CHAPTER 3.0 PROJECT DESCRIPTION

3.1 Project Location

The City of Newport Beach is an urbanized coastal community located in western Orange County (refer to Exhibit 3-1). Newport Beach is bordered by the Cities of Irvine on the north and northeast and by Costa Mesa on the north and northwest. Crystal Cove State Park, which is located in unincorporated Orange County, is located southeast of the City's corporate boundaries. On the west, the incorporated limits of the City extend to the Santa Ana River; the City of Huntington Beach is located west of the Santa Ana River. The Pacific Ocean comprises the southwestern boundary of the City. The relationship of the City of Newport Beach with the region is illustrated in Exhibit 3-1 (Regional Location).

The City of Newport Beach has developed as a grouping of small communities or "villages," primarily due to the natural geographic form of the Newport Bay. Many of the newer developments, located inland from the bay, have been based on a "Planned Community" concept, resulting in an extension of the village form, even where no major geographic division exists. The various villages provide for a wide variety of types and styles of development, both residential and commercial. The City includes lower density, single-family residential areas, as well as more intensively developed residential beach areas. Commercial areas range from master planned employment centers to marine industrial, neighborhood shopping centers, a regional shopping center, and visitor commercial areas.

The subject property consists of a single parcel (APN 052-011-01), encompassing a total area of 4,412 square feet, or approximately 0.1 acre. The site, which is located at 2333 Pacific Avenue within the Corona del Mar neighborhood in the City of Newport Beach (refer to Exhibit 3-2, Vicinity Map), is currently undeveloped.

3.2 Environmental Setting

3.2.1 Existing Land Use

As previously indicated, the subject property, which encompasses the undeveloped portion of an existing coastal bluff, is vacant. Elevations on the site range from approximately 25 feet above mean sea level (msl) at the base of the coastal bluff along the westerly property boundary, to approximately 72 feet above msl in the northwesterly corner of the site. A variety of native and non-native plants are supported on the site. The vegetation on the subject property has been classified in three categories: disturbed; disturbed/ornamental; and coastal bluff scrub.



Exhibit 3-1 Regional Map

SOURCE: City OF Newport Beach



Exhibit 3-2 Vicinity Map

SOURCE: City of Newport Beach

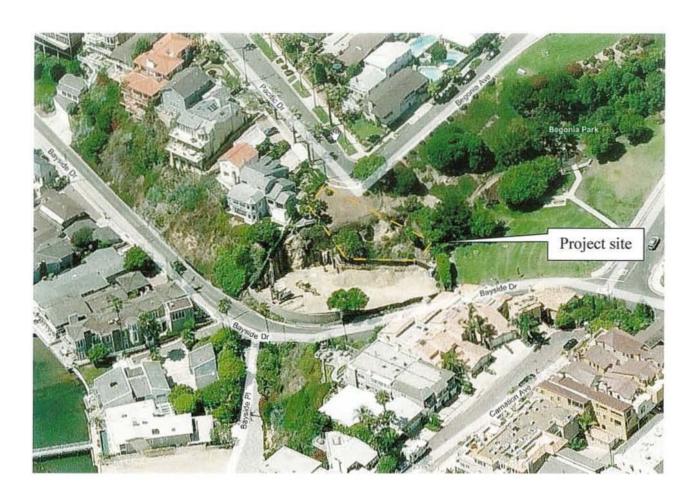


Exhibit 3-3 Aerial Photograph

SOURCE: City of Newport Beach

Surrounding Land Uses

The area in the vicinity where the Property is located is nearly completely developed with single-family residences (refer to Exhibit 3-3). A variety of architectural styles characterize the area. As indicated below, the subject property is currently undeveloped and is surrounded by development on three sides, including single-family residences on the north, south and west; Begonia Park is located east of the site. The aerial photograph illustrates the undeveloped site and the existing land uses surrounding the site.

3.2.2 Existing General Plan

The subject property is located within Statistical Area F2, which encompasses single-family and two-family residential development in Corona del Mar generally east of Avocado Avenue, north of Bayside Drive and south of the commercial properties on the south side of Coast Highway. As illustrated in Exhibit 3-4, the site is designated RS-D (Single-Unit Residential – Detached). Property to the west is also designated RS-D. Properties to the north, south and east are designated RT (Two-Unit Residential), RM (Multiple-Unit Residential), and PR (Parks and Recreation), respectively.

