much of the pollutants entering the ocean come from land-based development. The Commission finds that it is necessary to minimize to the extent feasible within its jurisdiction the cumulative adverse impacts on water quality resulting from incremental increases in impervious surface associated with additional development. Reductions in the amount of pollutants in the existing runoff would be one step to begin to reduce cumulative adverse impacts to coastal water quality. As such, appropriate measures must be taken to assure that adverse effects on water quality are minimized.

The proposed development has a potential for a discharge of polluted runoff from the project site into coastal waters. Due to this, the Commission has imposed **Special Condition 3**, which requires the applicant to comply with construction requirements related to storage of construction materials, mechanized equipment and removal of construction debris, and **Special Condition 4**, which requires the applicant to submit water quality management plan prior to issuance of the permit. The condition also requires that the Final Water Quality Management plan include the following: water from the pool and spa shall not enter storm drains without treatment; Provide a detailed description

and flows of the “Flow Through” system in the parking lot area; Provide clarification of the Fire Station parking lot permeability; Plan for adequate curb cut size, number, and placement; Ensure that the center of the parking areas and graded areas shall be constructed to adequately drain toward infiltration zones; and provide for finished grade of landscaping areas to be at a lower elevation than the surrounding impermeable areas.

Other sources of polluted runoff could include runoff from the large amount of impervious surface in the proposed project and over-watering, which sometimes occurs from installation of landscaping with a high water demand. Plants with a high-water demand are typically not well-suited to the Mediterranean climate of southern California, and therefore often require intense fertilization and application of pesticides/herbicides as a maintenance regime, in addition to regular irrigation. Thus, this type of landscaping can add pollutants to both dry weather and stormwater runoff. Therefore, the use of drought tolerant plants or low-maintenance landscaping is a preferred alternative.

The term “drought tolerant” is equivalent to the terms “low water use” and “ultra low water use” as defined and used by "A Guide to Estimating Irrigation Water Needs of Landscape Plantings in California" prepared by University of California Cooperative Extension and the California Department of Water Resources dated August 2000 and is available for review at <http://www.owue.water.ca.gov/landscape/pubs/pubs.cfm>.

Invasive plants can invade an area and displace native plants, impeding restoration and preservation efforts. Seed dispersal can occur via water transport and drainage, wind, and via avian and mammalian species. Invasive plants are generally those identified by the California Invasive Plant Council (<http://www.cal-ipc.org>) and California Native Plant Society (www.CNPS.org) in their publications.

Therefore the Commission has imposed **Special Condition 7** requiring the applicant to submit a final landscaping plan. The plan requires the applicant to plant non-invasive, drought tolerant vegetation on the site. Non-invasive, drought tolerant plants are used because they require little to no watering once they are established (1-3 years), they have deep root systems that tend to stabilize the soil, and are spreading plants that tend to minimize erosion impacts of rain and water run-off.

As conditioned, the Commission finds that the proposed development conforms with Sections 30230 and 30231 of the Coastal Act regarding the protection of water quality to promote the biological productivity of coastal waters and to protect human health.

F. DEED RESTRICTION

To ensure that any prospective future owners of the property are made aware of the applicability of the conditions of this permit, the Commission imposes **Special Condition 8**, which requires that, prior to any conveyance of the City-owned property, the property owner shall record a deed restriction against the property, referencing all of the above Special Conditions of this permit and imposing them as covenants, conditions and restrictions on the use and enjoyment of the Property. Thus, as conditioned, this permit ensures that any prospective future owner will receive actual notice of the restrictions and/or obligations imposed on the use and enjoyment of the land in connection with the authorized development, including the risks of the development and/or hazards to which the site is subject, and the Commission’s immunity from liability.

G. LOCAL COASTAL PROGRAM

Section 30604 (a) of the Coastal Act states:

Prior to certification of the Local Coastal Program, a Coastal Development Permit shall be issued if the issuing agency, or the Commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a local coastal program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200).

Coastal Act section 30604(a) states that, prior to certification of a local coastal program (“LCP”), a coastal development permit can only be issued upon a finding that the proposed development is in conformity with Chapter 3 of the Act and that the permitted development will not prejudice the ability of the local government to prepare an LCP that is in conformity with Chapter 3. The Coastal Land Use Plan (CLUP) for the City of Newport Beach was effectively certified on May 19, 1982. The certified CLUP was updated on October 2005 and in October 2009.

Most recently, a project specific Land Use Plan amendment was processed for the project site: LCP Amendment 3-14. Amendment Request No. 3-14 would change the land-use designation (CLUP Table 2.1.1-1 and Map1) for the project site (the 4.25-acre former City Hall site located at 3300 Newport Boulevard and 475 32nd Street). The amendment request would also amend CLUP Policy 4.4.2-1 (Shoreline Height Limitation Zone) in order to allow buildings up to 65 feet high instead of 35 feet on the former City Hall site. The proposed changes are reflected in the City Council Resolution No. 2014-81.

As conditioned, the proposed development is consistent with Chapter 3 of the Coastal Act and with the certified Land Use Plan for the area, as amended by LCP Amendment 3-14. Approval of the project, as conditioned, will not prejudice the ability of the local government to prepare an LCP that is in conformity with the provisions of Chapter 3 of the Coastal Act.

H. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 13096 of the Commission's regulations requires Commission approval of Coastal Development Permit applications to be supported by a finding showing the application, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available, which would substantially lessen any significant adverse effect which the activity may have on the environment.

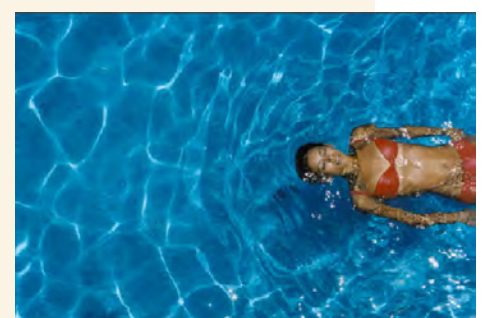
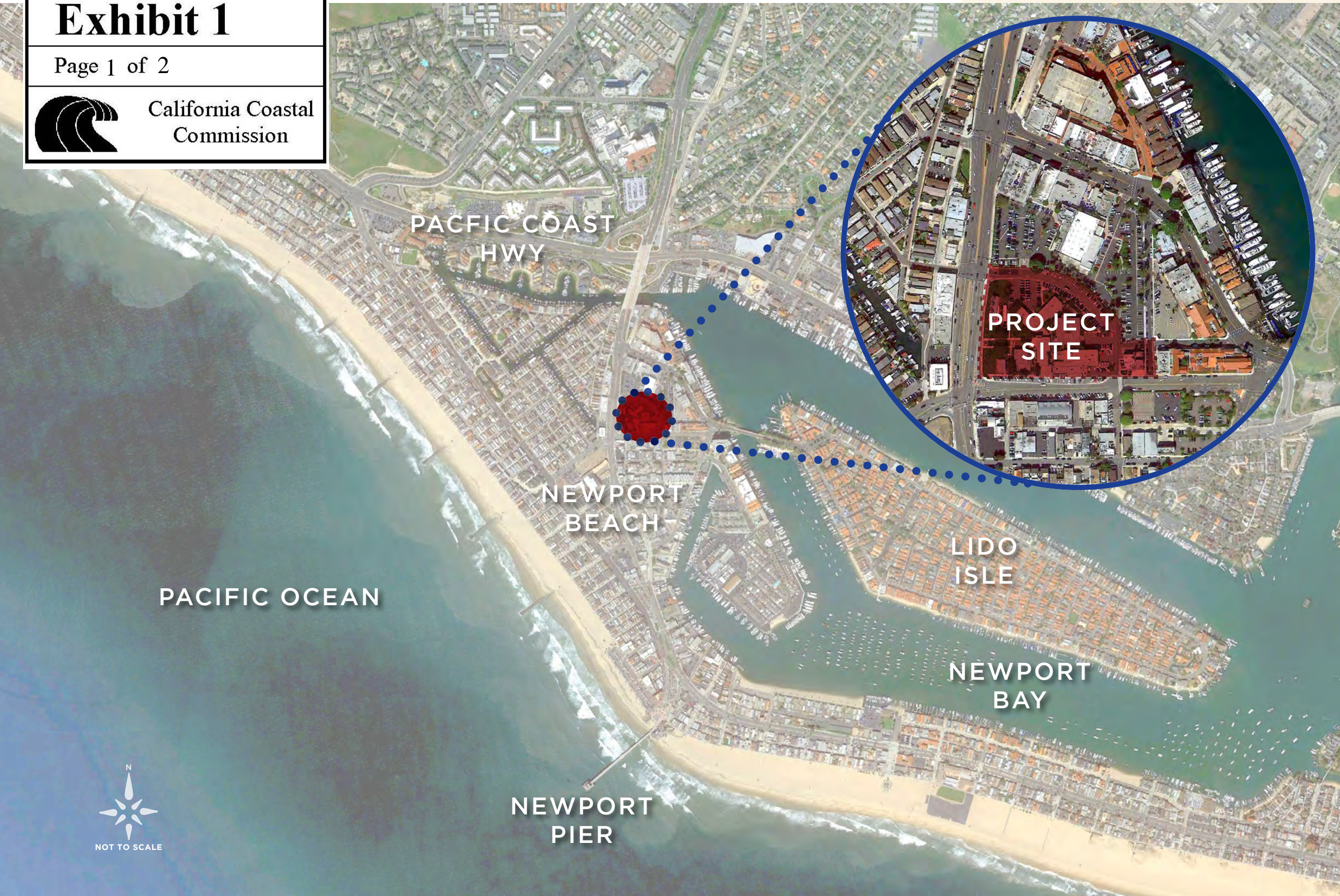
As conditioned, there are no feasible alternatives or additional feasible mitigation measures available that would substantially lessen any significant adverse effect that the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate the identified impacts, is the least environmentally damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA.

Exhibit 1

Page 1 of 2



California Coastal Commission



NOT TO SCALE

- 18 LOADING ZONE
- 19 TRASH
- 37 CITY PARKING TO REMAIN
- 40 CONTROL GATE
- 41 PROPOSED CURB CUT
- 44 NEW 45 DEGREE PUBLIC PARKING

HOTEL SITE:
 PROPOSED LOT LINE (INCL. FIRE DEPT. LOT): 184,031 SQ.FT.
 PROPOSED LOT LINE (EXCL. FIRE DEPT. LOT): 172,347 SQ.FT.

