

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
200 Oceangate, 10th Floor
Long Beach, CA 90802-4302
(562) 590-5071

Filed: 7/18/97
49th Day: 9/5/97
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Staff: MV-LB NW
Staff Report: 8/21/97
Hearing Date: 9/9-12/97
Commission Action:

**STAFF REPORT: PERMIT AMENDMENT**

APPLICATION NO.: 5-92-368 A1

APPLICANT: Hoag Memorial Hospital Presbyterian

AGENT: Peri Muretta

PROJECT LOCATION: One Hoag Drive, Newport Beach, Orange County
(formerly 4000 West Coast Highway)

DESCRIPTION OF PROJECT PREVIOUSLY APPROVED:

Installation of two gas flare "bubbler" scrubber tanks and relocation of the existing gas flare stack. The scrubber tanks were approved to be 24 feet high and the gas flare stack 31 feet high. Also approved was the replacement, in the same location, of an existing gas line between Well #5 and the existing gas valves, including excavation of a 12-inch wide, 36 - 42 inch deep trench (10 cubic yards of cut and 2 cubic yards of fill). The project was proposed to remove sulfur compounds as required by the Southern California Air Quality Management District.

DESCRIPTION OF AMENDMENT:

Relocation and upgrade of an existing methane gas elimination system consisting of two 32 feet high gas scrubber units, a 35 foot high gas flare stack, two blower units, and replacement of gas lines to all existing wells. The proposed project would relocate the flare 1,100 feet away from the child care facility. Additional features of the proposed system include: monitoring systems; a second blower package which will provide backup capability; enclosure of the flare so that the flame is not observed when flaring is required; and increased capacity for methane gas scrubbing.

LOCAL APPROVALS RECEIVED:

City of Newport Beach Approval in Concept No. 1026-97.

SUBSTANTIVE FILE DOCUMENTS: Coastal Development Permit 5-92-368 (Hoag); Coastal Development Permit 5-93-253 (Hoag); Development Agreement D-5-93-2 between Hoag Hospital and the City of Newport Beach; City of Newport Beach certified Land Use Plan.

PROCEDURAL NOTE: The Commission's regulations provide for referral of permit amendment requests to the Commission if:

- 1) The Executive Director determines that the proposed amendment is a material change,

2) Objection is made to the Executive Director's determination of immateriality, or

3) the proposed amendment affects conditions required for the purpose of protecting a coastal resource or coastal access.

If the applicant or objector so requests, the Commission shall make an independent determination as to whether the proposed amendment is material. 14 Cal. Admin. Code 13166.

SUMMARY OF STAFF RECOMMENDATION:

The staff recommends that the Commission determine that the proposed development with the proposed amendment, subject to the conditions below, is consistent with the requirements of the Coastal Act. Staff is recommending two special conditions. The first requires that measures to address soil corrosivity at the site be implemented as proposed. The second special condition requires that landscaping to screen the view from West Coast Highway be implemented as proposed.

STAFF RECOMMENDATION

I. APPROVAL

The Commission hereby grants an amendment to the permit, subject to the conditions below, for the proposed development on the grounds that the development will be in conformity with the provisions of Chapter 3 of the Coastal Act of 1976, will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3 of the Coastal Act, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. SPECIAL CONDITIONS:

1. Corrosion Control Measures

All recommendations for corrosion control contained in the Soil Corrosivity Study prepared by M. J. Schiff & Associates dated December 6, 1995 shall be implemented as part of the project.

2. Landscaping Screen

Landscaping around the proposed gas elimination system shall be implemented as proposed in the landscaping plan prepared by the Office of William Rabben, dated 6/11/97. Minor deviations to the approved plan may occur provided the landscape screen remains effective.

III. FINDINGS AND DECLARATIONS:

A. Amendment Description

The applicant proposes the relocation and upgrade of an existing methane gas elimination system. The proposed system is comprised of two 32 feet high gas scrubber units, a 35 foot high gas flare stack, two blower units, and replacement of gas lines to all existing wells.

