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NEWPORT BEACH

City Council Staff Report

January 13, 2026
Agenda Item No. 18

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Professional Services Agreement with Kimley-Horn and Associates, Inc. for Preparation of the Airport Area Specific Plan (PA2025-0035)

ABSTRACT:

For the City Council's consideration is the approval and authorization of a new professional services agreement (PSA) with Kimley-Horn and Associates, Inc. (KHA) for consulting services to support the preparation of a specific plan for the Airport Area. As proposed, KHA will evaluate existing conditions, conduct outreach, develop and draft a regulatory specific plan for the Airport Area, and prepare the requisite environmental analysis pursuant to the California Environmental Quality Act (CEQA). The proposed PSA will carry an initial two-year term with a not-to-exceed cost of \$612,398.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Approve and authorize the Mayor and City Clerk to execute the Professional Services Agreement with Kimley Horn and Associates, Inc. for the Airport Area Specific Plan in an amount not-to-exceed \$612,398 in a form substantially similar to the agreement attached to the staff report; and
- c) Approve Budget Amendment No. 26-047 to record a budget transfer of \$102,159.01 from the General Fund to the General Fund CIP Fund where it will be expensed from 01201928-980000-20M11

DISCUSSION:

The planning area known as the "Airport Area" of Newport Beach is generally located southeast of the John Wayne Airport and bound by Campus Drive to the northeast and northwest, Jamboree Road to the southeast, and Bristol Street to the southwest, as depicted in Figure 1, below.



Figure 1, Airport Area identified in yellow shading.

2006 General Plan, Housing Element, and General Plan Update

The 2006 Newport Beach General Plan Land Use Element identified this area for the maintenance and limited expansion of the currently developed mix of research and development, office, high technology, industrial, and commercial uses. However, it also identified the area as one of the greatest opportunities in the city to evolve from a business park to a mixed-use district with integrated and cohesive residential villages.

The 2006 General Plan's vision was to develop up to 2,200 dwelling units of which approximately 1,877 total units have either been entitled or are under construction. Although goals and policies were included for the orderly evolution of the Airport Area to a mixed-use district, including parks and paseos, the implementation has not occurred as envisioned. This is largely due to the onset of the 4th Cycle Housing Element and State Density Bonus law requirements, which collectively reduced regulatory barriers and mandated incentives or concessions that bypassed certain policies.

The City's 6th Cycle Housing Element, adopted in 2022, continued to identify the Airport Area as a key focus area to accommodate redevelopment of housing projects that help the City meet its Regional housing Needs Assessment (RHNA) allocation. Policy Action 1A of the Housing Element and the associated Housing Opportunity (HO) Overlay Zoning Districts that implement the Housing Element, identify opportunities for up to 2,577 new dwelling units within this area. Notably, these are in addition to the 2,200 units contemplated as part of the 2006 General Plan.

With the 6th Cycle Housing Element in place, the City is currently working with community members to complete the first comprehensive update of the 2006 General Plan. Through community outreach and engagement, it is evident that there is a desire to ensure planning for the Airport Area is done thoughtfully and comprehensively. While not yet adopted, the draft Land Use Element memorializes this feedback through providing direct policy support for preparing a comprehensive planning document to govern development in the Airport Area.

Specific Plan for the Airport Area

A “specific plan” is a zoning document that implements the goals and policies of the General Plan. It contains detailed development standards and implementation measures for the comprehensive and cohesive buildout of an area, including primary and supporting land uses, infrastructure, traffic, mobility, public amenities, parks, and long-term economic sustainability.

Given the original intention of the Airport Area identified in the 2006 General Plan and additional emphasis on it being appropriate to accommodate more density in the 6th Cycle Housing Element, thoughtful and intentional planning is important to the success of this area. Establishing a comprehensive specific plan allows the City to plan its future and usher in meaningful and thoughtful change for an area of the city that has traditionally supported business, industry and airport-related uses.

The Specific Plan would also provide an opportunity to update and consolidate existing zoning districts in the Airport Area, including several planned communities that are outdated and no longer reflect the City’s vision of the future. Namely these are the Koll Center Planned Community (PC-15), adopted in 1972 and amended 34 times since, and the Newport Place Planned Community (PC-11), adopted in 1971 and amended 43 times since. Together, these govern most of the Airport Area and provide little flexibility to property owners.

Although housing opportunity sites have already been identified, and some projects have received entitlements or are beginning construction, a specific plan will still provide value to the community and the future of the Airport Area, especially its residents, business owners, and visitors. As housing is built, the Airport Area will need to evolve. It will be critical to comprehensively and proactively identify infrastructure, mobility, connectivity, public parks and amenity needs, as well as opportunities to incentivize the commercial services that are necessary to support newer residential communities like grocers and personal service providers.

