



CITY OF

NEWPORT BEACH

City Council Staff Report

October 14, 2025
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2025-66: Coyote Canyon Landfill Gas to Energy Facility Appeal (PA2022-063)

ABSTRACT:

For the City Council's consideration is an appeal of the Planning Commission's July 17, 2025, approval of a conditional use permit and adoption of a mitigated negative declaration (SCH No. 2024120012) to allow the construction and operation of a new renewable natural gas processing plant and pipeline interconnection facility at the closed Coyote Canyon Landfill located at 20662 Newport Coast Drive.

An appeal was filed on July 30, 2025, by the law firm Adams, Broadwell Joseph & Cardozo on behalf of Orange County Residents for Responsible Development alleging that the project has the potential for significant and unmitigated environmental impacts related to air quality, public health, hazards, greenhouse gas, and noise that were not adequately studied and mitigated by the initial study/mitigated negative declaration prepared for the project, and that the Planning Commission violated the Newport Beach Municipal Code (NBMC) in its approval.

RECOMMENDATIONS:

- a) Conduct a de novo public hearing; and
- b) Adopt Resolution No. 2025-66, *A Resolution of the City Council of the City of Newport Beach, California, Denying an Appeal and Upholding the Decision of the Planning Commission to Adopt a Mitigated Negative Declaration and Approve a Conditional Use Permit to Construct and Operate a Landfill Gas-to-Energy Facility at 20662 Newport Coast Drive (PA2022-063).*

DISCUSSION:

The project site is located within the greater boundary of the closed Coyote Canyon Landfill (CCL), which received municipal solid waste from 1963 to 1990 and officially closed on May 7, 2003. The Coyote Canyon Landfill is at the northeastern edge of the City's boundaries within Newport Coast. It is owned by the County of Orange and is maintained by Orange County Waste & Recycling (OCWR).

As shown below in Figure 1, the landfill boundary occurs on both sides of Newport Coast Drive and consists of four distinct areas: (1) the main canyon landfill, located immediately west of Newport Coast Drive and addressed as 20661 Newport Coast Drive; (2) and (3) the east and south canyon landfilling areas, located east of Newport Coast Drive and with no specific address; and (4) the project site, also located east of Newport Coast Drive, at the top of a ridge, and addressed as 20662 Newport Coast Drive.



Figure 1, Coyote Canyon Landfill areas

The entire landfill footprint, including the project site, is located within the Natural Communities Conservation Plan/Habitat Conversation Plan (NCCP/HCP) for the Central and Coastal Subregions of Orange County. The NCCP/HCP is a multi-species habitat conservation plan designed to protect sensitive plant and animal species by preserving existing habitat areas. The project site is designated as an existing use by the NCCP/HCP. Surrounding land uses include the landfill areas described above, an Irvine Ranch Water District pumping station, and undeveloped open space. The nearest sensitive receptors are Sage Hill School, located approximately 1,400 feet to the north, and the Tesoro residential community, located approximately 1,250 feet to the south.

The project site has historically been the primary location for managing landfill gas (LFG), including a former LFG-to-energy facility. The original LFG-to-energy facility operated from 1988 to 2015 and converted LFG into electricity. The facility was removed as part of the Coyote Canyon Gas Recovery Demolition and Telecom Update (PA2016-091) (SCH No. 2016081012) because the quality of the LFG became inadequate for conversion into

energy with the technology available at the time. In 2018, OCWR released a Request for Proposals (RFP) seeking the highest qualified proposal for handling LFG at the site. The Applicant was selected through the RFP process and was offered an option agreement with the County to construct a new LFG-to-energy facility.

The project site is currently improved with emergency generators, above ground storage tanks, two 65-foot faux eucalyptus cell towers (telecoms), power panels and switchgear, a blower pad, and four flares that continuously burn off LFG generated by the landfill. There is a small operational support building used by OCWR staff and three parking spaces. The project site is surrounded by a 12-foot-tall perimeter block wall, trees, with coastal sage scrub beyond.