Methane gas occurs naturally below the surface of the Hoag Hospital site and the Balboa Coves community directly across Coast Highway from the hospital site. The gas becomes hazardous if allowed to accumulate. It is believed that the original source of the gas is naturally occurring from the oil fields located approximately four miles north of Hoag's facility.

There is an existing gas collection and burn-off system at the site. It collects the gas from both the Hoag site and the Balboa Coves area. The purpose of the existing flare is to prevent combustible gas accumulation. The purpose of the proposed scrubber system is to reduce the concentration of sulfur compounds being emitted. The Southern California Air Quality Management District (SCAQMD) has stated that shutting down the flare would result in the accumulation and seepage of explosive gases in the residential neighborhoods and public streets near the hospital. The area has a history of residential fires associated with gas seepage from the ground.

The proposed project would remove sulfur compounds, principally hydrogen sulfide, to a level of 5.0 ppm from approximately 4,000 ppm in the existing feedstock gas. Under the current system, the gas burned in the flare is untreated (no removal of sulfur compounds) before burning and has a sulfur content substantially beyond the limits which are acceptable to the SCAQMD. In addition, the existing flare is located 140 feet west of Hoag's on-site child care center.

On February 18, 1993, the Commission approved coastal development permit 5-92-368 which allowed an upgrade to the existing system. That permit was approved with two special conditions. The first special condition required that construction methods be employed that would not adversely impact the wetlands that previously existed at the site. (Note: Coastal development permit 5-93-253 allowed grading that resulted in the elimination of the wetlands. The hospital expansion that was approved under the master plan was found to be an incidental public service and adequate mitigation for the loss of the wetlands was provided off-site.) The second special condition required the applicant to provide screening around and adjacent to the gas elimination system to soften views from West Coast Highway toward the project.

Development approved under the original permit was commenced prior to expiration of the permit but was not completed. The previously approved upgrade would have removed the sulfur compounds with wet chemical scrubber tanks. The methane gas would then have been flared or put to use by the hospital to produce a portion of the hospital's heating and cooling needs.

After the coastal development permit had been issued, the City of Newport Beach stopped work on the project and requested modifications to the approved plans. Prior to work being stopped, the following components of the project

had been completed: installation of a concrete containment system and two tanks to contain scrubber chemicals; installation of a new gas extraction pipeline; and installation of new piping to connect the new manifold. The City reissued permits for the project on November 15, 1995; however, at that time, Hoag and the City were in the process of pursuing state legislation to fund the relocation of the flare and to install a system that would better meet the needs of the West Newport area by more efficiently extracting methane gas. The amendment application now before the Commission is for that upgraded system.

The proposed project would relocate the flare 1,100 feet away from the child care facility. In addition, the proposed system will be able to collect the methane gas as needed for future development on Hoag's Lower Campus (Development Agreement D-5-93-2 between Hoag Hospital and the City of Newport Beach approved the master plan for future development of Hoag's Lower Campus. The development agreement was approved by the Commission on February 15, 1993). Additionally, the proposed system will have a new scrubber system chemistry which involves using nonhazardous dry chemicals as opposed to hazardous wet chemicals. Further, the proposed system will have increased pumping capabilities enhancing gaseous flow to the main hospital complex located on the Upper Campus, for energy utilization. Monitoring systems have also been added to the proposed project for increased safety and to allow monitoring of gaseous flows from each of the three on-site wells, as well as the two off-site trenches.

The benefits of the proposed project over the existing and previously approved project include: gas utilization for energy generation; the proposed scrubber system will use nonhazardous chemicals to remove the sulfur compounds from the gas whereas the previously approved system would have used wet chemicals which could constitute a risk of hazardous chemical spill; the flare will be relocated 1,100 feet from the child care center; and, the proposed project will allow compilation of gas production records on individual project components, where the existing and previously approved systems would not. In addition, the proposed system contains a second blower package which will provide backup capability to the system in the event of failure of the main blower; the proposed system includes enclosure of the flare so that the flame is not observed when flaring is required; enclosure of the flare will also enhance combustion efficiency; and the proposed project includes a system that has an increased capacity for methane gas scrubbing.

