General Plan Update

Harbor and Bay Element Existing Conditions and Background Analysis

MAY 2024

Prepared for:

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Printed on 30% post-consumer recycled material.

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Acronyms and Abbreviations

Acronym/Abbreviation/Term	Spelled Out Form
CCC	California Coastal Commission
City	City of Newport Beach
CLUP	Coastal Land Use Plan
ESHA	Environmentally Sensitive Habitat Area
LCP	Local Coastal Program
MPA	Marine Protected Area

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1 Executive Summary

This report comprehensively assesses seven harbor- and bay-related topics that support the character of the coastal zone in Newport Beach: diversity of land uses, diversity of water uses, public access, natural resources, coastal hazards, recreational water quality, and coordination with partner agencies. It identifies how the City of Newport Beach (City) is already addressing these topics, and how the City could further address the topics through its General Plan Update to preserve and improve the quality of these resources.

The policies of the Harbor and Bay Element guide development on and near the water, and provide a cohesive vision for the continued operation and enhancement of the area as part of the General Plan Update. The Harbor and Bay Element works in concert with the Local Coastal Program (LCP) (including the Coastal Land Use Plan and Implementation Plan), which incorporates California Coastal Act policies and serves as the standard of review for the City's permitting in the coastal zone. The Harbor and Bay Element also aligns with the Harbor Area Management Plan, which is an integrated resource management tool intended to plan for key sediment management, water quality, restoration, and public use projects in Newport Harbor.

The City currently has extensive resources throughout the Newport Harbor and Newport Bay area that are of great value to its residents and visitors. To best manage the harbor and bay, the City will need to work with interested parties to address sea-level rise and the requirements of the California Coastal Act while furthering identified City priorities. Water-dependent uses, including boating and fishing, should be protected and promoted in coordination with adhering to environmental laws that enhance coastal recreation. Planning and development standards should be informed by the best available science and projections of sea-level rise. Public access should be enhanced whenever new development or redevelopment is proposed at the water's edge. Visitor-supporting uses, including low-cost options, should be prioritized and protected. Recreational water quality must be protected through public education and appropriate stormwater facilities, paying special attention to the impacts of rainstorms and non-point-source pollution. Lastly, the City should coordinate with the various regulating agencies, land managers, and interested parties to create consistent and collaborative management of Newport Harbor and Newport Bay.

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2 Introduction

Newport Bay, including Upper Newport Bay and Newport Harbor in Lower Newport Bay, is an integral part of Newport Beach's identity, providing a beautiful natural resource that offers economic and recreational opportunities. Protection of Newport Bay and the opportunities it offers is of great importance, which is reflected in the Harbor and Bay Element of the City's General Plan. The Harbor and Bay Element is one of four optional elements that the City included in the 2006 General Plan. The intent of the adopted Harbor and Bay Element is to balance competing interests, preserve diverse land uses, retain recreational opportunities and public access, and protect the natural environment.

The City is currently in the process of a comprehensive update to the General Plan. This report serves as initial technical support for the City's update to the Harbor and Bay Element. This document provides a high-level overview of the adopted Harbor and Bay Element, discusses goals and polices related to the harbor and bay, provides pathways to ensure continuity between goals and policies that may appear in other elements, analyzes available data related to the harbor and bay, and concludes with recommendations to strengthen and enhance the updated Harbor and Bay Element as part of the General Plan Update. The updated Harbor and Bay Element will build upon the adopted General Plan's vision of balancing the needs of residents, businesses, and visitors while ensuring that Newport Bay is accessible and preserved, and offers recreational opportunities.

2.1 Element Purpose and Process

The adopted Harbor and Bay Element's goals and policies aim to preserve the diversity and charm of Newport Beach's waterfront without unduly restricting the rights of waterfront property owners. Goals and policies within the adopted Harbor and Bay Element have been organized to address water- and land-related issues, the provision of public access, water quality and environmental issues, visual characteristics, and coordination with State and Federal agencies that manage land in the coastal zone.

The General Plan Guidelines authored by the California Office of Planning and Research dictate required elements and contents of a general plan. The Harbor and Bay Element is not a required element of the City's General Plan, but it includes regulations related to land use, conservation, safety, and open spaces, all of which are required elements of a general plan (see Table 1). Specifically, the Harbor and Bay Element addresses public access, diversity of land uses, diversity of water uses, natural resources, coastal hazards, recreational water quality, and coordination with partner agencies. Some of these topics are also covered in the Land Use, Natural Resources, Safety, Recreation, and Circulation Elements (see Section 3.1, General Plan). The Harbor and Bay Element relates to land in the coastal zone, which is regulated by the LCP (see Section 3.2, Other Related Plans).

Table 1. Harbor and Bay Topics and Related General Plan Requirements and Guidance

Topic	Land Use Element	Circulation Element	Housing Element	Conservation Element	Open Space Element	Noise Element	Safety Element
Public Access	Related	Related	Related	N/A	Related	N/A	N/A
Diversity of Land Uses	Required	Related	N/A	Related	Related	N/A	N/A

Table 1. Harbor and Bay Topics and Related General Plan Requirements and Guidance

Topic	Land Use Element	Circulation Element	Housing Element	Conservation Element	Open Space Element	Noise Element	Safety Element
Diversity of Water Uses	Required	Related	N/A	Related	Related	N/A	N/A
Natural Resources	Related	N/A	N/A	Required	Required	N/A	N/A
Coastal Hazards	Required	N/A	N/A	Related	N/A	N/A	Required
Water Quality	Related	N/A	N/A	Required	Required	N/A	Related
Coordination with Partner Agencies	N/A	N/A	N/A	Related	N/A	N/A	N/A

Notes:
N/A = not appliable

3 General Plan and Regulatory Review

3.1 General Plan

This section provides a summary of findings from review of the adopted Harbor and Bay Element, as well as an overview of the following adopted General Plan elements that relate to the Harbor and Bay Element: Land Use, Natural Resources, Safety, Recreation, and Circulation. Ensuring consistency and coordination between each of the General Plan elements is paramount in developing and implementing sound, cohesive, and actionable policies. Table 2 identifies how and where the harbor and bay are discussed throughout the City's adopted General Plan.

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
Coastal Hazards		
Harbor and Bay Element	Policies under Goal 9 address the need for and design of bulkheads: ▪ Policy 9.1, Design of New or Renovated Bulkheads ▪ Policy 9.2, Protection of Beach Profile	▪ Amend the Zoning Code for Consistency with the General Plan: - Codify requirements and standards for the location and design of development to protect terrestrial and marine environmental resources and protect against environmental hazards ▪ Review and Revise the Coastal Land Use Plan for Consistency with the General Plan
Safety Element	Policies under Goal 2 address the need to protect people and property from coastal hazards related to storm surges and seiches: ▪ Policy 2.1, Wave Up-Rush and Impact Reports ▪ Policy 2.2, Shoreline Management Plan ▪ Policy 2.5, Shoreline Protection Alternatives	▪ Develop Harbor Area Management Plan ▪ Maintain Hazards Database
	Policies under Goal 3 address adverse effects of coastal erosion: ▪ Policy 3.1, Coastal Hazard Studies ▪ Policy 3.2, Beach Width Monitoring ▪ Policy 3.3, Maintenance of Beach Width and Elevations	▪ Develop Harbor Area Management Plan ▪ Maintain Hazards Database
Public Access		
Circulation Element	A policy under Goal 5.4 addresses pedestrian infrastructure: ▪ Policy 5.4.3, Newport Harbor Trails and Walkways	5.4.3 (Imp 16.11) ▪ Maintain Trails

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
Harbor and Bay Element	Policies under Goal 1 address public access to Newport Harbor: ▪ Policy 1.1, Preservation and Enhancement of Water-Dependent and Related Uses ▪ Policy 1.2, Waterfront Public Spaces	1.1 (Imp 2.1, 14.3, 14.6, 21.1, 24.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Coordinate with Orange County ▪ Coordinate with California Coastal Commission ▪ Review and Update Harbor and Tidelands Improvement Plans ▪ Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability 1.2 (Imp 20.1, 20.2, 20.3) ▪ Design, Fund, and Construct Streetscape Improvements ▪ Design, Fund, and Construct Waterfront Promenade ▪ Fund and Construct Public View Sites
	A policy under Goal 2 addresses public access facilities: ▪ Policy 2.6, Public Access Facilities	2.6 (Imp 2.1, 21.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review and Update Harbor and Tidelands Improvement Plans
	A policy under Goal 5 addresses access to moorings: ▪ Policy 5.6, Mooring Transfers	5.6 (Imp 2.1, 21.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review and Update Harbor and Tidelands Improvement Plans
	Policies under Goal 6 address public access to coastal resources: ▪ Policy 6.1, Provision of Public Coastal Access ▪ Policy 6.2, Long Range Plan for Public Trails and Walkways ▪ Policy 6.6, Marine Terminals	6.1 (Policy R9.1) (Imp 2.1, 5.1, 20.2) ▪ Provision of Public Coastal Access ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review and Revise Coastal Land Use Plan for Consistency with the General Plan ▪ Design, Fund, and Construct Waterfront Promenade 6.2 (Policy CE 5.4.3) (Imp 23.1, 23.2) ▪ Newport Harbor Trails and Walkways ▪ Maintain and Update Parks and Recreation Facility Plans ▪ Maintain and Improve Parks and Recreation Facilities

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
		6.6 (Policy CE 5.5.1) (Imp 16.12) ▪ Marine Terminals ▪ Marine Transportation
	Policies under Goal 7 address public access to Upper Newport Bay: ▪ Policy 7.2, Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Policy 7.3, Management of Upper Newport Bay Ecological Reserve	7.2 (Policy NR 16.3) (Imp 14.3, 14.7, 14.11, 14.16) ▪ Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Other Agencies 7.3 (Policy NR 16.4) (Imp 14.3, 23.4) ▪ Management of Upper Newport Bay Ecological Reserve ▪ Coordinate with Orange County ▪ Maintain Recreation Programs for Newport Beach's Residents
Recreation Element	A policy under Goal 9 addresses the provision and maintenance of public access to coastal resources: ▪ Policy 9.4, Bay/Harbor Encroachments	9.4 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan
Diversity of Land Uses		
Harbor and Bay Element	Policies under Goal 1 address supporting visitors and residents by protecting the character and charm of the harbor and waterfront: ▪ Policy 1.1, Preservation and Enhancement of Water-Dependent and Related Uses ▪ Policy 1.2, Waterfront Public Spaces	1.1 (Imp 2.1, 14.3, 14.6, 21.1, 24.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Coordinate with Orange County ▪ Coordinate with California Coastal Commission ▪ Review and Update Harbor and Tidelands Improvement Plans ▪ Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability 1.2 (Imp 20.1, 20.2, 20.3) ▪ Design, Fund, and Construct Streetscape Improvements ▪ Design, Fund, and Construct Waterfront Promenade ▪ Fund and Construct Public View Sites

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
	Policies under Goal 6 maintain public access to coastal resources: ▪ Policy 6.3, Provision of Visitor Facilities in Newport Harbor ▪ Policy 6.4, Enhancement of Guest and Public Facilities	6.3 (Policy R8.3) (Imp 14.3, 23.1) ▪ Interagency Coordination to Provide New Facilities ▪ Coordinate with Orange County ▪ Maintain and Update Parks and Recreation Facility Plans 6.4 (Policy R8.5) (Imp 2.1, 23.1) ▪ Support Facilities ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Maintain and Update Parks and Recreation Facility Plans
Diversity of Water Uses		
Harbor and Bay Element	A policy under Goal 2 addresses the retention of water-dependent and water-related recreational activities: ▪ Policy 2.3, Marine Support Uses	2.3 (Imp 2.1, 14.3, 14.6, 21.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Coordinate with Orange County ▪ Review and Update Harbor and Tidelands Improvement Plans
	A policy under Goal 6 addresses serving the needs of the boating community: ▪ Policy 6.4, Enhancement of Guest and Public Facilities	6.4 (Policy R8.5) (Imp 2.1, 23.1) ▪ Support Facilities ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Maintain and Update Parks and Recreation Facility Plans
Land Use Element	Policies under Goal 2 address preserving harbor supporting uses: ▪ Policy 2.5, Harbor and Waterfront Uses ▪ Policy 2.6, Visitor Serving Uses	2.5 (Imp 2.5; 5.1; 21.4; 24.4) ▪ Ensure that Private Development and Capital Improvements are Consistent with the General Plan ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review and Revise Coastal Land Use Plan for Consistency with the General Plan ▪ Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability
	A policy under Goal 6 addresses water-oriented uses: ▪ Policy 6.11.1, Priority Uses	6.4 (Imp 8.1; 21.1) ▪ Review and Update Harbor and Tidelands Improvement Plans ▪ Review Codes and Ordinances for Consistency with the General Plan and Update Periodically

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
Natural Resources		
Harbor and Bay Element	Policies under Goal 7 look to protect Upper Newport Bay with the standards applicable to our nation's most valuable natural resources: ▪ Policy 7.1, Funding Support for Upper Newport Bay Ecosystem Restoration Project ▪ Policy 7.2, Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Policy 7.3, Management of Upper Newport Bay Ecological Reserve ▪ Policy 7.6, Water Quality Study	7.1 (Policy NR 16.1) (Imp 14.12, 14.13, 14.14) ▪ Funding Support for Upper Newport Bay Ecosystem Restoration Project ▪ Coordinate with United States Army Corps of Engineers ▪ Coordinate with United States Fish and Wildlife Service ▪ Coordinate with Environmental Protection Agency 7.2 (Policy NR 16.3) (Imp 14.3, 14.7, 14.11, 14.16) ▪ Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Other Agencies 7.3 (Policy NR 16.4) (Imp 14.3, 23.4) ▪ Management of Upper Newport Bay Ecological Reserve ▪ Coordinate with Orange County ▪ Maintain Recreation Programs for Newport Beach's Residents 7.6 (Policy NR 3.22) (Imp 8.1, 17.1) ▪ Water Quality Study ▪ Review Codes and Ordinances for Consistency with the General Plan and Update Periodically ▪ Maintain and Implement Urban Water Management Plans and Encourage Conservation
	Policies under Goal 8 look to enhance and protect natural water bodies: ▪ Policy 8.2, Water Pollution Prevention ▪ Policy 8.5, Natural Water Bodies ▪ Policy 8.13, Natural Wetlands ▪ Policy 8.19, Natural Drainage Systems	8.2 (Policy NR 3.2) (Imp 6.1, 8.1, 17.1, 18.1, 19.1) ▪ Water Pollution Prevention ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ Review Codes and Ordinances for Consistency with the General Plan and Update Periodically

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
		▪ Maintain and Implement Urban Water Management Plans and Encourage Conservation ▪ Maintain and Implement Sewer Master Plan ▪ Coordinate with Orange County 8.5 (Policy NR 3.5) (Imp 6.1, 19.1) ▪ Natural Water Bodies ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ Maintain Storm Drainage Facilities 8.13 (Policy NR 3.13) (Imp 6.1, 19.1) ▪ Natural Wetlands ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ Maintain Storm Drainage Facilities 8.19 (Policy NR 3.19) (Imp 7.1) ▪ Natural Drainage Systems ▪ Review Building and Construction Code for Consistency with General Plan
	A policy under Goal 10 looks to improve intergovernmental coordination over harbor and bay management: ▪ Policy 10.3, Harbor Area Management Plan	10.3 (Policy NR 11.1) (Imp 21.1) ▪ Harbor Area Management Plan ▪ Review and Update Harbor and Tidelands Improvement Plans
Natural Resources Element	Policies under Goal 3 look to improve water quality by using natural wetlands and protecting natural water bodies: ▪ Policy 3.5, Natural Water Bodies ▪ Policy 3.13, Natural Wetlands ▪ Policy 3.19, Natural Drainage Systems	3.5 (Policy HB 8.5) (Imp 6.1, 19.1) ▪ Natural Water Bodies ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ Maintain Storm Drainage Facilities 3.13 (Policy HB 8.13) (Imp 6.1, 19.1) ▪ Natural Wetlands ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ Maintain Storm Drainage Facilities 3.19 (Policy HB 8.19) (Imp 6.1) ▪ Natural Drainage Systems ▪ Review the Subdivision Ordinance for Consistency with the General Plan

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
	A policy under Goal 4 looks to improve water quality by restoring natural systems: ▪ Policy 4.3, Restore Natural Hydrologic Conditions	4.3 (Imp 6.1, 14.11, 14.3, 19.1) ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ California Public Utilities Commission ▪ Coordinate with Orange County ▪ Review the Subdivision Ordinance for Consistency with the General Plan
	Policies under Goal 10 look to protect biological resources from urban development: ▪ Policy 10.1, Terrestrial and Marine Resource Protection ▪ Policy 10.2, Orange County Natural Communities Conservation Plan ▪ Policy 10.3, Analysis of Environmental Study Areas ▪ Policy 10.4, New Development Siting and Design ▪ Policy 10.5, Development in Areas Containing Significant or Rare Biological Resources ▪ Policy 10.6, Use of Buffers ▪ Policy 10.7, Exterior Lighting ▪ Policy 10.8, Standards for Buck Gully and Morning Canyon ▪ Policy 10.9, Development on Banning Ranch ▪ Policy 10.10, Giant Kelp Reforestation	10.1 (Imp 14.7, 14.11, 14.12, 14.16) ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Coordinate with United States Army Corps of Engineers ▪ Other Agencies 10.2 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 10.3 (Imp 2.1, 6.1,) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review the Subdivision Ordinance for Consistency with the General Plan 10.4 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 10.5 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 10.6 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 10.7 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
		10.8 (Imp 2.1, 6.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review the Subdivision Ordinance for Consistency with the General Plan 10.9 (Imp 2.1, 14.7, 14.11, 14.12) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Coordinate with United States Army Corps of Engineers 10.10 (Imp 14.3, 14.11, 14.12, 21.1) ▪ Coordinate with Orange County ▪ California Public Utilities Commission ▪ Coordinate with United States Army Corps of Engineers ▪ Review and Update Harbor and Tidelands Improvement Plans
	Policies under Goal 11 protect environmental resources in Newport Harbor: ▪ Policy 11.1, Harbor Area Management Plan ▪ Policy 11.3, Eelgrass Protection ▪ Policy 11.4, Interagency Coordination on Establishing Eelgrass Restoration Sites ▪ Policy 11.5, Eelgrass Mitigation	11.1 (Policy HB 10.3) (Imp 21.1) ▪ Harbor Area Management Plan ▪ Review and Update Harbor and Tidelands Improvement Plans 11.3 (Imp 21.1) ▪ Review and Update Harbor and Tidelands Improvement Plans 11.4 (Imp 14.3, 14.7, 14.11, 14.13, 14.16) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Coordinate with United States Fish and Wildlife Service ▪ Other Agencies 11.5 (Imp 14.3, 14.7, 14.11, 14.12, 21.1) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
		▪ California Public Utilities Commission ▪ Coordinate with United States Army Corps of Engineers ▪ Review and Update Harbor and Tidelands Improvement Plans
	Policies under Goal 12 protect sensitive coastal dune habitats: ▪ Policy 12.1, Exotic Vegetation Removal and Native Vegetation Restoration ▪ Policy 12.2, Dune Habitat Protection	12.1 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 12.2 (Imp 23.1, 23.2) ▪ Maintain and Update Parks and Recreation Facility Plans ▪ Maintain and Improve Parks and Recreation Facilities
	A policy under Goal 13 protects, maintains, and enhances wetlands: ▪ Policy 13.1, Wetland Protection	13.1 (Imp 1.2, 2.1, 21.1) ▪ Update and Revise the General Plan to Reflect Changing Conditions and Visions ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Review and Update Harbor and Tidelands Improvement Plans
	A policy under Goal 14 ensures deep-water channels and water-related developments do not impact the capacities of wetlands or estuaries: ▪ Policy 14.4, Wetland or Estuary Capacity	14.4 (Imp 6.1, 14.11) ▪ Review the Subdivision Ordinance for Consistency with the General Plan ▪ California Public Utilities Commission
	Policies under Goal 16 protect and manage Upper Newport Bay with the standards applicable to our nation's most valuable natural resources: ▪ Policy 16.1, Funding Support for Upper Newport Bay Ecosystem Restoration Project ▪ Policy 16.2, Big Canyon Creek Restoration Project ▪ Policy 16.3, Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Policy 16.4, Management of Upper Newport Bay Ecological Reserve ▪ Policy 16.5, Public Uses within Upper Newport Bay Ecological Reserve	16.1 (Policy HB 7.1) (Imp 14.12, 14.13, 14.14) ▪ Funding Support for Upper Newport Bay Ecosystem Restoration Project ▪ Coordinate with United States Army Corps of Engineers ▪ Coordinate with United States Fish and Wildlife Service ▪ Coordinate with Environmental Protection Agency 16.2 (Imp 14.3, 14.7) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
	▪ Policy 16.6, Water-Related Education and Research within Upper Newport Bay	16.3 (Policy HB 7.2) (Imp 14.3, 14.7, 14.11, 14.16) ▪ Management of Upper Newport Bay Ecological Reserve (UNBER) ▪ Coordinate with Orange County ▪ Coordinate with the California Resources Agency, Department of Fish and Game ▪ California Public Utilities Commission ▪ Other Agencies 16.4 (Policy HB 7.3) (Imp 14.3, 23.4) ▪ Management of Upper Newport Bay Ecological Reserve ▪ Coordinate with Orange County ▪ Maintain Recreation Programs for Newport Beach's Residents 16.5 (Policy HB 7.4) (Imp 2.1, 23.1) ▪ Public Uses within Upper Newport Bay Ecological Reserve ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Maintain and Update Parks and Recreation Facility Plans 16.6 (Policy HB 7.5) (Imp 2.1, 23.1) ▪ Water-Related Education and Research within Upper Newport Bay ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Maintain and Update Parks and Recreation Facility Plans
	Policies under Goal 17 look to maintain and expand open space resources: ▪ Policy 17.1, Open Space Protection ▪ Policy 17.2, Other Uses of Public Sites Designated for Open Space ▪ Policy 17.3, New Open Space Areas	17.1 (Imp 1.2, 2.1) ▪ Update and Revise the General Plan to Reflect Changing Conditions and Visions ▪ Amend the Zoning Code for Consistency with the General Plan 17.2 (Imp 1.2, 2.1) ▪ Update and Revise the General Plan to Reflect Changing Conditions and Visions ▪ Amend the Zoning Code for Consistency with the General Plan

