SECTION 5.0
GROWTH-INDUCING IMPACTS OF THE PROPOSED PROJECT

5.1 INTRODUCTION

CEQA Guidelines §15126.2(d) requires the evaluation of a proposed project's growth-inducing impacts. Growth inducement can be defined as the relationship between a proposed project and growth within the surrounding area. A project can also induce growth by lowering or removing barriers to growth, or by creating an amenity or facility that attracts new population or economic activity. This relationship is often difficult to establish with any degree of precision and cannot be measured on a numerical scale because there are many social, economic, and political factors associated with the rate and location of development. Accordingly, the CEQA Guidelines instruct that an EIR should focus on the ways growth might be induced. This relationship is sometimes looked at as either one of facilitating planned growth or inducing unplanned growth. Both types of growth, however, should be evaluated.

Typically, growth-inducing impacts result from the provision of urban services and extension of infrastructure (including roadways, sewerage, or water service) into an undeveloped area. A project can remove infrastructure constraints, provide access, or eliminate other constraints on development, and thereby encourage growth that has already been approved and anticipated through the General Plan process. This planned growth would be reflected in land use plans that have been developed and approved with the underlying assumption that an adequate supporting infrastructure ultimately would be constructed. This can be described as accommodating or facilitating growth.

A project can also remove infrastructure constraints, provide new access, or otherwise encourage growth which is not assumed as planned growth in the General Plans or growth projections for the affected local jurisdictions. This could include areas which are currently designated for open space, agricultural uses, or other similar non-urban land uses. In such a case, the removal of infrastructure constraints or provision of access can trigger consideration of a change in land use designation to allow development at a higher level of intensity than was originally anticipated. For this section, the term "inducing" will be used for both types of growth.

There are many other factors that can affect the amount, location, and rate of growth in the region. These include the following:

- Market demand for housing, employment, and commercial services.
- Desirability of climate and living/working environment, as reflected by market demand.
- Strength of the local employment and commercial economy.
- Availability of other roadway improvements (e.g., new and/or expanded arterial or highway capacity).
- Availability of other services/infrastructure (e.g., wastewater treatment, water, schools).
- Land use and growth management policies of the counties and municipal jurisdictions.

5.2 GROWTH PATTERNS AND TRENDS

Hoag, by its nature, provides service to an area much greater than the City of Newport Beach. In 2005, Hoag treated approximately 26,000 people on an inpatient basis and more than 300,000 people on an outpatient basis (Hoag 2006). Approximately 15 percent of patients are from the City of Newport Beach, 90 to 94 percent are from elsewhere in Orange County, and the remaining 6 to 10 percent are from outside the County. To understand the context in which potential growth-inducing impacts of the proposed project may occur, it is helpful to review the historic and projected growth patterns of the City and the County of Orange.

5.2.1 HISTORICAL TRENDS

Orange County

Orange County has experienced significant growth in population over the past 50 years. Population in the county has increased from 216,200 in 1950 to 2,864,289 in 2000. Concurrent with these substantial increases in population, the economic character of Orange County has dramatically changed over the past 50 years. The predominately rural/agricultural and residential economy of the 1950s has changed to a well-diversified commercial/industrial economy. Aviation/aerospace and other high technology industries; biomedical facilities; retail commercial; light manufacturing; administrative and financial services; and tourism have become major components of the economy.

In 1965, the employment-to-population ratio was 22:100 (22 jobs per 100 people) in Orange County. By 1980, the ratio increased to 40:100. This has subsequently increased to approximately 54:100 in 1990. By 2000, the ratio had shifted to 53:100. Not only has the proportion of jobs to residents increased, but it is also based on a dramatically larger population.