B. Hazards

Section 30253 of the Coastal Act states, in part:

New development shall:

- (1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.
- (2) Assure stability an structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs.

(3) Be consistent with requirements imposed by an air pollution control district or the State Air Resources Control Board as to each particular development.

In the past, concern has been raised that an earthquake fault is located at the subject site. This was raised at the Commission hearing on the original coastal development permit, 5-92-368. Also raised at that time were issues of soil corrosivity and the presence of hazardous gases at the site. Much of the concern expressed at the time was based on information contained in the EIR prepared for the Hoag Master Plan. However, additional information, some of which was incorporated into the EIR, has provided clarification.

1. Faulting

The applicant has submitted a Summary of Fault Investigation, Lower Campus, Hoag Hospital, prepared by Leighton and Associates, Inc. on October 21, 1996. The Fault Investigation studied the subject site and reviewed previous reports on the geology of the area as well as aerial photographs of the site. The Fault Investigation states:

"Based on our observations of the recently cut slope and review of prior mapping along the slope before fill was placed along the east side of our study area, it is our opinion that although faults are present in the Miocene age bedrock, they do not offset earth materials younger than 11,000 years old. Therefore, the faults are not considered active under the State of California Alquist-Priolo act."

The staff report for the Commission's approval of the original permit made the following findings: "Additional consultants (Law/Crandall, Inc., January 27, 1993) point out that "detailed studies by the California Division of Mines and Geology (1988) indicate that no active or potentially active faults occur beneath the site. The studies are based on detailed review of aerial photographs and fault trenching studies by others in the site area" and "the site is not located within an Alquist-Priolo Studies Zone designated by the State of California for fault rupture."

Numerous studies of the area have not revealed the presence of an active fault at the subject site. The proposed project is required because of the need to eliminate the methane gas at the site. The proposed project will improve the existing method of removing the methane gas. The consultants have indicated that the proposed project is feasible from a geotechnical standpoint. Therefore the Commission finds that the location of the proposed project does not create significant hazard with regard to earthquake faulting.

2. Soil Corrosivity

The soils at the subject site have been found to be corrosive. The presence of corrosive soil means there is potential for metal pipes placed within the soil to corrode. A Soil Corrosivity Study was prepared for the subject site by M.J. Schiff & Associates, Inc. on December 6, 1995. The study found that the soil at the subject site is classified as severely corrosive to ferrous metals, aggressive to copper, and deleterious to concrete. The study contains numerous recommendations for corrosion control, including: abrasive blasting underground steel and cast and ductile iron utility piping and applying a high quality dielectric coating; bonding underground steel and iron pipe with

rubber gasketed, mechanical, grooved end, or other nonconductive type joints for electrical continuity; applying cathodic protection to steel and iron piping; and other measures. The study found that no special precautions, from a corrosion viewpoint, are required for plastic piping placed underground.

The applicant has proposed to incorporate all the recommendations for corrosion control contained in the Soil Corrosivity Study prepared by M.J. Schiff & Associates dated December 6, 1995. As a condition of approval the recommendations for corrosion control shall be incorporated into the project. This condition will assure that this aspect of the proposed project is carried through. With incorporation of the corrosion control measures included as a part of the proposed project, adverse impacts due to corrosive soils will be mitigated. Therefore, the Commission finds that as conditioned, the proposed project will not create undue hazard due to soil corrosivity.

3. Hazardous Gases

Methane gas occurs naturally at the subject site and vicinity. There is existing now and has been for more than 20 years, various free burning flare type devices in operation to mitigate the danger from combustible gas accumulation. The existing flare does not treat the gas before it is burned. The sulfur content of the flared gas is substantially beyond the limits set by SCAQMD. Shutting down the flare would result in the accumulation and seepage of explosive gases in the residential neighborhoods and public streets in the vicinity.

A letter from SCAQMD (attached as exhibit C) supporting the proposed project states:

"Pursuant to the California Health and Safety Code, the South Coast Air Quality Management District ("District") is the agency with primary responsibility for comprehensive air pollution control in the South Coast Basin. As such, the District believes it is in the public interest for the proposed project to obtain all necessary governmental and agency evaluations at the earliest possible date. Upon completion, the project should reduce levels of H₂S in the gases going to the subject flare. This in turn, it will reduce SO₂ emissions after burning.