HOTEL SITE:
 (148) TOTAL PROPOSED PARKING ON SITE:
 Criteria as follows:

STANDARD STALL
 8.5' WIDTH+ 107
 9' WIDTH+ 0

VALET/TANDEM STALL
 8.5' WIDTH+ 35
 9' WIDTH+ 0

HANDICAP STALL
 9' WIDTH+ 6

ALL STALLS
 8.5' WIDTH+ 136/148 / 92%
 9' WIDTH+ 12/148 / 8%

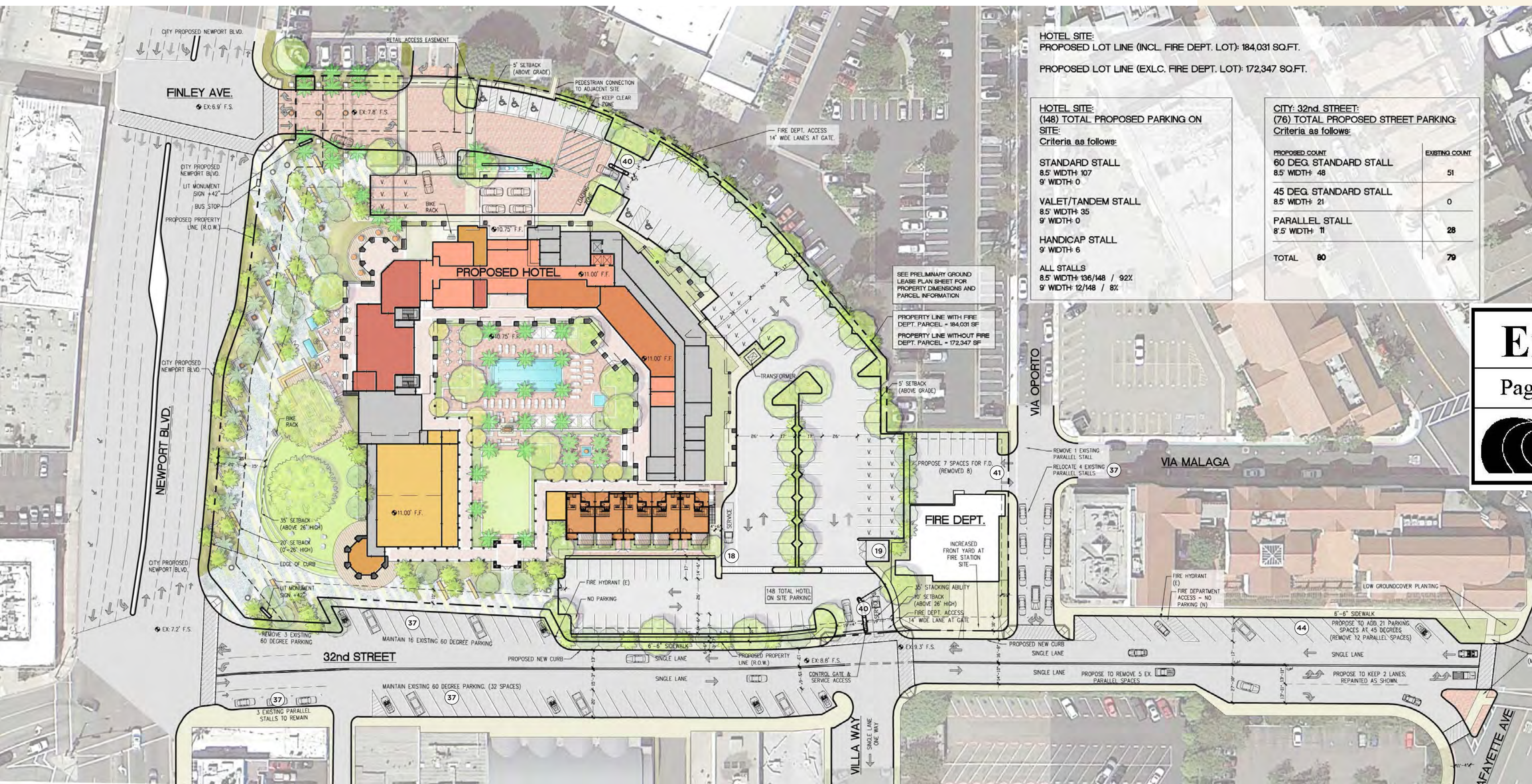
CITY: 32nd STREET:
 (76) TOTAL PROPOSED STREET PARKING:
 Criteria as follows:

PROPOSED COUNT	EXISTING COUNT
60 DEG. STANDARD STALL 8.5' WIDTH+ 48	51
45 DEG. STANDARD STALL 8.5' WIDTH+ 21	0
PARALLEL STALL 8.5' WIDTH+ 11	28
TOTAL 80	79

Exhibit 1

Page 2 of 2

California Coastal Commission



NOTE:
 148 PARKING SPACES PROVIDED WITHIN THE PROPERTY BOUNDARY AS SHOWN (35 TANDEM/VALET SPACES X 23.6%)

80 CITY PARKING SPACES PROPOSED OUTSIDE OF PROPERTY BOUNDARY AS SHOWN ON SITE PLAN



Exhibit 2

Page 1 of 15



California Coastal
Commission

Exhibit 2

Page 2 of 15

California Coastal
Commission

MODULE & KEY COUNT

TOTAL MODULES: 133

STANDARD KING: 58
DOUBLE QUEEN: 54
(1.5 MODULES) EXTENDED STAY SUITES: 12
(3 MODULES) PRESIDENTIAL: 1
EXTENDED STAY VILLAS: 5

TOTAL KEYS: 130

PROPOSED AREA PROGRAM

(Totals below are 'gross' target areas)

Guestroom Areas:	
Guestrooms & Corridors	69,944
Guestroom support	3,392
Total Guestroom	73,336
Public Areas:	
Food & Beverage	3,195
Function Space	4,453
Lobby Areas	1,065
Retail	875
Spa / Fitness	2,979
Public Circulation & Misc	5,080
Total Public Space	17,647
Back of House Areas:	
Administrative	2,240
Food & Beverage B.O.H.	1,750
Function Support	700
Employee Facilities	160
Housekeeping Facilities	1,070
Mechanical Areas	1,500
BOH Misc & Circulation	1,222
Total Back of House	8,642
TOTAL PROGRAM:	99,625

PROPOSED ZONING DATA

PROPOSED PROJECT DATA

Proposed City Zoning Criteria*: MU-LV	Proposed Hotel Development - Concept Design*:	Remark:
Total Gross Area of Development per proposed Zoning:	Total Gross Area of Development:	
Total Gross Area of Development Allowable = 99,625 sf	Total Gross Area of Proposed Development = 99,625 sf	In Conformance
	F.A.R (including estimate for the existing Fire Station) = 0.541	
	Parking spaces provided on site (1.1 x 130 Rooms) = 148 Spaces	
Setbacks per proposed Zoning:	Setbacks per Development:	
Front: (Newport Blvd.): 0' at basement, 20' to 26'-0" in ht., 35' above 26'-0" in ht.	Front: (Newport Blvd.): 69'-1" SB	In Conformance
Side: (32 nd Street): 0' at basement, 20' to 26'-0" in ht., 10' above 26'-0" in ht.	Side: (32 nd Street): 19'-1" SB and 27'-3" SB	In Conformance
Interior: 0' at basement, 5' at Interior Lots	Interior: 51'-0" SB (Porte Cochere)	In Conformance
Rear: 5'	Rear: 111'-0" SB	In Conformance
Open Space Requirement per proposed Zoning:	Open Space Requirement per Development:	
20% open space excluding the 0.3 acre area fronting Newport Blvd.	71.3% total open space provided = 131,278 sf (incl. the 0.3 acre area 13,068 sf	In Conformance
(Total site = 186,154 sf - 13,068 sf (0.3 acres) = 173,086 sf	fronting Newport Blvd. and all parking areas. The design provides a total 36,221 sf	
173,086 x 20% = 34,617 sf required Open Space on Site)	(0.83 acres) for public area gathering.	
Height Limits per proposed Zoning:	Height Limits per Development: 4 Storey's maximum	
55' to flat roof from Natural Grade	46'-0" to flat roofs from Natural Grade	In Conformance
60' to sloping roofs greater than 3:12 and elevator over-runs	58'-5" to sloping roofs greater than 3:12 and elevator over-runs	In Conformance
65' to architectural features such as domes, spires, cupolas, etc.	58'-5" to architectural features such as domes, spires, cupolas, etc.	In Conformance
Easements per proposed Zoning:	Easements per Development:	
Maintain existing 120' easement at Finley Street to Lido Commercial Plaza area	Existing 120' easement at Finley Street to Lido Commercial Plaza area - Maintained	In Conformance

*Proposed Site area = 4.22 acres (184,031 sf) This includes 0.30 acres devoted to Newport Blvd. open area and 0.33 acres devoted for the Fire Station site to remain.

