



## CITY OF NEWPORT BEACH ZONING ADMINISTRATOR STAFF REPORT

March 26, 2026  
Agenda Item No. 2

**SUBJECT:** Annual Review of Hoag Memorial Hospital Presbyterian Development Agreement (PA2025-0046)  
• Development Agreement No. 5

**SITE LOCATION:** 1 Hoag Drive

**APPLICANT/  
OWNER:** Hoag Memorial Hospital Presbyterian

**PLANNER:** Jerry Arregui, Assistant Planner  
949-644-3249, jarregui@newportbeachca.gov

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### **LAND USE AND ZONING**

- **General Plan:** PI (Private Institutions)
- **Zoning District:** PC38 (Hoag Hospital)
- **Coastal Land Use Category:** PI-B Private Institutions (0.0 – 0.75 FAR)
- **Coastal Zoning District:** PC38 (Hoag Hospital)

### **PROJECT SUMMARY**

An annual review of Development Agreement No. 5 for Hoag Memorial Hospital Presbyterian, pursuant to Section 15.45.080 (Periodic Review) of the Newport Beach Municipal Code and Section 65865.1 of the California Government Code.

### **RECOMMENDATION**

- 1) Conduct a public hearing;
- 2) Find the annual review is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15321, Class 21 (Enforcement Actions by Regulatory Agencies) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential to have a significant effect on the environment;
- 3) Find that the applicant has demonstrated good faith compliance with the terms of Development Agreement No. 5.
- 4) Receive and file the Annual Report of Development Agreement for Hoag Memorial Hospital Presbyterian (Attachment No. ZA 2).

## **BACKGROUND**

Development Agreement No. 5 (DA) was executed in 1994, related to the long-term development and expansion of Hoag Memorial Hospital Presbyterian (Hoag).

In May 2008, the DA was amended to allow the hospital to increase the intensity of future development on its upper campus with a commensurate reduction in the intensity of future development on the lower campus.

The Hoag Planned Community Development Plan (PC38) was also amended in 2008 to reflect the amended DA and to require additional landscape screening improvements and noise mitigation.

In July 2019, the DA was amended to provide additional public benefits<sup>1</sup> and to extend the term an additional 10 years, expiring in 2029.

In August 2020, the DA was amended to extend the term an additional one year in response to COVID-19 related impacts that constrained their ability to plan for the future development of the hospital campus.

In November 2021, the DA was amended to provide additional public benefits<sup>2</sup> and to extend the term to an additional 10 years, expiring in 2040.

The DA, the 2008 Amendment, the 2019 Amendment, the 2020 Amendment, and the 2021 Amendment are available online at:

[Development Agreements | City of Newport Beach \(newportbeachca.gov\)](https://www.newportbeachca.gov/development-agreements)

The last annual review hearing was conducted on February 29, 2024. The Zoning Administrator found Hoag to be in good faith compliance with the Development Agreement.

## **DISCUSSION**

Section 15.45.080 (Periodic Review) of the Newport Beach Municipal Code requires the City to periodically review development agreements to determine if the applicant has complied with the terms of the agreement. This review should be conducted at least once every 12 months and should occur in April pursuant to the development agreement.

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<sup>1</sup> Additional public benefits include payments of \$300,000 per year paid directly to one or more nonprofit community partner(s) determined by the City Council upon recommendation of the Homeless Task Force and the continued funding of the Melinda Hoag Smith Center for Healthy Living.

<sup>2</sup> Additional public benefits include payments of \$150,000 per year paid to the City for a total of 10 years.

The applicant is required to demonstrate good faith compliance with the terms of the agreement. Should the Zoning Administrator find that the applicant has not complied in good faith with the terms of the agreement; the Zoning Administrator should refer the matter to the City Council.

### Annual Review

The annual review covers the period from March 2023 to March 2025. Although the DA should be reviewed annually, the delay was partially necessary to allow Hoag additional time to obtain approvals to conduct the required acoustic measurements at the adjacent Versailles and Villa Balboa residential developments.

