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city of newport beach

CITY MANAGER'S **QUARTERLY BUSINESS REPORT**

october - december 2013



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Quarterly Financial Report

city of newport beach | finance department

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quarter ending december 31, 2013

EXECUTIVE SUMMARY

The City of Newport Beach Finance Department prepares quarterly financial reports for the City Council to review the status of revenues and expenditures of the City's funds. This report contains information on resources and expenditures for the second quarter of the fiscal year (FY), which is the period between September 1, 2013, and December 31, 2013.

Revenue categories are likely to perform higher than projected this year due to favorable economic conditions, higher property tax valuations within the city, and a greater level of travel and tourism within the region. The City Council approved a mid-year budget amendment on February 25, 2014, that increased General Fund revenue estimates by \$2.82 million in FY 2013-14. The information received from the County Assessor and from our property tax consultant indicates that the City's FY 2013-14 property tax receipts will be higher than expected. We estimate a \$1,811,923 increase in property taxes due to higher assessed valuations and increased construction activity. Sales tax and transient occupancy taxes, together, were increased by \$1,009,273 as they continue to trend upward due to gradual improvements in the economy.

Current expenditures are thus far performing within expected levels.

This report also provides other news from the finance department including the budget preparation process and calendar, software modernization initiatives, and a summary of the latest Treasury Report.

In another round of good news, Standard & Poor's ratings services recently affirmed the City of Newport Beach's AAA credit rating, the highest possible issuer credit rating (ICR). The assigned rating confirms that the City's finances are exceptionally strong as indicated by a number of financial and economic factors including the City's strong financial performance and policies, long-term financial planning tools, debt profile, management practices, legal safeguards, revenues, and local economic conditions and demographics.

Overall, Newport Beach continues to be a stable, prosperous, and financially secure municipality through the second quarter of the fiscal year. This is due to its strong underlying tax base, governance, and disciplined fiscal decisions. Going forward these core strengths will provide a firm base for continuing expansion. In summary, we maintain an optimistic outlook for the near term and we will periodically reassess our assumptions as conditions change throughout the year.

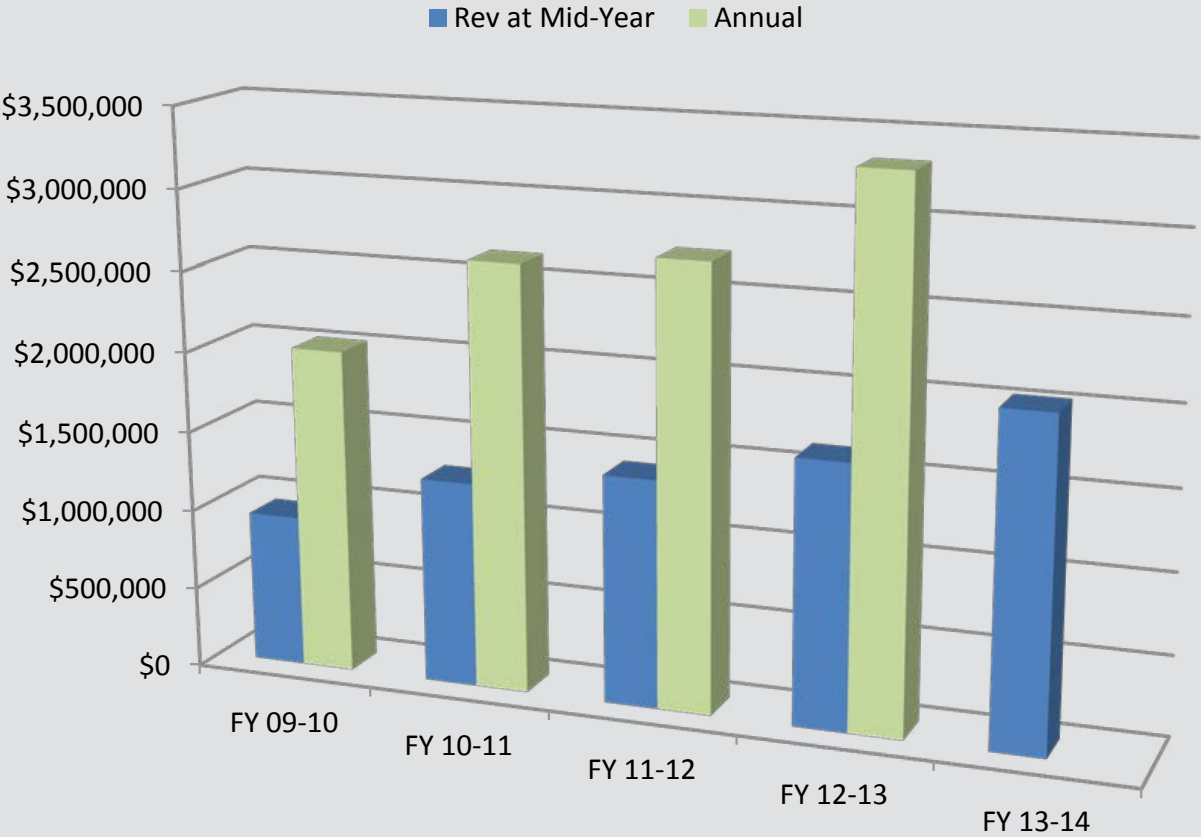
Market Update

The U.S. economy continues its slow but consistent upward momentum, as the business sector continues expanding. Historically, economic expansion would be more robust by this point in the economic recovery cycle, but this time the expansion is still held back by lingering unemployment and excess capacity combined with weak overseas demand from Asia and Europe. U.S. Gross Domestic Product (GDP) increased at an annual rate of 2.4 percent in the fourth quarter of 2013, which was less than anticipated due to lower than expected personal consumption expenditures. With a sustained growth environment expected, economic activity should continue at a slow but steady pace. Quantitative easing will likely wrap up sometime in late summer or early autumn of 2014 and short-term interest rates should remain near zero until 2015.

Buoyed by a revival in the construction industry, Orange County added jobs at more than twice the national rate in 2013, driving down unemployment to 5.2 percent in December. The new jobs numbers raise hopes that a full recovery from the recession might be in sight. A year earlier, Orange County's jobless rate was 6.8 percent. In November, it was 5.7 percent. Orange County added jobs at a 2.4 percent clip last year, faster than California's 1.6 percent rate and far above the U.S. job growth of 1 percent. The pace of building activity in the county increased in 2013 as local construction firms added 11,200 jobs, for growth of 15 percent, more than any other economic sector.

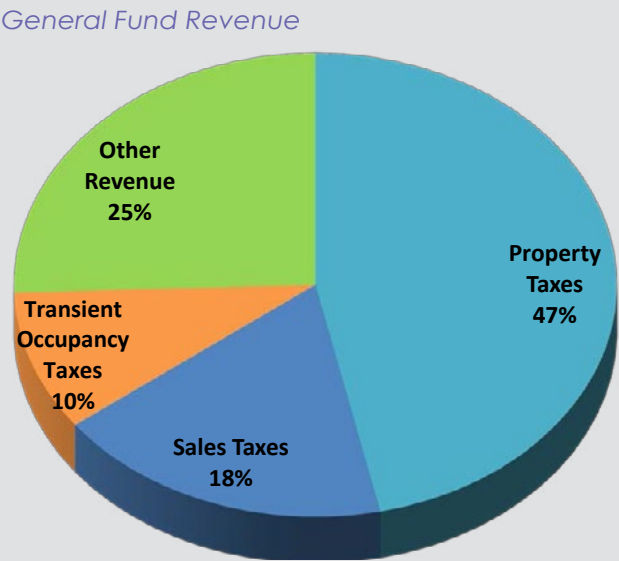
Newport Beach construction activity and the associated permit and plan check revenue has increased dramatically since FY 2009-10. As is indicated in the chart below, permit and plan check revenue through December 2013 is over 100% higher than at the same time in December 2009.

City of Newport Beach Permit and Plan Check Revenue FY 10 - FY 14



Top "3" Revenues

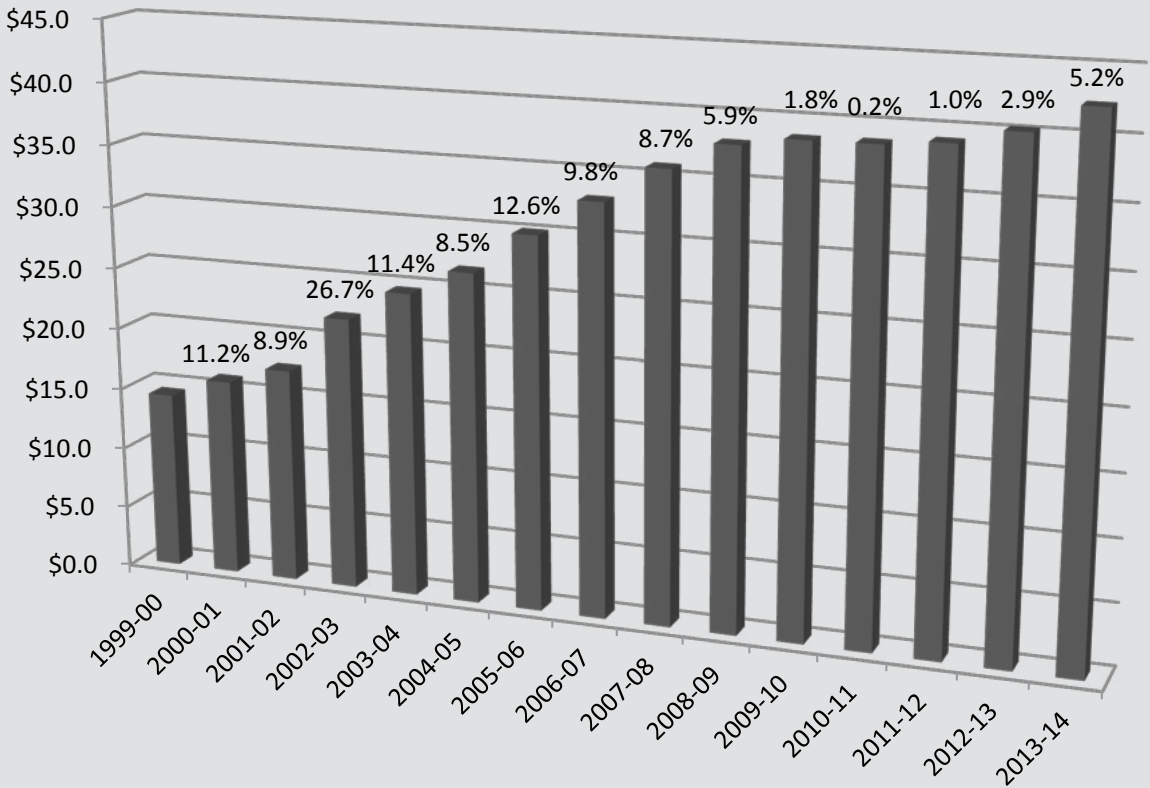
The General Fund's top three revenue sources (Property Tax, Sales Tax, and Transient Occupancy Taxes) account for 74 percent of total General Fund revenues. Certain revenues lag as they are received in the latter part of the fiscal year. Therefore, the second quarter results are not entirely indicative of the annual performance. With 50 percent of the year complete, General Fund revenues are at 46 percent of the budget. The normal trend is to collect 41 percent which is a good indicator that actual revenues will exceed original budget predictions.



