

**CALIFORNIA COASTAL COMMISSION**

South Coast Area Office  
200 Oceangate, Suite 1000  
Long Beach, CA 90802-4302  
(562) 590-5071

# Th 21a

**STAFF REPORT: DEVELOPMENT AGREEMENT**

**DATE:** January 22, 2009

**TO:** Commissioners and Interested Persons

**FROM:** Sherilyn Sarb, South Coast Deputy Director (Orange County)  
Teresa Henry, District Manager  
Karl Schwing, Supervisor, Regulation & Planning, Orange County Area  
Meg Vaughn, Coastal Program Analyst

**SUBJECT:** Public Hearing and Commission Action on a Development Agreement amendment (No. 5-09-008) between the City of Newport Beach and Hoag Memorial Hospital Presbyterian, 4000 West Coast Highway, Newport Beach, Orange County (For Public Hearing and Commission Action at the February 4-6, 2009 Commission meeting in Huntington Beach)

**SUMMARY OF STAFF RECOMMENDATION:**

The City of Newport Beach and Hoag Memorial Hospital Presbyterian request Commission action on an amendment to a previously approved (February 1994) Development Agreement which included a Master Plan for the Hoag Hospital site. The proposed amendment would result in changes to the approved development agreement including: maintaining the overall development cap for the entire site of 1,343,238 square foot, transferring up to 225,000 square feet of the existing 577,889 square feet of development potential from the lower campus portion of the site (which is located within the coastal zone) to the upper campus (located outside the coastal zone) that will then have a maximum development potential of 990,349 square feet. The Hoag Hospital Lower Campus site is located at 4000 West Coast Highway in the City of Newport Beach, Orange County.

Staff is recommending that the Commission **APPROVE** the Development Agreement amendment as submitted. The proposed Development Agreement amendment is in conformity with the Chapter 3 policies of the Coastal Act and with the Commission's action on the original Development Agreement, approved by the Commission in February 1994.

**STAFF NOTE:** Pursuant to California Government Code Section 65869, a development agreement is not valid for any development project located in an area for which a local coastal program is required to be prepared and certified unless the Commission approves such development agreement by formal Commission action. The City of Newport Beach Land Use Plan was effectively certified on May 19, 1982. The certified LUP was updated on October 13, 2005. No total Local Coastal Program for Newport Beach has been certified to date. The site of the proposed development agreement amendment includes

both the Upper and Lower Campuses of Hoag Hospital. Only a small portion of the Upper Campus lies within the coastal zone. A portion of an existing parking structure is located on the portion of the Upper Campus located within the coastal zone. The Lower Campus is land use designated Public Facilities in the certified LUP.

For any project that has not yet received Coastal Act authorization, the Development Agreement as amended does not relieve the hospital or the City of their obligation to obtain Coastal Act authorization prior to commencing development that falls within the scope of the Development Agreement. Thus, future development at the subject site located within the coastal zone will require approval of a coastal development permit.

**ADDITIONAL INFORMATION:**

Copies of the staff report are available on the Commission's website at [www.coastal.ca.gov](http://www.coastal.ca.gov) and at the South Coast District office located in the ARCO Center Towers, 200 Oceangate, Suite 1000, Long Beach, 90802. To obtain copies of the staff report by mail, or for additional information, contact Meg Vaughn in the Long Beach office at (562) 590-5071.

**I. STAFF RECOMMENDATION, MOTION AND RESOLUTION OF APPROVAL OF FINDINGS**

**MOTION:**        *I move that the Commission approve Development Agreement amendment 5-09-008, as submitted.*

**STAFF RECOMMENDATION OF APPROVAL:**

Staff recommends a **YES** vote on the motion. Passage of this motion will result in approval of the development agreement amendment as submitted and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

**APPROVAL OF DEVELOPMENT AGREEMENT AMENDMENT**

The Commission hereby **APPROVES** the development agreement amendment on the grounds that the development, would be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, including the public access and recreation policies of Chapter 3, would 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 would not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

## **II. FINDINGS AND DECLARATIONS**

The Commission hereby finds and declares:

### **A. Development Agreement Background**

Pursuant to California Government Code Section 65869, a development agreement is not valid for any development project located in an area for which a local coastal program is required to be prepared and certified unless the Commission approves it through formal action. No Local Coastal Program for Newport Beach has been certified to date. Since the development agreement amendment involves a site which is located within the Newport Beach coastal zone, the City of Newport Beach and Hoag Hospital (applicants) have submitted the development agreement amendment to the Commission for its approval. The development agreement amendment is herein reviewed for conformance with the Chapter 3 policies of the Coastal Act. It should be noted that all future development at the site that is located within the coastal zone will need to obtain approval of a coastal development permit(s).

In February 1994, the Commission approved a Development Agreement between the City of Newport Beach and Hoag Hospital (D-5-93-2). The previously approved development agreement provided Hoag with development entitlement in exchange for specific benefits to the City. Development entitlement of the approved development agreement was reflected in a Master Plan for the site. The Master Plan does not specify building locations or specific building functions, but rather establishes a development envelope, or area, within which development consistent with the Master Plan's development criteria and regulations would occur. In return, the City received dedication of 0.8 acre for public, bluff top park use, \$250,000 for public improvement construction, and a commitment by Hoag to conduct a study of possible future improvements in the Semeniuk Slough.

Issues considered by the Commission at that time included impacts to wetlands, public access and recreation, public views, and geology. Also at that time the Commission approved a related coastal development permit (5-93-253, Hoag Hospital) and Land Use Plan Amendment (LUPA 1-93B). The 1993 Development Agreement did not prohibit development in the on-site wetlands. However, under coastal development permit 5-93-253, the Commission found that the proposed development (which impacted the on-site wetlands) was incidental to the public service purpose of Hoag Hospital. Off site mitigation was approved by the Commission. The ten year monitoring period has ended and the wetland mitigation is successfully established, consistent with the requirements of the permit.