A summary of the 2024 and 2025 Development Agreement Annual Review Report is as follows.

#### 1. Project Status Report (Section 1 of the Annual Review Report):

A project status report includes various updates on the status of mitigation measure compliance and construction activities within the past two years. Construction has largely been limited to interior improvements on the upper campus and miscellaneous repair and maintenance to the entire campus. A list of improvement projects and mitigation measure compliance is provided in the Project Status Report Section within Attachment No. ZA 2.

#### 2. Lower Campus Landscaping Areas (Section 2 of the Annual Review Report):

The submitted photos show the 2023, 2024 and 2025 conditions of various areas of the lower campus. Ongoing maintenance and watering have resulted in continued coverage and health of all the plantings, including trees and ground covers. The Co-Gen Plant green screen wall has been adequately implemented through a combination of raised planters, vines, care, and watering. Staff found each of the landscape areas in compliance and has no ongoing concerns about landscaping. Hoag shall continue their efforts going forward.

Staff conducted a site inspection on March 10, 2026, and verified the health and coverage of the existing lower campus landscaping areas.

#### 3. Co-Gen Weather Plume Report (Section 3 of the Annual Review Report):

Hoag continues to operate the Co-Gen facility in concert with the weather station to reduce the water vapor plume from the cooling towers. Plume reduction protocols continued to operate between 7 a.m. and 7 p.m. starting November 1, 2023, through April 30, 2024, and November 1, 2024, through April 30, 2025.

#### 4. Acoustical Measurement:

Hoag continues to make efforts in conducting necessary annual noise measurements at Versailles and Villa Balboa properties. In communicating with their representatives, the Homeowner Associations have agreed, as of last review in 2024, to the discontinuation of sound testing for annual reviews unless there is an expansion or any improvements to the existing Cogeneration Plant. Since there are no changes to the existing condition of the Cogeneration Plant, the parties have agreed that an annual noise report was not necessary for this annual review. Additionally, Code Enforcement staff have not received noise complaints related to Hoag Hospital. This is evidence of Hoag's ongoing commitment to managing its operations and vendors appropriately. Staff is in agreement that the annual noise report is not necessary.

#### 5. Public Benefit

Hoag continues to operate the Melinda Hoag Smith Center for Healthy Living, fulfilling the DA requirement to fully fund its community benefit program. Further, the DA requires that Hoag contribute to one or more non-profits in the amount of \$300,000 per year for 10 years from the date of the 2019 amendment, followed by \$150,000 per year for 10 years.

On December 19, 2019, Hoag submitted a payment of \$600,000 to the City for the first- and second-year payment. On October 29, 2021, Hoag submitted a payment of \$600,000 to the City for the third- and fourth-year payment. On March 19, 2024, Hoag submitted a payment of \$300,000 to the City for the fifth-year payment. On January 3, 2025, Hoag submitted a payment of \$600,000 to the City for the sixth- and seventh-year payment. On January 8, 2026, Hoag submitted a payment of \$450,000 to the City for the eighth-year payment of 300,000 and first-year payment of \$150,000. Hoag is up to date with their financial obligations as required by DA.

#### **STAFF RECOMMENDATION**

After reviewing the attached annual report, Hoag's continued improvements to the planting and maintenance of the lower campus' landscaping areas, and their commitments to fulfilling their public benefit obligations. Staff finds Hoag Memorial Hospital Presbyterian to be in good faith compliance with the terms of Development Agreement No. 5 and its amendments.