PROPERTY TAX

Property tax is the top source of revenue for the City of Newport Beach, representing almost half (47%) of all General Fund revenues. Consistent and vigorous demand for coastal property has allowed the City to enjoy long-term growth trends with its number one revenue source. Property tax assessed valuation growth has remained positive for the past 15 years averaging in excess of 8% annually during this same time period. The assessed valuation growth trend has steadily increased 1.0%, 2.9% and 5.2% in fiscal years 2011-12, 2012-13, and 2013-14 respectively.

Total Assessed Property Value FY 00 - FY 14 (billions)¹



¹ Newport Beach posted Orange County's highest increase in assessed property value growth at 5.2% and came in second in total local assessed value at \$42.3 billion for FY 2013-14.

In total, property tax collections (less the one-time receipt resulting from the State's dissolution of redevelopment areas) amounted to \$75.4 million at the end of fiscal year 2012-13. Overall, the City has received \$38.2 million, or 49.3%, of its budgeted property taxes through the second quarter of FY 2013-14. Secured property taxes are recorded as they are remitted, in large part, during December and April of each year. As indicated in the table below, most property tax revenue categories through December are thus far meeting or exceeding the five-year collection trend and are 8.64% higher than at this same time last year. The bulk of the vehicle license in-lieu payment is received in January and April of each year and is therefore on track despite the low collections through December. Due to the relatively high assessed valuation for FY 2013-14, foreclosure levels returning back to normal, and higher home prices, we project total property tax collections of \$79.4 million in FY 2013-14 which is \$1.8 million higher than the original budget forecast.

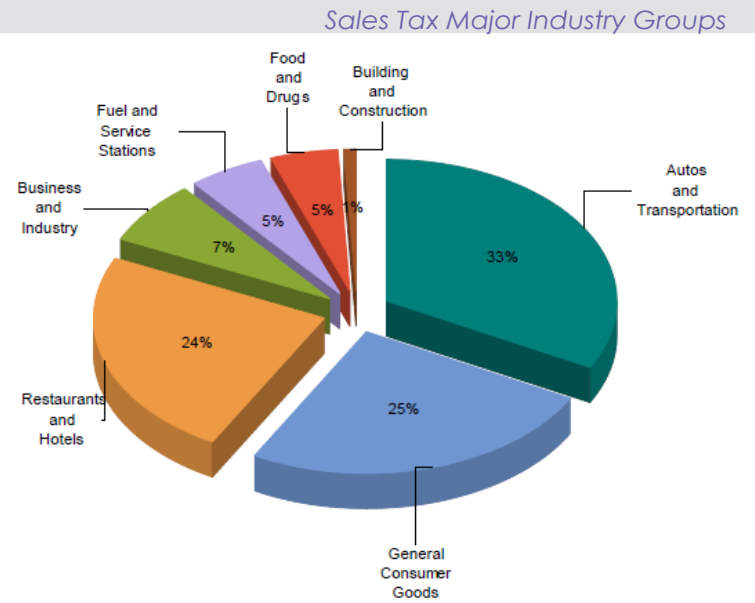
Property Taxes

	2011-12 Actual	2012-13 Actual	Original Budget 2013-14	YTD Q2 Actual 2013-14	Percent of 2013-14 Budget Realized	Prior Year Q2 Actual 2012-13	Year-over-Year Q2 Increase/Decrease	FY 2013-14 Projected
Secured	\$ 58,551,933	\$ 61,541,104	\$ 63,881,434	\$ 34,227,525	53.58%	\$ 31,815,008	7.58%	\$ 64,620,213
Unsecured	2,457,246	2,291,127	2,266,203	1,589,421	70.14%	1,487,854	6.83%	2,447,718
Prior Year Penalties & Interest	1,257,360	1,202,010	1,200,000	561,924	46.83%	826,771	-32.03%	1,200,000
Supplemental	403,890	879,359	600,000	882,878	147.15%	415,286	112.59%	1,412,604
In Lieu of VLF	6,775,936	7,019,219	7,166,788	93,728	1.31%	44,754	109.43%	7,166,788
RDA Dissolution *	219,795	6,184,099	600,000	-	0.00%	-	-	-
All Other Property Taxes	1,862,088	2,486,275	1,846,545	839,500	45.46%	568,831	47.58%	2,525,570
TOTAL	\$ 71,528,249	\$ 81,603,193	\$ 77,560,970	\$ 38,194,976	49.25%	\$ 35,158,505	8.64%	\$ 79,372,893

*2012-13 actual includes a one-time \$5.4 million receipt resulting from the State's dissolution of redevelopment areas.

SALES TAXES

The City's sales tax base is generated from a relatively diverse business community and is not dependent on any one merchant or industry. The pie chart demonstrates the diversity of the City sales tax revenue. The largest segment, "Autos and Transportation," accounts for 33% of total sales taxes and is represented by 179 new and used auto/boat/aircraft dealers, supply stores and repair shops. The next largest segment, "General Consumer Goods" accounts for 25% of total sales taxes and is represented by a multitude of stores and shops that provide various consumer goods. The third largest sales tax segment, "Restaurants and Hotels," accounts for 24% of total sales tax and is represented by 454 restaurants, hotels, clubs and other amusement places. The Autos and Transportation, General Consumer Goods, and Restaurant and Hotels categories posted increases of 18.2%, 5.6%, and 5.7% respectively over the prior year as indicated in the latest quarterly sales tax report available (October – December 2013). Sales tax increases in the auto sector are expected to continue climbing in the near term as the result of the City receiving a new sales tax allocation from Tesla motors.



Source: HdL Companies

Sales Taxes

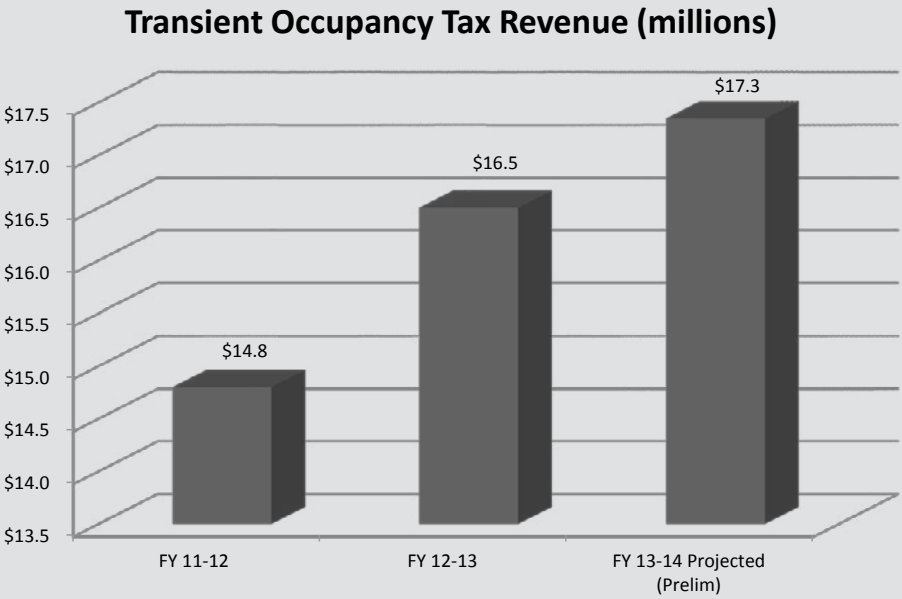
	2011-12 Actual	2012-13 Actual	Original Budget 2013-14	YTD Q2 Actual 2013-14	Percent of 2013-14 Budget Realized	Prior Year Q2 Actual 2012-13	Year-over-Year Q2 Increase/Decrease	FY 2013-14 Projected
Sales and Use Tax	\$20,107,596	\$20,773,138	\$22,247,340	\$7,279,218	32.72%	\$6,754,855	7.76%	\$22,267,601
Property Tax in Lieu of Sales Tax	6,523,492	7,078,517	7,919,248	-	0.00%	-	**	7,926,293
TOTAL	\$26,631,088	\$27,851,655	\$ 30,166,588	\$ 7,279,218	24.13%	\$ 6,754,855	7.76%	\$30,193,894

Sales Tax revenue trended upward in FY 2012-13, finishing up nearly 4.6% over the previous fiscal year. Overall, sales tax continues to trend upward in FY 2013-14. The City received \$7.3 million, or 24.1%, of its budgeted sales taxes through the end of the second quarter.¹ Through December there are no revenue receipts for property tax in lieu of sales tax because this revenue is received in two installments (January and May) each year. A comparison of sales and use tax performance from the prior year reveals that the City realized a 7.8% increase year-over-year. Due to the solid growth trajectory seen in high-end department stores and auto sales, including the addition of another dealership, we project sales tax collection of \$30.2 million in FY 2013-14. This represents at \$27,000 increase over our original projection.

TRANSIENT OCCUPANCY TAXES

The City has received \$8.6 million, or 52.6%, of its budgeted transient occupancy taxes (TOT) through the end of the second quarter. The amount collected represents a 5.4% increase over the same period last year and is 8% higher than the five-year collection trend. Hotels in Orange County saw a surge in bookings over the past year with the most expensive hotels making a significant comeback. Even after excluding the Resort at Pelican Hill remittances, which opened at the height of the recession, TOT revenues have exceeded the pre-recession levels of FY 2006-07 by \$479,000 at fiscal year ending June 30, 2013. The largest year-over-year transient occupancy tax increases derived from the Fairmont Hotel, Marriott Resort, and Resort at Pelican Hill.

Due to the higher occupancy rates in the city's hotels, motels, cottages, and resorts and a generally improving travel and tourism business sector, we project transient occupancy tax collections of \$17.3 million in FY 2013-14. This represents \$982,000, or a 6% increase over the original FY 2013-14 budget.



Transient Occupancy Taxes

	2011-12 Actual	2012-13 Actual	Original Budget 2013-14	YTD Q2 Actual 2013-14	Percent of 2013-14 Budget Realized	Prior Year Q2 Actual 2012-13	Year-over-Year Q2 Increase/Decrease	FY 2013-14 Projected
Transient Occupancy Taxes	\$ 14,798,661	\$ 16,500,285	\$ 16,363,510	\$ 8,609,020	52.61%	\$ 8,169,005	5.39%	\$ 17,345,477

¹ Businesses collecting sales and use taxes periodically remit the amount collected to the State Board of Equalization (BOE). To compensate for the lag time between the sales period and the time that the tax is remitted to the City, the BOE advances 90% of the net sales tax collections for the same period of the prior year. The difference between the advances and total actual receipts for the quarter is remitted in the form of "clean-up" payments, which are included in the March, June, September, and December remittances. The amount of sales tax realized through December represents four monthly advance payments and one December 2013 clean-up payment.

Expenditures

With expenditures at 47% of the amended budget, the General and Tideland Funds are on-track. The table below aggregates General and Tideland Funds expenditures by department through December 31, 2013. Some departments incur a greater or lower level of expenditures in the first half of the year than in the second half due to the timing and seasonality of operations or programs. This variability is generally consistent with prior years. The capital project budget and associated expenditures through the second quarter of FY 2013-14 are higher than last year due to higher appropriations and prior-year re-budgets for various street improvements, park improvements, and beach/harbor maintenance.

