



NEWPORT BEACH

City Council Staff Report

November 4, 2025
Agenda Item No. 8

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approval of Amended and Restated Property Maintenance Agreement with Newport Coast Community Association

ABSTRACT:

The City of Newport Beach (City) maintains certain landscaped slopes, medians, entry nodes and roadsides in Newport Coast through a Property Maintenance Agreement, which was entered into in 2003 between the City and the Newport Coast Community Association (NCCA). Following many years of disputes between the parties regarding responsibility for certain tree and landscape area maintenance, a lawsuit was filed against the City by the NCCA in January 2024. As part of the Settlement Agreement of the lawsuit, the parties agreed to amend the 2003 Maintenance Agreement to clarify and better define all areas of disputed maintenance obligations. Staff recommends approval of the first Amendment to the Property Maintenance Agreement with the NCCA.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amended and Restated Property Maintenance Agreement between the City of Newport Beach and the Newport Coast Community Association.

DISCUSSION:

Annexation of the Newport Coast area into the City occurred January 1, 2002, by way of the Newport Coast Pre-Annexation Agreement (PAA). Through the PAA, the City agreed to maintain certain eligible properties in the areas commonly known as Newport Coast and/or Newport Ridge.

On December 9, 2003, the City and the NCCA entered into a Property Maintenance Agreement (Agreement) which set forth the terms and conditions of the City's maintenance obligations. Under the Agreement, the City's maintenance obligations includes, but is not limited to, general landscaping (such as removal of leaves, weeds, trash, and other debris from landscaped areas and disposed of off-site),

maintenance/repairs and adjustments of irrigation system, mowing, edging and fertilization of turf areas; trimming and fertilization of groundcovers, shrubs and trees; as needed weeding, pest treatments, and as needed California native slope maintenance. Also, under the Agreement, the City pays the water and electric bills for the City maintained areas.

Throughout the years, the City has worked to ensure that specifications under the Agreement were met. Public Works staff meet monthly with landscape committee members, property managers of the NCCA and landscape contractors, where maintenance punch lists are developed and previous landscape items are checked for completion. The City's current contractors for the area's landscape and trees maintenance are Brightview Landscape Services and Great Scott Tree Services, respectively. Annual maintenance costs for Newport Coast areas covered by the agreement exceed \$500,000 for Brightview and \$100,000 for Great Scott.

In recent years disagreements have arisen over various items of responsibility, however two particular items: 1) the responsibility of replacing several mature Canary Island Date Palms infected with Fusarium disease located on the corner and entry statements, and 2) removal of City maintained trees throughout the sloped landscape that have been deemed by NCCA consultants to be a fire threat have been the primary items of dispute. On January 26, 2024, the NCCA filed a lawsuit in Orange County Superior Court, alleging the City breached the Agreement, which the City denies.

The Parties have recently conditionally settled the disputed obligations pursuant to a Settlement Agreement and Release. As part of the resolution, the City and NCCA have also agreed to an Amended Agreement to further clarify and delineate the maintenance obligations of the City. The substantive changes to the Agreement include:

- 1) Revised maintenance map that delineates the City is now responsible for a larger swath along Newport Coast Drive including the corner statements at Newport Coast/Ocean Ridge and Newport Coast/Vista Ridge while NCCA is now responsible for most of the area in and around Pelican Hill Road and other portions within Newport Coast;
- 2) The cost to the City in the future for removal and replacement of the Canary Island Date Palms at Newport Coast/Ocean Ridge and Newport Coast/Vista Ridge is capped at \$40,000 per tree;
- 3) The City's future obligation to replace trees in all other locations shall be per the Citywide standard, but also limited to no larger than a 48-inch box;
- 4) Landscape enhancements are to be funded or carried out by NCCA;
- 5) Monthly walkthroughs between the City and NCCA are intended to serve as the means to resolve all dispute regarding the parties' compliance with the Agreement. Any disputes that are not resolved through the monthly walkthrough would be elevated for resolution through a third-party landscape expert or arborist.

FISCAL IMPACT:

The City currently expends approximately \$600,000 on landscape maintenance pursuant to the Agreement in the Newport Coast area. With this amendment to the Agreement, the City's tree replacement costs would increase. For example, there are 40 Canary Island Date Palms within the corner statement areas of Newport Coast/Ocean Ridge and Newport Coast/Vista Ridge that the City has now agreed to replace. Ten of these trees are currently dead or in a dying state. The cost to address these 10 trees now is covered in the separate Settlement Agreement. In the future, when replacement of any of the other Canary Island Date Palms is required, the City would cover the cost of their replacement, capped at \$40,000 per tree. This increased tree replacement cost will be included within future Department operating budgets, funded by the General Fund.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

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).

ATTACHMENT:

Attachment A – Amended and Restated Property Maintenance Agreement