



CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

December 5, 2024
Agenda Item No. 2

SUBJECT: Uchi Sushi Restaurant (PA2024-0068)
▪ Conditional Use Permit
▪ Coastal Development Permit

SITE LOCATION: 2510 West Coast Highway

APPLICANT: B.E. Architects

OWNER: 2510 West Coast Highway and 2436 West Coast Highway

PLANNER: Jenny Tran, Associate Planner
949-644-3212 or jtran@newportbeachca.gov

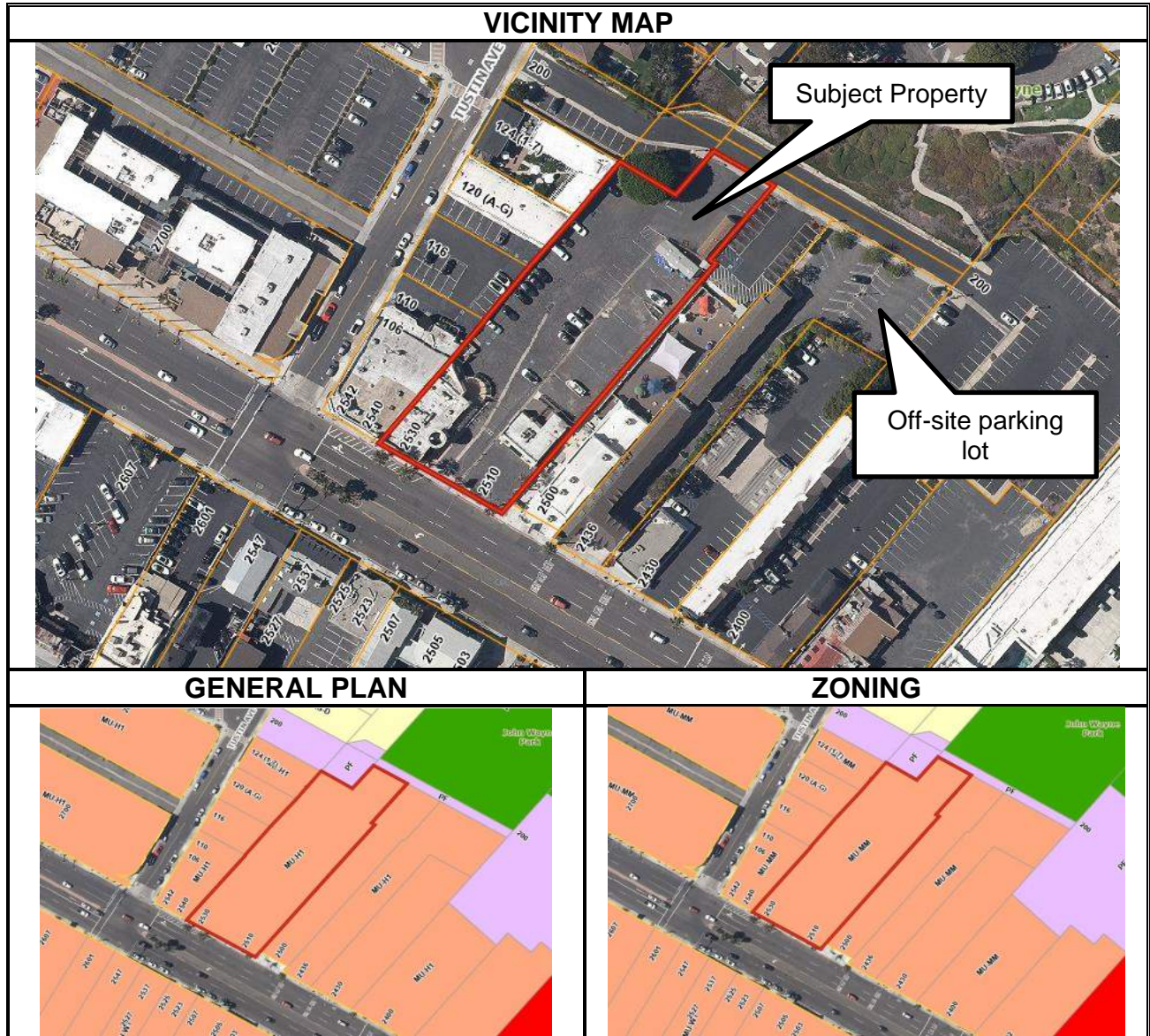
PROJECT SUMMARY

A request for a conditional use permit and coastal development permit to convert a 5,096 square-foot vacant suite to a new eating and drinking establishment (i.e., restaurant) with 2,400 square feet of net public area (NPA) and a Type 47 (On-Sale General – Eating Place) Alcohol Beverage Control (ABC) License. The existing vacant suite was previously approved for use as a retail use (grocery store). The project includes a request to use valet parking and locate a portion of the required 48 parking spaces off-site at 2436 West Coast Highway. The proposed hours of operation are between 5:00 p.m. and 11:00 p.m., daily. The project does not include a request for late hours (after 11:00 p.m.) or live entertainment.