General and Tideland Funds Expenditures by Department

Department	Amended Budget 2013-14	YTD Q2 Actual 2013-14	Percent of 2013-14 Budget Expended	Prior Year Q2 Actual 2012-13	Year-Over-Year Q2 Increase/Decrease
City Council	\$1,580,687	\$554,987	35%	\$536,727	-3%
City Clerk	655,701	343,807	52%	343,707	0%
City Manager	3,311,461	1,321,207	40%	1,072,833	-19%
Personnel	2,665,084	1,235,819	46%	1,137,371	-8%
City Attorney	2,295,766	969,465	42%	900,357	-7%
Finance	7,171,113	3,295,415	46%	2,974,460	-10%
Police	44,776,352	22,877,965	51%	18,721,964	-18%
Fire	37,357,611	20,211,581	54%	19,147,096	-5%
Community Development	9,779,582	4,681,299	48%	4,213,549	-10%
Municipal Operations	25,234,737	11,866,281	47%	11,802,233	-1%
Library Services	7,794,139	3,636,600	47%	3,570,753	-2%
Recreation	9,480,800	4,826,125	51%	4,544,015	-6%
Public Works	8,871,551	3,934,467	44%	3,590,482	-9%
Capital Projects	12,822,317	1,118,994	9%	6,594,878	489%
Total	\$173,796,900	\$80,874,012	47%	\$79,150,425	-2%



Other News

BUDGET PREPARATION

The finance department works closely with the City Manager by providing budget and fiscal planning, analysis and management services to enhance service delivery to Newport Beach residents, business owners, and visitors. The City's budget is the tool by which the organization translates its strategy into action. As the foundation for all strategic and management decisions, the Office of Management and Budget provides oversight and management of the City's budget with a focus on communication, accuracy and transparency.

The finance department prepared, and the City Council approved a mid-fiscal year 2013-14 budget update on February 25, 2014. This amendment appropriated a portion of the General Fund, unassigned fund balance (from fiscal year 2012-13 operating surplus), made fund transfers to other strategic reserves, and increased or adjusted several expenditure appropriations. Further detail on the mid-year budget amendment can be found at: <http://bit.ly/Rar5kb>.

The proposed budget calendar for fiscal year 2014-15 is indicated in the table below.

The budget development and production dates were moved up in order to provide the printed budget information to the Council and community earlier. The target budget distribution is on Wednesday, April 23, 2014.

Staff has implemented new budget software for use in the preparation of the FY 2014-15 budget which will bring more structure and efficiency to the budgeting process. The new software "CityVision" by the PowerPlan Corporation is designed mostly for public sector clients and the benefits include:

- Role-based security across the organization controls the data with which each user can work.
- Intuitive layout provides a user-friendly environment, easy to navigate, with access to data essential for making informed decisions.
- Reporting and trend analysis functions provide an efficient and informative tool for department and program management and includes online access.
- Detailed notes and itemized lists support budget entries and justification.
- Automatic consolidation of details facilitates data review across the organization.

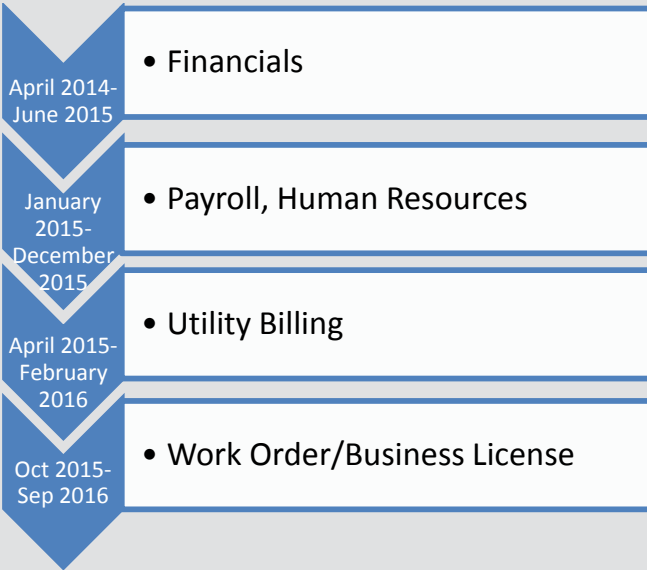
Date	Event
January 2014	Revenue estimates completed
February 2014	Expenditure budgets completed, mid-year budget changes presented to City Council for approval
March 2014	Departmental budget conferences with City Manager
April 2014	Preparation and distribution of budget document to Finance Committee
May 2014	City Council budget review
June 2014	City Council budget adoption

ENTERPRISE RESOURCE PLANNING SOFTWARE

The finance and human resources departments and the IT division continue their participation in the selection of a new Enterprise Resource Planning (ERP) software solution. An ERP is a business management software system that integrates all of the City's core functional requirements for financials, human capital management, citizen services, and revenues.

The City's current financial management system was implemented over 20 years ago. Since then the City has grown and has developed operational needs beyond the abilities of the current system. By replacing the current system, the City will gain operational efficiencies by eliminating the need for redundant processes and duplicate data entry, while improving integration between the financial system and other core functions. The City issued a Request for Proposals (RFP) last year for a new ERP. Two vendors were selected as finalists and were invited to Newport Beach to demonstrate their software and respond to questions. In addition, staff conducted phone interviews and site visits of other agencies that utilize modern ERP software. We anticipate that a proposed contract will be presented for Council approval in April of 2014. Rather than implementing the various ERP modules at once, the following phased implementation approach is under consideration:

ERP Implementation Timeline



The benefits that will accrue to the City as the result of this effort will be stronger decision support (better and timelier information), expanded use of web and mobile device applications to improve customer convenience and numerous workflow process improvements that will streamline and enhance workplace efficiency.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City of Newport Beach Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2013, is now available on the City's website at <http://www.newportbeachca.gov/cafr>. The City Charter and California state law require that the City issue annually a complete set of financial statements. The CAFR greatly exceeds the minimum general purpose financial statement requirement. The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Independent accountants audit this report in conformance with generally accepted auditing standards (GAAS).

TREASURY REPORT

The Treasurer's Report (see chart on the following page) provides detailed information on the City's operating and managed investment portfolios; the report for the month ending December 31, 2013 is now available at newportbeachca.gov/treasury.

Dec. 31, 2013																													
Portfolios																													
Operating Portfolios																													
Short-term Portfolio	Amortized Cost	Unrealized Gains/(Loss)	Fair Value	Accrued Interest	Market Value	% Total	YTM @ Cost	YTM @ Market	Notes																				
Demand Deposit Accounts	\$ 18,417,709	\$ -	\$ 18,417,709	\$ -	\$ 18,417,709	9.13%	0.52%	0.52%	(1)																				
Local Agency Investment Fund	29,437,386	-	29,437,386	-	29,437,386	14.60%	0.24%	0.24%	(2)																				
Medium-term Portfolio																													
Cash Equivalents	365,407	-	365,407	-	365,407	0.18%	0.01%	0.01%																					
Marketable Securities	152,867,969	(95,732)	152,772,237	624,832	153,397,069	76.08%	0.76%	0.64%																					
TOTAL OPERATING FUNDS	\$ 201,088,472	\$ (95,732)	\$ 200,992,739	\$ 624,832	\$ 201,617,571	100.00%																							
Bond Fund Portfolios																													
2011 Civic Center COPs	\$ 5,041,374	\$ -	\$ 5,041,374	\$ -	\$ 5,041,374	65.11%	0.01%	0.01%																					
Assessment Districts	721,893	-	721,893	-	721,893	9.32%	0.01%	0.01%																					
Special Improvement Districts	1,980,012	-	1,980,012	-	1,980,012	25.57%	0.01%	0.01%																					
TOTAL BOND FUNDS WITH FISCAL AGENT	\$ 7,743,279	\$ -	\$ 7,743,279	\$ -	\$ 7,743,279	100.00%																							
TOTAL CASH & INVESTMENTS	\$ 208,831,751	\$ (95,732)	\$ 208,736,018	\$ 624,832	\$ 209,360,850																								
Composition of Operating Portfolio Dec. 31, 2013					Composition of Operating Portfolio Nov. 30, 2013																								
<table><tr><th>Category</th><th>Percentage</th></tr><tr><td>Demand Deposit Accounts</td><td>15%</td></tr><tr><td>Local Agency Investment Fund</td><td>0%</td></tr><tr><td>Cash Equivalents</td><td>9%</td></tr><tr><td>Marketable Securities</td><td>76%</td></tr></table>					Category	Percentage	Demand Deposit Accounts	15%	Local Agency Investment Fund	0%	Cash Equivalents	9%	Marketable Securities	76%	<table><tr><th>Category</th><th>Percentage</th></tr><tr><td>Demand Deposit Accounts</td><td>8%</td></tr><tr><td>Local Agency Investment Fund</td><td>1%</td></tr><tr><td>Cash Equivalents</td><td>9%</td></tr><tr><td>Marketable Securities</td><td>82%</td></tr></table>					Category	Percentage	Demand Deposit Accounts	8%	Local Agency Investment Fund	1%	Cash Equivalents	9%	Marketable Securities	82%
Category	Percentage																												
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Cash Equivalents	9%																												
Marketable Securities	82%																												

Notes:
(1) Yield offsets bank fees
(2) LAIF Yield is available Quarterly

Boards, Commissions & Committees Report

city of newport beach | city manager's office

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october - december 2013



Board of Library Trustees

PURPOSE:

Appointed by the Newport Beach City Council, the Board of Library Trustees is a policy-making board responsible for the administration of City libraries. The Board considers the annual budget for library purposes during the process of its preparation and makes recommendations to the City Council and City Manager. The Board also approves or disapproves the appointment, suspension, or removal of the Library Services Director. Subject to the approval of the City Council, the Board accepts money, personal property, or real estate donated to the City for library purposes, and contracts with schools, county, or other governmental agencies to render or receive library services or facilities.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 708

COMMITTEE MEMBERS:

Jill Johnson-Tucker (Chair), Jerry King, Eleanor M. Palk, Robyn Grant, John Prichard

LENGTH OF TERM FOR MEMBERS:

The five members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Monday each month, unless otherwise noticed.

STAFF LIAISON:

Tim Hetherton, Library Services Director

STAFF SUPPORT:

Staff allocates approximately 22 hours a month to this board.



QUARTERLY PROGRESS REPORT

The Board of Library Trustees met to discuss, review, or approve the following items:

Library Services Director Recruitment: The recruiting firm screened 74 applications and the most qualified were invited to an initial interview. Then finalists participated in a testing assessment that was attended by board members who provided their recommendations. Final interviews were held with the City Manager and Trustee Johnson with Tim Hetherton being appointed to the position on January 14.

Library Gift and Donation Policy: The Library's policies on accepting gifts and donations are similar to the City's policy. To ensure timely acceptance, it was recommended to revise the policy to allow the library services director accept gifts from library support groups of \$10,000 or less and from other donors in the amount of \$500 or less. Anything larger would be brought to the Board for acceptance before being recommended to City Council for approval. If for any reason a donation is denied by the Board then it would not be presented by staff to Council for approval. This however would not prevent a donor from going directly to City Council for approval. Trustee Grant volunteered to work with staff on the wording for the proposed policy change.

Visit the library online at newportbeachca.gov/nbpl.

Building & Fire Board of Appeals

PURPOSE:

Determine the suitability of alternate materials and methods of construction; to provide for reasonable interpretations of the provisions of the Building and Fire Codes; to hear written appeals regarding the Chief Building Official's or Chief Fire Marshal's determinations.