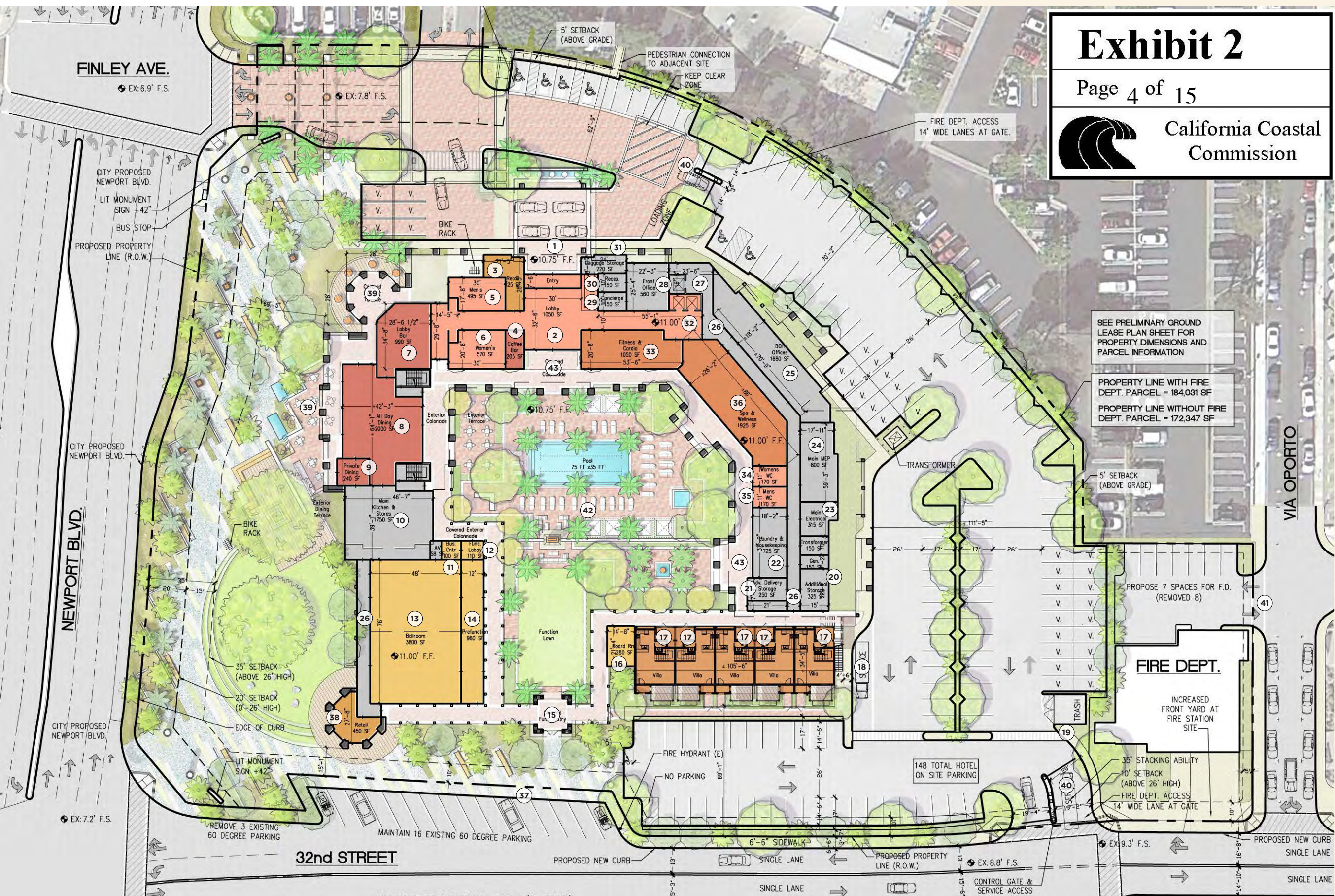
Exhibit 2

Page 4 of 15



California Coastal Commission

- 1 ENTRY
- 2 LOBBY
- 3 RETAIL
- 4 COFFEE BAR
- 5 MEN'S RESTROOM
- 6 WOMEN'S RESTROOM
- 7 LOBBY BAR
- 8 ALL DAY DINING
- 9 PRIVATE DINING
- 10 MAIN KITCHEN & STORAGE
- 11 BUSINESS CENTER
- 12 FUNCTION ENTRY
- 13 MAIN BALLROOM
- 14 PRE-FUNCTION
- 15 COVERED FUNCTION ENTRY
- 16 BOARDROOM
- 17 TWO STORY VILLA, LEVEL 1
- 18 LOADING ZONE
- 19 TRASH
- 20 SECURITY & RECEIVING
- 21 H.R. & STORAGE
- 22 LAUNDRY & HOUSEKEEPING
- 23 MAIN ELECTRICAL ROOM
- 24 MAIN M.E.P.
- 25 B.O.H. OFFICES
- 26 B.O.H. CIRCULATION
- 27 SERVICE ELEVATOR
- 28 FRONT OFFICES
- 29 CONCIERGE
- 30 RECEPTION
- 31 LUGGAGE STORAGE
- 32 PUBLIC ELEVATORS
- 33 SPA
- 34 WOMEN'S POOL RESTROOM
- 35 MEN'S POOL RESTROOM
- 36 FITNESS & CARDIO
- 37 CITY PARKING TO REMAIN
- 38 CAFE/ BAKERY
- 39 OUTDOOR DINING TERRACE
- 40 CONTROL GATE
- 41 PROPOSED CURB CUT
- 42 INTERNAL COURTYARD
- 43 COVERED ARCADE



SEE PRELIMINARY GROUND LEASE PLAN SHEET FOR PROPERTY DIMENSIONS AND PARCEL INFORMATION

PROPERTY LINE WITH FIRE DEPT. PARCEL = 184,031 SF
PROPERTY LINE WITHOUT FIRE DEPT. PARCEL = 172,347 SF

PROPOSE 7 SPACES FOR F.D. (REMOVED 8)

FIRE DEPT.
INCREASED FRONT YARD AT FIRE STATION SITE

35' STACKING ABILITY
10' SETBACK (ABOVE 26" HIGH)
FIRE DEPT. ACCESS
14' WIDE LANE AT GATE

NOTE:
148 PARKING SPACES PROVIDED WITHIN THE PROPERTY BOUNDARY AS SHOWN (35 TANDEM/VALET SPACES X 23.6%)

80 CITY PARKING SPACES PROPOSED OUTSIDE OF PROPERTY BOUNDARY AS SHOWN ON OVERALL SITE PLAN

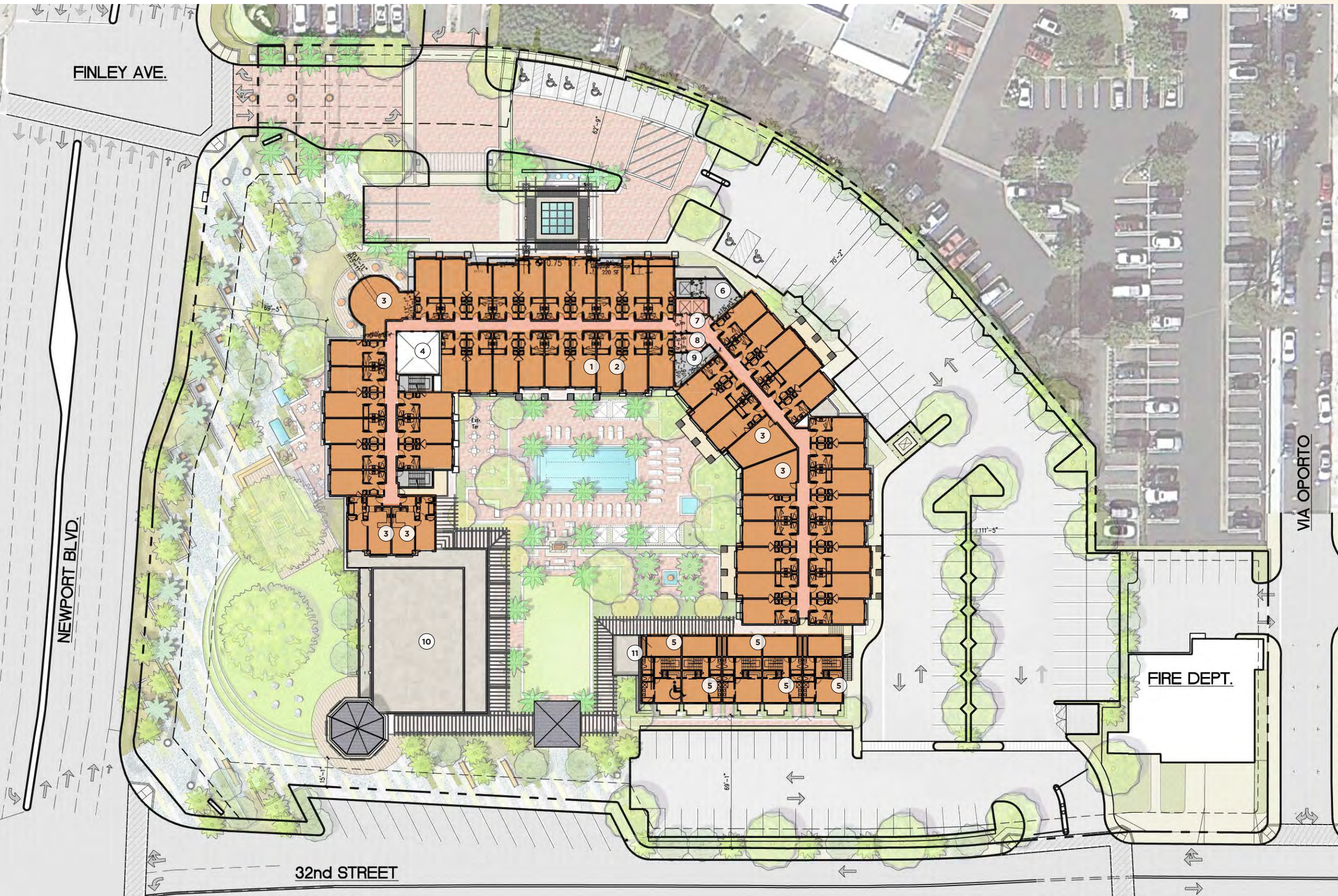
- ① KING GUESTROOM
- ② DOUBLE QUEEN GUESTROOM
- ③ EXTENDED STAY SUITE
- ④ OPEN TO ABOVE
- ⑤ TWO STORY VILLA, LEVEL 2
- ⑥ HOUSEKEEPING STORAGE
- ⑦ PUBLIC ELEVATOR
- ⑧ ICE & VENDING
- ⑨ ELECTRICAL & M.E.P.
- ⑩ BALLROOM ROOF
- ⑪ BOARDROOM ROOF

Exhibit 2

Page 5 of 15



California Coastal Commission



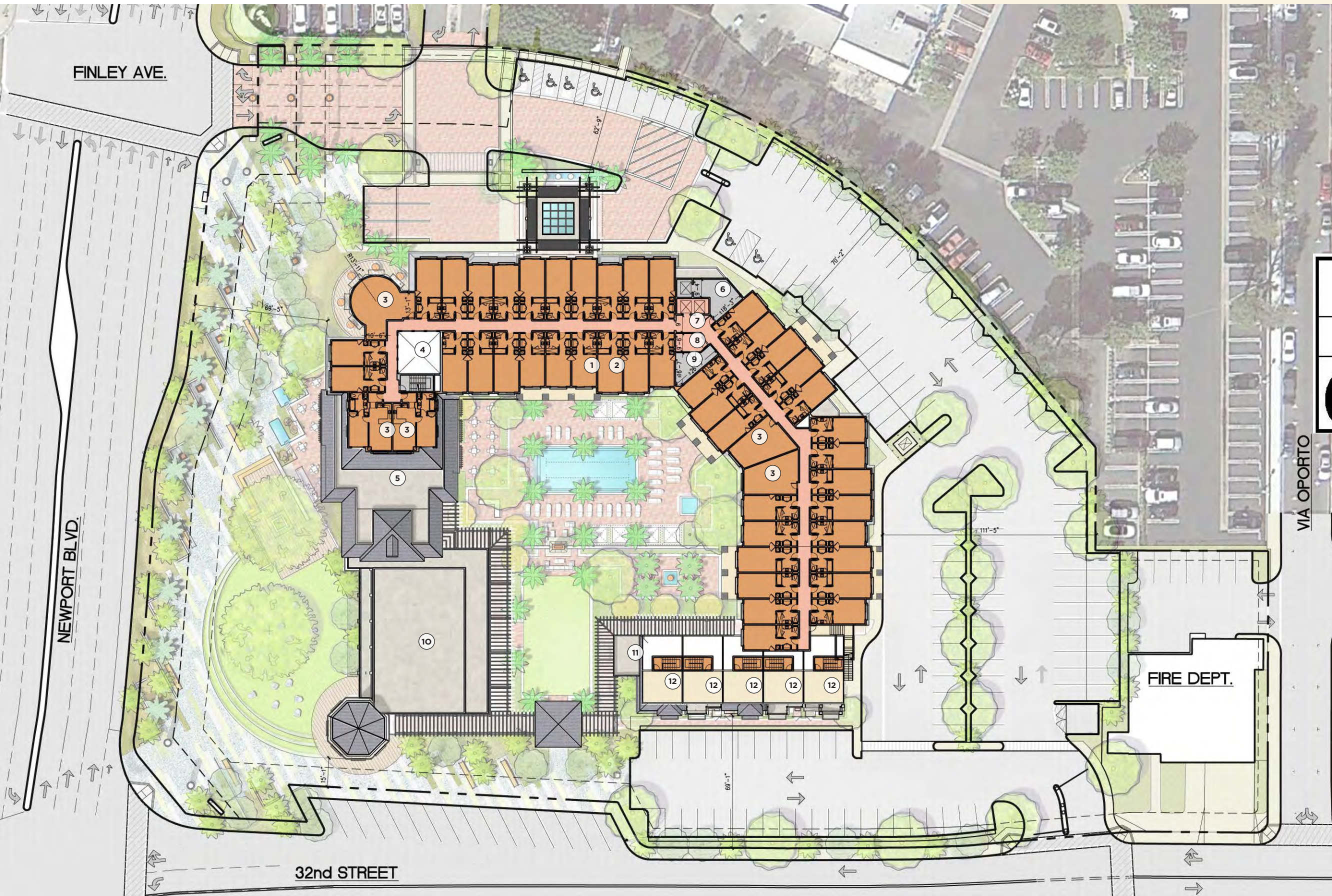
- ① KING GUESTROOM
- ② DOUBLE QUEEN GUESTROOM
- ③ EXTENDED STAY SUITE
- ④ OPEN TO BELOW
- ⑤ SUITE TERRACE
- ⑥ HOUSEKEEPING STORAGE
- ⑦ PUBLIC ELEVATOR
- ⑧ ICE & VENDING
- ⑨ ELECTRICAL & M.E.P.
- ⑩ BALLROOM ROOF
- ⑪ BOARDROOM ROOF
- ⑫ VILLAS' TERRACE