Upon completion of the upgrades, the system is expected to be more effective and reliable in its control of underground gas seepage in Hoag's vicinity. It is also in the best public interest to move the flare further away from Hoag's child care center to reduce potential human exposure to gases involved."

The methane gas that occurs naturally on the site must be safely eliminated to assure public safety in the area. Currently the gas is collected through underground vents and burned off through the exiting gas flare stack. The proposed project will be a safer, cleaner method to eliminate the naturally occurring gas. The SCAQMD has required that the improved methods be employed. Therefore, the Commission finds that the proposed project is consistent with Section 30253 of the Coastal Act which requires that new development be consistent with requirements imposed by an air pollution control district.

C. Public Views

Section 30251 of the Coastal Act states:

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

A public view park exists in the area atop the bluff adjacent to the subject site. The view park offers a panoramic view of Newport Harbor and the ocean. There is a public bicycle trail along the bluff top, between the public park and a large condominium development.

None of the proposed development will exceed the height of the bluff. The top of the enclosed flare is proposed to be 35 feet high and the top of the gas scrubber units are proposed to be approximately 32 feet high. The top of the adjacent bluff in this area is more than 40 feet high. The maximum height for structures in this area of the approved master plan (as reflected in the development agreement) is 53 feet. Because the height of the proposed structure is lower than the height of the adjacent bluff, the proposed development will not obstruct views from the public blufftop park.

The site is also adjacent to, on the inland side of, West Coast Highway. The City's certified Land Use Plan does not identify this section of Coast Highway as a coastal scenic area. However, Coast Highway One is considered a scenic highway. The scrubber system will be visible from Coast Highway. The proposed development should avoid creating an industrial look as viewed from Coast Highway.

To minimize adverse impacts to public views from Coast Highway, the applicant has proposed to install landscaping around the scrubber system to screen it from view. The landscape plan submitted by the applicant includes trees that will grow to maximum heights of 30 to 40 feet with spreads ranging from 20 to 40 feet. The types of trees proposed are Red Flowering Gum, New Zealand Christmas Tree, Cajeput Tree, and Jacaranda. In addition, the applicant has proposed to include the following shrubs in the landscaping plan: Canberra Gem Grevillea, Sweet Scented Hakea, and Myporum. The landscaping is proposed on all sides of the scrubber system except at the access point from the parking lot (see exhibit E). As a condition of approval the proposed landscaping shall be incorporated into the project. This condition will assure that this aspect of the proposed project is carried through. With implementation of the landscaping assured as a part of the proposed project, adverse impacts to public views will be mitigated. Therefore, the Commission finds that as conditioned, the proposed project is consistent with Section 30251 of the Coastal Act regarding public views.

D. Local Coastal Program

Section 30604(a) of the Coastal Act provides that a coastal development permit shall be issued only if the proposed development would not prejudice the ability of the local government having jurisdiction to prepare a local coastal program (LCP) which conforms with, and is adequate to carry out, the Chapter 3 policies of the Coastal Act.

The Newport Beach LUP was certified on May 19, 1982. The proposed development is consistent with the certified Land Use Plan land use designation for the site. The proposed development, as conditioned, has been found to be consistent with the Coastal Act, including the hazard and public views policies of the Coastal Act. Therefore, the Commission finds that the proposed development would not prejudice the ability of the City of Newport Beach to prepare a local coastal program consistent with the Chapter 3 policies of the Coastal Act.

E. California Environmental Quality Act

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of coastal development permits to be supported by a finding showing the permit, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

The project as conditioned has been found to be consistent with the Chapter 3 policies of the Coastal Act, including the public views and hazard policies of the Coastal Act. In addition, the proposed project will improve the air quality in the vicinity by substantially reducing the sulfur content released into the air by the gas flare. Further, the project will upgrade the existing system which prevents hazardous gases from accumulating. There are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project can be found consistent with the requirements of the Coastal Act to conform to CEQA.



