



## **CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT**

August 21, 2025  
Agenda Item No. 2

**SUBJECT:** ARC Carne & Cantina Restaurant (PA2025-0057)  
▪ Conditional Use Permit  
▪ Major Site Development Review  
▪ Coastal Development Permit  
▪ Traffic Study

**SITE LOCATION:** 2902 West Coast Highway

**APPLICANT:** Michael Schafer of MSA

**OWNER:** The Garden M2, LLC

**PLANNER:** Jenny Tran, Associate Planner  
949-644-3212 or [jtran@newportbeachca.gov](mailto:jtran@newportbeachca.gov)

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### **PROJECT SUMMARY**

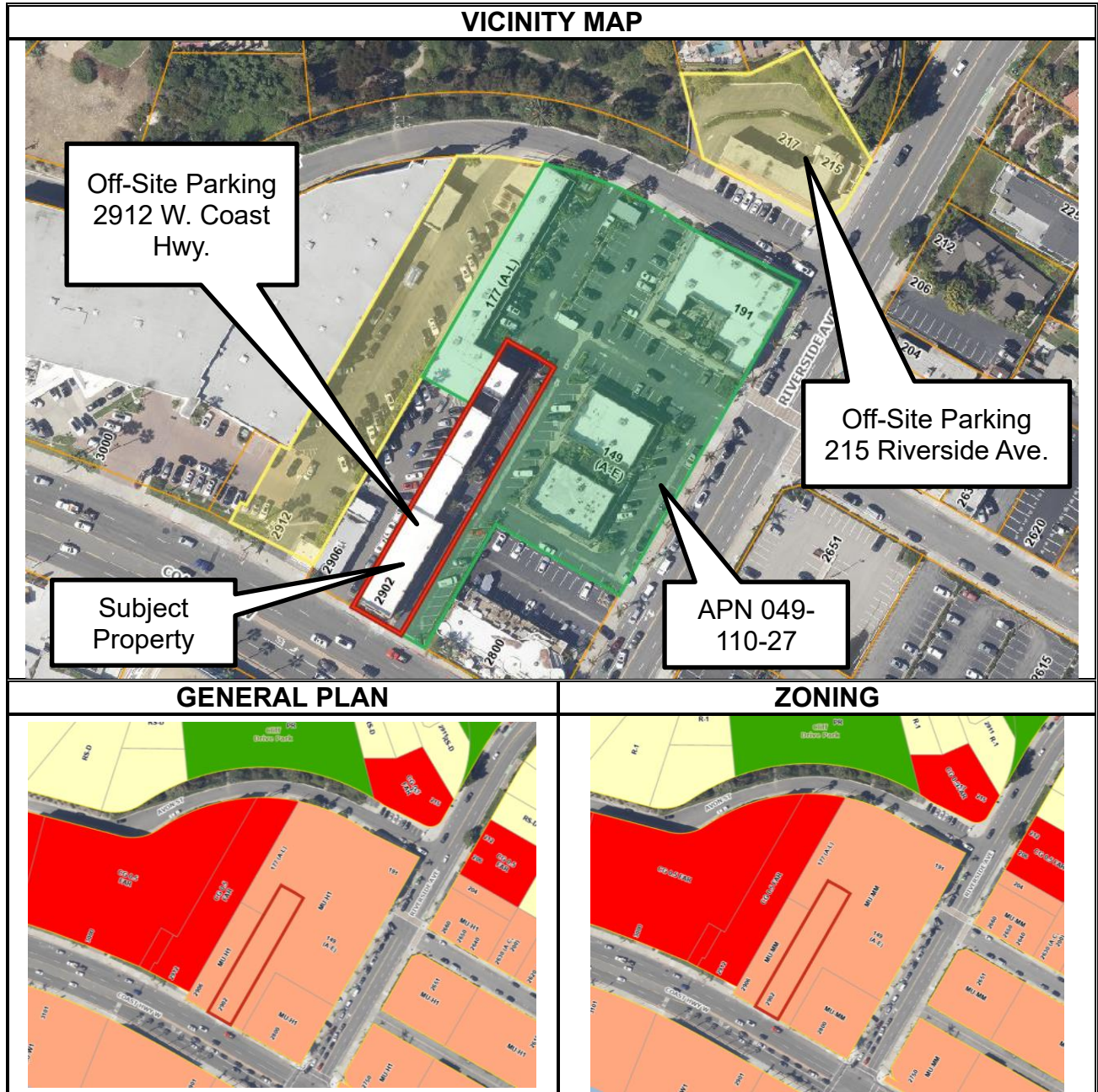
A request for approval of a conditional use permit to convert a portion of an existing 6,623-square-foot, one-story retail shell building into a new 6,874-square-foot, three-story food service, eating and drinking establishment with a 1,737-square-foot rooftop outdoor dining area above. To accommodate the required parking, the applicant proposes both on-site and off-site parking with valet service. The application includes the sale and service of alcoholic beverages with a Type 47 (On-Sale General – Eating Place) Alcohol Beverage Control (ABC) license and late hours (after 11 p.m.). As the height of the structure will exceed the base height limit, the applicant is also requesting approval of a major site development review to increase the height limit for the property to the upper maximum. The project also requires a coastal development permit, as the property is within the Coastal Zone. Lastly, due to the conversion in use and a net increase in more than 300 average daily trips, the project requires a traffic study.

### **RECOMMENDATION**

- 1) Conduct a public hearing;
- 2) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 under Class 3 (New Construction or Conversion of Small Structure) and Section 15332 under Class 32 (In-Fill Development Projects) of the CEQA Guidelines, because it has no potential to have a significant effect on the environment and the exceptions to these exemptions do not apply; and

- 3) Adopt Resolution No. PC2025-016 approving the Conditional Use Permit, Major Site Development Review, Coastal Development Permit, and Traffic Study filed as PA2025-0057 (Attachment No. PC 1).