Exhibit 2

Page 6 of 15



California Coastal Commission



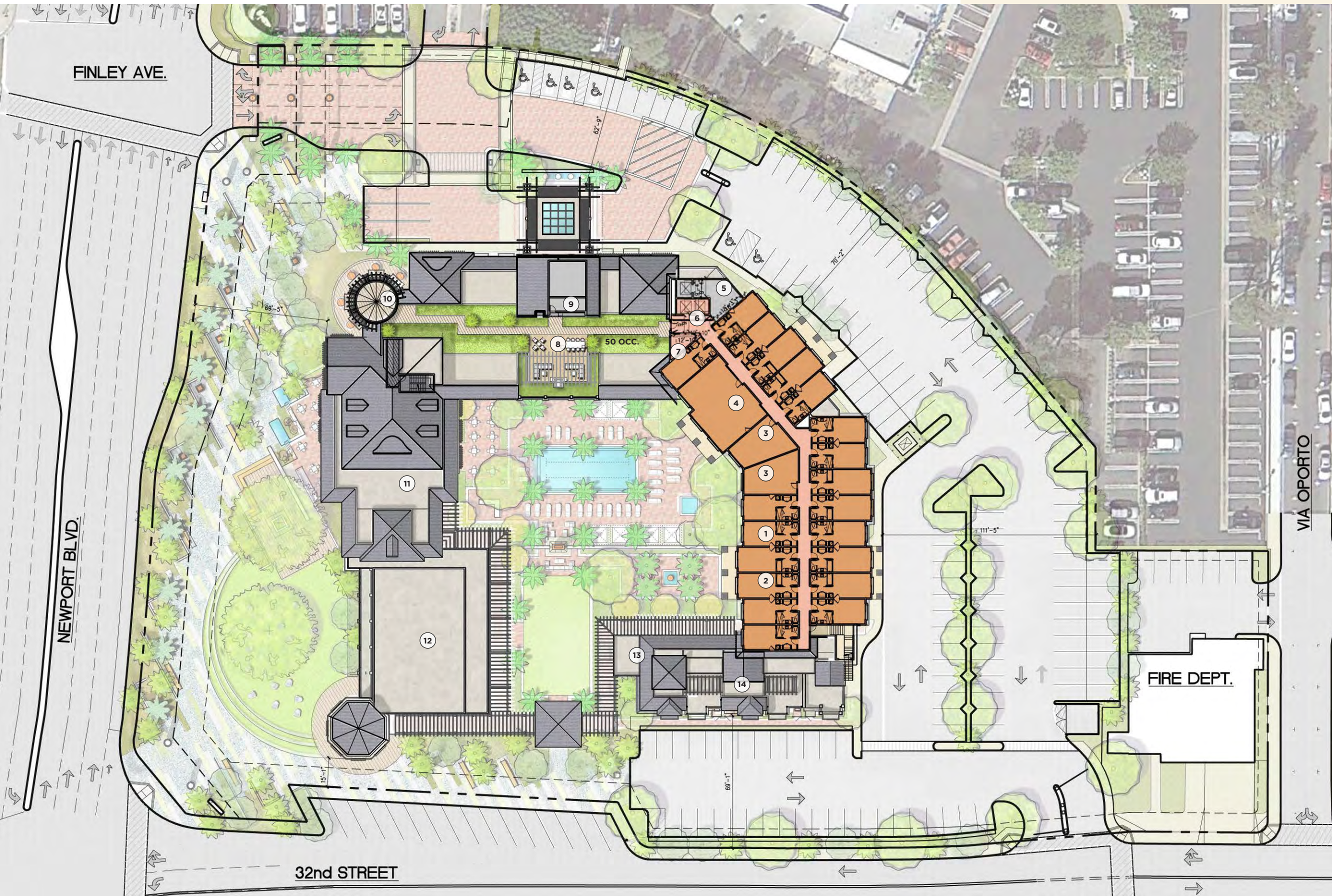
- ① KING GUESTROOM
- ② DOUBLE QUEEN GUESTROOM
- ③ EXTENDED STAY SUITE
- ④ PRESIDENTIAL SUITE
- ⑤ HOUSEKEEPING STORAGE
- ⑥ PUBLIC ELEVATOR
- ⑦ ICE & VENDING
- ⑧ ROOF LOUNGE
- ⑨ LOUNGE PANTRY
- ⑩ OBSERVATION TOWER
- ⑪ SUITE TERRACE
- ⑫ BALLROOM ROOF
- ⑬ BOARDROOM ROOF
- ⑭ VILLAS' ROOF

Exhibit 2

Page 7 of 15



California Coastal
Commission



- ① GUESTROOM ROOF
- ② ROOF LOUNGE
- ③ SUITE TERRACE
- ④ BALLROOM ROOF
- ⑤ BOARDROOM ROOF
- ⑥ VILLAS' ROOF/ TERRACE
- ⑦ SURFACE PARKING
- ⑧ TRASH

Exhibit 2

Page 8 of 15



California Coastal Commission

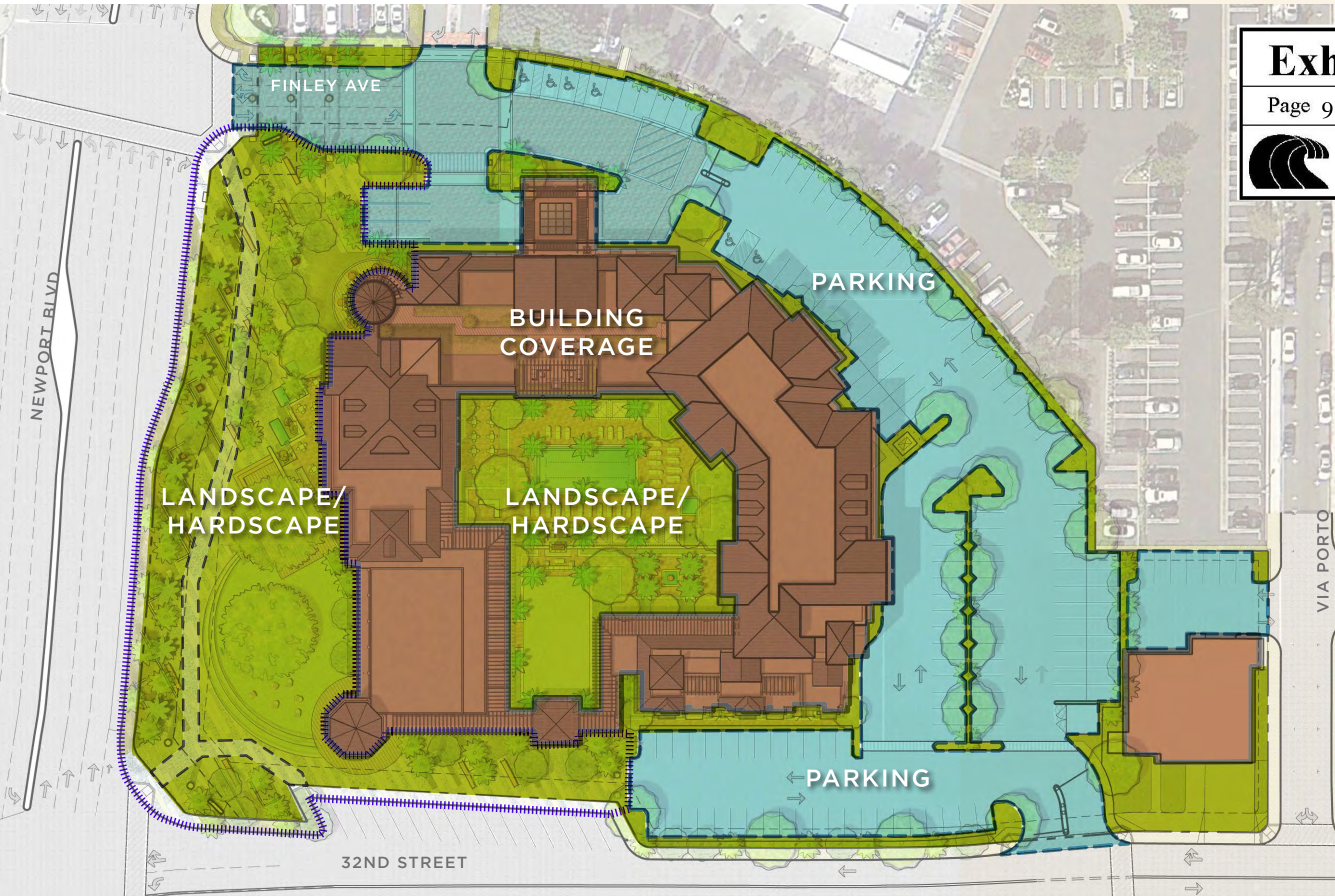


Exhibit 2

Page 9 of 15



California Coastal Commission



Total Site Area
(Including Fire Dept. Site)
184,031 SF (4.22 Acres)

Landscape & Hardscape (37.5%)
69,011 SF (1.58 Acres)

Parking (33.8%)
(Includes Drive Aisles)
62,267 SF (1.43 Acres)

Building Coverage (28.7%)
(Roof Limits)
52,753 SF (1.21 Acres)

Indicates Landscape & Hardscape @ front of project (22.0%)
40,511 SF. (0.93 Acres)

Indicates limits of Public Easement if required by Public Works. If required, the width will be no greater than the existing sidewalk along 32nd Street.