COMMITTEE AUTHORIZATION:

Uniform Administrative Code, Section 201 and NBMC 15.02.120

COMMITTEE MEMBERS:

Brion Jeannette (Chair), Robert W. Yant (Vice Chair), James Anderson, Richard R. Luehrs, James L. Pirdy, Stephen Sandland, and Ron Yeo

LENGTH OF TERM FOR MEMBERS:

The seven members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

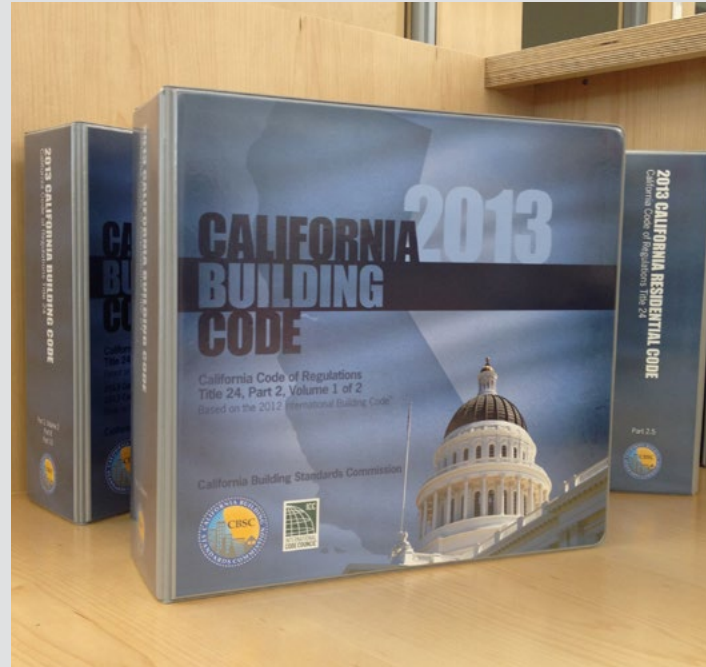
As needed

STAFF LIAISON:

Seimone Jurjis, Chief Building Official
Kevin Kitch, Assistant Fire Chief

STAFF SUPPORT:

When the board is called into session, staff allocates approximately six hours to each session. Costs for services are recovered by the payment of appeal application fees established by City Council resolution. If an item presented to the Board is staff generated, then no fees are recovered.



QUARTERLY PROGRESS REPORT:

On February 11, 2014 the Board convened to hear the following items:

A presentation was given on additional board responsibilities. Recent changes to the municipal code require appeals to be heard related to the City's Floodplain Management Ordinance. In addition, changes to the building code require the board to hear items that require ratification by the chief building official's decision as it relates to accessibility hardships.

A presentation was made on the City's Floodplain Management requirements and how the changes at the federal level may affect flood insurance premiums.

City Arts Commission

PURPOSE:

Appointed by City Council, the City Arts Commission acts in an advisory capacity to the City Council in all matters pertaining to artistic, aesthetic and cultural aspects of the City. The City Arts Commission also recommends to the City Council the adoption of such ordinances, rules and regulations as it may deem necessary for the administration and preservation of fine arts, performing arts, historical, aesthetic and cultural aspects of the community. On behalf of the City, the Arts Commission actively encourages programs for the cultural enrichment of the community and performs such other duties relating to the arts as the City Council may require.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 712

COMMITTEE MEMBERS:

Robert Smith (Chair), Rita Goldberg (Vice Chair), Carole Boller (Secretary), Arlene Greer, Gilbert Lasky, Caroline Logan, Christopher Trela

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The second Thursday each month, unless otherwise noticed.

STAFF LIAISON:

Tim Hetherton, Library Services Director

STAFF SUPPORT:

Staff allocates approximately 30 hours a month to this commission.



QUARTERLY PROGRESS REPORT:

The City Arts Commission met to discuss, review, or approve the following items:

Cultural Arts Grants: \$40,000 in grant funds was awarded to local arts organizations. Grantees include:

- ExplorOcean
- Baroque Music Festival
- South Coast Repertory Theatre
- Southland Opera
- Festival Ballet Theatre
- Newport Beach Film Festival
- Seaside Musical Theatre

The Commissioners also granted \$22,000 back to the Arts Commission to sponsor programs such as arts lectures, public art projects, and visual art exhibitions in Central Library and at City Hall, as well as providing additional funding for the Concerts in the Parks series and the Shakespeare by the Sea held each summer.

Work continued on revisions to Council Policy I-11, Donation of Art to the City.

Arts Orange County was retained to assist with the sculpture garden project. Richard Stein from Arts Orange County will manage the project with Tara Finnigan as the staff liaison. The Sculpture Garden Ad Hoc Committee will work closely with Arts Orange County in all aspects of the project.

More information on the City's cultural arts programs can be found online at newportbeachca.gov/culturalarts.

Civil Service Board

PURPOSE:

Advise the Council on personnel matters, recommend changes to the Civil Service System Rules and Regulations, conduct appeal hearings of City employees for disciplinary issues and launch personnel administration investigations for City employees covered by one of the Safety Bargaining Units (FFA, FMA, LMA, NBPA and PMA) and report its findings to City Council and Manager.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Sections 710 & 711

COMMITTEE MEMBERS:

Maiqual Talbot (Chair), Douglas Coulter (Vice Chair), Debra Allen, James "Mickey" Dunlap and Hugh Logan

LENGTH OF TERM FOR MEMBERS:

The five members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Monday each month, unless otherwise noticed.

STAFF LIAISON:

Terri L. Cassidy, J.D., Deputy City Manager /
Human Resources Director
Jyll Ramirez, Admin. Assistant to the HR Director

STAFF SUPPORT:

Staff allocates approximately 20-25 hours a month to this board; additional hours are needed when appeal hearings are in progress.

QUARTERLY PROGRESS REPORT:

This quarter the Civil Service Board set the appeal process in motion for a Non-Sworn, Police Department employee in September; and therefore, staff coordination was required between the Human Resources Department, City Attorney's Office and outside legal counsel for the appellant, claimant and Civil Service Board to ensure adherence to hearing rules and procedures.

At the October 7 meeting, the board members were given a status report, from their outside legal Attorney Roy Clarke, Richards | Watson | Gershon, and asked to schedule a pre-hearing motion for the confidential termination appeal of the Non-Sworn, Police Department employee. Staff was directed to schedule the prehearing motion during closed session, Monday, November 4, 2013, which was the next regular board meeting.

There were no reportable actions from the November 4 closed session meeting, and the board members were given status reports from Deputy City Manager Terri Cassidy, Fire Chief Scott Poster and Police Lieutenant Dennis Birch.

Board members monitor (quarterly) and address the statistics of the City-wide performance evaluation process. In December, HR Supervisor Sheri Anderson presented the new performance evaluation system (PerformancePro) to the Board. This was a much anticipated new program and a welcomed addition to the upgrade of City-wide management tools. Senior HR Analyst Maggie Williams-Dalgart gave an update of the City-wide Classification & Compensation Study and presented the methodology (Band Method) used by outside consultant Fox Lawson & Associates.

Harbor Commission

PURPOSE:

The purpose of the Harbor Commission is to provide the City of Newport Beach with an advisory body representing the diverse uses of Newport Harbor and its waterfront.

- A. Advise the City Council in all matters pertaining to the use, control, operation, promotion and regulation of all vessels and watercraft within the Newport Harbor.
- B. Approve, conditionally approve, or disapprove applications on all harbor permits where the City of Newport Beach Municipal Code assigns the authority for the decision to the Harbor Commission.
- C. Serve as an appellate and reviewing body for decisions of the City Manager on harbor permits, leases, and other harbor-related administrative matters where the City of Newport Beach Municipal Code assigns such authority to the Harbor Commission.
- D. Advise the City Council on proposed harbor-related improvements.
- E. Advise the Planning Commission and City Council on land use and property development applications referred to the Harbor Commission by the City Council, Planning Commission, or the City Manager.
- F. Make recommendations to the City Council for the adoption of regulations and programs necessary for the ongoing implementation of the goals, objectives, and policies of the Harbor and Bay Element of the General Plan.
- G. Advise the City Council on the implementation of assigned parts of the Tidelands Capital Plan such as:
 1. Dredging priorities.
 2. In-bay beach sand replenishment priorities.
 3. Harbor amenities such as mooring support service areas and public docks.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 702

COMMITTEE MEMBERS:

Duncan McIntosh (Chair), Brad Avery, David Girling, Doug West, Paul Blank, Karen Rhyne, Joe Stapleton and City Council Liaison Council Member Gardner



LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The second Wednesday of each month, unless otherwise noticed.

STAFF LIAISON:

Chris Miller, Harbor Resources Manager

STAFF SUPPORT:

Staff allocates approximately 25 hours per month to this commission.

QUARTERLY PROGRESS REPORT:

The Harbor Commission met to discuss, review, or approve the following items:

- Reviewed proposed changes to the Newport Beach Municipal Code Section 17.10 – Marine Activities Permit
- Back Bay Landing project review
- Review of the Invictus visit to Newport Harbor, and consideration of future requests for other visiting vessels
- Virgin Oceanic mooring for Cheyenne in Newport Harbor – yearly review
- Harbor Commission Meetings – proposed a change to the time and frequency

The City's Harbor Guide is available online at newportbeachca.gov/harborguide.

Parks, Beaches & Recreation Commission

PURPOSE:

- A. Act in an advisory capacity to the City Council in all matters pertaining to parks, beaches, recreation, parkways and street trees.
- B. Assist in the planning of parks and recreation programs for the inhabitants of the City, promote and stimulate public interest therein, and to that end, solicit to the fullest extent possible, the cooperation of school authorities and other public and private agencies interested therein.
- C. Establish policies for the acquisition, development and improvement of parks, beaches and playgrounds and for the planting, care and removal of trees and shrubs in all parks, playgrounds and streets, subject to the rights and powers of the City Council.
- D. Perform such other duties as may be prescribed by ordinance not inconsistent with the provisions of the City Charter.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 709

COMMITTEE MEMBERS:

Tom Anderson (Chair), Ron Cole (Vice Chair), Roy Englebrecht, Kathy Hamilton, Walt Howald, Marie Marston, Jack Tingley (resigned October 2013)

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Tuesday each month, unless otherwise noticed

STAFF LIAISON:

Laura Detweiler, Recreation & Senior Services Dir.
Mike Pisani, Municipal Operations Deputy Dir.

STAFF SUPPORT:

Staff allocates approximately 57 hours per month to this commission. This includes staff from the Recreation & Senior Services Department and the Municipal Operations Department.

QUARTERLY PROGRESS REPORT:

The Parks, Beaches & Recreation Commission met to discuss, review, or approve the following items:

- CdM Pocket Park conceptual plan - approved
- Community service award – approved nomination of the Newport Theatre Arts Center Board of Directors
- Donation – one tree; one bench approved
- Liaisons to the Blackball Working Group – appointed Ron Cole & Jack Tingley (resigned October 2013)
- OASIS Senior Center – toured
- Reforestation – two denied
- Special tree removals – seven approved
- Uptown Newport project – approved with changes
- Urban forest maintenance program - presentation



Planning Commission

PURPOSE:

The Planning Commission has the following duties as established by the City Charter:

- A. After a public hearing thereon, recommended to the City Council the adoption, amendment or repeal of a Master Plan, or any part thereof, for the physical development of the City;
- B. Exercise such control over land subdivisions as is granted to it by ordinance not inconsistent with the provisions of the Charter;
- C. Make recommendations to the City Council concerning proposed public works and for the clearance and rebuilding of blighted or substandard areas within the City; and
- D. Exercise such functions with respect to zoning and land use as may be prescribed by ordinance not inconsistent with the provisions the Charter.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Sections 706/707

COMMITTEE MEMBERS:

Bradley Hillgren (Chair), Larry Tucker (Vice Chair), Kory Kramer (Secretary), Fred Ameri, Tim Brown, Ray Lawler, and Jay Meyers

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years.

FREQUENCY OF MEETINGS:

Twice per month on the Thursday preceding City Council meetings unless otherwise noticed.

STAFF LIAISON:

Brenda Wisneski, Deputy Community Development Director

STAFF SUPPORT:

Staff allocates approximately 25 hours per month to this commission.