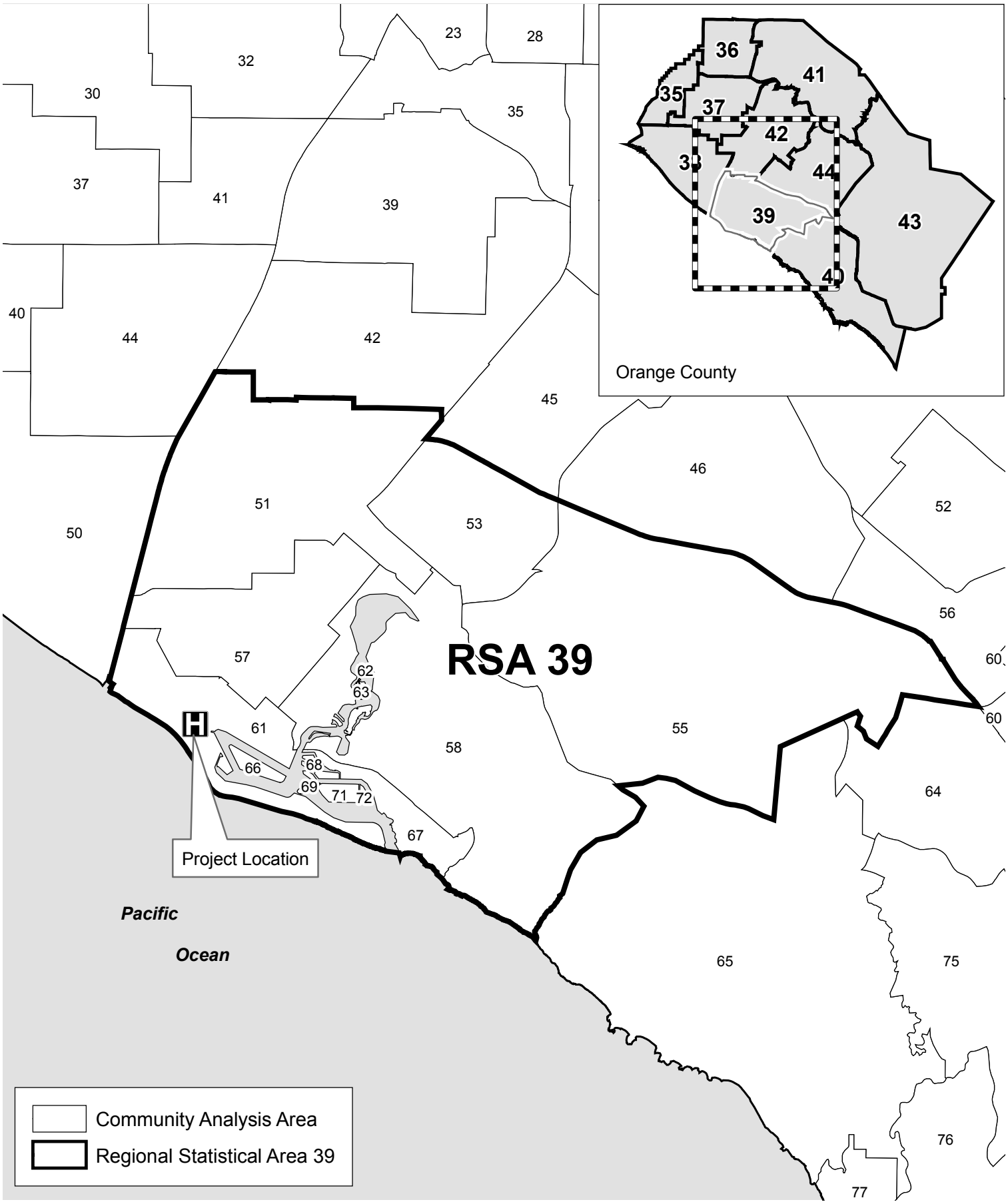
City of Newport Beach

The City was incorporated in 1906 and has increased in population each decade. In 1950, the City's population was 12,120 and by 1960 had increased to 26,564. In 1970, the population was 49,442; it was 62,556 by 1980. In the 1990s, the City's population increased to 66,643. The City's population in 2006 was estimated to be 84,218 (source: State Department of Finance, 2007).

Growth Projections

Growth projections for Orange County are coordinated by the Center for Demographic Research and are developed in conjunction with the County and Cities. These projections, known a the Orange County Projections (OCP), have been developed through a cooperative process for over 20 years because it was recognized that there was a need to have consistent data that could be supported by all the local jurisdictions for long-range planning efforts. In addition, these numbers are also used by SCAG and the SCAQMD for regional planning programs, such as the Air Quality Management Plan, the Regional Transportation Plan, and Regional Growth Management Element.

The most current OCP projections are OCP-2006, which have been approved by the local jurisdictions and adopted by the Orange County Council of Governments and SCAG as the official growth projections for the County. For these projections, the County of Orange is divided into 10 Regional Statistical Areas (RSA) and 70 Community Analysis Areas (CAA). The City is located wholly within in RSA F-39. As depicted in Exhibit 5-1, this RSA includes the coastline from Costa Mesa, through Newport Beach and south into the San Joaquin Hills. The RSA



Regional Statistical Area/Community Analysis Areas

Exhibit 5-1

Hoag Hospital Master Plan Amendment

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contains about 8 percent of the County's population and 14 percent of its jobs. Between 2000 and 2030, the population in this RSA is projected to grow by approximately 24 percent, which is fairly comparable to the 21 percent projected for the County overall. Table 5-1 provides an overview of the population, employment, and housing projections for the city, RSA F-39, and the County as a whole. Projections for three timeframes are provided: the 2000 figures are provided as a baseline; the 2015 figures reflect when the 1992 *Hoag Hospital Master Plan* is projected to be built out; and the 2030 figures reflect the long-term growth projections.