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LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	Mixed-Use Horizontal 1 (MU-H1)	Mixed-Use Mariners' Mile (MU-MM)	Retail shell building
NORTH	MU-H1	MU-MM	Various commercial uses
SOUTH	Mixed-Use Water 1 (MU-W1)	Mixed-Use Water (MU-W1)	West Coast Highway, restaurants, and marine services
EAST	MU-H1	MU-MM	Various commercial uses
WEST	MU-H1	MU-MM	Automobile rental

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## **INTRODUCTION**

### **Project Setting and Background**

The subject property is approximately one-third of an acre, located within the Mariners' Mile Corridor on the inland side of West Coast Highway, and developed with a 6,623-square-foot, one-story retail shell building. The property and the adjacent 1.68-acre property at APN 049-110-30 are under the same ownership and pursuant to Section 20.70 (Definitions), a "site" is defined as a lot or adjoining lots under single ownership or single control, considered as a unit for the purposes of development or other use. The two properties comprise the primary project site (hereafter referred to as the "Site") and is developed as The Garden commercial center, consisting of various commercial uses and shared surface parking lot. The Site is bound by Riverside Avenue to the east, a vehicle rental service (Enterprise) and vehicle sales use (Sterling BMW) to the west, Avon Street to the north, and West Coast Highway to the south. The existing retail shell building was renovated in 2017 and has remained vacant since.

### **Project Description**

The applicant proposes to convert 5,434 square feet of the vacant retail shell building with included additions to the building into a 6,874-square-foot, three-story food service, eating and drinking establishment (i.e., a "restaurant") with a 1,737-square-foot rooftop outdoor dining area above. The first floor of the restaurant is comprised of a customer waiting area, dining area, restrooms, and back of house. The second-floor mezzanine level includes a lounge and bar area with an additional storage room for the bar and kitchen. Finally, the third floor is comprised of an outdoor dining area, oyster bar, restrooms, and a preparation and service area. The restaurant provides both stairs and elevator access to each floor. As proposed, parking will be provided through a combination of both on-site and off-site parking lots using a valet service. The applicant's project description is included as Attachment No. PC 2 and the project plans are included as Attachment No. PC 6. The primary operational characteristics of the proposed restaurant are highlighted in Table 1 below.

<b>Table 1 - Proposed Restaurant Operations</b>	
<b>Gross Floor Area</b>	6,874 SF
<b>Outdoor Dining Area</b>	1,737 SF
<b>Hours of Operation</b>	8 a.m. to 12 a.m., daily
<b>Live Entertainment</b>	Not proposed
<b>Dancing</b>	Not proposed
<b>Alcoholic Beverage Sales</b>	Type 47 (On-Sale General – Eating Place)

Based on the applicant's request, the following approvals are required from the City:

- **Conditional Use Permit (CUP):** To allow a restaurant with late hours (i.e., after 11:00 p.m.) and to authorize off-site parking pursuant to Section 20.40.100 (Off-Site Parking) of the NBMC;
- **Operator's License:** To allow alcoholic beverage services in combination with late hours pursuant to Chapter 5.25 (Operator License for Establishments Offering Alcohol Beverages for On-Site Consumption in Combination with Late Hours, Entertainment, and/or Dance) of the NBMC;
- **Major Site Development Review (SDR):** To allow an increase in height within the Shoreline Height Limit Area in accordance with Section 20.30.060(C)(2)(c) (Height Limits and Exceptions) of the NBMC;
- **Coastal Development Permit (CDP):** To convert a retail shell building to a restaurant, to construct a third-floor addition with a rooftop outdoor dining area, to allow an increase in height within the Shoreline Height Limit Area in accordance with Section 21.30.060(C)(2)(c) (Height Limits and Exceptions) of the NBMC, and to authorize off-site parking pursuant to Section 21.40.100 (Off-Site Parking) of the NBMC; and
- **Traffic Study:** To study the potential effects on infrastructure in the area due to a net increase in average daily trips (ADTs) of more than 300 pursuant to Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC.

All approvals are analyzed in the next section of this report except for the Operator License, which is issued by the Chief of the Newport Beach Police Department (NBPD) as a separate and subsequent action.

## **DISCUSSION**

### **Analysis**

#### *General Plan*

The General Plan Land Use Element designates the site as Mixed-Use Horizontal MU-H1), which is intended to provide for a horizontal mixing of uses. For properties located on the inland side of Coast Highway in the Mariners' Mile Corridor, such as this property, the Coast Highway frontages shall be developed with marine-related and highway-oriented general commercial uses in accordance with Recreational and Marine Commercial (CM) and General Commercial (CG) land use designations. The project is for a new restaurant on a property that was previously developed with a retail shell building. However, the building has not been occupied since at least 2017 when the shell building was renovated, and the project will allow the property to be used as a commercial

service for residents and visitors to the City which is consistent with the MU-H1 designation.

While not exhaustive, the following is a list of notable General Plan policies with which the project is consistent:

- ***Land Use Policy LU 2.4 (Economic Development).*** Accommodate use that maintain or enhance Newport Beach's fiscal health and account for market demands, while maintain and improving the quality of life for current and future residents.

The property has been unoccupied for several years and the project will provide a new fine-dining restaurant that will serve the neighborhood as well as residents and visitors to the City. The restaurant will provide an economic opportunity for the City, where the property is not currently providing any commercial service.

- ***Land Use Policy LU 5.3.6 (Parking Adequacy and Location).*** Require that adequate parking be provided and is conveniently located to serve tenants and customers. Set open parking lots back from public streets and pedestrian ways and screen with buildings, architectural walls, or dense landscaping.

As discussed in more detail in the *Parking and Allowing Off-Site Parking* section of this report on page 8, adequate parking is being provided within the existing on-site parking lot, as well as existing off-site parking locations with valet service that is conveniently located to serve tenants and customers and to ensure efficient use of all available parking.

- ***Land Use Policy LU 6.19.4 (Inland side of Coast Highway [designated as "MU-H1," "CG(0.3)," and "CG(0.5)" Sub-Areas B and C]).*** Accommodate a mix of visitor- and local-serving retail commercial, residential, and public uses. On inland parcels, generally between Riverside Avenue and Tustin Avenue, priority should be placed on accommodating uses that serve upland residential neighborhoods such as grocery stores, specialty retail, small service office, restaurants, coffee shops, and similar uses.

Although the property is not between Riverside Avenue and Tustin Avenue, the property is on the inland side of Coast Highway within proximity to Riverside Avenue and Tustin Avenue and proposes a new restaurant that is consistent with this Land Use policy.