With regard to public access and recreation, the Commission at the time of approval of the original Development Agreement found that dedication of 0.8 acres for public bluff top view park by Hoag was adequate to find the development agreement consistent with the public access and recreation policies of the Coastal Act. The Commission also considered impacts to public views potentially stemming from development allowed by the

development agreement. Public views exist from the bluff top view park and as the site is viewed from Coast Highway, a designated scenic corridor. The Commission found that protection of public views was adequately addressed in the Development Agreement's Planned Community District Regulations (PCDR) which limit building heights on the Lower Campus such that no structure may exceed the height of the public bluff top parks. The Commission further found that the PCDR adequately addressed public views from Coast Highway by requiring that landscaping shield and soften views from Coast Highway.

With regard to geology, the areas of potential issue identified at the site were a potential fault on the site and the presence of methane gas under the site. A 1989 geological investigation prepared for the site included a site plan map with two fault lines indicated on site. With regard to the fault, the Commission found, pursuant to information provided by the author of the 1989 study and a subsequent geologic consultant, that the placement of the fault lines was an effort to account for the location and presence of the subterranean gases, that there are no formational offsets or stratigraphic disturbances for either of the faults, and that neither fault could be considered earthquake faults. The Commission thus concluded, based on information of the geologic consultants' information, that the site is at no greater risk from seismological activity than Southern California generally. The Commission found that the Development Agreement was consistent with Chapter 3 policies regarding earthquake hazard. With regard to methane gas, information provided in the record indicated that if the gas is allowed to accumulate it could be hazardous. The Commission found that construction of a scrubber system approved under coastal development permit 5-92-368 (Hoag) and implementation of the mitigation measured outlined in the related EIR including 24 hour methane monitors and shallow-vent wells, would ensure that hazards arising from the presence of methane gas on the site will be minimized to a level of insignificance and found the development agreement to be consistent with the requirements of the hazard policies of the Coastal Act.

**B. Development Agreement Amendment Description**

The changes to the approved Development Agreement proposed in the amendment include the following:

- 1) changes to the noise limitation and attenuation requirements;
- 2) retention of the total maximum allowable building area of 1,343,238 square feet for the entire site (Upper and Lower Campus combined); transfer of up to 225,000 square feet of the 577,889 square feet of development potential on the Lower Campus to the Upper Campus resulting in a maximum 990,349 square feet (from 765,349 square feet) of development potential on the Upper Campus; and,
- 3) deletion of the provision of the Development Agreement that required preparation of a study of possible future improvements in and around the easterly end of Semeniuk Slough (because this requirement has already been carried out).

The amendment would also result in 1) the payment of a \$3,000,000 fee by Hoag to the City, half of which is to be used by the City to fund certain street and traffic improvements in the area and the second half to be used by the City to provide public benefits and may include things such as public parks, landscaping improvements adjacent to public right of ways, sound abatement programs, public buildings, public road improvements, water quality improvements, law enforcement, fire fighting, emergency preparedness and other public safety facilities; 2) allocation of certain tax payments for Hoag construction contracts to the City; 3) installation of a weather station at the cogeneration facility to control and manage the plant operation to reduce the steam plume condensation coming from the cooling towers; and, 4) Hoag will reimburse the City up to \$150,000 for landscaping of Sunset View Park (0.8 acre park dedicated by Hoag under the original Development Agreement) and Superior Avenue. The existing height limit for structures on the Lower Campus (not to exceed the height of the adjacent bluff) will remain the same. The existing landscaping requirements to soften views from Coast Highway will also remain.

**C. Amendment's Consistency with Chapter 3 Policies As Proposed**

1) Maximum Square Footages

The proposed increase in maximum square footage on the Upper Campus is only possible with reduction of square footage on the Lower Campus. In effect, the proposed amendment would allow up to 225,000 square feet of development to be transferred from the Lower Campus to the Upper Campus. This transfer of development square footage (rather than overall increase in square footage) is insured by retaining the existing maximum amount of development square footage on the Lower Campus at 577,889 and also retaining the existing amount of development square footage for the entire site at 1,343,238 square feet. To stay within the total maximum development square footage for the entire site of 1,343,238, a total of 990,349 square feet on the Upper Campus is only possible if the commensurate amount of square footage is removed from the Lower Campus site. Thus, this aspect of the proposed amendment would allow the option of transferring development potential outside the coastal zone. The only change to building envelopes under the proposed amendment would be to create the potential to decrease development within the coastal zone. Thus, this aspect of the proposed amendment is consistent with the Commission's original approval and will not create any inconsistencies with the Chapter 3 policies of the Coastal Act.

2) Noise

The changes to the noise limitation and attenuation requirements proposed in the amendment are intended to make the standards at the Hoag site closer to the standard in the City's noise ordinance (Chapter 10.26, Community Noise Control). For the loading area (located on the Upper Campus), however, the proposed amendment would allow an increased noise level (from 55 dBA to 65 dBA), which would exceed both the City's Chapter 10.26 limit and the current Planned Community District Regulations (PCDR) limit. Chapter 10.26 is not part of the certified Land Use Plan and has not been certified by the Commission. The Planned Community District Regulations, although submitted as

background material with the Development Agreement, are not part of the City's certified LUP and have not been certified by the Commission. To offset these increases, Hoag will construct a sound wall and building upgrades to nearby residences (as identified in the Supplemental EIR prepared for the amendment). In any case, Coastal Act noise issues are limited to those that adversely impact a public use or sensitive habitat, which is not the case here. The area of noise issue (and the location of the sound wall to be constructed by Hoag) is on the Upper Campus, outside the coastal zone, where the hospital uses abut residential use. Further, the subject area is completely built out and no known sensitive habitat areas exist in the vicinity. Thus, the proposed changes to the noise standards do not raise any issue with regard to consistency with the Chapter 3 policies of the Coastal Act.