Request for Proposals (RFP) Process

City staff released a Request for Proposals (RFP) seeking proposals from qualified firms interested in assisting with the study and preparation of a specific plan for the Airport Area. The RFP was posted on the City’s public procurement system (PlanetBids.com) on May 15, 2025, and distributed directly to a short list of planning firms. The response deadline was June 16, 2025. Responses were received from four firms: Kimley-Horn and

Associates, Inc. (KHA); SWA Group; Placeworks, Inc. (Placeworks); and Gruen Associates, Inc. (Gruen).

The City employed a three-step process to evaluate the proposals and select a consultant. The steps included technical review, cost ratio analysis, and interviews.

For the technical review, the proposals were evaluated by a three-person staff panel and given an initial technical score. The initial technical score did not consider cost, rather proposals were evaluated based on the relevant experience of the firm, qualifications of key personnel, and approach to the study.

The best practice of excluding cost from the initial review allowed the panel to independently review the qualifications of the firms before considering the overall cost to provide the service. This practice also requires proposers to earn a certain percentage of points in the technical review (70%) to advance to the cost review. In this case, all proposals scored sufficiently to advance to the second step, which is the cost ratio analysis.

During the cost ratio analysis, it was found that proposals varied substantially. Additionally, the RFP included “optional tasks” for more Infrastructure Evaluation and CEQA documentation. Because some firms did not provide a response to the optional tasks, a clarification email was submitted to all proposers, asking firms to provide proposals for these two additional tasks should the City choose to include them in the contract. All four firms provided a response with clarifications and/or updates to the proposals and cost scores as they deemed appropriate. Excluding optional tasks, such as the Infrastructure Evaluation and CEQA documentation, the revised cost proposals ranged from \$439,484 (KHA) to \$799,061 (Gruen).

Based on the updated proposals, the two highest scoring proposals from the technical review and cost ratio analysis were KHA and Placeworks. Both firms were invited to interview with the staff panel on October 9, 2025. Staff had the opportunity to adjust scores based on the firms’ performance in the interview.

At the conclusion of the RFP evaluation process, KHA emerged as the consultant with the highest overall score and most likely to achieve the City’s objectives. Table 1 summarizes the overall scores for all four firms.

Table 1: Proposal Evaluation Summary

Proposer	Total Score	Overall Rank
KHA	2840.00	1
Placeworks	2517.70	2
SWA Group	2376.70	3
Gruen Associates	2250.00	4

KHA's proposal not only scored the highest during the technical evaluation but also scored the highest in terms of cost ratio. Thus, the City issued a Notice of Intent to Award to KHA on October 16, 2025. The Professional Services Agreement with KHA is included as Attachment A of the staff report.

KHA Work Plan

The work plan submitted by KHA is robust and includes the support of only one subconsultant for the economic analysis component of the project, Kosmont Companies. The work plan is generally divided into seven tasks and is summarized in Attachment B. The full work plan is provided as Exhibit A to Attachment A of this report. There are two optional tasks, which staff recommends including in the contract to ensure the best outcome, as follows:

1. An Infrastructure Evaluation to analyze impacts to utility systems in the Airport Area; and
2. CEQA compliance in the form of an Addendum to the General Plan Housing Element Implementation Program Environmental Impact Report (EIR).

The project costs also include a contingency of \$20,000, should the City determine that additional meetings, printed materials, or other items are necessary. The contingency will not be used without prior written authorization by the City.

Project Schedule

The proposal assumes the project will be completed approximately two years from project kick-off. As such, the initial contract term would be for two years with an option to extend one additional year.

FISCAL IMPACT:

The Capital Improvement Program (CIP) budget for Fiscal Year 2025-2026 (FY25-26) includes \$510,239.99 in funding for this PSA as part of the General Plan Update and Airport Area Specific Plan (Project No. 20M11). The other funds in the account are allocated to professional services and a printing purchase order to support completion of General Plan Update in early 2026. Because the total contract amount for this PSA is \$612,398, an additional \$102,159 is required to support the contract. Therefore, a budget amendment is requested.

The budget amendment (Attachment C) appropriates \$102,159.01 in increased expenditure appropriations from the General Fund unappropriated fund balance.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment)

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and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Professional Services Agreement with Kimley-Horn and Associates, Inc.

Attachment B – Work Plan Summary

Attachment C – Budget Amendment