

PALOMAR POMERADO HEALTH
BOARD OF DIRECTORS
SPECIAL MEETING AGENDA

Tuesday, December 6, 2005
Open Session: 5:30 p.m.
Meeting Room E

Pomerado Hospital
15615 Pomerado Road
Poway, California 92064

PUBLIC HEARING

- | | <u>Time</u> |
|--|-------------|
| I. CALL TO ORDER | |
| II. PUBLIC COMMENTS
<i>(5 mins allowed per speaker with cumulative total of 15 min per group – for further details & policy see Request for Public Comment notices available in meeting room).</i> | 5 |
| III. * Resolution No. 12.06.05 (01) – 24 of Adoption and Required Findings and Statement of Overriding Considerations for the Addendum to the Final Environmental Impact Report for the Escondido Research and Technology Center Specific Plan pursuant to the California Environmental Quality Act | 15 |
| IV. * Resolution No. 12.06.05 (02) – 25 Evidencing Compliance with the California Environmental Quality Act – Escondido Research and Technology Center Specific Plan Amendments for new Palomar Pomerado Healthcare Facilities | 15 |
| V. * Resolution No. 12.06.05 (03) – 26 of Approval for Palomar Medical Center Project | 15 |
| VI. ADJOURNMENT | |

*Asterisks indicate anticipated action;
Action is not limited to those designated items.*

*“In observance of the ADA (Americans with Disabilities Act), please notify us at 858-675-5106,
48 hours prior to the meeting so that we may provide reasonable accommodations”*

Notice of Public Hearing to adopt an Addendum to the Escondido Research and Technology Center (ERTC) Specific Plan Environmental Impact Report (EIR).

Palomar Pomerado Healthcare (PPH) District has prepared an Addendum to the adopted ERTC Specific Plan EIR for proposed hospital/medical campus uses and City of Escondido planning approvals in accordance with the California Environmental Quality Act (CEQA). On December 6, 2005, the PPH Board of Directors will hold a public hearing for consideration of adoption of the proposed ERTC EIR Addendum, approval of the hospital/medical campus development plan on Planning Area 4 of the ERTC site, and authorization of the use of bond proceeds for development of the hospital/medical campus. The PPH Board will consider the Final ERTC EIR along with the Addendum in their decision.

Meeting Date: December 6, 2005

Meeting Location: Pomerado Hospital, 15615 Pomerado Road, Poway, CA
Meeting Room E

Meeting Time: 5:30 PM

Project Description: The proposed hospital/medical campus would be located on Planning Area 4, as identified in the ERTC Specific Plan Amendment, which is located along the western side of Citracado Parkway, south of Vineyard Drive, in the western portion of the City of Escondido. The project would construct a new 453-bed hospital/medical campus with up to 1.2 million gross square feet (GFS) of building space on Planning Area 4.

Additional Information: For information regarding this project contact Michael Shanahan at (858) 675-5593. The Addendum and supporting documents may be reviewed, or purchased for the cost of reproduction, from PPH Facilities, Planning and Development, 15255 Innovation Drive, San Diego, CA 92128.

Requested Approval to Resolutions of Adoption & Required Findings for the Addendum to the Final EIR for the Escondido Research and Technology Center (ERTC) Specific Plan pursuant to California Environmental Quality Act; Approval Evidencing Compliance with CEQA – ERTC Specific Plan Amendments for new PPH Facilities; and Approval for Palomar Medical Center Project

TO: Board of Directors

MEETING DATE: December 6, 2005

FROM: Michael Covert, CEO

BY: Christine Meaney for Michael Covert

Background: Palomar Pomerado Health (PPH) has prepared an Addendum to the adopted ERTC Specific Plan EIR for proposed hospital/medical campus uses and City of Escondido planning approvals in accordance with the California Environmental Quality Act (CEQA) with a public hearing to be held by the PPH Board of Directors on December 6, 2005 for consideration of adoption of the proposed ERTC EIR Addendum, approval of the hospital/medical campus development plan on Planning Area 4 of the ERTC site, and authorization of the use of bond proceeds for development of the hospital/medical campus.

The PPH Board of Directors is requested to consider the Final ERTC EIR together with the Addendum in their decision.

The draft Addendum and three (3) Resolutions are attached for the Board's consideration and approval.