Project Description

Biofuels Coyote Canyon Biogas, LLC, on behalf of Archaea Energy, Inc. (Applicant) proposes the construction and operation of a new renewable natural gas (RNG) processing plant and a pipeline interconnection facility, collectively referred to as the “RNG Facility”. The RNG Facility would treat LFG that is currently being flared off by OCWR through a proprietary process and would inject the RNG into SoCal Gas infrastructure through an existing, onsite, tie-in point. The RNG would not be stored onsite, nor would the RNG Facility replace OCWR’s existing LFG collection system or flares. The existing flares would be used to combust any LFG that cannot be sent to the RNG Facility, like in the event of a scheduled shut down for maintenance, an unscheduled shutdown arising from an irregularity, or excess quantities of LFG.

From a physical design standpoint, the RNG Facility would have a total footprint of approximately 38,500 square feet, concentrated on the eastern side of the project site, and would be composed of pipe racks, various vessels and tanks, a new flare tower, a thermal oxidizer, and other miscellaneous processing equipment. The new flare tower will be approximately 40 feet high, as measured from finish grade, and will be fully enclosed with no flames visible from it. Equipment ranges in height from approximately 5 feet, 6 inches above finish grade to a maximum height of 60 feet above finish grade. Most equipment would be screened by the existing 12-foot-tall perimeter wall apart from the vessels, tanks, flare tower, pipe rack, and thermal oxidizer. The tallest piece of RNG Facility equipment, the thermal oxidizer, is proposed at a height of 60 feet above finish grade. It is important to highlight that all equipment will be below the 65-foot height of the adjacent faux-eucalyptus telecoms.

As shown below in Figure 2, the Applicant proposes enhanced aesthetic treatment of the equipment, consisting of camouflage paint, to help the RNG Facility blend in with the surroundings. Photographic simulations from additional vantage points are available as Attachment B.



Figure 2, Visual Simulation of the RNG Facility with camouflage motif, taken from Newport Coast Drive, north of its intersection with San Joaquin Hills Road.

Other project components include a new control room building, striping for two new parking spaces, new internal access routes, utility upgrades including the installation of an additional fire hydrant, a water tank, a septic tank, oil/water separator, storm drain, and new underground power and telecommunication lines. The RNG Facility would operate 24 hours per day, seven days a week, with an annual scheduled shutdown for plant maintenance. The faux eucalyptus telecoms, along with existing OCWR infrastructure, would be protected in place and not affected by the current project. Project plans are available as Attachment C.

Construction is anticipated to take nine months and would include the demolition and rerouting of existing water and condensate lines, general site preparation, rough and fine grading, pipeline trenching and installation, soil hauling, vertical construction, paving, architectural coating, landscaping, and punch list/closeout items. In compliance with the City's requirements and as conditioned, construction would occur from 7 a.m. to 6:30 p.m., Monday through Friday, except on federal holidays. The Applicant will implement a traffic control plan during demolition and construction, which must be reviewed and accepted by the Community Development and Public Works Departments prior to the issuance of a building permit. The Applicant proposes notifying nearby residential community members at least one week prior to the start of construction activities with broader notifications required through various means, including placing signs at road crossings, indicating that large trucks may be present.

The primary laydown area for material deliveries is proposed on the project site with a secondary laydown area proposed within an already disturbed portion of the main landfill area, across Newport Coast Drive. Vehicle parking for construction employees would be provided in the secondary laydown area, and a shuttle would transport crews daily to and from the project site.

The project site is within the special purpose Open Space (OS) Zoning District. Like the OS General Plan category, the OS District is intended to provide areas to maintain and protect the community's natural open and landscaped open space areas. "Major Utilities" are allowed within the OS District, subject to the approval of a conditional use permit (CUP). All facts to support the required findings to approval a CUP are presented in detail within Exhibit "F" of Attachment A.

