



CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

May 21, 2026
Agenda Item No. 3

SUBJECT: Newport Birch Medical Plaza (PA2025-0220)

- Minor Site Development Review
- Minor Use Permit
- Staff Approval
- Traffic Study

SITE LOCATION: 20071 Birch Street

APPLICANT: ACS Development Group, Inc.

OWNER: Newport-Birch Holdings, LP

PLANNER: Jerry Arregui, Assistant Planner
949-644-3249 or jarregui@newportbeachca.gov

PROJECT SUMMARY

A request to construct a new 19,156-square-foot medical building on a vacant lot. The building will feature a small lobby and parking on the ground level, with two levels of medical office space above. The interior of the building is proposed as a shell design to accommodate future medical office tenants. The project also includes uncovered surface parking spaces, circulation improvements, and landscaping along the street frontage and throughout the parking lot. The project will provide a total of 89 parking spaces.

The following approvals are required to implement the project as proposed:

- Minor Site Development Review: To allow the construction of a nonresidential building between 10,000 and 19,999 square feet of floor area, pursuant to Section 20.52.080 (Site Development Reviews) of the Newport Beach Municipal Code (“NBMC”).
- Minor Use Permit: To authorize the medical office use, pursuant to Section 20.90.120 (Business Park District: SP-7) [BP] of the NBMC;
- Staff Approval: To waive 7 of the 96 required parking spaces, or 7.3 % of the parking requirement, pursuant to Section 20.40.110(D) (Adjustments to Off-Street Parking Requirements – Reduction of Required Off-Street Parking by Director) of the NBMC; and
- Traffic Study: To consider the projected 643 net increase in average daily trips (ADTs), pursuant to Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC.

If approved, this project will supersede the Use Permit Filed as PA2023-0172.

RECOMMENDATION

- 1) Conduct a public hearing;
- 2) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to 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
- 3) Adopt Resolution No. PC2026-017, approving the Site Development Review, Minor Use Permit, Staff Approval, and Traffic Study collectively filed as PA2025-0220 (Attachment No. PC 1).

(Remainder of Page Intentionally Left Blank).



LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	General Commercial Office (CO-G)	Santa Ana Height Specific Plan (SP-7) – Business Park (BP)	Vacant lot
NORTH	CO-G & General Commercial (CG)	SP-7/BP & Commercial General (CG)	Offices, gas station, fast food
EAST	CO-G & CG	SP-7/BP	Offices
SOUTH	CO-G	SP-7/BP	Offices, apartment complex, single-unit dwellings
WEST	CO-G	CG	Offices, vehicle rental

INTRODUCTION

Project Setting and Background

The subject property is located on Birch Street, in the Santa Ana Heights (also known as “Bayview Heights”) neighborhood, south of John Wayne Airport and State Highway 73. This area was developed under the jurisdiction of the County of Orange and was annexed into the City in 2003. The surrounding properties along Birch Street are developed with multi-tenant professional and medical office buildings. There are also nonconforming residential uses along Birch Street, including an apartment complex and several single-unit dwellings, approximately 100 feet and 450 feet south of the property, respectively.

The property is rectangular, flat, and approximately 38,303 square feet (0.88 acres) in area with vehicular access provided from Birch Street. The property was previously developed with a nonconforming single-unit residence, which was demolished in early 2024 pursuant to Building Permit XR2023-3367. The property has remained vacant, as shown in Figure 1 below.



Figure 1, Oblique Aerial Image of Project Site and Vicinity.

On May 23, 2024, the Planning Commission approved the Conditional Use Permit (“CUP”) filed as PA2023-0172 to relocate the Fletcher Jones airport shuttle facility from its nearby location on Bristol Street to this property. However, this property has since been sold to a new owner, and the shuttle facility will remain in its current location.

Project Description

The Applicant proposes to construct a new 19,156-square-foot medical building with a small lobby and parking on the ground level with two levels of medical office space above. The building height is proposed at 37 feet with parapet walls up to maximum height of 43 feet to screen rooftop mechanical equipment. The interior of the building is proposed as a shell design (e.g., interior spaces ready for tenant improvements). The building is proposed to include exterior hallways with glass guardrails for access to the tenant spaces. The project also includes associated site work such as circulation improvements, surface parking spaces, drainage improvement, trash facilities, and landscaping along the street frontage and throughout the parking areas. The existing curb opening will be closed, and a new, commercial-sized curb opening will be provided, allowing both left and right turns onto Birch Street. A total of 89 parking spaces is proposed through a combination of 60 surface parking spaces and 29 parking spaces located within the building's ground-level podium. One parking space is designated as a pick-up and drop-off space and additional open and enclosed bicycle parking is proposed. Collectively, these improvements are referred to as the "Project."

