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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Application of  
SOUTHERN CALIFORNIA EDISON  
COMPANY for a Certificate of Public  
Convenience and Necessity for the  
RTRP Transmission Project. (U 338-E)

Application 15-04-013  
(Filed April 15, 2015)  
(Amended April 30, 2015)

**DECLARATION OF GARY THOMPSON AND EXHIBITS IN SUPPORT  
OF CITY OF JURUPA VALLEY'S MOTION TO DISMISS SOUTHERN  
CALIFORNIA EDISON'S APPLICATION**

PETER M. THORSON  
CITY ATTORNEY  
CITY OF JURUPA VALLEY

RICHARDS, WATSON & GERSHON  
A Professional Corporation  
B. TILDEN KIM  
[tkim@rwglaw.com](mailto:tkim@rwglaw.com)  
STEPHEN D. LEE  
[slee@rwglaw.com](mailto:slee@rwglaw.com)  
355 South Grand Avenue, 40<sup>th</sup> Floor  
Los Angeles, California 90071  
(213) 626-8484 (telephone)  
(213) 626-0078 (fax)

Counsel for City of Jurupa Valley

Dated: June 28, 2016

## DECLARATION OF GARY THOMPSON

I, Gary Thompson, declare as follows:

1. I am the City Manager of the City of Jurupa Valley ("Jurupa Valley" or the "City"). I have held this position from August 2014 to the present time. Jurupa Valley was incorporated on July 1, 2011. Previous to August 2014, I was a consultant providing transition services from the County of Riverside and working on policies, procedures and other items related to Jurupa Valley's future operations. Essentially, I was a Senior Management Analyst for Jurupa Valley from the pre-incorporation period starting in April 2011 until Aug 2014, when I became City Manager. I have personal knowledge of the facts set forth in this Declaration and, if called as a witness, could and would testify competently to such facts under oath.

2. As City Manager, I am responsible for the efficient administration of all of Jurupa Valley's affairs and departments under the policies established by the City Council. I am responsible for the coordination and implementation of City Council policies and programs, and I provide direction to the departments that administer Jurupa Valley programs and services. I am responsible for coordinating intergovernmental relations and legislative advocacy, emergency preparedness, economic developmental services, and administration of Jurupa Valley's communications, media relations, and public relations. In addition, I am responsible for developing an annual budget for conducting Jurupa Valley's day-to-day operations.

3. I have been familiar with the City of Riverside's and Riverside Public Utilities' (collectively "Riverside") stated desire to implement the Riverside Transmission Reliability Project ever since the incorporation of Jurupa Valley. Many meetings have taken place between various public officials of Jurupa Valley and Riverside regarding the alignment of the contemplated 10-mile 220 kV transmission lines that threatens the financial and commercial corridor of Jurupa Valley, but without any success in modifying the alignment in such a way that would not impose unduly harsh and significant impacts on Jurupa Valley.

4. After Riverside's certification of a Final Environmental Impact Report ("FEIR") for the RTRP in early 2013, Southern California Edison ("SCE") filed its Application with the California Public Utilities Commission ("CPUC") in April 2015. SCE filed an Amended Application in late April 2015. On June 10, 2015, the assigned Administrative Law Judge Hallie Yacklin issued a document entitled "Administrative Law Judge Ruling Giving Notice of Timing of Prehearing Conference" (a true and correct copy is attached hereto as Exhibit "A") which included, among other things, (1) the requirement that a supplemental or subsequent EIR be prepared; (2) an order for the parties to promptly commence discovery; and (3) the incorporation of Application Deficiency Notice from the CPUC's Energy Division, dated May 22, 2015.

5. Attached hereto as Exhibit "B" is a true and correct copy of the Application Deficiency Report # 2 from the CPUC's Energy Division, dated October 8, 2015. Attached hereto as Exhibit "C" is a true and correct copy of the Application Deficiency Report # 3 from the CPUC's Energy Division, dated October 22, 2015. Attached hereto as Exhibit "D" is a true and correct copy of the Application Deficiency Report # 4 from the CPUC's Energy Division, dated March 18, 2016 (without maps). As of the date of this declaration, and to the best of my personal knowledge, SCE has failed to comply fully with the CPUC's numerous notices of deficiencies. For example, attached hereto as Exhibit "E" is a true and correct copy of the response from SCE dated May 6, 2016, confirming the delivery of a non-redacted version of a Cultural Resources Technical Report to the Energy Division, but that report was dated March, 2011 – available more than 5 years ago.

6. Throughout SCE's unreasonable and unwarranted delay in responding to the CPUC, Jurupa Valley, its residents, and major planned-residential developments continue to suffer due to the specter of the RTRP's potential construction and the uncertainty regarding its possible alignment. Jurupa Valley has commissioned a Fiscal Impact Study of the RTRP, a true and correct copy (without the Appendix) is attached hereto as Exhibit "F." That report details the devastating impacts of the RTRP to Jurupa Valley and environs.

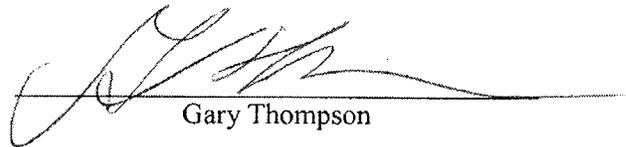
7. Specifically, the Fiscal Impact Study concludes that the RTRP (and even the

threat of its construction) would have a significant detrimental impact on Jurupa Valley's general fund health – resulting in a roughly 20% decrease in property value that would be caused by RTRP. The Fiscal Impact Study also analyzed the devastating impact to Jurupa Valley's planned financial and economic corridor (*i.e.*, the Sky Country Retail Center), as well as impacts to major planned residential developments impacted by the RTRP.

8. The potential construction of the RTRP continues to cast a dark and uncertain economic cloud over residents, businesses, and future developments in Jurupa Valley and environs. A dismissal of SCE's Application will alleviate these uncertainties and the significant, negative impacts from the RTRP for many cities, residents and businesses affected by the RTRP.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 27<sup>th</sup> day of June, 2016, at Jurupa Valley, California.

  
Gary Thompson

**EXHIBIT "A"**



**FILED**

6-10-15  
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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Southern California Edison Company (U338E) for a Certificate of Public Convenience and Necessity for the RTRP Transmission Project.

Application 15-04-013  
(Filed April 15, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING GIVING NOTICE OF  
TIMING OF PREHEARING CONFERENCE**

This ruling gives notice of anticipated issues that will be included in the scope of the proceeding, and directs parties who intend to offer evidence on issues that will be addressed in the anticipated subsequent or supplemental Environmental Impact Report (EIR) to do so by public comment pursuant to the California Environmental Quality Act (CEQA), as explained below. A Prehearing Conference (PHC) will be set as soon as practicable after the issuance of the draft subsequent or supplemental EIR to discuss the scope of issues and schedule for the remainder of the proceeding.

**1. Background**

By this application, Southern California Edison Company (SCE) seeks a certificate of public convenience and necessity to construct the Riverside Transmission Reliability Project (RTRP).

Pursuant to Pub. Util. Code § 1001 et seq., SCE may not proceed with its proposed project absent certification by the Commission that the present or

future public convenience and necessity require it, and such certification shall specify the maximum prudent and reasonable cost of the approved project.

As provided by General Order (GO) 131-D, the proposed project is subject to environmental review pursuant to CEQA. CEQA requires the Lead Agency (the City of Riverside in this case) to conduct a review to identify environmental impacts of the project and ways to avoid or reduce environmental damage. If the initial study shows that there is no substantial evidence that the proposed project may have a significant effect on the environment or that the project proponent makes or agrees to revisions to the project plan that will reduce all project-related environmental impacts can be reduced to less than significant levels, then the Lead Agency may prepare a Negative Declaration or Mitigated Negative Declaration to that effect. Otherwise, the Lead Agency must prepare an EIR that identifies the environmental impacts of the proposed project and alternatives, designs a recommended mitigation program to reduce any potentially significant impacts, and identifies, from an environmental perspective, the preferred project alternative. In this case, on February 5, 2013, the City of Riverside as Lead Agency certified the EIR and approved the project.

CEQA provides that, as a Responsible Agency, the Commission may not approve the project unless it requires all of the identified mitigation measures within its power, unless they are found to be infeasible, and determines that there are overriding considerations that merit project approval despite the unmitigable environmental impacts. CEQA further provides that the Responsible Agency may prepare a subsequent or supplemental EIR if, among other things, substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the EIR.

It has come to the Commission's attention that, subsequent to the certification of the EIR, the City of Jurupa (through which a portion of the proposed project would be located) approved the 466-unit Riverbend housing subdivision project, which would be located over approximately one mile of the length of the proposed RTRP transmission line alignment and does not include a right-of-way alignment for the RTRP route. In addition, the City of Jurupa approved the Vernola Marketplace Apartments Project, which includes the development of 25 apartment buildings with 397 residential units and which would be located within the proposed alignment for the RTRP. The Commission's Energy Division has determined that these approved developments are a substantial change in circumstances which require the Commission to prepare a subsequent or supplemental EIR. (See attachment.)

In addition, pursuant to GO 131-D and Decision 06-01-042, the Commission will not approve a project unless its design is in compliance with the Commission's policies governing the mitigation of electromagnetic field (EMF) effects using low-cost and no-cost measures.

## **2. Anticipated Scope of Issues**

Based on the governing authority discussed above, I anticipate the issues to be determined in this proceeding will include:

1. Does the proposed project serve a present or future public convenience and necessity?
2. What are the significant environmental impacts of the proposed project?
3. Are there potentially feasible mitigation measures that will eliminate or lessen the significant environmental impacts?
4. As between the proposed project and the project alternatives, which is environmentally superior?

5. Are the mitigation measures or project alternatives infeasible?
6. To the extent that the proposed project and/or project alternatives result in significant and unavoidable impacts, are there overriding considerations that nevertheless merit Commission approval of the proposed project or project alternative?
7. Did the Commission review and consider the EIR and subsequent or supplemental EIR prior to approving the project or a project alternative, and was the subsequent or supplemental EIR completed in compliance with CEQA and reflect the Commission's independent judgment?
8. Is the proposed project and/or project alternative designed in compliance with the Commission's policies governing the mitigation of EMF effects using low-cost and no-cost measures?
9. If a certificate is granted, what is the maximum cost of the approved project?

Parties will have the opportunity to address the scope of issues at the PHC, which will be set after the issuance of the draft subsequent or supplemental EIR, as the case may be. In the meantime, however, parties should commence discovery on the preliminarily identified issues.

### **3. Opportunity to Participate in CEQA Review**

The Commission's Energy Division has initiated its environmental review, and will give notice of its intent to prepare a subsequent or supplemental EIR and afford the opportunity for public review and comment as required by CEQA. Upon completion, the final subsequent or supplemental EIR will be admitted into the evidentiary record of this proceeding.

As will be further explained at the prehearing conference, I do not anticipate taking further evidence regarding the identification of significant environmental impacts, mitigation measures and alternatives, and the

environmentally superior alternative, beyond the environmental review documents (i.e., the February 6, 2012, EIR and the anticipated subsequent or supplement EIR). Therefore, any person who wishes to present evidence on the environmental impacts of the proposed project and alternatives, recommended mitigation, and the environmentally superior alternative in light of the approved developments in the City of Jurupa must do so through participation in the CEQA review process. To request addition to the CEQA review service list, or for other information regarding the environmental review, please e-mail [riversidetrp@panoramaenv.com](mailto:riversidetrp@panoramaenv.com), or contact the Energy Division project manager at:

Jensen Uchida  
c/o Panorama  
1 Embarcadero Center, Suite 740  
San Francisco, CA 94111

Therefore, **IT IS RULED** that:

1. Parties should promptly commence discovery, if any, on the issues as preliminarily identified in this ruling.
2. Parties who wish to present evidence on the identification of significant environmental impacts, mitigation measures and environmentally superior alternative in light of the approved developments in the City of Jurupa must do so through the California Environmental Quality Act review process as discussed in this ruling.