Mitigated Negative Declaration (MND)

In accordance with the California Environmental Quality Act (CEQA) and City Council Policy K-3, an Initial Study/Mitigated Negative Declaration (IS/MND) was prepared for the project. Prior to taking action on the project, the City Council must first review, consider, and adopt the IS/MND (Exhibit "A", Attachment A). The draft IS/MND includes the Notice of Intent (NOI), Initial Study (IS), Environmental Analysis, and Appendices.

Based upon the analysis of the IS, the environmental categories within which the project would have either no impact or less than significant impact were: *Aesthetics, Agricultural/Forest Resources, Air Quality, Energy, Greenhouse Gas Emissions, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Recreation, and Utilities/Service Systems.*

The environmental categories which the project would have potentially significant impacts were: *Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Waste, Public Services, Transportation, Tribal Cultural Resources, and Wildfire.* Specific mitigation measures have been required to reduce the potentially significant adverse effects to a less than significant level.

The IS/MND was completed and circulated for a 45-day public review period that began on November 27, 2024, and concluded on January 13, 2025. Five comment letters were received during the comment period. Two of the five letters received were from public agencies (California Department of Transportation and the South Coast Air Quality Air Management District), one letter was received from the Gabrieleño Band of Mission Indians – Kizh Nation, and two letters were received from the law firm Adams, Broadwell Joseph & Cardozo (ABJ&C) on behalf of California Unions for Reliable Energy. Although not required for an IS/MND by the CEQA Guidelines, those letters have been catalogued and are responded to as part of the Final MND (Exhibit "B", Attachment A). The comments received did not result in changes to the project of a substantive nature.

Based on the entire environmental review record, the project, with mitigation measures, will have a less than significant impact on the environment.

Planning Commission Hearing and Decision

The project was originally scheduled to be heard at the Planning Commission meeting of May 22, 2025. In response to the public hearing notice, a comment letter was submitted on May 21, 2025, by ABJ&C on behalf of Orange County Residents for Responsible Industry. The project was removed from calendar, and the meeting was canceled to allow additional time for City staff to review the comment letter. It was determined that the comments provided in ABJ&C letter dated May 21, 2025, were already adequately responded to in the Response to Comments (RTC) included in the final MND and no additional analysis or changes to the Project would be required.

On July 17, 2025, the Planning Commission conducted a noticed public hearing to consider the project. The Planning Commission received one letter in advance of the hearing, but after the deadline for submitting written comments, and two oral comments during the hearing. The letter was submitted by the ABJ&C law firm also on behalf of Orange County Residents for Responsible Industry and expressed concern about the Project's potential for unmitigated significant impacts. Oral comments were received from Aidan Marshal, on behalf of Orange County Residents for Responsible Development, and Jim Mosher, expressing similar concerns regarding the potential for impacts.

Following receipt of public comments and deliberation, the Planning Commission adopted Resolution No. PC2025-008 by a unanimous vote to approve the project and adopt the IS/MND. The staff report, resolution and meeting minutes are provided as Attachment D, E and F, respectively.

Appeal

An appeal was filed on July 30, 2025, by the ABJ&C law firm on behalf of Orange County Residents for Responsible Development (Appellant) and is provided as Attachment G. The appeal alleged the following deficiencies regarding the IS/MND (as summarized):

- a) Air quality impacts from fugitive emissions and leaks are significant and unmitigated;
- b) Public health and hazards impacts are significant and unmitigated;
- c) Greenhouse gas emissions may be significant and unmitigated;
- d) Health risk impacts from construction emissions are underreported, relying on a 9-month construction schedule; and
- e) Construction noise impacts are significant and unmitigated.

