



CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

October 23, 2025
Agenda Item No. 2

SUBJECT: East Coast Highway Restaurant (PA2024-0198)
▪ Conditional Use Permit

SITE LOCATION: 3840 East Coast Highway, Suite A & B

APPLICANT: Hector Amezcua, Robinson Hill Architecture

OWNER: Theory R. CDM LLC

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

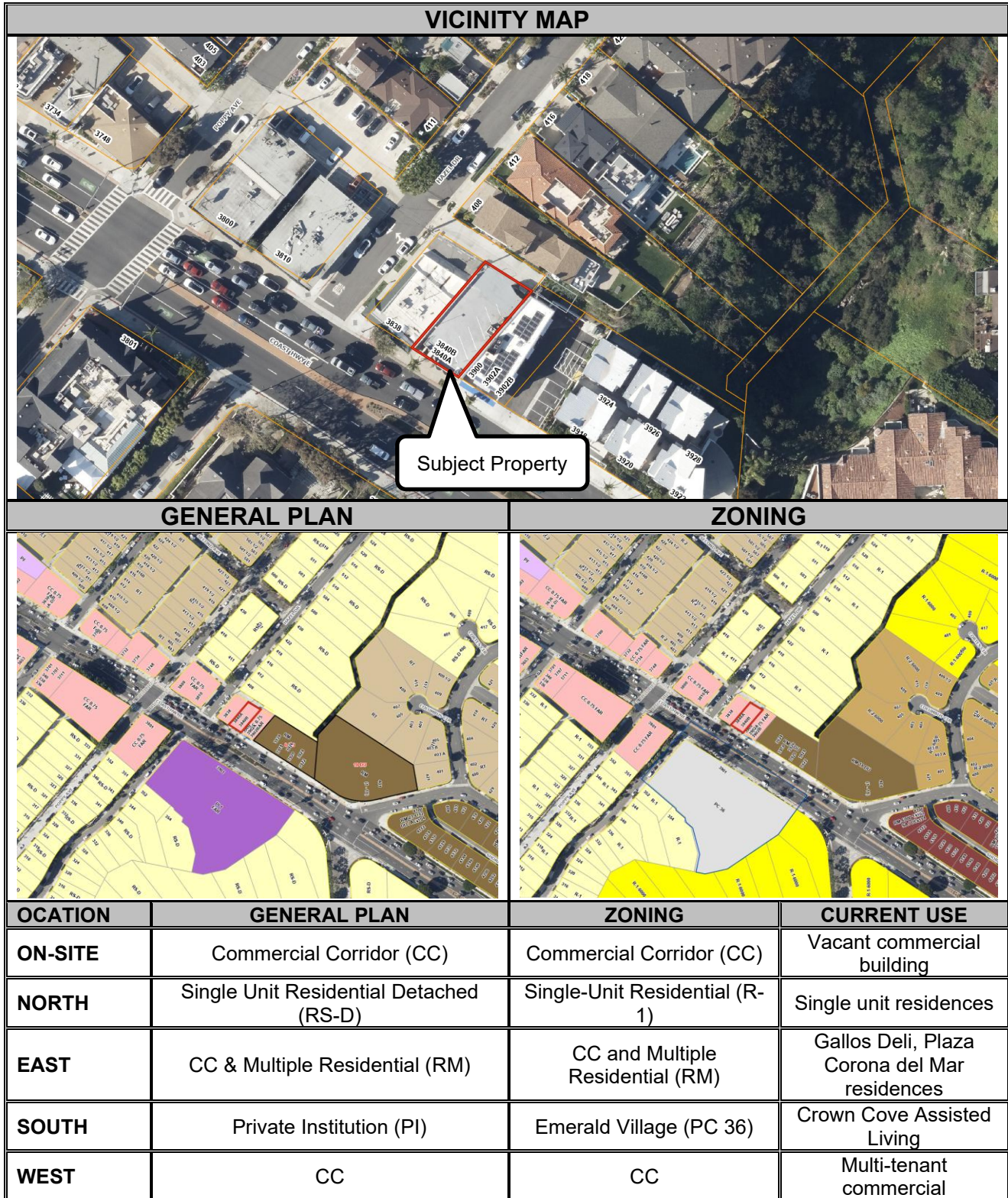
PROJECT SUMMARY

A request for a conditional use permit to establish a new 2,155-square-foot café style restaurant by remodeling and expanding a vacant restaurant space into the adjacent vacant office space and to waive a portion of the required off-street parking requirement. While a specific tenant has not yet been identified, the request includes the ability to offer alcohol service through a Type 41 (On-Sale Beer and Wine – Eating Place) California Department of Alcohol Beverage Control (ABC) License and operating hours between 6 a.m. to 10 p.m., daily. No live entertainment, dancing, or late-hour operations (i.e., after 11 p.m.) are proposed. Approval of the project will supersede Use Permit Nos. UP1848 and UP2006A.