Landscaping Coverage
39,844 SF (22.0%)

Exhibit 2

Page 10 of 15



California Coastal Commission

- 1 ENTRY ROAD
- 2 MOTORCOURT GATEWAY
- 3 ARRIVAL MOTOR COURT
- 4 MOTOR COURT COVERING
- 5 DECORATIVE PAVING
- 6 PARKING (148 SPACES SHOWN)
- 7 GATED PARKING ACCESS
- 8 EXTERIOR PATIO
- 9 RECLAIMED WOOD BENCHES
- 10 SERVICE LOADING ZONE
- 11 WOOD DECKING
- 12 LAWN TERRACE
- 13 FORMAL LAWN WITH PALMS
- 14 MAIN POOL & DECK
- 15 PRESERVED EXISTING TREES
- 16 OUTDOOR FIRE PLACE
- 17 FOCAL WATER FEATURE
- 18 MOUNDED NATIVE GRASSES
- 19 SEA GLASS & SHELL PAVING
- 20 PARK GATEWAY



Exhibit 2

Page 11 of 15



California Coastal
Commission

- 1 PENDANT LIGHTING
- 2 BRICK PAVING
- 3 GATEWAY WOOD TRELLIS
- 4 WATER FEATURE
- 5 GUEST PARKING
- 6 ENHANCED PEDESTRIAN CONNECTION
- 7 PARK GATEWAY MONUMENTS
- 8 RECYCLED WOOD BENCH SEATING
- 9 SEA GLASS, SAND AND SHELL PAVING "PLANKS"
- 10 INTERPRETIVE PYLONS
- 11 INTERACTIVE WATER FEATURE
- 12 OUTDOOR DECK WITH FIRE PIT
- 13 SPECIMEN TREE
- 14 FAN PALM
- 15 SYCAMORE TREES
- 16 DUNE BERM PLANTING

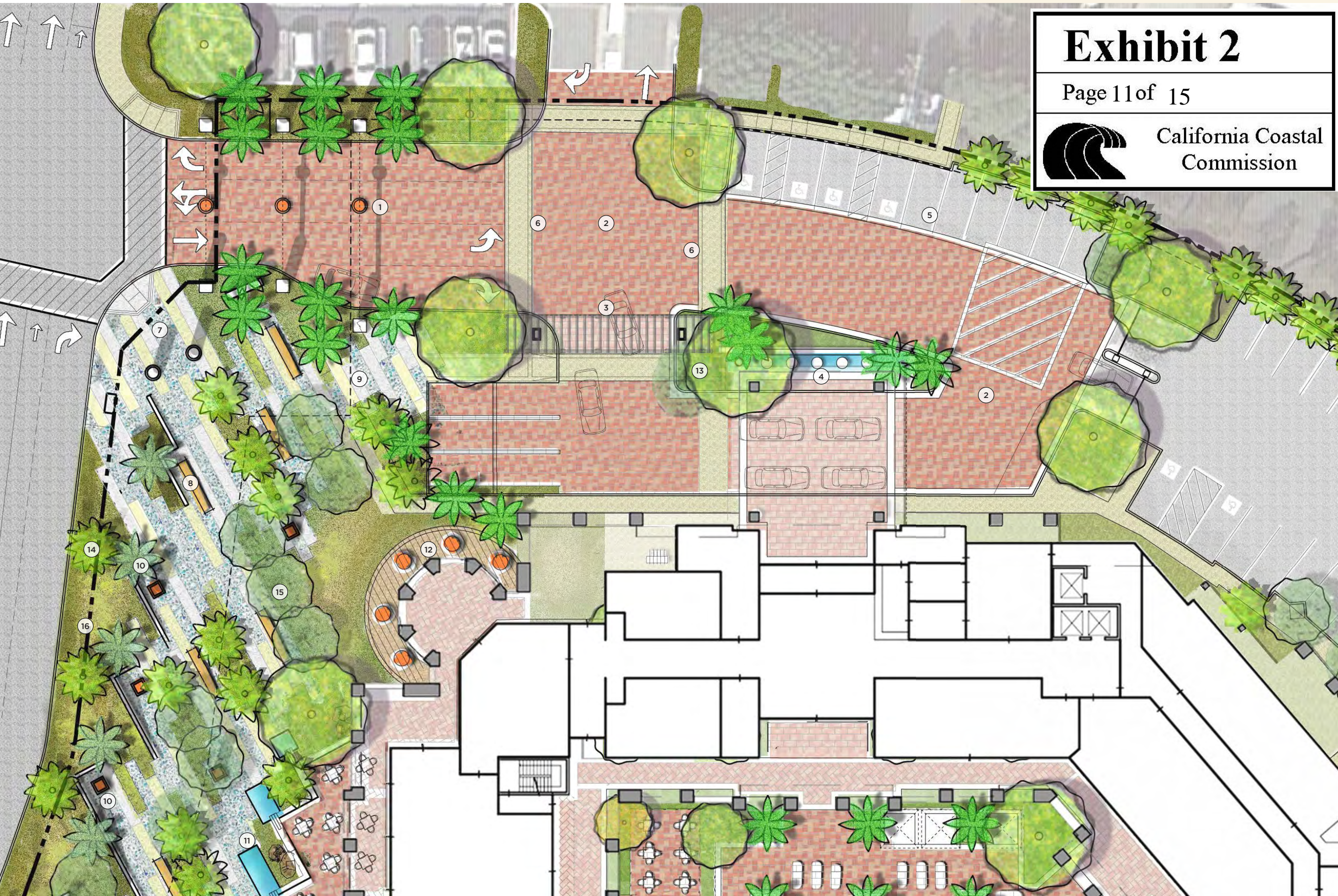


Exhibit 2

Page 12 of 15



California Coastal
Commission

- 1 BRICK PAVING
- 2 WOOD DECK WITH SEATING
- 3 LAWN TERRACE
- 4 MOVEABLE FURNITURE
- 5 SEDIMENTARY SEAT WALL
- 6 PARK GATEWAY MONUMENTS
- 7 RECYCLED WOOD BENCH SEATING
- 8 SEA GLASS, SAND AND SHELL PAVING "PLANKS"
- 9 INTERPRETIVE PYLONS
- 10 INTERACTIVE WATER FEATURE
- 11 EXISTING TREES
- 12 FAN PALM
- 13 SYCAMORE TREES
- 14 DUNE BERM PLANTING
- 15 EVENT LAWN
- 16 MAIN POOL DECK
- 17 CITY PARKING TO REMAIN

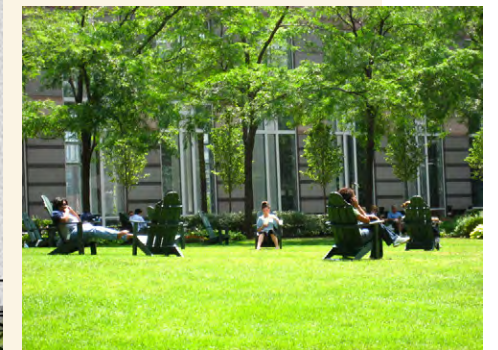


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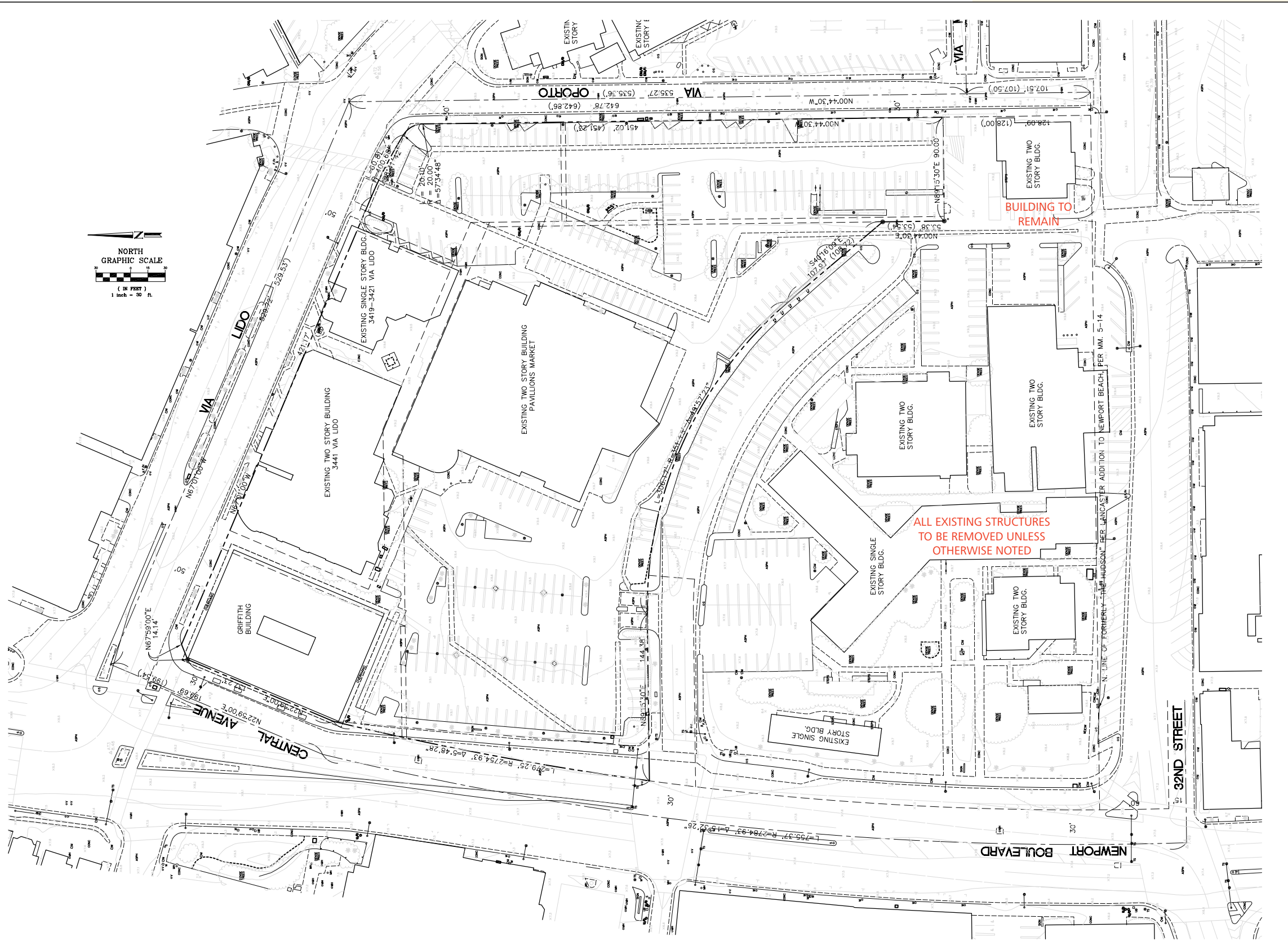
Page 13 of 15