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.06.05 (01) – 24

**RESOLUTION OF ADOPTION AND REQUIRED
FINDINGS AND STATEMENT OF OVERRIDING
CONSIDERATIONS FOR THE ADDENDUM TO
THE FINAL ENVIRONMENTAL IMPACT
REPORT FOR THE ESCONDIDO RESEARCH
AND TECHNOLOGY CENTER SPECIFIC PLAN
2001-01-SPA PURSUANT TO THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT**

Whereas, in order to continue to provide accessible health care services, including trauma, emergency room and acute care services, to a population anticipated to grow to approximately 1.3 million within the next twenty years, the Board of Directors ("Board") of Palomar Pomerado Healthcare District ("District"), with the input of District medical staff, nursing personnel and support personnel and members of the public, has developed a comprehensive Facilities Master Plan to address the future health care needs of the population of the District;

Whereas, the existing Palomar Medical Center requires a substantial expansion in order to meet the goals of the Facilities Master Plan;

Whereas, Palomar Medical Center requires structural improvements, including compliance with current State-required seismic standards for hospitals, and the structural improvements are so intensive that it would not be possible to complete expansion activities while maintaining critical hospital functions;

Whereas, the Board has determined that a replacement hospital for Palomar Medical Center at a new location is necessary to fulfill the stated need in the Facilities Master Plan;

Whereas, pursuant to the laws of the State of California and pursuant to conditions of Measure BB, all projects in the Facilities Master Plan are required to comply with the rules and regulations of the California Environmental Quality Act ("CEQA");

Whereas, the applicant for the new Palomar Medical Center Project at the Escondido Research and Technology Center ("Project") is the District and the lead agency for the Project under CEQA is also the District per CEQA Guidelines Section 15051;

Whereas, implementation of the Project also requires the City of Escondido to amend the ERTC Specific Plan 2001-01-SPA and make other discretionary land use approvals;

Whereas, a Final Environmental Impact Report ("FEIR") was certified for the Escondido Research and Technology Center ("ERTC") Specific Plan 2001-01-SPA and

implementation of the Project will not result in increased environmental impacts above those anticipated in the FEIR;

Whereas, the District prepared an addendum to the FEIR for the ERTC Specific Plan 2001-01-SPA ("Addendum") to implement the Project pursuant to CEQA guidelines 15164 because none of the conditions described in CEQA guidelines 15162 for the preparation of a subsequent EIR have occurred;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Review and Adoption of Addendum. The Board has read and considered the Addendum to the FEIR for the ERTC Specific Plan 2001-01-SPA and accompanying Mitigation Monitoring and Reporting Program (Attachment 1) with the FEIR for the ERTC Specific Plan 2001-01-SPA and it represents the District's independent judgment and analysis and the Board hereby adopts the Addendum and accompanying Mitigation Monitoring and Reporting Program.

Section 3. Findings. The Board of Directors of the Palomar Pomerado Healthcare District acting in its capacity as lead agency has prepared an Addendum to the FEIR for the ERTC Specific Plan 2001-01-SPA and accompanying Mitigation Monitoring Report (Attachment 1) to implement the Project, and the Board after considering the whole record makes the following findings with respect to approval of the Project:

- **No Substantial Changes Requiring Major Revisions.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence that the changes to the ERTC Specific Plan 2001-01-SPA require a major change to the certified FEIR. The Project will not result in any new significant environmental impact, nor will there be a substantial increase in the severity of significant impacts previously described in the certified FEIR.
- **No Substantial Change in Circumstances Requiring Major Revisions.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence that substantial changes have occurred with respect to the circumstances surrounding the Project that would require major revisions to the certified FEIR due to the involvement of new significant environmental effects or substantial increases in severity of previously identified significant effects.
- **No New Information Of Substantial Importance.** Based on the analysis and information contained in the Addendum and the record, there is no substantial evidence of new information of substantial importance which was not known and could not have been known at the time the FEIR was certified showing: (A) that the project will have one or more significant effects not previously discussed, (B) that previously identified significant effects will be substantially more severe, (C) that mitigation measures or

alternatives previously found to be infeasible would in fact be feasible and would substantially reduce one or more of the significant effects but the Project proponent declines to adopt them, or (D) that mitigation measures or alternatives which are considerably different from those analyzed previously would substantially reduce one or more of the significant effects but the Project proponent declines to adopt them.

Section 4. Statement of Overriding Considerations. The California Environmental Quality Act and the State CEQA Guidelines provide the following:

- (a) CEQA requires the decision making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.
- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

In connection with the certification of the FEIR for the ERTC Specific Plan 2001-01-SPA, the lead agency adopted a statement of overriding considerations due to the existence of significant impacts that could not be fully mitigated. Implementation of the Project proposed by the District has not resulted in a change in the conclusions reached in the FEIR with respect to these impacts. Therefore, the District, pursuant to CEQA Section 21081 and State CEQA Guidelines Section 15093, has balanced the benefits of the Project against the following unavoidable impacts for which no feasible mitigation measures exist to reduce the impact to below a level of significance:

- Transportation and Circulation (cumulative impacts on area intersections, roads and freeways.)
- Air Quality (Short-term air quality impacts related to project construction.)
- Noise (Short-term noise impacts related to project construction.)