3) Semeniuk Slough

The amendment would also result in the deletion of the section requiring Hoag to fund and conduct a study for possible future public recreational improvements in and around the easterly end of the Semeniuk Slough. This is proposed to be deleted because the study was completed and the requirement has been satisfied. The approved Development Agreement only required that the study be conducted, with no further action required. This provision was not required as mitigation for any adverse impact caused by the project under the Coastal Act. It was not required in any subsequent coastal development permits approved by the Coastal Commission. The study was completed as required. The deletion of this section raises no Coastal Act issues.

4) Conclusion

The changes proposed in the Development Agreement Amendment do not affect the approved Development Agreement's consistency with the Chapter 3 policies of the Coastal Act. The Commission, in approving the original Development Agreement, found that it was consistent with the Chapter 3 policies of the Coastal Act, particularly with regard to the wetland, public access and recreation, public views, and geologic hazard policies. The Commission finds that the Development Agreement, with the proposed amendment, remains consistent with the Chapter 3 policies of the Coastal Act. Therefore, the Commission approves the proposed amended Development Agreement.

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ORDINANCE NO. 2008-10

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
NEWPORT BEACH AMENDING A DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF NEWPORT BEACH AND HOAG  
MEMORIAL HOSPITAL PRESBYTERIAN (DEVELOPMENT  
AGREEMENT AMENDMENT NO. 2007-001)**

WHEREAS, Hoag Memorial Hospital Presbyterian has applied to the City of Newport Beach for General Plan Amendment No. 2007-005, Planned Community Development Plan Amendment No. 2007-001 and Development Agreement Amendment No. 2007-001 (PA 2007-073) referred to as the *Hoag Master Plan Update* that would apply to 38-acre, Hoag Hospital campus located at One Hoag Drive in the City of Newport Beach ("Property"); and

WHEREAS, In 1994, the City and Hoag Memorial Hoospital Presbyterian entered into a Development Agreement that provides for the orderly use and development of the Property while providing public benefits; and

WHEREAS, Newport Beach Municipal Code Section 15.45.040 requires that development agreements include the term, permitted uses, density and intensity of development, maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes; and

WHEREAS, as part of its application, Hoag Memorial Hospital Presbyterian requests approval of an amendment to the Development Agreement to allow modifications to the use and future development on the Property; and

WHEREAS, the amended Development Agreement was prepared and is attached as Exhibit "A."

WHEREAS, during the term of the amended Development Agreement, Hoag Memorial Hospital Presbyterian shall have a vested right to develop the Property subject to the terms and conditions of the amended Development Agreement, the provisions of the Hoag Memorial Hospital Presbyterian Planned Community Development Criteria and District Regulations and the California Environmental Quality Act (CEQA); and

WHEREAS, Hoag Memorial Hoospital Presbyterian has agreed to provide public benefits as consideration for the amendment of the Development Agreement, including the payment of three million dollars (\$3,000,000) for City public facility improvements, designation of the City as the point of sale for hospital purchases; and

WHEREAS, the Planning Commission held a public hearing on January 31, 2008, February 7, 2008, March 6, 2008, and March 20, 2008

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Chambers, 3300 Newport Boulevard, Newport Beach, California, at which time the Planning Commission considered the proposed amendment of the General Plan, the proposed amendment of the Hoag Memorial Hospital Presbyterian Planned Community Development Criteria and District Regulations, a proposed amendment of the Hoag Hospital Development Agreement and a Supplemental Environmental Impact Report to the Hoag Hospital Master Plan Final Environmental Impact Report No. 142 and the full administrative record. A notice of time, place, and purpose of the hearing was given in accordance with the Municipal Code. Evidence, both written and oral, was presented to and considered by the Planning Commission at the hearing. At the conclusion of the hearing and after considering the evidence and arguments submitted by the City staff, Hoag Memorial Hospital Presbyterian, and all interested parties, the Planning Commission adopted; (1) Resolution No. 1752 recommending certification of a Supplemental Final Environmental Impact Report (SCH# 19910071003) prepared for the application, and (2) Resolution No. 1753 recommending approval of General Plan Amendment No. 2007-005, Planned Community Development Plan Amendment No. 2007-001 and Development Agreement No. 2007-001 (PA 2007-073); and

WHEREAS, pursuant to Section 15.45 of the Newport Beach Municipal Code, the City Council held a noticed public hearing on April 16, 2008, to consider the recommendation of the Planning Commission; and

WHEREAS, the City Council has reviewed and considered the information in the amended Development Agreement and in the full administrative record, and found that:

1. The Development Agreement Amendment is entered into pursuant to, and constitutes a present exercise of, the City's police power.
2. The Development Agreement Amendment is in the best interests of the health, safety, and general welfare of the City, its residents, and the public.
3. The Development Agreement Amended is compatible with the objectives, policies, general land uses, and programs specified in the General Plan and does not create any direct conflict with the General Plan. The Hoag Memorial Hospital Presbyterian Planned Community Development Criteria and District Regulations is therefore consistent with the General Plan. More specifically, the General Plan Policy LU 6.1 calls for, "A diversity of governmental, institutional, educational, cultural, social, religious, and medical facilities that are available for and enhance the quality of life for residents and are located and designed to complement Newport Beach's neighborhoods." Strategy 6.1.5 states that the City will, "Support Hoag Hospital in its mission to provide adequate facilities to meet the needs of area residents. Work with the Hospital to ensure that future development plans consider its relationship to and assure compatibility with adjoining residential neighborhoods and mitigate impacts on local and regional transportation systems." City of Newport Beach, Cal., General Plan 2006 Update, at 3-63 and 3-64 (July 25, 2006). The Hoag Memorial Hospital Presbyterian Planned Community Development Criteria and District Regulations is compatible with General Plan Policy LU 6.1 and strategy 6.1.5

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because it provides for greater flexibility for development to meet the community's health care needs while not impacting local or regional transportation networks as shown by the traffic impact analysis prepared for the application and provides for increased noise mitigation between Hoag and Villa Balboa.