Subject Site

EXHIBIT NO. A
APPLICATION NO.
5-92-368A1
California Coastal Commission

VICINITY MAP

Exhibit B
5-92-368 A1
Site Plan



South Coast Air Quality Management District

21865 E. Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • <http://www.aqmd.gov>

RECEIVED
JUL 21 1997

CALIFORNIA
COASTAL COMMISSION

July 18, 1997

Via Facsimile and Mail

Meg Vaughn, Staff Analyst
California Coastal Commission
200 OceanGate, 10th Floor
Long Beach, CA 90802-4302

Re: Hoag Memorial Hospital Presbyterian;
Flare Relocation and Installation of Control Equipment;
Coast Development Permit
Amendment Application #5-92-368A1

Dear Ms. Vaughn:

The purpose of this letter is to request that the California Coastal Commission expedite, to the maximum extent possible, its review and evaluation process regarding Hoag Memorial Hospital Presbyterian's ("Hoag") project to relocate and improve its gas flare and install air pollution control equipment to clean the flared gases.

Pursuant to the California Health and Safety Code, the South Coast Air Quality Management District ("District") is the agency with primary responsibility for comprehensive air pollution control in the South Coast Basin. As such, the District believes that it is in the public interest for the proposed project to obtain all necessary governmental and agency evaluations at the earliest possible date. Upon completion, the project should reduce levels of H₂S in the gases going to the subject flare. This, in turn, it will reduce SO₂ emissions after burning.

Upon completion of the upgrades, the system is expected to be more effective and reliable in its control of underground gas seepage in Hoag's vicinity. It is also in the best public interest to move the flare further away from Hoag's child care center to reduce potential human exposure to gases involved.

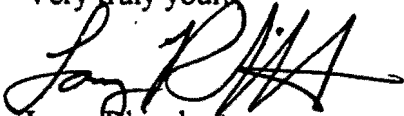
The District joins Hoag in its request that your commission hear this matter at its next scheduled hearing. By expediting this matter, it should speed the installation of control equipment, reduce emissions of air contaminants and promote public health and safety.

Exhibit C
5-92-368 A1
AQMD Letter

p. 1/2

If you have any questions, please contact Allen Mednick at (909) 396-3461. Thank you for your cooperation

Very truly yours



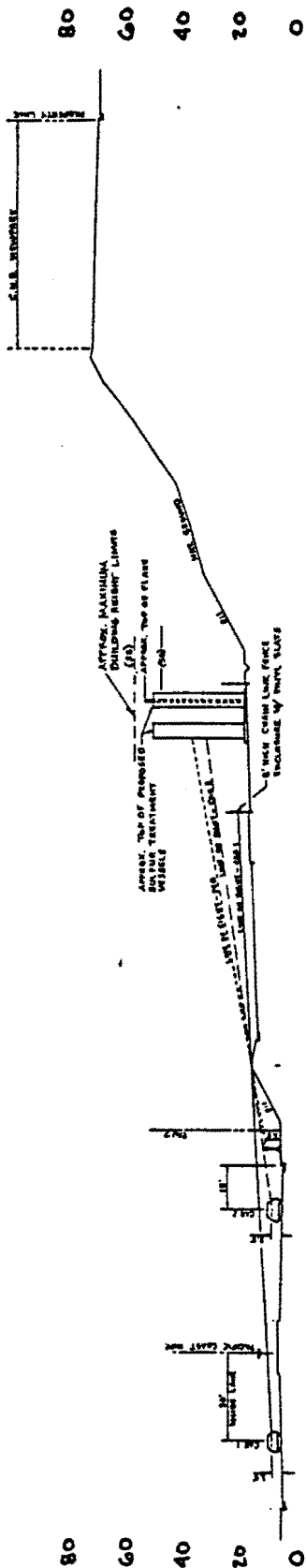
Larry Rhinehart
Director of Intergovernmental Affairs