Dated June 10, 2015, at San Francisco, California.

/s/ HALLIE YACKNIN  
Hallie Yacknin  
Administrative Law Judge

# ATTACHMENT

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 22, 2015

Ian Forrest, Senior Attorney  
Southern California Edison Company  
Post Office Box 800  
Rosemead, CA 91770  
Email: ian.forrest@sce.com

**RE: Application Deficiency - Certificate of Public Convenience and Necessity for the  
Riverside Transmission Reliability Project – Application No. A.15-04-013**

Dear Mr. Forrest,

The California Public Utilities Commission's (CPUC) Energy Division CEQA Unit has completed its review of Southern California Edison's (SCE's) Application (A. 15-04-013) for a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission Reliability Project (RTRP). The CPUC has also reviewed the Final Environmental Impact Report (EIR) prepared by the City of Riverside pursuant to the California Environmental Quality Act (CEQA) and the associated administrative record. The City of Riverside is the Lead Agency under CEQA, responsible for preparation of the EIR. The CPUC is a Responsible Agency under CEQA, responsible for the certification of the CPCN.

**City of Riverside Final EIR**

The City of Riverside certified the Final EIR for the RTRP in October 2013 and filed the Notice of Determination on February 6, 2013. The Final EIR certified by the City of Riverside, along with the entire administrative record of the proceeding before Riverside were filed with the Application as information equivalent to a Proponent's Environmental Assessment.

In March 2013, Jurupa Valley filed a CEQA lawsuit in Superior Court challenging Riverside's approval of RTRP. On May 1, 2014, the Los Angeles Superior Court denied Jurupa Valley's challenge and upheld the Final EIR and Riverside's approval of the Project. Jurupa Valley appealed that decision and the appellate case is currently pending.

**Changed Conditions in the Project Alignment**

Subsequent to the certification of the EIR and approval of the RTRP, the City of Jurupa Valley certified an Initial Study/Mitigated Negative Declaration (IS/MND) and approved the Riverbend housing project, a 466-unit subdivision at the southeast corner of Wineville Avenue and Cantu-Galleano Ranch Road. The project would be located on a 36.6-acre parcel over approximately 1 mile of the length of the proposed RTRP transmission line alignment. The approved vested tentative map and zoning and development plan for the subdivision did not include a right-of-way alignment for the RTRP route. The Project has been purchased by Lennar Homes, Inc. Lennar has graded the site and purportedly made other improvements.

Mr. Ian Forrest, Southern California Edison  
May 22, 2015  
Page 2

In addition, the City of Jurupa Valley certified an IS/MND and approved the Vernola Marketplace Apartments Project at the northwest corner of 68<sup>th</sup> Street and Pats Ranch Road in Jurupa Valley. The Notice of Determination was filed on March 20, 2015. The project includes development of 25 apartment buildings, with 397 residential units, on a 17.4-acre property. The project site is within the proposed alignment for the RTRP; the IS/MND did not consider the RTRP and the effects on the proposed apartments.

The approved subdivisions within the RTRP route are considered a substantial change in circumstances, which will require the CPUC to prepare a Subsequent EIR to address new significant environmental effects pursuant to CEQA Guidelines Section 15162.

### **Application Incomplete**

After review of SCE's application for the RTRP, the Energy Division finds that the information contained in the Application and Final EIR is incomplete. The attached report identifies the portions of the application found to be deficient.

Information provided by SCE in response to the Energy Division's finding of deficiency should be filed as supplements to Application A. 15-04-013. One set of responses should be sent to the Energy Division and one to our consultant Panorama Environmental, in both hardcopy and electronic format. We request that SCE respond to this report no later than July 21, 2015.

We will review the information within 30 days and determine if it is adequate to accept the application as complete. We will be available to meet with you at your convenience to discuss these items.

The Energy Division reserves the right to request additional information at any point in the application proceeding and during subsequent construction of the project should SCE's CPCN be approved.

Please direct questions related to this application to me at (415) 703-5484 or [Jensen.Uchida@cpuc.ca.gov](mailto:Jensen.Uchida@cpuc.ca.gov).

Sincerely,



Jensen Uchida  
Project Manager  
Energy Division, CEQA Unit

cc: ALJ  
Mary Jo Borak, Supervisor  
Molly Sterkel, Program Manager  
Jack Mulligan, CPUC Attorney  
Jeff Thomas, Project Manager, Panorama Environmental, Inc.

## DEFICIENCY REPORT FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT APPLICATION (A. 15-04-013)

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### REPORT OVERVIEW

The California Public Utilities Commission (CPUC) has identified deficiencies in Southern California Edison's (SCE's) Application (A.15-04-013) for a Certificate of Public Convenience and Necessity for the Riverside Transmission Reliability Project (RTRP). Deficiencies were identified according to requirements of the CEQA (Public Resources Code Section 21000 *et seq.*) General Order 131-D and the Commission's Rules of Practice and Procedure for a CPCN. Deficiencies are presented in Table 1.

Table 1. SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies

Number	Deficiency
1	<p>SCE's Application, Final EIR, and Administrative Record do not contain adequate information to document the change in circumstances since Riverside certification of the Final EIR. Additional information is required regarding the Riverbend housing project and Vernola Marketplace Apartment Community to document the current baseline conditions in the proposed RTRP alignment. This information should include modifications to the environmental setting in the EIR to reflect the conditions in the transmission corridor resulting from the approved subdivisions consistent with the requirements of the CPUC PEA Checklist for Transmission Line Projects (October 2008) including:</p> <ol style="list-style-type: none"> <li>1. Documentation of baseline aesthetic conditions at the approved housing developments.</li> <li>2. Updated agricultural setting to reflect the Riverbend housing project within an area that was previously Williamson Act farmland.</li> <li>3. Updated habitat acreages within the transmission corridor to reflect grading and other habitat modifications since the filing of the EIR.</li> <li>4. Updated land use and zoning designations to reflect the approved residential developments.</li> <li>5. Updated transportation and traffic conditions to reflect the approved residential developments and current traffic volumes.</li> </ol>
2	<p>SCE's Application, Final EIR, and Administrative Record do not provide an assessment of the environmental impacts of the RTRP on the Riverbend housing project (466 single family lots) and the Vernola Marketplace Apartment Community. The following information is needed to evaluate impacts on the residential developments, consistent with the CPUC PEA Checklist for Transmission Line Projects (October 2008):</p> <ol style="list-style-type: none"> <li>1. A visual simulation of the RTRP with the proposed housing development and analysis of cumulative aesthetic impacts from the housing developments and the RTRP.</li> <li>2. Revisions to the area of agricultural impacts provided in the EIR to reflect the conversion of Williamson Act farmland at the Riverbend housing project to a residential development.</li> </ol>

**Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies**

Number	Deficiency
3.	Updates to the habitat impact acreages in the EIR to reflect grading of the Riverbend project and any other changes in baseline conditions since publication of the EIR.
4.	Description of hazards associated with construction and operation of the proposed project within the approved residential developments.
5.	Land use impacts associated with conflicts between the proposed project transmission alignment and the approved residential developments.
6.	Increased noise impacts from construction within residential subdivisions and long-term corona noise impacts on the subdivision.
7.	Impacts from construction and operation of the proposed project on transportation and traffic considering the roads that are proposed within the approved subdivisions.
8.	Impacts of the proposed project on population and housing.
9.	Cumulative impacts of the proposed project with other cumulative projects that are currently planned in the area.
3	CEQA requires consideration of alternatives that are capable of substantially reducing or eliminating significant environmental effects (CEQA Guidelines Section 15126.6(a)). Define alternatives that meet the project objectives and reduce or avoid potentially significant impacts of the proposed project on the approved Riverbend housing project and Vernola Marketplace Apartment Community. This may include local routing alternatives or electrical system alternatives.
4	Provide the total volume of water that will be required for construction of the project. The City of Riverside Final EIR and response to comments state that a maximum of 40,000 gallons of water would be applied per mile per day. This volume of water does not equate to a total volume required for the project. Specify a total maximum volume of water needed for the project and the source of water.
5	Define the proposed location for disposal of hazardous waste and treated wood poles that would be removed by the proposed project.

(End of Attachment)

**EXHIBIT "B"**

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 8, 2015

Ian Forrest, Senior Attorney  
Southern California Edison Company  
Post Office Box 800  
Rosemead, CA 91770  
Email: [ian.forrest@sce.com](mailto:ian.forrest@sce.com)

**RE: Application Deficiency Report #2 - Certificate of Public Convenience and Necessity  
for the Riverside Transmission Reliability Project – Application No. A.15-04-013**

Dear Mr. Forrest,

The California Public Utilities Commission's (CPUC) Energy Division CEQA Unit has completed its review of Southern California Edison's (SCE's) Application (A. 15-04-013) for a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission Reliability Project (RTRP) and responses to CPUC's Deficiency Report #1. The Energy Division finds that the information contained in SCE's responses to Deficiency Report #1 is incomplete and does not resolve all deficiencies in SCE's application. The attached report identifies the outstanding deficiencies in SCE's application.

Information provided by SCE in response to the Energy Division's finding of deficiency should be filed as supplements to Application A. 15-04-013. One set of responses should be sent to the Energy Division and one to our consultant Panorama Environmental, in both hardcopy and electronic format. We request that SCE respond to this report no later than December 7, 2015.

We will review the information within 30 days and determine if it is adequate to accept the application as complete. We will be available to meet with you at your convenience to discuss these items.

The Energy Division reserves the right to request additional information at any point in the application proceeding and during subsequent construction of the project should SCE's CPCN be approved.

Please direct questions related to this application to me at (415) 703-5484 or [Jensen.Uchida@cpuc.ca.gov](mailto:Jensen.Uchida@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Jensen Uchida".

Jensen Uchida  
Project Manager  
Energy Division, CEQA Unit

Mr. Ian Forrest, Southern California Edison  
October 8, 2015  
Page 2

cc: Mary Jo Borak, Supervisor  
Jack Mulligan, CPUC Attorney  
Jeff Thomas, Project Manager, Panorama Environmental, Inc.