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
		17.3 (Imp 1.2, 2.1) ▪ Update and Revise the General Plan to Reflect Changing Conditions and Visions ▪ Amend the Zoning Code for Consistency with the General Plan
	Policies under Goal 23 protect natural landscapes, such as bluffs, from development: ▪ Policy 23.1, Maintenance of Natural Topography ▪ Policy 23.3, Open Space Dedication or Preservation for New Planned Communities ▪ Policy 23.4, New Development on Blufftops ▪ Policy 23.7, New Development Design and Siting	23.1 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 23.3 (Imp 2.1, 3.1, 4.1) ▪ Amend the Zoning Code for Consistency with the General Plan ▪ Preparation of New Specific Plans ▪ New "Planned Community" Development Plans 23.4 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan 23.7 (Imp 2.1) ▪ Amend the Zoning Code for Consistency with the General Plan
Water Quality		
Refer to the Resilience Element Existing Conditions Background Analysis		
Coordination with Partner Agencies		
Harbor and Bay Element	Policies under Goal 6 address maintaining public access by working with partner agencies: ▪ Policy 6.3, Provision of Visitor Facilities in Newport Harbor ▪ Policy 6.6, Marine Terminals	6.3 (Policy R8.3) (Imp 14.3, 23.1) ▪ Interagency Coordination to Provide New Facilities ▪ Coordinate with Orange County ▪ Maintain and Update Parks and Recreation Facility Plans 6.6 (Policy CE 5.5.1) (Imp 16.12) ▪ Marine Terminals ▪ Marine Transportation
Recreation Element	Policies under Goal 8 address harbor-related recreation: ▪ Policy 8.3, Interagency Coordination to Provide New Facilities ▪ Policy 8.4, Marine Safety	8.3, 8.5, 8.6 (Imp 14.3, 21.1, 23.1) ▪ Coordinate with Orange County ▪ Review and Update Harbor and Tidelands Improvement Plans ▪ Maintain and Update Parks and Recreation Facility Plans

Table 2. Resilience in the Adopted General Plan

Element	Goal/Key Policies	Implementation Measures
	▪ Policy 8.5, Support Facilities ▪ Policy 8.6, Public Recreational Access ▪ Policy 8.7, Marine Recreational Programs	▪ Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability 8.4 (Imp 21.4) ▪ Adopt and Implement Strategic Plan for Fiscal and Economic Sustainability 8.7 (Imp 23.4) ▪ Maintain Recreation Programs for Newport Beach's Residents

3.2 Other Related Plans

Newport Harbor and Newport Bay are special areas that require additional custom planning efforts. This includes the LCP, which allows the City to have regulating and permitting authority in the coastal zone, and the Harbor Area Management Plan, which addresses sediment management, water quality, restoration, and public use projects.

3.2.1 Relationship to the Local Coastal Program

The California Coastal Act is a State law that governs development in the coastal zone, and the California Coastal Commission (CCC) is the State agency that implements the California Coastal Act. The CCC maintains regulatory authority and permitting jurisdiction over the use of land and water in the coastal zone until a local government prepares an LCP that includes both a Land Use Plan and an Implementation Plan. Generally, the Land Use Plan is either a portion of a city's General Plan or a distinct plan that indicates the kinds, locations, and intensities of land uses in that city's coastal zone and includes resource protection and development policies. In Newport Beach, the Coastal Land Use Plan is a distinct document. The Implementation Plan is made up of zoning ordinances and maps that implement and further delineate the policies of the Land Use Plan, and it can be a distinct ordinance or part of a city's larger zoning code. After approval of the LCP by the local government, the CCC reviews the LCP for consistency with the policies of the California Coastal Act and certifies it. Once a local government's LCP is certified, the CCC delegates permitting authority for development within the coastal zone to that local government.[1] The LCP is thusly the standard regulatory and permitting guide for development in a city's coastal zone. The Newport Beach LCP was certified by the CCC in 2017[2] and has been amended regularly to clarify and update existing policies and to incorporate new policies to reflect emerging planning issues and the best available science.[3]

The Newport Beach Coastal Land Use Plan (CLUP), one-half of the LCP, includes goals, objectives, and policies that govern the use of land and water within the coastal zone of Newport Beach. Specifically, the CLUP addresses public

1 The California Coastal Commission (CCC) retains permitting jurisdiction in select areas, including tidelands, submerged lands, and public trust lands. The CCC also maintains appeals jurisdiction in certain areas near the shoreline or in sensitive ecological areas.

2 The Land Use Plan portion of the Local Coastal Program (LCP) was first certified by the CCC in 2005, and the Implementation Plan followed in 2017. An LCP is not considered certified until both the Land Use Plan and Implementation Plan are approved by the CCC.

3 Local governments are allowed up to four major amendments per year.

access, the marine environment, land resources, development, and industrial development in its three chapters: Land Use and Development, Public Access and Recreation, and Coastal Resource Protection. Approved amendments to the CLUP include multiple housing-related amendments that dictate floor-to-area ratios, building heights, accessory dwelling unit regulations, short-term lodging units, and nonconforming residential structures. Additional amendment topics include parking requirements, flood hazard overlay districts, land use regulations, and landscape standards. Each amendment must be certified by the CCC before it takes effect as part of the LCP.

Both the CLUP and the Harbor and Bay Element of the General Plan include goals, objectives, and policies that apply to land and water uses in the harbor and bay. There is overlap between the topics and policies in the documents, and they are designed to work together with consistency and cohesion between the two, especially as relating to California Coastal Act conformity. One important distinction is that the Harbor and Bay Element is not part of the LCP, and thus is not certified by the CCC. As such, whenever any potential conflicts between policies in the two documents should arise, or if the Harbor and Bay Element is silent on a particular topic, the policies of the CLUP and the LCP take precedence over those of the Harbor and Bay Element.

3.2.2 Relationship to Harbor Area Management Plan

The Harbor Area Management Plan is a resource management tool for the City to use to move forward with key sediment management, water quality, restoration, and public use projects critical in meeting the following overall goals: (1) maintain the beneficial uses of the Upper and Lower Newport Bay; (2) provide a practical framework to meet regulatory requirements in the current and anticipated municipal discharge permits, sediment management permits, total maximum daily loads, and other regulatory programs for Newport Bay; and (3) support a sustainable estuary ecosystem able to be integrated with upstream sustainable watersheds and adjacent coastal area systems.

3.2.3 Overview of Other Related Plans

As stated above, the City regulates the Harbor and Bay Element through the Implementation Plan portion (Title 21) of the Newport Beach Municipal Code, the CLUP portion of the LCP, and the Harbor Area Management Plan. Table 3 provides an overview of these plans organized by relevant topic areas. In any instance where conflict may arise between different policies, management plans, and zoning codes, the policy that has been certified by the CCC takes precedence.

Table 3. Local Implementation and Administration

Public Access
▪ The Harbor Area Management Plan, adopted in 2010, addresses marine habitat restoration, including eelgrass and fisheries, boat anchorages, marinas, and other development activities. This plan lays out objectives and goals to achieve a sustainable Newport Bay, including protecting recreational values by improving community and public access to the shoreline, beach, trails, and bays through waterfront and infrastructure improvement projects. Furthermore, the plan recognizes that Newport Bay serves a variety of uses and users, including recreation, wildlife, and businesses, which requires a balance of public access improvements with enhancement and protection of environmental resources.

Table 3. Local Implementation and Administration

- The Local Coastal Program Implementation Plan, which the City of Newport Beach (City) adopted in 2017 following California Coastal Commission approval, sets forth policies and procedures that govern the use of land and water in the coastal zone within City limits and its sphere of influence (except Newport Coast and Banning Ranch). Implementation Plan Chapter 21.30A, Public Access and Recreation, contains impact determination procedures and development standards that maximize the provision of public access throughout Newport Beach's shoreline through maintaining existing amenities and requiring the creation of new access points, where appropriate, for new development. Appendix B, Coastal Access Signing Program, of the Implementation Plan sets standards for wayfinding, public access, and informational, regulatory, and identification signage throughout the plan area.
  - The Newport Beach Coastal Land Use Plan (CLUP) includes extensive and thorough policies for maintaining and expanding public access opportunities because public access to the built and natural environments in and around Newport Beach is important because of the significant draw these environments are for visitors and residents. The CLUP includes a chapter titled Public Access and Recreation that provides procedures and standards to preserve and improve public access to the shoreline and coastal bluffs in conjunction with development. Several policies include multiple public access categories, for example, providing access to waterfront-oriented commercial uses such as dining and recreation as a way of promoting public access to the nearby beach and waterfront. The CLUP contains more than 40 policies that support and protect public access to coastal resources. These policies include the provision of direct access to the shoreline, waterfront, beaches, harbors, bays, and other water-related areas in and around Newport Beach, including the creation of a network of connected walkways and trails throughout Newport Harbor and shorelines beyond. Additionally, the CLUP includes a significant number of policies that protect public view corridors, public-centered amenities, and access to natural resources, including bluffs, trails, parks, and Environmentally Sensitive Habitat Areas. Many of these policies protect public access from potential threats, often new development. New development must minimize impacts to public access through siting and design, and provide access easements in cases where impacts cannot be avoided. The CLUP also has several policies dealing specifically with bay and harbor encroachments such as piers, floats, and bulkheads, and their potential impacts to public access. This existing comprehensive policy sufficiently protects public access in Newport Beach.

Visitor Serving

- Appendix B, Coastal Access Signing Program, of the Implementation Plan explains how the City will provide wayfinding, public access, informational, regulatory, and identification signage throughout the coastal zone. Appendix B ensures that visitors can navigate the area and its many attractions with ease. Furthermore, the Implementation Plan includes Chapter 21.40, Off-Street Parking, which ensures visitor accommodations include sufficient off-street parking. In addition, Chapter 21.46, Transfer of Development Rights, ensures that properties within visitor-serving commercial (CV) coastal zoning districts are not transferred to non-visitor-serving commercial coastal zoning districts. This chapter protects visitor-serving areas from non-conforming land uses. Also included in this chapter are approval qualifications for authorizing the transfer of development rights in these areas, which include the presence of visitor-serving amenities or areas.
- The CLUP includes a chapter titled Public Access and Recreation that serves visitors by providing them with many opportunities to access natural resources and recreational opportunities, which are a significant draw to the area. The CLUP promotes a variety of visitor-serving uses through several different policies. These visitor-serving policies cover retail, restaurants, recreation, accommodations, and institutional establishments, such as museums. Many of these policies encourage visitor-serving retail in specific areas around Newport Beach, including Balboa Village, Balboa Island, Balboa Peninsula, Mariners Mile, Lido Village, Back Bay Landing Site, and others. Most visitor-serving policies include the promotion of retail, recreation, or marine-related activities. Existing visitor-serving policies are sufficient to ensure the continual draw of visitors to this area.

Table 3. Local Implementation and Administration

Harbor and Boating

- The Harbor Area Management Plan, adopted in 2010, addresses marine habitat restoration, including eelgrass and fisheries, boat anchorages, marinas, and other water-related development activities. Specifically, this plan includes dredging requirements and contaminated sediment management, eelgrass capacity and management tools, strategies to replenish beaches, harbor channel and pierhead regulations, harbor area management tools, and funding options for various improvement and restoration projects. This plan looks to manage Newport Harbor properly by balancing harbor-related activities, such as boating and development, with enhancement of environmental resources.
- Appendix A, Sea Level Rise, of the Implementation Plan explains how the City will undertake a proactive program to monitor the rate of sea-level rise and implement protective measures. These measures may impact Newport Harbor and the boating industry in the area because infrastructure near the bay may become inundated by sea-level rise. In addition to Appendix A, the Implementation Plan includes a chapter titled Harbor and Bay Regulations that provides procedures and regulations for harbor-related uses. This chapter covers the establishment of channels and harbor lines, locations for boat anchorage and mooring, protection of vessel launching and docking facilities, and protection of coastal access to harbors.
- The Coastal Land Use Plan promotes the protection and enhancement of the commercial and recreational boating and maritime communities in Newport Beach through related harbor and boating policies. Through the policies in the chapter titled Land Use and Development and the chapter titled Public Access and Recreation, the CLUP promotes harbor support systems that allow vessels and the boating community to thrive in Newport Beach, including vessel maintenance, fuel docks, and other supportive systems.

Natural Resources

- The Harbor Area Management Plan, adopted in 2010, addresses marine habitat restoration, harbor infrastructure, and other water-related development activities. This plan looks to balance marine and bayfront development with natural resource protection. Some specific natural resources are protected through this plan through eelgrass capacity and management tools, natural beach replenishment strategies, water quality analysis and improvements, sediment control, and improved management and restoration of the Upper Newport Bay. This plan recognizes that economic development and visitor-serving uses in the area rely on the natural resources of Newport Bay to attract businesses and visitors.
- The Habitat Protection section of the Implementation Plan sets development standards to protect sensitive habitat areas from any significant disruption, restore the quality of coastal water resources and the biological productivity of the area, and protect wetlands as a significant water quality and natural habitat resource.
- The Coastal Resource Protection chapter of the CLUP contains extensive policies protecting biological resources, including those in and around the harbor and bay, such as eelgrass. The CLUP policies require the protection and enhancement of existing sensitive resource areas, and impact avoidance/mitigation for new development. There are also policies specifically directed at minimizing environmental effects from dredging, diking, and filling of coastal waters. These existing CLUP policies comprehensively protect important natural resources within the harbor and bay.

Coastal Hazards

- Refer to the Resilience Existing Conditions Background Analysis.

Water Quality

- Refer to the Resilience Existing Conditions Background Analysis.

Table 3. Local Implementation and Administration

Coordination with Partner Agencies
▪ The Harbor Area Management Plan, adopted in 2010, addresses marine habitat restoration, including eelgrass and fisheries, boat anchorages, marinas, and other development activities. This plan uses coordination and partner agencies primarily to fund the priority elements and projects identified in this plan. Furthermore, the plan identifies potential State and Federal partners, as well as grant funding and local partnerships, for these projects. A specific example is a partnership with watershed leads to improve water quality in the harbor and meet current requirements for total maximum daily loads. Generally, this plan relies on many types of public and private partnerships to achieve the overarching goals of harbor development and natural resource protection in the plan area. ▪ The CLUP addresses natural areas, including Upper Newport Bay and other natural areas, managed by partner agencies, and provides a framework for monitoring ecological conditions in the area, evaluating biological and aquatic resources, protecting Environmentally Sensitive Habitat Areas, creating open space designations, managing trails, addressing development impacts to natural resources, and other related topics. In various chapters, the CLUP specifically lays out coordination efforts with the County of Orange, California Coastal Commission, State Department of Parks and Recreation, California Coastal Conservancy, U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, U.S. Environmental Protection Agency, National Marine Fisheries Service, Natural Resources Conservation Service, and the Regional Water Quality Control Board.