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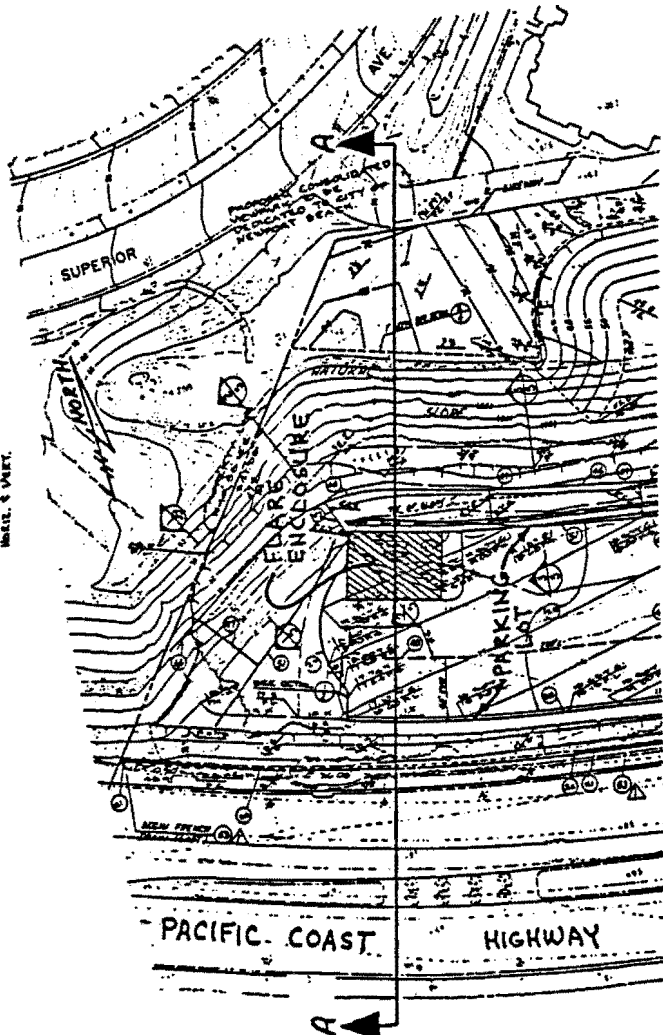
cc: Dennis O'Neil, Esq.
Peter Faulke, Vice President
Peri Muretta, Consultant
Lupe Valdez
Peter Mieras

Exhibit C
5-92-348 A1
AQMD Letter
p. 2/2



SECTION A-A

SCALE: 1" = 20'
DATE: 4/19/77



PLAN
SCALE: 1" = 40'