QUARTERLY PROGRESS REPORT:

The Planning Commission met to discuss, review, or approve the following items:

- Amendment to the Santa Ana Heights Specific Plan
- Amendment to the Telecommunications Ordinance
- Study session, public hearing and the approval of the Back Bay Landing mixed-use project
- Study session regarding the Newport Yacht Club
- Miramar Avenue zoning code amendment related to alley setback requirement

Projected Tasks:

- Consider approval of the Newport Harbor Yacht Club
- Annual General Plan progress review
- Land Use Element Amendment

Finance Committee

PURPOSE:

Responsible for fiscal governance, the Finance Committee reviews and monitors events and issues which may affect the financial status of the City and oversees adherence to the City's 15-Point Fiscal Sustainability Plan.

COMMITTEE AUTHORIZATION:

Established by Resolution 94-110

COMMITTEE MEMBERS:

Council Member Henn (Chair), Council Member Curry, Council Member Petros

LENGTH OF TERM FOR MEMBERS:

Pursuant to Council Policy A-9, the Mayor makes annual appointments, subject to Council confirmation. There is no limit on the term Council Members may serve.

FREQUENCY OF MEETINGS:

During the fourth quarter of calendar year 2013, the Finance Committee met in the months of October and November.

STAFF LIAISON:

Dan Matusiewicz, Finance Director

STAFF SUPPORT:

Staff allocates approximately 20 hours per month to this committee. (It should be noted that the majority of the materials and reports provided to the Finance Committee are typical financial reports that would need to be produced and reviewed regardless of the Finance Committee's existence.)

QUARTERLY PROGRESS REPORT:

The Finance Committee met to discuss, review or approve the following items:

- Authorized the Committee Chair to sign an unconditional letter of commitment pursuant to California Government Code Section 54960.2 in response to Brown Act allegations.
- Reviewed June 30, 2012, Public Employees Retirement System (PERS) actuarial valuations and began discussion on developing recommendations for Council consideration on pension cost control.
- Reviewed and provided input on the draft Quarterly Financial Reports for the fourth quarter of fiscal year 2012-13 and the first quarter of fiscal year 2013-14.
- Discussed budget process strategies in advance of the annual preparation of the proposed budget for fiscal year 2014-15.

The City's budget documents can be found online at newportbeachca.gov/budget.

Balboa Village Advisory Committee

PURPOSE:

- Oversee the timely implementation of recommendations provided in the Balboa Village Master Plan approved by the City Council, including the establishment of appropriate priorities consistent with City Council directives;
- Provide recommendations to the City Council regarding: 1) the adoption of specific programs or projects consistent with the Implementation Plan; and 2) allocation of funding for Balboa Village projects derived from a proposed Parking Benefit District and other sources;
- Provide recommendations to the City Council regarding the addition, modification, or elimination of revitalization strategies;
- Provide recommendations to the governing board of a proposed Parking Benefit District for Balboa Village; and
- Such other matters as directed by the City Council.

COMMITTEE AUTHORIZATION:

Resolution No. 2012-85

COMMITTEE MEMBERS:

Council Member Henn, Council Member Petros, Ralph Rodheim, Tom Pollack, Gloria Oakes, Laura Keane, Jim Stratton

LENGTH OF TERM FOR MEMBERS:

December 31, 2016

FREQUENCY OF MEETINGS:

The second Wednesday each month, unless otherwise noticed.

STAFF LIAISON:

Brenda Wisneski, Deputy Community Development Director

STAFF SUPPORT:

Staff allocates approximately 45 hours per month to this committee.

QUARTERLY PROGRESS REPORT:

The Balboa Village Advisory Committee (BVAC) finalized its review of the parking programs to implement the Balboa Village Master Plan. The recommended parking programs will include: 1) a residential permit parking program (RB3); 2) elimination of parking standards for new development and intensification of uses; 3) an employee parking permit program; and 4) modified parking rates. The action documents required to codify the programs are under development and are anticipated to be considered by the Planning Commission and City Council in summer 2014.

BVAC's 2014 work program continues to implement the recommendations of the Balboa Village Master Plan. The focus is on the character and aesthetics of the Village. Specific efforts include: 1) update of the Balboa Village Design Guidelines, 2) refresh the streetscape, 3) development of a coordinated way finding program, and 4) creation of a façade improvement program. The BVACs review of these projects is expected to be complete by summer 2014.



Bicycle Master Plan Oversight Committee

PURPOSE:

The committee will meet as-needed to review and provide input, guidance and a public forum for the preparation of the Bicycle Master Plan.

COMMITTEE AUTHORIZATION:

Resolution 2013-25

COMMITTEE MEMBERS:

Council Member Petros (Chair), Michael Alti, Lou Cohen, John Heffernan, Robert Kahn, Greg Kline, Sean Matsler, Frank Peters

LENGTH OF TERM FOR MEMBERS:

The seven members of the committee serve for the duration of the Bicycle Master Plan process.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Brad Sommers, Senior Civil Engineer
Fern Nueno, Associate Planner
Jeff Lu, Police Lieutenant

STAFF SUPPORT:

Staff from the Public Works Department, Community Development Department and Police Department will allocate approximately 50-100 hours per month to the Bicycle Master Plan process.



QUARTERLY PROGRESS REPORT:

To date, City staff has completed the following:

The Bicycle Master Plan Oversight Committee (BMPOC) met in October and December for presentations related to the creation of the Bicycle Master Plan. The existing conditions report was presented to the committee for discussion at the December meeting. The Draft Bikeways Network is planned as the second submittal for committee review and will be delivered in February.

The Bicycle Mater Plan project is underway with the preparation of the Draft Bikeways Plan and additional public outreach events. To date, Alta Planning + Design, the bicycle master plan consultant, has performed a public outreach event at the Newport Beach Pier and along Back Bay Drive, held a community workshop at the Central Library, created a project website, and through surveys has received pertinent bicycle-related information from the public.

Tentative Project Schedule:

- Summer 2014 - Draft Bicycle Master Plan available for public review
- Fall 2014 - Adoption of Bicycle Master Plan

Planned Work for the Next Quarter:

- Project Outreach Event – Workshop type event at Ensign Middle School to receive input from students regarding the existing bicycle network and the future of cycling within the city.
- Draft Bikeways Plan – Presentation of the draft bikeways plan for committee and public review.

Find out more about the Bicycle Master Plan project at newportbeachca.gov/bicyclemasterplan.

Environmental Quality Affairs Committee

PURPOSE:

It shall be the duty of the Environmental Quality Affairs Committee to:

- Advise the City Council on policies, programs and projects that improve or detract from the environmental quality of the City, as requested by the City Council;
- Comment on Notices of Preparation, as requested by the City Council; and
- Advise on any matter referred to the Environmental Quality Affairs Committee by the City Council or City Manager.

COMMITTEE AUTHORIZATION:

Established by Resolution 2012-116

COMMITTEE MEMBERS:

Council Member Gardner (Chair), Council Member Petros, Charles McKenna, Tyler Gentry, Kimberly Jameson, Joshua Olazabal, Debbie Stevens, Merrit Van Sant, and Josh Yocam

LENGTH OF TERM FOR MEMBERS:

The seven members appointed by the City Council shall serve a four-year term, with a limit of two consecutive terms. Council Member appointees shall serve a one-year term.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Patrick Alford, Planning Manager

STAFF SUPPORT:

Staff allocated approximately 40 hours to this committee during the quarter.



QUARTERLY PROGRESS REPORT:

The committee met on September 26, 2013, to receive a briefing on the Back Bay Landing project and to make assignments for the review of the project's Draft Environmental Impact Report (DEIR). The committee met on November 14, 2013, to review and finalize comments on the DEIR; however, the committee was unable to approve comments due to a lack of a quorum.

Newport Coast Advisory Committee

PURPOSE:

Advise the City in the implementation of the Newport Coast Annexation Agreement and any other issue relating to Newport Coast, Newport Ridge, or Crystal Cove.

COMMITTEE AUTHORIZATION:

Established by Resolution 2001-81

COMMITTEE MEMBERS:

Three members appointed by the City, four appointed by the Newport Coast Committee of 2000 (NCC2K). Current membership includes Mayor Gardner, Council Member Curry, Jim McGee (Chair), Gerry Ross (Vice Chair), Daniel Wampole and one vacancy

LENGTH OF TERM FOR MEMBERS:

The seven members of the committee serve for a term of three years.

FREQUENCY OF MEETINGS:

In recent years, called as needed.

STAFF LIAISON:

Dave Kiff, City Manager

STAFF SUPPORT:

Minimal given that the committee has not met in recent years.



QUARTERLY PROGRESS REPORT:

This committee cannot be disbanded without violating the Newport Coast Annexation Agreement, which calls for its creation and maintenance. This committee met frequently - monthly at least - in 2001, 2002, and for a few years after the January 1, 2002 annexation of the Newport Coast community. With the community center completed and operating, fairly few issues arise that require the committee to meet. Committee members remain relatively active in City issues, and very active in Newport Coast issues (typically via their Master Homeowners Associations).

Water Quality/Coastal Tidelands Committee

PURPOSE:

It shall be the duty of the Water Quality/Coastal Tidelands Committee to:

- A. Advise and make recommendations to the City Council on policies, projects and programs that support and/or strengthen existing regulations to protect water quality and habitat in the bay and ocean;
- B. Advise and make recommendations to the City Council on policies, programs and projects that improve the water quality and habitat of Newport Bay and the ocean;
- C. Advise the City Council on implementation of the Tidelands Infrastructure Capital Plan in the following areas:
 1. Sea level rise as it affects ocean beaches.
 2. Ocean beach sand replenishment.
 3. Other capital projects affecting the ocean beaches and tidelands not covered by other committees;
- D. Advise and make recommendations to the City Council on policies, programs and projects that educate the watershed's population about the value of Newport Bay and the ocean; and
- E. Advise on any matter referred to the Water Quality/Coastal Tidelands Committee by the City Council or City Manager.

COMMITTEE AUTHORIZATION:

Resolution 2012-115

COMMITTEE MEMBERS:

Council Member Gardner (Chair), Council Member Henn (Vice Chair), George Robertson, Tom Houston, Dennis Baker, Carl Cassidy, Louis Denger, Fred Galluccio and Laird Hayes

LENGTH OF TERM FOR MEMBERS:

The two non-voting Council Members shall serve a one-year term and the seven citizen members serve for a four-year term.

FREQUENCY OF MEETINGS:

The second Thursday each month, unless otherwise noticed.

STAFF LIAISON:

John Kappeler, Water Quality Manager

STAFF SUPPORT:

Staff allocates approximately 30 hours a month to this committee.

QUARTERLY PROGRESS REPORT:

The Water Quality/Coastal Tidelands Committee met to discuss, review, or approve the following items:

- Projects and programs - reviewed the committee's 2013 goals and priorities with an emphasis on street sweeping and catch basin cleaning.
- Presentations – Santa Ana Regional Water Quality Control Board's (SARWQCB) update on adopting a "natural source exclusion" for bacteria standards in Newport Bay.



Aviation Committee

PURPOSE

Generally, to assist the City in the implementation of Council Policy A-17 (Newport Beach City Council Airport Policy).

COMMITTEE AUTHORIZATION:

Established by Resolution No. 9597 (1979). Recently amended by Resolution No. 2011-31 (April 12, 2011).