# DEFICIENCY REPORT #2 FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT APPLICATION (A. 15-04-013)

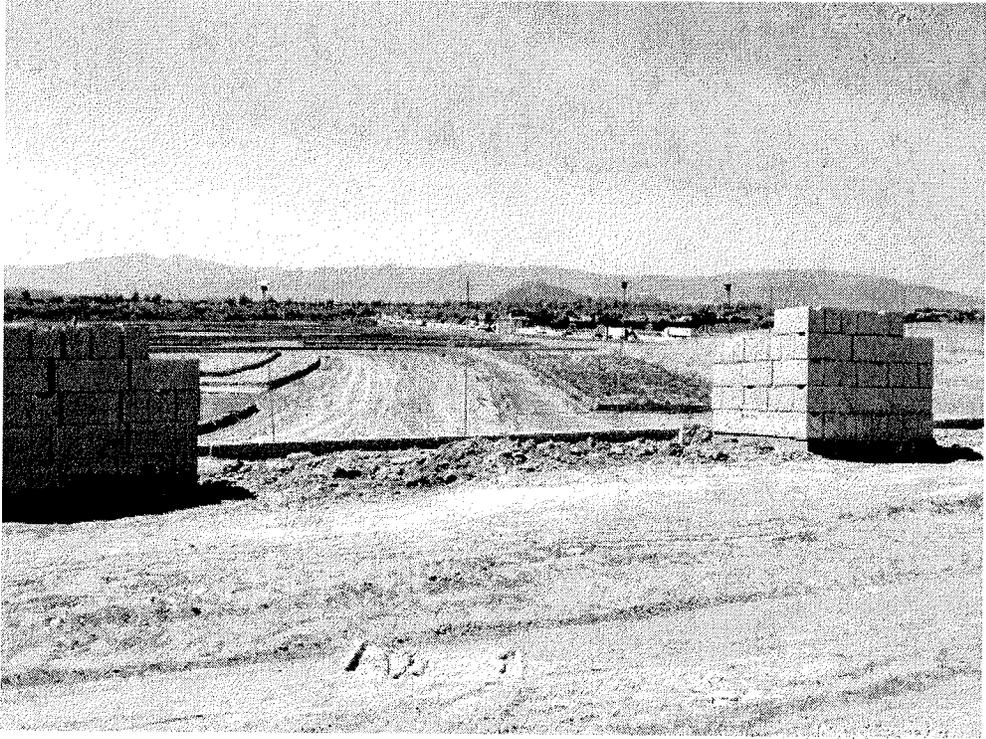
## REPORT OVERVIEW

The California Public Utilities Commission (CPUC) has identified deficiencies in Southern California Edison's (SCE's) Application (A.15-04-013) for a Certificate of Public Convenience and Necessity for the Riverside Transmission Reliability Project (RTRP). Deficiencies were identified according to requirements of the CEQA (Public Resources Code Section 21000 *et seq.*), General Order 131-D, and the Commission's Rules of Practice and Procedure for a CPCN. Deficiencies are presented in Table 1.

Table 1- SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies	
Number	Deficiency and Information Needed
1	<p><b>Provide preliminary engineering plans and a detailed route map for the entire RTRP 230 kV alignment and substations. The preliminary engineering and detailed route maps need to include the locations of all temporary and permanent work spaces including:</b></p> <ul style="list-style-type: none"> <li>• Pole work areas (e.g., crane pads)</li> <li>• Lattice steel tower work areas</li> <li>• Conductor stringing pull and tension areas</li> <li>• Guard structures</li> <li>• 230-kV conductor field snub areas</li> <li>• Temporary downline, access and spur roads</li> <li>• Permanent access roads</li> <li>• Temporary staging yards</li> </ul> <p>The Final EIR provides a calculated area of disturbance for each work area in Table 2.5-3a; however, there is no mapping of these work areas that show the maximum limits of the area of disturbance. Further engineering details and mapped locations of the disturbance area are required to verify the impacts to environmental resources and determine the conflicts with recent developments. As an example, the pole and work area at Wineville Avenue and Landon Drive appear to conflict with recent development in the area.</p>
2	<p><b>Provide additional data for daytime and night-time ambient noise levels in the proposed project area, including the existing homes and development along Wineville Avenue and Landon Drive. Provide noise level measurements at similar 230-kV transmission lines near the project area. Provide noise level planning contours at distances of 50-, 100-, and 200-feet from the proposed project for construction and operation of the proposed RTRP. The planning contours for construction should include cumulative noise generated from multiple pieces of construction equipment operating simultaneously.</b></p> <p>SCE Response to the Deficiency Report and the Final EIR both state the following with regard to construction noise, "noise would be short-term, occurring during daylight hours when the ambient noise levels are higher within the [RTRP] area". Further information is needed to define existing ambient noise levels in the project area and calculated noise</p>

**Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies**

Number	Deficiency and Information Needed
	<p>levels at sensitive receptors along the alignment (i.e., at approved developments along the alignment).</p> <p>The RTRP EIR Volume 2 at pages 3-282 and 3-285 states that "Although corona noise varies widely with weather conditions and may be audible, no significant corona should be produced by lines energized below 345 kV (EPRI 1987). There would neither be a substantial nor a permanent increase in noise level." The Final EIR for the RTRP defines maximum corona noise levels during wet weather at 28 dBA; however the estimated noise level was not supported by noise measurements at similar 230-kV transmission lines in the area. Corona noise from a transmission line operating at 230-kV was measured at 29 dBA at 100 feet from the 230-kV transmission line during dry weather conditions in San Diego (SDG&amp;E 2014). The maximum corona noise level may exceed 28 dBA at sensitive receptors.</p> <p>Corona noise impacts would affect a larger number of sensitive receptors than considered in the Final EIR. Sensitive receptors to noise, such as residents of the new Riverbend housing project, were not contemplated in the Final EIR impact analysis, as this housing development was not constructed or approved at the time of the Final EIR.</p>
3	<p><b>Provide an updated Aesthetics and Visual Resources Technical Report for the 230-kV Transmission Corridor.</b></p> <p>The 2010 Aesthetics and Visual Resources Technical Report prepared by Power Engineers needs to be updated to reflect current and future development projects along the proposed 230-kV transmission corridor. This includes updating the inventory results (scenic quality and visual integrity, sensitivity analysis), impact methods (viewshed analysis, number and location of key observation points, and photo-simulations), and impact results.</p>
4	<p><b>Provide GIS data for utility lines in the roads that are shown as underground alternative routes. Define the size of each utility line and the spacing of existing utilities. Define utility separation requirements for the underground 230-kV transmission line.</b></p> <p>The Deficiency Response #1, Part 6 <i>Riverside Transmission Reliability Project (RTRP) 230 kV Underground Alternatives Desktop Study July 2015</i>, identifies three potential underground alternatives and possible challenges to implementation of the alternatives. The document states, "no survey of underground utilities has been completed to date. The presence of existing underground utilities would likely impact the technical and environmental challenges associated with each undergrounding alternative." Information is required on the type and location of existing utilities to assess the feasibility of constructing an underground transmission line in any of the three alternative alignments.</p> <p>Provide this data for the entire transmission line alignment as it traverses Jurupa Valley, including within the Riverbend development through the existing commercial/industrial developments of the Vernola Marketplace and the business park at Landon Drive and Wineville Avenue.</p>
5	<p><b>Provide mapped locations and GIS data for any utility lines that have been constructed within the RTRP alignment and utilities that are expected to be installed as part of the approved developments.</b></p> <p>The Riverbend housing development is currently under construction within the RTRP Alignment. Utilities may be installed prior to NOP. Photo 1 (below) from August 18, 2015, provides evidence that infrastructure is being installed on the site. A development has already been constructed at the Wineville Avenue and Landon Drive. The locations of all utilities within the RTRP alignment is needed to evaluate impacts on utilities.</p> <p><b>Photo 1: Riverbend Housing Development Construction</b></p>

Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies	
Number	Deficiency and Information Needed
	
6	<p><b>Provide an assessment of the effects to population and housing from construction of the proposed route through approved Riverbend, Vernola Marketplace Apartment, William Lyon/Turnleaf and Stratham/Harmony Trails subdivisions. What is the maximum number of homes that would be displaced in these approved subdivisions?</b></p> <p>Item #8 of the Deficiency Response #1 states:</p> <p>"RTRP is not expected to displace substantial numbers of existing homes necessitating the construction of homes elsewhere, and is not expected to displace substantial numbers of people." This statement is misleading because Final Maps and Grading Permits have been approved within the RTRP alignment, and in the case of William Lyon/Turnleaf, houses have been built and are occupied. The project would displace approved and constructed residential units depending on the timing of construction for RTRP and the housing developments within the RTRP alignment.</p>
7	<p><b>Provide copies of cultural resource survey reports for the 230 kV RTRP alignment. Provide the results of a current record search through the California Historical Resources Information System (CHRIS).</b></p> <p>The Final EIR and Administrative Record do not include the full cultural resource survey reports for the RTRP. This information is needed to verify that eligibility determinations have been made for all cultural resources consistent with the decision in Madera Oversight Coalition v. County of Madera.</p> <p>A current historical resources record search is required because additional resources may have been encountered and documented in the RTRP alignment during recent earthwork and mass grading for the projects within the RTRP alignment.</p>

<b>Table 1. SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies</b>	
<b>Number</b>	<b>Deficiency and Information Needed</b>
8	<p><b>Provide a current EDR Report for the 230 kV RTRP alignment and substations.</b></p> <p>The previous Phase I Environmental Site Assessment (ESA) is over 1 year old and is no longer valid for the Subsequent EIR. Provide an updated Phase I ESA that documents the current status of hazardous material sites within the RTRP alignment and substations.</p>
9	<p><b>Provide updated air quality and greenhouse gas emissions modeling for the SCE project components including the 230-kV transmission lines. Provide the model assumptions to support the model output. Provide updated air quality dispersion modeling using current air quality models and meteorological data.</b></p> <p>The Final EIR uses old out-of-date air quality models, air quality data, and emissions factors to calculate RTRP construction emissions and evaluate impacts. The air quality and greenhouse gas emissions modeling needs to use current EMFAC2014 emissions factors. SCE's model assumptions (e.g., use of Tier 2, Tier 3, or Tier 4 equipment) and helicopter emissions modeling are also required.</p> <p>The Final EIR analysis of localized effects of air quality on sensitive receptors relies on ISCST3 modeling to define pollutant levels at sensitive receptors. ISCST3 is out-of-date and the California Air Resources Board (CARB) recommends use of AERMOD for dispersion modeling. The USEPA Guideline on Air Quality Models recommend that the most recent five years of consecutive meteorological data should be used for air quality modeling. Provide updated dispersion modeling using the AERMOD model and recent meteorological data.</p>
10	<p><b>Provide information on existing and proposed right-of-way (ROW) and easements in the area where the RTRP alignment intersects with the approved projects. Identify the type of ROW (i.e., owned in fee or easement), the width of the proposed ROW, the location of the ROW relative to the property boundaries for the approved projects, and the location of the transmission line within the ROW. Identify any limitations on uses within the ROW.</b></p>
11	<p><b>Clarify how rights for access and temporary construction areas outside of the ROW will be secured.</b></p> <p>SCE states the following regarding hazards during construction, "SCE anticipates that it will be able to construct the foundations for the tubular steel pole (TSP) and lattice steel towers (LSTs) within a 100-foot ROW". This statement appears to conflict with the work space requirements defined on page 13, where SCE indicates "Typical laydown areas for construction and assembly of TSPs are approximately 200 feet by 100 feet."</p>
12	<p><b>Provide the basis for the 100-foot right-of-way width used for the RTRP. Does SCE have any narrower rights-of-way for 230-kV transmission lines?</b></p>
13	<p><b>Provide GIS data for the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Project alignment, substations, and all temporary and permanent impact areas defined in response to Item 1 above</b></li> <li>• <b>Biological resources including</b> <ul style="list-style-type: none"> <li>○ <b>Vegetation communities</b></li> <li>○ <b>Special status species locations</b></li> <li>○ <b>Jurisdictional resources</b></li> </ul> </li> <li>• <b>Cultural resources including</b> <ul style="list-style-type: none"> <li>○ <b>Resource locations and boundaries</b></li> <li>○ <b>Survey boundaries</b></li> </ul> </li> </ul>