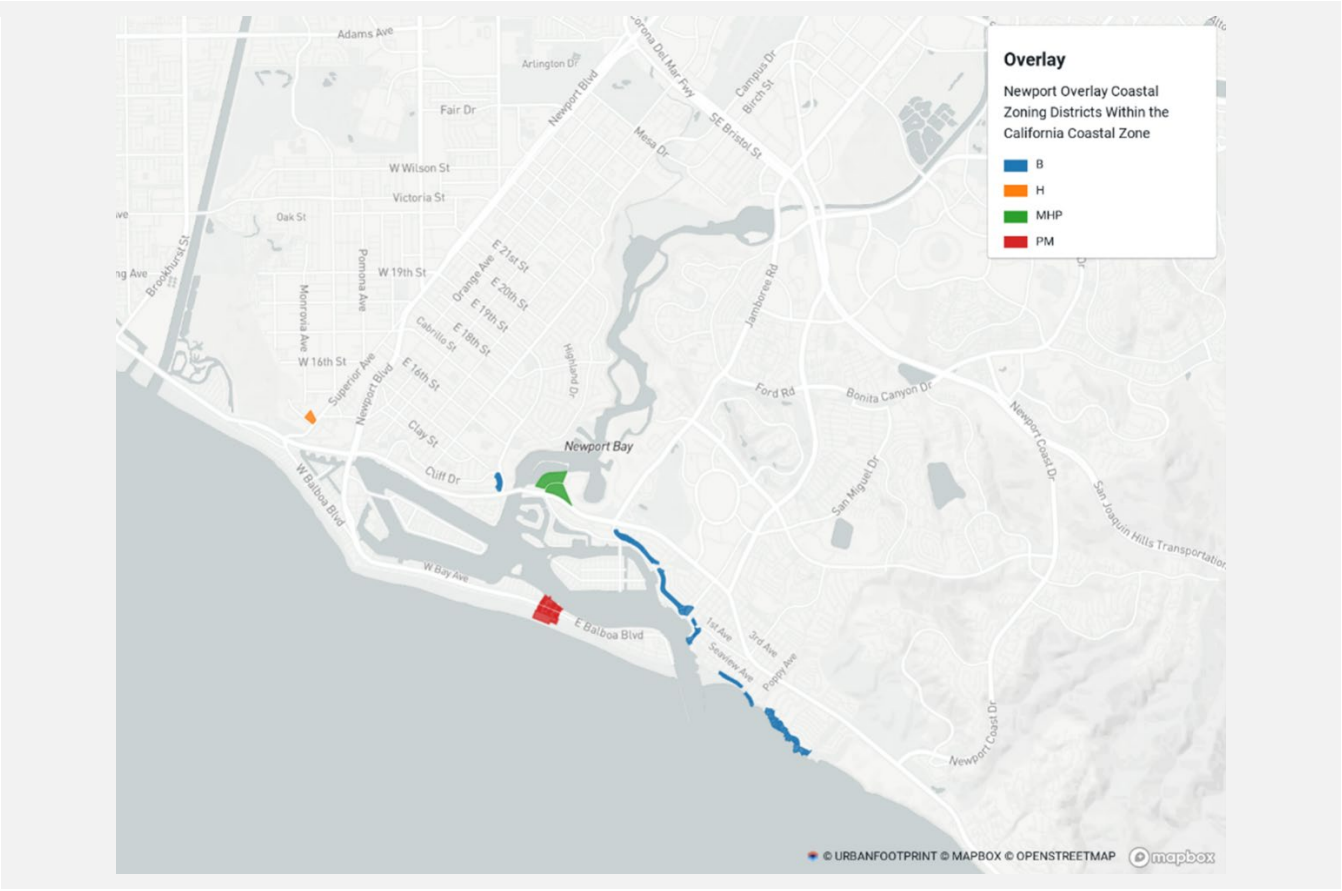
4 Existing Conditions

Newport Bay, including Upper Newport Bay and Newport Harbor in Lower Newport Bay, is a vital component of the City's natural resources, community identity, and economy. Newport Harbor historically contained commercial and industrial uses, which have been replaced by a range of recreational and boating activities, such as sport fishing, kayaking, diving, wind surfing, sailboat racing, and excursion and entertainment boat activities, as well as visitor-serving commercial and recreational uses and waterfront residences, which are central to the City's identity and charm. This existing conditions and background analysis reviews eight topic areas central to maintaining the character of the harbor and bay.

4.1 Diversity of Land Uses

Residents and visitors are drawn to the harbor and bay because the balance of development and natural resources provides many recreation, shopping, and dining opportunities. Additionally, the area provides key employment opportunities that are unique to Newport Harbor. The economic impact of employment in Newport Harbor is detailed in Appendix A to this report. The harbor and bay area includes three mixed-use zones, three commercial zones, two open space and recreation zones, a public facilities zone, and a private institutions zone. The extent and location of these zones are shown in Figure 1.

Figure 1. Zoning Districts



4.1.1 Mixed-Use Coastal Zoning Districts

The Mixed-Use Coastal Zoning Districts include five sperate districts with varied land use regulations and purposes. Mixed-use Vertical Districts promote mixed-use structures that include retail, offices, restaurants, and other similar uses on the ground floor, with residential dwelling units above. Mixed-Use Mariners Mile Districts include properties on the inland side of Coastal Highway in the Mariners Mile Corridor. Properties bordering the highway must be developed for non-residential uses, and the rest of the zoning district can be developed as freestanding non-residential uses, multi-unit dwellings, or mixed-use structures with residential spaces existing above non-residential ground floor uses. The Mixed-Use Cannery Village and 15th Street District applies to communities in this area that intend to cohesively develop a neighborhood that contains multi-family residential, mixed-use, and non-residential land uses. To enhance pedestrian activity and interest, the zoning district requires ground-floor uses along street frontages to be non-residential. Mixed-Use Water districts apply to all waterfront properties along the Mariners Mile Corridor where both non-residential uses and residential dwellings are permitted. In these districts, 50% or more of the square footage in a mixed-use development must be used for non-residential uses, including marine-related and visitor-serving uses. Lastly, the Mixed-Use Water District applies to all waterfront properties where marine-related uses can combine with general commercial, visitor-serving commercial, and residential dwellings on upper floors.

4.1.2 Commercial Coastal Zoning Districts

The Commercial Coastal Zoning Districts include seven zones, three of which are explicitly visitor-serving. The Commercial Recreational and Marine Coastal Zoning District provides for areas appropriate for commercial development on or near the waterfront that will encourage the continuation of coastal-dependent and coastal-related uses, maintain the marine character, encourage mutually supportive businesses, encourage visitor-serving and recreational uses, and encourage physical and visual access to the bay. The Commercial Visitor-Serving Coastal Zoning District is intended to provide for areas appropriate for accommodations, goods, and services intended to primarily serve visitors of Newport Beach. The Commercial Visitor-Serving—Lido Village Zoning District provides for a range of accommodations (e.g., hotels, motels, hostels), goods, and services intended to primarily serve visitors to Newport Beach.

4.1.3 Special Purpose Coastal Zoning Districts

Special Purpose Coastal Zoning Districts are split into six sub-districts based on the individual special purpose of each district. Open Space Coastal Zoning Districts protect and enhance natural resources in Newport Beach while providing areas for a range of public and private uses. Additionally, these districts protect open space areas in residential and non-residential developments where no further development is allowed. Planned Community Coastal Zoning Districts look to diversify land uses by providing appropriate areas for the development of comprehensive projects. These districts balance the environmental and physical arrangement of land uses to ensure a well-coordinated and functional built environment. Public Facilities Coastal Zoning Districts include appropriate areas for public facilities, such as community centers, libraries, public utilities, schools, cultural institutions, and various governmental facilities. Private Institutions Coastal Zoning Districts provide areas for private facilities that serve the general public, including meeting facilities, care homes, cultural institutions, health care facilities, marinas, museums, private schools, social clubs, and other similar facilities. Parks and Recreation Coastal Zoning Districts provide areas for public and private recreation, including aquatic facilities, golf courses, marina facilities, tennis clubs, and other similar recreation-related facilities. Lastly, Tidelands and Submerged Lands Coastal Zoning Districts look to protect, maintain, and enhance natural resources that exist in tidelands and submerged lands in Newport Bay, the Pacific Ocean, and other adjacent lands. However, these zoning districts do not apply to historical tidelands and submerged lands that have been filled or reclaimed.

4.2 Diversity of Water Uses

Newport Beach offers many harbor- and boating-related opportunities to support recreation on Newport Bay and the wider Pacific Ocean. There are various anchorage and mooring facilities for people to dock or store their boats, which are described in detail below. Furthermore, there are many vessel launching, renting, and maintenance facilities that support the local boating community.

4.2.1 Vessel Launching

Vessel launching facilities include ramps and docks that support motorboats, sailboats, yachts, kayaks, and rowing shells. Public boat launching facilities in Newport Beach include the Newport Dunes launch ramp and multiple hand-carried-boat launching locations. There are 46 hand-carried-boat launching sites in the Newport Harbor: 21 street-end beaches where people can launch human-powered (non-motorized) boats on Balboa Peninsula,

22 street-end beaches on Balboa Island, 1 launch site at the Newport Aquatic Center, 1 launch site at the Newport Beach Harbor Patrol Facility, and 1 launch site at Newport Dunes.[4] Vessel launching is also provided at the Orange Coast College David A. Grant Collegiate Rowing Center and the Boy Scout Newport Sea Base through participation in their various programs. Private vessel launching facilities are provided at commercial marinas, boat yards, yacht clubs, and boating associations for members.

4.2.2 Mooring and Storage

Vessel mooring refers to a location, often a dock, slip, or fixed mooring buoy, in a marina where boats can be tied off or moored in water. Vessel storage facilities refer to off-water locations where vessels can be stored. Both mooring and storage often occur for longer periods of time compared to short-term docking. Mooring and storage facilities can serve personal vessels, rental boats, charter boats, yacht and sailing club vessels, commercial vessels, and vessels for sale.

Newport Harbor contains more than 1,200 moorings, including on- and off-shore facilities. These moorings are dispersed in 15 mooring fields throughout the harbor. Of the 15 mooring fields, 9 are classified as harbor and off-shore fields and 6 are classified as on-shore fields. Off-shore fields are those in open water with floating mooring buoys affixed by tackle to the ocean floor, and on-shore fields are those near the shore that use built shore fixtures, such as docks or piers, for mooring. The 9 harbor and off-shore mooring fields contain more than 800 moorings. Additionally, there are 6 on-shore mooring fields. Anchorages refer to places without designated mooring buoys where vessels can use anchoring tackle to temporarily anchor outside of navigation channels. Public vessel anchorage within Newport Harbor is restricted to areas at either end of Lido Isle.[5]

Newport Harbor has 16 marinas providing more than 2,100 slips. The Balboa Yacht Basin Marina is the single marina owned and operated by the City. This marina contains 172 slips for vessels 20 to 75 feet in length.[6] Several commercial marinas in Newport Harbor also offer guest slips. Balboa Island and Balboa Peninsula each provide public docks for loading and unloading purposes, including five docks on Balboa Island and six docks along the Balboa Peninsula. Furthermore, two other public docks exist in Newport Harbor: the Rhine Warf public dock and the Central Avenue public dock.[7] Many vessels in Newport Harbor are berthed at piers that are connected to residential properties. Newport Harbor contains more than 1,200 piers, with the majority of them being privately owned. In addition to public and residential piers, several commercial piers exist in Newport Harbor, which are primarily used for charter boats and entertainment. See Table 4 for additional mooring and storage information.

Vessels are also stored in on-land “dry” facilities, usually on trailers, boat stands, and enclosed boat racks. Dry boat storage is provided at some boat yards, yacht clubs, boating associations, and other similar facilities, often for a fee or included with membership fees.

4 City of Newport Beach. 2001. “Boat (Hand-Carried) Launch Sites.” March 15, 2001. Accessed October 24, 2023. https://newportharborfoundation.org/wp-content/uploads/BoatLaunchSites.pdf.

5 Newport Mooring Association. 2015–2019. “Mooring FAQs.” Accessed October 24, 2023. https://newportmooringassociation.org/mooring-faqs.

6 City of Newport Beach. n.d. “Balboa Yacht Basin Marina.” Accessed October 24, 2023. https://www.newportbeachca.gov/government/departments/harbor/balboa-yacht-basin-marina.

7 City of Newport Beach. n.d. “Public Dock and Restroom Locations.” Accessed October 24, 2023. https://www.newportbeachca.gov/government/departments/harbor/resources-services.

Table 4. Mooring and Storage Facilities

Facility	Total Number	On Shore	Harbor/Off Shore
Mooring Fields	15	6	9
Piers	1,200	N/A	N/A
Marinas	16	N/A	N/A
Boat Slips	2,100	N/A	N/A

Notes:
N/A = not applicable

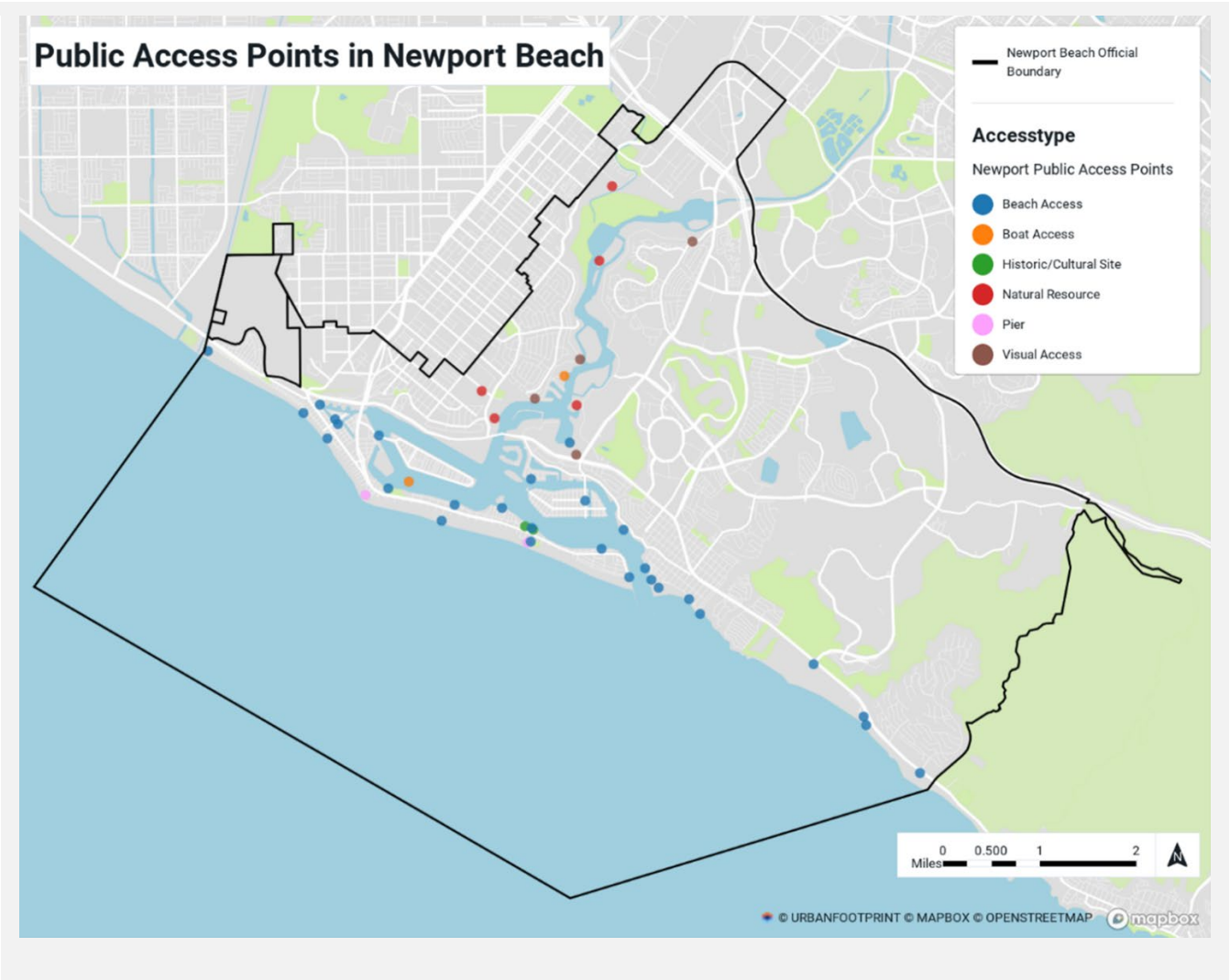
4.2.3 Harbor Support Facilities

With such a large boating presence in Newport Beach, it is crucial that harbor support facilities exist to maintain, repair, and construct vessels. Additionally, harbor support includes fuel, supply, cleaning, waste removal, and other related facilities. These facilities provide the necessary amenities and operational support systems to maintain the lively maritime community of Newport Beach. Land use conflicts and an increase in real estate prices have threatened these support facilities, moving many of them to inland locations. The City has used land use controls in an effort to protect these essential maritime facilities.

4.3 Public Access

Newport Beach has an extensive system of accessways to ocean beaches and the bay (see Figure 2, Coastal Access Map). Public access features in Newport Bay include public beaches, parks, shoreline trails, walkways, and boardwalks. In compliance with the California Coastal Act, the City will continue to require all new development causing or contributing to adverse public access impacts to provide easements or dedications in areas where public access is inadequate through the Coastal Development Permit process. These public accessways are described in detail in the Coastal Land Use Plan and summarized and updated herein, as applicable.

Figure 2. Coastal Access Map



4.3.1 Public Access and Amenities

In Newport Beach, shoreline access types are classified in six categories: beach access, boat access, historic/cultural sites, natural resources, piers, and visual access points. Of the 43 access points, most of them are categorized as beach access. Many of these sites include parking, access for people with disabilities, and restrooms. Some sites include fishing and boating opportunities, and three sites include campgrounds. Table 5 shows the percentages of each access type that include a specific amenity, such as restrooms or parking.

Table 5. Beach Access Amenities by Access Type

Access Type	Access Points (number)	Parking (percent)	Disabled Access (percent)	Restroom (percent)	Campground (percent)	Fishing (percent)	Boating (percent)
Beach Access	28	67.90%	53.6%	46.4%	10.7%	46.4%	35.7%
Boat Access	2	100%	100%	100%	0%	50%	100%

Table 5. Beach Access Amenities by Access Type

Access Type	Access Points (number)	Parking (percent)	Disabled Access (percent)	Restroom (percent)	Campground (percent)	Fishing (percent)	Boating (percent)
Historic/Cultural Site	2	100%	100%	100%	0%	50%	50%
Natural Resource	5	100%	80%	80%	0%	0%	20%
Pier	2	100%	100%	100%	0%	100%	0%
Visual Access	4	75%	0%	0%	0%	0%	0%

Notes: All boat access locations include boating facilities, and some access types other than boating access also include boating facilities.
Access Type = Generalized feature type of coastal access.
Parking = Parking available at access site (percent yes).
Disabled Access = Disabled access and/or disabled access facilities available at access site (percent yes).
Restrooms = Restrooms available at access site (percent yes).
Campground = Camping facilities at access site (percent yes).
Fishing = Fishing is a recognized activity at access site and fishing facilities may be present (percent yes).
Boating = Boating is a recognized activity at access site and boating facilities may be present (percent yes).
Beach Access = Site classified by Indicators Project as having "Beach Access" (percent yes).

4.3.2 Public Access and Sea-Level Rise

Based on future projections, many beach access sites and amenities at these sites will be inaccessible due to climate-change-related water inundation. However, the specific timing and extent of sea-level rise is unknown beyond theoretical models. Refer to the Resilience Existing Conditions Background Analysis for a detailed discussion of forecasted sea-level rise impacts. Table 6 details what percentage of amenities will be lost according to multiple projected scenarios. It is clear from the data that access points that offer boating and camping are most at risk from sea-level-rise. However, these two amenities are not as common as parking, disabled access, and restrooms, which means loss of these three amenities would be more widespread overall.

Table 6. Loss of Beach Amenities Due to Sea-Level Rise

Sea-Level Rise Scenario	Access Points Inundated (number)	Access Type (percent)	Parking (percent)	Disabled Access (percent)	Restroom (percent)	Campground (percent)	Fishing (percent)	Boating (percent)
2030, High Emissions (0.25 meters)	11	Beach Access: 90.9% Natural Resource: 9.1%	18.2%	16%	17.4%	33.3%	17.6%	42.9%
2050, High Emissions (0.5 meters)	16	Beach Access: 75% Historic/Cultural Site: 12.5% Natural Resource: 12.5%	30.3%	32%	39.1%	33.3%	29.4%	64.3%
2100, Low Emissions (1.25 meters)	20	Beach Access: 80% Historic/Cultural Site: 10% Natural Resource: 10%	39.4%	40%	47.8%	66.7%	41.2%	71.4%
2100, High Emissions (1.5 meters)	22	Beach Access: 81.8% Historic/Cultural Site: 9.1% Natural Resource: 9.1%	45.5%	48%	52.2%	66.7%	47.1%	71.4%

4.4 Natural Resources

Newport Beach contains extensive natural resources because it is located in a unique area situated between the Pacific Ocean, Upper Newport Bay, and other surrounding natural areas. Some natural resources that are significant to the character of Newport Beach include Environmentally Sensitive Habitat Areas, wetlands, and marine and coastal resources. Protection of these valuable resources is crucial not only to the flora and fauna that thrive in these areas, but to community members and visitors who receive environmental and aesthetic benefits from these pristine habitats.