As shown in Figure 2 below, the Project provides a high-quality coastal contemporary design that incorporates the use of large glass windows, glass guardrails, and vertical wood paneling, applied across all elevations. A description of the Project and full set of plans, which includes additional renderings and elevations, are provided as Attachment No. PC 2 and PC 3, respectively.



Figure 2, Rendering of Project, as viewed from Birch Street.

The following approvals are required to implement the proposed Project:

- Minor Site Development Review ("SDR"): To allow the construction of a nonresidential building between 10,000 and 19,999 square feet of floor area, pursuant to Section 20.52.080 (Site Development Reviews) of the NBMC;

- Minor Use Permit (“MUP”): To authorize the medical office use, pursuant to Section 20.90.120 (Business Park District: SP-7) [BP]) of the NBMC;
- Staff Approval: To waive 7 of the 96 required parking spaces, or 7.3 % of the parking requirement, pursuant to Section 20.40.110(D) (Adjustments to Off-Street Parking Requirements – Reduction of Required Off-Street Parking by Director) of the NBMC; and
- Traffic Study: To consider the projected 643 net increase in average daily trips (“ADTs”), pursuant to Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC.

A minor SDR and MUP are typically considered by the Zoning Administrator, and a staff approval is typically considered by the Community Development Director. However, the Planning Commission is the designated review authority for a traffic study. Section 20.50.30 (Multiple Permit Applications) of the NBMC requires that multiple applications for the same project be processed concurrently and be acted upon by the highest review authority, which in this case is the Planning Commission.

DISCUSSION

Analysis

General Plan Consistency

The property is categorized as General Commercial Office (CO-G) by the General Plan Land Use Element. CO-G is intended to provide areas for administrative, professional, and medical offices with limited accessory retail and service uses. The project is for a medical office building that will serve the community and is therefore consistent with the purpose and intent of the CO-G land use category.

In addition to its consistency with the purpose and intent of the CO-G category, the Project is in furtherance of multiple General Plan Goals and Policies.

One such policy is General Plan Land Use Element Policy LU 2.1 (Resident-Serving Land Uses), which encourages uses that support the needs of Newport Beach’s residents, including services, that are in balance with community natural resources and open spaces.

The Project will construct a new medical office building within the developed Santa Ana Heights area which ensures that high quality medical care is available to residents within a developed area in the City while preserving open spaces and natural resources. Medical office uses remain in high demand due to the continued need for in-person healthcare services. Additionally, the Project is expected to serve future residents of the adjacent Airport Area, where additional housing opportunities from the 6th Cycle Housing Element are anticipated to increase the residential population and demand for medical services in this area.

Another such policy is General Plan Safety Element Policy S 8.6 (John Wayne Airport Traffic Pattern Zone), which requires staff to use most current John Wayne Airport (Airport) Airport Environs Land Use Plan (AELUP) as a planning resource for evaluation of land use compatibility and land use intensity in areas affected by the airport.

The Project is located within Safety Zone 3 (Inner Turning Zone) of the AELUP, which is an area where aircraft are typically turning when departing and arriving. The AELUP prohibits buildings with more than three habitable floors and recommends avoiding moderate and high intensity nonresidential uses such as major shopping centers, theaters and meeting halls within Safety Zone 3. The Project is for a medical building, which is typical of the area, not classified as moderate or high intensity nonresidential use, and only includes two levels of habitable area above the podium level with a lobby for access to the upper levels.

A full General Plan consistency analysis is in the draft resolution provided as Attachment No. PC 1.

Santa Ana Heights Specific Plan and Zoning Code Development Standards

The property is located within the Business Park (BP) District of the Santa Ana Heights Specific Plan (SP-7) Area, which is intended for professional and administrative offices, commercial uses, specific uses related to product development, and limited light industrial uses. The proposed medical office uses are allowed subject to the approval of an MUP.

The Project complies with the site development standards of the SP-7/BP District, including setbacks, floor area ratio (FAR), building site coverage, and building height, as evidenced by the project plans and illustrated in Table 1 below.

Table 1, SP-7/BP Development Standards

Development Standard	Standard	Proposed
Setbacks (min.)		
Front (Birch Street)	10 feet	54 feet
Side (northeast)	10 or 0 feet ¹	8 feet
Side (southwest)	10 or 0 feet ¹	56 feet
Rear (northwest)	0 feet	45 feet
Floor Area Ratio (FAR)	0.5 (19,156 sq. ft.) ²	0.5 (19,156 sq. ft.)
Lot Coverage	40 % (15,321 sq. ft.) ²	34% (12,877 sq. ft)
Height (max.)²	37 feet – Building 43 feet – Roof Screens	37 feet – Building 43 feet – Roof Screens

¹Pursuant to Section 20.90.120 (Business Park; SP-7 [BP]) of the NBMC, a 10-foot side setback is required on one side, and no setback required on the other side.