RECOMMENDATION

- 1) Conduct a public hearing;
- 2) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) of the CEQA Guidelines, because it has no potential to have a significant effect on the environment; and
- 3) Adopt Resolution No. PC2025-022 approving the Conditional Use Permit filed as PA2024-0198 (Attachment No. PC 1).

INTENTIONALLY BLANK PAGE



INTRODUCTION

Project Setting

The subject property is located within Corona del Mar's commercial corridor, near the intersection of East Coast Highway and Hazel Drive. The property is developed with an approximately 2,155-square-foot, single story, commercial building with an eight-space parking lot located on the roof of the building as illustrated in Figure 1 below. Pedestrian access to the property is available from East Coast Highway and vehicle access to the rooftop parking lot is provided via an alley accessed from Hazel Drive.



Figure 1: Representative Photographs of Property. Left: Building Frontage along East Coast Highway. Right: Rooftop Parking Lot

The building was previously occupied by an engineering office within Suite A and a sushi restaurant within Suite B. Both suites have been vacant since 2023.

Surrounding uses include residential to the north, commercial uses such as retail, restaurants, and other service uses are located to the east and west, along East Coast Highway, and the Crown Cove Assisted Living community is located to the south, across East Coast Highway.

Property Entitlement

A summary of the use permits and expansions approved for the property are provided below:

- On November 17, 1977, the Planning Commission approved Use Permit No. 1848 (UP1848) to authorize the construction of an approximately 2,000-square-foot, single-story, commercial building with an eight-space shared rooftop parking lot. At that time, the building met parking requirements, as each suite was proposed as

professional office and required one parking space per 250 square feet of gross floor area (GFA¹), for a total of eight parking spaces (2,000 sq. ft. / 250 = 8).

- On August 24, 1981, the Planning Commission approved Use Permit No. 2006 (UP2006) to authorize the conversion of Suite B into a 1,083-square-foot restaurant with 315 square feet of net public area (NPA²) and alcohol sales. UP2006 required one space per 40 square feet of NPA, resulting in an eight-space requirement (315 sq. ft. NPA / 40 = 7.8, rounded up). To offset the parking demand of the office in Suite A, UP2006 limited the restaurant's hours from 5 p.m. to 11 p.m. on weekdays and from 12 p.m. to 11 p.m. on weekends. To preserve street parking for short-term customer use, UP2006 required restaurant employees to park onsite and prohibited them from parking on the street.
- On May 24, 1982, the City Council approved an amendment to UP2006 to allow additional weekday hours of operation, a lunch service from 12 p.m. to 1:30 p.m.
- In 1996, the restaurant was authorized to increase its total square footage by approximately 100 square feet for back of house operations by reallocating space from the adjacent suite resulting in a 1,186-square-foot restaurant and an 836-square-foot office.

Project Description

The applicant proposes to remodel the entire building and combine the two suites to create a single, 2,155-square-foot, restaurant tenant space. Although a specific tenant has not yet been identified, the new restaurant is anticipated to operate as a café style restaurant. The applicant requests the ability to offer alcohol service through a Type 41 (On-Sale Beer and Wine – Eating Place) ABC License and operate between the hours of 6 a.m. to 10 p.m., daily. No live entertainment, dancing, or late-hour operations (i.e., after 11 p.m.) are proposed. The restaurant includes a 645-square-foot dining area and approximately 1,500 square feet for back-of-house operations such as the kitchen and storage areas.

To comply with the Americans with Disabilities Act of 1990 (ADA) and the City's parking lot design standards, the eight-space rooftop parking lot is required to be restriped with

¹ "Gross Floor Area" is defined for commercial structures as any area within and including the surrounding exterior walls of a structure and any interior portion of a structure that is accessible and measures more than four feet in height from floor to ceiling.

² "Net public area" means the total area used to serve customers, including customer sales and display areas, customer seating areas, service counters, and service queue and waiting areas, but excluding restrooms and offices, kitchens, storage and utility areas, and similar areas used by the employees of the establishment. The definition of net public area was eliminated from Title 20 (Planning and Zoning) in 2023, as part of an update to commercial parking regulations.

six parking stalls, including one accessible stall and five standard stalls. Additionally, a bicycle rack accommodating up to six bicycles will be installed.