4.4.1 Environmentally Sensitive Habitat Areas

Environmentally Sensitive Habitat Areas (ESHAs) are defined by the California Coastal Act as "any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments" (Section 30107.5).[8] These areas are often categorized by the presence of rare, sensitive, endangered, threatened, or especially valuable species or habitats. ESHAs can be designated based on the presence of a particular plant or animal species, or on a particular habitat (e.g., vegetation assemblage, landform indicators). Because they are particularly ecologically important areas, ESHAs come with increased development regulations to protect their continued existence, as mandated by California Coastal Act Section 30240.

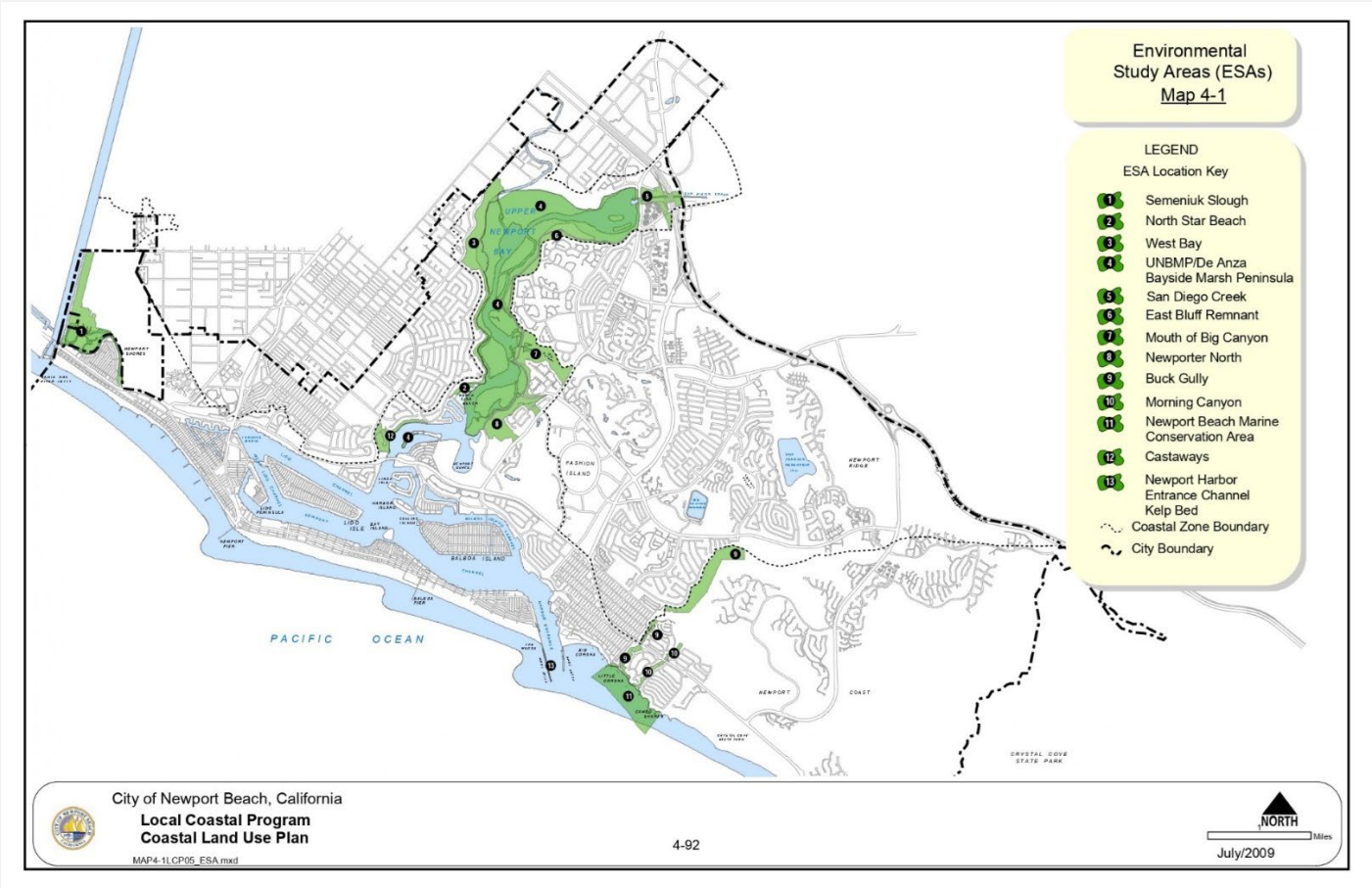
ESHAs contain many different types of habitats, including wetlands, woodlands, riparian areas, grasslands, and coastal beaches, to name a few. Within the Newport Beach Sphere of Influence, ESHAs include dune habitats, scrub habitats, chaparral habitats, riparian habitats, marsh habitats, coastal grasslands, vernal pools, freshwater seeps, wetlands, and alkali meadows.[9,10] Figure 3 shows environmental study areas, which are presumed to but may or may not contain an ESHA. ESHA presence is confirmed with a site-specific biological survey, which would be included in an application for a Coastal Development Permit.

8 California Coastal Act. 2023. "Environmentally Sensitive Habitat Areas." Accessed October 24, 2023. https://www.coastal.ca.gov/coastact.pdf.

9 City of Newport Beach California. 2005. *Coastal Land Use Plan*. Accessed October 27, 2023. https://www.newportbeachca.gov/government/departments/community-development/planning-division/general-plan-codes-and-regulations/local-coastal-program/coastal-land-use-plan.

10 Within these various habitats and natural areas are numerous plant and animal species designated federally and by the state as endangered or threatened. These species are listed by location in the California Natural Diversity Database (CNDDB). Reference the Flora and Fauna sections of the Natural Resources Element for specific information.

Figure 3. Environmental Study Areas



4.4.2 Wetlands

Wetlands are defined in Section 30121 of the California Coastal Act as "lands within the coastal zone which may be covered periodically or permanently with shallow water and include saltwater marshes, freshwater marshes, open or closed brackish water marshes, swamps, mudflats, and fens."[11] Additionally, Title 14 Section 13577 of the California Code of Regulations establishes a "one parameter definition" of a wetland as follows:

> [L]and where the water table is at, near, or above the land surface long enough to promote the formation of hydric soils or to support the growth of hydrophytes, and shall also include those types of wetlands where vegetation is lacking and soil is poorly developed or absent as a result of frequent and drastic fluctuations of surface water levels, wave action, water flow, turbidity or high concentrations of salts or other substances in the substrate. Such wetlands can be recognized by the presence of surface water or saturated substrate at some time during each year and their location within, or adjacent to, vegetated wetlands or deep-water habitats.[12]

Based on these definitions, an area is designated as a wetland under the California Coastal Act if it meets one of the wetland parameters provided above. The California Coastal Act wetland definition does not distinguish a wetland designation based on the quality of the wetland, which means that degraded or poorly functioning wetlands are afforded the same protection under this act. This designation process is similar to, but more conservative than, the "three parameter definition" process used to designate wetlands by the U.S. Army Corps of Engineers, which requires wetlands to meet all three established parameters.

Wetlands within Newport Beach include the Upper Newport Bay Ecological Reserve and freshwater creeks that lead into the Pacific Ocean. For development permitting purposes, identification of wetlands always relies on an on-the-ground, site-specific survey and habitat delineation at the time of application rather than a static map because these features can be ephemeral and change over time.

4.4.3 Marine and Coastal Resources

Newport Beach contains a significant quantity of marine and coastal resources due to its unique location along the Pacific Ocean. Newport Beach is bisected by Newport Bay, which flows through the Newport Harbor into the Pacific Ocean. The prevalence of marine and coastal resources in the area plays a large role in the character of Newport Beach. The Pacific Ocean, Newport Bay, and other marine and coastal resources provide Newport Beach with ecological, recreational, economic, and aesthetic value. Development in and around Newport Beach is concentrated around the vast marine and coastal resources. The area is a hub for visitors who are drawn by the pristine coastline and marine-related opportunities. A large portion of marine and coastal resources in Newport Beach are protected to ensure that they are sustained as a significant contributor to the area and its people.

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11 California Coastal Act. 2023. "Wetlands." Accessed October 24, 2023. https://www.coastal.ca.gov/coastact.pdf.

12 California Coastal Commission. 2013. *LCP Update Guide*, "Section 4, Environmentally Sensitive Habitats and Other Natural Resources." July 31, 2013. Accessed October 24, 2023. https://documents.coastal.ca.gov/assets/lcp/LUPUpdate/LUPGuidePartI_4_ESHA_July2013.pdf#:~:text=%22Wetland%22%20means%20lands%20within%20the%20coastal%20zone%20which,swamps%2C%20mudflats%2C%20and%20fens.%20CCR%20%C2%A713577%28b%29%20%28in%20part%29.

Marine and coastal resources in Newport Beach include the following:

- The Upper Newport Bay Ecological Reserve
- Oceanside beaches, including Newport Beach, Balboa Beach, Corona Del Mar State Beach, and others
- City parks, including Castaways Park, West Jetty View Park, Back Bay View Park, and others
- Piers, including Balboa Pier, Newport Beach Pier, and other public piers
- Beachfront and bay facilities and amenities, including trails, restrooms, sports facilities, access points, and others
- Islands, coves, and bays
- Scenic and visual resources
- Groundwater resources

4.5 Coastal Hazards

Refer to the Resilience Existing Conditions and Background Analysis.

4.6 Recreational Water Quality

Recreational waters, including sandy beach areas, tidepools, Newport Harbor, and Newport Bay, are central to Newport Beach's economy, culture, and landscape. Therefore, ensuring that these recreational waters are safe for public enjoyment year-round is essential. Recreational water quality varies throughout Newport Beach and is threatened by contaminated storm runoff, trash, and boating-related pollution. This section details the water quality in Newport Beach, as well as the existing threats to water quality and efforts to address those threats.

4.6.1 Recreational Water Quality Concerns

According to Heal the Bay, a trusted nonprofit organization that regularly collects water quality information from nearly 500 locations along the West Coast, Newport Beach experiences varied water quality based on seasonal weather conditions. Within the Newport Bay watershed there are eight monitored waterbodies that are each graded as "good", "unknown", or "impaired" based on water quality standards. Out of the eight distinct waterbodies, one is graded "good", three are "unknown", and four are "impaired" (see Table 7, Water Body Uses and Conditions, for specific water body impairments).[13] In general, water quality is best when the weather is dry and worse during and immediately following rainy weather. This is because stormwater runoff collects bacteria, pollution, and debris from urban areas. This runoff eventually flows into Newport Bay and the ocean via creeks and rivers, including the Santa Ana River and San Diego Creek, as well as stormwater drains and channels. For this reason, water quality tends to decline after it rains near the terminus of the Santa Ana River and in Newport Bay, where San Diego Creek, Big Canyon Creek, and other stormwater channels drain.

According to Heal the Bay's 2021–2022 and 2022–2023 Beach Report Cards, water near the Santa Ana River jetty and Newport Bay experienced good water quality when the weather was dry, receiving grades of A and A+ in nearly every location sampled. However, these locations experienced poor-to-fair water quality after rain events, mostly receiving grades of C, D, and—especially during the unusually wet winter of 2022—a grade of F. One exception

[13] EPA. n.d. "How's My Waterway?" https://mywaterway.epa.gov/community/Newport%20Beach,%20CA,%20USA/overview.

is Vaughn's Launch in Newport Bay, which received a grade of F during both wet and dry weather, and was featured on the 2021–2022 statewide "Beach Bummers" list. This location is affected by polluted runoff from Big Canyon Creek, which is known to carry pollutants from residential areas and Jamboree Road, a major thoroughfare. In contrast, water quality tends to be consistently good in Corona del Mar and Crystal Cove. Nearly all locations sampled in these areas earned grades of A and A+ on the 2021–2022 and 2022–2023 Beach Report Cards during both wet and dry weather, earning them a spot on Heal the Bay's "Honor Roll." [14,15]

Another concern for recreational waters is trash. Significant amounts of trash end up in Newport Beach's recreational waters via the Santa Ana River, San Diego Creek, other creeks and stormwater channels, ocean currents, and from littering. Although the exact quantities of trash are unknown, volunteers pick up large quantities of trash along beaches and in Upper Newport Bay each year.[16]

Other water quality concerns in Newport Bay are related to boating. Chemicals used to paint and clean boats, and fuel leaks from watercraft and unauthorized dumping by boaters can contaminate the bay. In recent years, copper contamination from hull cleaning and painting has been a topic of concern for the Santa Ana Regional Water Quality Control Board, which has jurisdiction over Newport Bay. In December 2022, the Regional Water Quality Control Board adopted a Basin Plan amendment to reduce the water quality limit, or total maximum daily load, for copper, and developed a plan to reduce boating-related copper contamination by 60% over the next 12 years.[17] According to a bay-wide water sampling effort conducted in 2019, the bay-wide average concentration of copper was 2.6 micrograms per liter, which is below the U.S. Environmental Protection Agency water quality limit for copper of 3.1 micrograms per liter.[18] Still, concentrations of copper in 5 out of the 47 locations sampled exceeded 4.0 micrograms per liter. It is expected that Basin Plan implementation of programs to reduce copper contamination, including educational campaigns for hull cleaning, will begin as soon as possible and shall not exceed a timeline of more than 12 years from the effective date of the United States Environmental Protection Agency's approval of the total maximum daily loads for copper detailed in the Basin Plan The plan also includes a phased schedule to achieve 60% reduction of copper discharges as follows:

- 20% reduction no later than 4 years from the effective date of the EPA's approval
- 40% reduction no later than 8 years from the effective date of the EPA's approval
- 60% reduction no later than 12 years from the effective date of the EPA's approval

14 Heal the Bay. 2022. "2021–2022 Beach Report Card." June 2022. https://healthebay.org/wp-content/uploads/2022/06/Beach-Report-Card-2021-2022.pdf?utm_medium=email&utm_source=govdelivery.

15 Heal the Bay. 2023. "2022–2023 Beach Report Card." June 2023. https://healthebay.org/wp-content/uploads/2023/06/Beach-Report-Card-2022-2023.pdf.

16 City of Newport Beach. n.d. "Make A Splash, Pick Up Trash." https://www.newportbeachca.gov/government/departments/public-works/ocean-water-quality/make-a-splash-pick-up-trash.

17 Santa Ana Regional Water Quality Control Board. 2022. Substitute Environmental Document for Proposed Basin Plan Amendment for Total Maximum Daily Load (TMDL) for Copper in Newport Bay, Orange County, California. October 2022. https://www.newportbeachca.gov/home/showpublisheddocument/72561/638023698939070000.

18 City of Newport Beach. 2021. "Copper Total Maximum Daily Load for Newport Bay City of Newport Beach Factsheet." August 2021. https://www.newportbeachca.gov/home/showpublisheddocument/70483/637667929237170000.

Table 7. Water Body Uses and Conditions

Water Body	Issues Identified	Waterbody Uses	Conditions
Balboa Beach	PCBs, pesticides	Fish and shellfish consumption	Impaired
Big Canyon Creek	None	Aquatic life	Unknown
		Fishing and boating	Unknown
Costa Mesa Channel	None	Aquatic life	Unknown
Lower Newport Bay (entire Lower Bay, including Rhine Channel, Turning Basin, and South Lido Channel to east end of H-J Moorings)	Bacteria and other microbes, metals, nitrogen and/or phosphorus, PCBs, pesticides, total toxic chemicals	Fish and shellfish consumption	Impaired
		Swimming and boating	Good
		Marine habitat	Impaired
Lower Newport Bay (Turning Basin and South Lido Channel to east end of H-J Moorings)	None	Marine habitat	Unknown
Upper Newport Bay (Ecological Reserve)	Bacteria and other microbes, nitrogen and/or phosphorus, PCBs, pesticides, sediment, total toxic chemicals	Aquatic life	Impaired
		Fish and Shellfish Consumption	Impaired
		Swimming and boating	Impaired
		Marine habitat	Impaired
Newport Beach	None	Swimming and boating	Good
Rhine Channel	Mercury, metals, PCBs, total toxic chemicals	Aquatic life	Impaired
		Fish and shellfish consumption	Impaired
		Marine habitat	Impaired

4.6.2 Efforts to Improve Recreational Water Quality

To address recreational water quality concerns, the City created the Water Quality/Coastal Tidelands Committee to advise the City Council on decisions with the potential to impact water quality. Additionally, the City has been improving stormwater infrastructure and has led several educational campaigns to reduce the amount of trash and pet waste that ends up in recreational waters.

The City has completed or begun working on several stormwater management projects intended to improve water quality in Newport Bay. Perhaps the most impactful of these projects is the Lower Big Canyon Water Quality and Restoration project, which is in an area of Newport Bay with a known stormwater pollution problem. Phase 1 of this project involved diverting stormwater flows from Jamboree Road and contaminated groundwater seeps into a new bioswale basin that naturally filters out pollutants from stormwater before it enters Big Canyon Creek. Phase 2 involved restoring wetland habitat near the terminus of Big Canyon Creek, which will provide additional filtration as the water enters Newport Bay.[19] Phase 3 was recently approved by the CCC and will realign a portion of Big Canyon Creek and restore 15 acres of degraded salt marsh habitat to improve water quality and provide a transitional adaptation area for sea-level rise. Another notable project is the San Diego Creek Water Wheel. This

[19] City of Newport Beach. 2018. *Resource Efficiency and Water Quality Annual Report 2017–2018.* https://online.anyflip.com/cgexi/jggd/mobile/index.html.

project will use innovative technology to create a self-sustained debris removal system at the terminus of San Diego Creek. It will consist of a water wheel that removes trash from water flowing into Upper Newport Bay and transfers it to a large trash bin using a conveyer belt. This trash will be collected by waste management staff and properly disposed of. The project is expected to reduce the amount of trash entering Newport Bay by 50% to 80% upon completion in spring 2024.[20] Currently, the City monitors its recreational water quality using deployable, solar-powered buoys that detect water quality and will deploy surface debris-collecting rovers in 2024.

4.7 Coordination with Partner Agencies

4.7.1 Marine Protected Areas

A Marine Protected Area (MPA) is a designated area within the State's waters that is managed to protect and conserve marine ecosystems, biodiversity, and marine resources. MPAs are established with the goal of balancing the conservation of these ecosystems with sustainable recreational and commercial uses of the ocean. MPAs were first established in California in 1999 under the California Marine Life Protection Act. This act developed a statewide collaborative network for interested parties to work toward a shared goal of marine conservation. The California Department of Fish and Wildlife and the California Department of Parks and Recreation are key partner agencies for local governments to work with on marine protection efforts. Newport Beach contains two MPAs: Crystal Cove State Marine Conservation Area and Upper Newport Bay State Marine Conservation Area.

The Crystal Cove State Marine Conservation Area is located just offshore from Crystal Cove State Park and includes coves, tidepools, and other natural areas where visitors can explore many unique marine species, including nudibranchs, limpets, sea stars, and others. Upper Newport Bay State Marine Conservation Area is the largest natural protected estuary in Southern California. It exists as a crucial rest stop for migratory birds and is an important home for many other plants and animal species. During migratory winter months, up to 30,000 birds can be seen here in a single day.[21] Both MPAs are managed by the California Department of Fish and Wildlife.