#### **ENVIRONMENTAL REVIEW**

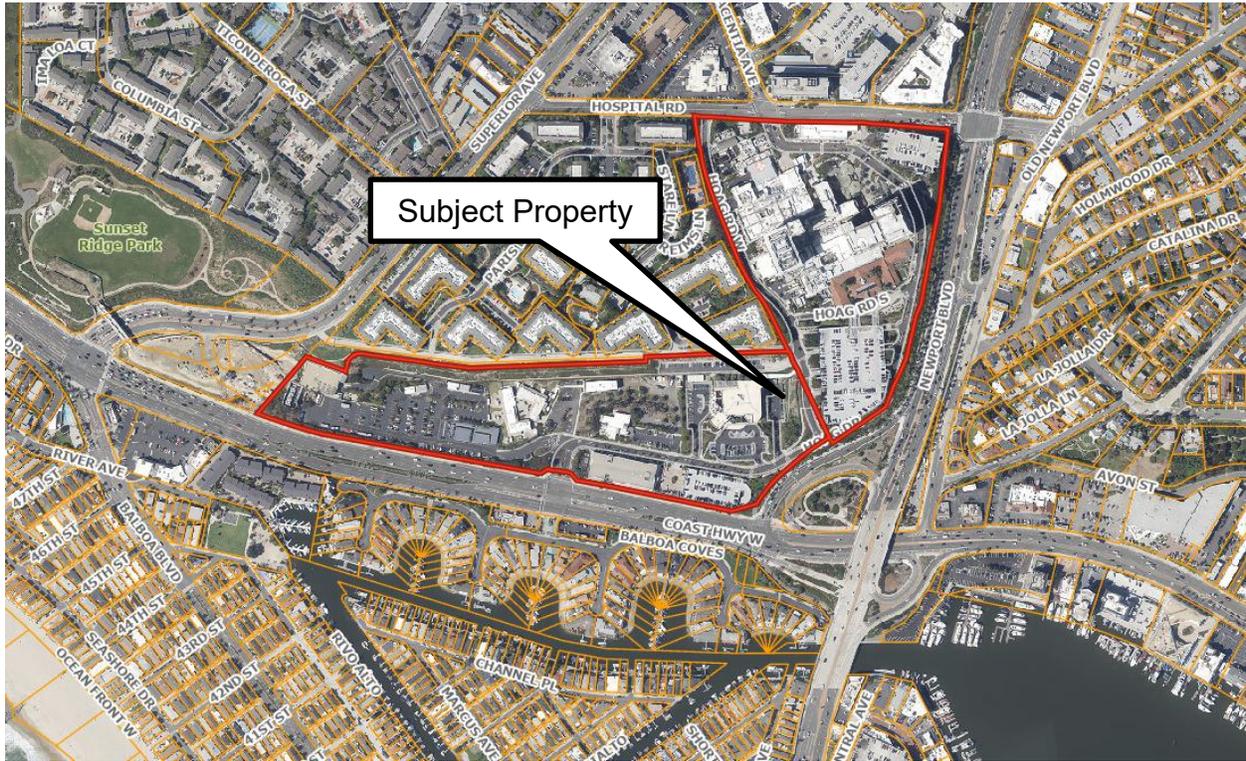
This annual review is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15321, Class 21 (Enforcement Actions by Regulatory Agencies) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 because it has no potential to have a significant effect on the environment. This section exempts actions by regulatory agencies to enforce or revoke a lease, permit, license, certificate, or other entitlement for use issued, adopted, or prescribed by the regulatory agency or enforcement of a law, general rule, standard, or objective, administered or adopted by the regulatory agency.