The building remodel will also include exterior improvements such as enhancing the façade with coastal contemporary architecture, enlarging the roof parapet along Coast Highway to further screen the rooftop parking lot, and the installation of an accessible lift to create an accessible path of travel from the restaurant to the rooftop parking lot as illustrated in Figure 2 below.



Figure 2: Project Rendering, as seen from East Coast Highway

The full project description and project plans are available as Attachment Nos. PC 2 and PC 3.

The primary physical and operational characteristics of the previous uses and the proposed restaurant are provided in Table 1 below.

(Remainder of Page Intentionally Left Blank)

Table 1: Comparison of Physical and Operational Characteristics

Operating Characteristics	Existing Suite A: Vacant Office	Existing Suite B: Vacant Restaurant (UP2006A)	Proposed Suite A & B: Restaurant
<i>Gross Floor Area</i>	836 sq. ft.	1,186 sq. ft.	2,155 sq. ft.
<i>Parking Lot Spaces</i>	8 (Shared)	8 (Shared)	6
<i>Outdoor Dining Area</i>	N/A	N/A	N/A
<i>Hours of Operation</i>	9 a.m. – 5 p.m. Mon-Fri.	12 p.m. – 1:30 p.m./ 5 p.m. – 11 p.m. Mon – Fri. 12 p.m. – 11 p.m. Sat. – Sun.	6 a.m. – 10 p.m., daily
<i>Live Entertainment</i>	N/A	Prohibited	Prohibited
<i>Dancing</i>	N/A	Prohibited	Prohibited
<i>Alcohol Beverage Sales</i>	N/A	Type 41 (On-Sale Beer & Wine – Eating Place)	Type 41 (On-Sale Beer & Wine – Eating Place)

DISCUSSION

Analysis

General Plan

The subject property is categorized as Commercial Corridor (CC) by the Land Use Element of the General Plan. This designation is intended to provide areas appropriate for a range of neighborhood-serving retail and service uses along street frontages that are located and designed to foster pedestrian activity. The project is consistent with the CC categorization because the project will provide an additional small-scale neighborhood dining option for Corona del Mar residents.

While not an exhaustive list, the project is consistent with the following General Plan Land Use Policies for the implementation of new uses:

- **Land Use Policy LU 1.5 (Economic Health):** Support the local economy through the identification and development of housing opportunities, as well as adequate commercial, office, medical, industrial, and marine-oriented uses that provide employment and local revenue opportunities to support high-quality community services for residents, businesses, and visitors.

The project establishes a small-scale, neighborhood-serving, restaurant by combining and reactivating two currently vacant suites. The project creates employment opportunities, generates local revenue, and introduces new dining options.

- **Land Use Policy LU 2.1 (Resident-Serving Land Uses):** Accommodate uses that support the needs of Newport Beach's residents including housing, retail, services, employment, recreation, education, culture, entertainment, civic engagement, and social and spiritual activity that are in balance with community natural resources and open spaces.

The project is located within an existing vacant building along East Coast Highway that will accommodate a new restaurant concept. The small-scale restaurant is expected to enhance the neighborhood-serving uses within Corona del Mar's commercial corridor by providing an additional dining option which complements the surrounding residential community. The restaurant's customer base is expected to primarily consist of local Corona del Mar residents who can conveniently access the restaurant as pedestrians or cyclists due to the walkable nature of the area. The project will reinforce Corona del Mar's commercial corridor as a vibrant resident serving commercial hub in the City.

- **Land Use Policy LU 5.6.1 (Compatible Development):** Require that buildings and properties be designed to ensure compatibility within and as interfaces between neighborhoods, districts, and corridor.

The project improves the exterior of an aging building and introduces a contemporary coastal architectural style that will complement and enhance the character of the surrounding commercial development. While the property abuts residential properties to the rear, along Hazel Drive, most activity will occur in the front of the restaurant, along East Coast Highway. Additionally, while the property includes a rooftop parking lot in proximity of residential uses, Condition of Approval No. 45 requires employees to park onsite which will limit potentially disruptive vehicular and pedestrian activity in both the alley and rooftop parking lot. Condition of Approval No. 15 prohibits any outdoor dining in the parking lot, further helping to limit rooftop activity and noise.

A full General Plan consistency analysis is available in the Draft Resolution provided as Attachment No. PC 1.

Zoning Code

The Property is located in the Commercial Corridor (CC) Zoning District. Similar to the Land Use categorization of Commercial Corridor (CC), the CC Zoning District is also intended to provide for a range of neighborhood-serving retail and service uses along street frontages that are located and designed to foster pedestrian activity. The project is for a restaurant and is therefore consistent with the intent of the CC District.