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. PC2024-026 approving the conditional use permit and coastal development permit filed as PA2024-0068 (Attachment No. PC 1).

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LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	Mixed-Use Horizontal 1 (MU-H1)	Mixed-Use Mariners' Mile (MU-MM)	Mixed-use building (under construction)
NORTH	Single Unit Residential (RS-D) / Parks and Recreation (PR)	Single-Unit Residential (R-1) / Parks and Recreation (PR)	Single-unit residences and John Wayne Park
SOUTH	Mixed-Use Water 1 (MU-W1)	Mixed-Use Water (MU-W1)	Coast Highway and Boat tour agency / various commercial uses
EAST	MU-H1	MU-MM	Day care center/pre-school
WEST	MU-H1	MU-MM	Various commercial uses

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INTRODUCTION

Project Setting

The subject property is located within the Mariners' Mile Corridor on the inland side of Coast Highway and is approximately 0.98 acres. The property is bound by Avon Street to the north, West Coast Highway to the south, a day care center to the east, and various commercial uses to the west. The property was previously developed with a marine sales facility and is currently under construction with a new mixed-use development that includes 36 multi-unit residential units and a 5,096-square-foot commercial building.

Background

On February 18, 2021, the Planning Commission approved a Coastal Development Permit, Site Development Review, Tentative Parcel Map, Conditional Use Permit, and Affordable Housing Implementation Plan filed as PA2019-249. The approval authorized the demolition of an existing marine sales building and construction of a three-story mixed-use development for 35 residential dwelling units and an 11,266-square-foot boutique auto showroom that included a mezzanine and office. Subsequently, the project was called for review by the City Council and on July 27, 2021, the City Council upheld the Planning Commission's approval with a few modifications. The decision authorized a modification to increase the residential dwelling units to 36 units, reduce the commercial component of the project to 5,096 square feet, change the commercial use to office and eliminate the auto showroom. This also eliminated the need for a conditional use permit, as it was only required for the establishment of the auto showroom and the associated off-site parking component.

On March 9, 2023, the Planning Commission approved an amendment to the Coastal Development Permit and a Traffic Study filed as PA2022-101 to authorize the conversion of the office building to a retail use (i.e., grocery store).

The prior marine sales facility has since been demolished and a building permit has been issued (Permit No. X2022-0924) for the construction of the mixed-use development. The building permit was issued in February of 2024 and the property is currently under construction and anticipated for completion by 2026.

Project Description

The applicant requests approval of a conditional use permit and coastal development permit to convert the 5,096-square-foot commercial building to a fine-dining sushi restaurant. The restaurant will have both seated tables and bar dining areas. The request also includes a Type 47 ABC License for alcoholic beverages (beer, wine, and spirits) to be served in conjunction with the restaurant. The restaurant is proposed to operate during typical dinner hours between 5:00 p.m. and 11:00 p.m., daily. The project does not include a request for late hours (after 11:00 p.m.), live entertainment, or outdoor dining areas. Figure

1 below shows a partial site plan of the ground floor with the proposed restaurant and on-site parking spaces.