4. The Development Agreement Amendment is consistent with Newport Beach Municipal Code section 15.45.040 and includes all the contents required for development agreements by the City of Newport Beach.
5. The Development Agreement Amendment is consistent with provisions of state law (California Government Code Sections 65864-65869.5) and local law (Municipal Code chapter 15.45) that authorize binding agreements that: (i) encourage investment in, and commitment to, comprehensive planning and public facilities financing; (ii) strengthen the public planning process and encourage private implementation of the local general plan; (iii) provide certainty in the approval of projects in order to avoid waste of time and resources; and (iv) reduce the economic costs of development by providing assurance to the property owners that they may proceed with projects consistent with existing policies, rules, and regulations. More specifically, the Development Agreement Amendment is consistent and has been approved in accordance with provisions of California Government Code Section 65867 and Municipal Code Chapter 15.45.
6. In accordance with the California Environmental Quality Act (CEQA) (Cal. Pub. Res. Code §§21000, et seq.) and its implementing State regulations (CEQA Guidelines) (14 Cal. Reg. §§15000, et seq.), the City of Newport Beach prepared Final EIR No. 142 which was certified by the City of Newport Beach in 1992. Final EIR No. 142 was prepared to address the potential environmental effects associated with the Hoag Hospital Master Plan development program. Final EIR No. 142 addressed potential environmental effects associated with the phased reconstruction and development of the Upper Campus and the development of the Lower Campus. Final EIR No. 142 included a supplemental EIR volume (Final EIR No. 142, Volume V), which was prepared in accordance with CEQA Guidelines §15163, provided clarifications to the EIR and project, and was distributed before Final EIR No. 142 was certified.
7. A Supplemental Final Environmental Impact Report (SCH No. 19910071003) was prepared in accordance with the provisions of the California Environmental Quality Act (CEQA), Public Resources Code §§21000, et seq., and the State CEQA Guidelines, California Code of Regulations §§15000, et seq. The purpose of the SEIR is to analyze the potential impacts of the proposed changes to the Hoag Hospital Master Plan development program. The City Council considered and certified the Supplemental Final Environmental Impact Report on April 16, 2008 by adopting certain CEQA Findings of Facts and a Statement of Overriding Considerations contained within Resolution No. 2008-27, which are hereby incorporated by reference.

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8. The Development Agreement Amendment provides significant public benefits to the City of Newport Beach.

**WHEREAS**, the City Council finds that judicial challenges to the City's CEQA determinations and approvals of land use projects are costly and time consuming. In addition, project opponents often seek an award of attorneys' fees in such challenges. As project applicants are the primary beneficiaries of such approvals, it is appropriate that such applicants should bear the expense of defending against any such judicial challenge, and bear the responsibility for any costs, attorneys' fees, and damages which may be awarded to a successful challenger.

**THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1:** The amendment of the existing Development Agreement between Hoag Memorial Hospital Presbyterian and the City of Newport Beach (Development Agreement Amendment No. 2007-001) is approved.

**SECTION 2.** To the fullest extent permitted by law, Hoag shall indemnify, defend and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to City's approval of this Amendment to Development Agreement No. 5 including, but not limited to, the approval of the Planned Community Text and/or the City's related California Environmental Quality Act determinations, the certification of the Supplemental Environmental Impact Report, the adoption of a Mitigation Program, and/or statement of overriding considerations for this Project. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit or proceeding whether incurred by Hoag, City, and/or the parties initiating or bringing such proceeding. Hoag shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. The applicant shall pay to the City upon demand any amount owed to the City pursuant to the indemnification requirements prescribed in this condition.

**SECTION 3:** The Development Agreement Amendment shall not go into effect until the City Council approves or adopts all of the following: (1) General Plan Amendment No. 2007-005; and (2) Planned Community Development Plan Amendment No. 2007-003.

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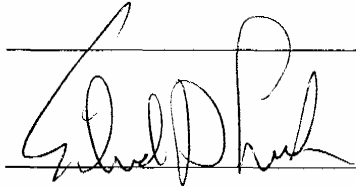
**SECTION 4:** The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. This Ordinance shall be published once in the official newspaper of the City, and the same shall become effective thirty (30) days after the date of its adoption.

This Ordinance was introduced at a regular meeting of the City Council of the City of Newport Beach held on 22<sup>nd</sup> day of April, 2008, and adopted on the 13<sup>th</sup> day of May, 2008, by the following vote, to wit:

AYES, COUNCIL MEMBERS Henn, Rosansky, Daigle,  
Curry, Gardner, Mayor Selich

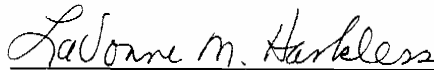
NOES, COUNCIL MEMBERS None

ABSENT COUNCIL MEMBERS Webb

  
\_\_\_\_\_

MAYOR

ATTEST:

  
\_\_\_\_\_

CITY CLERK



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RECORDING REQUEST BY, AND  
WHEN RECORDED MAIL TO:

City Clerk  
City of Newport Beach  
3300 Newport Boulevard  
P.O. Box 1768  
Newport Beach, CA 92659-1768

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EXEMPT FROM FILING FEES CAL. GOV'T CODE § 6103  
(Space above this line for Recorder's use)