²The property measures approximately 132 feet wide by 290 feet deep and 38,303 square feet in total area. Pursuant to Section 20.90.120 of the NBMC, the property is limited to a maximum FAR of 0.5 and lot coverage of 40%, which equates to 19,156 square feet and 15,321 square feet, respectively.

The Project's consistency with off-street parking requirements is discussed within the *Adjustments to Off-Street Parking Requirements* section below.

In addition to site development standards, Section 20.90.030 (Design Guidelines) of the NBMC establishes design guidelines for business park uses located in the SP-7 Area. These design guidelines aim to promote consistent, high-quality development that enhances the community's aesthetic and ensures business park uses complement nearby residential areas through coordinated building form, materials, and landscaping.

As detailed in the draft resolution provided as Attachment No. PC 1 and as evidenced in the Project Plans provided as Attachment No. PC 2, the Project is consistent with the intent of the design guidelines by providing a high-quality design, building articulation to soften the building's mass, pedestrian-oriented features including a defined entrance with decorative paving, and landscaping along Birch Street, and throughout the parking lot.



Figure 3, A birds-eye rendering of the Project, looking northwest.

Although the design guidelines discourage glass from being a major design element, the proposed glass windows and guardrails are balanced with solid materials of an earthy color pallet such as wood paneling, ensuring that glass does not visually dominate the façades, as shown in Figure 3 above. The proposed window placement, glazing, and proportions are typical of office buildings and serve interior lighting purposes

Minor Site Development Review

In accordance with Section 20.52.080(F) (Site Development Reviews – Findings and Decision) of the NBMC, the Planning Commission must make the following findings for approval for an SDR:

- A. *The proposed development is allowed within the subject zoning district;*

- B. *The proposed development is in compliance with all of the following applicable criteria:*
- i. *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;*
 - ii. *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;*
 - iii. *The compatibility in terms of bulk, scale, and aesthetic treatment of structures on the site and adjacent developments and public areas;*
 - iv. *The adequacy, efficiency, and safety of pedestrian and vehicular access, including drive aisles, driveways, and parking and loading spaces;*
 - v. *The adequacy and efficiency of landscaping and open space areas and the use of water efficient plant and irrigation materials; and*
 - vi. *The protection of significant views from public right(s)-of-way and compliance with NBMC Section 20.30.100 (Public View Protection); and*
- C. *Not detrimental to the harmonious and orderly growth of the City, nor endangers, jeopardizes, or otherwise constitutes a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed development.*

Staff believes sufficient facts to support the findings exist to approve the Minor SDR. These facts are discussed in detail in the attached draft resolution provided as Attachment No. PC 1. The key facts in support of findings that are unique to the Minor SDR are summarized in the following paragraphs.

Scale and Compatibility

Most buildings along Birch Street are multi-tenant professional and medical office buildings that range in size from 10,000 to 33,000 square feet, 27 to 37 feet tall with parapets for rooftop equipment screening up to 43 feet and have between 40 and 130 onsite parking spaces. At 19,156 square feet, 37 feet in height with parapets for rooftop equipment screening up to 43 feet, and 89 onsite parking spaces, the Project falls well within the range of existing development along Birch Street and is therefore similar to and compatible with the use and scale of other properties in the vicinity.

Setbacks, Open Space and Landscaping

Although the SP-7/BP District requires limited setbacks, as evidenced in Table 1 above, the Project provides larger than required setbacks including a 54-foot front setback along Birch Street, a 56-foot side setback on the southwest side, eight-foot setback on the northeast side, and a 45-foot, 6-inch rear setback. These setbacks provide additional open area and promote light and air circulation throughout the site.

A preliminary landscape plan was provided, which includes approximately 5,000 square feet of drought tolerant and non-invasive landscaping, including a total of 21 trees, spread throughout the parking lot and within the required 10-foot front, 5-foot side, and 5-foot rear landscape buffers. The 10-foot landscape buffer includes two Brisbane box trees, which is the designated street tree of the Santa Ana Heights Specific Plan, and grows between 30 to 60 feet tall with a canopy spread between 25 to 40 feet wide. The front landscape buffer also includes three Australian Willow trees that can grow between 25 to 35 feet tall with a canopy spread between 20 and 30 feet. The anticipated mature size of the proposed trees will provide a sufficient landscape buffer that further softens the scale of the project.