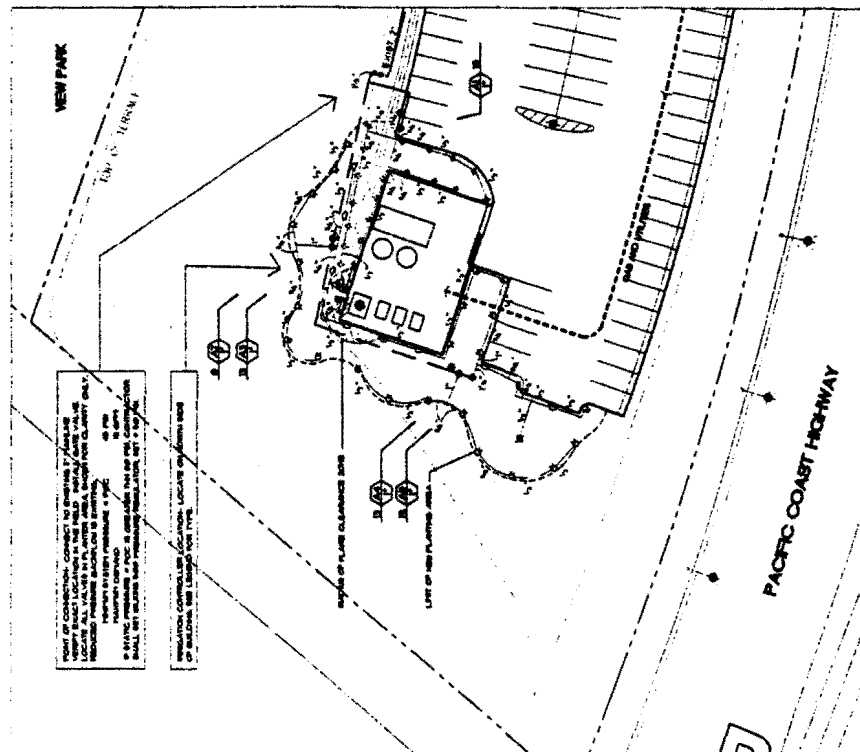
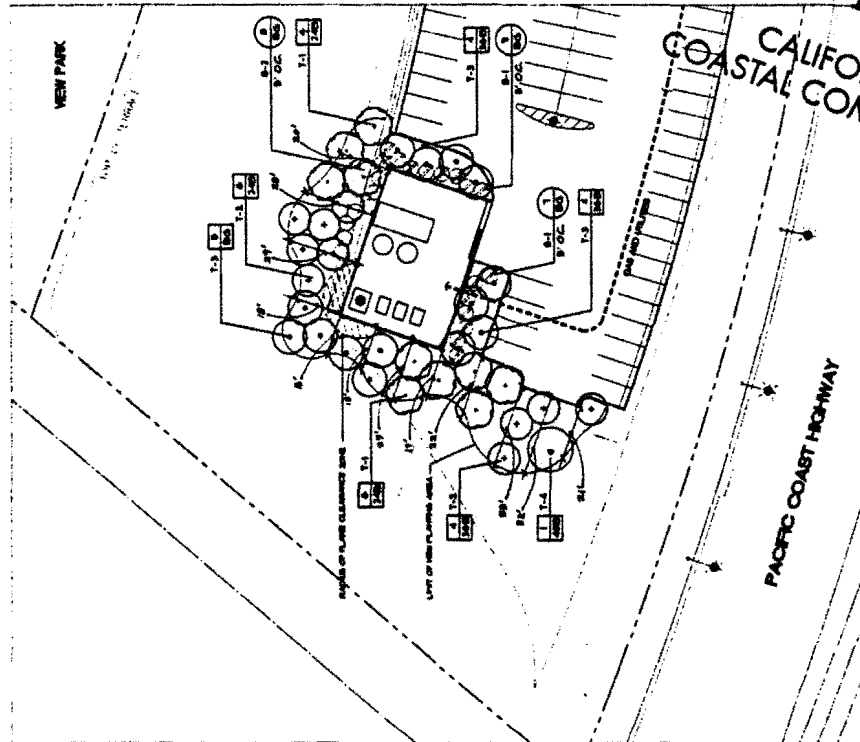
SIGHT VIEW SECTIONS
GAS SULFUR TREATMENT SYSTEM
(NORTHWEST CORNER PARKING LOT)
HOAG LOWER CAMPUS
MAY 30, 1997
H17-100-24

Exhibit D
5-92-368 A1
View Analysis

5-92-368-A1

Landscape Plan

Exhibit E



PLANTING LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	PLANTING
1-1	SEALYDIA PICHILIA	SEA LARK	12" DIA	12" DIA
1-2	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
1-3	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
1-4	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
2-1	SEALYDIA PICHILIA	SEA LARK	12" DIA	12" DIA
2-2	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
3-1	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
3-2	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
4-1	VERBENA SPICATA	VERBENA	12" DIA	12" DIA
4-2	VERBENA SPICATA	VERBENA	12" DIA	12" DIA

IRRIGATION LEGEND

SYMBOL	DESCRIPTION	PIPE SIZE	VALVE	PATTERN
1-1	1" PIPING	1"	1"	1"
1-2	1" PIPING	1"	1"	1"
1-3	1" PIPING	1"	1"	1"
1-4	1" PIPING	1"	1"	1"
2-1	1" PIPING	1"	1"	1"
2-2	1" PIPING	1"	1"	1"
3-1	1" PIPING	1"	1"	1"
3-2	1" PIPING	1"	1"	1"
4-1	1" PIPING	1"	1"	1"
4-2	1" PIPING	1"	1"	1"

RECEIVED
AUG 15 1997
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