4.7.2 Corona Del Mar State Beach

Corona Del Mar State Beach is managed by the California Department of Parks and Recreation and is a valuable marine resource to the community of Newport Beach that is popular for surfing and diving. The park includes a 0.5-mile-long sandy beach that is enclosed by large rocky cliffs. Newport Beach should coordinate with State agencies to ensure the protection of this valuable marine area.

4.8 Relevant Projects in Progress

There are several projects in progress by the City that could affect the harbor and bay. The City's Planning Division has submitted a "Section 30613 Request" to the CCC to revise the Post-LCP Certification Permit and Appeal

[20] California Natural Resources Agency. n.d. "Newport Bay Water Wheel Project." https://bondaccountability.resources.ca.gov/Project.aspx?ProjectPK=23038&PropositionPK=48.

[21] California Department of Parks and Recreation. n.d. "Crystal Cove SMCA, Upper Newport Bay SMCA." Accessed November 2, 2023. https://www.parks.ca.gov/?page_id=27900#:~:text=In%20the%20waters%20adjacent%20to,Marine%20Conservation%20Area%20(SMCA).

Jurisdiction Map and to transfer certain select areas from CCC permitting jurisdiction to the City. This would mainly affect permitting procedures for shorefront residential properties, but could also impact some commercial, industrial, or City-owned properties by reducing the need for direct coordination with the CCC. The request is currently under review by CCC staff.

The City Harbor Department has a pending Coastal Development Permit application submitted to the CCC for the re-organization of Mooring Field C within Newport Harbor. This project would improve boating safety and increase navigable water area in and around the field while also adding new mooring buoys. Implementation of the project in Mooring Field C would serve as a pilot project for the future reorganization of all the mooring fields in Newport Harbor. The Coastal Development Permit is anticipated to be approved in 2024. Optimization of the mooring fields is part of a larger project by the Harbor Department to improve Newport Harbor's overall mooring system, which also includes streamlining and clarifying mooring permit procedures. These procedural improvements would necessitate text changes to Municipal Code Sections 17.25.020 and 17.60.040, but would not require any changes to the Harbor and Bay Element or the LCP.

5 Issues and Opportunities

5.1 Diversity of Land Uses

The harbor and bay currently support a diverse array of land uses encompassing coastal-dependent, coastal-related, and non-coastal-related uses. These uses include residential, commercial, industrial, and resource protection/open space uses. The California Coastal Act and CCC explicitly prioritize and encourage the following coastal-dependent or related land uses: public access and recreation, visitor serving, aquaculture, commercial and recreational boating and fishing, sensitive habitat preservation, agriculture, and scenic areas. The City has its own priorities that extend beyond the coastal zone, as do its various residents and visitors. As individual properties redevelop or entire neighborhoods or districts around the harbor and bay change over time, the proportion and availability of certain land uses will also inevitably shift. Maintaining a diversity of uses that are appropriate for the harbor and bay will require careful coordination between short-term and long-term planning efforts.

5.2 Diversity of Water Uses

Newport Harbor and the associated commercial and recreational boating culture have significant impacts on water-related uses. Sea-level rise is forecasted to inundate boating access points, mooring facilities, and some boating-serving industries. Boating-related infrastructure is challenging to adapt or migrate inland, but such ocean-dependent uses are prioritized by the CCC for armoring that would otherwise not be allowed for non-ocean-dependent uses. Long-term planning for and protection of commercial and recreation boating resources is a key priority of the Harbor and Bay Element.

5.3 Public Access

The City maintains extensive public access to the coast, allowing for public enjoyment and recreation for residents and visitors. Some low-lying public access points may be threatened by sea-level rise. As beaches and amenities become inundated by regular high tides, beach access will become scarcer, potentially threatening access points. Based on the existing development pattern in Newport Beach, access points that include boating or camping are at the greatest risk of inundation. Another potential impact to beach access includes future land use restrictions, which could be put into place to reduce erosion, protect natural habitats, or for other resource conservation reasons. Although the California Coastal Act and LCP encourage and prioritize public access to the shoreline, they also allow for limitations to public access in cases where such access would significantly negatively impact public safety, private property owner rights, or natural resources. As such, there could be instances where limiting public shoreline access in favor of other considerations results in greater overall public benefits. Recognizing that, it becomes even more important that public access be maximized in the areas where it is most appropriate. The City will also need to balance the recreational and ecological values and resources of the coastline to best create adaptation strategies to maintain public access to the coast in the face of sea-level rise.

5.4 Natural Resources

Natural resources in Newport Beach include biological marine and coastal resources, beaches, islands, wetlands, and other ESHAs. The biggest threats to these natural resources include pollution; habitat destruction from development; and the effects of climate change, such as the migration of species and habitats to more suitable climates. Careful coordination between City and State natural resources managers will be critical in adapting natural areas and increasing ecologically based adaptation solutions. Additionally, as species migrate northward as a result of climate change, natural resource managers across the region will be required to work together to define receiving areas for migrating threatened species. Similarly, as habitat types and locations may change throughout Newport Beach over time, it is important to ensure that habitat protection and development restriction policies are flexible enough to move with the resource and recognize potential impacts that may not have existed in the past.

5.5 Coastal Hazards

Refer to the Resilience Existing Conditions and Background Analysis.

5.6 Water Quality

Refer to the Resilience Existing Conditions and Background Analysis.

5.7 Coordination with Partner Agencies

Adapting to climate change will require a regional approach to allow for large-scale adaptation infrastructure and programs. Coordinating technical and planning resources will support interagency solutions and increase competitive positioning for grant opportunities. Although there are defined interagency coordination measures aimed at creating cohesive climate change guidance and requirements throughout the region and State, there is also the potential for different agencies to have different priorities, policies, and mandates. In planning at the local level, the City must be sure to resolve or address any areas where partner agencies have different guidance, recognizing the relevant regulatory hierarchies.

6 Recommendations

Access to the coast for residents and visitors is essential to the identity and charm of Newport Beach. The following recommendations are provided to ensure long-term safe access for diverse coastal uses and to provide a pathway for compliance with State laws, such as Senate Bill 272.

6.1 Plan for Sea-Level Rise

Sea-level rise is a profound threat to Newport Beach, and phased strategies adapting to short-term storm threats and long-term development plans will need to be developed. The City has already completed a Sea Level Rise Vulnerability Assessment (2019) identifying likely sea-level rise impacts throughout Newport Beach, including Newport Harbor. These vulnerabilities should be addressed through development of adaptation strategies that follow the latest CCC guidance. The combination of sea-level rise projections, land uses, and existing development patterns will help identify areas that are good candidates for adaptation measures, such as hard armoring (e.g., seawalls, bulkheads, riprap, revetments, caissons), structural elevation, sacrificial structures, development removal based on trigger points, floodproofing, adaptive design, relocation, and nature-based solutions (e.g., beach nourishment, dune enhancement, wetland restoration, living shorelines). Although the CCC has been encouraging and funding the adoption of sea-level rise planning policies in LCPs by local governments for many years, Senate Bill 272 was recently passed by the State Senate and now requires that all local governments within the coastal zone prepare a Sea Level Rise Plan by 2034. Local governments that approve such a plan before 2029 will be prioritized for receiving funding for implementation of adaptation measures. Policies and programs identified through the City's adaptation planning may require formal amendments and updates to both the LCP and the General Plan. Given the legislative deadline of 2034, the City does not necessarily need to address the Senate Bill 272 mandate in this current General Plan Update process, but it is important to keep this future requirement in mind as the current update is prepared so that its policies will not conflict with or preclude future sea-level rise adaptation measures. Furthermore, it is a general recommendation that sea-level rise planning efforts be undertaken sooner rather than later.

6.2 Preserve Public Access

Shoreline access points and their associated public amenities will likely be increasingly inundated and potentially permanently unusable due to sea-level rise. Specifically, access points with campgrounds and boating are projected to be impacted first and most profoundly in Newport Beach. This is of considerable concern because camping and commercial and recreational boating facilities are a priority to the City and the California Coastal Act. Although each access point will need to be assessed individually for site-specific considerations, in general, any amenity or facility that is lost or restricted because of sea-level-rise impacts should be replaced through the creation of a comparable use elsewhere, such that overall public access levels throughout the coastal zone are at least maintained, or ideally expanded. Also, and as discussed in Section 4.3, Public Access, the provision of any new public access points must be carefully planned so as to not only protect and enhance existing sensitive habitats, but also provide for their continued adaptation and possible migration considering sea-level-rise effects.

6.3 Support a Mix of Coastal Land Uses

The harbor and bay currently have a diverse mix of land uses, including single-family and multifamily residential; commercial retail, dining, and services; industrial uses; public access and recreation areas; public facilities; fishing and boating facilities; and natural resource areas. To further City goals and priorities, and to maintain consistency with the California Coastal Act, the City should strive to maintain a healthy mix of land uses in the harbor and bay, especially prioritizing coastal-dependent and coastal-related uses, meaning uses that are dependent upon or significantly enhanced by a location on or near the water. Land use designations and development patterns should continue to serve the needs of the City, its residents, and its visitors. Use types should also be distributed evenly throughout the harbor and bay so as to dilute potential impacts and protect popular areas from degradation due to overuse. As the effects of sea-level rise manifest, potentially making existing areas unusable, and properties around the harbor and bay are redeveloped, the proportion and mixture of coastal-dependent and coastal-related uses should be carefully maintained.

6.4 Sea-Level Rise Public Project Checklist

To address the potential effects of sea-level rise on new infrastructure, the City could consider adopting a sea-level-rise infrastructure checklist. This would include a step-by-step process for various City departments to ascertain if sea-level rise would affect a particular project over the life of the infrastructure. This should also include an assessment if a project can accommodate temporary flooding or needs to operate during hazard events, and an assessment of how difficult rebuilding and recovery would be. This would allow project proponents to create adaptation strategies, prioritizing critical projects that face profound risk and would be challenging to rebuild. Typical steps in an infrastructure checklist include the following:

- Project lifespan: Determining how long the project is expected to last
- Project location: Determining the extent of sea-level rise at the project site
- Damage: Analyzing how much potential coastal hazards would likely damage the project, including what would need to be rebuilt once floodwaters recede
- Disruption: Accessing how long, if at all, rebuilding would take after a hazard event
- Adaptation Strategies: Choosing adaptation strategies that would best mitigate the potential damage and disruption

Appendix A

To: **Elizabeth Dickson - Dudek**

From: **Lance Harris - Pro Forma Advisors**

Date: **May 10, 2024**

re: **Newport Beach General Plan Update Economic Support – Harbor and Bay Element**

Executive Summary

Newport Harbor is the largest recreational boat harbor on the west coast and a thriving industry cluster that not only includes maritime related businesses (i.e., shipyards, fueling facilities, boat rentals, charters, ferry services) but also food and beverage, retail, and hotel industries that service the community as well as overnight and daytrip visitors. While the Newport Harbor began with maritime industries, overtime as the industry cluster matured it created a new industry cluster of water recreation industries and the associated tourism that came from it.

Beyond the maritime industries and related visitor serving business activity in Newport Harbor, the area also has one of the largest residential presences of any harbor in California. While there are benefits of having residents in the area, the dramatic appreciation in housing prices places pressure on commercial land uses due to their lower land value. For example, the median sales per square foot for industrial development is approximately one-third that of residential. As such, protecting employment serving commercial space (retail, office, and industrial) in Newport Harbor will be critical to continue to support and maintain the economic activity created by the industry cluster.

Much of the economic activity comes from Newport Harbor's ability to attract tourists. In fact, it is estimated that over 9.5 million overnight and day-trip tourists visit Newport Harbor annually. Based on visitor spending patterns, Newport Harbor is estimated to account for slightly over 30 percent of all direct tourism related spending (nearly $400 million) in the City of Newport Beach. This includes spending on accommodations, entertainment, restaurants, retail, etc. during their stay within Newport Harbor, which for day-trip visitors is estimated to average slightly under four hours. The typical length of stay reflects the visitors' participation in beach or water based recreational activities, which typically occur over longer time periods.

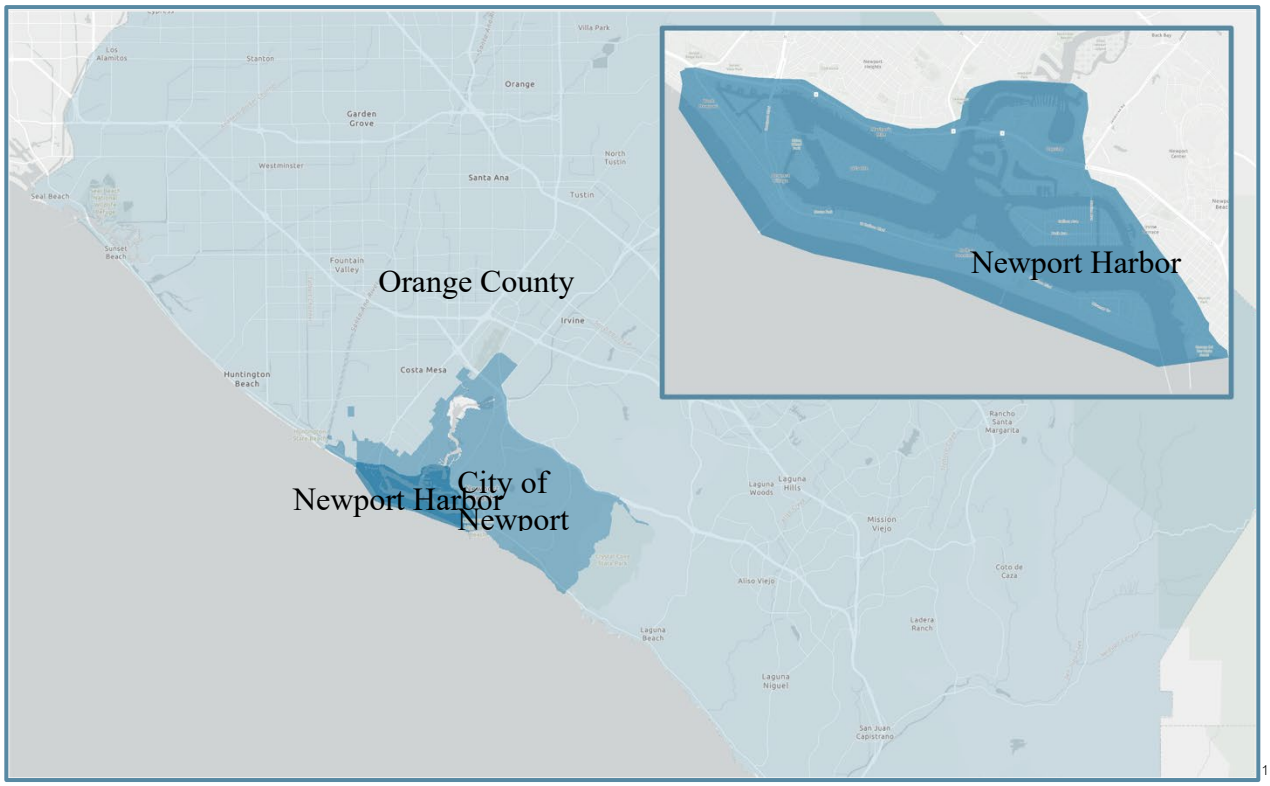
Based on an analysis of maritime and visitor serving industries that would not be located there "but for" the harbor, it is estimated that Newport Harbor creates $547.4 million in direct economic output. This level of economic activity supports approximately 4,440 direct jobs with earnings of $195.8 million. In total, Newport Harbor is estimated to support approximately 5,900 indirect jobs or 1,500 additional indirect jobs in Orange County. In total it is estimated Newport Harbor creates $787 million in total economic output to the county's economy.

Beyond the economic output and associated jobs and earnings created by Newport Harbor, the area also produces significant fiscal benefit to the City of Newport Beach. Property tax from housing and commercial development along with sales and transient occupancy tax provide significant revenue to the City's General Fund. The analysis could be considered generally conservative as it does not quantify additional visitor spending captured in the City of Newport Beach that was induced from visits to Newport Harbor. Similarly, by not quantifying the fiscal impacts of Newport Harbor the study underestimates the overall economic benefit to the City of Newport Beach.

Memo Organization

This memorandum includes two sections. The first section presents a base economic overview of the Newport Harbor, which is defined as a 4.3 square mile boundary as presented in **Figure 1** that is roughly approximate to the Newport Harbor and surrounding area.[1] This section reviews historic and projected level of employment, industry clusters, and real estate market trends that might place pressure on the replacement of marine uses and harbor support facilities. The second section provides an economic impact assessment of the existing businesses and support activities of the Newport Harbor's commercial uses (e.g. maritime and commercial fishing) as well as the relative impact of the tourism related economic benefits that the Newport Harbor creates in the regional economy.

Figure 1: Newport Harbor, City of Newport Beach, and Orange County Map



[1] Newport Harbor includes 21.6 miles of water frontage plus an additional 15.5 miles of water frontage in the Back Bay. This analysis focuses on the Newport Harbor area.

Base Economic Overview

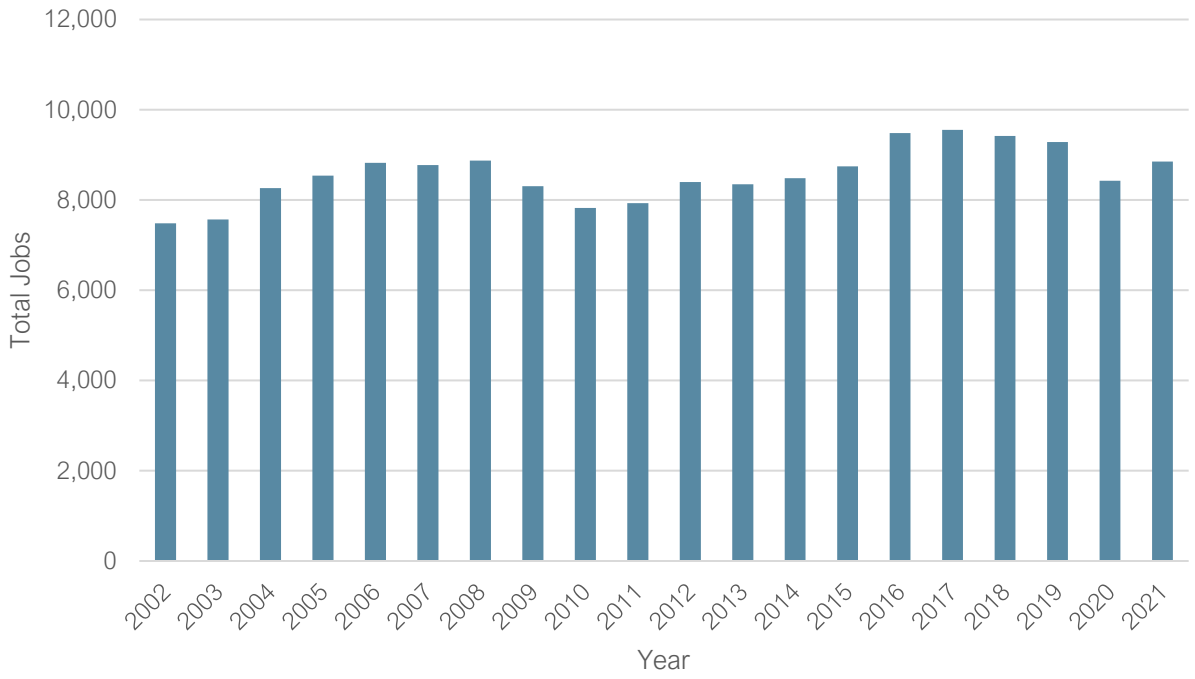
Introduction

Newport Harbor is an extensive small craft harbor with more than 9,000 recreational boats berthed in its facilities, serving as the largest recreational boat harbor on the west coast. As such, it is one of the most popular tourist destinations for all aspects of boating and water activities in Orange County (County). The harbor is a thriving economy home to not only maritime related businesses (i.e., shipyards, fueling facilities, boat rentals, charters, ferry services) but also food and beverage, retail, and hotel industries that service the substantial visitor activity.