Minor Use Permit

Pursuant to Section 20.90.120 (Business Park District: SP-7) [BP] of the NBMC, a Minor Use Permit (MUP) is required to allow the operation of medical and dental offices within the SP-7 BP District. 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 for a conditional use permit:

- 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 the 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.*
- 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 Project is consistent with the General Plan, SP-7, and the NBMC. It has been reviewed by the Public Works Department, Fire Department and the

Building Division. Recommended conditions of approval from each reviewing department have been incorporated into the draft resolution to ensure the Project complies with applicable Building and Fire Codes and Public Works requirements, and ensuring adequate public and emergency vehicle access, public services, and utilities are provided to serve the property.

Although the Project is for a shell building, all future tenants are expected to operate during normal business hours. To ensure this characteristic, the Project has been conditioned to limit hours of operation to between 7 a.m. and 7 p.m., Monday through Friday and 8 a.m. to 5 p.m. on Saturday and Sunday, prohibit the operation of hospital or urgent care and prohibit any patient discharges or patient occupancy outside the approved hours of operation. These operational limitations provide flexibility for future medical office tenants while ensuring compatibility with surrounding professional and medical office uses.

Medical offices typically do not generate public nuisances such as noise, light, or odors. Conditions of approval have been incorporated to further ensure the Project remains compatible with and not detrimental to the surrounding community. These conditions require the applicant to prepare a photometric study demonstrating compliance with applicable lighting standards, submit an acoustical analysis and incorporate any necessary design features to achieve applicable noise standards, and provide adequately screened trash storage areas to minimize potential odor impacts.

Based on the NBMC requirements and the proposed Conditions of Approval, the Project is anticipated to be compatible with the surrounding community.

Adjustments to Off-Street Parking Requirements

Table 3-10 (Off-Street Parking Requirements) of Section 20.40.040 (Off-Street Parking Spaces Required) of the NBMC requires medical office uses to provide one parking space per 200 square feet of gross-floor area. At 19,156 gross square feet, the Project will require 96 parking spaces. As only 89 parking spaces are provided, a seven-space (7.3%) parking waiver is required.

Section 20.40.110 (Adjustments to Off-Street Parking Requirements) of the NBMC allows the Community Development Director (CDD) Director to waive up to 10% of the parking requirement for a project if one onsite parking space is designated exclusively for pick-up and drop-off use. The Project has been conditioned to install signage indicating that a parking space is reserved for pick-up and drop-off only.

Additionally, Section 20.40.110 of the NBMC also allows the CDD Director to reduce the number of required parking spaces when bicycle parking spaces are provided onsite. One vehicular parking space can be deducted for every three bicycle parking spaces provided onsite, up to 5% of the total parking requirement. While bicycle facilities are not used as justification for the reduction in parking, the Project will provide a bike rack at the rear of the property and a lockable bike enclosure within the covered parking area, as required

by the California Green Building Standards, which further substantiates the parking waiver request.

The Project has been conditioned to implement additional parking mitigation measures if the CDD Director or City Traffic Engineer determine that the Project is generating a greater parking demand than anticipated and is creating a nuisance to surrounding properties. Both the CDD Director and City Traffic Engineer are satisfied that the proposed pick-up and drop-off parking space, complemented by the bicycle racks, is sufficient to support a waiver of seven parking spaces.

Traffic Study

The construction and operation of the building is projected to generate a net increase of 643 average daily trips (“ADTs”) over the previous single-unit dwelling. Pursuant to Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC, projects that generate over 300 new ADTs require the preparation of a traffic study to determine whether the project results in negative impacts to the Level of Service (“LOS”) at nearby intersections. A project may not be approved if it causes or worsens an unsatisfactory LOS at any impacted primary intersection without proper mitigation.

A traffic study, titled “Newport Birch Medical Plaza – Traffic Impact Analysis” dated April 8, 2026 (“TIA”) was prepared by Ganddini Group Inc., under the supervision of the City Traffic Engineer and is included as Exhibit “B” of the Draft Resolution. The TIA included 12 relevant study intersections that were analyzed for potential impacts based on the City’s Intersection Capacity Utilization (ICU) methodology, which is expressed in terms of LOS. Based on this methodology, the TIA determined that the Project would neither cause nor worsen an unsatisfactory LOS at any study intersections. The City Traffic Engineer concurs with this conclusion. Therefore, no improvements or mitigation measures are necessary to implement the Project.

The Project has been conditioned to require the submittal of a construction management plan (“CMP”) for review and approval by the Planning Division and Public Works Department. The CMP shall address any short-term traffic issues occurring during construction.

