This Draft Environmental Impact Report (EIR) evaluates the environmental effects that may result from the construction of a new Lexus automobile dealership at the northwest corner of MacArthur Boulevard and Jamboree Road in the City of Newport Beach (City). The proposed project site, encompasses approximately 8.05 acres, and is located less than ¹/₄-mile north of the State Route 73 (SR 73). This Draft EIR has been prepared in conformance with State and City of Newport Beach Guidelines for the implementation of the California Environmental Quality Act (CEQA).

1.1 BACKGROUND, SCOPE AND CONTENT

As described in Section 15143 of the CEQA Guidelines:

The EIR shall focus on the significant effects on the environment. The significant effects should be discussed with emphasis in proportion to their severity and probability of occurrence. Effects dismissed in an Initial Study as clearly insignificant and unlikely to occur need not be discussed further in the EIR unless the Lead Agency subsequently receives information inconsistent with the finding in the Initial Study.

In compliance with CEQA, the City of Newport Beach completed a multi-step process to determine the appropriate scope of issues to be examined in the Draft EIR. A Notice of Preparation (NOP) and Initial Study (IS) were circulated to responsible agencies and interested parties, including the State Clearinghouse, describing the proposed project and requesting comments between August 2, 2004 and September 2, 2004. A copy of the NOP/IS prepared by the City of Newport Beach and comments received are included in Appendix A of this document. The IS identified the following issue areas, which are addressed in this Draft EIR: air quality during construction and operation, aesthetics and land use, hydrology and water quality, and transportation/traffic.

The following issues were determined by the IS not to be significantly impacted by the project and are not addressed in the EIR:

- Biological Resources;
- Hazards and Hazardous Materials;
- Mineral Resources;
- Public Services;
- Agriculture Resources;

- Cultural Resources;
- Noise;
- Recreation;
- Utilities / Service Systems;
- Geology / Soils; and
- Population / Housing.

1.2 PURPOSE AND LEGAL AUTHORITY

In accordance with *CEQA Section 15121(a)*, the purpose of an EIR is to serve as an informational document that will generally inform public agency decision makers and the public of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project. *CEQA Section 15151* contains the following standards for EIR adequacy:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which intelligently takes an account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR would summarize the main points of disagreement among the experts. The courts have looked not for perfection; but for adequacy, completeness, and a good faith effort at full disclosure.

The Newport Lexus Draft EIR is an informational document for use by decision makers and the public in their review of the potential impacts of the proposed project, as well as in the evaluation of alternatives and mitigation measures which may minimize, avoid, or eliminate those impacts. As such, this document includes a full discussion of the project description, the existing environmental setting, environmental impacts, mitigation measures, any residual impacts that may exist after mitigation has been implemented, and project alternatives that could alleviate potential impacts.

To gain the most value from this report, certain key points recommended in the CEQA Guidelines should be kept in mind:

- This report should be used as a tool to give the reader an overview of the possible ramifications of the proposed project. It is designed to be an "early warning system" with regard to potential environmental impacts and subsequent effects on the local community's natural resources.
- A specific environmental impact is not necessarily irreversible or permanent. Incorporating changes recommended in this report during the design and construction

phases of project development can wholly or partially mitigate most impacts, particularly in urban, more developed areas.

As the public agency with the authority to approve or deny the proposed project, the City of Newport Beach will consider the information in the Draft EIR along with other information before taking any action on the proposed project. The conclusions of the Draft EIR regarding environmental impacts do not control the City of Newport Beach's discretion to approve, deny or modify the proposed project, but instead are presented as information intended to aid the decision-making process.