<b>Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies</b>	
<b>Number</b>	<b>Deficiency and Information Needed</b>
14	<b>Provide a current aerial image (georeferenced TIFF file) for the 230-kV transmission line and substations that reflects site conditions as they exist today.</b>
15	<p><b>Please clarify if the duct bank separation included in the desktop study is based on heat calculations using the proposed project power flow or if there is some other basis for the separation. Assuming there are no heat generating utilities adjacent to the underground duct banks, please identify the minimum ROW width (i.e., no buffer) required for the two 230-kV underground circuits.</b></p> <p>Page 26 to 27 of the Underground Desktop Study dated July 2015 indicates that the ROW for the two 230-kV circuits would be approximately 50 feet. The study then goes on to illustrate a minimum ROW that is 40 feet; however, this width includes 10 feet of buffer on each side of the proposed duct banks. These ROW requirements appear excessive since many of the existing utilities in roadways are not heat generating.</p>
16	<p><b>Please provide a layout of the cable vault with dimensions explaining the 48-foot length. In addition, please explain why two splice vaults are needed per circuit.</b></p> <p>The cable vault longitudinal dimension appears excessive in view of the practices of other utilities (e.g., PG&amp;E utilizes 25-foot long vaults for 230 kV). It appears that SCE is indicated that a separate vault would be used for each set of three cables. The reasoning for this separation is not explained and the additional vaults result in a very large amount of excavation. The additional vaults are understandable where the cables are different circuits; however, it is not clear why this is needed for the RTRP where each circuit is made up of six cables. From a worker safety perspective, when the circuit is de-energized all six cables would be out of service so it would seem there is no safety issue with locating all six cables in the same vault.</p>
17	<p><b>Provide an explanation of the 557 MW capacity limit from Vista to serve Riverside Public Utility (RPU) demand. How many transformers at Vista are for Riverside load?</b></p> <p>The system information that we have for Vista shows that there are four (4) 220/66 kV transformers with a combined capacity of 1,120 MVA (4 banks at 280 MVA each). The combined capacity is increased to 1,204 (3 banks at 308 MVA + 1 bank at 280 MVA) in planning models for 2019 and beyond. What is the limiting factor or contingency? It is not clear from the 2006 Transmission Plan.</p>
18	<p><b>Please provide a specific memo or report documenting that the CAISO directed SCE to build the RTRP in June 2006.</b></p> <p>The CPUC has not seen any reports or documents stating that the project was approved by CAISO or that SCE was directed to build it.</p>
19	<b>Please provide the SCE 2006-2027 Transmission Expansion Plan.</b>

**EXHIBIT "C"**

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 22, 2015

Ian Forrest, Senior Attorney  
Southern California Edison Company  
Post Office Box 800  
Rosemead, CA 91770  
Email: [ian.forrest@sce.com](mailto:ian.forrest@sce.com)

**RE: Application Deficiency Report #3 - Certificate of Public Convenience and Necessity  
for the Riverside Transmission Reliability Project – Application No. A.15-04-013**

Dear Mr. Forrest,

The California Public Utilities Commission's (CPUC) Energy Division CEQA Unit has completed its review of Southern California Edison's (SCE's) Application (A. 15-04-013) for a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission Reliability Project (RTRP) and responses to CPUC's Deficiency Report #1. The Energy Division found that the information contained in SCE's responses to Deficiency Report #1 was incomplete and did not resolve all deficiencies in SCE's application. The attached report identifies outstanding deficiencies in SCE's application in addition to those presented in Deficiency Report #2 that was sent on October 8, 2015.

Information provided by SCE in response to the Energy Division's finding of deficiency should be filed as supplements to Application A. 15-04-013. One set of responses should be sent to the Energy Division and one to our consultant Panorama Environmental, in both hardcopy and electronic format. We request that SCE respond to this report no later than December 21, 2015.

We will review the information within 30 days and determine if it is adequate to accept the application as complete. We will be available to meet with you at your convenience to discuss these items.

The Energy Division reserves the right to request additional information at any point in the application proceeding and during subsequent construction of the project should SCE's CPCN be approved.

Please direct questions related to this application to me at (415) 703-5484 or [Jensen.Uchida@cpuc.ca.gov](mailto:Jensen.Uchida@cpuc.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Jensen Uchida".  
Jensen Uchida

Project Manager  
Energy Division, CEQA Unit

Mr. Ian Forrest, Southern California Edison  
October 22, 2015  
Page 2

cc: Mary Jo Borak, Supervisor  
Jack Mulligan, CPUC Attorney  
Jeff Thomas, Project Manager, Panorama Environmental, Inc.

# DEFICIENCY REPORT #3 FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT APPLICATION (A. 15-04-013)

## REPORT OVERVIEW

The California Public Utilities Commission (CPUC) has identified deficiencies in Southern California Edison's (SCE's) Application (A.15-04-013) for a Certificate of Public Convenience and Necessity for the Riverside Transmission Reliability Project (RTRP). Deficiencies were identified according to requirements of the CEQA (Public Resources Code Section 21000 *et seq.*), General Order 131-D, and the Commission's Rules of Practice and Procedure for a CPCN. Deficiencies are presented in Table 1.

Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiencies	
Number	Deficiency and Information Needed
1	System models (GE-PSLF) acquired from CAISO Transmission Planning Process (2014-2015 TPP basecase for 2016 and 2024) indicate two separate loads at Vista 66 kV. One is labeled as "(M)" and the other as "(1)". In the 2024 model some of the load modeled at (M) is moved to Wilderness. <ol style="list-style-type: none"> <li>Confirm that (M) represents just the RPU load or explain what it represents.</li> <li>Verify that load modeled in 2024 at Wilderness is all RPU load and not SCE.</li> <li>Confirm the load under (1) is SCE (i.e., not RPU) load served from Vista 66 kV.</li> </ol>
2	Provide the SCE Vista 66 kV operating diagram.
3	Historical data from City of Riverside for 2010 through 2014 shows peak loads averaged roughly 590 MW, with an all-time system peak in 2007 of 604 MW. In the CAISO reliability model for 2016, the RPU load seems to be modeled at 708 MW. Explain the significant increase in load and what the drivers are.
4	Provide 2015 peak loading as of 10/22/2015 for load served from the SCE Vista 66 kV substation. For the peak load value, provide the percentage of the peak load that was serving City of Riverside load and the percentage that was serving SCE distribution load.
5	Provide the individual transformer bank loading for the four 220/66 kV transformers at Vista corresponding to the peak loading provided above in question #4.
6	Provide the internal Riverside generation operating levels at the time of the 2015 peak provided above (question #4). Specifically, provide the output level for each of the 4 Riverside Energy Center 48 MW generators and the 40 MW springs generation project at the time of the 2015 peak.

**EXHIBIT “D”**

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 18, 2016

Ian Forrest, Senior Attorney  
Southern California Edison Company  
Post Office Box 800  
Rosemead, CA 91770  
Email: [ian.forrest@sce.com](mailto:ian.forrest@sce.com)

**RE: Deficiency Report #4 - Certificate of Public Convenience and Necessity for the  
Riverside Transmission Reliability Project – Application No. A.15-04-013**

Dear Mr. Forrest,

The California Public Utilities Commission's (CPUC) Energy Division CEQA Unit has completed its review of Southern California Edison's (SCE's) Application (A. 15-04-013) for a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission Reliability Project (RTRP) and responses to CPUC's Deficiency Reports #1, #2, and #3. The Energy Division found deficiencies in the information contained in SCE's responses to Deficiency Report #2 regarding preliminary engineering plans for the project. The attached report identifies outstanding deficiencies in SCE's response to Deficiency Report #2, Item #1. Included with this Deficiency Report are the following attachments for SCE's reference:

1. Attachment A – Mapbook set illustrating conflicts with proposed work areas.
2. Attachment B – Mapbook set illustrating the geographic extent of previous cultural resource surveys conducted between 2006 and 2011.

Information provided by SCE in response to the Energy Division's finding of deficiency should be filed as supplements to Application A. 15-04-013. One set of responses should be sent to the Energy Division and one to our consultant Panorama Environmental, in both hardcopy and electronic format. We request that SCE respond to this report no later than April 15, 2016.

We will review the information within 30 days and determine if it is adequate to accept the application as complete. We will be available to meet with you at your convenience to discuss these items.

The Energy Division reserves the right to request additional information at any point in the application proceeding and during subsequent construction of the project should SCE's CPCN be approved.

Please direct questions related to this application to me at (415) 703-5484 or [Jensen.Uchida@cpuc.ca.gov](mailto:Jensen.Uchida@cpuc.ca.gov).

Mr. Ian Forrest, Southern California Edison  
March 18, 2016  
Page 2

Sincerely,



**Jensen Uchida**  
**Project Manager**  
**Energy Division, CEQA Unit**

cc: Mary Jo Borak, Supervisor  
Jack Mulligan, CPUC Attorney  
Tom Diaz, SCE Regulatory Affairs  
Christine Schneider, Panorama Environmental, Inc.  
Jeff Thomas, Panorama Environmental, Inc.

# DEFICIENCY REPORT #4 FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT APPLICATION (A. 15-04-013)

## REPORT OVERVIEW

The California Public Utilities Commission (CPUC) has identified deficiencies in Southern California Edison's (SCE's) Application (A.15-04-013) for a Certificate of Public Convenience and Necessity for the Riverside Transmission Reliability Project (RTRP). Deficiencies were identified according to requirements of the CEQA (Public Resources Code Section 21000 *et seq.*), General Order 131-D, and the Commission's Rules of Practice and Procedure for a CPCN. Deficiencies are presented in Table 1.

Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiency Report #4	
Number	Deficiency
1	<p><b>Provide GIS data and detailed route maps showing the locations of the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Conductor stringing pull and tension areas</b></li> <li>• <b>Guard structures</b></li> <li>• <b>230-kV conductor field snub areas</b></li> </ul> <p>The GIS data and route maps provided in response to Deficiency Report #2 did not include locations of pull and tension areas, guard structures or field snub areas. This information is required to analyze environmental impacts of the proposed project.</p>
2	<p><b>Provide GIS data and detailed route maps showing the full extent of temporary and permanent access roads including:</b></p> <ul style="list-style-type: none"> <li>• <b>Temporary downline, access and spur roads (access routing to each structure locations from city streets or adjacent developed sites needs to be completely shown)</b></li> <li>• <b>Permanent access roads</b></li> </ul> <p>The GIS data provided in response to Deficiency Report #2 shows short segments of access roads. These access roads do not connect to paved roadways. The CPUC considers use of existing unpaved access roads in its calculations and assessment of temporary disturbance. SCE needs to define the full extent of existing unpaved access roads that could be used during construction.</p>
3	<p><b>Refine the buffer area boundaries to more accurately reflect on-the-ground siting limitations, and also depict the locations of all proposed temporary and permanent work spaces within buffer areas including:</b></p> <ul style="list-style-type: none"> <li>• <b>Pole work areas (e.g., crane pads)</b></li> <li>• <b>Lattice steel tower work areas</b></li> </ul> <p>The preliminary engineering plans/route maps provided on February 9, 2016, in response to Item #1 of Deficiency Report #2 depicted buffer areas of varying size around each proposed structure. The CPUC understands that SCE intends to site temporary and</p>

Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Deficiency Report #4	
Number	Deficiency
	<p>permanent work spaces within the buffer areas and that buffer areas have been depicted to provide siting flexibility as later stages of engineering design are completed. The intention of this approach is reasonable; however, the CPUC believes that the degree of flexibility resulting from the proposed buffer areas (particularly those of a 1,200-foot diameter size or over 1 million square feet) is excessive and will result in an overstatement of project impacts and new impacts not analyzed in the 2013 RTRP Final EIR. For example, in the 2013 Final EIR, it was described that impacts to wetlands and riparian areas would be avoided by the proposed project. The current buffer areas include wetland and riparian areas and there would be significant impacts to these resources if the CPUC assumes work could be conducted anywhere within the buffer area.</p> <p>The CPUC has prepared a mapbook (Attachment A) showing locations where the proposed buffer areas overlap with the following facilities and resources:</p> <ul style="list-style-type: none"> <li>• Steep slopes</li> <li>• Wetlands including the Santa Ana River floodplain and/or tributary drainages</li> <li>• Metropolitan Water District's aqueduct infrastructure</li> <li>• City streets, parking lots, loading/receiving docks, and perimeter landscaping of adjacent buildings</li> <li>• Riverside Water Quality Control Plant facilities</li> <li>• Caltrans right of way along Highway 15</li> <li>• Hidden Valley Wilderness Area (federal land and water conservation fund area)</li> </ul> <p>These resources should be avoided and carved out of the work area buffers, where feasible.</p> <p>The revised preliminary engineering plans and detailed route maps should also depict any planned alignment revisions or refinements following SCE's CPCN application such as the relocation of Pole JD22 (identified at the November 2015 site visit).</p> <p>Please include GIS data files for all detailed route map refinements.</p>
4	<b>Provide an updated version of Table 2.5-3a in the 2013 RTRP Final EIR that reflects all changes to calculated work space disturbance areas based on preliminary engineering revisions (see Items #1 through #3 above).</b>
5	<b>Provide cultural resource survey reports and data for all unsurveyed portions of project disturbance areas as refined in response to Items 1 through 3 above (see also Attachment B).</b>
6	<p><b>Clarify how SCE expects to obtain a permit for new poles located in the Hidden Valley Land and Water Conservation Fund (LWCF) area. How will NEPA be handled for new poles in this area? Where and how will SCE replace the impacted LWCF area?</b></p> <p>The Land Use section in the 2013 RTRP Final EIR lacks analysis of the land use impacts resulting from conversion of LWCF areas. Mitigation Measure REC-02 in the recreation section does not define where or how SCE would replace the LWCF area or obtain the necessary permits from the National Park Service. Further information is needed to verify the feasibility of the proposed "land conversion" for the proposed transmission line structures within the LWCF area.</p>
7	<p><b>Focused surveys are required for the following special-status species within suitable habitat:</b></p> <ul style="list-style-type: none"> <li>• <b>Burrowing owl</b></li> </ul>

**Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013  
Deficiency Report #4**

<b>Number</b>	<b>Deficiency</b>
	<ul style="list-style-type: none"><li>• <b>Least Bell's vireo</b></li><li>• <b>Southwestern willow flycatcher</b></li><li>• <b>Western yellow-billed cuckoo</b></li><li>• <b>Delhi sands flower-loving fly</b></li><li>• <b>San Diego ambrosia</b></li><li>• <b>Brand's phacelia</b></li><li>• <b>San Miguel savory</b></li><li>• <b>Los Angeles pocket mouse</b></li><li>• <b>Northwestern San Diego pocket mouse</b></li><li>• <b>San Bernardino kangaroo rat</b></li></ul> <p>Focused surveys for these species were performed between 2006 and 2009 (seven to ten years ago). These surveys are considered out-of-date and do not reflect current species distribution. The impact analysis and the mitigation measures in the 2013 RTRP Final EIR may therefore not adequately consider the level of impacts on these species. The focused surveys need to include the full limits of all work areas as defined in response to items 1 and 3 through 3 above.</p>

**EXHIBIT "E"**

*Southern California Edison*  
RTRP A.15-04-013

DATA REQUEST SET A1504013 ED-SCE-01

To: ENERGY DIVISION  
Prepared by: Chris Doolittle  
Title: Archaeologist  
Dated: 03/09/2016

---

**Question 09:**

**Table 1: SCE Riverside Transmission Reliability Project Application 15-04-013 Data Needs**

**Cultural Resources**

**Provide the CPUC and Parus Consulting with a non-redacted version of the Cultural Resources Technical Report including all site records and maps.**

The Cultural Resources information that was sent to Parus Consulting on December 8, 2015 did not contain the confidential Riverside Transmission Reliability Project Cultural Resources Technical Report (March 2011) prepared by Power Engineers for the RTRP EIR. The technical report is required in order to assess CRHR-eligibility of resources found during the March 2011 survey effort. The technical report is also required to determine if additional cultural resource surveys will need to be performed to examine all areas that may be impacted by the proposed project.

**Response to Question 09:**

As indicated on the attached PDF document ("UPS Notification of Delivery") and consistent with California Government Code sections 6254(r) and 6254.10 and Public Resources Code section 21082.3(c)(1), the non-redacted Cultural Resources Technical Report was delivered *via* UPS to Parus Consulting's archaeologist on April 21, 2016 at the following address:

John Nadolski  
Parus Consulting  
8520 BLAKEPOINTE WAY  
ANTELOPE, CA 95843

## Rodger Torres

---

**From:** Christopher Doolittle  
**Sent:** Friday, May 06, 2016 10:08 AM  
**To:** Thomas Diaz  
**Cc:** Thanos Trezos; Gloria Hocutt; Ian Forrest; Kenneth Spear; Robert Pontelle  
**Subject:** RE: RTRP - Data Requests Q9 - Cultural

Tom,

The non-redacted report was delivered to Parus Consulting's archaeologist on 4/21/2016. UPS notification below. Thanks.

### Your package has been delivered.

**Delivery Date:** Thursday, 04/21/2016  
**Delivery Time:** 09:24 AM

At the request of EDISON MATERIAL SUPPLY-FIN&OPS, this notice is to confirm that following shipment has been delivered.

## Shipment Detail

---

**Tracking Number:** [1ZRE535SNT93229711](#)  
John Nadolski  
Parus Consulting  
8520 BLAKEPOINTE WAY  
ANTELOPE, CA 95843  
US

**Ship To:**

**UPS Service:** NEXT DAY AIR

**Number of Packages:** 1

**Shipment Type:** Letter

**Delivery Location:** FRONT DOOR

**Reference Number 1:** 301524

Chris Doolittle  
Corporate Environmental Services  
Natural and Cultural Resources  
Southern California Edison  
(909) 520-1670 (cell)

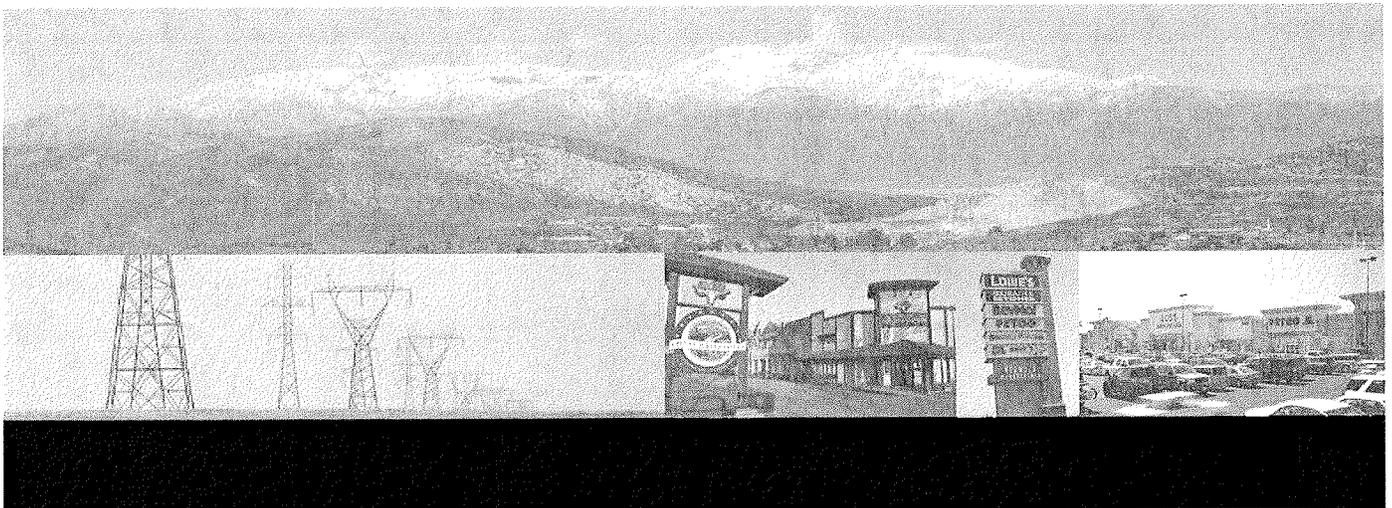
**EXHIBIT "F"**

CITY OF JURUPA VALLEY



ECONOMIC/FISCAL IMPACT ANALYSIS:  
RIVERSIDE TRANSMISSION RELIABILITY  
PROJECT

DECEMBER 2, 2015



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# I. INTRODUCTION

## BACKGROUND

The City of Jurupa Valley ("City") incorporated as Riverside County's 28<sup>th</sup> city on July 1, 2011. Since the days leading up to its incorporation, the City has endured a number of significant, externally-introduced financial challenges, including state legislation redirecting Vehicle License Fee revenues, rapidly rising public safety contract costs, and a sluggish economic recovery. The City, along with three other newly incorporated cities in Riverside County -- Eastvale, Menifee, and Wildomar -- fought off disincorporation this past year, thanks in part to County debt forgiveness via SB 107 (Chapter 325, Statutes of 2015) and the City's healthy General Fund reserves. While City staff is projecting that the fiscal year 2015-16 year-end General Fund reserve balance will continue to be healthy (approximately 31 percent of expenditures), the City's budget deficit is expected to be \$2.5 million, and annual revenue neutrality payments of \$1.9 million to the County of Riverside ("County") will be required beginning in fiscal year 2016-17. Revenue neutrality payments also have step increases in the future, as a percentage of property tax and sales tax revenues, when the City reaches certain revenue targets for property tax and sales tax revenues.

The next few years of operation will be critical to the City's financial sustainability, particularly with regard to the economic development of the I-15 corridor and adjacent areas to expand the City's revenue base to keep pace with rising operational costs, particularly police contract costs with the Riverside County Sheriff. County planning efforts for the I-15 corridor well-preceded the incorporation of the City, as well as the Riverside Transmission Reliability Project ("RTRP") proposal, which now threatens to physically restrict and economically undermine key development sites along the corridor.

## PURPOSE

The California Public Utilities Commission ("CPUC") is currently processing Application No. A.15-04-013 filed by Southern California Edison ("SCE") for a Certificate of Public Convenience and Necessity for the RTRP, a joint infrastructure project with Riverside Public Utilities ("RPU"). RPU previously prepared an Environmental Impact Report ("EIR") in 2012 for the RTRP based on a proposed alignment for the project that directly impacts nine different development sites along the I-15 corridor and adjacent properties. The EIR, however, did not adequately address the physical or economic impacts of the RTRP on existing and future development sites. The CPUC has issued three deficiency reports as part of its review of SCE's application. City staff has provided project descriptions and other background information about the development projects impacted by the proposed RTRP alignment. To augment that information, the City hired Urban Futures, Inc. ("UFI") to prepare an Economic/Fiscal Impact Analysis ("E/FIA") evaluating how the RTRP will physically and economically constrain development along the RTRP alignment, and assessing the short- and long-term impacts of the RTRP to the City's overall financial health.

The purpose of this E/FIA is to:

- Quantify the economic and fiscal impacts of the I-15 corridor projects to the short- and long-term financial health and sustainability of the City's General Fund;
- Identify the probable physical and economic impacts of the proposed RTRP alignment to the I-15 corridor projects, including impacts to the market viability and development envelope of the projects; and
- Quantify the anticipated impact of the proposed RTRP alignment to the City's General Fund in the context of the corridor projects.