California Coastal
Commission

- 1 BRICK POOL DECK
- 2 SWIMMING POOL WITH STEPPED SWIM OUTS
- 3 DATE PALMS
- 4 POOL CABANAS
- 5 OUTDOOR BAR / KITCHEN
- 6 SPECIMEN TREE
- 7 FIRE PLACE
- 8 SPA
- 9 EVENT LAWN
- 10 COURTYARD WITH FOUNTAIN
- 11 COVERED WALKWAY
- 12 PRIVATE ENTRY & FRONT YARD
- 13 PRIVATE FRONT PORCH
- 14 LOW-LYING LANDSCAPE GROUND COVER





REVISIONS	
REV	DESCRIPTION

PREPARED BY:

 CIVIL ENGINEERING
 LAND PLANNING & SURVEYING

TOPOGRAPHIC SURVEY
 3461 VIA LIDO
 NEWPORT BEACH
 CALIFORNIA

PROJECT NO.	FRDD-012
SHEET	1
OF	1

Exhibit 2

Page 15 of 15

California Coastal
Commission

Exhibit 3

Page 1



California Coastal Commission

LIDO HOUSE HOTEL | 33

- 1 METAL LOUVERS
- 2 FIBER CEMENT EAVE DETAIL
- 3 GLASS HANDRAIL
- 4 FABRIC AWNING
- 5 FIBER CEMENT: SIMULATED WOOD SIDING
- 6 FIBER CEMENT: SIMULATED WOOD ACCENT TRIM
- 7 CEMENT ROOF: SIMULATED WOOD SHINGLES
- 8 F.C. OR FRP: SIMULATED WOOD TRELLIS
- 9 CULTURED STONE
- 10 CULTURED STONE: SIMULATED LIMESTONE BASE
- 11 CULTURED STONE STONE HEADER
- 12 BRICK
- 13 METAL LIGHT FIXTURE
- 14 VERTICAL PLANTER



Exhibit 3

Page 2



California Coastal Commission

LIDO HOUSE HOTEL | 34

- 1 METAL LOUVERS
- 2 FIBER CEMENT EAVE DETAIL
- 3 GLASS HANDRAIL
- 4 FABRIC AWNING
- 5 FIBER CEMENT: SIMULATED WOOD SIDING
- 6 FIBER CEMENT: SIMULATED WOOD ACCENT TRIM
- 7 CEMENT ROOF: SIMULATED WOOD SHINGLES
- 8 F.C. OR FRP: SIMULATED WOOD TRELLIS
- 9 CULTURED STONE
- 10 CULTURED STONE: SIMULATED LIMESTONE BASE
- 11 CULTURED STONE STONE HEADER
- 12 BRICK
- 13 METAL LIGHT FIXTURE
- 14 VERTICAL PLANTER

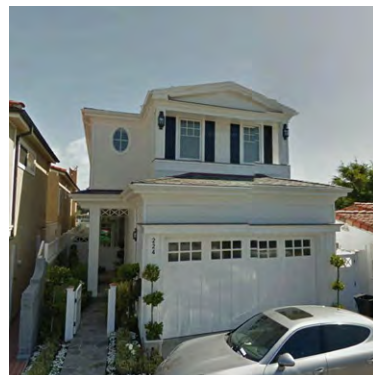
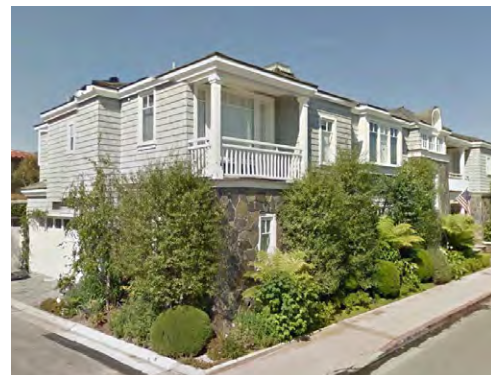


Exhibit 3

Page 3



California Coastal Commission

- 1 METAL LOUVERS
- 2 FIBER CEMENT EAVE DETAIL
- 3 GLASS HANDRAIL
- 4 FABRIC AWNING
- 5 FIBER CEMENT: SIMULATED WOOD SIDING
- 6 FIBER CEMENT: SIMULATED WOOD ACCENT TRIM
- 7 CEMENT ROOF: SIMULATED WOOD SHINGLES
- 8 F.C. OR FRP: SIMULATED WOOD TRELLIS
- 9 CULTURED STONE
- 10 CULTURED STONE: SIMULATED LIMESTONE BASE
- 11 CULTURED STONE STONE HEADER
- 12 BRICK
- 13 METAL LIGHT FIXTURE
- 14 VERTICAL PLANTER

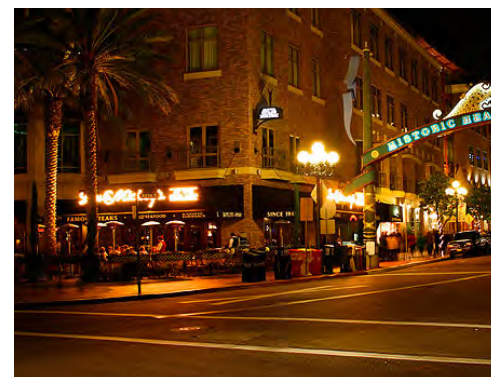


Exhibit 3

Page 4



California Coastal Commission



- 1 METAL LOUVERS
- 2 FIBER CEMENT EAVE DETAIL
- 3 GLASS HANDRAIL
- 4 FABRIC AWNING
- 5 FIBER CEMENT: SIMULATED WOOD SIDING
- 6 FIBER CEMENT: SIMULATED WOOD
- 7 ACCENT TRIM CEMENT ROOF: SIMULATED
- 8 WOOD SHINGLES
- 9 F.C. OR FRP: SIMULATED WOOD TRELLIS
- 10 CULTURED STONE
- 11 CULTURED STONE: SIMULATED LIME-
- 12 STONE BASE
- 13 CULTURED STONE STONE HEADER
- 14 BRICK
- 15 METAL LIGHT FIXTURE
- 16 VERTICAL PLANTER



BALBOA PENINSULA SUITE

LINDA ISLE SUITE

BAY ISLAND SUITE

HARBOR ISLAND SUITE

BACK BAY SUITE



AERIAL VIEW | OVERALL SITE

Exhibit 4

Page 1 of 7



California Coastal
Commission

-  1 STORY
-  2 STORY
-  3 STORY
-  4 STORY



SITE BUILDING HEIGHT ANALYSIS



Exhibit 4

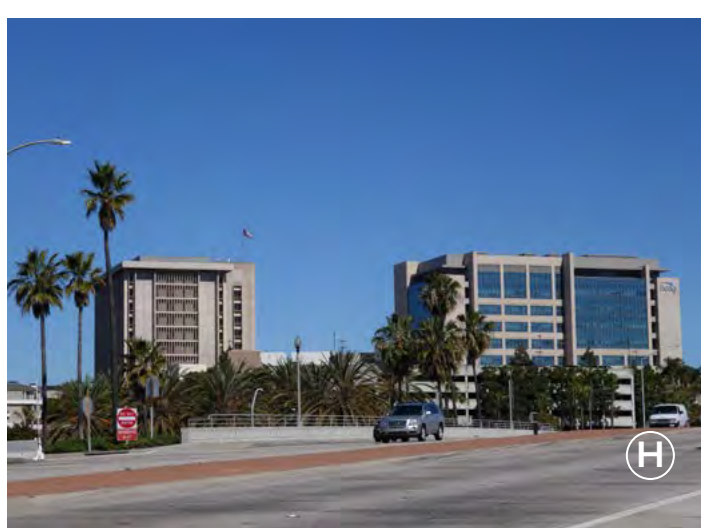
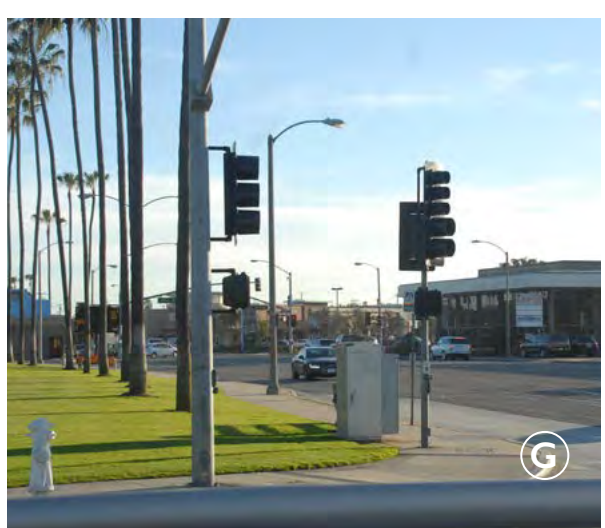
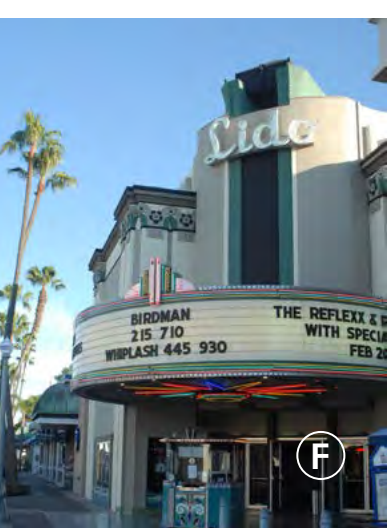
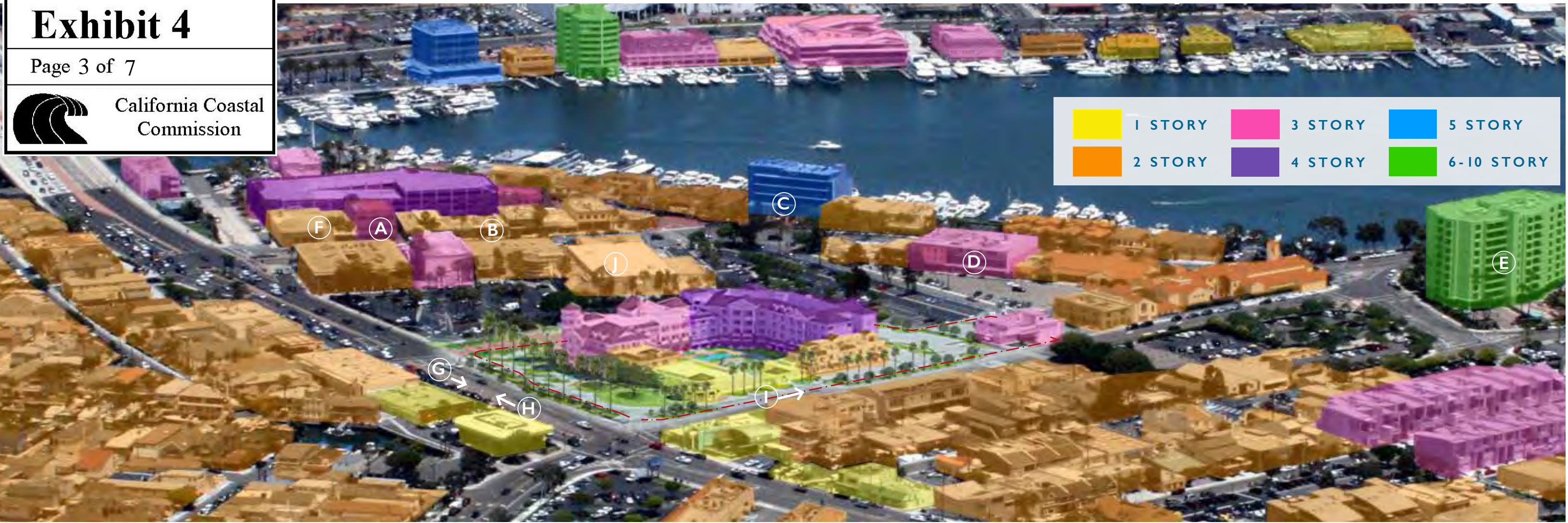
Page 2 of 7