The District has adopted all feasible mitigation measures with respect to these impacts, and has examined a range of alternatives, none of which meet both the development objectives and is environmentally preferable to the proposed project.

The District, after balancing the specific economic, legal, social, technological, and other benefits of the proposed project, determines that the unavoidable adverse

environmental effects may be considered "acceptable" due to the following specific considerations, each of which individually is sufficient to outweigh the unavoidable, adverse environmental impacts of the project.

1. **NEW MEDICAL FACILITIES.** New, state of the art medical facilities increase the healthcare infrastructure of the region and serve to protect the health and welfare of the entire region.
2. **MEETING THE GROWING DEMAND FOR HEALTHCARE.** New medical facilities will meet the growing demand for healthcare. As the population of Northern San Diego County grows, the need for healthcare services has and will grow. Demographic data shows that demands for certain healthcare services may double by the year 2030. The new Palomar Medical Center campus will provide the additional hospital beds, and medical services necessary to meet the growing demand for healthcare.
3. **DISASTER PREPAREDNESS.** Medical centers serve as first responders to natural disasters and outbreaks of disease. The creation of this new facility will enhance the public health capability of San Diego County allowing the County to better react to a natural disaster or disease outbreaks.
4. **SPECIALIZED SERVICES FOR WOMEN.** It has been recognized in the medical community that women require unique medical services and treatments. The Palomar Medical Center will contain a women's center that will specialize in the unique medical needs of women in North San Diego County, which will enhance the health and well being of women in the area.
5. **JOB GROWTH AND NEW HIGH SKILL JOBS.** Goal number 5 in the City of Escondido's General Plan is to "Encourage more high quality industrial, retail, manufacturing and service-oriented businesses that create and maintain a strong economic base and provide an environment for the full employment of a diverse set of skills." Palomar Medical Center will provide employment growth in the highly skilled medical profession that requires a diverse set of skills consistent with Goal 5. Accessory functions at the medical center will also require a diverse, stable workforce employed in jobs throughout the medical campus. Healthcare is also a growing sector of the economy and will maintain the strong economic base in Escondido sought in Goal 5.
6. **ECONOMIC CATALYST.** Locating the medical campus in the ERTC will provide a catalyst for research oriented businesses to locate in the City of Escondido near the new hospital, furthering General Plan Goal number 5. In cities throughout the United States, hospital campuses have become hubs for research and development of new pharmaceuticals and medical procedures by private firms who enrich the local economy.

PASSED AND ADOPTED at a special meeting of the Board of Directors of Palomar Pomerado Health, held on December 6, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 6, 2005

APPROVED:

ATTESTED:

Marcelo R. Rivera, MD., Chairman

Board of Directors

Nancy H. Scofield, Secretary

Board of Directors

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.06.05 (02) - 25

**RESOLUTION EVIDENCING COMPLIANCE WITH
CALIFORNIA ENVIRONMENTAL QUALITY ACT - ESCONDIDO
RESEARCH AND TECHNOLOGY CENTER SPECIFIC PLAN
AMENDMENTS FOR NEW PALOMAR POMERADO
HEALTHCARE FACILITIES.**

Whereas, the Board of Directors of Palomar Pomerado Health (the "District") previously authorized the issuance of \$80,000,000 aggregate principal amount of Palomar Pomerado Health General Obligation Bonds, Election of 2004, Series 2005A (the "Bonds");

Whereas, the terms and provisions of the Bonds were set forth in the Paying Agent Agreement, dated as of June 1, 2005 (the "Paying Agent Agreement"), between the District and Wells Fargo Bank, National Association, as paying agent;

Whereas, pursuant to, and in accordance with, the provisions of the California Environmental Quality Act, Public Resources Code §§21000 et seq. and its implementing regulations, 14 California Code of Regulations Chapter 3, §§15000 et seq. (hereinafter collectively referred to as "CEQA"), and, pursuant to, and in accordance with the provisions set forth Section 5.08 of the Paying Agent Agreement, the Board of Directors of the District (the "Board") reviewed and approved new hospital and medical facilities at the Escondido Research and Technology Center and prepared an amendment to the existing Escondido Research and Technology Center Specific Plan 2001-01-SPA necessary in connection therewith (as contemplated and described in the hereinafter referred to Addendum to the Final Environmental Impact Report for the Escondido Research and Technology Center Specific Plan 2001-01-SPA, the "Project");

Whereas, pursuant to such review with respect to such Project, the District adopted an addendum to the Final Environmental Impact Report for the Escondido Research and Technology Center Specific Plan 2001-01-SPA (the "Addendum") with certain findings consistent with the provisions of CEQA on December 6, 2005, and the Board directed the Planning and Facilities Director to file a notice of determination with Clerk of the County of San Diego and The Governors Office of Planning Research in accordance with CEQA with respect to such Project;

Whereas, such filing constitutes and evidences CEQA Compliance (as such term is defined in the Paying Agent Agreement) with respect to such Project; and

Whereas, evidence of such filing will be maintained in the records of the District in accordance with Section 5.08 of the Paying Agent Agreement;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Evidence of Compliance with Paying Agent Agreement Requirements. Adoption of this Resolution shall evidence compliance with the requirements set forth in the Paying Agent Agreement relating to CEQA Compliance, including, without limitation, Section 3.04 and Section 5.08 of the Paying Agent Agreement.