1.3 DRAFT EIR ORGANIZATION

As illustrated in Table 1-1, this Draft EIR is organized into eight chapters, each dealing with a separate aspect of the required content of a Draft EIR as described in the CEQA Guidelines; it is intended for use and reference. To help the reader locate information of particular interest, a brief summary of the contents of each chapter of the Draft EIR is provided. The following sections are contained within the Draft EIR:

Requirement/CEQA Section	Location in Draft EIR
Table of contents (Section 15122)	Table of Contents
Summary (Section 15123)	Executive Summary
Project Description (Section 15124) and Environmental Setting (Section 15125)	Chapter 2
Significant environmental impacts (Section 15126.2)	Chapters 3A-3D
Unavoidable significant environmental impacts (Section 15126.2)	Chapter 5
Mitigation measures (Section 15126.4)	Chapters 3A-3D
Cumulative impacts (Section 15130)	Chapters 3A-3D
Alternatives to the proposed project (Section 15126.6)	Chapter 4
Growth-inducing impacts (Section 15126.2)	Chapter 5
Effects found not to be significant (Section 15128)	Chapter 5
Organizations and persons consulted (Section 15129)	Chapters 6 and 7
List of preparers (Section 15129)	Chapter 7

TABLE 1-1REQUIRED DRAFT EIR CONTENTS

Executive Summary: This section contains an overview of the scope of the Draft EIR, as well as a summary of environmental impacts, proposed mitigation, level of significance after mitigation, and unavoidable impacts. Also contained within this section is a summary description of project alternatives and potential growth-inducing impacts.

Chapter 1. Introduction: This chapter provides an overview of the purpose and use of the Draft EIR, the scope of this Draft EIR, the environmental review process for the Draft EIR and the proposed project, and the general format of the document.

Chapter 2. Project Description and Site Characteristics: This chapter defines the project location, summarizes the proposed project, and outlines the project objectives and the need for the proposed project.

Chapter 3. Environmental Setting, Impacts and Mitigation Measures: This chapter describes and evaluates the environmental issue areas, including the existing environmental setting and background, applicable environmental thresholds, environmental impacts (both short-term and long-term), policy considerations related to the particular environmental issue area under analysis, mitigation measures capable of minimizing environmental harm, and a discussion of cumulative impacts. Where additional actions must be taken to ensure consistency with environmental policies, recommendations are made, as appropriate. By consolidating environmental impact assessment and site-specific policy directives within each impact area, clear linkages between impact assessment and related policy consistency can be established.

Chapter 4. Alternatives Analysis: This chapter analyzes feasible alternatives to the proposed project, including the No Project Alternative, and a reduction in project scale.

Chapter 5. Other CEQA Considerations: This chapter provides a summary of the proposed project's potential growth-inducing impacts; provides a list of proposed project impacts that are significant and unavoidable by issue area; discusses the environmental effects of the proposed project found not to be significant; and, identifies any irreversible changes to the natural environment resulting from the proposed project.

Chapter 6. References: This chapter identifies all references used and cited in the preparation of this report.

Chapter 7. Report Preparation: This chapter identifies the public and private agencies and individuals contacted during the preparation of this report, and all individuals responsible for the preparation of this report.

Chapter 8. Acronyms and Abbreviations: This chapter provides a description of abbreviations and acronyms used throughout the document.

Appendices: Data supporting the analysis or contents of the Draft EIR are provided in the appendices to the document. These include the NOP/IS and responses received, traffic report, air quality calculations and hydrology reports prepared for the project. Other reports are available at the Newport Beach Planning Department offices, 3300 Newport Boulevard, in the City of Newport Beach, CA.

1.4 DRAFT EIR PROCESS

This Draft EIR has been prepared to meet all of the substantive and procedural requirements of CEQA of 1970 (California Public Resources Code Section 21000 et seq.), and the CEQA Guidelines (California Code of Regulations (CCR), Title 14, Section 15000 et seq.).

Accordingly, the City of Newport Beach is the Lead Agency for this proposed project, taking primary responsibility for conducting the environmental review and approving or denying the project.