Historic Employment

The following analysis examines jobs located in the Newport Harbor based on 2021 data from OnTheMap. OnTheMap was developed by the US Census to provide geographic patterns of jobs by their employment location. Using the previously defined area, in 2021 there were an estimated 8,850 workers (part and full time) employed in the Newport Harbor. As shown below in **Figure 2** total jobs in the area peaked in 2017 and experienced lows in years impacted by recessions in the early 2000s, post Great Recession years, and COVID-19 (2020).

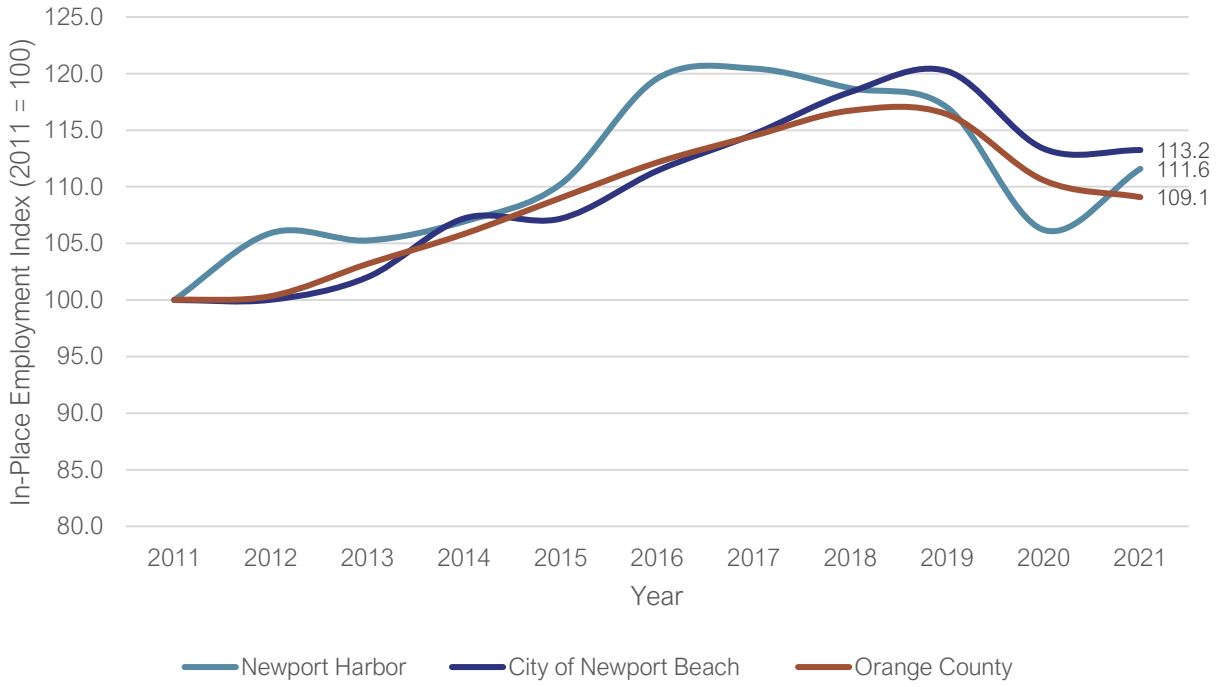
Figure 2: Historic Number of Jobs in Newport Harbor (2002 – 2021)



Source: US Census (OnTheMap) based on Pro Forma defined area for Newport Harbor

This employment base represents approximately 11 percent of the total jobs in the City of Newport Beach (City). Since 2011, employment in Newport Harbor has grown by a growth rate of 1.1 percent per year. The employment growth in Newport Harbor has lagged slightly behind the City (1.25 percent per year) but has grown faster than the larger County area (0.87 percent per year). The following figures provide a comparison of in-place employment growth in Newport Harbor, the City, and larger County area between 2011 and 2021.

Figure 3: In-Place Employment Index (2011 – 2021)

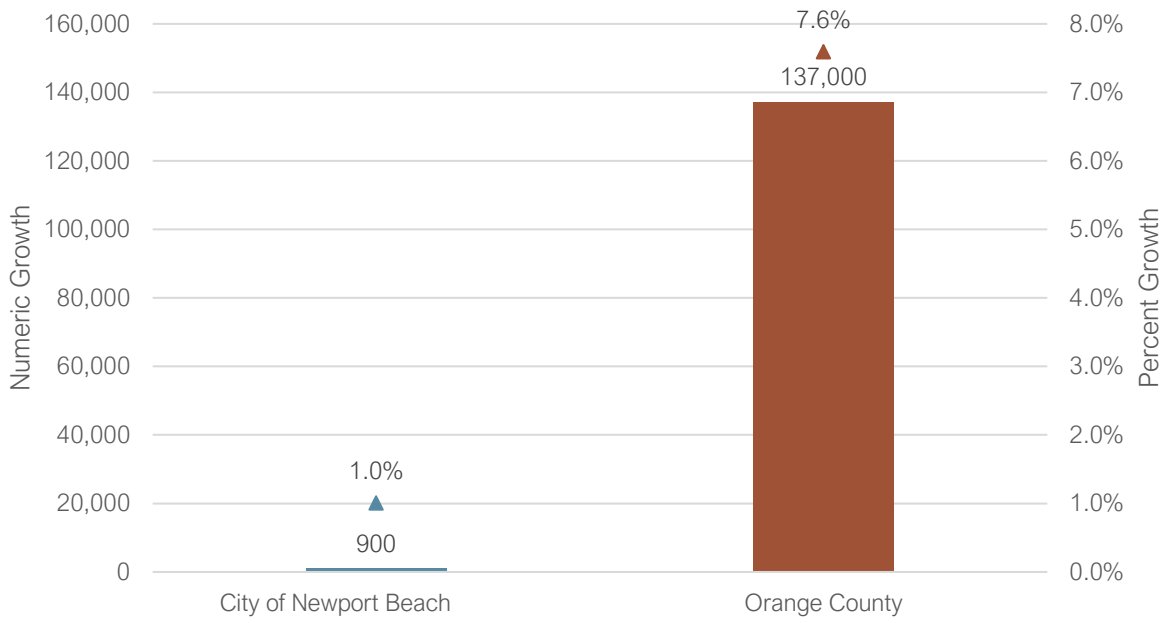


Source: US Census (OnTheMap) based on Pro Forma defined area for Newport Harbor

Projected Employment

Based on data provided from the Southern California Association of Governments (SCAG), the City's employment base is not projected to increase dramatically over the next 10 to 20 years (**Figure 4**). SCAG's Local Data Exchange process was developed to gather the most updated information available from local jurisdictions covering land use, growth, and related plan inputs to inform the development of Connect SoCal 2024, which was adopted in April 2024. Based on SCAG's estimates, the City will increase employment by less than 1,000 jobs by 2035. This represents a total growth rate of one percent from 2019 to 2035, which is significantly lower than the employment growth compared to the County, which is projected to increase by 7.6 percent or 137,000 jobs during the same period.

Figure 4: Employment Projection (2019 - 2035)



Source: SCAG (2024)

Industry Composition

The following **Table 1** provides information on the number of jobs in Newport Harbor by the 2-digit NAICS classification and job growth (or loss) between 2011 and 2021. In total, just over 900 jobs were added over the 10-year period. Several industries had job growth but the rapid expansion of Professional, Scientific, and Technical Services accounted for nearly half of the job gains. In contrast, the greatest job loss came within the Administration & Support, Waste Management and Remediation, Real Estate and Rental and Leasing, and Public Administration industries. Most of the industries that exhibited the most volatility was not directly connected to maritime related activities.

Table 1: Jobs by NAICS Industry Sector (2021)

Industry Sector	Number	Percent	Number Change (2011-2021)
Agriculture, Forestry, Fishing and Hunting	2	0.0%	-1
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0
Utilities	0	0.0%	0
Construction	270	3.1%	156
Manufacturing	81	0.9%	56
Wholesale Trade	151	1.7%	-93
Retail Trade	941	10.6%	148
Transportation and Warehousing	326	3.7%	-59
Information	258	2.9%	166
Finance and Insurance	384	4.3%	166
Real Estate and Rental and Leasing	344	3.9%	-193
Professional, Scientific, and Technical Services	887	10.0%	440
Management of Companies and Enterprises	1	0.0%	-12
Administration & Support, Waste Management and Remediation	68	0.8%	-205
Educational Services	44	0.5%	-39
Health Care and Social Assistance	646	7.3%	271
Arts, Entertainment, and Recreation	350	4.0%	-87
Accommodation and Food Services	3,105	35.1%	-8
Other Services (excluding Public Administration)	790	8.9%	371
Public Administration	203	2.3%	-158
Total	8,815	100.0%	919

Source: OnTheMap, US Census

Industry Clusters

Strong concentrations of related industries in one location are called industry clusters. Industry clusters consist of a variety of companies, suppliers, service providers, etc. that support one another. Strong industry clusters in an area can support the local economy and help position specific regions for uniquely competitive for jobs and private investment. A strong industry cluster is

defined by a cluster that has high employment specialization in a region. Two cluster types make up a regional economy: Local and Traded Clusters.

A Local Cluster consists of groups of industries that primarily serve the local market. As such, Local Clusters are not typically impacted by the competitive advantages of a particular location. Most of the employment in a region comes from local clusters. They are not directly exposed to competition from outside of their direct geography. Some examples of local clusters include health services like dentists or personal services like hair salons, which service the residents of the City instead of people from outside the local economy.

In contrast, Traded Clusters are complementary, competing, and interdependent industries that drive wealth creation through the export of goods and services. In addition to exporting, companies in the Traded Clusters exhibit two other distinct characteristics: strong business transaction relationships and close geographic proximity. In Traded Clusters, transactions between these firms are stronger than their transactions with the rest of the economy. Also, by locating within proximity to each other, businesses can gain a collective and competitive advantage that might not be achieved otherwise. In essence, the concentration of businesses within a set geography helps create a synergy between cluster firms.

Traded Clusters are thought to be conducive for new business creation for two main reasons. First, they act as a driver of the local economy because Traded Cluster firms require goods and services from local businesses to meet the demand for their exports. Second, as they mature in their business cycle, cluster firms create demand for new types of products and services, some of which are not supplied by existing firms. As a result, business clusters can generate demand for the creation of new firms in the local economy.

The Newport Harbor began by developing a Traded Cluster of maritime industries such as boatbuilding, shipbuilding, and commercial fishing. However, overtime as the cluster matured it created a new cluster of water recreation industries and the associated tourism that came from it. To understand the relative strength of existing clusters, Pro Forma Advisors utilized a location quotient analysis to compare Newport Harbor to the larger County region.

Location Quotient Analysis

The location quotient (LQ) is a tool that measures the relative concentration of different industries in specific localities relative to a larger level of geography. In most cases, the LQ would compare a county to a state or national level of employment concentration. However, it is useful to get a proxy for relative employment concentration among industries within a sub-regional level geography. The calculation helps evaluate Newport Harbor's strength or weakness relative to the County as a whole. A concentrated (high) LQ means that a given industry is represented more than one would expect, given its total level of employment. The following describes the LQ:

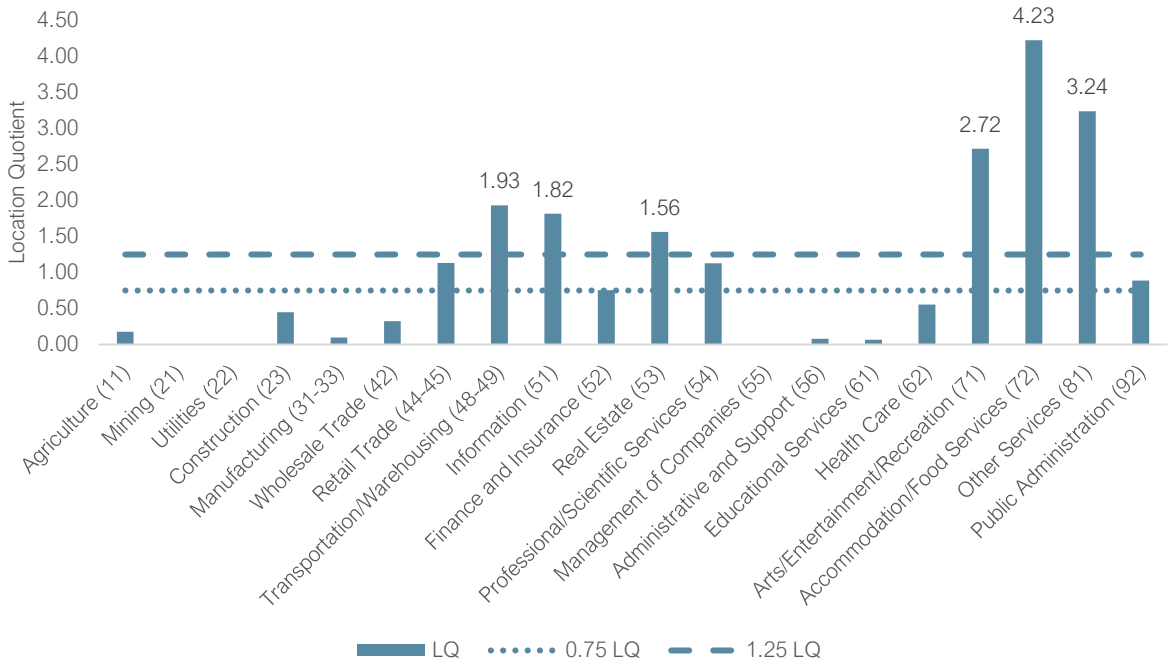
- LQ > 1.0 means that an industry is more concentrated in Newport Harbor than in the County.
- LQ < 1.0 means that an industry is less concentrated in Newport Harbor than in the County.
- LQ = 1.0 means that an industry is equally concentrated in Newport Harbor as in the County.

Because industries with a LQ greater than 1.0 indicates relatively high production of a particular service, it is likely that some amount of that industry is being exported. Employment in that industry (or the portion of employment that causes the LQ to exceed 1.0) is then assigned to the economic base and is given credit for supporting the economy. Conversely, if an industry has a LQ less than one, it is assumed to be a local-serving or non-basic industry. For comparison purposes, it is often useful to focus on the outlier industries with a LQ greater than 1.25 or less than 0.75. The assumption is that industries falling within 0.75 and 1.25 are probably producing at levels sufficient to meet local demand in the local area.

As shown in below in **Figure 5**, there are several industries in the Newport Harbor with a LQ greater than 1.25. These included Transportation and Warehousing, Information, Real Estate, Arts, Entertainment, and Recreation, Accommodation and Food

Services, and Other Services. The maritime related industries in Newport Harbor tend to be in industries such as Manufacturing (e.g. ship building and repair), Wholesale Trade (e.g. wholesale marine equipment), Retail Trade (e.g. water activity related sales), Transportation and Warehousing (e.g. charter rentals), and Other Services (e.g. marine repairs). Other secondary industries that service the community as well as visitors include Arts, Entertainment, and Recreation and Accommodations and Food Services. Many of these industries with such a high LQ represent the maritime related Traded Cluster of industries in Newport Harbor.

Figure 5: Newport Harbor Location Quotient (2021)



Source: OnTheMap, US Census

Newport Harbor Related Employment

Utilizing data available from California's Employment of Development Department (EDD), Pro Forma Advisors estimates that approximately 50 percent (4,424 jobs) of the total employment (8,851 jobs) within the defined area directly relate to Newport Harbor and are representative to the previously discussed Newport Harbor traded industry cluster. While the total number of may be higher, the review of EDD data attempts to isolate industries that would not be located there "but for" the harbor and its related activates. The following **Table 2** provides a consolidated summary of the Newport Harbor industry cluster by 2 Digit NAICS code.

Table 2: Newport Harbor Job Cluster by NAICS Industry Sector (2021)

Industry Sector	Total in Newport Harbor	Total in Newport Harbor Industry Cluster	Percent of Total Newport Harbor Industry Cluster
Manufacturing	81	64	79%
Wholesale Trade	151	52	34%
Retail Trade	941	316	34%
Transportation and Warehousing	326	164	50%
Real Estate and Rental and Leasing	344	172	50%
Arts, Entertainment, and Recreation	350	350	100%
Accommodation and Food Services	3,105	3,105	100%
Other Services (excluding Public Administration)	790	201	25%
Total	8,815	4,424	50.0%

Note: Real Estate and Rental and Leasing industries was estimate by Pro Forma Advisors. All other businesses were surveyed using EDD data and then placed in their respective NAICS Industry Sector.

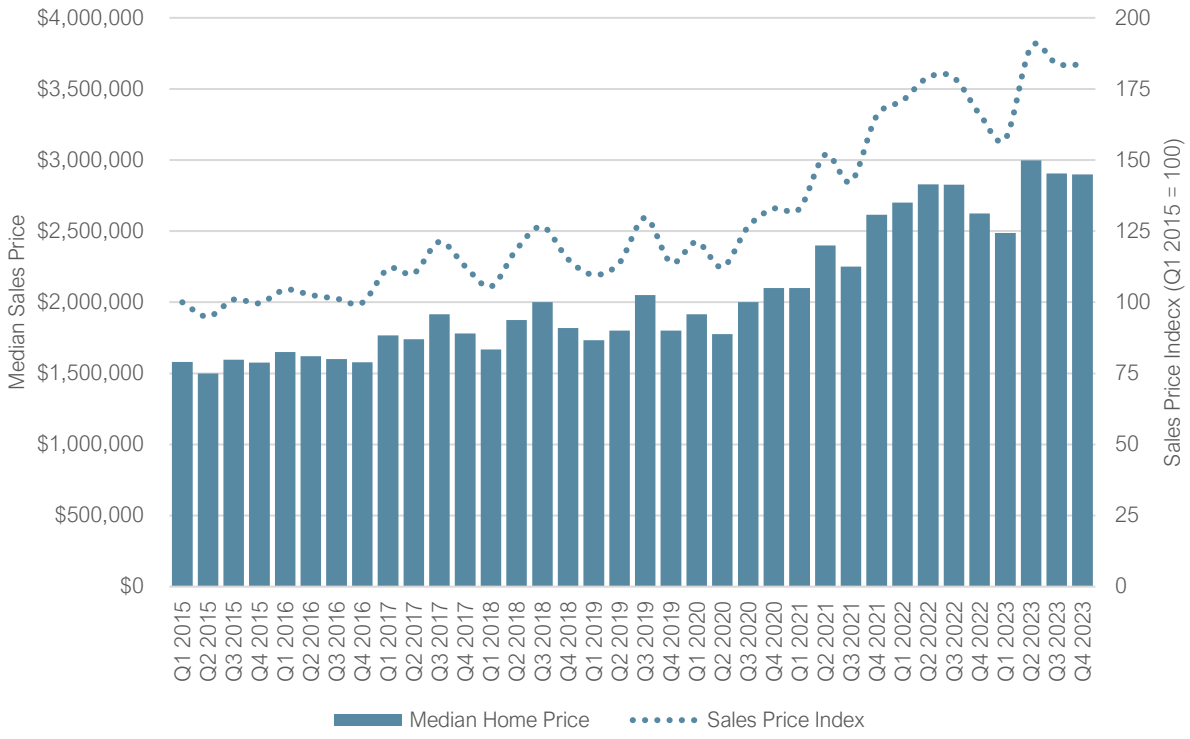
Source: OnTheMap, US Census, Pro Forma Advisors, California EDD

Real Estate Pressure to Harbor Uses

Beyond the noted maritime industries and related visitor serving business activity in Newport Harbor, the area also has an estimated 15,700 residents. The number of people residing in the harbor is one of the largest residential presences in any harbor in California. While there are benefits of having residents to provide additional market support to existing business, the value of those homes inherently place pressure on non-residential land uses.