**AMENDMENT TO RESTATED DEVELOPMENT AGREEMENT NO. 5**

**BETWEEN**

**HOAG MEMORIAL HOSPITAL PRESBYTERIAN**

**AND**

**THE CITY OF NEWPORT BEACH**

*(Pursuant to California Government Code Sections 65864-65869.5  
and Newport Beach Municipal Code Chapter 15.45)*

Approved May 13, 2008  
Ordinance No. 2008-10

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**AMENDMENT TO RESTATED DEVELOPMENT AGREEMENT NO. 5**

**(Hoag Memorial Hospital Presbyterian)**

THIS AMENDMENT TO RESTATED DEVELOPMENT AGREEMENT NO. 5 (“Amendment”) is entered into and effective on the date it is recorded with the Orange County Recorder (the “Effective Date”) by and between the City of Newport Beach (hereinafter “City”) and Hoag Memorial Hospital Presbyterian (hereinafter “Hoag”).

RECITALS

1. The “RECITALS” to the Restated Development Agreement are amended to add new Sections 1.9 through Section 1.19(f) to read as follows:

1.9 Hoag Property. Hoag is the fee owner of approximately 38 acres of real property located in the City divided between the Upper Campus and the Lower Campus and more particularly described in Exhibit “A” and depicted on Exhibit “B” (the “Property”).

1.10 Hoag Healthcare Services. Hoag is a modern, state-of-the-art acute care, not-for-profit hospital providing a comprehensive mix of healthcare services to treat virtually any routine or complex medical condition. Hoag features centers of excellence that include Hoag Cancer Center, Hoag Heart and Vascular Institute, Hoag Neuroscience Institute, Hoag Orthopedic Services and Hoag Women’s Health Services, as well as advanced medical programs in many other specialties.

1.11 Hoag Community Benefit Programs. In addition to providing state-of-the-art hospital, diagnostic imaging and emergency room care medical services, Hoag is involved in many other community benefit programs such as police and SWAT team, fire department and paramedic support services, designating the City as the point of sale for major hospital equipment purchases and construction projects, providing financial and transportation support for the City’s senior Oasis Center, and providing methane gas flare burnoff to mitigate methane gas fumes along Pacific Coast Highway. Hoag’s community medicine program allocates approximately \$10 million annually toward improving the community’s overall health, primarily through disease prevention and wellness and health promotion, especially for those vulnerable and disadvantaged populations.

1.12 EIR No. 142 and P.C. Text. On May 26, 1992, the City Council of City (“City Council”) certified the Hoag Hospital

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Master Plan Final EIR No. 142 and adopted the Hoag Memorial Hospital Presbyterian Master Plan (“Hoag Master Plan”) and the Planned Community Development Criteria and District Regulations (“P.C. Text”) setting forth the development standards and terms and conditions by which the Property may be developed, including the maximum permissible building area, building height limits and permitted land uses.

1.13 Square Footage of Buildable Area. Under the existing Hoag Master Plan and P.C. Text, the Property allows a total of 1,343,238 square feet of buildable area with 577,889 square feet allocated to the Lower Campus and 765,349 square feet allocated to the Upper Campus.

1.14 Development Agreement No. 5. On May 26, 1992, the City Council adopted Ordinance No. 92-4 approving Development Agreement No. 5 between the City and Hoag incorporating the Hoag Master Plan and P.C. Text and granting vested rights to Hoag to develop the Property pursuant to the Hoag Master Plan and P.C. Text for the term of the Development Agreement. The Development Agreement was recorded in the Official Records of Orange County, California on August 4, 1993 as Instrument No. 63-0522236.

1.15 Restated Development Agreement. On February 14, 1994, the City Council of City adopted Ordinance No. 94-8 approving an Amendment and Restatement of Development Agreement No. 5 (“Restated Development Agreement”) incorporating certain provisions clarifying the role, review and approval authority of the California Coastal Commission for development of the Property to ensure consistency and compliance with the California Coastal Act. The Restated Development Agreement was recorded in the Official Records of Orange County, California on March 23, 1994 as Instrument No. 94-0207276.

1.16 First Amendment to P.C. Text. On August 13, 2002, the City Council adopted Ordinance No. 2002-17 approving the First Amendment to the P.C. Text to provide that certain non-occupied building areas are not counted towards the maximum permissible building floor areas for development of the Property.

1.17 Noise Limitation. The existing PC Text provides that noise generated from Hoag Hospital from new mechanical appurtenances shall not exceed 55 dBA at the Property lines. This noise limitation was established prior to the adoption of the City’s Noise Element in the General Plan and Noise Ordinance. It is proposed that noise generated and originating from the Property be governed by the City Noise Ordinance with certain exceptions.



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1.18 Noise Attenuation. Hoag has taken significant actions to attenuate noise generated from mechanical equipment and has installed landscape screening and walls to mitigate and buffer noise and improve aesthetic impacts for adjacent residential properties.

1.19 Restated Development Agreement Amendments. The City and Hoag propose to further amend the Restated Development Agreement by this Amendment to incorporate references to: a Supplemental EIR; an amendment to the City General Plan; an increase in the Public Benefits; designation of the City as the point of sale to the extent allowed under applicable law; and amendments to the Hoag Hospital Planned Community Text ("P.C. Text") to, among other things:

(a) eliminate the reference to 1.0 Floor Area Ratio ("FAR") for the Upper Campus and the .65 FAR for the Lower Campus in the General Plan Land Use Element. In place of the reference to the FAR's, an absolute maximum allowable building area of 1,343,238 square feet will remain available for development of the entire Property comprised of the Upper Campus and the Lower Campus;

(b) maintain a cap under the General Plan Land Use Element Amendment for development of the Lower Campus at 577,889 square feet (if no square footage is reallocated) and establish a cap on development of the Upper Campus at 990,349 square feet (if all 225,000 square feet are reallocated from the Lower Campus to the Upper Campus);