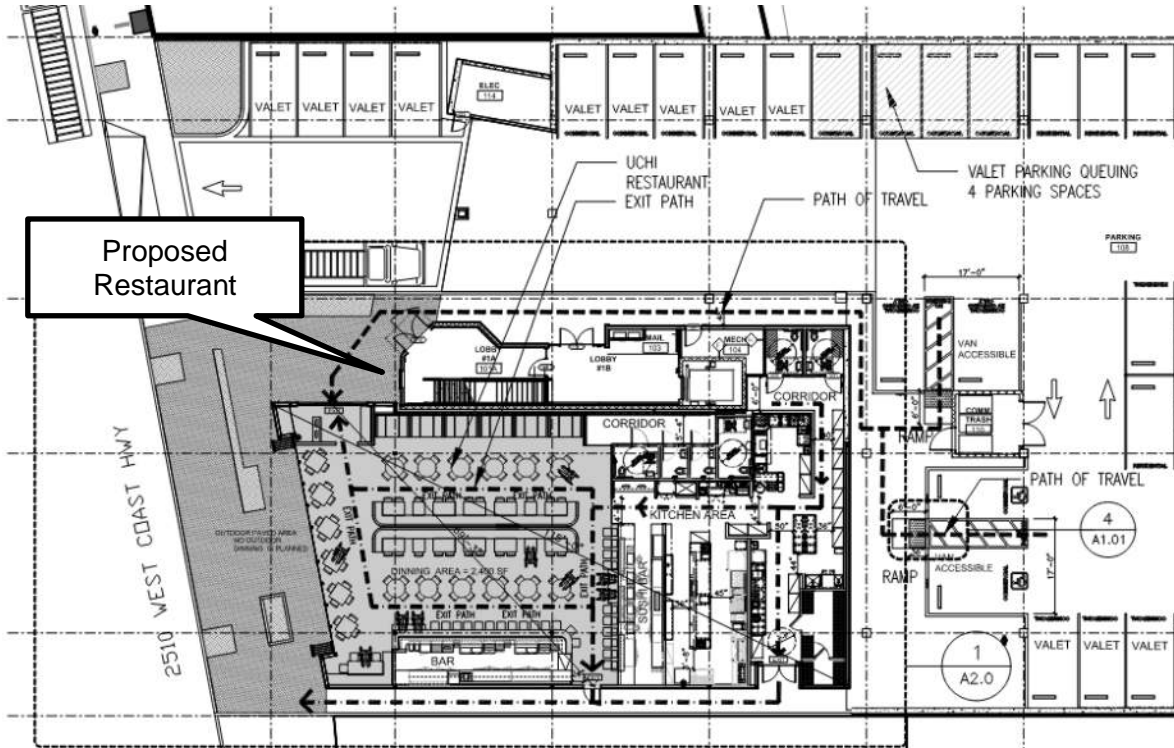


Figure 1: Partial site plan with proposed restaurant and on-site parking spaces.

Additionally, the project includes a request for a portion of the required parking spaces to be located off-site on a nearby property at 2436 West Coast Highway. A total of 48 parking spaces are required; 16 parking spaces will be located on-site and 32 parking spaces will be located off-site. All 48 parking spaces will be valet parked. Figure 2 below shows the location of the off-site parking lot as well as the access to and from the parking lot from the subject property via Avon Street.