## II. METHODOLOGY & ASSUMPTIONS

### METHODOLOGY & DATA SOURCES

The E/FIA evaluates the anticipated future impact of the RTRP on the City's General Fund by analyzing the constraints the RTRP places on the ability of future development projects to generate surplus revenues to the City's General Fund. While each project is at a different stage of development planning or construction, the E/FIA assumes that all projects will be built within a 10-year development window. The steps taken to conduct the analysis are outlined below.

#### Base Data Synthesis

- Project profiles for each of the nine project sites were assembled based on available information from City staff, the Internet, and other sources, including land use plans and entitlements (e.g., General Plan land use designation, zoning, specific plans), County Assessor parcel information, and project documentation (e.g., site plans, tract maps).
- GIS mapping was utilized to define the project sites and synthesize parcel-level data, including lot size, fiscal year 2014-15 assessed valuation, tax rate areas ("TRA"), and ownership configurations.
- TRA data from the County Auditor-Controller's web site was downloaded to determine the City's pro rata share of the 1% ad valorem property tax general levy generated by each project.
- Development programming for each project was defined based on entitlement approvals, specific plans, or zoning (e.g., dwelling unit counts, building floor area, gross leasable area).

#### General Fund Recurring Revenues

- Assessed values based on estimated construction values (commercial and industrial), sales pricing (single family residential), and per-unit market values (hotel and multifamily residential) were estimated for each project using data from a 2015 market study prepared by The Concord Group.
- UFI collaborated with HdL Companies to identify tenant mix profiles, estimated taxable sales, and estimated sales tax revenues for each commercial-retail development site. HdL Companies is widely recognized as California's preeminent sales tax expert and is frequently contracted by cities and counties, including the City of Jurupa Valley, to provide sales tax consulting services.
- Residential population and employment projections for each project site were estimated based on average household size data from ESRI Business Analyst Online and building space-per-employee data from the County of Riverside General Plan (Technical Appendix E: Build-out Assumptions & Methodology).
- Annual and cumulative market absorption rates were defined for each land use category (e.g., residential, light industrial, office/business park, retail) based on population, housing, and employment projections for Jurupa Valley (2013 Progress Report, County of Riverside Center for Demographic Research) and a retail leakage analysis report from ESRI Business Analyst Online for a 10-minute drive-time market area from the Sky Country Retail Center project site (11937 Limonite Avenue), just north of the existing Vernola Marketplace shopping center.
- A land absorption schedule for each project was prepared and used to estimate year-to-year projected General Fund recurring revenues, including property tax, sales tax, transient occupancy tax, and property transfer tax revenues. Population and employment projections based on the

absorption schedule were used to estimate annual per capita revenues from Franchise Fees for Utilities and Solid Waste.

### General Fund Recurring Expenditures

- Population and employment projections were used to estimate annual per capita General Fund expenditures, with adjustments for operational economies of scale, for:
  - General government and finance
  - Development services
  - Police protection
  - Animal services
- UFI referred to the 2010 Comprehensive Fiscal Analysis (“CFA”) prepared for the City’s incorporation proposal to identify cost assumptions. The E/FIA uses a per capita service population approach that factors both residents and employees based on service population of 100% residents plus 50% employees.
- Annual General Fund revenues over expenditures generated from the projects were calculated.

### RTRP Impacts

- The probable physical impact of the proposed RTRP alignment to each project site was identified, including reductions in the development envelopes from site plan reconfigurations.
- The probable economic impact of the proposed RTRP alignment to retail sites reliant on freeway-oriented signs was factored into the analysis.
- The net impact of the RTRP on annual General Fund revenues over expenditures generated from the projects was calculated.

## GENERAL ASSUMPTIONS

General assumptions used to prepare this E/FIA are outlined below. More specific detailed revenue and cost assumptions are provided in later sections of this report.

- Constant 2015 dollars were used to estimate future values, revenues, and expenditures.
- Population projections for future residents were based on an average household size of 3.83 persons per household for single family homes. For the 397-unit Vernola Marketplace Apartment Community, a blended factor of 2.61 persons per household was used based an assumed unit size mix of one-third one-bedroom units, one-third two-bedroom units, and one-third three-bedroom units.
- Employment projections for industrial and commercial uses were based on employment density (square feet per employee) estimates for different land uses. See Table II-A for employment densities for Commercial Retail, Commercial Tourist, Light Industrial, and Business Park uses.

TABLE II-A

Land Use	Square Feet per Employee
Commercial Retail	500
Commercial Tourist	500
Light Industrial	1,030
Business Park	600

Source: County of Riverside General Plan, Appendix E: Socioeconomic Build-out Projections Assumptions & Methodology

- A 10-year build-out schedule for the nine projects was based on demand projections for residential, commercial, and industrial uses using demographic projections and market research data.

### III. STUDY AREA & PROJECT DESCRIPTIONS

#### RTRP PATH

The proposed RTRP path is more than 11 miles in length with approximately four miles of the alignment running through portions of the City where key development projects will be impacted by the RTRP. See Exhibit III-A on the following page for a map of the pathway and the projects impacted by the RTRP. The required right-of-way (“ROW”) for a 230 kV overhead transmission line is 100 feet in width. No buildings may be sited within the ROW. While this E/FIA analyzes the direct and indirect impacts of the 100-foot ROW on future development sites, it is important to note that a larger “fall zone” for the RTRP is likely to impact property values beyond the 100-foot ROW.

#### PROJECT DESCRIPTIONS

This E/FIA analyzes the impacts of the RTRP on nine development project sites (see Exhibit III-A on Page 6). In addition to new development projects, this E/FIA also assumes that the RTRP’s path along the frontage of the I-15 freeway will likely impact the performance of the existing Vernola Marketplace shopping center, as described later in this report. The nine new development projects total approximately 591 acres of developable land that are in different stages of planning, entitlement, or development. The E/FIA assumes a 10-year build-out horizon for 1,269 single family dwelling units, 379 multifamily dwelling units, more than 2 million square feet of light industrial and business park uses, and 531,406 square feet of commercial retail/tourist uses, including two community shopping centers, two 100-room hotels, and a gas station. A summary table of each of the nine projects (Table III-A) is provided on Page 7. The projects are listed in geographic order based on the north-to-south travel of the RTRP path, as shown on the map in Exhibit III-A.

EXHIBIT III-A

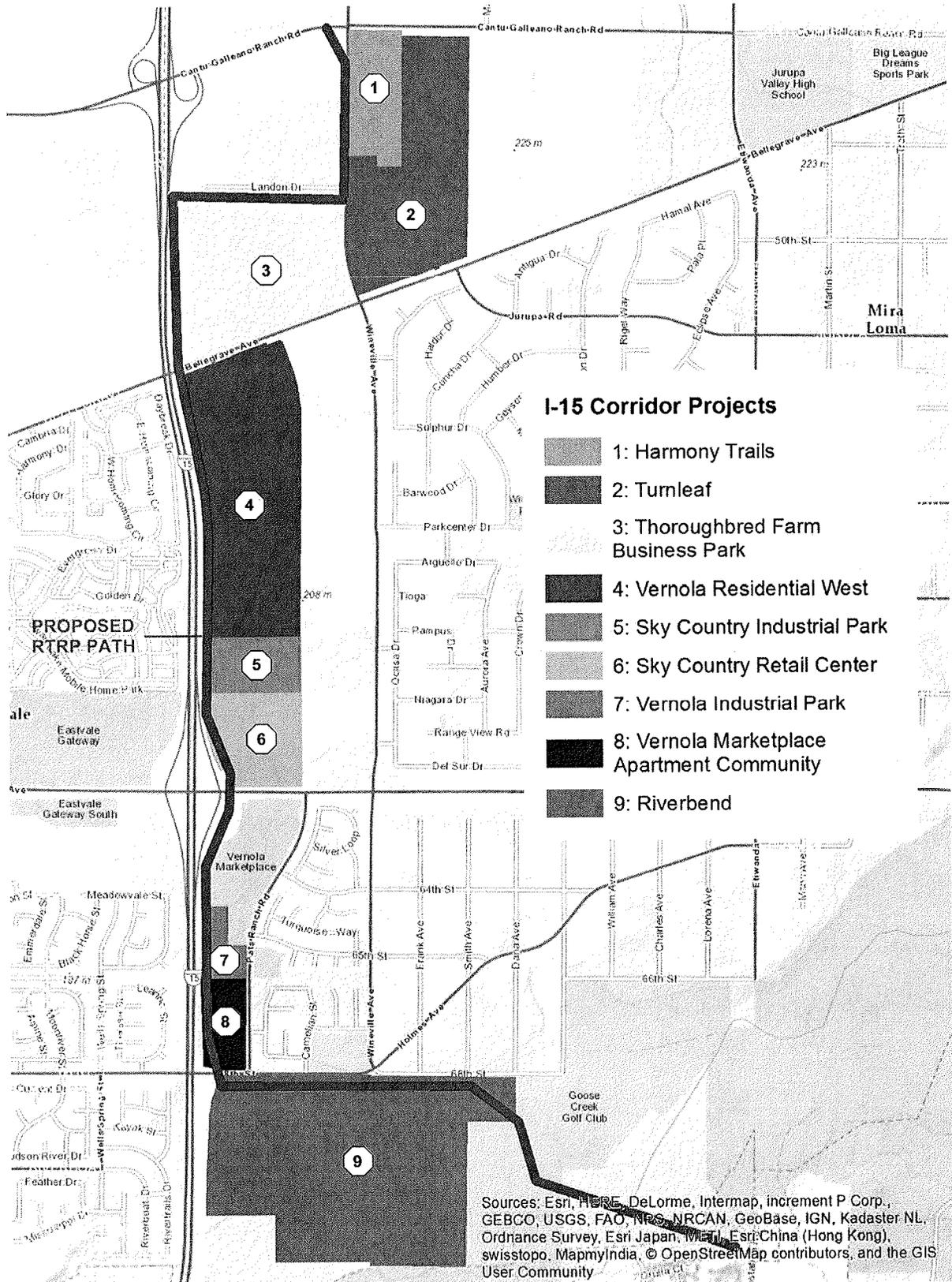


TABLE III-A  
RIVERSIDE TRANSMISSION RELIABILITY PROJECT (RTRP) ECONOMIC/FISCAL IMPACT ANALYSIS  
PROJECT DESCRIPTIONS

Map Ref #	Project Name	Status	Land Use	Lot Acreage (Ac)	Lot Square Footage (SF)	Zoning	Density / FAR	Dwelling Units (DU) / Building SF	Population / Employment Density Factor	Total Residents / Employees
1	Harmony Trails	Approved Tract Map	Single Family Residential	31.3	1,354,868	R-4	5.62 DU/Ac	176 DU	3.83	674
2	Turnleaf	Construction	Single Family Residential	31.6	1,375,189	R-1	3.52 DU/Ac	111 DU	3.83	425
3	Thoroughbred Farm Business Park	Fully Entitled	Business Park	36.5	1,589,940	Specific Plan No. 376	0.60 FAR	598,504 SF	600	998
			Light Industrial	42.6	1,855,656		0.60 FAR	917,592 SF	1,030	891
			Commercial/Retail	11.5	500,940		0.35 FAR	129,635 SF	500	259
			Tourist/Commercial	7.6	331,056		0.35 FAR	112,211 SF	500	224
			Total	98.2	4,277,592		1,757,942 SF	2,372		
4	I-15 Corridor: Vernola Residential West	Zoned	Single Family Residential	129.1	5,621,702	R-1	4.00 DU/Ac	516 DU	3.83	1,976
5	I-15 Corridor: Sky Country Industrial Park	Zoned	Industrial Park	23.8	1,038,240	I-P	0.35 FAR	363,384 SF	1,030	353
6	I-15 Corridor: Sky Country Retail Center	Zoned	Scenic Highway Commercial	33.2	1,447,798	C-P-S	0.20 FAR	289,560 SF	500	579
			Hotel	4.0	174,240		0.35 FAR	60,984 SF	500	122
			Total	37.2	1,622,038		350,544 SF			
7	I-15 Corridor: Vernola Industrial Park	Zoned	Industrial Park	11.0	463,779	I-P	0.35 FAR	162,323 SF	1,030	158
8	Vernola Marketplace Apartment Community	Fully Entitled	Multifamily Residential	17.4	755,764	R-3	22.84 DU/Ac	397 DU	2.61	1,036
9	Riverbend	Mass Grading / Utilities	Single Family Residential	211.0	9,191,160	R-4	2.21 DU/Ac	466 DU	3.83	1,785
<b>TOTAL</b>				<b>590.6</b>	<b>25,700,333</b>			<b>1,666 DU</b>		<b>5,896 Res.</b>
								<b>2,634,496 SF</b>		<b>3,584 Empl.</b>

## Absorption Schedule

As described previously, this E/FIA assumes that build-out of the nine projects will occur over a 10-year timeframe between fiscal years 2016-17 and 2025-26. UFI used a combination of demographic projections and market research (see Appendix A) to develop the year-to-year absorption schedule for the different land uses proposed to be developed within the study area. See Tables III-C and III-D on the following pages for absorption schedules for residential and industrial/business park/retail uses.