# **Attachment No. ZA 1**

Vicinity Map

# VICINITY MAP



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Annual Review of Hoag Memorial Hospital  
Presbyterian Development Agreement No. 5  
(PA2025-0046)

**1 Hoag Drive**

# **Attachment No. ZA 2**

July 8, 2025, Hoag Development Agreement Annual Report



# **Development Agreement Annual Review**

**Hoag Memorial Hospital Presbyterian**

**April 1, 2023 thru March 31, 2025**

**Prepared for:**

The City of Newport Beach  
100 Civic Center Drive, Newport Beach, Calif. 92660

**Prepared by:**

Hoag Memorial Hospital Presbyterian  
One Hoag Drive  
Newport Beach, CA 92663



# **Development Agreement Annual Review**

**April 1, 2023 thru March 31, 2025**

**Hoag Memorial Hospital Presbyterian**

**1. Project Status Report**

**2. Landscaping Photos  
(Attachment 1)**

**3. Co-Gen Weather Plume  
Reports (Attachment 2)**

**Prepared for:**

The City of Newport Beach  
100 Civic Center Drive  
Newport Beach, CA 92660

**Prepared by:**

Hoag Memorial Hospital Presbyterian  
One Hoag Drive  
Newport Beach, CA 92663



**Project Status Report  
April 1, 2023 thru March 31, 2025  
Fourteenth 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. 6”. This Amended Development Agreement was adopted by Ordinance No. 2008-10 on May 13, 2008. The Development Agreement was approved for a 10-year extension on July 9, 2019. A Fifth Amendment to Restated Development Agreement No. 5 was approved on November 16, 2021, which extended the agreement until September 15<sup>th</sup>, 2040.

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 twelfth Annual Review for the Amendment to the Restated Development Agreement No. 6

**Project Status for the Sixteenth Development Agreement Annual Review**

As will be described in detail below, over the last year, Hoag has made a diligent, good faith effort in complying with 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 of PC Requirements), the following have been completed:

**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 was not required by Community Development to submit a noise assessment.

To summarize:

- Hoag staff is still fully activated to support the daily changing needs of operating a healthcare institution.
- Hoag has continued to show good faith efforts to reduce noise.

No view analysis was necessary for this Annual Development Agreement review, as only interior building remodels were occurring in the lower campus and one building renovation on the Hoag upper campus.

### **2023-2025 Update**

Construction activities have been largely limited to interior tenant improvements with no building renovation taking place this year. These improvements have included the following items:

Emergency Department Fast Track (Upper Campus) – April 2023 began the remodel of what was formerly administrative space in our north tower and provided an expansion of our emergency department of clinical spaces for patient care. The space was completed and patient ready in August of 2024.

GI lab equipment upgrades (Upper Campus)- GI lab equipment upgrades were completed in February 2024, which is inside the Women’s Pavilion on the 2<sup>nd</sup> floor.

Cancer Center interior renovation- renovation was completed in July 2023 for Hoag Family Cancer Institute building on the 2<sup>nd</sup> and 3<sup>rd</sup> floors.

Mechanical/Facility/Infrastructure Upgrades (Interior) – Various projects scheduled throughout the Newport Beach Campus addressing routine repairs, proper maintenance, planned refurbishment, and upgrades of the infrastructure. Some projects include air handler upgrades flooring replacements, door replacements and building management system upgrades.

### **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.”

**2023-2025 Update:** Hoag has complied with all requirements regarding the Cogeneration Plant Energy Curtailment and has attached a letter from Hoag’s chief engineer of record, Yorke Engineering, which certifies the plant has been in operation in accordance with curtailment requirements as feasible. Daily Cogeneration Plant Reports for the dates of November 1, 2023 through April 30, 2024 and November 1, 2024 through April 16, 2025 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 is to fulfill the requirements that were oriented to noise mitigation and aesthetic improvement. For your reference, the relevant mitigation measures and PC Text requirements are addressed below.