3.2.3 Coastal Land Use Plan

The City's Coastal Land Use Plan (CLUP) was derived from the Land Use Element of the City's General Plan and is intended to identify the distribution of land uses in the coastal zone. The subject property is currently designated RL (Low Density Residential). As prescribed in the CLUP, development within the coastal zone shall not exceed a development limit established by the General Plan or its implementing ordinances.

3.2.4 Existing Zoning

The subject property is zoned R-1 (Single-Family Residential). R-1 zoned properties are also located east, west and south of the site. R-2 (Two-Family Residential) zoned property is located to the north. MFR (Multiple-Family Residential) zoning exists on property located south of Bayside Drive. Existing zoning for the subject property and surrounding area is illustrated on Exhibit 3-5.

3.2.5 Physical Environment

Climate and Air Quality

The project site is located within the South Coast Air Basin (SCAB), a 6,600 square mile area encompassing all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino Counties. A persistent high-pressure area that commonly resides over the eastern Pacific Ocean largely dominates regional meteorology. The distinctive climate of this area is determined primarily by its terrain and geographic location. Local climate is characterized by warm summers, mild winters, infrequent rainfall, moderate daytime onshore breezes, and moderate humidity. Ozone and pollutant concentrations tend to be lower along the coast, where the constant onshore breeze disperses pollutants toward the inland valley of the SCAB and adjacent deserts. However, as a whole, the SCAB fails to meet national standards for several criteria pollutants, including ozone, carbon monoxide and PM₁₀, and is classified as a "non-attainment" area for those pollutants.



Exhibit 3-4 Existing General Plan

SOURCE: Newport Beach General Plan Land Use Element

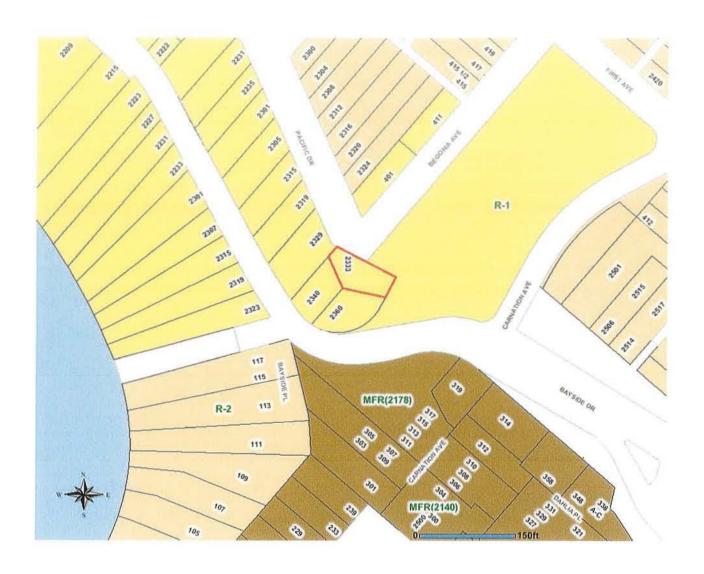


Exhibit 3-5 Existing Zoning

SOURCE: City of Newport Beach



Geology and Seismicity

The project site is located in the seismically active southern California region. There are no active faults or fault systems known to exist on or in the immediate vicinity of the project site. In addition, the project site is not within an earthquake fault zone as illustrated on the maps issued by the State Geologist for the area pursuant to the Alquist-Priolo Earthquake Fault Zoning Act. Although there are no active faults or fault systems known to exist on or in the immediate vicinity of the project site, it is subject to seismic shaking resulting from earthquakes occurring on one or more of the regional faults. The closest active faults within 50 miles of the project site are the Newport-Inglewood, Norwalk, and Elsinore Faults. The Newport-Inglewood fault, which is the only active fault within or immediately adjacent to the City of Newport Beach, could generate a 7.0 magnitude or greater maximum credible earthquake.

The topography of the subject site slopes toward Newport Bay. As previously indicated, site elevation ranges from approximately 72 feet above msl at the top of the bluff to about 25 fee above msl at the base of the bluff at the southern property boundary. The geologic units underlying the subject property and environs include artificial fill, slopewash, unconsolidated talus deposits (i.e., eroded fragments of the Monterey formation), and bedrock of the Monterey formation, which underlies the surficial materials.

Drainage and Hydrology

As previously indicated, the entire site is undeveloped and is generally devoid of impervious surfaces. At the present time, surface runoff generated on the site drains in a southeasterly direction over the bluff. The subject property is not located within the 100- or 500-year flood plain as delineated on the Flood Insurance Rate Map (FIRM) by the Federal Emergency Management Agency (FEMA) for the City of Newport Beach. Further, neither the subject property nor the surrounding residential development is located in an area of the City that is subject to flooding resulting from the failure of a levee or dam.