TABLE III-C  
RESIDENTIAL ABSORPTION

PROJECT	STATUS	UNITS	FISCAL YEAR										TOTAL				
			1	2	3	4	5	6	7	8	9	10					
Harmony Trails	Tract Map	176	0	50	50	50	26	0	0	0	0	0	0	0	0	0	176
Turnleaf	Construction	111	40	40	31	0	0	0	0	0	0	0	0	0	0	0	111
Vernola West	Zoned	516	0	0	0	50	85	85	85	85	85	85	85	85	41	41	516
Vernola Apartments	Fully Entitled	397	0	0	135	135	127	0	0	0	0	0	0	0	0	0	397
Riverbend	Mass Grading / Utilities	466	50	85	85	85	85	76	0	0	0	0	0	0	0	0	466
<b>ANNUAL NEW UNITS</b>		<b>1,666</b>	<b>90</b>	<b>175</b>	<b>301</b>	<b>320</b>	<b>323</b>	<b>161</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>85</b>	<b>41</b>	<b>41</b>	<b>1,666</b>
	<i>Max. Annual Absorption</i>		415	415	415	440	440	440	440	440	440	440	440	440	440	440	
<b>CUMULATIVE NEW UNITS</b>			<b>90</b>	<b>265</b>	<b>566</b>	<b>886</b>	<b>1,209</b>	<b>1,370</b>	<b>1,455</b>	<b>1,540</b>	<b>1,525</b>	<b>1,540</b>	<b>1,525</b>	<b>1,540</b>	<b>1,666</b>	<b>1,666</b>	

TABLE III-D

LIGHT INDUSTRIAL/BUSINESS PARK/RETAIL ABSORPTION

PROJECT	STATUS	LAND USE	SF	FISCAL YEAR										TOTAL				
				1	2	3	4	5	6	7	8	9	10					
		Light Industrial	917,592	530,150	180,806	206,636												917,592
Thoroughbred Farm Business Park	Fully Entitled	Business Park	598,504		264,002	334,502												598,504
		Commercial/Retail	129,635							129,635								129,635
		Tourist/Commercial	112,211					112,211										112,211
I-15 Corridor: Sky Country Industrial Park	Zoned	Light Industrial	363,384			181,692		181,692										363,384
I-15 Corridor: Sky Country Retail Center	Zoned	Commercial/Retail	289,560		114,780	114,780												289,560
Vernola Industrial Park	Zoned	Hotel	60,894			60,894												60,894
		Industrial Park	162,323					162,323										162,323
<b>ANNUAL NEW SF</b>			<b>2,634,192</b>	<b>0</b>	<b>530,150</b>	<b>589,588</b>	<b>928,594</b>	<b>456,226</b>	<b>129,635</b>	<b>0</b>	<b>2,634,192</b>							
		<i>Industrial</i>	<i>Est. Annual Absorption</i>	0	530,150	180,806	388,328	344,015	0	0	0	0	0	0	0	0	0	1,443,299
			<i>Max. Annual Absorption</i>	706,451	706,451	706,451	706,451	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	515,797	5,157,977
		<i>Business Park</i>	<i>Est. Annual Absorption</i>	0	0	264,002	334,502	0	0	0	0	0	0	0	0	0	0	598,504
			<i>Max. Annual Absorption</i>	391,680	391,680	391,680	391,680	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	285,975	2,859,750
		<i>Commercial</i>	<i>Est. Annual Absorption</i>	0	0	144,780	144,780	112,211	129,635	0	0	0	0	0	0	0	0	531,406
			<i>Cumulative Retail Potential</i>	546,321	546,321	546,321	401,541	256,761	144,550	14,915	14,915	14,915	14,915	14,915	14,915	14,915	14,915	149,150
<b>CUMULATIVE NEW COMMERCIAL-INDUSTRIAL SF</b>			<b>0</b>	<b>530,150</b>	<b>1,119,738</b>	<b>2,048,332</b>	<b>2,504,557</b>	<b>2,634,192</b>										

## Tax Rate Areas

The projects overlap four different tax rate areas (“TRA”) which determine the pro rata share of property tax revenues generated from each project that the City will receive. Table III-E below identifies the TRA(s) that each project is located in.

**TABLE III-E  
CITY SHARE OF 1% PROPERTY TAX REVENUE**

Map Ref #	Project Name	TAX RATE AREA			
		028009	028011	028029	028114
		7.044153%	7.044153%	5.995154%	5.995154%
1	Harmony Trails				√
2	Turnleaf			√	√
3	Thoroughbred Farm Business Park			√	√
4	I-15 Corridor: Vernola Residential West			√	√
5	I-15 Corridor: Sky Country Industrial Park			√	√
6	I-15 Corridor: Sky Country Retail Center			√	√
7	I-15 Corridor: Vernola Industrial Park	√			
8	Vernola Marketplace Apartment Community	√			
9	Riverbend	√	√		

## Population & Employment

Population and employment projections provide the basis for per capita General Fund revenue and expenditure projections. Consistent with the absorption schedules described previously, population projections for residential projects are based on a household size factor. For single family residential, a household size of 3.83 persons per household is assumed. For the Vernola Marketplace Apartment Community, an average household size of 2.61 persons per household is assumed based on a balanced mix of one-, two-, and three-bedroom units throughout the project’s 397 proposed units. Table III-F provides population projections for each residential project.

Employment projections for light industrial, business park, and retail uses are based on an employment density factor as described in the Methodology & Assumptions section of this report. Table III-G provides employment projections for each commercial/industrial project.

TABLE III-F

NEW RESIDENTIAL POPULATION

Project	Persons per HH <sup>1</sup>	FISCAL YEAR										TOTAL			
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26				
Harmony Trails	3.83	0	192	192	192	100	0	0	0	0	0	0	0	0	674
Turnleaf	3.83	153	153	119	0	0	0	0	0	0	0	0	0	0	425
Vermola West	3.83	0	0	0	192	326	326	326	326	326	326	326	326	157	1,976
Vermola Apartments	2.61	0	0	352	352	331	0	0	0	0	0	0	0	0	1,036
Riverbend	3.83	192	326	326	326	326	291	0	0	0	0	0	0	0	1,785
<b>ANNUAL NEW RESIDENTS</b>		<b>345</b>	<b>670</b>	<b>988</b>	<b>1,061</b>	<b>1,082</b>	<b>617</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>157</b>	<b>5,896</b>
<b>CUMULATIVE NEW RESIDENTS</b>		<b>345</b>	<b>1,015</b>	<b>2,003</b>	<b>3,064</b>	<b>4,146</b>	<b>4,763</b>	<b>5,088</b>	<b>5,414</b>	<b>5,739</b>	<b>5,414</b>	<b>5,739</b>	<b>5,414</b>	<b>5,896</b>	

<sup>1</sup> The 2015 estimate of average household size for the City of Jurupa Valley is 3.83 persons per household. The E/FIA estimates an average household size of 2.61 persons per household for the Vermola Marketplace Apartment Community based on assumed household sizes for a balanced mix of 1-, 2-, and 3-bedroom units throughout the project's 379 proposed units.

Sources: ESRI Business Analyst Online, Urban Futures, Inc.

**TABLE III-G  
NEW COMMERCIAL-INDUSTRIAL  
EMPLOYMENT**

Project	Land Use	SF per Empl.	FISCAL YEAR										TOTAL				
			1	2	3	4	5	6	7	8	9	10					
Thoroughbred Farm Business Park	Light Industrial	1,030	0	515	176	201	0	0	0	0	0	0	0	0	0	0	891
	Business Park	600	0	0	440	558	0	0	0	0	0	0	0	0	0	0	998
Thoroughbred Farm Business Park	Commercial/Retail	500	0	0	0	0	0	0	259	0	0	0	0	0	0	0	259
	Tourist/Commercial	500	0	0	0	0	224	0	0	0	0	0	0	0	0	0	224
I-15 Corridor: Sky Country Industrial Park	Light Industrial	1,030	0	0	0	176	176	0	0	0	0	0	0	0	0	0	353
	Commercial/Retail	500	0	0	290	290	0	0	0	0	0	0	0	0	0	0	579
I-15 Corridor: Sky Country Retail Center	Hotel	500	0	0	0	122	0	0	0	0	0	0	0	0	0	0	122
	Industrial Park	1,030	0	0	0	0	158	0	0	0	0	0	0	0	0	0	158
<b>ANNUAL NEW EMPLOYMENT</b>			<b>0</b>	<b>515</b>	<b>905</b>	<b>1,346</b>	<b>558</b>	<b>558</b>	<b>259</b>	<b>0</b>	<b>3,584</b>						
<b>CUMULATIVE NEW EMPLOYMENT</b>			<b>0</b>	<b>515</b>	<b>1,420</b>	<b>2,766</b>	<b>3,324</b>	<b>3,584</b>									

## IV. ECONOMIC/FISCAL IMPACT ANALYSIS: NO RTRP SCENARIO

Annual General Fund revenue and expenditure projections for the nine development projects were initially prepared under a “No RTRP” scenario based on the project descriptions outlined in Section III of this report. Key revenue and expenditure assumptions used to prepare the projections are outlined below. Also refer to the Appendix for detailed revenue and expenditure calculations and forecasts.