COMMITTEE MEMBERS:

City Council (3) - Leslie Daigle (Chair), Rush Hill (Vice Chair), and Tony Petros.
City Manager Dave Kiff
City Attorney Aaron Harp
Council District representatives - Kay Mortenson, Don Hecht (#1), Eleanor Todd, Gerald Scarboro (#2), Tom Anderson, Bonnie O'Neil (#3), Tom Meng, Jock Marlo (#4), John Cunningham, Craig Page (#5), Shirley Conger, Lloyd "Bud" Rasner (#6), Suzanne Casey, Jim Dunlap (#7).
Representatives of Airport Working Group - Tony Khoury, Barbara Lichman
Representative from Airfair/SPON - Melinda Seely
Resident of Newport Coast/Newport Ridge - Roger Ham
General Aviation Representative – not yet named

LENGTH OF TERM FOR MEMBERS:

Not defined by Resolution.

FREQUENCY OF MEETINGS:

The last Monday of each month, unless otherwise noticed.

STAFF LIAISONS:

Dave Kiff, City Manager
Tom Edwards, Consultant

STAFF SUPPORT:

Tom Edwards' attendance at the meetings and his monthly "All Things Aviation" summary is part of his monthly retainer (\$5K/mo). Staff allocates approximately eight hours per month to this committee.

QUARTERLY PROGRESS REPORT:

The Aviation Committee met in June, September, and October 2013.

Topics of discussion this period included:

- The FAA's development of the RAWLZ Departure procedure for John Wayne Airport (flights going north from JWA). The FAA has indicated to the City that it may look at a more narrow, curved departure pattern per our work with GE Aviation/ Naverus, but will not do so until after the FAA works on something similar at Atlanta's Hartsfield/Jackson International Airport.
- Updates on passenger and commercial flight trends at JWA – monthly trends, year-over-year trends.
- Marketing efforts for JWA, including adding destinations (and the role of the New Markets Task Force and Visit Newport Beach).
- The EIR for the Amendment/Extension of the Settlement Agreement for JWA, including the release of the Notice of Preparation.

For more information, please see the minutes to the Aviation Committee's meetings online at newportbeachca.gov/agendas.

General Plan/Local Coastal Program Implementation

PURPOSE:

The Committee is charged with the tasks of developing a work program for the following items and overseeing its progress:

- Revision of Coastal Land Use Plan;
- Revision of Zoning Code;
- Completion of Local Coastal Program Implementation Plan;
- Study of infrastructure needs associated with development authorized in the General Plan, and establishment of developer impact fees for infrastructure;
- Revision of City Council policies;
- Revision of Building Code;
- Public participation on the previous items; and
- Any other means of implementing the General Plan that may be assigned to the Committee by the City Council.

COMMITTEE AUTHORIZATION:

Established by Resolution No. 2006-106

COMMITTEE MEMBERS:

Council Member Selich (Chair), Mayor Pro Tem Hill, Council Member Gardner, Planning Commissioner Hillgren, Planning Commissioner Ameri, Planning Commissioner Myers, and Member-at-Large Michael Toerge

LENGTH OF TERM FOR MEMBERS:

Ongoing until such time as the need for the committee no longer exists.

FREQUENCY OF MEETINGS:

Monthly, until the completion of the draft Implementation Plan.

STAFF LIAISON:

Brenda Wisneski, Deputy Community Development Director

STAFF SUPPORT:

Staff will be drafting the Implementation Plan for review by the Committee; it is anticipated that approximately 20 hours per week will be spent in the initial preparation of the draft document.

QUARTERLY PROGRESS REPORT:

During the quarter, the Committee continued work on potential adjustments to the coastal boundary. Coastal Commission staff attended the October meeting and committed to dedicating a member of their staff to assist in this effort. The Committee also reviewed coastal zoning districts of the draft Implementation Plan.

July 4th West Newport Safety Planning Committee



PURPOSE:

The July 4th West Newport Safety Committee was formed to assist the City of Newport Beach in identifying measures to help contain, and eventually eliminate, unruly behavior in West Newport on Independence Day. The Committee's goal is to create a safe, family friendly holiday environment that residents and visitors can equally enjoy.

COMMITTEE AUTHORIZATION:

Established by Council Resolution No. 2002-58 on September 10, 2002.

COMMITTEE MEMBERS:

Council Member Henn (Chair), Craig Batley, Mary Bryant, Paul Watkins, Margie Dorney, City Attorney or designee, Police Department staff member

LENGTH OF TERM FOR MEMBERS:

Ongoing until such time as the need for the committee no longer exists.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Tara Finnigan, Public Information Manager
Lt. Evan Sailor, Newport Beach Police Dept.

STAFF SUPPORT:

Minimal support needed for committee work. (Significant staff time expended for the traffic control, law enforcement, and community event efforts.)

QUARTERLY PROGRESS REPORT:

The committee did not meet this quarter.

Tidelands Management

PURPOSE:

The goals of the Tidelands Management Committee are to:

- Tidelands Capital Plan ("TCP"). Make recommendations to the full City Council as to the components, prioritization and implementation of the TCP.
- Large Tidelands Capital Needs. Make recommendations to the City Council as to large tidelands capital needs outside of the Harbor Commission's and Water Quality/Coastal Tidelands Committee's purview, such as in-harbor sea level rise related projects.
- Convene a Citizens Advisory Panel ("CAP") of up to seven members, one of whom shall be a member of the Harbor Commission, to assist the Committee in accomplishing the Committee's purpose and responsibilities. CAP members shall serve up to two two-year terms, staggered so that half of the CAP members serve for two final years as new CAP members' terms begin. The CAP members are not members of this Committee and shall serve strictly in a non-voting advisory capacity at the pleasure of the Committee.
- Such other duties as may be assigned from time-to-time by the City Council.

COMMITTEE AUTHORIZATION:

Established by Resolution 2011-26, amended by Resolution No. 2013-35

COMMITTEE MEMBERS:

Council Member Henn (Chair), Council Member Selich, Council Member Gardner

CITIZENS ADVISORY PANEL MEMBERS:

Linda Beimfohr, John Corrough, Jeff Herdman, Don Lawrenz, Jamshed Dastur, Paul Blank, Jack Keating

LENGTH OF TERM FOR MEMBERS:

Ongoing until rescinded by City Council action.



Frequency of meetings:

Quarterly, typically the third Wednesday of the corresponding month, unless otherwise noticed.

STAFF LIAISON:

Chris Miller, Harbor Resources Manager

STAFF SUPPORT:

Staff allocates approximately 30 hours per quarter to this committee.

QUARTERLY PROGRESS REPORT:

The Tidelands Management Committee met to discuss, review, or approve the following items:

- Re-Capped the Harbor Commission agenda action items during the previous three months.
- Reviewed the Tidelands Capital Plan, the Harbor Commission's Subcommittee report on public piers in Newport Harbor, and derelict vessels in Newport Harbor.
- Overview of the California Coastal Commission's Draft Sea-Level Rise Policy Guidance document.

Project Tracking Reports

city of newport beach | city manager's office
newportbeachca.gov | 949.644.3002
october - december, 2013



Balboa Blvd. Beautification

DEPARTMENTS:

Public Works

PROJECT LEAD:

Iris Lee, Senior Civil Engineer

PROJECT START DATE:

Late 2012

TARGET COMPLETION DATE:

Fall 2015

DESCRIPTION:

In 2011, the City Council's Ad-Hoc Neighborhood Revitalization Committee (NRC) created a five-member Citizen Advisory Panel (CAP) to guide the development of several landscape revitalization conceptual plans in West Newport. Recommendations formulated by the CAP apply to three street segments in the City: (1) Balboa Boulevard from West Coast Highway to 22nd Street; (2) West Coast Highway from the Santa Ana River to Newport Boulevard; and (3) Superior Avenue from Ticonderoga Street to West Coast Highway.

As part of the 2012-2013 Fiscal Year Capital Improvement Program budget, City Council approved funds to prepare construction documents for enhanced parkway and median landscaping on Balboa Boulevard from West Coast Highway to 22nd Street. These construction documents will build upon the CAP and Council approved conceptual plans, developed by David Volz Design Landscape Architects, Inc. (DVD), with focus on the following emphasis recommended by the NRC and CAP:

- Recognizing the West Coast Highway/Balboa Boulevard intersection as the "gateway" to the West Newport neighborhood and the creation of a landscape and signage plan specifically for the intersection;
- "Greening" of Balboa Boulevard through median expansion and planting, parkway and bulb-out planting, green screens at curb and residential walls where possible and appropriate; and
- Improving the pedestrian experience along Balboa Boulevard.



FUNDING SOURCE:

General Fund

FUNDING REQUIRED FOR CONSTRUCTION:

\$2,755,000

FUNDING ALLOCATED TO DATE:

\$2,755,000

AMOUNT SPENT TO DATE:

\$645,000

STATUS TO DATE:

In November 2013, the Balboa Boulevard Beautification project was awarded to GMC Engineering, Inc. Much of the recent effort has been focused on preparing the site to receive the improvements and constructing the underground irrigation system. The public can already see the installation of "above-ground" beautification features, such as the architectural wall features, and in the upcoming months the landscape material installation will begin. Project completion is anticipated in June 2014.

Balboa Boulevard Beautification

Corona del Mar Water Transmission Main

DEPARTMENT:

Public Works Department

PROJECT LEAD:

Patrick Arciniega, Senior Civil Engineer

PROJECT START DATE:

July 2013

TARGET COMPLETION DATE:

Fall 2014

DESCRIPTION:

A new 30-inch steel water transmission main will be connected to the Big Canyon Reservoir at Pacific View Drive and run down San Miguel Drive, San Joaquin Hills Road, MacArthur Boulevard, East Coast Hwy. and Carnation Avenue. This new waterline will increase reliability of the pipeline system, improve supply pressures and increase fire supply flows to Corona del Mar. In addition to constructing the new pipeline, this project also includes relocating the City's current pressure regulator structure that joins to the Metropolitan Water District's system connection, currently located in East Coast Highway at Fernleaf Avenue, to a new location on Dahlia Avenue. Moving this structure out of the highway will greatly reduce future traffic impacts when maintenance and repairs are needed.

FUNDING SOURCE:

Water Enterprise Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

\$5.2 million

FUNDING ALLOCATED TO DATE:

\$5.2 million

AMOUNT SPENT TO DATE:

\$3,459,004

STATUS TO DATE:

During the second quarter of the fiscal year, contractor TE Roberts completed Phase 2 work which entailed installation of the 30" mainline pipe up MacArthur Boulevard from East Coast Highway to San Miguel Drive.

In an effort to speed up construction, while ensuring public safety, the City agreed to allow Roberts to close MacArthur Boulevard in November and East Coast Highway in April. Initially, the MacArthur Boulevard closure was scheduled for two weeks; however, the contractor completed the work in this area a week ahead of schedule which put the entire project a month ahead of schedule. The closure of East Coast Highway in April was done to coincide with the Newport-Mesa School District's spring break to take advantage of a reduction in the daily traffic volume.

These closures presented major logistical hurdles for the public, who rely on these roads as the main route to and through Corona del Mar. Staff worked with the City's available news outlets, traffic engineering, the Police Department and the community to ensure businesses, residents and commuters received sufficient notice and were advised of alternate routes during the closures.

Roberts has completed the major water main work in Coast Highway and will now start on the new pressure regulator vault to be installed in Dahlia Ave. and Coast Highway. This work will require the closure of one lane of Dahlia, but should not affect Coast Hwy.

Project information is available on the City's website at newportbeachca.gov/cdmpipeline.