Since the first quarter (Q1) of 2015, the median sales price of homes in the City of Newport Beach has increased by over 80 percent from $1.58 to $2.90 million (**Figure 6**). These reported sales do not isolate a median price for houses within Newport Harbor, which are likely to be higher than the median due to proximity to the water and associated harbor views. The dramatic appreciation in housing prices places pressure on commercial land uses due to their lower land value.

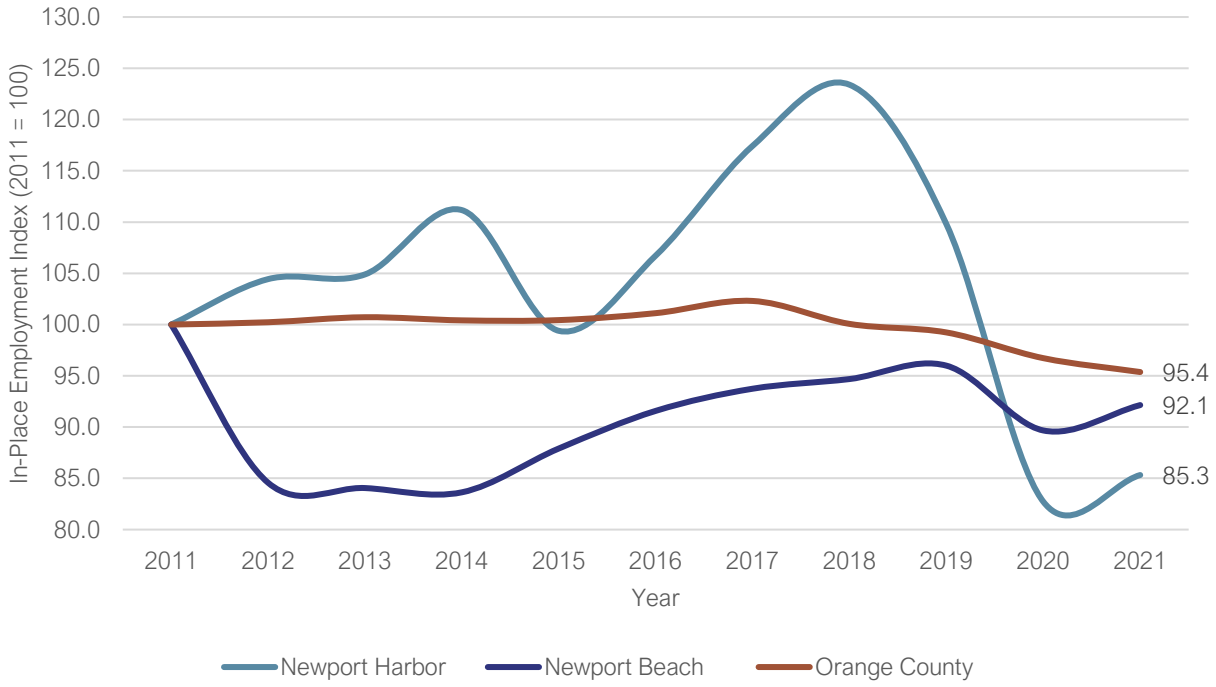
Figure 6: Newport Beach Median Sales Price by Quarter (2015 - 2023)



Source: California Association of Realtors

Typically, traditional maritime commercial uses would utilize industrial space. Using the previously discussed employment data the following **Figure 7** provides a comparison of job change for industries that typically utilize industrial space, which for the purposes of this analysis uses the Utilities, Manufacturing, Wholesale Trade, and Transportation and Warehousing industries. In all three regions, the industries have experienced a decline since 2011. Interestingly, up until 2018, Newport Harbor had been going against the trends until the loss of approximately 250 jobs in between 2019 and 2021. Commercial real estate, such as Industrial spaces, rely on various market demand beyond just job growth but it is an important indicator that typically reflects overall demand for commercial real estate. It should be noted that in some cases advances in technology have decreased the required number of jobs while not impacting the overall demand for commercial space (i.e., lower number of jobs per square feet of commercial space).

Figure 7: In-Place Industrial Serving Employment Index (2011 – 2021)



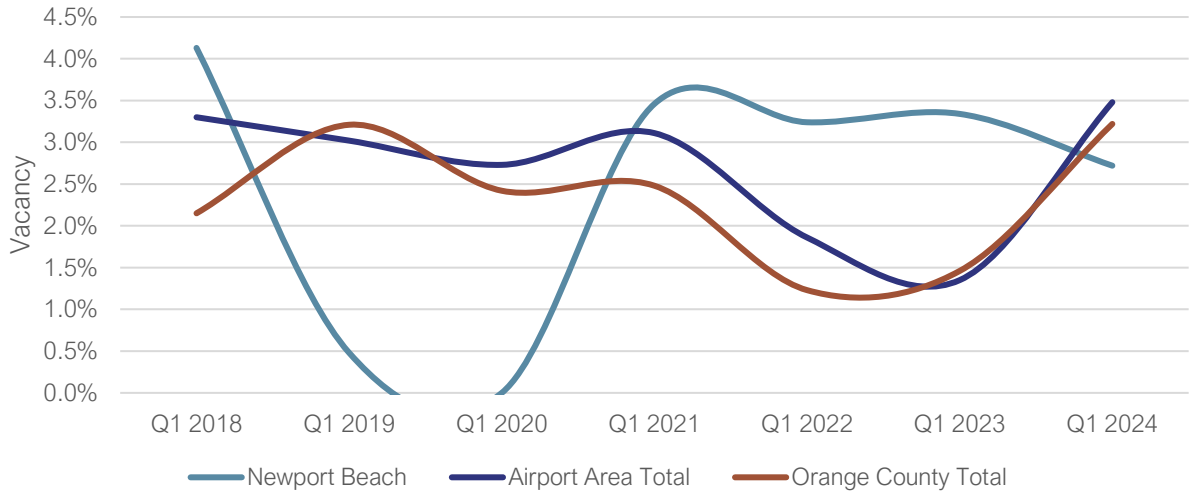
Note: Industrial jobs defined as those jobs in the Utilities, Wholesale, Manufacturing, and Trade and Transportation industries.

Source: US Census (OnTheMap) based on Pro Forma defined area for Newport Harbor

The City's industrial market is a small submarket within the larger Airport Area industrial market area (including the cities of Costa Mesa, Fountain Valley, Irvine, Santa Ana, and Tustin). As of the 1Q 2024, the City had almost 608,000 square feet of new rentable industrial space within 49 buildings. This industrial supply is only one percent of the larger Airport Area industrial market. The current vacancy is estimated at 2.7 percent or approximately 16,500 vacant square feet in the City.

Historically, the City's industrial submarket has shown no growth over the last five to ten years. Over that time the number of buildings surveyed in the analysis has not changed. Rather, there has been a slight change in net rentable square feet. Vacancy rates have swung more dramatically in the City because of the low net rentable area compared to the larger market areas. The following **Figure 8** provides a snapshot of vacancy rates from Q1 2017 through Q1 2024. Overall, the markets have been strong with vacancy rates lower than five percent.

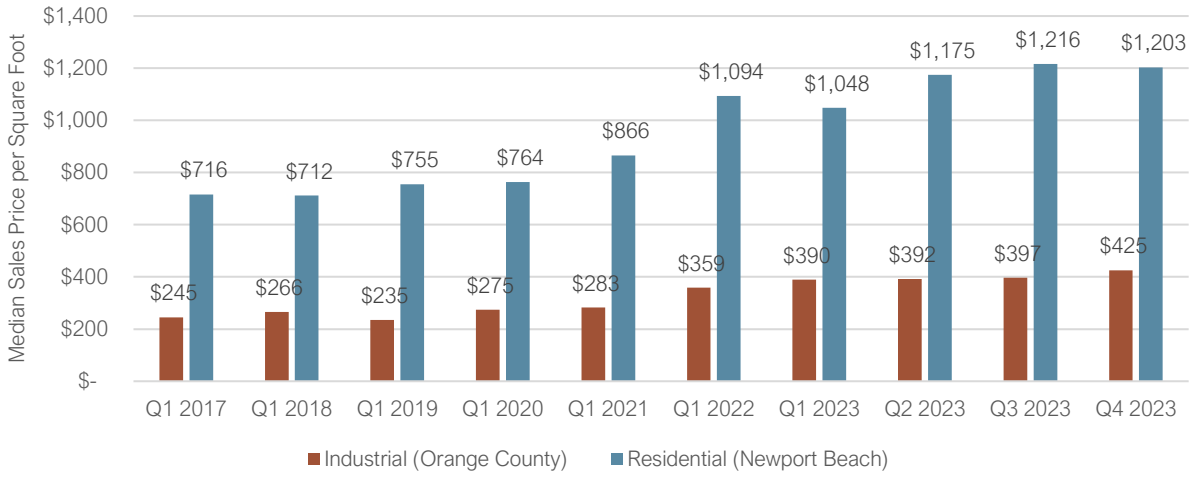
Figure 8: Industrial Market Vacancy (Q12017 – Q12024)



Source: VOIT Real Estate Services

Despite exhibiting relative strength in the industrial market, the City and Newport Harbor will continue to face pressure replacing industrial and underutilized commercial space with residential uses. As shown below in **Figure 9**, since 2017 the median sales per square foot for industrial development is approximately one-third that of residential comparing the City to the County. Commercial industrial, retail, and office space provide space for employment in the City. Protecting commercial space in Newport Harbor will be critical to continue to maintain the cluster of maritime activities.

Figure 9: Newport Beach Sales per Square Foot Comparison by Land Use (Q12017 – Q12022, and 2023)



Source: VOIT Real Estate Services; California Association of Realtors

Economic Impact Overview

Introduction

This economic impact analysis is an evaluation of sales, spending, and other economic activities conducted in the defined Newport Harbor area. In addition to capturing the direct economic activities in Newport Harbor, related spending and activities directly tied to the economic activities taking place Newport Harbor are also included. All economic impacts are based on the estimated existing maritime related businesses and the associated impacts of tourism in Newport Harbor.

Economic Impact Overview

This section provides a general explanation of economic impact analysis, describes the components of economic impact, and presents the methodology and key assumptions used to estimate the economic impact in this report.

Definitions

Economic impact can be described as the sum of the economic activity within a defined geographic region resulting from an initial change (positive or negative) in the economy. This initial change spurs a series of subsequent economic activities (the re-spending of dollars) because of interconnected economic relationships. In this case, the study isolates the overall economic impacts of Newport Harbor on the County's economy.

Economic Impact is reported in terms of:

Output: Output represents the value of industry production. In the Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS II) these are annual production estimates for the year of the data set and are in producer prices, which is analogous to industry sales.

Employment or Jobs: In RIMS II a job is equivalent to the average monthly jobs in the corresponding industry. Thus, 1 job lasting 12 months, 2 jobs lasting 6 months each and 3 jobs lasting 4 months are all equivalent. A job could be either full-time or part-time, but not full-time equivalent. The one-time construction impact is inclusive of an estimate for all jobs over the development period.

Earnings: All forms of employment income including employee compensation.

Economic impact is composed of Direct, Indirect, and Induced Impact, which is commonly referred to as the "multiplier effect." The following provides definitions of the various economic activities:

Direct Impact: Direct Impact is the initial change in the economy (i.e. Output, Jobs, and Earnings).

Indirect Impact: Additional Output, Employment, and Earnings generated because of the purchases of the industries that supply goods and services to the development under consideration.

Induced Impact: Additional Output, Employment, and Earnings generated by re-spending of Earnings for household purchases.

Total Impact: The cumulative impact of the above components.

Economic Multipliers

Economic multipliers measure the re-spending of dollars in an economy and are used to calculate the Total Impact. Economic multipliers are developed using an accounting framework called Input-Output (I-O) tables, which are tables that provide information on all production activities and transactions between producers and consumers in an economy.

This analysis uses RIMS II to derive multipliers, key economic data, and total economic impact. RIMS II is an economic impact assessment system that assembles economic accounts using I-O tables and social accounting formats to derive multipliers. The RIMS II system is widely used throughout the public and private sectors to estimate the economic impact of changes in a regional economy.

The study utilizes Type I multipliers, which have not been adjusted to account for local household spending. Type I multipliers, by definition, account for only the direct and indirect impacts of a final-demand change. The direct impact relates to the first round of inputs purchased by the final-demand industry. The indirect impact relates to the subsequent rounds of inputs purchased by supporting industries. The sum of the direct and indirect impacts is often called the interindustry effect.

However, Type II multipliers not only account for the interindustry effect, but they also account for the induced impact of a final-demand change. The induced impact relates to the spending of workers whose earnings are affected by a final-demand change. This impact is often called the household-spending effect. In studies using Type II multipliers, all changes in household purchases must exclude the spending of workers who already both live and work in the region. In this study, no adjustment has been made to estimate the number of employees that both work in Newport Harbor and live in the County because of the lack of available data. As such, the findings should be considered conservative as it only accounts for Indirect economic impacts.

Key Assumptions

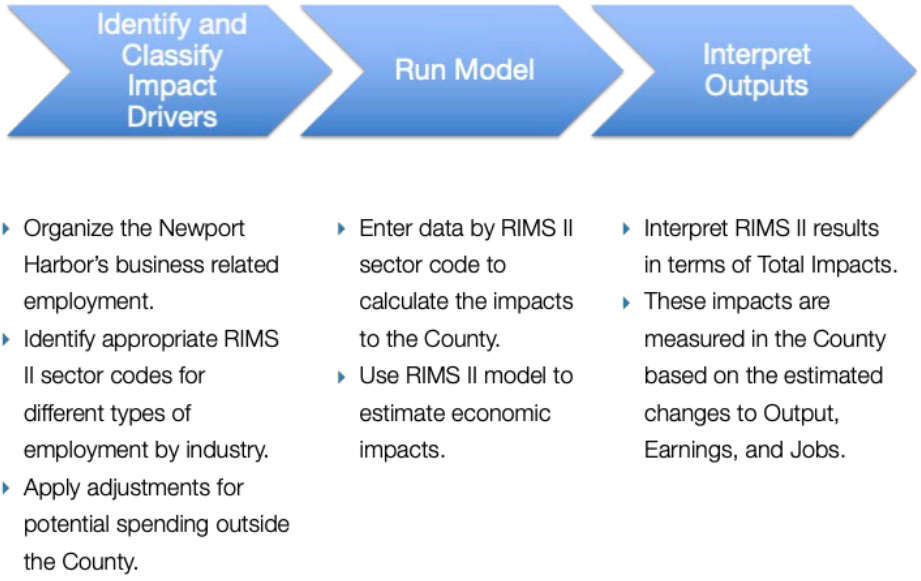
The following are key assumptions:

- All monetary totals are presented in non-inflated 2021 dollars.
- The analysis evaluates the gross economic impact of Newport Harbor on the County.
- Spending expected to flow outside the County is excluded from the analysis.
- Many of the totals in the analysis are rounded or presented in millions of dollars and thus totals may not add due to rounding.

Methodology

In summary, the following figure describes the process of calculating impacts through a RIMS II economic impact model.

Figure 10: Illustrative Economic Impact Methodology



Source: Pro Forma Advisors

Maritime Employment Impacts (Annual)

Direct Impacts

Table 3 summarizes the estimate for the Job estimate by industry for Newport Harbor and the associated mapping to the RIMS II multipliers. Jobs are determined based on the previous section's Base Economic Overview. Employment estimates by industry are used as inputs for the RIMS II I-O model. Related Earnings and Output are estimated using the RIMS II I-O model. Each industry has unique multipliers, which will be applied to each category of spending. Based on the number of in-place employment by industry, the Direct impacts of Newport Harbor is estimated to be $547.4 million in Output and 4,424 jobs with annual earnings of $195.8 million. In total, this suggests an average earning of $44,300 per Job per year.

Table 3: Newport Harbor Direct Impacts Estimate (2021)

Industry Sector	RIMS II Industry	Output (Millions)	Earnings (Millions)	Jobs	Average Earnings
Manufacturing	Miscellaneous Manufacturing	$16.0	$5.0	64	$77,900
Wholesale Trade	Wholesale Trade	$12.9	$4.3	52	$81,900
Retail Trade	Other Retail	$34.3	$13.3	316	$42,000
Transportation and Warehousing	Water Transportation	$47.2	$12.3	164	$74,800
Real Estate and Rental and Leasing	Real Estate	$35.6	$7.7	172	$45,000
Arts, Entertainment, and Recreation	Amusement, Gambling, and Recreation Industries	$42.0	$13.6	350	$38,700
Accommodation and Food Services	Accommodation	$96.3	$34.6	685	$50,600
	Food Service and Drinking Places	$239.6	$95.0	2,420	$39,300
Other Services (excluding Public Administration)	Other Services	$23.4	$10.0	201	$49,800
Total		$547.4	$195.8	4,424	$44,300

Note: Real Estate and Rental and Leasing industries was estimate by Pro Forma Advisors. All other businesses were surveyed using EDD data and then placed in their respective NAICS Industry Sector. Accommodation and Food and Drinking Places employment was split based on Data Axle's estimated distribution between the industries, which is 22 percent and 78 percent, respectively.

Source: OnTheMap, US Census, Pro Forma Advisors, California EDD, BEA

Total Industry Impacts

Using the multipliers in **Table 4**, Direct output is expected to create $787.0 million ($547.4 million x 1.438) in Total Output in the County. Newport Harbor's Output is estimated to create total Earnings of $296.8 million ($547.4million x 0.542). Total Jobs supported by Newport Harbor, which include full-time and part-time employment, are estimated at 5,904 jobs (10.786 jobs for every million in Output) or 1,480 additional indirect jobs created in the County (**Table 5**). Detailed tables are provided in the **Appendix** of this document.