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

Sound testing was not done in 2023-2024 because it was communicated as unnecessary by Action Property Management on behalf of Villa Balboa. The last sound testing completed in 2019 showed compliance at the cogeneration plant. Hoag continues its diligence to operate and maintain the plant below the required sound levels. The Hoag team is focused on continually reducing the noise levels in and around the plant. Some of the ongoing operational activities include:

- Nightly rounds conducted by the operators outside the plant to ensure quiet operation.
- Slowing down the cooling tower fans and motors on cooler nights.
- Securing of engines when Hospital load decreases in the evenings.
- Slowing down the engine room supply fan on cooler nights or when engines are secured.
- Ensuring that scheduled maintenance is completed on time for all sound emitting equipment.
- Ensuring that all cogeneration plant doors are properly sealed and closed tight.
- Using battery storage system to reduce demand on engines

### **Noise – West Hoag Drive**

#### **Mitigation Measure: Reduce noise levels around the Central Plant**

In the last year one structure at the Upper Campus was constructed but did not require the transfer of buildable square footage from the Lower Campus. A sound study was not completed in 2023-2024 because it was communicated as unnecessary by Action Property Management on behalf of Villa Balboa and TSG Independent on behalf of Versailles.

**2023-2025 update:** Hoag continues to keep the roll down door, and all plant doors in the closed position as much as possible and only open during activities that require it to be open for direct repair or maintenance.



## **Planned Community Requirements – Landscaping Lower Campus**

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

**2023-2025 update:** All trees and increased island groundcover areas installed in the Sunset View Lot continue to thrive. Ongoing landscape rounds continue to identify any plants requiring replacement, treatment, irrigation adjustments, pest management, etc.

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

**2023-2025 Update:** On-going maintenance of this area continues and remains compliant (**See photos Attachment 1**).

### **Area 12 Pacific Coast Highway Green Screen**

**2023-2025 Update:** On-going maintenance of this area continues, has remained compliant and continues to thrive (**See photos Attachment 1**).

### **Area 13 – Future Parking Lot at base of Wall behind ATP Building**

**2023-2025 Update:** The grid arrangement of canopy shade trees intermixed with plant squares of drought tolerant shrubs continues to thrive, while on-going maintenance of this area continues, this area remains compliant (**See photos Attachment 1**).

### **Cogeneration Plant**

**2023-2025 Update:** On-going improvements in the growth and coverage of the vines and the trees that were planted have taken hold. The vines and trees are providing coverage, are flowering and continue to grow. A maintenance and monitoring program is in place, which will continue to ensure ongoing health of the vines. A hard cut of the upper Cogen bluff was done in December of 2024 to fulfill a tenant request for ocean views, the area is being maintained and monitored closely to control growth (**See photos Attachment 1**).

# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Sunset Lower Parking Lot Landscape

2023



2024



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

2025



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

**Sunset Lower Parking Lot Re-Landscaping**

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

*Attachment # 1*

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Tree Island Lower Sunset Lot

2023



2024



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Behind ATP Landscaping

2023



2024



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Cogen Upper Bluff / Green Screen