### *Zoning Code*

The property is within the Mixed-Use Mariners' Mile (MU-MM) Zoning District of the NBMC, which applies to properties located on the inland side of West Coast Highway in the Mariners' Mile Corridor. Further, the West Coast Highway frontage is limited to nonresidential uses. The project proposes converting an existing retail shell building into a new restaurant with a Type 47 ABC license and late hours, which requires approval of a conditional use permit.

Additionally, the project includes a request for a portion of the required parking to be provided off-site with a valet service, which also requires the approval of a conditional use permit pursuant to Section 20.40.100 (Off-Site Parking) of the NBMC.

### *Alcohol Sales Findings*

The Applicant requests a Type 47 (On-Sale General – Eating Place) Alcohol Beverage Control (ABC) License in conjunction with the restaurant, which would allow the sale of beer, wine, and spirits. When reviewing the application to allow an eating or drinking establishment to sell, serve, or give away alcohol, Section 20.48.030 (Alcohol Sales) of the NBMC requires the Planning Commission to consider impacts to adjacent uses and proximity to existing alcohol sales, both for on-site and off-site consumption. The Planning Commission must find that:

- 1. The use is consistent with the purpose and intent of Section 20.48.030 (Alcohol Sales) of the Zoning Code.*

The purpose and intent of Section 20.48.030 (Alcohol Sales) of the NBMC is to maintain a healthy environment for residents and businesses by establishing a set of consistent standards for the safe operation of alcohol establishments. The project has been reviewed by the Newport Beach Police Department (NBPd) and conditioned to ensure that the purpose and intent of this section is maintained and that a healthy environment for residents and businesses is preserved. Alcohol service will be provided for the convenience of customers of the restaurant, and it is not intended to act as a separate use and destination from the restaurant.

The NBPd prepared a Crime and Alcohol Related Statistics Report using the latest available data (2024) and a memorandum for the project (Attachment No. PC 3). The data is incorporated into the factors for consideration in the draft Resolution (Attachment No. PC 1). Operational conditions of approval were recommended by the NBPd relative to the sale of alcoholic beverages that will ensure compatibility with the surrounding uses and minimize alcohol-related impacts. Additionally, Condition of Approval No. 47 is included to require approval of an Operator License pursuant to Chapter 5.25 of the NBMC.



### *Parking and Allowing Off-Site Parking*

On May 23, 2023, the City Council adopted Ordinance No. 2023-6 to modernize commercial parking requirements in Title 20 (Planning and Zoning) of the NBMC, including those for restaurants, within areas outside the Coastal Zone. Soon thereafter, City staff submitted the complementary amendments to Title 21 (Local Coastal Program Implementation Plan) of the NBMC to the California Coastal Commission (CCC) for review and consideration. On June 12, 2025, the CCC certified Part A of Implementation Plan Amendment No. LCP-5-NPB-24-0004-1, which would amend the parking requirements in Title 21 to be consistent with Title 20 of the NBMC. On July 22, 2025, the City Council introduced Ordinance No. 2025-13 to effectuate the changes to Title 21 and passed it on to second reading on August 26, 2025, after which point the updated parking requirements would become effective immediately Citywide.

For consistency with the anticipated updated parking requirements, this project has been analyzed using the current code requirements of Title 20. Section 20.40.040 (Off-Street Parking Spaces Required) of the NBMC requires one parking space per 100 square feet of gross floor area and one parking space per 150 square feet for outdoor dining areas. A condition of approval has been included to ensure that, should Ordinance No. 2025-13 not become effective, the project will require an amendment and revised analysis.

The required parking for the site analyzes all existing and proposed uses between the two parcels and the required parking is 171 parking spaces (total), as identified in Table 2 below. Since only 158 parking spaces are provided on-site, the applicant proposes off-site parking spaces to meet the required number of parking spaces. The project will implement off-site valet parking located at 2912 West Coast Highway (Sterling BMW) and 215 Riverside Avenue. During the daytime, 219 parking spaces are provided between the Site and off-site parking and during the evening, 241 parking spaces are provided between the Site and off-site parking.

A Valet Operation Plan was prepared by Hospitality Parking Group dated August 2025 that documents the operational characteristics for the off-site valet parking spaces (Attachment No. PC 4). Valet access to the off-site parking spaces is through Avon Street at the rear of the property rather than through West Coast Highway. Therefore, the project will provide adequate parking that is conveniently located to serve tenants and customers.

<b>Table 2 - Required Parking</b>				
<b>Use</b>	<b>Address</b>	<b>Gross Floor Area</b>	<b>Parking Rate</b>	<b>Required Parking</b>
<b>ARC Carne &amp; Cantina Restaurant (Project)</b>	2902 West Coast Highway, Suite A	6,874 SF (Gross Floor Area) 1,737 SF (Outdoor Dining)	1 per 100 SF of GFA 1 per 150 SF of outdoor dining	80.32
<b>Retail (Vacant)</b>	2902 West Coast Highway, Suite 110	538 SF	1 per 250 SF	2.152

<b>Retail (Vacant)</b>	2902 West Coast Highway, Suite 120	651 SF	1 per 250 SF	2.604
<b>C'est Si Bon</b>	149 Riverside Avenue, Suite A	3,764 SF	PDUP No. 33 1 per 75 SF net public area	10
<b>Jewelers On Time</b>	149 Riverside Avenue, Suite B	1,469 SF	1 per 250 SF	5.876
<b>Retail (Vacant)</b>	149 Riverside Avenue, Suite C	1,523 SF	1 per 250 SF	6.092
<b>U.S. Post Office</b>	177 Riverside Avenue	4,651 SF	1 per 250 SF	18.604
<b>Retail (Vacant)</b>	177 Riverside Avenue	2,215 SF	1 per 250 SF	8.86
<b>Retail (Vacant)</b>	191 Riverside Avenue	8,988 SF	1 per 250 SF	35.952
Total Parking Required				171
On-Site Parking Spaces Provided				158
Off-Site Valet Parking Space Provided (Minimum)				61
<b>Total Parking Provided (Minimum)</b>				<b>219</b>

To authorize the proposed off-site parking configuration, Section 20.40.100(B) (Off-Site Parking – Findings) of the NBMC requires approval of a conditional use permit. In reviewing this request, the Planning Commission must make the following findings:

1. *The parking facility is located within a convenient distance to the use it is intended to serve;*
2. *On-street parking is not being counted towards meeting parking requirements;*
3. *Use of the parking facility will not create undue traffic hazards or impacts in the surrounding area; and*
4. *The parking facility will be permanently available, marked, and maintained for the use it is intended to serve.*

The site has four access driveways for self-parking, one from West Coast Highway, two from Riverside Avenue, and one from Avon Street. Additionally, it has two access driveways for valet parking from Riverside Avenue. Patrons using the valet service can park their vehicles in one of the five queueing spaces that do not impede the circulation for self-parking. Valet operations will access the off-site parking areas via Avon Street to further ensure vehicles do not impede traffic along West Coast Highway.