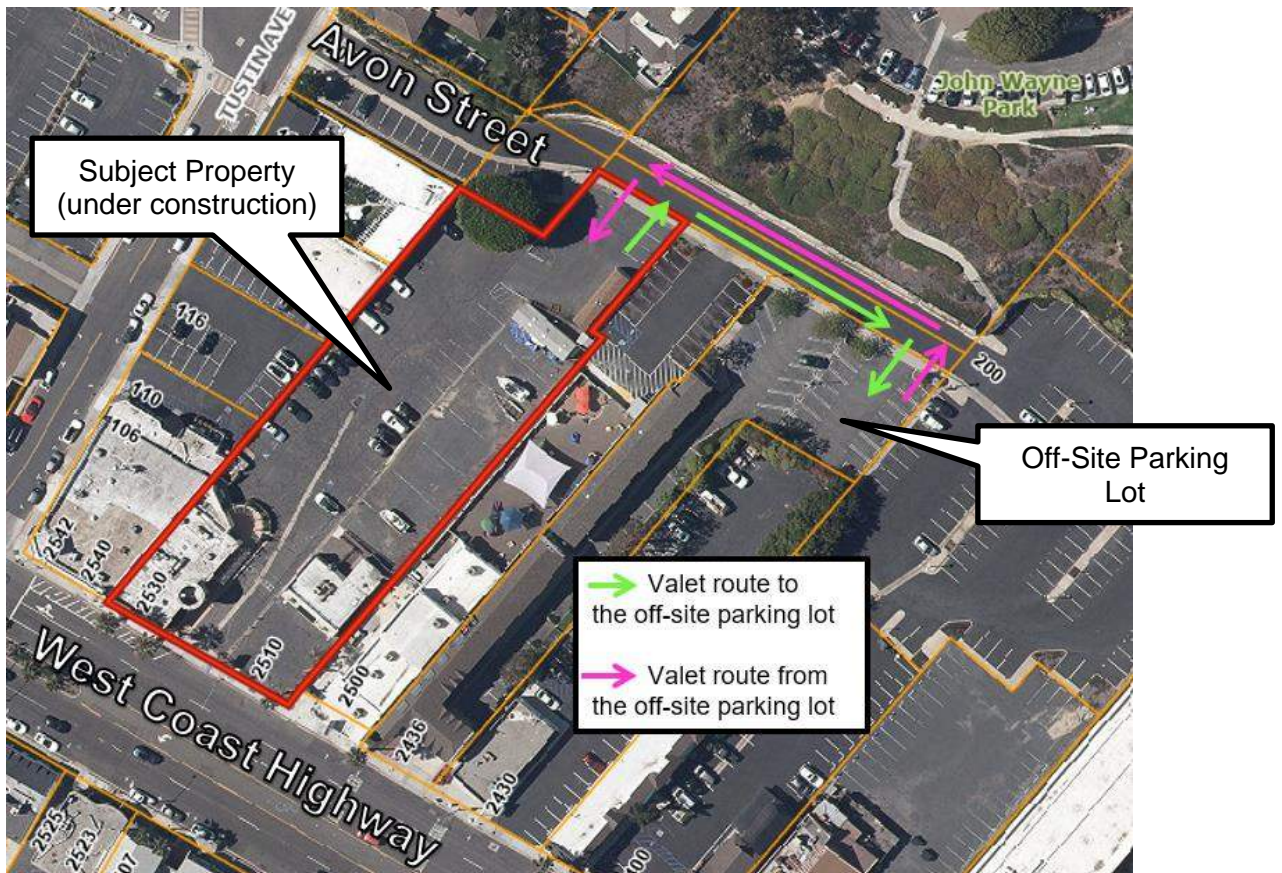


Figure 2: Access to the off-site parking lot from the subject property via Avon Street.

DISCUSSION

Analysis

General Plan

The General Plan Land Use Element designates the site as Mixed-Use Horizontal (MU-H1), which provides for a horizontal intermixing of uses. For properties located on the inland side of Coast Highway in the Mariners' Mile Corridor, such as the subject property, the General Plan land use designation intends for marine-related and highway-oriented general commercial uses along the highway frontage of the property. The rear portions of properties may be developed with free-standing neighborhood-serving retail, multi-unit residential units, or mixed-use buildings that integrate residential with retail uses on the ground floor. The development under construction is consistent with the MU-H1 General Plan designation as the commercial building is located along the frontage of Coast Highway and the multi-unit residential units are located towards the rear of the property. The project proposes to convert the commercial building along the West Coast Highway frontage to a restaurant which is consistent with the MU-H1 designation.

Local Coastal Plan

The Coastal Land Use Plan (CLUP) designates the site as Mixed-Use – Horizontal (MU-H). The MU-H category is intended to provide for the development of areas for a horizontally distributed mixed of uses, which may include general or neighborhood commercial, commercial offices, multi-unit residential, visitor-serving, and marine-related uses, and/or buildings that vertically integrate residential with commercial uses. The mixed-use development that is under construction is consistent with the Local Coastal Plan designation. The proposed project to convert the commercial building to a restaurant is also consistent with this designation and will serve the surrounding neighborhood and visitors to the area.

Zoning Code

The property is within the Mixed-Use Mariners' Mile (MU-MM) Zoning District of the NBMC, which limits the Coast Highway frontage to nonresidential uses. The proposed restaurant is categorized as a Food Service (no late hours) land use and is allowed with approval of a minor use permit. However, the project also includes a request for a portion of the required parking to be provided off-site with a valet service which, pursuant to Section 20.40.100 (Off-Site Parking) of the NBMC, requires the approval of a conditional use permit.

Conditional Use Permit Findings

In accordance with Section 20.52.020(F) (Conditional Use Permits and Minor Use Permits – Findings and Decision) of the NBMC, the Planning Commission must also make the following findings for approval:

- 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 the Zoning Code and 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, or 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 previously discussed, the proposed restaurant is consistent with the purpose and intent of the MU-H1 General Plan Land Use designation. Restaurants with alcohol are common in this area and are complementary to the surrounding commercial and retail services. The restaurant will be oriented along the frontage of the property and away from the residential zoning district towards the rear of the property which is consistent with the General Plan Land Use Element and Zoning Code for this property and for the intended development for Mariners' Mile. The restaurant will provide a convenient commercial service for residents and visitors to the City.

The restaurant is intended to be a fine-dining restaurant that only operates during typical dinner hours between 5:00 p.m. and 11:00 p.m., daily. The project does not include late hours, live entertainment, or an outdoor dining area that could potentially create a nuisance or noise impacts for the residents of the multi-unit residential dwelling units on the property or the residential development behind the property.