Table 4: Newport Harbor Adjusted Multiplier (2021)

Industry Sector	RIMS II Industry	Output	Earnings	Jobs
Manufacturing	Miscellaneous Manufacturing	1.405	0.455	5.943
Wholesale Trade	Wholesale Trade	1.456	0.533	7.317
Retail Trade	Other Retail	1.148	0.529	11.116
Transportation and Warehousing	Water Transportation	1.518	0.602	12.489
Real Estate and Rental and Leasing	Real Estate	1.323	0.353	6.548
Arts, Entertainment, and Recreation	Amusement, Gambling, and Recreation Industries	1.356	0.447	9.920
Accommodation and Food Services	Accommodation	1.431	0.540	9.340
	Food Service and Drinking Places	1.496	0.579	12.267
Other Services (excluding Public Administration)	Other Services	1.467	0.598	10.876
Total		1.438	0.542	10.786

Source: Pro Forma Advisors, BEA

Table 5: Total Economic Impact of Newport Harbor (2021)

	Output	Earnings	Jobs
Direct Impact	$547.4	$195.8	4,424
Indirect Impact	$239.6	$101.1	1,480
Total Impact	$787.0	$296.8	5,904

Source: Pro Forma Advisors, BEA

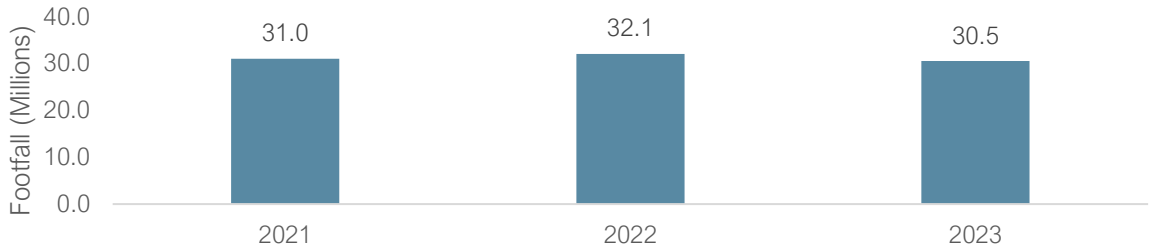
Visitor Impacts

While visitor impacts are captured in the analysis above (as it is assumed that all of the spending occurs in Newport Harbor), a further examination of Newport Harbor's ability to attract visitors is analyzed to better understand its role in the overall economic activity. Pro Forma Advisors utilized Placer.ai, a foot traffic data provider, to determine the number of annual visitors. For consistency with the base year multipliers, visitor spending data, and employment data the calendar year 2021 was the basis for the estimate. However, to the extent possible, additional information has been provided for calendar years 2022 and 2023 to provide additional insights on visitor activity in Newport Harbor.

Historic Footfall

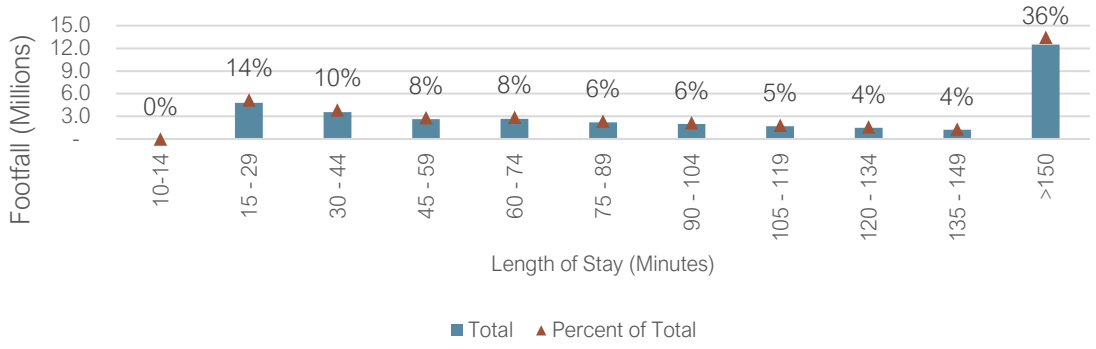
In 2023 it is estimated that there were over 30.5 million visits from people (6.5 unique visitors) that spent more than 10 minutes within Newport Harbor annually (**Figure 11**). Since 2021, the total number of visits (excluding residents and employees) has remained relatively consistent. It is estimated that the average length of stay is slightly under 4 hours (230 minutes) with a median stay of slightly over 1.5 hours (101 minutes). The typical length of stay reflects the visitors' participation in water based recreational activities, which typically occur over longer time periods. **Figure 12** demonstrates that those individuals staying over 150 minutes skew the average significantly higher than the median length of stay.

Figure 11: Newport Harbor Footfall (2021 – 2023)



Source: Placer.ai, Pro Forma Advisors

Figure 12: Newport Harbor Footfall (2021 – 2023)



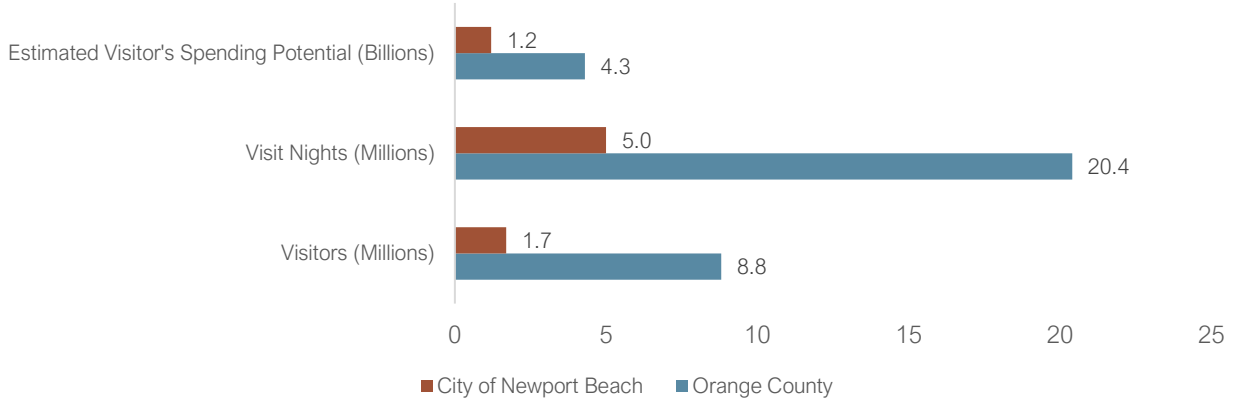
Source: Placer.ai, Pro Forma Advisors

Overnight Visitation

Overnight visitors are analyzed using Placer.ai's Trip Origination reports for Newport Harbor, the City, and the County to estimate the relative impact of tourism and any additional impacts Newport Harbor has on the larger tourism industry in the County. Unlike

total footfall, which includes visitation from any distance, overnight visitor counts the total number of separate overnight trips (i.e., trips that include one or more overnight stays) made to Newport Harbor in 2023. This could include multiple visits by the same person (so long as these visits are in separate months). As shown below in **Figure 13** the City currently represents approximate 19 percent of total visitors, 25 percent of visit nights, and 28 percent of estimated visitors' spending potential. In fact, the potential per cap spending potential of guests is over 40 percent higher than the County visitor profile.

Figure 13: City of Newport Beach and Orange County Overnight Visitor Estimate (2023)



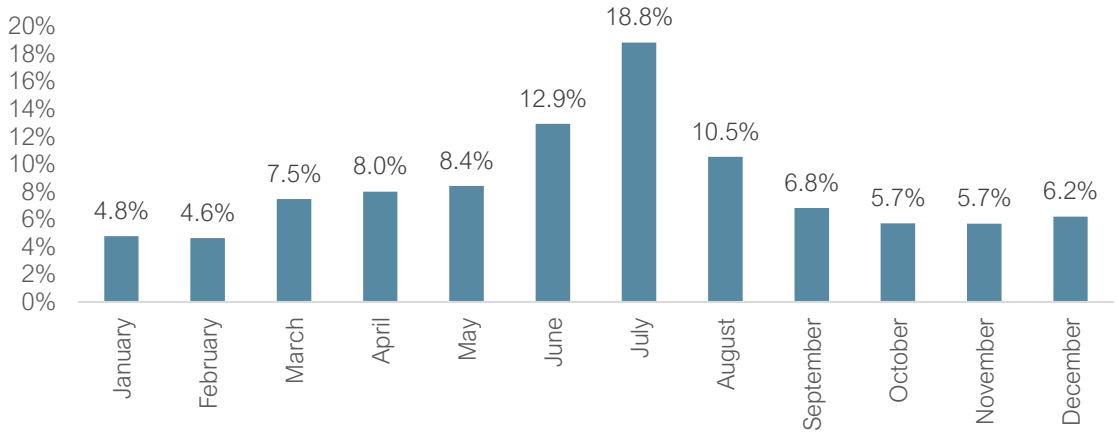
Source: Placer.ai, Pro Forma Advisors

Newport Harbor is a major destination for visitors in the City. Currently the Newport Harbor consists of approximately one-third of the City's hotel supply with a significant number of smaller, independent hotel operator (please see **Appendix**). Based on the 2021 overnight visitor estimates to the City, it is estimated that Newport Harbor attracted approximately 580,000 overnight visitors. Overnight visitors are defined as visitor trips taken by individuals that stay overnight away from home or travel more than 50 miles one-way on a non-routine trip, as defined by the California Tourism Marketing Act. These overnight visitors would include both those individuals staying in hotels or motels, friends, and family, etc.

Daytrip Visitation

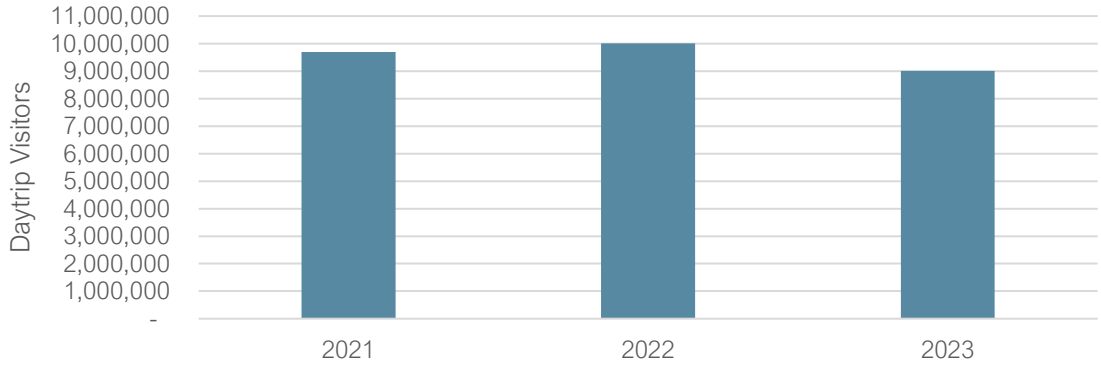
In addition to overnight visitors, Newport Harbor's water related activities attracts a significant number of day-trip visitation. The following visitation numbers and patterns are for those individuals visiting Newport Harbor in calendar year 2021 and their home location was over 30-miles away. As noted in **Figure 14**, day-trip visitation (which excludes overnight visitors) trends to peak in the summer months of June, July, and August when Newport Harbor attracts a significant number of people to Newport Beach. Since 2021, annual visitation has ranged from approximately 9 million to 10 million daytrip visitors annually (**Figure 15**). While the economic impacts of those visitors spending money in the City and not in Newport Harbor has not been quantified, the draw of the Newport Harbor to attract people throughout Southern California provides additional economic benefit to the City and larger County economy.

Figure 14: Daytrip Visitation by Month (2021)



Source: Placer.ai, Pro Forma Advisors

Figure 15: Daytrip Visitation by Year (2021 - 2023)



Source: Placer.ai, Pro Forma Advisors

For the purposes of the economic impact analysis, typical visitor spending patterns as presented in **Table 5** were used to estimate Newport Harbor's share of visitor spending in the City. Based on the Direct spending, by category, it is estimated that the Newport Harbor accounts for 31 percent of all overnight tourism related spending in the City.

Table 5: Total Direct Visitor Spending in City and Newport Harbor (2021)

Category	Percent of Visitor Spending by Category	Estimate of Overnight Spending in City of Newport Beach ($MM)	Estimate of Direct Spending in Newport Harbor ($MM)	Newport Harbor Percent Capture of Newport Beach Visitor Spending
Accommodations	25%	$322.9	$96.3	30%
Food Service	27%	$347.7	$239.6	69%
Food Stores	5%	$59.1	$7.1	12%
Local Trans & Gas	3%	$36.6	$0.7	2%
Arts, Ent. & Rec.	21%	$271.9	$42.0	15%
Retail Sales	18%	$234.1	$11.6	5%
Air Transportation	2%	$27.6	$-	0%
Total	100%	$1,300.0	$397.3	31%

Source: Dean Runyan Associates; Pro Forma Advisors

Additional Impacts

Beyond the Output, Earnings, and Jobs created by Newport Harbor, the area also includes the housing and commercial development that provides property tax to the City. Furthermore, retail businesses create sales tax and the hotels within Newport Harbor provide hotel occupancy tax to the City. As previously noted, the analysis could be considered conservative as it does not quantify additional visitor spending in the City not captured but induced from Newport Harbor. Similarly, not quantifying the fiscal impacts of Newport Harbor also underestimates the overall economic benefit.

Appendix

The following data is providing the detailed calculations summarized in the memorandum.

Appendix Table 1: Newport Harbor Indirect Impacts Estimate (2021)

Industry Sector	RIMS II Industry	Output (Millions)	Earnings (Millions)	Jobs	Average Earnings
Manufacturing	Miscellaneous Manufacturing	$6.5	$2.3	31	73,600
Wholesale Trade	Wholesale Trade	$5.9	$2.6	42	61,700
Retail Trade	Other Retail	$5.1	$4.9	66	74,400
Transportation and Warehousing	Water Transportation	$24.5	$16.2	426	38,000
Real Estate and Rental and Leasing	Real Estate	$11.5	$4.8	61	78,600
Arts, Entertainment, and Recreation	Amusement, Gambling, and Recreation Industries	$15.0	$5.2	66	78,200
Accommodation and Food Services	Accommodation	$41.5	$17.4	214	81,200
	Food Service and Drinking Places	$118.8	$43.7	520	84,100
Other Services (excluding Public Administration)	Other Services	$10.9	$4.0	53	74,900
Total		$239.6	$101.1	1,480	68,300

Note: Real Estate and Rental and Leasing industries was estimate by Pro Forma Advisors. All other businesses were surveyed using EDD data and then placed in their respective NAICS Industry Sector. Accommodation and Food and Drinking Places employment was split based on Data Axle's estimated distribution between the industries, which is 22 percent and 78 percent, respectively.

Source: OnTheMap, US Census, Pro Forma Advisors, California EDD, BEA

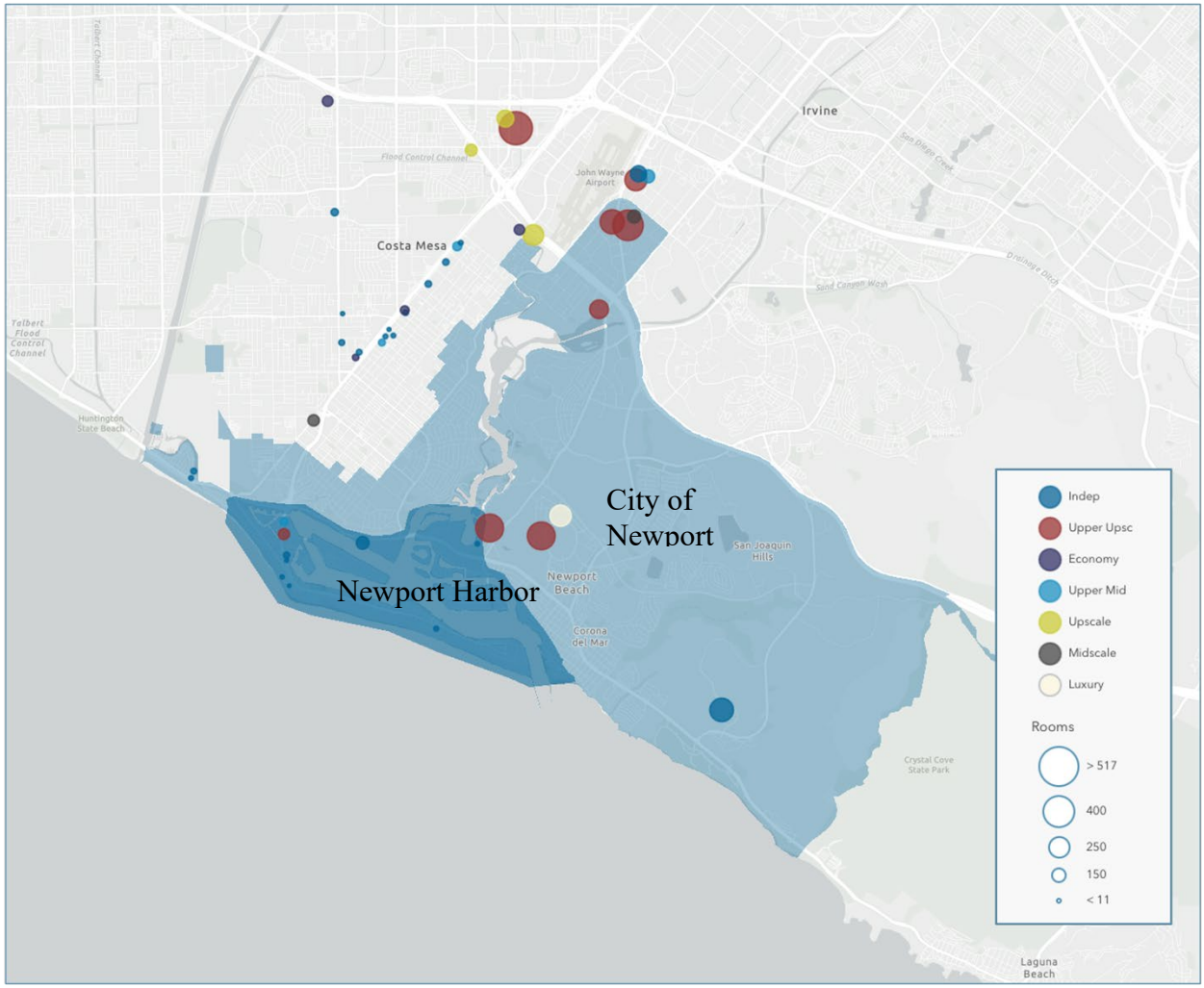
Appendix Table **2**: Newport Harbor **Total** Impacts Estimate (2021)

Industry Sector	RIMS II Industry	Output (Millions)	Earnings (Millions)	Jobs	Average Earnings
Manufacturing	Miscellaneous Manufacturing	$22.5	$7.3	95	76,500
Wholesale Trade	Wholesale Trade	$18.8	$6.9	94	72,900
Retail Trade	Other Retail	$39.4	$18.1	382	47,600
Transportation and Warehousing	Water Transportation	$71.7	$28.4	590	48,200
Real Estate and Rental and Leasing	Real Estate	$47.1	$12.6	233	53,900
Arts, Entertainment, and Recreation	Amusement, Gambling, and Recreation Industries	$56.9	$18.7	416	45,000
Accommodation and Food Services	Accommodation	$137.9	$52.0	899	57,900
	Food Service and Drinking Places	$358.4	$138.7	2,940	47,200
Other Services (excluding Public Administration)	Other Services	$34.3	$14.0	254	55,000
Total		$787.0	$296.8	5,904	50,300

Note: Real Estate and Rental and Leasing industries was estimate by Pro Forma Advisors. All other businesses were surveyed using EDD data and then placed in their respective NAICS Industry Sector. Accommodation and Food and Drinking Places employment was split based on Data Axle's estimated distribution between the industries, which is 22 percent and 78 percent, respectively.

Source: OnTheMap, US Census, Pro Forma Advisors, California EDD, BEA

Appendix Figure 2: Hotel Map (2024)



Note: Indep = Independent Hotel, Upper Upsc = Upper Upscale, and Upper Mid = Midscale. All chain scale definitions are provided by Smith Travel Research. Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Source: Smith Travel Research and Pro Forma Advisors