The off-site valet parking located at Sterling BMW will be available during the hours of operation of the Restaurant. Sterling BMW typically operates between 7:00 a.m. and 7:00 p.m., daily with limited hours on the weekends. During the daytime hours, 98 parking spaces will be available and during the nighttime hours, 105 parking spaces will be available at Sterling BMW. Parking for the restaurant at this location will be valet only and self-parking will not be available at Sterling BMW.

The property at 215 Riverside Avenue is developed with a Personal Services, General use (Beauty Salon) and a Tattoo Establishment that typically operate between 10 a.m. and 4 p.m., daily. The Beauty Salon operates until 7 p.m. on Thursdays only. Fifteen parking spaces will be available at 215 Riverside Avenue after 5 p.m., daily, with the exception of Thursday evenings from 5 p.m. to 7 p.m. when the Beauty Salon remains open. Although the Beauty Salon operates until 7 p.m. on Thursdays, customers are typically seen by appointment and is not anticipated to conflict with valet operations for the restaurant. Parking for the restaurant at this location will be valet only. Figure 1 below shows the location of the off-site parking lots, the valet parking circulation to and from the parking spaces from the subject property via Avon Street, and the self-parking circulation to and from the site.

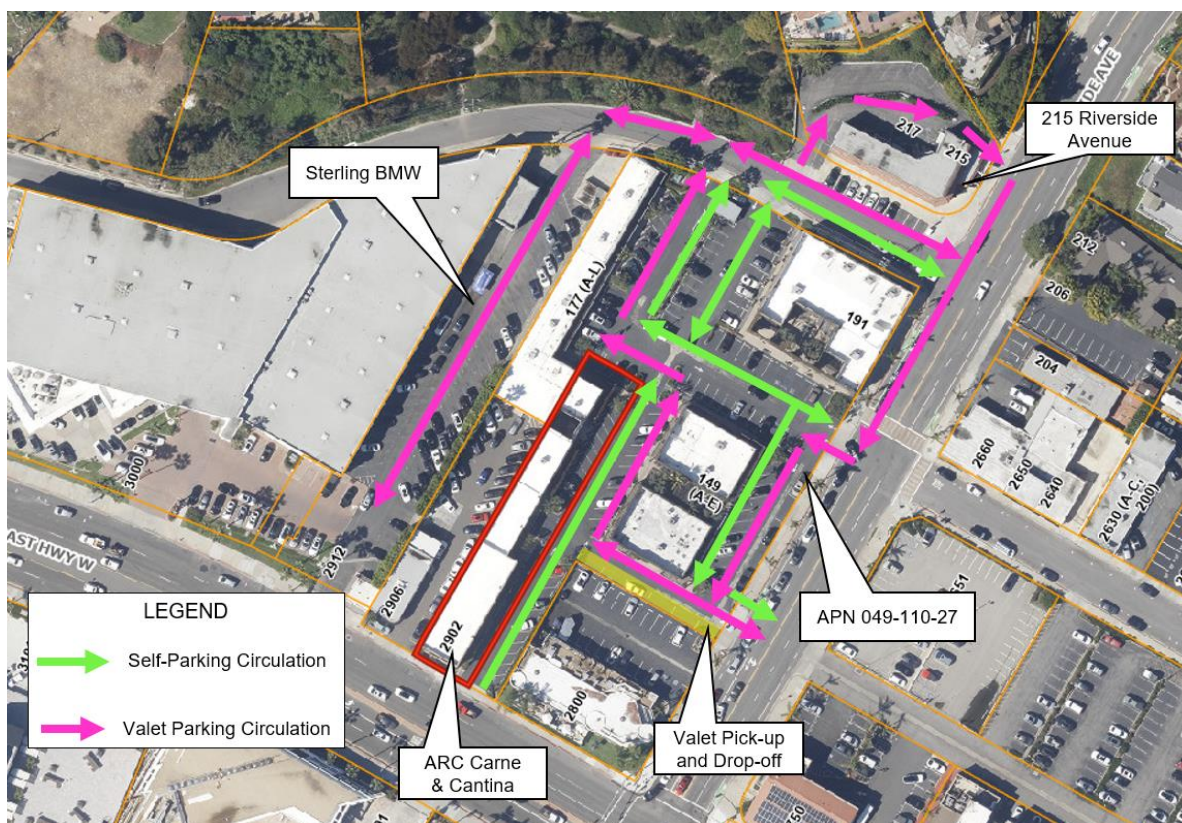


Figure 1: Self-parking and valet parking circulation to and from the restaurant and the off-site parking spaces

Adequate public and emergency vehicle access is provided from West Coast Highway, and public services and utilities are provided on-site. The Project, including the proposed valet operation, has been reviewed by the Public Works Department, City Traffic Engineer, and Fire Department to ensure adequate public and emergency vehicle access is provided and there are no concerns with the proposed use. Conditions of Approval No. 32 and 33 have been included to ensure the valet operation does not impact the surrounding area.

Condition of Approval No. 6 is included to ensure a parking agreement or covenant is recorded between the owner of operator of the Project and the off-site locations to

guarantee the availability of the required off-street parking spaces. Additionally, should the off-site parking spaces become unavailable, the condition will require the owner to provide substitute parking, reduce the size of the restaurant operation in proportion to the parking spaces lost, or obtain a parking reduction pursuant to Section 21.40.110 (Adjustments to Off-Street Parking Requirements) of the NBMC.