Corona del Mar Water Transmission Main



Fire Rings

DEPARTMENT:

Community Development Department

PROJECT LEAD:

Brenda Wisneski, Deputy Community Development Director

PROJECT START DATE:

February 2012

TARGET COMPLETION DATE:

August 2014

DESCRIPTION:

Newport Beach has concrete fire rings on the beach in two areas: 27 fire rings are located on Corona del Mar State Beach, and 33 fire rings are located near the Balboa Pier. Some of the fire rings are located on State property (Corona del Mar), and all of the fire rings are located in the coastal zone. The fire rings are appreciated by many who visit, but also result in extensive and often daily wood smoke released in adjacent residential areas. The City Council voted 7-0 in favor of upholding the Parks, Beaches & Recreation Commission's recommendation and directed City staff to take the necessary steps to remove the fire rings at both locations.

Removal of the fire rings requires a Coastal Development Permit to be issued by the California Coastal Commission (CCC). On March 1, 2013, the Governing Board of the South Coast Air Quality Management District (SCAQMD) directed its staff to consider including a prohibition on beach burning in its amendment to Rule 444 – Open Burning, which was to be considered for approval by the Board on May 3, 2013. The SCAQMD ultimately adopted the amendment on July 12, 2103 which included regulations affecting fire rings located within 700 feet of residents beginning March 1, 2014. The SCAQMDs action also included the issuance of a RFP to solicit proposals for the demonstration of low emission non-wood beach-type fire rings.

FUNDING SOURCE:

General Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

None

FUNDING ALLOCATED TO DATE:

None

AMOUNT SPENT TO DATE:

None, other than staff time

STATUS TO DATE:

The City has evaluated its options to ensure compliance with the new SCAQMD's regulations. Based on the fact that all of the fire rings located in Newport Beach are within 700 feet from the nearest residence and are less than 100 feet apart, on February 11, the City Council adopted Ordinance No. 2014-02 designating charcoal as the only alternative fuel that complies with the new regulations. Beginning in March, the City began public education and enforcement of the use of charcoal only as fuel in the fire rings. Additionally, the City will be participating in SCAQMD's upcoming alternative fuel demonstration project.

Project information is available online at newportbeachca.gov/firerings.

Group Residential Uses

DESCRIPTION:

Implement and defend group home regulations to maintain the residential character of the City's residential neighborhoods while providing equal access to housing and accommodating the needs of the disabled.

FUNDING SOURCE:

General Fund and Fund Balance

TOTAL FUNDING REQUIRED FOR PROJECT:

All costs have not been specifically identified since a great deal of the costs is internal, staff resources from the City Manager's Office, City Attorney's Office, Planning, and Code Enforcement.

FUNDING ALLOCATED TO DATE:

\$3.71 million on outside counsel and litigation costs to date.

AMOUNT SPENT TO DATE:

\$3.71 million on outside counsel plus internal staffing and the Hearing Officer for administrative proceedings.

STATUS TO DATE:

Ordinance No. 2008-05 has been adopted and enforced through all necessary administrative proceedings. The City is at the stage of defending the Ordinance in Federal Court and in U.S. Department of Justice and Department of Housing and Urban Development proceedings. Additionally, the City is in litigation with several operators of group homes who have failed to comply with the provisions of the Municipal Code. As to these issues:

(1) Federal Litigation:

The federal litigation involving Yellowstone, Pacific Shores Newport Coast Recovery and the City was successfully resolved in the City's favor pursuant to a motion filed by the City. A panel of three 9th Circuit Court of Appeals judges, however, determined that Yellowstone, Pacific Shores and Newport Coast were entitled to have a trial on the issues they raised in the trial court. On March 4, 2014, the 9th Circuit Court of Appeals declined to review the panel's decision before 11 randomly selected 9th Circuit Judges. The City is currently considering whether to petition the United States Supreme Court for review of the 9th Circuit's decision.

(2) Enforcement of Morningside Zoning Agreement:

On August 9, 2011, the Council adopted Ordinance No. 2011-20, which terminated the Zoning Agreement between the City and Morningside. Morningside filed a challenge to the City's termination of the Zoning Agreement in Orange County Superior Court and the City filed a cross-complaint against Morningside seeking to abate the violations of the City's Zoning Code at 4823 A River Avenue, 4823 B River Avenue, 29 Ima Loa Court, 100 Via Antibes, 102 Via Antibes, 208 Via Lido Soud and 533 Via Lido Soud. On June 19, 2012, the Court granted the City's motion upholding the City's decision to terminate the Zoning Agreement.

On August 28, 2013, the Court entered judgment in favor of the City finding that Morningside's operations violated the provisions of the Municipal Code. The Court has enjoined Morningside from violating the provisions of the Municipal Code in Newport Beach and Morningside has relocated its residential facilities outside of the City. Morningside has appealed the decision of the trial court and a hearing on the appeal is expected before the end of the year.

(3) Enforcement Against Yellowstone:

With the Council's authorization, on October 11, 2011, the City filed a civil case seeking to abate four Yellowstone residential care facilities located at 1621 Indus Street, 1561 Indus Street, 20172 Redlands Drive and 1571 Pegasus Street based on Yellowstone's alleged violation of the Newport Beach Municipal Code. The court has stayed this action pending a decision by the trial court in the aforementioned federal litigation.

Group Residential Uses

DEPARTMENTS:

City Attorney's Office, City Manager's Office, Community Development

PROJECT LEAD:

City Attorney and City Manager

PROJECT START DATE:

2007

TARGET COMPLETION DATE:

Ongoing

Implement Traffic Management

DEPARTMENT:

Public Works

PROJECT LEAD:

Tony Brine, City Traffic Engineer

PROJECT START DATE:

January 2007

TARGET COMPLETION DATE:

Fall 2015

DESCRIPTION:

This project modernizes traffic signals throughout the city, improving system reliability, traffic flow and reducing congestion. The implementation of the traffic signal modernization program allows staff to monitor, adjust and optimize traffic signal timing and operations from the Traffic Management Center (TMC) located at City Hall. The program consists of upgrades to 122 traffic signals with new controllers, fiber optic connections, and Closed Circuit Television (CCTV) cameras at selected intersections.

FUNDING SOURCE:

Transportation and Circulation, Measure M Turnback, Measure M Competitive

TOTAL FUNDING REQUIRED FOR PROJECT:

\$6,500,000

FUNDING ALLOCATED TO DATE:

\$6,000,000 (excludes Phase 8)

AMOUNT SPENT TO DATE:

\$5,200,000



STATUS TO DATE:

Due to the overall size of the traffic modernization program, it was divided into eight phases. To date, 91 traffic signals have been upgraded and linked to the new high speed fiber optic backbone, 30 CCTV cameras have been installed, and the new TMC at the Civic Center is operational. The City's annual traffic signal rehabilitation program is for performing necessary maintenance on existing signal equipment and was combined with the modernization program for efficiency. The noted funding information only includes estimates for the traffic modernization program.

Program Overview:

- Phases 1 through 5 and Phase 7 are complete and operational. These phases include the intersections along Balboa Peninsula, Superior Avenue, MacArthur Boulevard, Jamboree Road, City owned portions of Coast Highway and intersections in the airport area, Newport Center and along Irvine Avenue.
- Phase 6 includes improvements to Newport Coast Drive and portions of San Joaquin Hills Road. This phase is currently in design and construction is planned to begin in summer 2014.
- Phase 8 includes improvements to San Miguel Drive. The design of Phase 8 is planned to begin in summer of 2014.

Implement Traffic Management Plan



Lido House Hotel

DEPARTMENT:
Community Development

AMOUNT SPENT TO DATE:
Approximately \$90,000

PROJECT LEAD:
Kimberly Brandt, Community Development Director

STATUS TO DATE:
Project Timeline:

PROJECT START DATE:
July 2010

- The Draft Environmental Impact Report is expected to be published in late April. Public hearings with the Planning Commission are scheduled for June with subsequent City Council consideration in July.
- Lease negotiations with RD Olson have been ongoing since the fall 2013, and the negotiation process has not been completed. A draft lease will be available for public review when the overall project is considered by the City Council this summer.
- February 28, 2014 – RD Olson filed a Site Development Review and Conditional Use Permit for the development and operation of a 130-room upscale hotel. Staff is presently reviewing the proposed plans.
- October 8, 2013 – The City selected RBF Consulting to prepare an Environmental Impact Report for the Lido House Hotel and land use plan and zoning amendments. A Notice of Preparation was issued in November 2013, and the City began the preparation of the EIR after conducting a public scoping meeting in December of 2013.
- August 13, 2013 – The City approved an exclusive negotiating agreement with R.D. Olson for the reuse of the former City Hall site with an upscale hotel development.

TARGET COMPLETION DATE:
Summer 2014, for City project/lease
December 2015, for Coastal Commission

More project information is available online at newportbeachca.gov/lidohousehotel.

DESCRIPTION:
With the new Civic Center open and operating, the City continues to plan for the re-use of the former City Hall complex located at the corner of Newport Boulevard and 32nd Street. The site provides an excellent opportunity for redevelopment in a manner that benefits the areas of Lido Village, Balboa Peninsula, and West Newport Beach. Work began on amendments to the General Plan, Coastal Land Use Plan, and Zoning Ordinance to accommodate future mixed use development. While work on the amendments was progressing, the City selected, through an open and competitive Request for Qualifications (RFQ) and then a Request for Proposals (RFP) process, R.D. Olson as the development team to negotiate a long-term lease of the property to develop and operate an upscale hotel on the site.

FUNDING SOURCE:
General Fund, the applicant is responsible for the cost of preparing the Environmental Impact Report.

TOTAL FUNDING REQUIRED FOR PROJECT:
Funding to be determined and is dependent upon the full scope of necessary analysis.

FUNDING ALLOCATED TO DATE:
Approximately \$305,000 has been allocated for the preparation of market and economic feasibility analysis and environmental review.

Lido House Hotel (Former City Hall Site)



WATG

Aerial View | Overall Site
Newport Beach, CA | LIDO HOUSE HOTEL



WATG

Arrival View | Newport Blvd
Newport Beach, CA | LIDO HOUSE HOTEL



Marina Park

DEPARTMENT:

Public Works

PROJECT LEAD:

Dave Webb, Public Works Director
Iris Lee, Senior Civil Engineer

PROJECT START DATE:

2006

TARGET COMPLETION DATE:

Spring 2016

DESCRIPTION:

The Marina Park project consists of a new marina, which includes a 23 slip visiting vessel marina, visitor side tie dock, and floating docks to support youth and adult sailing programs, a sailing center and community center building totaling over 24,000 square feet, a new park with amenities including basketball half-courts, tot lot and playground, an exercise circuit, walking paths and beach area, a new Girl Scout Leadership Center and parking.

The Marina Park site is located on the bay side of the Balboa Peninsula between 15th and 19th Streets. The 10.5-acre site is owned by the City and was serving as a 57 space mobile home park, Las Arenas Parks, Balboa Community Center and parking lots, 18th Street Sailing Base and leased space for a Girl Scouts meeting facility.

FUNDING SOURCE:

General Fund-Major Facilities, Tideland Funds

TOTAL FUNDING REQUIRED FOR PROJECT:

\$39,500,000

FUNDING ALLOCATED TO DATE:

\$27,500,000

AMOUNT SPENT TO DATE:

\$4,450,000

STATUS TO DATE:

In August 2013, the City received the Coastal Development Permit (CDP) to begin construction of the Marina Park project. This permit was the last of the needed regulatory agency permits. Accordingly, per the settlement agreement executed by all parties in 2007, the City distributed notices to the mobile home tenants requiring all residents to be vacated by December 2, 2013.

The City also received the California Coastal Commission's approval on the CDP amendment to include the 71-foot lighthouse element. The lighthouse will provide a memorable iconic feature that will serve as a beacon to park visitors on land and on water, while signifying the rich nautical history of Newport Bay.