Transportation and Circulation

The subject property is bounded by Pacific Avenue, which turns northerly into Begonia Avenue at the easterly limits of the site. Bayside Drive provides access to single-family residential properties below the bluff south of the site. No access is provided from Bayside Drive to the project site. Regional access to the project area is available from West Coast Highway (California State Route 1) via the Corona del Mar Freeway (California State Route 73), MacArthur Boulevard, and Jamboree Road and also from the Costa Mesa Freeway (California State Route 55) and Newport Boulevard. The area in which the subject property is located is served by a "grid" of residential streets that extends to the north and south from West Coast Highway. Vehicular access to the project area is available from West Coast Highway via Begonia Avenue. The area in which the subject property is located is primarily residential in nature.

Public Services and Utilities

Fire protection facilities and service to the subject property are provided by the Newport Beach Fire Department (NBFD). The NBFD operates and maintains eight fire stations to respond to emergency calls throughout the City. Fire Station No. 5 is located at 410 Marigold in Corona del Mar, less than one mile east of the site. This fire station is supported by one fire engine and one paramedic van. Fire Station No. 3 in Fashion Island is located less than two miles from the site. In addition to the City's resources, the NBFD also maintains a formal mutual aid agreement with the Orange County Fire Authority (OCFA) and all neighboring municipal fire departments to facilitate fire protection in the City should the need arise. The Newport Beach Police Department (NBPD) is responsible for providing police and law enforcement services within the corporate limits of the City. The Police Department headquarters is located at 870 Santa Barbara Drive, at the intersection of Jamboree Road and Santa Barbara, less than two miles

northwest of the subject property. Police and law enforcement service in the City is provided by patrols with designated "beats."

The City of Newport Beach owns and maintains several sewer and water mains in the vicinity of the subject property, including those in Pacific Avenue and Begonia Avenue. Sewer collection and wastewater treatment services are provided by the City of Newport Beach (local collection) and the Orange County Sanitation District (conveyance and treatment). In addition, all of the utilities (i.e., electricity, natural gas, and telephone) are currently available and serve the existing development. The project site receives electrical and natural gas service from Southern California Edison and Southern California Gas Company, respectively.

3.2.6 Surrounding Environment

The City of Newport Beach is nearly fully developed with a diverse mixture of residential, institutional, commercial, industrial, and recreational and open space uses. The predominant land use in the City is residential, which is characterized by many distinct neighborhoods. Older communities were first developed along the coastline, including the Peninsula, West Newport, Balboa Island, and Lido Isle. The early housing is characterized by a diversity of multiple-family, single-family, and mixed-use housing located within proximity of commercial and visitor-serving uses. While single-family attached and detached residential development comprise the majority of housing in the City, many multiple-family dwelling units, including condominium, apartments, duplex, triplex, and fourplex units, exist in Newport Beach and, in particular, in the older neighborhoods including West Newport.

Between 1980 and 2005, 11,127 housing units were added to the City's inventory of housing stock. Although the rate of increase in housing within the City has slowed since 1990, the City averaged approximately 200 to 300 dwelling units per year between 2001 and 2005 (with the exception of 2003, which included the annexation of Newport Coast). The total number of housing units as of January 1, 2005, was estimated to be 42,143, including approximately 26,000 units (62 percent) that are single-family attached and detached homes. Thirteen percent of the units (5,475 homes) were duplex, triplex, and fourplex units. Other multiple-family dwelling units in the City in 2005 totaled 9,721 (23 percent). The remainder of the dwelling units in the City were mobile homes (863 or two percent). The overall vacancy rate of housing in the City of Newport Beach ranged from 10.1 and 11.3 percent between 1980 and 2000, respectively; however, there are a significant number of homes in the City that are classified as seasonal units and second homes. The vacancy rate in all units in the City in 2005 was reported to be 10.91 percent.

A variety of retail uses are located throughout the City and include those in neighborhood shopping centers, commercial strips and villages, and shopping centers, with the largest being Fashion Island, a regional center that is framed by a mixture of office, entertainment, and residential uses. Other neighborhood retail centers are located throughout the City. In addition to the retail uses, the City also supports a variety of professional office uses, which are located mostly within Newport Center and the Airport Area. Industrial uses are primarily located within the West Newport Mesa area, east of Banning Ranch, and include a variety of industrial, manufacturing, and supporting retail uses. Research and development uses are clustered in the Airport Area while government, educational, and institutional uses are scattered throughout the City. One of the primary locations for medical uses in the City is near Hoag Hospital, which is located at the intersection of West Coast Highway and Newport Boulevard.