### *Conditional Use Permit Findings*

In accordance with Section 20.52.020(F) (*Conditional Use Permits and Minor Use Permits – Findings and Decision*) of the NBMC, the Planning Commission must make the following findings for approval:

- 1. The use is consistent with the General Plan and any applicable Specific Plan;*
- 2. The use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning Code and Municipal Code;*
- 3. The design, location, size, and operating characteristics of the use are compatible with the allowed uses in the vicinity;*
- 4. The site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; and*
- 5. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.*

As previously discussed, the proposed restaurant is consistent with the purpose and intent of the MU-H1 General Plan Land Use designation and MU-MM Zoning District. Restaurants with alcohol services are common in this area and are complementary to the surrounding commercial and retail services. The restaurant will be oriented along the frontage of the property and away from the residential zoning district towards the rear of the property across from Avon Street which is consistent with the General Plan Land Use Element and Zoning Code for this property and for the intended development for Mariners' Mile. The restaurant will provide a convenient commercial service for residents and visitors to the City.

Staff received a comment letter on August 12, 2025, regarding potential concerns related to noise, parking, traffic, and late hour operations which is included as Attachment No. PC 5. The restaurant is intended to operate as a fine-dining restaurant that operates between 8 a.m. and 12 a.m. (midnight), daily. This area of Mariners' Mile is developed with several restaurants with alcohol services with the adjacent restaurant at 2800 West Coast Highway (Newport Beach Whaler) and the restaurant across West Coast Highway at 2751 West Coast Highway (Billy's at the Beach) operating with late hours. Further, the project does not propose any live entertainment or dancing that could potentially create a nuisance or noise impact for the residential neighborhood located behind the property across Avon Street.

Pursuant to Section 20.30.120 (Solid Waste and Recyclable Materials Storage) of the NBMC, the entire Site requires a total of 192 square feet for trash and recyclable storage and the trash enclosure constructed for the Site is approximately 354 square feet. Adequate parking is being provided in the on-site parking lot, as well as off-site parking locations with valet service to ensure efficient use of all available parking. In addition, the NBPD has reviewed the project and has no objections. The operational conditions of approval recommended by the NBPD related to the sale of alcoholic beverages will help ensure compatibility with the surrounding uses and minimize alcohol-related impacts. The project has been conditioned to ensure the welfare of the surrounding community

Additionally, due to the request of late hour operations, Section 20.48.090(G)(3)(a) (Eating and Drinking Establishments – Late-Hour Operations) of the NBMC provides the following consideration to potential impacts upon adjacent or nearby uses:

1. *Noise from music, dancing, and voices associated with allowed indoor or outdoor uses and activities;*
2. *High levels of lighting and illumination;*
3. *Increased pedestrian and vehicular traffic activity during late night and early morning hours;*
4. *Increased trash and recycling collection activities;*
5. *Occupancy loads of the use; and*
6. *Any other factors that may affect adjacent or nearby uses.*

The primary use of the project is for a fine-dining restaurant that does not propose live entertainment, dancing, or any other activity that would generate a considerable amount of noise. The project also does not propose any activity that would require the use of high levels of lighting and illumination. The area of the rooftop dining area is located towards West Coast Highway, and away from the public park and residential neighborhood located towards the rear of the property. The level of lighting required for the rooftop dining area is not anticipated to create a detriment to the surrounding area. Condition of Approval No. 14 is included to ensure the property is not excessively illuminated or creates an unacceptable negative impact on surrounding land uses or environmental resources.

#### *Major Site Development Review for Height Increase*

The property is within the Nonresidential, Shoreline Height Limitation Zone and includes a request to increase the allowed height from the base height limit of 26 feet for a flat roof and 31 feet for a sloped roof. The height limit can be increased to 35 feet for a flat roof and 40 feet for a sloped roof with the approval of a major site development review. As noted, the project requests an increase in height to the maximum allowed to accommodate the third story and rooftop deck for the restaurant. The maximum height of proposed flat elements is approximately 34 feet and the maximum height of proposed sloped elements is approximately 35 feet. In accordance with Section 20.52.080(F) (*Site*



*Development Reviews – Findings and Decision*) of the NBMC, the following findings and facts in support of such findings are set forth:

1. *Allowed within the subject zoning district;*
2. *In compliance with all of the following applicable criteria:*
  - a. *Compliance with this section, the General Plan, this Zoning Code, any applicable specific plan, and other applicable criteria and policies related to the use or structure;*
  - b. *The efficient arrangement of structures on the site and the harmonious relationship of the structures to one another and to other adjacent developments; and whether the relationship is based on standards of good design;*
  - c. *The compatibility in terms of bulk, scale, and aesthetic treatment of structures on the site and adjacent developments and public areas;*
  - d. *The adequacy, efficiency, and safety of pedestrian and vehicular access, including drive aisles, driveways, and parking and loading spaces;*
  - e. *The adequacy and efficiency of landscaping and open space areas and the use of water efficient plant and irrigation materials; and*
  - f. *The protection of significant views from public right(s)-of-way and compliance with Section 20.30.100 (Public View Protection).*

In addition, as the project requests an increase in height, the project must comply with Section 20.30.060(C)(3) (Height Limits and Exceptions – Increase in Height Limits). The following findings and facts in support of such findings are set forth:

1. *The Applicant is providing additional project amenities beyond those that are otherwise required. Examples of project amenities include, but are not limited to:*
  - a. *Additional landscaped open space;*
  - b. *Increased setback and open areas;*
  - c. *Enhancement and protection of public views; and*
2. *The architectural design of the project provides visual interest through the use of light and shadow, recessed planes, vertical elements, and varied roof planes;*
3. *The increased height will not result in undesirable or abrupt scale changes or relationships being created between the proposed structure(s) and existing adjacent developments or public spaces. Where appropriate, the proposed structure(s) provides a gradual transition to taller or shorter structures on abutting properties; and*
4. *The structure will have no more floor area than could have been achieved without the approval of the height increase.*

Although the property has 0-foot setbacks on all sides, the existing building provides a 6-foot, 10-inch front setback, 20-foot, four-inch rear setback, and 15-foot, two-inch eastern side setback. The project proposes to renovate the existing building within the existing footprint to maintain the additional setbacks beyond the minimum required. The project, including the third floor and rooftop dining area, will not be constructed to the maximum height as allowed per the height increase and will use glass materials to reduce the

amount of visual obstructions on the rooftop dining area. Additionally, the third-floor improvements will be located on the front half of the building towards West Coast Highway rather than the entire rooftop to further minimize any visual obstructions.