SITE BUILDING HEIGHT ANALYSIS



Exhibit 4
 Page 3 of 7
 California Coastal Commission





NORTH ELEVATION



WEST ELEVATION



EAST ELEVATION

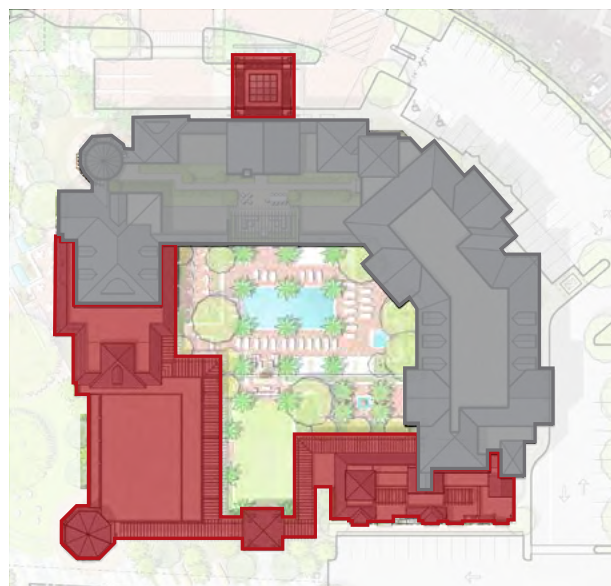


SOUTH ELEVATION



BUILDING HEIGHT DATA: PERCENTAGE OF SHADED BUILDING AREA IN REFERENCE TO OVERALL SITE AREA (SITE AREA = 170,247 S.F., EXCLUDING THE FIRE STATION)

Building Height Category	Percentage
1. BUILDING LESS THAN 35' (20,240 S.F. / 170,247 S.F. =	11.8%
2. BUILDING BETWEEN 35' AND 45' (11,597 S.F. / 170,247 S.F. =	6.81%
3. BUILDING BETWEEN 45' AND 55' (14,470 S.F. / 170,247 S.F. =	8.49%
4. BUILDING BETWEEN 55' AND 60' (3,976 S.F. / 170,247 S.F. =	2.33%



KEY PLAN - ELEMENTS UNDER 35'





California Coastal Commission

NORTH ELEVATION



WEST ELEVATION



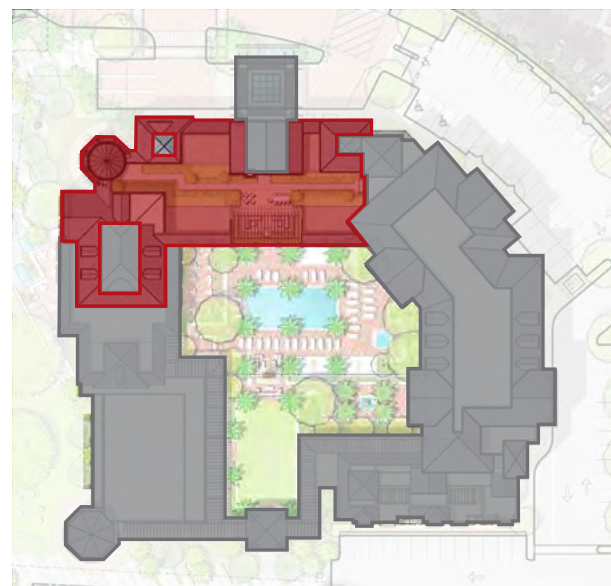
BUILDING HEIGHT DATA: PERCENTAGE OF SHADED BUILDING AREA IN REFERENCE TO OVERALL SITE AREA (SITE AREA = 170,247 S.F., EXCLUDING THE FIRE STATION)

- 1. BUILDING LESS THAN 35'
(20,240 S.F. / 170,247 S.F. = 11.8%
- 2. BUILDING BETWEEN 35' AND 45'
(11,597 S.F. / 170,247 S.F. = 6.81%
- 3. BUILDING BETWEEN 45' AND 55'
(14,470 S.F. / 170,247 S.F. = 8.49%
- 4. BUILDING BETWEEN 55' AND 60'
(3,976 S.F. / 170,247 S.F. = 2.33%

EAST ELEVATION



SOUTH ELEVATION



KEY PLAN - ELEMENTS UNDER 45'

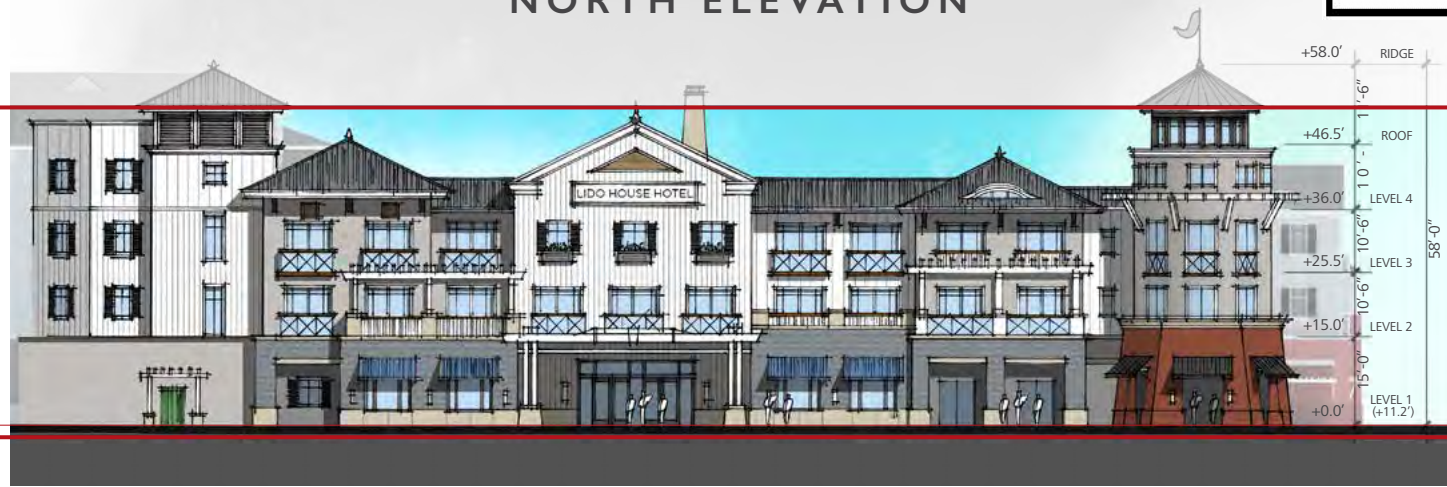


Exhibit 4



California Coastal Commission

NORTH ELEVATION



WEST ELEVATION



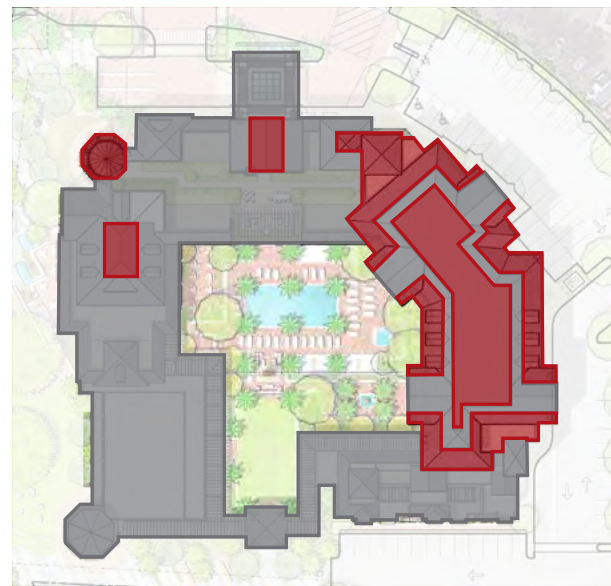
BUILDING HEIGHT DATA: PERCENTAGE OF SHADED BUILDING AREA IN REFERENCE TO OVERALL SITE AREA (SITE AREA = 170,247 S.F., EXCLUDING THE FIRE STATION)

- 1. BUILDING LESS THAN 35'
(20,240 S.F. / 170,247 S.F. = 11.8%
- 2. BUILDING BETWEEN 35' AND 45'
(11,597 S.F. / 170,247 S.F. = 6.81%
- 3. **BUILDING BETWEEN 45' AND 55'**
(14,470 S.F. / 170,247 S.F. = 8.49%
- 4. BUILDING BETWEEN 55' AND 60'
(3,976 S.F. / 170,247 S.F. = 2.33%

EAST ELEVATION



SOUTH ELEVATION



KEY PLAN - ELEMENTS UNDER 55'

NORTH





NORTH ELEVATION



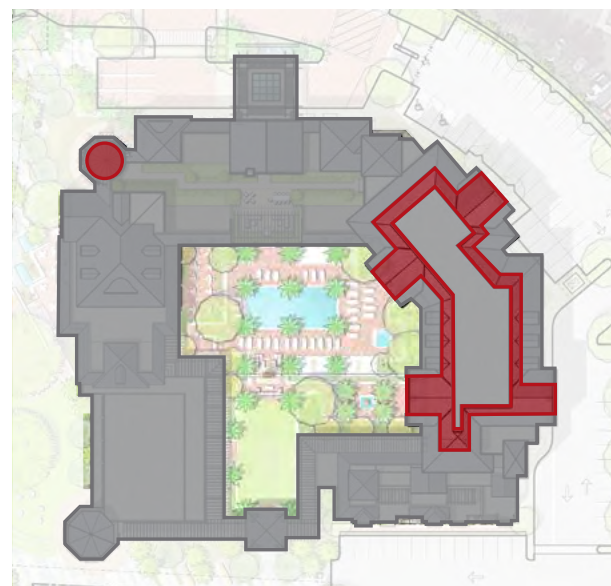
WEST ELEVATION



BUILDING HEIGHT DATA: PERCENTAGE OF SHADED BUILDING AREA IN REFERENCE TO OVERALL SITE AREA (SITE AREA = 170,247 S.F., EXCLUDING THE FIRE STATION)