(c) allow the transfer of up to 225,000 square feet of buildable area from the Lower Campus to the Upper Campus, which, if all 225,000 square feet are reallocated, would result in a maximum allowed density of 990,349 square feet for the Upper Campus and a reduction to permit 352,889 square feet of allowable development for the Lower Campus;

(d) to modify the noise standards applicable to the Property;

(e) delete a provision that required the City and Hoag to conduct a study of possible future improvements in and around the easterly end of the Semeniuk Slough, including a requirement that Hoag

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fund the study and potential future improvements in an amount not to exceed \$200,000; and

(f) incorporate the Second Amendment to the P.C. Text.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Section 1.5 of the Restated Development Agreement entitled *Planning Commission/City Council Hearings* is amended to read as follows:

“1.5 Planning Commission/City Council Hearings. The Planning Commission, after giving appropriate notice, held public hearings to consider a development agreement, the proposed Master Plan, and the EIR on December 5, 1991, January 9, 1992, January 23, 1992, February 6, 1992 and February 20, 1992. The City Council conducted public hearings on the Master Plan, this Agreement and the EIR on March 23, 1992, March 30, 1992, April 13, 1992 and May 11, 1992. The Planning Commission, after giving appropriate notice, held a public hearing to consider this Amendment, the Supplemental EIR, the General Plan Amendment, and the Second Amendment to the P.C. Text on January 31, 2008, February 7, 2008, March 6, 2008 and March 20, 2008. The City Council conducted a public hearing on this Amendment, the Supplemental EIR, the General Plan Amendment and the Second Amendment to the P.C. Text on April 16, 2008.”

2. Section 1.8 of the Restated Development Agreement entitled *City Ordinance* is amended to read as follows:

“1.8 City Ordinance. On February 14, 1994, the City Council adopted Ordinance No. 94-8 approving a Restated Development Agreement No. 5 incorporating certain provisions clarifying the role, review and approval authority of the California Coastal Commission for development of the Property to ensure consistency and compliance with the California Coastal Act. The Adopting Ordinance became effective on March 16, 1994. On May 13, 2008, the City Council adopted Ordinance No. 2008-10 approving this Amendment and authorizing the City to enter into this Amendment. The adopting ordinance will become effective on June 12, 2008.”

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3. Section 2.1 of the Restated Development Agreement entitled *The Adopting Ordinance* is amended to read as follows:

“2.1 The “Adopting Ordinance” refers to City Ordinance No. 94-8, adopted on February 14, 1994, by the City Council, which approved and authorized the City to enter into this Agreement. “Adopting Ordinance” further refers to Ordinance No. 2008-10 adopted on May 13, 2008 by the City Council, which approved and authorized the City to enter into this Amendment.”

4. Section 2.2 of the Restated Development Agreement entitled *Agreement* is amended to read as follows:

“2.2 “Agreement” refers to the “Restated Development Agreement Between the City of Newport Beach and Hoag Memorial Hospital Presbyterian,” and this Amendment.”

5. Section 2.13 of the Restated Development Agreement entitled *The EIR* is amended to read as follows:

“2.13 The “EIR” refers to final Environmental Impact Report No. 142 of the City of Newport Beach, and Supplemental Environmental Impact Report No. 142.”

6. Section 2.23 of the Restated Development Agreement entitled *Master Plan* is amended to read as follows:

“2.23 “Master Plan” refers to the Hoag Memorial Hospital Presbyterian Master Plan and Planned Community Development Plan which was adopted by the City on May 26, 1992 (Exhibit “C”), as amended.”

7. Section 3 of the Restated Development Agreement entitled *Conditions to Development* is amended to add a new paragraph after Subsection (f) to read as follows:

“Notwithstanding the provisions of this Section, any provisions set forth in this Amendment shall supersede and control over any inconsistencies with this Section.”

8. Section 3.3 of the Restated Development Agreement entitled *Program EIR* is amended to read as follows:

“3.3 Program EIR. Hoag acknowledges that the EIR is a “Program EIR” and includes Supplemental Environmental Impact Report No. 142. The EIR analyzes the impacts of construction phased over time and, pursuant to CEQA, City is under a continuing obligation to analyze Hoag’s requests for Project Specific Approvals to ensure the environmental impacts associated with the request were

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fully addressed in the EIR. Subsequent environmental documentation is required if this analysis reveals environmental impacts not fully addressed in the program EIR, identifies new impacts, or concludes the specific request is not consistent with the project described in the EIR. Hoag acknowledges the right and obligation of the City and the Coastal Commission or its successor agency to impose additional conditions as the result of the subsequent environmental analysis required by CEQA.”

9. Section 4.1 of the Restated Development Agreement entitled *Right to Develop* is amended to read as follows:

“4.1 Right to Develop. Subject to compliance with the provisions of Sections 3 and 8.2, Hoag shall have a vested right to develop and receive Project Specific Approvals for construction on the Property to the full extent permitted by the Master Plan, as amended. Subject to the provisions of Sections 3 and 8, City shall only take action which complies with and is consistent with the Master Plan, as amended, the Restated Development Agreement and this Amendment unless Hoag otherwise consents in writing. Subject to this Subsection, City shall have the authority to impose only those Exactions which are specifically described in this Agreement, except as expressly required (as opposed to permitted) by state or federal law.”

10. Section 5.2 of the Restated Development Agreement entitled Mitigation Review is amended to read as follows:

“5.2 Public Hearing. 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.”

11. Section 5.4 of the Restated Development Agreement entitled Mitigation Review is amended to read as follows:

“5.4 Mitigation Review. The annual review shall include a detailed report of compliance with the various conditions and mitigation measures contained within 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 as depicted in the EIR. Hoag shall be found in compliance with this Agreement unless the City Council determines, based upon

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the 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."