TABLE 5-1
GROWTH PROJECTIONS FOR RSA F-39 AND COUNTY OF ORANGE

	2000	2015	2030
City of Newport Beach			
Population	76,171	91,321	96,892
Employment	72,289	77,940	78,824
Housing	40,020	44,837	47,073
RSA F-39			
Population	231,452	288,408	305,820
Employment	217,531	249,610	267,448
Housing	97,177	114,932	120,149
County of Orange			
Population	2,864,289	3,451,757	3,629,540
Employment	1,514,611	1,837,771	1,960,633
Housing	972,527	1,106,607	1,144,314
Source: Center for Demographic Research 2007.			

5.3 GROWTH-INDUCING ANALYSIS

The potential growth-inducing effects of a proposed project are typically evaluated in three ways:

1. Would the project have an effect on undeveloped land that may not be designated on any general plan for urban development, but would nonetheless experience increased growth pressure due to the presence of the project?

2. Would the project have an effect by removing constraints, thereby facilitating the construction of previously approved projects?

3. Would the project influence redevelopment of areas at a higher intensity than currently exists?

Final EIR No. 142 addressed growth-inducing impacts and found that the development of the Master Plan would not result in growth-inducing impacts. It acknowledged that there would be an increase in the number of jobs, although the increase would be consistent with the General Plan assumptions. The proposed Master Plan Update Project would not provide an increase in infrastructure capacity sufficient to encourage substantial off-site growth.

The area surrounding Hoag is urbanized. The Master Plan Update Project would not have any influence, either directly or indirectly, on development of land not designated for urban uses. Historically, Hoag has been a catalyst to encourage the reuse of surrounding uses to medical-related uses, some as higher intensity uses. The uses surrounding Hoag are primarily medical-

related uses, residential, and retail uses. Although the reallocation of currently allowed (but not constructed) square footage from the Lower Campus to the Upper Campus is unlikely to directly result in the conversion of residential uses to medical-related facilities, the City has noted an increased trend for medical office space proximate to Hoag and within other office areas of the City. As previously indicated in this EIR, the proposed Master Plan Update Project would not increase the square footage over that which was approved in the 1992 *Hoag Hospital Master Plan*. Therefore, the Project would not have a growth-inducing impact on surrounding areas.

Though the Master Plan Update Project would not have growth-inducing impacts on the surrounding area, there is a potential for growth-inducing on-site effects. The Project would allow for a redistribution of square footage. Reallocation of 225,000 square feet (sf) from the Lower Campus to the Upper Campus would result approximately 44 percent less development on the Lower Campus than originally assumed with the 1992 *Hoag Hospital Master Plan*. This would potentially allow additional area for development over the 1,343,238 sf provided for as part of this Project. Any development beyond that currently permitted is considered speculative because no additional square footage has been requested as a part of the proposed Master Plan Update Project or is currently contemplated by the Applicant. Any future changes to the Master Plan would be subject to evaluation by the City to address any potential environmental impacts.

Any additional growth, if were to occur, would be reactive to the medical needs associated growth in the area. A review of the adopted growth projections indicates that there will be an approximately 21 to 24 percent increase in population for the City of Newport Beach, RSA F-39, and the County of Orange between 2000 and 2030. However, the 1992 *Hoag Hospital Master Plan* was developed for the 2015 timeframe. Therefore, if it is assumed that the Master Plan would adequately serve the population through 2015, a more pertinent question is the expected growth between 2015 and 2030. In this latter timeframe, the growth is projected to be approximately six percent for the City of Newport Beach and RSA F-39. Since an important factor for demand for hospital facilities is population, it is reasonable to assume that the demand for hospital facilities may also experience an incremental increase over this period of time. This is especially true because Hoag is a nationally recognized facility with multiple areas of excellence. The increased demand would not be tied to this project, but the overall growth in the region and demand for hospital services. However, it is speculative to determine whether post-2015 population growth would directly cause the need for additional facilities beyond that currently permitted by the Master Plan square footage. As such, the proposed Master Plan Update Project is not considered growth inducing.