Due to the uniquely different types of construction within the project, the City has divided the construction work into four separate general phases (or "packages") to increase efficiency and minimize cost. These bid packages include:

- Package 1: – mobile home removal/demolition and palm tree relocation;
- Package 2 – marina and soil remediation;
- Package 3 – park and buildings; and
- Package 4 – dock construction.

Package 1 work has been completed and package 2 work is currently in construction. Looking ahead, package 3 is expected to be awarded in late spring 2014, and starting construction in summer 2014. Overall project completion is scheduled for spring 2016.

On February 11, the Marina Park groundbreaking ceremony was held with the City Council, City Commissioners, Girl Scouts of Orange County, and members of the public gathered to memorialize the start of this project.

Project information can be found online on the City's website at newportbeachca.gov/marinapark.

Marina Park



Newport Banning Ranch

DEPARTMENTS:

Community Development, Public Works, City Attorney's Office, and City Manager's Office

PROJECT LEAD:

Patrick Alford, Planning Manager

PROJECT START DATE:

August 2008

TARGET COMPLETION DATE:

August 2012

DESCRIPTION:

Newport Banning Ranch is a 402.3-acre planned community proposed by Newport Banning Ranch, LLC; a partnership formed by Aera Energy, Cherokee Investment Partners, and Brooks Street. The project would contain a maximum of 1,375 dwelling units, 75,000 square feet of retail commercial, a 75-room "boutique" hotel, parks, and open space. The site is generally bound to the north by Talbert Nature Preserve/Regional Park (Costa Mesa); to the south by West Coast Highway and the Newport Shores Community; to the east by Newport Crest Community, West Newport Mesa, and Westside Costa Mesa; and to the west by a U.S. Army Corps of Engineers wetlands restoration area and the Santa Ana River. Approximately 40 acres of the site are located within the incorporated boundary of the City of Newport Beach; the remainder of the site is within unincorporated Orange County, but within the City of Newport Beach's adopted Sphere of Influence.

FUNDING SOURCE:

General Fund (off-set by application fees)

TOTAL FUNDING REQUIRED FOR PROJECT:

\$4 million (estimated)

FUNDING ALLOCATED TO DATE:

\$3,807,000

AMOUNT SPENT TO DATE:

\$3,703,210

STATUS TO DATE:

On January 15, 2014, the Orange County Superior Court in the matter of Banning Ranch Conservancy v. the City of Newport Beach, et al. (Case No. 30-2012-00593557-CU-WM-CXC) ordered the City to set aside and vacate all approvals relating to the Newport Banning Ranch project, except for the approval of the environmental impact report. On February 11, 2014, the City Council voted to appeal the order.

Project information can be found online at newportbeachca.gov/banningranch.

Newport Banning Ranch



Park Avenue Bridge Replacement

Park Avenue Bridge Replacement

DEPARTMENTS:

Public Works Department

PROJECT LEAD:

Fong Tse, Principal Civil Engineer

PROJECT START DATE:

2009

TARGET COMPLETION DATE:

Fall 2016

DESCRIPTION:

The Park Avenue Bridge Replacement project was initiated by the City in 2009 to replace the existing bridge from Big Balboa Island to Little Balboa Island over the Grand Canal. The existing bridge was constructed in 1928 and was rehabilitated in 1984 which included adding ADA access ramps.

As part of its bi-annual bridge inspection program, the State of California Department of Transportation (Caltrans) has classified this bridge as functionally obsolete. The bridge was included in the Federal Highway Bridge Program (HBP) for rehabilitation or replacement.

FUNDING SOURCE:

Federal Highway Bridge Program

TOTAL FUNDING REQUIRED FOR PROJECT:

\$4.41 Million

FUNDING ALLOCATED TO DATE:

\$4.41 Million

AMOUNT SPENT TO DATE:

\$110,000

STATUS TO DATE:

Staff recently requested and Caltrans approved an additional \$140,000 in grant funding, bringing the total federal allocated funding for the project to \$4,414,100.

The City's design consultant, RBF Consulting Engineers, has completed final concepts and is currently progressing on environmental, permitting and final engineering phases.

As part of our continuing efforts toward cost effective construction and expeditious project delivery, a review of the bridge construction method was conducted. The pros and cons of in-place phased construction versus a complete existing bridge tear-down with vehicular and pedestrian traffic routed to a temporary bridge across the Grand Canal at Balboa Avenue was evaluated. After staff and RBF discussed the options with the Balboa Island and Little Balboa Island representatives, RBF has updated the environmental documents to include the installation of a temporary bridge as the preferred alternative.

It has been estimated that the temporary bridge will not only allow the contractor to shorten the overall construction duration, but the reduced time / cost needed to construct the new bridge will essentially make the temporary bridge cost neutral to the overall project budget. Due to the temporary bridge addition as a new element of the project, the Preliminary Environment Study (PES) submitted to Caltrans will be revised and a Coastal Development Permit application will be submitted to the California Coastal Commission in summer 2014. Staff anticipates construction to begin in fall 2015.

Sunset Ridge Park

DEPARTMENT:

Public Works

PROJECT LEAD:

Andy Tran, Senior Civil Engineer

PROJECT START DATE:

August 2007

TARGET COMPLETION DATE:

Winter 2014-2015

DESCRIPTION:

The proposed 13.7 acre Sunset Ridge Park is situated on the northwest corner of West Coast Highway and Superior Avenue in the West Newport Community. Sunset Ridge Park is planned to be an active park per the City's General Plan, with amenities including a Pony League baseball field, two soccer fields, children's tot lot area, restrooms, picnic area, shaded viewpoint, butterfly garden, meandering walkways and walls, and native landscaping.

FUNDING SOURCE:

General Fund and Park-in-lieu

TOTAL FUNDING REQUIRED FOR PROJECT:

\$12 million*

FUNDING ALLOCATED TO DATE:

\$11.2 million*

AMOUNT SPENT TO DATE:

\$2.6 million*

**Not including the cost of land purchased from Caltrans for \$5.2 million.*



STATUS TO DATE:

At its August 9, 2012, meeting, the California Coastal Commission (CCC) approved the Coastal Development Permit (CDP) application with special conditions. Since the approval, staff has been continuously working with CCC staff, revising the final construction documents and preparing various biological reports as indicated in the special conditions of the CDP. On March 27, 2013, CCC staff issued a Notice of Intent to Issue Permit. The revised findings were approved during the June 13, 2013 Coastal Commission hearing and the City received the CDP on November 8, 2013.

As part of the CCC's approval, the special conditions made several significant changes to the park, including prohibiting direct vehicular access to the park from West Coast Highway, removing the on-site parking lot, and changing the park's landscaping (except for the playing fields) from ornamental plants to a park with primarily California native plants of the Coastal Sage Scrub vegetation community.

On December 10, 2013, City Council, staff, project team members, and community members attended a groundbreaking ceremony to celebrate the start of the construction phase. The construction contract was awarded to Environmental Construction, Inc. that same night.

Construction began on January 13, 2014 and is anticipated to be completed by December 2014.

Project information is available on the City's website at newportbeachca.gov/sunsetridgepark.

Sunset Ridge Park



Updating Harbor Charges

DEPARTMENT:

City Manager's Office
City Attorney's Office
Public Works Department

PROJECT LEAD:

Rob Houston, Assistant to the City Manager
Michael Torres, Assistant City Attorney
Chris Miller, Harbor Resources Manager

PROJECT START DATE:

September 2010

TARGET COMPLETION DATE:

March 2014

DESCRIPTION:

Over the past few years, the City has reviewed its administration of public tidelands property within Newport Harbor. As a result of this comprehensive review, the City adopted new permit and lease templates and adjusted commercial and noncommercial tidelands rent to fair market value (over 3, 5, or 8 periods). The adjustment of tidelands rental rates to fair market value avoids a violation of the Beacon Bay Bill (the 1978 legislative grant from the State, as amended), California Constitution Article 16, Section 6, Newport Beach Municipal Code Title 17, and City Council Policy F-7.

The City completed its review of each user group as follows: (1) moorings (completed Fall 2010); (2) Balboa Yacht Basin (completed Fall 2010); (3) commercial piers (completed November 2012); and (4) noncommercial piers (completed December 2012). These fees contribute to harbor projects such as dredging and the provision of additional harbor amenities.

FUNDING SOURCE:

General Fund and Tidelands Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

None other than staff time

FUNDING ALLOCATED TO DATE:

None other than staff time

STATUS TO DATE:

During this quarter, staff continued to seek the consent of the State Lands Commission to create a Newport Harbor Capital Fund ("Harbor Fund") which will capture the incremental increases from the recent tidelands rent adjustments (e.g. moorings, commercial and non-commercial piers, Balboa Yacht Basin, etc.). The Harbor Fund will finance capital improvements and maintenance activities within Newport Harbor.

Based on community feedback at two public workshops in August and the Council Study Session in November, the City Council approved revisions to the residential pier permit template and rate calculations at its regular meeting on December 10, 2013. Specifically:

1. The model pier permit template was reduced in size.
2. Homeowner's associations, who provide slips for the exclusive use of its members, will be charged the residential rate. Conversely, if the homeowner's association rents to non-members, then, depending on the size of the marina, the association will pay the fair market rent equal to the commercial marinas.
3. The area charged for a residential pier over City tidelands includes the footprint of the pier/gangway/float plus the interior of the U-shaped float. The previously approved 10' buffer area around the float was eliminated from the calculations.

More information is available online at newportbeachca.gov/harborrenters.

West Newport Beach Facility Planning

DEPARTMENTS:

City Manager's Office, Public Works and Finance

PROJECT LEAD:

Steve Badum, Assistant City Manager
 Dave Kiff, City Manager
 Dave Webb, Public Works Director
 Dan Matusiewicz, Finance Director

PROJECT START DATE:

April 2011

TARGET COMPLETION DATE:

On-going

DESCRIPTION:

Most of the City's public buildings and facilities on the west side of the city are reaching the end of their service life and are in need of major refurbishment or replacement. In 2006, the City developed a comprehensive citywide Facilities Financing Plan as a tool to identify, forecast and fund the refurbishment and/or replacement of numerous City owned facilities including police and fire stations, libraries, community and senior centers, services yards and parks. Discussions have and continue to take place as to how best to reconstruct the remaining facilities to meet current and future community needs.

The West Newport Beach Facility Planning process will include building upon the current efforts to redevelop the existing City Hall site and develop conceptual plans and alternatives to provide: consolidated maintenance and operations facilities; replacement and potentially relocated community center facilities and fire stations; replacement or remodel of the existing Lifeguard Headquarters building; as well as continuing discussions regarding the future of various other City facilities, particularly those located on the western side of the Newport Bay.

FUNDING SOURCE:

General Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

To be determined

FUNDING ALLOCATED TO DATE:

\$75,000

AMOUNT SPENT TO DATE:

\$75,000

STATUS TO DATE:

- Former City Hall Site: Lease negotiations with RD Olson for the proposed Lido House Hotel continue. Staff is pursuing interim uses of the former City Council Chambers.
- Lifeguard Headquarters: The remodel of the existing building is underway and scheduled to be completed before summer 2014.
- West Newport Community Center: With recent direction by the City Council, staff is conducting public outreach to determine the location and scope of programs.
- City Yard Consolidation: Staff has conducted a needs assessment to identify space requirements of a consolidated facility and will be soliciting proposals for a design team in the near future.
- Replacement of Fire Station No. 2: Staff continues to explore replacement options including a potential land swap at a nearby site.

West Newport Beach Facility Planning