Pursuant to Section 20.30.120 (Solid Waste and Recyclable Materials Storage) of the NBMC, the restaurant requires a minimum of 48 square-feet for the refuse enclosure area. A commercial refuse storage area that complies with this requirement is provided and screened from the rights-of-way and drive aisles.

Although Section 20.40.040 (Off-Street Parking Spaces Required) of the NBMC was recently amended to require one parking space per 100 square-feet of gross floor area for eating and drinking establishments, the property is within the Coastal Zone and required parking must comply with Title 21 (Local Coastal Program Implementation Plan) of the NBMC. Pursuant to Table 21.40-1 (Off-Street Parking Requirements) of Section 21.40.040 (Off-Street Parking Space Required), the restaurant use requires one parking space per a range of 30 to 50 square feet of net public area (NPA)¹. Pursuant to Section 21.40.060 (Parking Requirements for Food Service Uses) of the NBMC, the Planning Commission shall establish the off-street parking requirement for food service uses based upon consideration of the physical design characteristics, operational characteristics, and location of the establishment. A Parking Evaluation was prepared by Urban Crossroads dated October 2, 2024, to analyze the project's parking demand and program the valet operation (Attachment No. PC 2).

Based on the Parking Evaluation prepared by Urban Crossroads and the considerations listed above, a rate of one space per 50 square feet of NPA was determined to be appropriate for the proposed use. The restaurant has a total NPA of 2,400 square feet which requires 48 parking spaces. All 48 parking spaces are provided with 16 valet parking spaces on-site and 32 valet parking spaces off-site at 2436 West Coast Highway. The valet parking plan that was provided as part of the Parking Evaluation was reviewed

¹ Pursuant to Chapter 20.70 (Definitions), 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.

and approved by the Public Works Department and City Traffic Engineer. Additional discussion of the off-site parking is provided under the Off-Site Parking Findings below.

The fine-dining restaurant would generate fewer trips than the approved retail grocery store use as determined by the City Traffic Engineer and, therefore, a new Traffic Study is not required for the project.

Off-Site Parking Findings

In accordance with Section 20.40.100(B) (Off-Site Parking – Findings) of the NBMC, in order to approve a conditional use permit for an off-site parking facility, the following findings and facts in support of such findings are set forth:

- 1. The parking facility is located within a convenient distance to the use it is intended to serve;*
- 2. On-street parking is not being counted towards meeting parking requirements;*
- 3. Use of the parking facility will not create undue traffic hazards or impacts in the surrounding area; and*
- 4. The parking facility will be permanently available, marked, and maintained for the use it is intended to serve.*

To meet the required parking demand, the project proposes to use an off-site parking lot at 2436 West Coast Highway. Patrons will enter the site via the main driveway on West Coast Highway where valet staff will either direct vehicles to an available parking space on-site or to one of the four queueing spaces on-site. Once dropped off, valet staff will park the vehicles in one of the 16 on-site parking spaces or at the off-site parking lot that is accessed via Avon Street in the rear of the property. The property is approximately 60-feet away from the subject property and valet staff are able to easily walk to the off-site parking location to pick-up and drop-off vehicles for patrons of the restaurant.

The off-site parking lot serves a commercial office building during the daytime. The various commercial and office uses at 2436 West Coast Highway predominantly operate during daytime hours that end around 5:00 p.m. The restaurant will operate during typical dinner hours between 5:00 p.m. and 11:00 p.m., daily and the use of the parking spaces are not anticipated to overlap with the uses on the property. Condition of Approval No. 8 is included to ensure the hours of operation will not conflict with the office building. Additionally, the restaurant staff will use the on-site parking spaces first and once the on-site parking spaces are filled, vehicles will be parked on the off-site parking lot. The off-site parking lot has 38 striped parking spaces and 32 will be made available for the restaurant.

Although the project proposes to provide all required parking spaces (between the on-site and off-site parking spaces), the property is also within proximity to the Avon Parking Lot which provides additional public parking opportunities. West Coast Highway also has several locations for on-street parking within proximity of the property.

Condition of Approval No. 6 is included to ensure a parking agreement or covenant is recorded between the owner of operator of the Project and the off-site location to guarantee the availability of the required off-street parking spaces. Additionally, should the off-site parking spaces become unavailable, the condition will require the owner to provide substitute parking, reduce the size of the restaurant operation in proportion to the parking spaces lost, or obtain a parking reduction pursuant to Section 21.40.110 (Adjustments to Off-Street Parking Requirements) of the NBMC.