3.3 History and Evolution of the Proposed Development

On April 3, 2008, the Newport Beach Planning Commission reviewed an application for a proposed 3,717 square foot single-unit dwelling on the subject property. The application included a variance to allow a

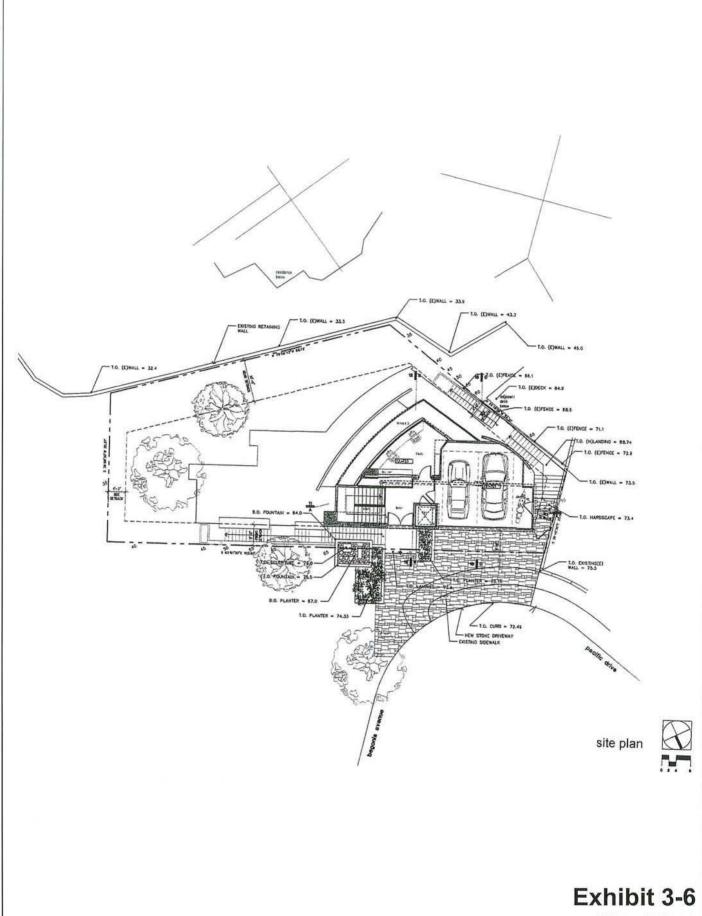
proposed single-family dwelling unit to exceed the 24-foot height limit (by approximately 4.5 feet to 10.5 feet) and a modification permit to allow the dwelling unit to encroach five feet into the required 5-foot front yard setback. Based on testimony provided at the hearing, the Planning Commission concluded that the project was inconsistent with policies relating to public view protection and neighborhood compatibility and directed City staff and the applicant to revise the project to, among other things, protect the Begonia Park view corridor by reducing the height, scale and massing of the residence. The Commission considered the visual quality of the site itself a lesser priority than protecting public views from Begonia Park or the street, knowing that by rejecting the requested Variance to building height there would be more building below the viewshed from Begonia Park on the face of the bluff.

The applicant submitted a revised application (i.e., proposed project) on July 24, 2008, that included a 3,566 square foot residence that conformed to all Zoning code property development regulations, with the exception of the planter walls that exceed the 3-foot front yard setback height limit, which requires approval of a modification permit. The prior variance proposed requesting exceedance of the height limits was withdrawn. Key changes from the previous design included:

- Designed below the maximum height limit
- Single story at street level compared to two stories in the prior plan submittal
- Finished floor of the ground level (i.e., third floor) is approximately 12 feet lower than prior design.
- Floor area reduced to 3,566 square feet (151 square foot reduction)
- Conformance with the 5-foot front yard setback
- Clearstory windows added to front elevation

The Planning Commission conducted a public hearing on August 21, 2008 on the revised project, focusing on the project's consistency with General Plan policies relating to public view protection, neighborhood compatibility, and landform protection. The Planning Commission determined that the revised project was consistent with their prior direction and in substantial conformance with the policies of the General Plan as well as with Criterion No. 7 of Ordinance No. 2007-3 (Residential Design Criteria), which is used to determine a project's consistency with General Plan policies related to site planning and resource protection. The Planning Commission approved the Modification Permit. The Planning Commission also required that the applicant dedicate a view easement that would restrict the heights of the principal structure and of landscaping and accessory structures on the proposed terraces and in open areas.