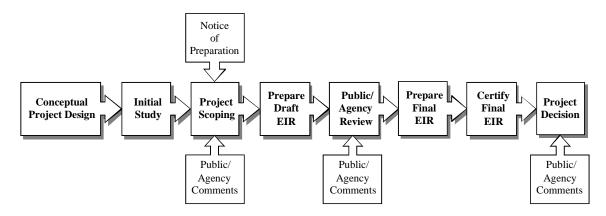
As a first step in complying with the procedural requirements of CEQA, the City of Newport Beach prepared a NOP/IS to determine whether any aspect of the project, either individually or cumulatively, may cause a significant effect on the environment and, if so, to narrow the focus (or scope) of the environmental analysis.

After completion, the City of Newport Beach filed the NOP/IS with the State Clearinghouse in the Office of Planning and Research as an indication that a Draft EIR would be prepared. In turn, the NOP was distributed to involved public agencies and interested parties for a 30-day public review period, which began on August 2, 2004 and ended on September 2, 2004. The purpose of the public review period was to solicit comments on the scope and content of the environmental analysis to be included in the Draft EIR. The City of Newport Beach received three comment letters on the NOP, which are included in Appendix A of this Draft EIR.

During the preparation of the Draft EIR, agencies, organizations, and persons whom the City believed might have an interest in this proposed project were specifically contacted. Information, data, and observations from these contacts are included in the Draft EIR. Agencies or interested persons who did not respond during the public review period of the NOP will have an opportunity to comment during the public review period of the Draft EIR, as well as at subsequent hearings on the proposed project.

It should be noted that environmental impacts might not always be mitigated to a less than significant level. When this occurs, impacts are considered to be significant and unavoidable. If a public agency approves a project that has significant and unavoidable impacts, the agency shall state in writing the specific reasons for approving the project, based on the Final EIR and any other information in the public record for the project. This is termed a "statement of overriding

considerations" and is used to explain the specific reasons why the benefits of a proposed project make its unavoidable environmental effects acceptable. The statement is prepared, if required, after the Final EIR has been completed, yet before action to approve the project has been taken.



A graphic description of the EIR preparation process is provided in the following flow chart.

1.5 AVAILABILITY OF THE DRAFT EIR

This Draft EIR has been distributed to affected agencies, surrounding cities, counties and interested parties for a 45-day review period in accordance with Section 15087 of the CEQA Guidelines. During the 45-day public review period, which commences on November 29, 2004 and ends on January 12, 2005, the Draft EIR is available for general public review at the following locations:

City of Newport Beach Planning Department City Hall 3300 Newport Boulevard Newport Beach, CA 92658 Phone: (949) 644-3200 Hours: 7:30am to 5:30pm (Monday to Thursday) and 8am to 5pm (Friday)

Newport Beach Public Library Central Library 1000 Avocado Ave. Newport Beach, CA 92660 Phone: (949) 717- 3800 Hours: 9:00am to 9:00pm (Monday to Thursday), 9:00am to 6:00pm (Friday and Saturday) and Noon to 5:00pm (Sunday) Newport Beach Public Library Mariners Branch 2005 Dover Drive Newport Beach, CA 92660 Phone (949) 644-3078 Hours: 9:00am–9:00pm (Monday and Wednesday), 9:00am–6:00pm (Tuesday, Thursday to Saturday) and Closed Sunday

Additionally, the Draft EIR can be downloaded or reviewed via the Internet at: <u>http://www.city.newport-beach.ca.us/</u>

Interested parties may provide written comments on the Draft EIR. Written comments on the Draft EIR must be postmarked by January 12, 2005 and should be addressed to:

David Lepo Hogle-Ireland, Inc 42 Corporate Park, Suite 250 Irvine, CA 92606 (949) 553-1427 DLepo@hogleireland.com

A public hearing on the EIR is tentatively scheduled to be held on April 7, 2005 at 6:30 PM. The hearing will be held at the City Hall in the City Council Chambers.

Upon completion of the 45-day public review period, written responses to all comments on environmental issues discussed in the Draft EIR will be prepared and incorporated into the Final EIR. These comments, and their responses, will be included in the Final EIR for consideration by the City of Newport Beach, as well as any other public decision makers.