



NEWPORT BEACH

Ad Hoc Committee Staff Report

November 20, 2025

TO:	HONORABLE MAYOR, CITY COUNCIL MEMBERS, AND LOWER CASTAWAYS AND AQUATIC CENTER SITE AD HOC COMMITTEE MEMBERS
BY:	Lauren Wooding Whitlinger, Real Property Administrator, 949-644-3236, lwooding@newportbeachca.gov
TITLE:	Results of Request for Proposals for Lower Castaways Redevelopment

DISCUSSION:

The City owns and/or holds in trust a variety of real property, both income and non-income producing assets. Lower Castaways Park is an income producing park site located at 100 Dover Drive (Property), along the waterfront of Newport Harbor's Back Bay at the northeast corner of Coast Highway and Dover Drive, as shown in Figure 1 below. The Property was deeded to the City in 2008, from The Irvine Company (TIC), pursuant to the terms of a development agreement. The deed to the City reserved certain water and oil rights to TIC, as well as provided easements for communications facilities and some limited rights of access for maintenance of the same. Covenants restricting the use of the property and allowing TIC to review and comment on any improvement plans for the Property run with the land and limit the City's ability to transfer the Property to another owner.



Figure 1 – Lower Castaways Park

The Property consists of approximately 175,933 square feet or 4.04 acres and is currently unimproved. There are several existing temporary uses of the Property: (i) a fenced

maintenance yard used by TIC pursuant to a temporary non-exclusive easement, which occupies approximately 15,995 square feet; (ii) a lease agreement with the non-profit Newport Outrigger Canoe Club, which allows for use of approximately 6,500 square feet of the Property for the storage and use of outrigger canoes; (iii) a lease agreement with a second nonprofit outrigger club, Castaways Outrigger, which allows for storage and use of outrigger canoes over approximately 2,800 square footage of the Property; (iv) a temporary non-exclusive and revocable license agreement with the Orange County Sanitation District for use of an 18,000 square foot area of the Property for staging and storage of office trailers, vehicles, and construction equipment and materials related to its pump station infrastructure project; and (v) intermittent temporary use of the Property for construction staging and equipment and material staging and storage for City projects.

Redevelopment of Lower Castaways Park

While the City has considered many potential redevelopment projects for the Property over the years, a project that is economically viable and enjoys broad support has not yet been identified. Following the City Council's formation of the Lower Castaways and Aquatic Center Site Ad Hoc Committee (Committee) in 2025, the Committee provided staff direction to issue an RFP to solicit proposals from developers interested in a public-private partnership to plan, design, permit, finance, construct and operate public amenities at the Property. The City's objective is to activate this currently underutilized site with a public park and parking facility along with low-impact recreational and visitor-serving uses at no cost to taxpayers by leveraging private investment. The RFP proposed the selected partner would enter into a long-term lease agreement with the City to develop the site and share project revenues with the City.

The RFP (No. 2026-08) (Attachment A) was prepared and posted on the City's online procurement system, PlanetBids. The RFP required proposers to submit a project vision and specific required components in their scope of work, including:

- A passive park area with landscaped open space for informal recreation and relaxation;
- Flexible commercial use areas that support the public-serving character of the marina and waterfront. Potential uses of the commercial space may include a restaurant, café, retail shop, rental facility, etc.;
- A dedicated hand boat launch facility for human-powered watercraft like kayaks, canoes, and stand-up paddleboards, as well as storage of the same vessels;
- Pedestrian walking trails, which may include viewpoints or overlooks, that connect to existing trails and provide public access throughout the Property, including a connection to Upper Castaways Park;
- Interpretive signage and displays to educate visitors about the Property's natural and cultural history;
- Parking to support all of the intended uses, including the commercial and visitor-serving functions; and

- Relocation and integration of an existing monument sign dedicated to the historical significance of the Property.

Additionally, the RFP stipulated that the selected developer would be responsible for master planning and design of the project improvements, obtaining the necessary entitlements and permitting, providing 100% of the project's financing, and constructing and implementing the project, as well as operating and maintaining all of the facilities at the site under a long-term ground lease agreement with the City.

Following issuance of the RFP in August 2025, a mandatory pre-bid site walk was held in September 2025, and proposals were due to the City on October 3, 2025.

Proposal from Burnham-Ward Properties

The City received one proposal from Burnham-Ward Properties (BWP) in response to the RFP (Attachment A). The proposal includes constructing several structures totaling 14,100 square feet to house a restaurant, coffee and retail kiosks, and vessel storage, as well as public park components with walking paths, an outdoor art gallery/event space, and art sculptures (see proposed site plan in Figure 2 below). The BWP proposal further includes replacement of the Property's existing seawall, and a new dock system to run parallel to the seawall to accommodate short-term guest dock spaces. Parking for a total of 139 vehicles is proposed and will meet the City's code requirements for the retail and restaurant uses as well as the public amenities of the proposal.