12. Section 8.2 of the Restated Development Agreement entitled *Exactions* is hereby amended to delete Subsection (c), which reads as follows:

"(c) City and Hoag shall conduct a study of possible future improvements in and around the easterly end of Semeniuk Slough that would, among other things, improve the appearance of the area and, potentially, serve as a component to improve public access from residential areas in West Newport to park land and public recreation facilities proposed in conjunction with development of the West Newport Oil Company property. The study shall analyze, among other things, the type of improvements that would improve the area without adversely impacting wetlands, the possible location of pedestrian trails and the potential for those trails to improve access to proposed recreational facilities, phasing of the improvements, potential public benefits, and the cost of the improvements. As a part of the study, Hoag and City shall meet and confer with resource agencies relative to the type and extent of improvements that may be permitted in or adjacent to wetlands. Hoag shall fund the study and participate in the cost of constructing any improvements in the area that the City Council determines are feasible and in the public interest, provided, however, the financial contribution of Hoag, including the costs of the study and improvements, shall not exceed Two Hundred Thousand Dollars (\$200,000.00)."

13. Section 8.2 of the Restated Development Agreement entitled *Exactions* is hereby amended to renumber Subsection (d) to Subsection (c); and to add a new Subsection (d) to read as follows:

"(d) City and Hoag acknowledge and agree that the Restated Development Agreement and this Amendment confer private benefits on Hoag that should be balanced by commensurate public benefits in favor of the City. Accordingly, the City and Hoag intend to provide consideration to balance the private and public benefits by the imposition of a Development Agreement Fee, which fee shall be used to reimburse the City for public improvements in the area and to fund certain additional needed public improvements identified by the City. Hoag shall pay to the City a Development Agreement Fee of Three Million Dollars (\$3,000,000). Payment of

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one-half of the Development Agreement Fee of \$1.5 million shall be made upon the Effective Date of this Amendment. Payment of the remaining one-half of the Development Agreement Fee of \$1.5 million shall be paid to City 12 months from the Effective Date of this Amendment or at the time of issuance of the first building permit by the City for development of a project on the Upper Campus as provided in Exhibit "C" attached to this Amendment, whichever occurs earlier.

The first \$1.5 million of the Development Agreement Fee shall be used to reimburse the City and/or pay for the costs associated with the following projects: (i) construction of the Superior Avenue medians extending from Ticonderoga Street to Dana Road; (ii) construction of the right-turn pocket for southbound Newport Boulevard to westbound Hospital Road; and (iii) funding of the operational improvements and traffic signal upgrade at the Hospital Road and Placentia intersection ("Priority Public Improvements"). Construction of the first two Priority Public Improvements listed above occurred during 2007, and the third is anticipated to occur in 2008. The City shall be obligated to pay the actual cost difference, if any, for construction of these Priority Public Improvements. However, if there are any funds remaining after construction of the Priority Public Improvements is completed, the City may retain the funds to be used for other City projects or services that benefit the public. The City shall also have the sole authority to decide the design, cost and scope of the Priority Public Improvements and the sufficiency of City's performance on the Public Improvement Projects shall not be subject to Hoag's approval.

The balance of the Development Agreement Fee (\$1.5 million) and any funds remaining after the construction of the Priority Public Improvements shall be used by the City in the City's sole discretion to offset costs associated with other City and community projects or services that benefit the public such as, among other things, public parks (for example, Sunset View Consolidated Park), landscaping improvements adjacent to public right of ways, sound abatement programs, public buildings, public road improvements, water quality improvements, law enforcement, fire fighting, emergency preparedness and other public safety facilities."

14. A new section, Section 8.3, shall be added to the Restated Development Agreement entitled *Sales/Use Tax Origin*, to read as follows:

"8.3 Sales/ Use Tax Origin

(a) Hoag will include in its general contractor construction contract a provision that

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Hoag's general contractor and subcontractors, to the extent allowed by applicable law, will obtain a Board of Equalization sales/use tax subpermit for the jobsite at the Project Property and allocate all eligible sales and use tax payments for individual contracts over \$5 million to the City. Hoag will provide Hoag's general contractor and subcontractors with the name and contact information of the City's Revenue Manager and notice of the Revenue Manager's availability to meet and confer with them on the implementation of the Board of Equalization sales/use tax subpermit procedures. Hoag will further include a notice in its general contractor construction contract that prior to beginning a qualified construction project, the general contractor and subcontractors are encouraged to meet with the City's Revenue Manager to review the process to be followed with respect to sales and use taxes. Hoag will further include a provision in its general contractor construction contract that the general contractor or subcontractors will certify in writing that the person(s) responsible for filing the tax return understands the process of reporting the tax to the City and will follow the guidelines set forth in the relevant sections of the Sales and Use Tax Regulations. Hoag shall not be responsible for failure of Hoag's general contractor or subcontractors to follow the procedures set forth in this Section.

Hoag, if readily available, shall provide to the City or any City designated representative the names, addresses, phone numbers and contact name of the general contractor and all subcontractors.

(b) Hoag will continue to follow the Direct Payment Permit Process established in the Revenue and Taxation Code and use the permit for all qualifying individual purchases in excess of \$100,000 so that the local share of its sales/use tax payments is allocated to the City as the point of sale.

(c) It is understood and agreed that any fixtures, materials and equipment with a purchase total that exceeds \$100,000 purchased directly by Hoag and shipped to Hoag's Newport Beach location may also be eligible for direct allocation of sales/use tax to the City. Upon request of the City, Hoag will provide City on a semi-annual basis with a list of

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purchases exceeding the \$100,000 threshold during the preceding six-month period, including the amount of the purchase and, if readily available, the name and contact information for the vendor upon request by the City. The City agrees to review the semi-annual list of purchases made by Hoag and advise Hoag of any missed opportunities for direct allocation. Hoag agrees to file its Direct Payment Permit with vendors identified by the City in an effort to improve the direct allocation of the local share of sales/use tax payments in future periods.”