As part of the Project’s fair share contribution toward funding local transportation infrastructure, the Project is subject to traffic impact fair share fees, as conditioned and required by the NBMC.

Summary and Alternatives

Staff believe sufficient facts to support the findings exist as provided in the draft resolution. The Project is consistent with the General Plan, SP-7, and the NBMC. If approved, the Project will develop a vacant property with a medical building that will provide medical care service to nearby residents and further the vision of the business park corridor.

Should the Planning Commission's review and evaluation of this project not coincide with staff's recommendation, then the following alternative options are available to the Planning Commission:

1. The Planning Commission may suggest specific changes that are necessary to alleviate any concerns. If the requested changes are substantial, the item could be continued to a future meeting. Should the Planning Commission choose to do so, staff will return with a revised resolution incorporating new findings and/or conditions.
2. If the Planning Commission believes that there are insufficient facts to support the findings for approval and a denial action is more appropriate, staff would recommend a continuance to prepare a resolution reflecting this course of action.

Environmental Review

The Project is categorically exempt under Section 15332, of the California Environmental Quality Act (CEQA) pursuant to 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 significant effect on the environment.

Class 32 exempts in-fill development that meets the following criteria: (1) is consistent with the applicable General Plan designation and applicable policies, as well as applicable zoning designations and regulations, (2) would occur on a site less than five acres, (3) the project site must have no habitat value, (4) the project would not result in significant traffic, noise, air quality, or water quality effects, and (5) the site can be adequately served by all required utilities and public services

The Project meets all the requirements and is exempt under Class 32 (In-Fill Development Projects) based on the following:

- a. General Plan and Zoning Consistency: The property is categorized as General Commercial Office (CO-G) by the General Plan Land Use Element and is located within the Santa Ana Height Business Park (SP-7/BP) Zoning District. The CO-G category provides for areas appropriate for administrative, professional, and medical offices with limited accessory retail and service uses. The project is consistent with the purpose and intent of the CO-G category, as the new building will provide medical services to the surrounding area. Additionally, the proposed medical office is allowed in the SP-7/BP Zoning District.
- b. Less Than 5 Acres: The property is approximately 0.88 acres, which is less than 5 acres.
- c. No Habitat Value: The property is currently vacant; however, it was previously developed with a nonconforming single-unit dwelling. The dwelling unit was

demolished in 2024, and the property has remained vacant since. The property has been regularly maintained and has not experienced significant vegetation growth. As such, it is unlikely to provide value as habitat for endangered, rare, or threatened species.

d. No Significant Traffic, Noise, Air Quality or Water Quality Effects:

- The project will generate a net increase of 643 ADTs on a typical weekday; therefore, a TIA was prepared for the Project. The TIA found that the 12 intersections studied will continue to operate at a satisfactory level of service and would not worsen an unsatisfactory LOS at any impacted primary intersection, as defined by the City's Traffic Phasing Ordinance.
- The primary source of noise in the vicinity of the property is airplane noise, as documented in Figure N2 (Existing Noise Contours) of the Noise Element of the General Plan. The addition of 643 vehicle trips would not significantly contribute to the ambient noise already experienced in this area. All stationary noise sources such as air conditioners are located on the roof of the building and shall conform to the Sections 10.26.025 (Exterior Noise Standards) of the NBMC. While the project may experience short-term construction-related noise, the long-term operation is not anticipated to produce any noise beyond the existing levels of noise experienced in the areas and would therefore be less than significant.
- The 643 ADTs generated by the project are negligible compared to the existing trips associated with State Highway 73, located less than 500 feet northeast of the property. Additionally, John Wayne Airport (Airport) experiences approximately 130 flights per day, and is located less than 1,000 feet north of the property. The project's contribution to existing air quality conditions in the area would be less than significant.
- A preliminary Water Quality Management plan, Grading Plan, and Drainage Plan have been prepared for the Project and accepted by the Building Division. The plans comply with state, regional, and City water quality requirements.

- e. Utilities and Public Services: The property is within a developed area of the City and is adequately served by existing utilities. All public services are adequate to accommodate the Project. The Applicant has provided evidence from the Costa Mesa Sanitary District and Irvine Ranch Water District indicating their respective utilities will be provided to serve the Project.

Notice of this hearing was published in the Daily Pilot, mailed to all owners 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 NBMC. 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:



Jerry Arregui
Assistant Planner



Benjamin M. Zdeba, AICP
Acting Deputy Community
Development Director

JP/ja

ATTACHMENTS

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Project Description
- PC 3 Project Plans

INTENTIONALLY BLANK PAGE