

# Hoag Memorial Hospital Presbyterian

## Master Plan

### Development Agreement Annual Review

March 28, 2011 thru March 1, 2012

*Prepared by*



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**Hoag Development Agreement  
4<sup>th</sup> Annual Review  
March 28, 2011 – March 1, 2012**

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HOAG MEMORIAL HOSPITAL PRESBYTERIAN  
One Hoag Drive, PO Box 6100  
Newport Beach, CA 92658-6100

March 9, 2012

Mr. Jim Campbell  
Principal Planner  
City of Newport Beach  
3300 Newport Boulevard  
Newport Beach, CA 92658-8915

**RE: Hoag Hospital – Development Agreement 4th Annual Review**

Dear Mr. Campbell:

Please find attached the required documentation to demonstrate Hoag's compliance with the Development Agreement between Hoag Hospital and the City of Newport Beach. As you are aware, this Development Agreement was adopted by the City Council on April 22, 2008 by Ordinance No.2008-10 and is known as the Amendment to Restated Development Agreement No. 5.

Per Section 5.2 of the Development Agreement, "The Annual Review shall be conducted at a public hearing noticed in accordance with the provisions of Chapter 15.45 of the Newport Beach Municipal Code. Annual reviews should be scheduled in April of each year." It is our understanding based on discussions with city staff, that we will be scheduled for the April 10<sup>th</sup>, 2012 City Council hearing per the above noted requirement.

The enclosed Project Status Update is for the period of time from March 28, 2011 through March 1, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Sanford Smith". The signature is fluid and cursive, with a long horizontal line extending to the right.

Mr. Sanford Smith  
Senior Vice President  
Real Estate and Facilities

Enclosure

**Project Status Report**  
**March 28, 2011 Thru March 1, 2012**  
**Fourth Annual Review of the Development Agreement**  
**Between the City of Newport Beach**  
**And Hoag Memorial Hospital Presbyterian**

**Introduction & Overview**

On April 22, 2008, the City of Newport Beach (“City”) approved an amended Development Agreement between the city of Newport Beach and Hoag Memorial Hospital Presbyterian (“Hoag”) which is known as the “Amendment to the Restated Development Agreement No. 5”. This Amended Development Agreement was adopted by Ordinance No. 2008-10 on May 13, 2008.

Per Section 5.2 of the Amended Development Agreement:

“The Annual Review shall be conducted at a public hearing noticed in accordance with the provisions of Chapter 15.45 of the Newport Beach Municipal Code. Annual Reviews should be scheduled in April of each year.”

This Amended Development Agreement was part of Hoag’s Master Plan Update which included revised Development Agreement provisions, a revised Planned Community Text (“PC Text”) and associated standards, and certification of the Supplemental Environmental Impact Report (“SEIR”) with mitigation measures.

The Supplemental Environmental Impact Report (SCH No. 1991071003) was certified by adoption of City Council Resolution No. 2008-27. As part of the SEIR adoption, a Mitigation Monitoring & Reporting Program was required which shall be utilized as the basis for the Development Agreement Updates as it relates to mitigation measures.

For the purposes of this Development Agreement update, and those subsequent annual updates, this update shall serve as the Fourth Annual Review for the Amendment to the Restated Development Agreement No 5.

## **Project Status for the Fourth Development Agreement Annual Review**

As will be described in detail below, over the last year, Hoag has made a diligent, good faith effort to complete as many of the mitigation measures and associated requirements for both the Development Agreement & Planned Community Text as required in this timeframe.

## **Development Agreement Specific Terms & Obligations**

In the separate terms of the Development Agreement requirements (not found in either Mitigation Measures or PC Requirements), the following have been completed:

### **11. Section 5.4**

“5.4 Mitigation Review - The annual review shall include a detailed report of compliance with the various conditions and mitigation measures contained with the mitigation monitoring plan. The report shall also include a noise regulation compliance assessment that includes noise measurements prepared by a qualified noise consultant on a yearly basis. The noise assessment shall identify noise regulation compliance issues and recommended measures to abate any noncompliance. The report shall include an analysis of the view impacts of buildings constructed in comparison to the anticipated views depicted in the EIR. Hoag shall be found in compliance with this Agreement unless the City Council determines, based upon evidence presented at the Annual Review, that Hoag has not complied with all mitigation measures and conditions including those imposed as a result of subsequent environmental analysis, applicable to the grading of, or building on, the Property as of the date of the Annual Review. Hoag shall pay the City administrative costs incurred in conducting Annual Reviews. Hoag shall reimburse the City for costs incurred by the City associated with Fluor Enterprises’ review of the cogeneration plant during the 2008 Annual Review.”

Hoag has complied with this section of the Amended Development Agreement with the submittal of this detailed report which demonstrates good faith compliance with the various conditions and mitigation measures contained within the mitigation monitoring plan, as noted below.