The project complies with the provisions of the General Plan, Zoning Code, and Local Coastal Plan as analyzed above. The property is also within the Mariners' Mile Corridor and is subject to the Mariners' Mile Strategic Vision and Design Framework which is intended to provide a thoughtful, imaginative and integrated set of design strategies, and specific ideas to guide and assist the City, landowners, tenants and involved citizenry in reversing its negative image and improving the future prospects for Mariners' Mile. This strategic vision and design framework emphasizes key objectives in architecture and design.

Pursuant to Section 5.10 (Architecture Objectives) of the Mariners' Mile Strategic Vision and Design Framework, the structure should include designs that "fit in" to its surroundings with five-sided architecture that considers roof views from above. Buildings should be oriented towards the street and use "neutral" building color schemes. The vacant building was renovated in 2017 with tasteful use in building material and color and the project will use the same materials and colors in constructing the new third story to maintain a cohesive appearance of the building. Additionally, the third story will use roof elements with consideration to the five-side architecture to create a visually appealing structure when viewed from above by incorporating neutral colors, glass elements, and matching materials with the first and second story.

Section 20.30.100 (Public View Protection) of the NBMC is intended to analyze the potential to obstruct public views from public view points and corridors, as identified on General Plan Figure NR 3 (Coastal Views), to the Pacific Ocean, Newport Bay and Harbor, offshore islands, the Old Channel of the Santa Ana River (the Oxbow Loop), Newport Pier, Balboa Pier, designated landmark and historic structures, parks, coastal and inland bluffs, canyons, mountains, wetlands, and permanent passive open space. The nearest public viewpoint as identified in Figure NR 3 (Coastal Views) of the General Plan is Cliff Drive Park, located along Cliff Drive, behind the property. The structures located across West Coast Highway are taller than the structures on the inland side of West Coast Highway. The structure at 2901 West Coast Highway is approximately 33 feet tall, and the structure at 3101 West Coast Highway is approximately 38 feet tall. The existing structures across West Coast Highway partially impede public views of the harbor as viewed from Cliff Drive. However, the proposed renderings shown in Figure 2 below for the project demonstrate the project's third floor improvements will not impact views of the harbor when viewed from Cliff Drive.





*Figure 2: Proposed rendering of the third-floor and rooftop dining area addition as seen from Cliff Drive Park.*

Staff conducted a site visit to the top of Cliff Drive Park and found that the existing landscaping (including tall palm trees) and the development on the waterside of West Coast Highway create obstructions of the harbor that extend beyond the existing structures on the inland side of West Coast Highway. The proposed project will not add to the bulk and obstructions of the harbor as seen from this viewpoint. The trails that lead further into Cliff Drive Park are increasingly lower in elevation than at the top of the public right-of-way and views of Newport Harbor are even less visible under existing conditions. The rooftop dining area of the third floor will be constructed within the first half of the existing building to minimize the amount of bulk and massing. Further, the design includes a canopy made of a translucent laminated glass skylight and glass guardrails that will further reduce visual impacts to existing view pockets of the harbor.

The existing buildings adjacent to the property on the inland side of West Coast Highway provide variation in building heights to create visual interest. The project proposes a three-story building with a rooftop dining area. However, the property is flanked by one-story buildings that are approximately 17 feet in height and the project will not create a row of mass and bulk that obstructs views on the inland side of West Coast Highway.

The project proposes adding square footage to the existing building. However, the floor area ratio of the Site will be 0.37, and will comply with the allowed maximum floor area ratio of 0.50. The third floor and rooftop dining area will be constructed within the existing footprint of the building and will not increase the overall lot coverage of the property.

*Local Coastal Program Consistency and Coastal Development Permit*

The Coastal Land Use Plan (CLUP) designates the site as Mixed-Use Horizontal (MU-H) and it is in the Mixed-Use Mariner's Mile (MU-MM) Coastal Zoning District, which are intended to provide for the development of areas for a horizontally distributed mixed of uses, which may include general or neighborhood commercial, commercial offices, multi-family residential, visitor-serving and marine-related uses, and/or buildings that vertically integrate residential with commercial uses. The project is for a new restaurant in an area that is developed with various commercial uses. This area of Mariners' Mile along West Coast Highway is developed with a variety of horizontally distributed mix of commercial development such as other restaurants, retail uses, automobile rentals and sales, as well as marine-related uses across from West Coast Highway. The proposed project is consistent with the intended CLUP designation for a horizontally distributed mix of uses along West Coast Highway and is an allowed use pursuant to Table 21.22.020 (Mixed-Use Coastal Zoning Districts Land Uses and Permit Requirements) of the NBMC.

The conversion of the retail shell building to a restaurant, and resulting increase in the required parking, is considered an intensification of use which requires approval of a coastal development permit. In accordance with Section 21.52.015(F) (Coastal Development Permits – Findings and Decisions) of the NBMC. The Planning Commission must make the following findings for approval:

1. *Conforms to all applicable sections of the certified Local Coastal Program; and*
2. *Conforms with the public access and public recreation policies of Chapter 3 of the Coastal Act if the project is located between the nearest public road and the sea or shoreline of any body of water located within the coastal zone.*

The project complies with applicable development standards such as setbacks, floor area, and parking, as identified in Table 3 below.

Table 3 – Development Standards		
Development Standard	Standard	Proposed
<b>Setbacks (min.)</b>		
<b>Front</b>	0 feet	6 feet, 10 inches
<b>Sides</b>	0 feet	15 feet, 2 inches (East) 0 feet (West)
<b>Rear</b>	0 feet	20 feet, 4 inches
<b>Allowable Floor Area (max.) – Entire Site</b>	87,381 square feet	31,394 square feet
<b>Parking (min.)</b>	171 off-street spaces	219 off-street spaces
<b>Height (max.)<sup>1</sup></b>	26-foot flat roof	35-foot flat roof

	31-foot sloped roof	40-foot sloped roof
<b>Waste and Recycling Areas (min.)</b>	16 square feet (trash) 16 square feet (recycling)	354 square feet total
<sup>1</sup> An increase in maximum height to 35 feet for a flat roof and 40 feet for a slope roof is allowed pursuant to approval of a Major Site Development Review and Coastal Development Permit.		