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Cogen Screen Wall

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

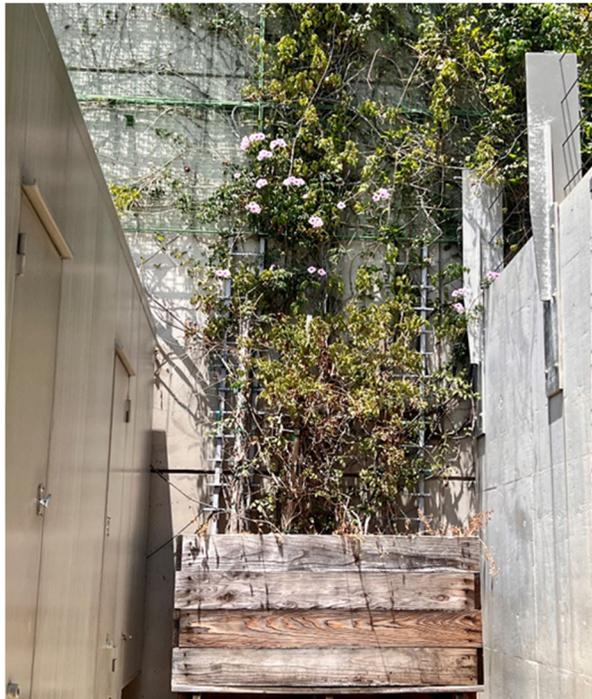
Attachment # 1

## Cogen Planter

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Cogen Planter

2023



2024



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

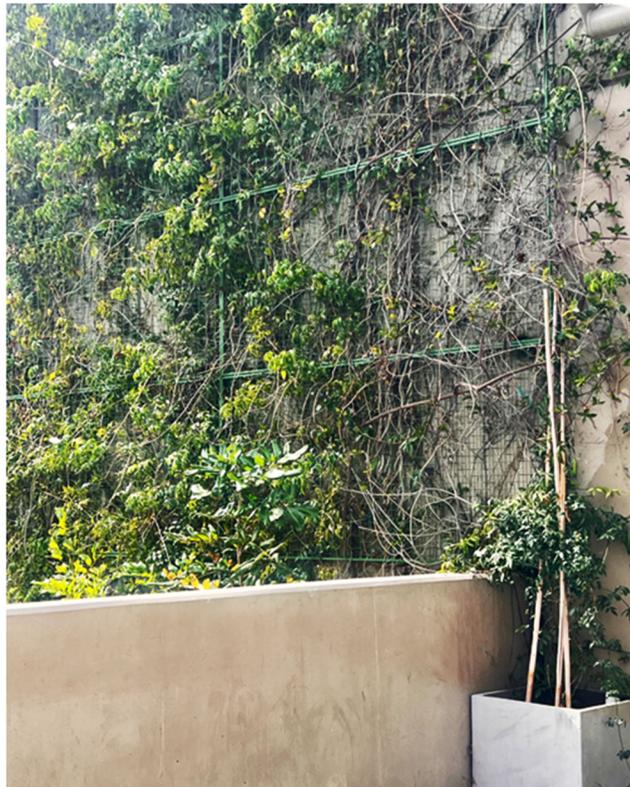
Attachment # 1

## Cogen Planter

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

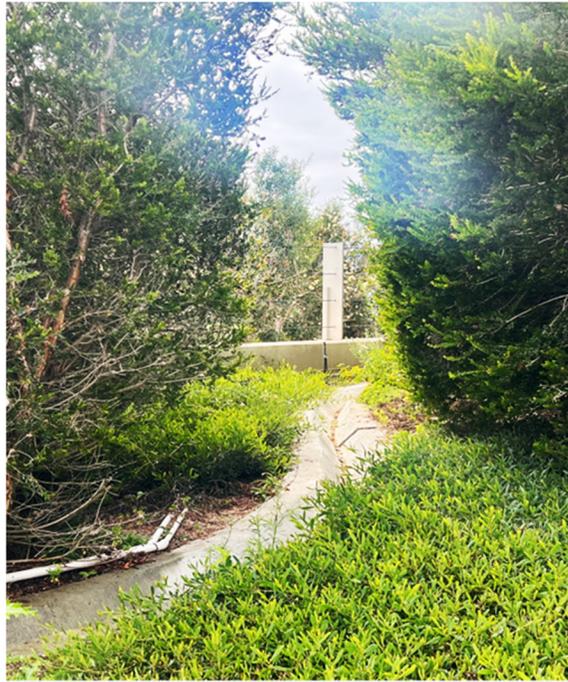
Attachment # 1

## Upper Cogen Bluff

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

## Attachment # 1

### Lower Cogen Slope

2023



2024



**2024 HOAG DA UPDATE – LANDSCAPING PHOTOS**  
*Attachment # 1*

2025



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

## Infill Shrubs Upper Cogen Slope

2023



2024



# 2024 HOAG DA UPDATE – LANDSCAPING PHOTOS

Attachment # 1

2025



## **Attachment 2**

### **Co-Gen Weather Plume Reports**

File available via link due to size:

<https://ecms.newportbeachca.gov/WEB/DocView.aspx?dbid=0&repo=CNB&id=3226039&cr=1>