Additionally, Hoag has complied with noise regulation compliance assessment. A noise analysis was performed by RS Acoustics on February 17, 2012 which demonstrates complete compliance with the noise standards in all locations. **(Attachment 1)**

No view analysis was necessary in this annual Development Agreement review, as only interior remodels have occurred and no new additions have occurred on the Hoag campus during this timeframe.

Construction activities related to the Emergency Department expansion at the Upper Campus from 30 existing treatment rooms to 59 new treatment rooms is ongoing and targeted for final completion by September 2012. Currently the project has 38 completed new rooms that are licensed and in full utilization. A new separate patient drop canopy and walk-in entrance as well as expanded Radiology imaging services was completed in the spring of 2011.

#### **15. New Section 8.4 – Sunset View Park Improvements**

“8.4 Hoag shall reimburse the City up to \$150,000 for installation of groundcover, shrubs, and irrigation systems with the unimproved portion of Sunset View Park and Superior Avenue, approximately 20,500 sq ft in area, located northerly of the cogeneration building. Reimbursement to the City shall be within 30 days of Hoag receiving an invoice from the City.”

The City has not moved forward with this project during this time period, and therefore has not requested a reimbursement for park improvements from Hoag.

## **16. New Section 8.5 – Cogeneration Plant Energy Curtailment**

“8.5 Hoag shall install a weather station capable of identifying ambient conditions necessary in documenting cogeneration plant and cooling tower operations. The weather station shall be tied into the cogeneration plant controls in order to maximize automatic responses to prevailing weather conditions, assisting in managing the operation changes and load shifting, as well as to provide periodic reports on plant operations.

Hoag shall not construct or erect additional cooling towers within the Hoag Lower Campus.

Hoag shall reduce the effective heat rejection by 33% at the existing cooling towers and such reduction shall be measured from a baseline (to be measured at the cooling towers) of operating three existing generators and absorption chiller at 100% of design capacity.

This reduced capacity operation shall be implemented daily between November 1<sup>st</sup> and April 30<sup>th</sup>, between the hours of 7:00 AM and 7:00 PM when the relative humidity is equal to or less than 55 degrees Fahrenheit.”

Hoag has complied with all requirements regarding the Cogeneration Plant Energy Curtailment and has attached a letter from Hoag’s chief engineer of record, Michael Trzepakz, P.E. which certifies the plant has been operated in accordance with the curtailment requirements. Monthly Cogeneration Plant Reports for the months of October 1, 2011 thru February 29, 2012 are attached for your review. **(Attachment 2)**

### **Mitigation Measures and PC Text Requirements**

In that no new major construction or additions has occurred over the last year, Hoag’s focus has been to fulfill the requirements that were oriented to noise and aesthetics and that were required to be completed or are in progress in this Development Agreement annual review time period. For your reference, the relevant mitigation measures and PC Text requirements are attached in the order they are addressed below.

### **Mitigation Measure 3.4-9 Cogeneration Plant Noise**

As noted above, Hoag has complied with all noise standards and an annual noise analysis was performed by RS Acoustics on February 17, 2012, which concludes that (page 17) the Cogeneration Plant's operations comply with the noise standards. **(Attachment 1)**

### **Noise – West Hoag Drive**

#### **Mitigation Measure: PDF 3.4-1 – Villa Balboa Window Installation**

In August, 2010, Hoag fulfilled its obligation under this mitigation measure by depositing a check in the amount of \$499,142.00, into an escrow account at a financial institution established by the Villa Balboa Community Association. These funds were used to pay for construction of the windows/sliding glass door upgrades for the eligible Villa Balboa condominiums. The installation of the windows/sliding glass doors has been completed and fully paid for. This mitigation measure has been satisfied.

#### **Mitigation Measure: PDF 3.4-2 – Sound Wall**

Construction of the 471 linear foot sound wall which commenced in October, 2009 is now complete. On January 19, 2010, the sound wall received final Certificate of Occupancy permits from the City of Newport Beach. All data on the sound wall was included in the 2011 DA Update.

#### **Mitigation Measure 3.4-5 - Loading Dock Sound Absorption Panels**

“Sound absorption panels on the east wall of the loading dock shall be installed. Approximately 450 square feet of absorptive panels shall be used to cover major portions of the back wall of the loading dock area. The Noise-Foil panels by Industrial Acoustics or a panel with equivalent or better sound rating shall be used.”



Noise Foil Sound Panels of approximately 650 square feet have been permitted and fully installed. This mitigation measure has been fully complied with and required data was included in the 2011 DA Update.

### **Mitigation Measure 3.4-6 – Relocation of the Trash Compactor**

“The trash compactor shall be relocated within the loading dock. The trash compactor and baler shall be enclosed in a three-side structure. The walls shall be concrete block or similar masonry construction. The roof shall be lightweight concrete roof or a plywood surface with concrete tiles; a built-up roof with 5’5” of insulation on the inside would be an acceptable alternative. The open side shall face away from residents. Doors may be on the side of the enclosure facing the residents, but must be closed when the baler or compactor are operating. The compactor and baler should only be operated between the hours of 7:00 AM and 7:00 PM.”

