

# **Attachment D**

Planning Commission Minutes

**ITEM NO. 3      HOAG DEVELOPMENT AGREEMENT ONE-YEAR EXTENSION (PA2020-065)**  
**Site Location: 1 Hoag Drive**

**Summary:**

The City and Hoag Memorial Hospital Presbyterian ("Hoag") entered into a Development Agreement ("Agreement") in 1994 to ensure the orderly development of the hospital over time. On July 23, 2019, the City Council approved a third amendment to extend the 25-year Term of the Agreement for an additional ten (10) years in exchange for certain community benefits provided by Hoag. Hoag has requested a fourth amendment to extend the Term of the Agreement for one (1) additional year in light of COVID-19-related impacts that have constrained their ability to plan for the future development of the hospital campus consistent with the amended Agreement. The Agreement grants Hoag the vested right to develop the hospital campus consistent with an extensive set of regulations and mitigation measures, all of which would remain unchanged by this proposed fourth amendment.

**Recommended Action:**

1. Conduct a public hearing;
2. Find all significant environmental concerns for the proposed project have been addressed in a previously certified Final Environmental Impact Report (EIR) and Supplemental EIR, and that the City of Newport Beach intends to use said document for the above noted project, and further that there are no additional reasonable alternative or mitigation measures that should be considered in conjunction with said project; and
3. Adopt Resolution No. PC2020-026 recommending City Council adoption of Development Agreement No. DA2020-003 amending Amended and Restated Development Agreement No. 5 to extend the Term of the Agreement by an additional one (1) year.

Commissioner Ellmore recused himself from the item as he serves on an advisory panel for Hoag Hospital.

Assistant Planner Patrick Achis reported Hoag Hospital requests a fourth amendment of the Development Agreement to extend the term by one year in light of COVID-related impacts constraining its ability to plan for development. Under the current Development Agreement, Hoag has the right to develop the hospital campus consistent with an extensive set of regulations and mitigation measures, none of which are affected by the proposed amendment. In 2019, the City Council approved an extension of the Development Agreement to 2029 in exchange for community benefits. With approval of the proposed amendment, the term would extend to 2030. Hoag intends to fully exercise the development allowances under the agreement and requires one additional year to account for COVID-19 complications and delays to planning and development.

In response to Commissioner Klaustermeier's question, Assistant Planner Achis advised that the terms relative to the public benefits will not be affected by the proposed amendment.

Commissioners Rosene and Klaustermeier and Vice Chair Lowrey disclosed no ex parte communications. Commissioners Kleiman and Koetting and Chair Weigand disclosed communications with applicant's consultant.

Chair Weigand opened the public hearing.

Sanford Smith, Hoag Hospital Senior Vice President for Real Estate and Facilities, indicated the majority of planning work has been delayed in order to address the current COVID-19 crises.

In reply to Chair Weigand's inquiry, Mr. Smith related that elective procedures have been postponed and patients have avoided hospital services in response to the stay-at-home order. The hospital has focused on crisis response. Planning for the hospital campus has not been and will not be a focus for at least a year.

Jim Mosher, a member of the public, commented that if the applicant's consultant is a lobbyist and has not registered with the City, he should do so. Mr. Mosher questioned whether the public benefit provided in the Development Agreement should be amended to allow some flexibility in its use.

Chair Weigand did not believe renegotiation of Development Agreement terms is within the Planning Commission's purview.

Chair Weigand closed the public hearing.

**Motion** made by Commissioner Rosene and seconded by Commissioner Klaustermeier to approve the staff recommendation.

**Substitute Motion** made by Commissioner Koetting and seconded by Vice Chair Lowrey to approve a two-year extension of the Development Agreement Term.

Chair Weigand shared his opinion of the Development Agreement in light of the services Hoag Hospital provides to the City and the community.

The **Substitute Motion** was approved by the following vote:

AYES: Weigand, Lowrey, Kleiman, Klaustermeier, Koetting, Rosene  
NOES:  
RECUSED: Ellmore  
ABSENT:

DRAFT