Table 2-5 (Commercial Retail Zoning Districts Permit Requirements) of Section 20.20.020 (Commercial Zoning Districts Land Uses and Permit Requirements) of the Newport Beach Municipal Code (NBMC) specifies that restaurants that serve alcohol and do not operate with late hours only require approval of minor use permit. However, because the proposed restaurant requires additional parking that cannot be accommodated on-site, the proposed restaurant instead requires a conditional use permit (CUP) to allow for a waiver of a portion of the required off-street parking pursuant to Section 20.40.110(B) (Adjustments to Off-Street Parking Requirements) of the NBMC. Parking is discussed in greater detail in a subsequent section of this report.

With the exception of parking, the Project complies with all other applicable development standards of the CC District, including the maximum floor area ratio, height limit, and minimum refuse and recyclable materials storage area requirements.

A discussion of the required findings for alcohol sales, the parking waiver, and CUP are described under separate sections below.

Alcohol Sales Findings

The applicant requests a Type 41 (On-Sale Beer and Wine) Alcohol Beverage Control (ABC) License to allow the onsite consumption of beer and wine. To authorize the sale and service of alcoholic beverages, the Planning Commission must first make a finding of consistency with Section 20.48.030 (Alcohol Sales) of the NBMC.

- 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 from 2024 and a Memorandum for the project and is provided as Attachment No. PC 4. The data is incorporated into the factors for consideration which are detailed in the Draft Resolution provided as Attachment No. PC 1. The NBPd Memorandum concluded that there were no concerns and does not anticipate any increase in crime or alcohol-related incidents with the proposed Type 41 ABC License. The NBPd recommended operational conditions of approval relative to the sale of alcoholic beverages, including but not limited to, prohibiting the restaurant from operating

as a bar, tavern, cocktail lounge, or night club and a closing hour of 10 p.m. to ensure compatibility with the surrounding uses and minimize alcohol-related impacts.

Parking

On May 23, 2023, the City Council adopted Ordinance No. 2023-6 to update the commercial parking requirements in Title 20 (Planning and Zoning) of the NBMC, including those for restaurants. The parking requirement for restaurants was updated from one parking space per 30 to 50 square feet of NPA to one parking space per 100 square feet of GFA. As a result of the parking update, the parking requirement for the previous 1,186-square-foot restaurant increased from eight to 12 spaces. Utilizing the new parking rates, the existing restaurant space and professional office space would now generate a combined parking requirement of 16 spaces. As the rooftop parking lot only provides eight spaces, the property is considered legal nonconforming due to parking.

The proposed 2,155-square-foot restaurant requires a total of 22 parking spaces ($2,155 \text{ sq. ft.} / 100 = 21.55$, rounded up). As previously mentioned, the project will reconfigure the rooftop parking lot to comply with ADA and City's parking lot design standards resulting in six on-site parking spaces, including one accessible space and five standard spaces. The parking lot will also include a bicycle rack that can accommodate up to six bicycles.

A summary and comparison of the combined parking demand for previous restaurant and office use, and parking demand for the proposed restaurant is provided in Table 2 below. When compared, the proposed restaurant's parking demand results in an increase parking demand of six spaces.

(Remainder of Page Intentionally Left Blank)

Table 2: Pre and Post Parking Demand of Project Suites

Business	Gross Floor Area (Sq. Ft.)	Parking Rate	Parking Required	On-site Parking	Parking Waiver
Vacant Restaurant	1,186	1 per 100 sq. ft. of gross floor area	12	N/A	N/A
Vacant Office	836	1 per 250 sq. ft. of gross floor area	4	N/A	N/A
TOTAL	2,155		16	8 Spaces¹	N/A
New Restaurant	2,155 sq. ft	1 per 100 sq. ft of gross floor area (interior)	22	6 Spaces	16 (Requested)

¹Legal nonconforming due to the update of Section 20.40.040 (Off Street Parking Required) of the NBMC which changed the parking requirements of restaurants.

Parking Waiver

While the NBMC requires 22 parking spaces for the project, the site only provides six compliant vehicle spaces and six bicycle spaces.

Subsection 20.40.110(B) (Reduction of Required Off-Street Parking) of the NBMC allows a waiver required off-street parking subject to the approval of a CUP when the applicant has provided sufficient data to indicate that the parking demand will be less than the required number of spaces and a parking management plan is prepared in compliance with NBMC Section 20.40.110(C) (Parking Management Plan).

To support the requested parking waiver, a parking study dated August 8, 2025, was prepared by LSA Inc. (Study) and is provided as Attachment No. PC 5.