15. A new section, Section 8.4, shall be added to the Restated Development Agreement entitled *Sunset View Park Improvements*, to read as follows:

“8.4 Hoag shall reimburse the City up to \$ 150,000 for the installation of groundcover, shrubs and irrigation systems within the unimproved portion of Sunset View Park and Superior Avenue, approximately 20,500 square feet 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.”

16. A new section, Section 8.5, shall be added to the Restated Development Agreement entitled *Cogeneration Plant Energy Curtailment*, to read as follows:

“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 operational 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 chillers at 100% of design capacity.

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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 above 60% and when ambient temperatures are equal to or less than 55 degrees Fahrenheit.

17. Section 11.1(c) of the Restated Development Agreement entitled *Notices* is hereby amended to delete:

“with a copy to: Tim Paone  
Paone, Callahan, McHolm & Winton  
19100 Von Karman, 8<sup>th</sup> Floor  
P.O. Box 19613  
Irvine, CA 92713-9613”

and to add:

“with a copy to: Dennis D. O’Neil  
Hewitt & O’Neil LLP  
19900 MacArthur Blvd., Suite 1050  
Irvine, CA 92612

with a copy to: Gary McKitterick  
Allen Matkins Leck Gamble Mallory & Natsis LLP  
1900 Main Street, 5th Floor  
Irvine, CA 92614-7321”

18. A new Section 11.17 shall be added to the Restated Development Agreement as follows:

“11.17 Indemnification/Hold Harmless. To the fullest extent permitted by law, Hoag shall indemnify, defend and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including without limitation, attorney’s fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to City’s approval of this Amendment, including, but not limited to, the approval of the Planned Community Text and/or the City’s related California Environmental Quality Act determinations, the certification of the Supplemental Environmental Impact Report, the adoption of a Mitigation Program, and/or statement of overriding considerations for this Project. This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys’ fees, and other expenses incurred in connection with such claim,

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action, causes of action, suit or proceeding whether incurred by Hoag, City, and/or the parties initiating or bringing such proceeding. Hoag shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. Hoag shall pay to the City upon demand any amount owed to the City pursuant to the indemnification requirements prescribed in this condition."

19. Exhibit C of the Restated Development Agreement shall incorporate the First Amendment to the P.C. Text as part of this Second Amendment to the P.C. Text in revised Exhibit C entitled:

"HOAG MEMORIAL HOSPITAL PRESBYTERIAN

PLANNED COMMUNITY  
DEVELOPMENT CRITERIA  
AND  
DISTRICT REGULATIONS

Recommended for Approval  
by the Planning Commission  
March 20, 2008

Adopted by the City Council  
City of Newport Beach  
Ordinance No.2008-10  
May 13, 2008"

20. Except as provided for in this Amendment and not otherwise superseded by this Amendment, the provisions set forth in the Restated Development Agreement, all of the other terms, conditions, provisions and exhibits of the Restated Development Agreement continue to have full force and effect as provided therein and this Amendment shall constitute an integral part of the Restated Development Agreement. Exhibits A through C constitute a part of this Amendment and are incorporated into this Amendment in full by this reference.

21. In the event there is any conflict between any provision of the Restated Development Agreement and this Amendment, the later approved and recorded document shall prevail in interpretation, operation and implementation.

22. The City Clerk shall cause a copy of this Amendment to be recorded with the Office of the County Recorder of Orange County, California within ten (10) days following the effective date of adoption of the Ordinance approving this Amendment.

*[Signature page follows]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Development Agreement No. 5 to be binding as of the Effective Date.

**CITY:**

THE CITY OF NEWPORT BEACH, a municipal corporation of the State of California

By: \_\_\_\_\_  
Edward D. Selich, Mayor

ATTEST:

\_\_\_\_\_  
LaVonne Harkless, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Robin Clauson, City Attorney

**OWNER:**

HOAG MEMORIAL HOSPITAL  
PRESBYTERIAN, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Richard F. Afable, M.D.  
President and CEO

*(All Signatures to be Notarized)*

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STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is/are) subscribed to the within instrument, and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacit(-y/-ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

[SEAL]

STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is/are) subscribed to the within instrument, and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacit(-y/-ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

[SEAL]

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STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is/are) subscribed to the within instrument, and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacit(-y/-ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

[SEAL]

STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (is/are) subscribed to the within instrument, and acknowledged to me that (he/she/they) executed the same in (his/her/their) authorized capacit(-y/-ies), and that by (his/her/their) signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

[SEAL]

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EXHIBIT A

**LEGAL DESCRIPTION**

The subject property is the following real property in the City of Newport Beach, County of Orange, State of California:

Parcel 1:

That portion of Lots 169 and 170 in Block 2 and a portion of Lot 172 in Block 1 of Irvine Subdivision, as shown on a map recorded in Book 1, Page 88 of Miscellaneous Maps, Records of Orange County, California.

Parcel 2:

That portion of Lot 172 in Block 1 of Irvine Subdivision, as shown on a map recorded in book 1, Page 88 of Miscellaneous Maps, Records of Orange County, California.

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***HOAG MEMORIAL HOSPITAL PRESBYTERIAN***

**PLANNED COMMUNITY  
DEVELOPMENT CRITERIA  
AND  
DISTRICT REGULATIONS**

Recommended for Approval  
by the Planning Commission  
March 20, 2008

Adopted by the City Council  
City of Newport Beach  
Ordinance No. 2008-10  
May 13, 2008

PCDC+DR  
OnFile

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