1. BUILDING LESS THAN 35'		
(20,240 S.F. / 170,247 S.F. =	11.8%	
2. BUILDING BETWEEN 35' AND 45'		
(11,597 S.F. / 170,247 S.F. =	6.81%	
3. BUILDING BETWEEN 45' AND 55'		
(14,470 S.F. / 170,247 S.F. =	8.49%	
4. BUILDING BETWEEN 55' AND 60'		
(3,976 S.F. / 170,247 S.F. =	2.33%	

EAST ELEVATION



KEY PLAN - ELEMENTS UNDER 60'

NORTH



SOUTH ELEVATION



Exhibit 5

Page 1 of 1



California Coastal
Commission

R.D. OLSON
DEVELOPMENT
*Real Estate Services
Development*

Lido House Hotel

3300 Newport Boulevard, Newport Beach

Anticipated Initial Peak and Off-Peak Rates for Accommodations by Type

% of room mix	Room Type	Off Peak	Peak	Off Peak	TOTAL
		Jan. – May	Jun. – Aug.	Sep. – Dec.	YEAR AVG
84%	Standard	\$ 165 - \$205	\$ 230 - \$270	\$ 165 - \$205	\$ 201
11%	Suites	\$ 180 - \$220	\$ 280 - \$320	\$ 180 - \$220	\$ 225
4%	2-Bedroom Family Suite	\$ 250 - \$350	\$ 350 - \$450	\$ 250 - \$350	\$ 325
1%	Presidential	\$ 400 - \$500	\$ 650 - \$750	\$ 400 - \$500	\$ 513
100%	BLENDED RATE	\$ 194	\$ 266	\$ 194	\$ 212

FiiN — *Fostering interest in Nature*

An Endowment Program Supporting a Lower-Cost Education and Recreation Program for Disadvantaged Inland Youth striving to share impactful experiences with youth in order to enhance the understanding of our coast and the role we all play in protecting it.

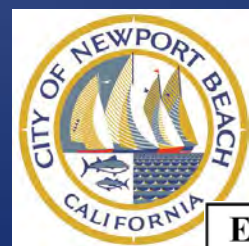


Exhibit 6

Page 1 of 6



California Coastal
Commission

FiiN - Fostering interest in Nature

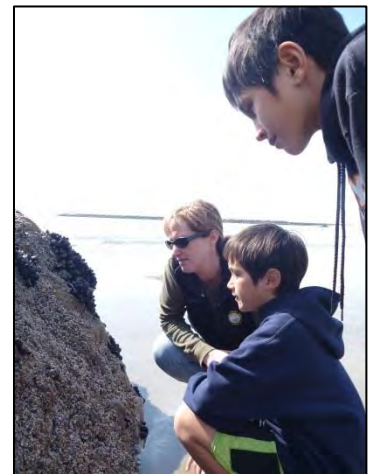
The City has a rich history in recreational boating and a strong sense of environmental stewardship. The City is home to the largest recreational boating harbor on the west coast and environmental stewardship is exemplified by the preservation of the Upper Newport Bay estuary, an ecological preserve and marine protected area. The City's participation in the Coastal Orange County NCCP/HCP is also a shining example of the City's commitment to preserving coastal habitats. The City constantly looks for additional opportunities to carry on these traditions through stringent implementation of water quality regulations and by providing appropriate educational and recreational programs through its tide pool and junior lifeguard programs. The City is host many organizations that presently provide recreational and educational activities to the community and visitors alike

The Coastal Act §30213 requires that lower-cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. The possibilities to combine the City's recreation and environmental traditions with the provision of lower-cost opportunities are the guiding force for the following new program.

FiiN implements §30213 by providing lower-cost opportunities to inland, non-profit groups or Title 1 elementary schools. The overall goal is to provide funds to support programs that allow students to experience the California Coast in Newport Beach through a recreation and educational program that includes overnight accommodations. In summary, the program will provide a 4 day camp-like educational and recreational experience to disadvantaged groups or schools that may not have had an opportunity to visit the coast before. The following items provide a framework for program development that will undergo further refinement in furtherance of the overall program goal.

Endowment Establishment:

1. The City will establish an endowment with \$975,000 to be known as the "Fostering interest in Nature Endowment." By creating an Endowment, the long-term and ongoing viability of the program will be further assured; however, additional Endowment funds will be necessary to sustain the program beyond a pilot program.
2. The Endowment will be used for the purpose of funding and supporting a new or expanded, lower-cost visitor and recreational program for inland, non-profit groups or Title 1 elementary schools principally serving disadvantaged or lower income families. The program and/or facilities supported by the Endowment will continue to operate depending on the availability of investment income. Reasonable administrative expenses of the City or program operators may be expensed to the Endowment fund. Only a portion of the interest or earnings from the Endowment, typically 5%, may be spent on an annual basis in furtherance of the purpose of the Endowment in order to assure that the original funds will grow over time. The Endowment and interest income from the Endowment may not be used for any other purpose.

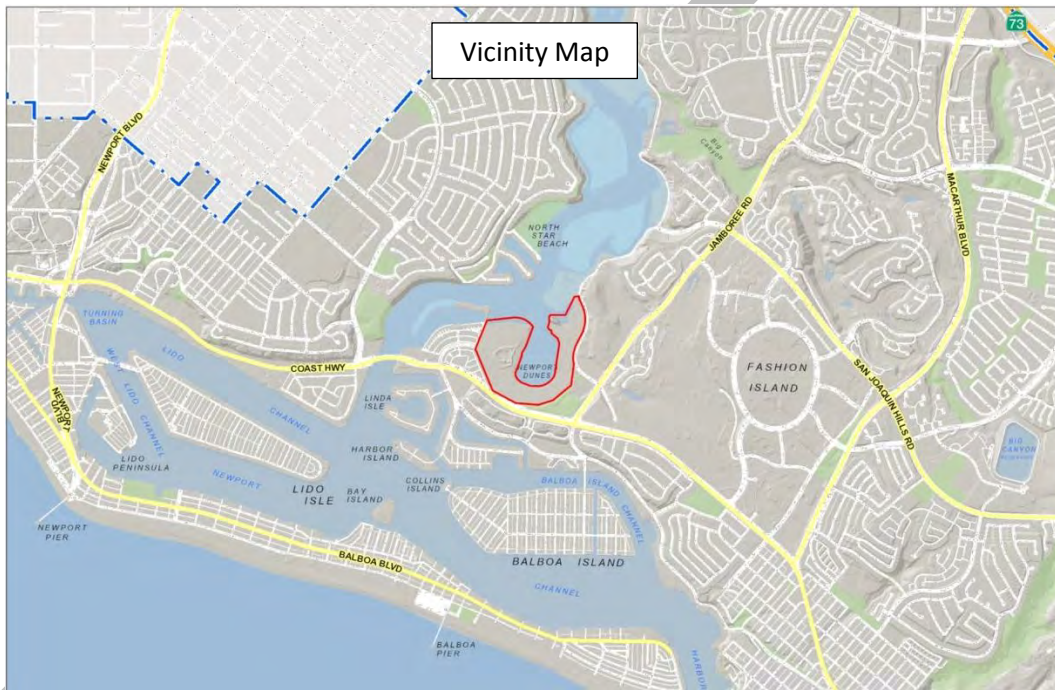


FiiN - Fostering interest in Nature

3. The Endowment will be established before the end of 2015, and the City will seek additional contributions to the Endowment from the California Coastal Commission, developers, community groups, and philanthropists to achieve an appropriate fund balance to sustain the anticipated annual operating budget for the program(s).

Program Components:

1. Location. Newport Dunes Waterfront Resort (Dunes) located at 1131 Back Bay Road, Newport Beach. The program has the support of the ownership and management of the Dunes.



2. Educational and Recreational Activities. The program will include an educational component focusing on ocean safety, coastal and marine ecology, coastal hazards, and/or other coastal-related topics. The program will also include opportunities for water-oriented recreational activities such as kayaking, boating, swimming or surfing, etc. Examples and potential partners include:

- *Marine Protected Area Cruise - Crystal Cove Alliance*
- *Whale Watching Cruise - Newport Landing and Sport Fishing*
- *Tidepool Exploration Program - City of Newport Beach Recreation*
- *Marine Life Inventory - CA Department of Fish and Wildlife*
- *Outrigger Tour of Upper Newport Bay - Newport Bay Conservancy*
- *Ocean Literacy Center - ExplorOcean*
- *Marine & Ocean Safety - City of Newport Beach Lifeguards*

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3. Overnight Group Accommodations. Lower-cost overnight accommodations will be accommodated at Newport Dunes. Tents, yurts, or the existing cabin structures may be used to accommodate groups within the existing recreational vehicle campsites or other appropriate areas under the control of the Dunes Resort. It is envisioned that group stays would be 4 days and overnight supervision will be provided by the participating group or school.



4. Meals – The Newport Dunes has existing kitchen and catering facilities that can provide three meals (and snacks) per day to group participants.
5. Transportation. It is envisioned that once the groups arrive at the location by bus or car, transportation during their stay to various recreational and educational activities in and around Newport Bay will be provided by watercraft; however, other forms of transportation may also be used.
6. Local Partnerships. The Program Administrators will seek out partnerships with existing local service providers, businesses, non-profit groups, schools, and properties to provide recreation and education services and facilities appropriate for the program.

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7. Other Considerations. Transportation costs, parking fees, meals, or other forms of support may be provided on a case-by-case basis to ensure a reduced overall cost of the experience to a participating group.
8. Target Beneficiaries. The initial goal is to serve multiple qualified groups of 30-40 elementary students and chaperones between February to May, or at other times of the year if appropriate. Groups or schools would be from inland areas. Typically outdoor education programs offered through schools operate during a 12 week time period (February through May); however, if the program is successful, other times during the year may be considerable if they do not significantly conflict with peak utilization of the Dunes Resort.



Program Commencement

1. Programs and/or physical facilities deemed necessary will be established and operating within 24 months of the date of the issuance of a Coastal Development Permit for the Lido House Hotel. If the program is not operating within this time period, the Endowment will be terminated and the initial deposit of \$975,000 will be remitted to the California Coastal Commission in support of providing lower-cost accommodations or recreational programs in Newport Beach or Crystal Cove State Park, unless an extension of time is granted by the Coastal Commission Deputy Director.



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Program Administration

1. Administration. Under the direction of the City Manager, the Newport Beach Recreation and Senior Services Department will administer the program consistent with the Local Coastal Program and applicable laws. However, administration may be transferred to a non-profit foundation or organization designed to take over long-term administration of the Endowment and its programs.
2. Annual Report. An annual report to the City Council shall be made which includes the program accomplishments, number of participants served, finances, and other relevant information. Upon completion of the City Council's review, the annual report shall be transmitted to the Deputy Director of the California Coastal Commission.