Coastal hazards are not expected to affect the property, as it is approximately 340 feet from the harbor. Additionally, the property is separated from the harbor by West Coast Highway and a series of commercial structures along the waterside. The finished floor of the existing building is 13.15 feet NAVD 88 (North American Vertical Datum 1988), which exceeds the required minimum of 9.0 feet NAVD 88. Due to the Project's distance from hazard areas coupled with a finished floor above 9 feet NAVD 88, the project is expected to be reasonably safe for the economic life of the structure.

The property is not located between the nearest public road and the sea or shoreline. Section 21.30A.040 (Determination of Public Access/Recreation Impacts) of the NBMC requires that the provision of public access bear a reasonable relationship between the requirement and the Project's impact and be proportional to the impact. In this case, the Project proposes to renovate an existing commercial shell building into a new Restaurant with an increase in height to allow for a third story rooftop bar. Therefore, the Project does not involve a change in land use, density, or intensity that will result in increased demand for public access and recreation opportunities. Furthermore, the Project is designed and sited so as not to block or impede existing public access opportunities. Adequate parking will be available for the Project through on-site parking and off-site valet parking. Although on-street parking is available along West Coast Highway, the Project does not rely on on-street parking spaces to meet the parking demand generated by the Project.

As demonstrated in Figure 3 below, access to the waterfront is available approximately 200 feet across West Coast Highway between 3101 and 2901 West Coast Highway as well as approximately 700 feet away across West Coast Highway through the property at 3333 West Coast Highway. The project does not include any features that would obstruct access along these routes, nor does it impede any pedestrian crosswalk access across West Coast Highway to reach these accesses.



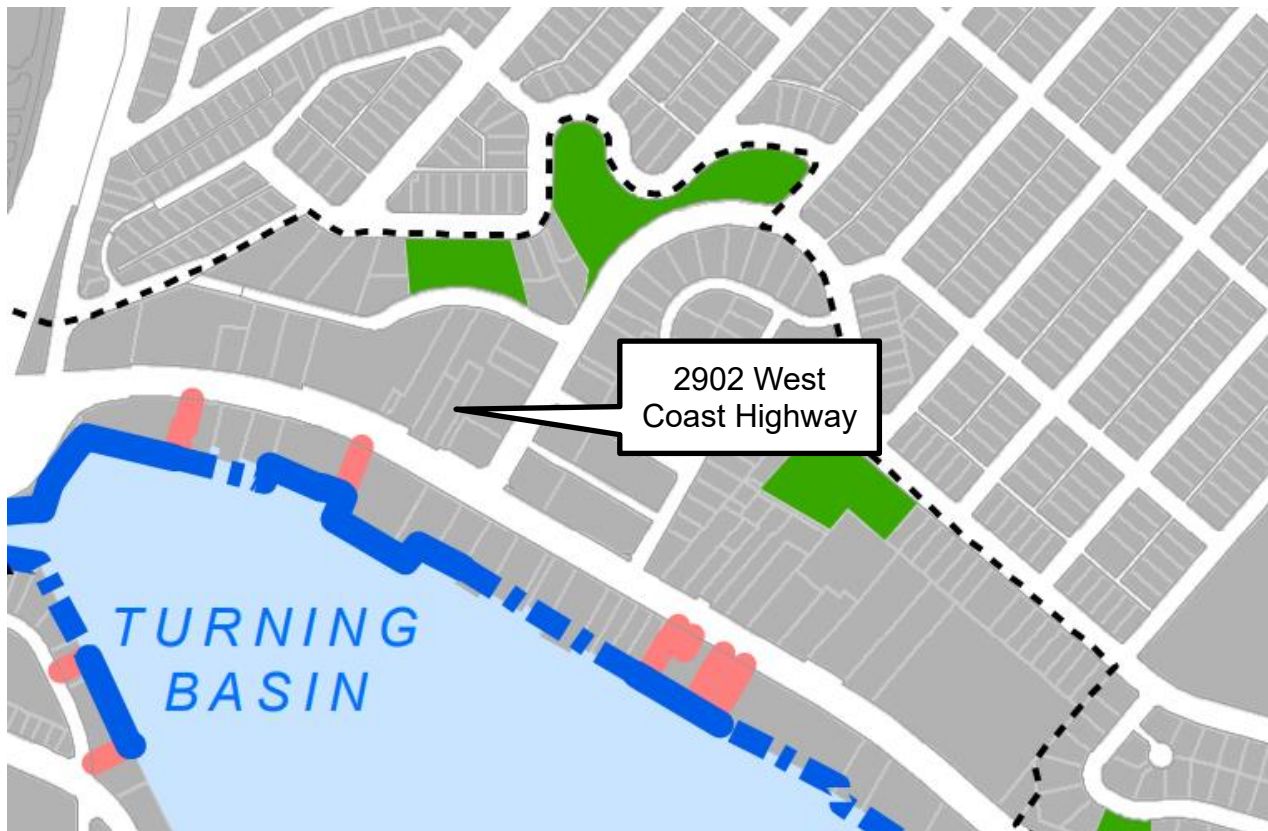


Figure 3: Designated coastal access in the vicinity of the project site.

In addition to Title 20, to authorize the proposed off-site parking configuration, Section 21.40.100(B) (Off-Site Parking – Standards for Off-Site Parking Facilities) of the NBMC applies to any nonresidential development where all or a portion of required parking is not located on the same site it is intended to serve. In reviewing this request, the Planning Commission must make the following findings:

1. *The parking facility shall be located within a five hundred (500) foot distance unless alternative transportation provided to the use it is intended to serve;*
2. *On-street parking shall not be counted towards meeting any parking requirements;*
3. *The off-site, off-street parking shall not impact public parking available for coastal access;*
4. *Use of the parking facility shall not create undue traffic hazards or impacts in the surrounding area;*
5. *The parking facility shall be permanently available, marked, and maintained for the use it is intended to serve; and*
6. *Public parking facilities may only be used as an off-site parking facility as part of an overall Parking Management Plan.*

The off-site parking located at Sterling BMW is approximately 55 feet away from the subject property and the off-site parking located at 215 Riverside Ave is approximately 235 feet away from the property, both within 500 feet of project it is intended to serve. The off-site parking spaces are located entirely on private property and will not use any public parking facilities to achieve the required number of parking spaces for the project. Therefore, an overall Parking Management Plan is not required to implement the project.