PASSED AND ADOPTED at a special meeting of the Board of Directors of Palomar Pomerado Health, held on December 6, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 6, 2005

APPROVED:

ATTESTED:

Marcelo R. Rivera, MD., Chairman

Board of Directors

Nancy H. Scofield, Secretary

Board of Directors

u:\my docs\pph bd mtgs 2005\sp bd mtg 12-06-05\resoln evidencing compliance ceqa:cdm

PALOMAR POMERADO HEALTH

RESOLUTION NO. 12.06.05 (03) - 26

RESOLUTION OF APPROVAL FOR NEW PALOMAR MEDICAL CENTER PROJECT

Whereas, the Palomar Pomerado Healthcare District ("District") has prepared a Facilities Master Plan for the repair, replacement and expansion of health care facilities to meet the needs of Palomar Pomerado Healthcare participants through the year 2030;

Whereas, one objective of the Facilities Master Plan is to improve and expand the total combined number of patient beds in all Palomar Pomerado Healthcare hospital facilities by approximately 70 percent;

Whereas, the existing Palomar Medical Center requires a substantial expansion in order to meet the goals of the Facilities Master Plan;

Whereas, the need to admit patients of specific types or acuities at Palomar Medical Center often exceeds bed capacity and necessary improvements include the provision of additional hospital beds and expanded inpatient and outpatient services;

Whereas, Palomar Medical Center requires structural improvements, including compliance with current State-required seismic standards for hospitals, and the structural improvements are so intensive that it would not be possible to complete expansion activities while maintaining critical hospital functions.

Whereas, due to the factors mentioned above the Palomar Pomerado Healthcare District Board of Directors ("Board") has determined that a replacement hospital for Palomar Medical Center at a new location is necessary to fulfill the stated need in the Facilities Master Plan;

Whereas, in November 2004 the voters of the District passed Proposition BB to provide bond financing to pay for repair, expansion and replacement of health care facilities in the Facilities Master Plan that will help meet projected health care needs;

Whereas, consistent with the Facilities Master Plan the District has proposed the relocation of certain healthcare services of Palomar Medical Center to the Escondido Research and Technology Center ("Project");

Whereas, the Project would be located in Planning Area 4 of the Escondido Research and Technology Center. The Project would develop Planning Area 4 into a hospital campus with approximately 1.2 million gross square feet ("gsf") of building space that will include a new 453-bed hospital that would provide approximately 360 beds for general inpatient services, with the remaining 93 beds provided as part of a women's center. The Women's Center will provide services that include labor and delivery, a neonatal intensive care unit, post partum, and outpatient center. Diagnostic and treatment services, including emergency services, imaging, surgery, outpatient diagnostic center, and hospital support services will be provided in an

additional wing in the hospital. A separate central services building will provide space for reference labs, a warehouse, information technology / information systems, and food services. A hospital support building will also be constructed on the campus to provide building space for support services, administrative services, a conference center, and outpatient services. A separate outpatient services building will also be constructed. A central plant will also be constructed to serve the hospital campus;

Whereas, an Environmental Impact Report was certified for the ERTC Specific Plan 2001-01-SPA and an Addendum to the certified Final Environmental Impact Report for the ERTC Specific Plan 2001-01-SPA was prepared for amendments to the Specific Plan and additional discretionary planning and land use actions by the City of Escondido, and to approve the new Palomar Medical Center Project, and was prepared in compliance with the California Environmental Quality Act;

Whereas, the Project will give the District the ability to continue to provide exceptional health care to its participants and increase the regional capacity of health care facilities to meet future demand for care;

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. Recitals and Findings. The foregoing recitals and findings are true and correct, and this Board so finds and determines.

Section 2. Approval of Project. Based on the foregoing, the Board hereby approves the Project and directs District Staff to proceed to obtain the necessary approvals from the City of Escondido and to implement the Project.

PASSED AND ADOPTED at a special meeting of the Board of Directors of Palomar Pomerado Health, held on December 6, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

DATED: December 6, 2005

APPROVED:

Marcelo R. Rivera, MD., Chairman

Board of Directors

ATTESTED:

Nancy H. Scofield, Secretary

Board of Directors