On August 28, 2008, an appeal of the Planning Commission's project approval was filed. Pursuant to Section 29.95.060C, a public hearing on the appeal was conducted "de novo," (i.e., a new hearing by another decision-making body that is not bound by the prior decision, which has no force or effect as of the date the appeal was filed). Subsequent to the appeal, the City Council and the applicant agreed that a Draft Environmental Impact Report should be prepared for the revised project.



Site Plan

3.4 Description of the Proposed Project

The project applicants, Kim and Caroline Megonigal, are proposing to construct a single-family residence on the subject property, as illustrated in the Conceptual Site Plan (refer to Exhibit 3-6) and as described below.

The applicants propose to construct a 3,566 square-foot, single-family residence (including the garage floor area). The proposed residence will consist of three levels: 1,827 square feet on the first floor; 934 square feet on the second floor; and 805 square feet on the uppermost level (including a 428-square foot, 2-car garage). Total floor area, not including the garage, is 3,138 square feet. Vehicular access is from Pacific Drive at the intersection of Begonia Avenue and Pacific Drive. In addition to the indoor living area, 1,004 square feet of outdoor patio space on the three levels is provided. The front and rear elevations are illustrated in Exhibits 3-7 and 3-8, respectively.

The applicants are requesting approval of Modification Permit No. 2007-080 to allow planter walls to exceed the three-foot height limit requirement in the front yard setback. In addition, because the proposed planter walls would also encroach into the Begonia Avenue right-of-way, an encroachment permit from the City's Public Works Department will also be required. Lastly, grading of approximately 630 cubic yards of export, landscaping, and utility connections necessary for construction of the proposed residence are also included.

3.5 Project Phasing

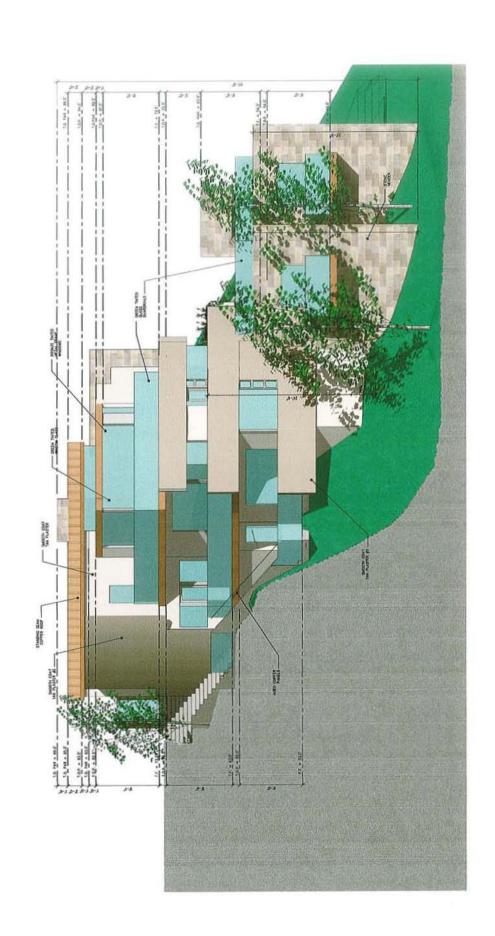
The applicant is proposing to construct the project in a single phase over a period of approximately 20 months.

3.6 Project Objectives

Implementation of the proposed project will achieve the following intended specific objectives, which have been identified by the project applicant:

- Construction of a custom, single-family residence consistent with the General Plan and Zoning designations adopted for the project that:
 - provides adequate floor area within a personalized floor plan to accommodate the applicant's living needs;
 - (2) provides views of the harbor and Pacific Ocean to the south and west from each level;
 - provides outdoor living areas that are directly accessible from indoor spaces on each level;
 - (4) provides access from Pacific Drive to an enclosed garage; and
 - (5) minimizes impacts on public views from Begonia Park.





3.7 Project Processing Requirements and Requested Entitlements

Project implementation will necessitate the approval of the following discretionary actions by the Newport Beach Planning Commission:

Modification Permit (MD2005-087)

The Modification Permit is required to allow planter walls to exceed the three-foot height limit requirement in the front yard setback. The proposed planter walls exceed the 3-foot height limit by up to 6 feet 7 inches, as measured from the natural grade.