Further detailed analysis is provided in the previous section, *Parking and Allowing Off-Site Parking*, on page 8 of this report for the project's consistency with Section 21.40.100(B) of the NBMC.

In addition to Title 20, to authorize the request for an increase in maximum height, the project must comply with Section 21.30.060(C)(3) (Height Limits and Exceptions – Increase in Height Limit) of the NBMC. The following findings and facts in support of such findings are set forth:

1. *The project is sited and designed to protect public views to and along the ocean and scenic coastal areas; and*
2. *The project is sited and designed to minimize visual impacts and be visually compatible with the character of surrounding areas; and*
3. *Where feasible, the project will restore and enhance visual quality in visually degraded areas.*

The property is located approximately 220 feet south of Cliff Drive Park, which is a designated public viewpoint in the CLUP, and offers public views of Newport Harbor. At the uppermost elevation of Cliff Drive Park along the Cliff Drive public right-of-way is a series of trails and a park bench that looks down towards Newport Harbor. While the project would increase the height of the existing building, it will be designed to not impose on the coastal views from the park and trails. The increase in height within the Shoreline Height Limitation Zone allows for a maximum of 35 feet for a flat roof and 40 feet for a sloped roof. The project proposes flat elements to a maximum height of 34 feet and sloped elements to a maximum height of 35 feet.

Additionally, Cliff Drive Park extends along Cliff Drive between San Bernardino Avenue and Redlands Avenue where there is another designated viewpoint in the CLUP, approximately 740 feet from the Property. The restaurant is not visible from this viewpoint and the project will not result in significant adverse impacts to public views at this viewpoint. The designated views are depicted in Figure 4 below.



Figure 4: The location of the subject property in relation to the viewpoints at Cliff Drive Park per the CLUP.

The property also fronts West Coast Highway which is a designated coastal view road in the CLUP. The proposed construction will be entirely within the property and is not anticipated to create any visual obstructions of coastal views from West Coast Highway.

Further detailed analysis is provided in the previous section, *Major Site Development Review for Height Increase*, on page 13 of this report for the project's consistency with Section 21.30.060(C)(3) of the NBMC.

#### *Traffic Study*

The existing retail use would generate 361 average daily trips (ADT), and the proposed project would generate 879 ADT. The project will generate a net increase of 518 ADT, which exceeds the 300 ADT threshold identified in Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC. In accordance with Section 15.40.030(A) (Traffic Phasing Ordinance) of the NBMC, the following findings and facts in support of such findings are set forth:

1. That a traffic study for the project has been prepared in compliance with the NBMC Chapter 15.40 and Appendix A;

2. *That, based on the weight of the evidence in the administrative record, including the traffic study, one of the findings for approval in subsection 15.40.030(B) can be made:*
  - a. *Construction of the project will be completed within 60 months of the project approval in accordance with Section 15.40.030(B)(1) of the NBMC.*
  - b. *Additionally, the project will neither cause nor make worse an unsatisfactory level of traffic service at any impacted intersection in accordance with Section 15.40.030(B)(1)(a) of the NBMC.*
3. *That the project proponent has agreed to make or fund the improvements, or make the contributions, that are necessary to make the findings for approval and to comply with all conditions of approval.*

A traffic study, titled “Traffic Impact Analysis – ARC Carne & Cantina Restaurant Project” dated August 2025 (Traffic Impact Analysis), which is attached as Exhibit “B” of the draft resolution (Attachment No. PC 1) was prepared by LSA under the supervision of the City Traffic Engineer in compliance with Chapter 15.40 (Traffic Phasing Ordinance) and Appendix A (Administrative Procedures for Implementing the Traffic Phasing Ordinance) of the NBMC.

The Traffic Impact Analysis included eight study intersections that were analyzed for potential impacts based on the City’s Intersection Capacity Utilization (ICU) methodology, which is expressed in terms of level of service (LOS). Utilizing these methodologies, the Traffic Impact Analysis determined that the proposed project could be implemented without adversely affecting the seven study intersections and the addition of traffic would not create LOS impacts.

Because the project will neither cause an unsatisfactory LOS nor make worse an unsatisfactory LOS at any impacted intersection, no improvements or mitigation are necessary.

### Summary and Alternatives

Staff believes all findings for approval can be made, as evidenced in Attachment No. PC 1. The proposed scale of the renovated building will be compatible with the surrounding pattern of development. The restaurant will not operate with live entertainment or dancing, and the NBPd has provided appropriate conditions of approval to help prevent negative impacts to the surrounding neighborhood. The proposed project is consistent with the City’s goals and objectives identified in the General Plan and, if approved and implemented, will provide an opportunity to reenergize the property with a new visitor-serving commercial use in the Coastal Zone that will benefit surrounding residents, businesses, and visitors to the Mariners’ Mile Corridor.

The following alternatives are available to the Planning Commission should they feel the facts are not in evidence of support for the project application:



1. The Planning Commission may suggest specific project modifications or operational changes that are necessary to alleviate concerns. If the changes are substantial, the item should be continued to a future meeting to allow redesign of the project; or
2. If the Planning Commission does not believe the facts in support of findings can be made, the Planning Commission may deny the application request.

### Environmental Review

This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303 under Class 3 (New Construction or Conversion of Small Structures) and Section 15332 under Class 32 (In-Fill Development Projects) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential to have a significant effect on the environment. A detailed analysis of the CEQA exemptions is included in Section 2 (California Environmental Quality Act Determination) of Attachment No. PC 1.

### Public Notice

Notice of this hearing was published in the Daily Pilot, mailed to all owners and residential occupants of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways) including the applicant, and posted on the subject property at least 10 days before the scheduled meeting, consistent with the provisions of the Municipal Code. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the city website.

Prepared by:

Submitted by:



Jenny Tran  
Associate Planner  
BMZ/jt



Jaime Murillo, AICP  
Deputy Community Development Director

### **ATTACHMENTS**

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Project Description
- PC 3 Police Department Memorandum
- PC 4 Valet Operation Plan by Hospitality Parking Group dated August 1, 2025
- PC 5 Public Correspondence dated August 12, 2025
- PC 6 Project Plans

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