The trash compactor/sanitizer has been enclosed on the north and south sides with an exterior metal panel system. The interior of the walls have been lined with Noise Foil Panels as recommended by the acoustical engineer. The roof was constructed of metal decking with a waterproof membrane and was constructed similar to the north and south walls and has a bellow material that wraps around the trash enclosure to allow for movement. The west wall of the compactor/sanitizer will be open for access. The west wall of the loading dock was lined from north to south with Noise Foil Panels as recommended by the acoustical engineer. The baler was constructed with three walls on the east, west and south sides. The north side will remain open for access. The roof of the baler enclosure was constructed with the same materials as the compactor/sanitizer roof structure as noted above.

The compactor and baler are operated between the hours of 7:00 AM and 7:00 PM.

While Hoag is unable to fully relocate the trash compactor, per the Development Agreement Update City Council staff report dated September 14, 2010, staff notes: “Hoag has committed to relocate the trash compactor and provide a full enclosure as part of Hoag Hospital’s construction of a new structure or structures on the Upper Campus requiring the transfer of

buildable square footage from the Lower Campus or reconfiguration of the loading dock. In staff's opinion, this is a good faith partial and substantial compliance with the Mitigation Measure 3.4-6 for an interim period until such time when the trash compactor will be relocated and full compliance will be achieved as part of Hoag Hospital's construction of a new structure or structures on the Upper Campus requiring the transfer of buildable square footage from the Lower Campus or reconfiguration of the loading dock."

Therefore, Hoag is good faith partial and substantial compliance with this mitigation measure by constructing a trash compactor enclosure and a baler enclosure which include the use of sound absorption panels on both enclosures. Additionally, in the last year, no new structure or structures on the Upper Campus were constructed requiring the transfer of buildable square footage from the Lower Campus.

## **Planned Community Requirements – Landscaping Lower Campus (Exhibit #6)**

### **Area 7a – West Parking Area Islands**

Requirement: 60 days after CDP issuance at Coastal Commission.

Hoag received Coastal Commission's "Approval in Concept" of this item on April 8<sup>th</sup>, 2009 and final permits were received on December 15, 2009. Hoag obtained the required building permits for this project on January 19, 2010.

Parking Lot Islands were complete by May, 2010.

With regards to the trees located within the parking lot islands, Hoag has engaged a landscape architect and a landscape construction and maintenance company to review the status of the growth of the trees in the parking lot islands. The trees in the parking lot islands are of a different species than the other trees growing on the perimeter of the parking lot. The trees planted on the fringes of the parking lot will not grow in the confined space of the parking lot islands. The trees planted in the parking lot islands are canopy trees but needed to be included in a program of deep watering of the trees until such time as the corrected moisture content took

place. These parking lot island trees have been put on a fertilization and spraying program and have started to show marked improvement. The irrigation, fertilizing, trimming and spraying of the parking lot island trees continues under a program to monitor the health and growth of the trees. The trees should mature with the appropriate canopy branches and foliage in approximately one year.

Hoag has proceeded in good faith and continues to improve the on-going maintenance of the Parking Lot Islands. **(Attachment 3)**

### **Area 9 – North Slope above Retaining Wall**

Requirement: 120 days after CDP Issued by Coastal Commission.

Hoag received Coastal Commission's "Approval in Concept" of this item on April 8<sup>th</sup>, 2009 and final permits were issued by the City of Newport Beach on January 19, 2010.

The Slope construction was completed by July, 2010.

Hoag has proceeded in good faith and is in full compliance with the completion of construction as noted above.

2012 Update: To demonstrate the on-going maintenance of this area, we have attached photos taken this year. **(Attachment 3)**

### **Area 12 PCH Green Screen**

Requirement: Immediately upon issuance of an Approval in Concept by the City an application shall be submitted for said improvements to the Coastal Commission. Construction of said improvements shall be completed no later than 18 months after Coastal Development Permit Issuance by the Coastal Commission.

Hoag received Coastal Commission's "Approval in Concept" of this item on April 8<sup>th</sup>, 2009 and final permits were issued by the City of Newport Beach on January 19, 2010.

Hoag has proceeded in good faith and is in full compliance with the completion of the PCH Green Screen construction as required.

2012 Update: To demonstrate the on-going maintenance and growth of this area, we have attached photos taken this year of the area. (Attachment 3)

### **Cogeneration Plant**

Hoag has engaged a landscape architect and a landscape construction and maintenance company to review the status of the growth of the vines on the CoGen trellis. It has become apparent that an existing Melaleuca tree has shaded some of the vines growing on the screen. It has therefore been trimmed to allow more light to pass through. Three 15-gallon vines have been planted to promote quicker coverage of the upper portion of the CoGen screen and two large pots of two vines each have been planted to help cover the lower part of the screen where no vines were growing. The new vine planting includes a program to fertilize, irrigate and monitor growth. A marked improvement in the growth and coverage of the vines should be seen, but it could take up to two years for the vines to reach full maturity and provide optimal coverage.

Photos have been attached of the current conditions of the CoGen screen. (Attachment 3)