BWP estimates a project timeline of 43 months from project award, including City entitlements and review by the California Coastal Commission, and CEQA compliance. Construction is anticipated to be completed in 15 months, and project completion is estimated to occur in the first quarter of 2028.

The entire BWP project proposal is anticipated to cost \$24.9 million, including predevelopment costs, site work, seawall replacement, parking lot, community park and public art, and all soft costs. The proposal includes a request to the City to cover approximately \$17.5 million for the public park, parking lot, and seawall, with the balance of the costs of \$7.4 million provided by BWP for construction of the vertical improvements to the site. BWP further proposes to remit 5% of the gross revenues of the Property starting at project stabilization (initially anticipated to be \$60,000 per year) to the City under a 50-year ground lease agreement.

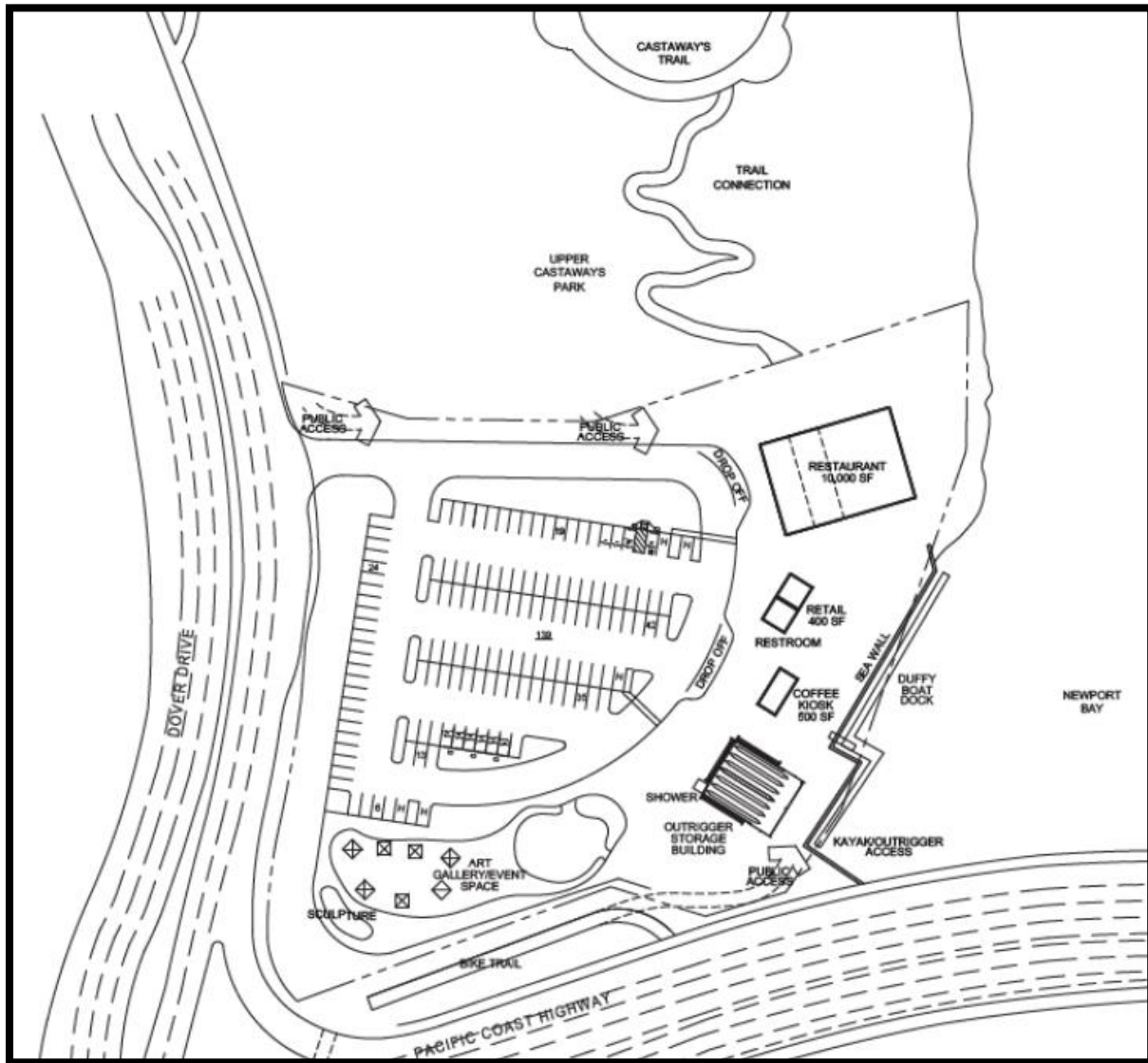


Figure 2 – Site plan from Burnham-Ward Properties proposal