



CITY OF

NEWPORT BEACH

City Council Staff Report

September 9, 2025
Agenda Item No. 15

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: License Agreement with University of Southern California for
Operation of a Coastal Observation System at the Newport Pier

ABSTRACT:

Under a license agreement executed in 2012, the City of Newport Beach allowed the University of Southern California (USC) to install equipment related to a regional ocean observation system at the Newport Pier. The agreement has since expired and USC has requested to renew the terms of the agreement with the City. In addition, USC has requested to install additional equipment to modernize the system. For the City Council's consideration is a new License Agreement (License) (Attachment A) with USC for use of area under the deck of the Newport Pier for a term for 10 years, including a request to waive City Council Policy F-7, to charge less than fair market value rent.

RECOMMENDATIONS:

- a) Find this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment;
- b) Authorize the City Manager and City Clerk to execute the License Agreement between the City of Newport Beach and University of Southern California for operation of a coastal observation system on City of Newport Beach property, on the Newport Pier located at 1 Newport Pier, in a form substantially similar to the amendment attached to the staff report; and
- c) Approve a waiver of City Council Policy F-7 – Income and Other Property based on the findings contained in this staff report and the Agreement that charging less than fair market rent promotes the City's goals to provide essential or unique services to the public that cannot otherwise be provided if full market rates were charged.

DISCUSSION:

The Newport Pier (Pier) is located on the Balboa Peninsula at 21st Street and West Ocean Front. The City-owned pier projects over 1,000 linear feet into the Pacific Ocean from the historic McFadden Square. The end of the Pier, which was previously developed with a restaurant, includes an under-pier deck that provided utility access to the restaurant and an emergency access ramp for Newport Beach Lifeguard operations. With the significant length of the Pier, which extends several hundred feet beyond the average break point for waves, the location is ideal for monitoring nearshore underwater ocean activity.

History

In 2005, the University of California San Diego, a consortium member of the Southern California Coast Ocean Observations Systems (SCCOOS), partnered with the City to obtain access to install sensors underwater at the end of the Pier to collect data and measure ocean water temperature, salinity, pH, Oxygen, conductivity, chlorophyll, and water density and pressure. Three other ocean piers in Southern California gather the same information which is used to support ocean health and coastal-ocean water quality by coastal managers, agencies, researchers, and the general public. The data is available to the public via the SCCOOS website – <https://sccoos.org/autos/>. The City Council approved a new license agreement with University of California San Diego in January 2025, to allow for its continued use of the Pier for its monitoring equipment.

In 2012, the City approved a separate agreement with USC (Attachment B), also a member of SCCOOS, to allow installation of radio wave transmitters on the Pier, as part of a national network of high frequency radar sites. The radar data collected by USC is gathered together with 62 other sites in California and the western United States, as well as other parts of the country, and made available to the public by the National Oceanic and Atmospheric Administration (NOAA) on its website - <https://hfradar.ioos.us/hfrnet/>. The Pier site allows USC to monitor a radar coverage area as far north as Long Beach, west to part of Catalina Island, and south to San Clemente.

The data from the Pier and larger radar network is used by: the United States Coast Guard for search and rescue modeling and operations; by the California Office of Prevention and Response to determine how to deploy assets following an oil spill (e.g., the oil spill off Long Beach in 2021) or other hazardous materials release; by the NOAA for protection and restoration of coastal resources and to support ecosystem management of marine protected areas; by the Marine Exchange in San Pedro to assist with marina navigation; and, for special projects like working with the United States Olympic Sailing Team in advance of the 2028 Los Angeles Olympics.

USC requests to extend the term of its use of the Pier for 10 years and to modify its facility by installing a new coastal ocean dynamics applications radar (CODAR) antenna and equipment. The new antenna would serve to automatically calibrate the two older generation antennas existing at the Pier. City staff and USC have negotiated the terms of the License and submit it for the City Council's consideration.

City Council Policy F-7, Income and Other Property

Pursuant to City Council Policy F-7 – Income and Other Property (Policy) (Attachment C), when less than fair market value rent is received and a waiver is requested for recreational, charitable or other nonprofit purpose, the City may approve such request when the non-financial benefits justify not maximizing revenue from such property. In this case, staff believes the following findings can be made:

1. USC provides an essential or unique service to the community that cannot otherwise be provided if full market rates were charged; and
2. With the proposed consideration for the License at less than fair market value, the use promotes the City's goals to provide a public benefit to the community, is a marine-related service, and is of statewide benefit and may not otherwise be provided if full fair market value of the property was required.

License Agreement

Several key terms from the proposed License, for use of a portion of the under-Pier deck, are summarized below:

1. The term shall commence on September 9, 2025, and shall terminate the earlier of 10 years after completion of installation of the new equipment or June 30, 2035.
2. In lieu of payment of a license fee, USC shall provide to the City all information gathered by the equipment.
3. USC shall not interfere with the City's access to the under-pier deck and shall ensure it is maintained in a neat and clean manner. Additionally, USC shall ensure its equipment does not cause any direct or indirect interference with the City's communications equipment.
4. The license area will be accepted as-is and USC shall be responsible for the cost of all utility services necessary for the operation of its observation system.
5. USC shall obtain any permits or approvals necessary for the installation and operation of its equipment.
6. USC shall provide certificates of insurance to the satisfaction of the City's risk manager, naming the City as additional insured.

The License has been reviewed by the City Attorney's Office and has been approved as to form. USC has reviewed and approved the terms of the License.

FISCAL IMPACT:

There is no fiscal impact related to this item. Any utility reimbursements will be a pass-through of costs and will not result in a net revenue or expenditure to the City.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing facilities) and Section 15302 (Replacement or Reconstruction) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment.

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 – License Agreement
Attachment B – Previous License Agreement
Attachment C – City Council Policy F-7