The Appellant also alleges the Planning Commission abused its discretion and violated Section 20.52.020(F) of the NBMC in approving the Project for the following reasons (as summarized):

- a) The Planning Commission lacked substantial evidence to find that the project would not harm public health, safety, or welfare, specifically related to air quality, health risk, greenhouse gas emissions, and noise impacts;
- b) The project may not be adequately served by fire protection services, especially in the case of worst-case scenario jet fires; and
- c) The project is inconsistent with the General Plan policies, particularly those related to reducing construction-related air quality emissions.

Response to Appeal

Most of the environmental concerns raised in the July 30, 2025, appeal letter were previously addressed in the RTC included as part of the Final IS/MND. A Technical Memorandum is provided as Attachment H and is incorporated into the resolution to identify where each recent comment is addressed in the RTC. However, the Appellant correctly noted that the Planning Commission staff report mistakenly stated a 12-month construction period. The project proposes a nine-month construction schedule and the IS/MND relies on a nine-month construction schedule, as stated in the RTC. The current staff report reflects the correct duration.

The allegation that the Planning Commission lacked substantial evidence to conclude the Project would not harm public health, safety, or welfare is not supported. The IS/MND contains technical studies including an Air Quality Impact Analysis, Noise Impact Analysis, and Preliminary Site Consequence Analysis that evaluated the potential impacts to health and safety. The IS/MND and RTC demonstrate that, with mitigation measures, the Project would have less than significant environmental impacts and no known substantial adverse effects on human health.

The allegation that the Project would not be adequately served by fire protection services is also not supported. The Newport Beach Fire Department (“NBFD”) was consulted during preparation of the IS/MND, reviewed the Project’s fire protection measures, and raised no objections. The NBFD provided detailed input and technical recommendations, which were incorporated into the Project’s design, MMRP, and Conditions of Approval.

Regarding construction-related air quality impacts, the Appellant noted that Condition of Approval No. 33 in Planning Commission resolution No. PC2025-008 permitted up to 30 minutes of idling for trucks and equipment, conflicting with General Plan Policy NR 8.1. This condition was a standard condition for implementing best available control measures. As noted in the RTC, nonessential idling will be limited to five minutes, consistent with California Air Resources Board Rule 2485. The Conditions of Approval have been updated accordingly.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL REVIEW:

As described in detail above, an IS/MND (SCH No. 2024120012) has been prepared in connection with the Project. The IS/MND states that, with mitigation measures incorporated, the Project will not result in a significant effect on the environment.

Additionally, the Project would qualify for two exemptions under CEQA, based on location, prior use, and environmental benefits.

First, the project is statutorily exempt under Section 21094.5 of the California Public Resources Code. This exemption applies when an Environmental Impact Report (EIR) has already been certified for a previous project, and the proposed project is similar in nature without introducing new or more severe environmental impacts than those previously analyzed. In this case, the earlier LFG-to-energy facility was reviewed as part of Addendum No. 84-104 to EIR No. 507 (SCH No. 82082004) (Exhibit "G," Attachment A). While the former facility converted LFG into electricity, the Project would perform the same basic function, converting LFG into RNG. No new or more significant environmental impacts have been identified beyond what was already evaluated in the prior environmental review.

Second, the project is also categorically exempt under CEQA Guidelines Section 15308. This section exempts actions taken by regulatory agencies to ensure the maintenance, restoration, enhancement, or protection of the environment, particularly when those actions involve established environmental protection procedures. Instead of flaring off LFG to the atmosphere, the Project will convert LFG into RNG, which will be injected into the SoCal Gas system.

NOTICING:

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. Lastly, the City emailed the notice of hearing to interested parties that had requested notification.

ATTACHMENTS:

Attachment A – Resolution No. 2025-66
Attachment B – Visual Simulations
Attachment C – Project Plans
Attachment D – July 17, 2025, Planning Commission Staff Report
Attachment E – Resolution No. PC2025-008
Attachment F – July 17, 2025, Planning Commission Minutes
Attachment G – Appeal Application
Attachment H – City Appeal Response Letter