The City of Newport Beach Circulation Element notes that Corona del Mar was subdivided before the widespread use of automobiles, resulting in small lots and limited private parking, which has fostered a highly walkable and bikeable community character. The Study observes that, due to the high volume of pedestrians and cyclists in the area, the restaurant's parking demand is expected to be lower than that of a typical suburban, car-dependent restaurant. Additionally, the Study indicates that café style restaurant is expected to have a peak parking demand before 12 p.m., which is offset from nearby restaurants which peak later in the day.

While the Study shows that onsite parking is limited, it identifies a variety of factors of support that the property can accommodate the restaurant including: (1) the café style restaurant's projected earlier peak parking demand, (2) the dense residential and commercial context of Corona del Mar, (3) the high volume of pedestrian and cyclists in the area, (4) the project's installation of six bicycle parking spaces, and (4) nearby Orange

County Transportation Authority (OCTA) bus stops along East Coast Highway, supports that the property can accommodate the small-scale restaurant.

The Study makes a recommendation to require that all restaurant employees park onsite and prohibits employees from parking on the street. Due to the limited availability of on-site parking, this requirement ensures that on-street parking spaces remain available for short-term customer use, while long-term employee parking remains on the property, which results in more public parking availability. The Study also make recommendations that the restaurant encourage employees to use alternative forms of transportation such as carpooling, walking, bicycling and ridesharing services. These recommendations have been incorporated as conditions of approval and are considered a parking management plan.

Both the Study and parking management plan have been reviewed and accepted by the City Traffic Engineer.

Conditional Use Permit Findings

Pursuant to Section 20.52.020(F) (Conditional Use Permits and Minor Use Permits) of the NBMC, the Planning Commission must make the following findings to approve 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 this 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; and*
- 5. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, nor 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 detailed in the Draft Resolution, provided as Attachment No. PC 1, staff believes that sufficient facts exist in support of each finding. The proposed restaurant qualifies as an eating and drinking establishment, consistent with the intent of the CC General Plan land use designation and zoning district.

A restaurant previously operated at this location from 1981 to 2023 with a Type 41 ABC license, with no significant operational issues or alcohol related incidents, suggesting the site is both suitable and appropriate for continued use as a restaurant. The NBPd has reviewed the project and has no objections subject to conditions of approval. Operational conditions of approval recommended by NBPd include, but are not limited to, the requirement to not allow the restaurant to operate as a bar, tavern, cocktail lounge, or nightclub and a closing time of 10 p.m. These restrictions are intended to ensure compatibility with the surrounding uses and minimize alcohol-related impacts.

The project involves expanding the vacant restaurant suite into the adjacent vacant office space, creating a total parking requirement of 22 spaces. The redesigned rooftop parking lot will provide six vehicular parking spaces and six bicycle parking spaces. A parking study was conducted and concluded that, based on the café-style concept and characteristics of the Corona del Mar area, the site can adequately support the restaurant use.

The new restaurant is expected to enhance the mix of neighborhood-serving uses within the Corona del Mar commercial corridor and provide additional dining options for local residents. The project includes conditions of approval to ensure that potential conflicts are minimized to the greatest extent possible and that the restaurant does not become a detriment to the surrounding uses. In that spirit, the applicant is required to comply with all City ordinances, as well as the California Building Code to ensure the safety and welfare of customers and employees within the Restaurant. The Applicant must also obtain Orange County Health Department approval prior to opening for business.

Alternatives

Should the Planning Commission feel the facts are not in evidence of support for the project application, the following alternative actions are available:

1. The Planning Commission may require changes to the project to alleviate any concerns related to the design or the ability to make the required findings. If the changes are substantial, the item should be continued to a future meeting to allow the applicant to make the necessary adjustments and to allow staff to prepare 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, the Planning Commission may deny the application and provide facts in support of denial and allow staff to prepare a revised resolution for denial of the project.

Environmental Review

This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) 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.

The Class 1 exemption authorizes the minor alteration of existing structures with negligible or no expansion of use. While the project increases the amount of area used for dining, the additional capacity is a negligible expansion of use. Therefore, the Class 1 exemption is applicable.

The exceptions to these categorical exemptions under Section 15300.2 are not applicable. The project location does not impact an environmental resource of hazardous or critical concern, does not result in cumulative impacts, does not have a significant effect on the environment due to unusual circumstances, does not damage scenic resources within a state scenic highway, and is not a hazardous waste site, and is not identified as a historical resource.

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 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



Jaime Murillo, AICP
Acting Community Development Director

JP/ja

ATTACHMENTS

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Project Description
- PC 3 Project Plans
- PC 4 Police Department Memorandum
- PC 5 Parking Study