Coastal Development Permit Findings

The subject property is located within the Coastal Zone. As part of the previously approved project for the mixed-use development as well as the project to convert the office building to a grocery store, a coastal development permit and, subsequently an amendment to the coastal development permit were approved. The project proposes to convert the approved grocery store to a restaurant which would involve an increase in required parking and, therefore, is considered an intensification of use which requires approval of a coastal development permit. In accordance with Section 21.52.015(F) (Coastal Development Permits – Findings and Decisions) of the NBMC, the Planning Commission must almost make the following findings for approval:

1. *Conforms to all applicable sections of the certified Local Coastal Program; and*
2. *Conforms with the public access and public recreation policies of Chapter 3 of the Coastal Act if the project is located between the nearest public road and the sea or shoreline of any body of water located within the coastal zone.*

As previously discussed, the conversion of a grocery store to a restaurant is consistent with the MU-H designation by the CLUP and MU-MM Coastal Zoning District. The property is on the inland side of the Mariners' Mile Corridor that is intended for commercial uses along the West Coast Highway frontage. Adequate parking for the project is provided both on-site and on an off-site location and the project will not create a loss of the existing on-street parking spaces along West Coast Highway or any public parking facilities in the surrounding area. The project does not anticipate significantly increasing the demand on public access and recreational opportunities nor will it impact any public access easements.

The mixed-use development is under construction and the project will occupy the commercial building. The project does not propose an increase in square footage or height that would impede public access or impact public views. A brief analysis of CLUP

policies which support the project is included in the draft resolution (Attachment No. PC 1).

Alcohol Sales Findings

The Applicant requests a Type 47 (On-Sale General – Eating Place) Alcohol Beverage Control (ABC) License in conjunction with the restaurant, which would allow the sale of beer, wine, and spirits. When reviewing the application to allow an eating or drinking establishment to sell, serve, or give away alcohol, Section 20.48.030 (Alcohol Sales) of the NBMC requires the Planning Commission to consider impacts to adjacent uses and proximity to existing alcohol sales, both for on-site and off-site consumption. The Planning Commission must find that:

- 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.

The NBPd prepared a Crime and Alcohol Related Statistics Report using the latest available data (2023) and a memorandum for the project (Attachment No. PC 3). The data is incorporated into the factors for consideration in the draft Resolution (Attachment No. PC 1). The subject property is in Reporting District 26 (RD 26). Based on the statistics provided by the NBPd, RD 26 had a total of 107 arrests in 2023 and zero of the arrests were associated with the subject property. Operational conditions of approval were recommended by the NBPd relative to the sale of alcoholic beverages that will ensure compatibility with the surrounding uses and minimize alcohol-related impacts.

All conditions of approval recommended by the NBPd are incorporated into Exhibit “A” of the attached Resolution.

Summary and Alternatives

In conclusion, the proposed project is consistent with the City’s goals and objectives of the General Plan. The restaurant will provide a service to the Mariners’ Mile Corridor, surrounding businesses, residents, and visitors to the City. Staff believes the findings for approval can be made to support the proposed project and the facts in support of the required findings are presented in the draft Resolution (Attachment No. PC 1). The following alternatives are available to the Planning Commission should they feel the facts are not in evidence of support for the project application:

1. The Planning Commission may suggest specific project modifications or operational changes that are necessary to alleviate concerns. If the changes are substantial, the item should be continued to a future meeting to allow redesign of the project; or
2. If the Planning Commission does not believe the facts in support of findings can be made, the Planning Commission may deny the application request.

Environmental Review

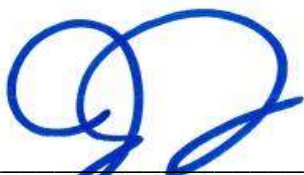
This project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential to have a significant effect on the environment.

The Class 1 exemption includes the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. The proposed project involves the conversion of a permitted commercial building into a restaurant. No additions to the building are proposed as part of this project and therefore, the project qualifies for a categorical exemption under Class 1.

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 Municipal Code. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the city website.

Prepared by:



Jenny Tran
Associate Planner

Submitted by:



Jaime Murillo, AICP
Deputy Community Development Director

LAW/jt

ATTACHMENTS

- PC 1 Draft Resolution with Findings and Conditions
- PC 2 Parking Evaluation by Urban Crossroads dated October 2, 2024
- PC 3 Police Department Memorandum
- PC 4 Project Plans