### KEY ASSUMPTIONS

#### Revenue Assumptions

- **Property Tax Revenues:** Ad valorem property tax revenues are based on the City’s share of the 1% general levy and projected assessed valuations for each project using estimates for home prices, per unit value of multifamily apartments, per room value of hotel, and per square foot built values of light industrial, business park, and retail projects. Pricing and value estimates for all uses, except hotel, are based on a July 22, 2015 market analysis prepared by The Concord Group for multiple real estate development projects in the area. For hotels, the E/FIA uses a room-rate multiplier valuation approach that assumes property value is worth 1,000 times the hotel’s average daily rate (“ADR”) on a per-room basis.
- **Sales Tax Revenues:** Sales tax revenues for retail uses are based on estimated annual taxable sales generated by each retail industry included in the tenant mix programming for each retail shopping center. HdL Companies used its expertise of the local and regional retail market in the trade area to assist in the development of the tenant mix assumptions for each retail site, including gross leasable area (“GLA”) estimates and average taxable sales per square foot estimates. This E/FIA assumes that 1.00% of taxable sales is allocated to the City in sales tax revenues.
- **Transient Occupancy Tax Revenues:** Transient Occupancy Tax (“TOT”) revenues are based on the City’s TOT rate of 10%. The E/FIA assumes that two suite hotels without food and beverage will be developed in the Sky Country Retail Center and Thoroughbred Farm Business Park with estimated average daily rates of \$133 and occupancy rates of 60%. ADR and occupancy rate assumptions are based on market data from “Trends in the Hotel Industry” USA Edition 2015, published by PKF Hospitality Research, for the Mountain and Pacific market division, with adjustments for the local market area.
- **Property Transfer Tax Revenues:** The City receives \$0.55 per \$1,000 of assessed valuation of real property transferred each year. Consistent with the 2010 CFA, a 3.5% annual turnover rate was used to estimate transfer tax revenues that would be generated from the projects, based on annual assessed valuation projections.
- **Franchise Fee Revenues:** Annual franchise fees for utilities and solid waste were estimated based on a per capita allocation that factored both residents and 50% of employees. Please refer to the “Expenditures Assumptions” section below for more discussion about the E/FIA’s use of a “service population” approach to revenue/cost allocations.
- **Motor Vehicle License Fee-Related Revenues:** SB 89 (Chapter 35, Statutes of 2011) took effect on July 1, 2011, the same date as the effective date of the City’s incorporation. SB 89 shifted Vehicle License Fee (“VLF”) and Property Tax In-Lieu of VLF revenues from cities to law enforcement grants and crippled newly incorporated cities like Jurupa Valley who were relying on

the statutory boost in these VLF revenues to sustain the City during its transitional years of cityhood. VLF-related revenues have not been restored to Jurupa Valley. Therefore, the E/FIA does not include projections for VLF-related revenues.

## Expenditures Assumptions

- **Service Population:** Rather than allocating service costs on a per capita basis that only factors residential populations served, the E/FIA recognizes that employees that work in the City generate service demands and benefit from public services funded by the General Fund. Where appropriate, the E/FIA calculates per capita costs based on 100% of the residential population plus 50% of the employment population. This is a generally accepted industry standard for fiscal impact analyses. In addition, the E/FIA recognizes that the addition of one new resident or employee does not create direct impacts to service levels and costs for all city operations, as further discussed below.
- **General Government & Finance:** General Government & Finance includes operational General Fund budgetary costs for City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and non-departmental functions. The E/FIA assumes that adding new service populations marginally increases costs for the City's General Government & Finance operations by 50% rather than 100%.
- **Development Services:** Development Services includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Based on discussions with City staff, the E/FIA assumes 70% cost recovery from filing and processing fees. The remaining 30% cost to the General Fund is allocated to the projects based on a service population of 100% residents plus 50% employees.
- **Police Protection:** Police protection services are contractually provided by the Riverside County Sheriff. There have been significant increases in contractual costs for police services since the City's incorporation. While the E/FIA revenue/expenditure projections hold these contractual costs constant in 2015 dollars, additional sensitivity analysis is provided in later sections of this report to address cost increases for major service expenditures like police. Expenditures for police services are estimated by applying the City's existing sworn officer-to-service population ratio (0.44 sworn officer per 1,000 residents plus 50% employees) to the project, and allocating costs based on an average cost per sworn officer (\$323,331).
- **Fire Protection:** Fire protection services in the City are provided by the Riverside County Fire Department and CAL FIRE. County Fire's structural fire fund permanently receives an allocation of property tax revenues in the study area that is on par with the City's share. The City also pays approximately \$165,000 to CAL FIRE each year for wildland fire protection services. Given the urban nature of the proposed projects, the E/FIA assumes that there will be no fire protection costs to the City, including any additional costs for wildland fire protection. It is important to note, however, that construction of an additional fire station to serve the new projects will be required at some future stage of development of the I-15 corridor. Based on prior discussions between City staff and the Riverside County Fire Department, the City's General Fund could face up to \$1.6 million in new annual operating costs for a new fire station. While the E/FIA does not include these expenditures since they are still speculative, the magnitude of these potential operating costs warrants discussion since it would place even greater stress on the General Fund and the City's existing reserves.
- **Revenue Neutrality Payments:** The City's Revenue Neutrality Agreement with the County of Riverside establishes a tiered payment plan based on total property tax and sales tax revenues the City receives. The City's initial payments are a flat \$1,900,000 annually until fiscal year 2017-

18, when specified performance targets for property tax and sales tax revenues are established. As the City hits those targets, the revenue neutrality payment is based on a sliding scale percentage of the City's total property tax and sales tax revenues. For example, beginning in fiscal year 2017-18, if the City receives more than \$15,840,000 in property tax and sales tax revenues, the payment formula switches from a flat \$1,900,000 annual payment to 16% of total property tax and sales tax revenues. The percentage formula increases as the City hits higher revenue targets. Due to the City's fiscal crisis from the takeaway of VLF revenues, the County agreed to defer revenue neutrality payments for three fiscal years. Payments resume in fiscal year 2016-17. The E/FIA does not allocate revenue neutrality expenditures to the projects until the projects' generation of property tax and sales tax revenues triggers new payment tiers, at which time a pro rata share of the City's entire annual revenue neutrality payment is allocated to the projects based on the projects' share of the City's total property tax and sales tax revenues.

## FISCAL IMPACT ANALYSIS

Table IV-A on the following page provides a 10-year build-out projection of General Fund recurring revenues and expenditures based on the assumptions outlined above. The E/FIA's residential, industrial, and commercial absorption schedules assume that residential, light industrial, and business park uses will be constructed during the first two fiscal years (FY 2016-17 and 2017-18) with retail construction along the I-15 frontage (Sky Country Retail Center) beginning in Year 3 (FY 2018-19) and hotel construction (Sky Country Retail Center) beginning in Year 4 (FY 2019-20). In the absence of sales tax and TOT generating uses during the first two years of operation to offset service costs, a modest General Fund operating deficit is projected.

Police protection costs present the largest General Fund expenditure. Police and other operating expenditures are held in constant 2015 dollars. Based on historical trends of contract cost increases during the past four fiscal years, additional spikes in service costs in future years are likely. It should also be noted that, while the E/FIA projects healthy sales tax revenues in the future, the City's Revenue Neutrality Agreement with the County will offset a significant portion of the financial benefit the City will receive as the City continues to address its ongoing budget deficit. Even in the absence of the RTRP, market conditions will need to continue to favor the City and the Inland Empire I-15 corridor to ensure that sales tax and TOT generating uses will be supportable and able to improve the City's economic and fiscal outlook in the future.

TABLE IV-A  
FISCAL IMPACT ANALYSIS: SCENARIO #1 – NO RTRP (2015\$)

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
<b>GENERAL FUND RECURRING REVENUES</b>											
General Property Tax	30,932	129,300	245,266	387,515	538,632	634,679	674,713	703,505	732,296	746,184	4,823,022
Sales Tax <sup>1</sup>	-	-	257,678	515,355	804,868	1,438,356	1,438,356	1,438,356	1,438,356	1,438,356	8,769,681
Transient Occupancy Tax	-	-	-	291,270	582,540	582,540	582,540	582,540	582,540	582,540	3,786,510
Property Transfer Tax	906	3,917	8,005	13,271	17,316	19,583	20,507	21,432	22,356	22,802	150,095
Franchise Fees - Utilities	5,183	19,130	40,792	66,863	87,333	98,553	103,448	108,343	113,238	115,599	758,484
Franchise Fees - Solid Waste	2,653	9,793	20,882	34,228	44,706	50,450	52,956	55,461	57,967	59,176	388,271
<b>TOTAL</b>	<b>39,674</b>	<b>162,140</b>	<b>572,622</b>	<b>1,308,502</b>	<b>2,075,395</b>	<b>2,824,161</b>	<b>2,872,520</b>	<b>2,909,637</b>	<b>2,946,754</b>	<b>2,964,658</b>	<b>18,676,063</b>
<b>GENERAL FUND RECURRING EXPENDITURES</b>											
General Government & Finance <sup>2</sup>	4,306	15,894	33,891	55,551	72,557	81,880	85,947	90,013	94,080	96,042	630,160
Development Services <sup>3</sup>	6,011	22,188	47,312	77,550	101,291	114,305	119,982	125,660	131,337	134,075	879,711
Police Protection <sup>4</sup>	48,877	180,407	384,690	630,553	823,588	929,405	975,567	1,021,728	1,067,890	1,090,156	7,152,862
Animal Services	2,859	8,418	16,613	25,412	34,387	39,501	42,201	44,901	47,601	48,903	310,796
Revenue Neutrality Payments	-	-	83,656	152,496	220,666	438,342	444,388	450,434	456,480	459,397	2,705,859
<b>TOTAL</b>	<b>62,053</b>	<b>226,907</b>	<b>566,162</b>	<b>941,562</b>	<b>1,252,489</b>	<b>1,603,433</b>	<b>1,668,085</b>	<b>1,732,737</b>	<b>1,797,389</b>	<b>1,828,574</b>	<b>11,679,388</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(22,379)</b>	<b>(64,766)</b>	<b>6,460</b>	<b>366,940</b>	<b>822,907</b>	<b>1,220,728</b>	<b>1,204,436</b>	<b>1,176,901</b>	<b>1,149,366</b>	<b>1,136,084</b>	<b>6,996,675</b>

<sup>1</sup> Calculated at 1% of taxable sales.

<sup>2</sup> Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

<sup>3</sup> Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

<sup>4</sup> Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

<sup>5</sup> Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

## V. ECONOMIC/FISCAL IMPACT ANALYSIS: RTRP SCENARIOS

The E/FIA analyzes the impact of the proposed RTRP path on the nine projects and the City's overall fiscal outlook. As shown in Table V-A, the impact of the RTRP on sales tax generating uses will be particularly critical to the City's General Fund health. This E/FIA addresses: (1) the physical impact of the RTRP to the development envelope of the nine project sites; and (2) the economic impact of the RTRP to the assessed valuation of properties that are exposed to the RTRP but are not directly eliminated by the RTRP's path.

### KEY ASSUMPTIONS

#### Residential Property Values

Prior statistical analysis evaluating the economic impact of overhead high voltage transmission facilities have focused primarily on residential property values. On April 14, 2012, the Subcommittee on Insurance, Housing, and Community Opportunity of the Congressional Committee on Financial Services held a special field hearing on "The Impact of Overhead High Voltage Transmission Towers and Lines on Eligibility for Federal Housing Administration (FHA) Insured Mortgage Programs." The meeting was held in the Council Chambers of Chino Hills City Hall and focused on the proposed SCE overhead high voltage transmission line through the City of Chino Hills as part of the Tehachapi Renewable Transmission Project ("TRTP"). Witnesses opposed to the project argued that, once the transmission towers for the project were erected, sales comparisons indicated that average sales prices in the affected residential areas dropped by 17.2 percent as shown below.

TABLE V-A  
TRTP IMPACT ON SINGLE FAMILY HOME SALES IN CHINO HILLS

	# Closed Sales	Average Sales Price	\$ Change in Average Sales Price	% Change in Average Sales Price
<b>6 Months Prior to Tower Construction</b>	331	\$ 509,000	-	-
<b>10 Months Following Tower Construction</b>	426	\$ 421,452	\$ (87,548)	(17.2%)

This is consistent with a July 22, 2015 market study prepared by The Concord Group ("TCG") that estimates a 15% depreciation in residential property values due to proximity or exposure to overhead high voltage transmission lines. TCG reviewed the comparable sales prices of homes exposed and not exposed to transmission lines in three communities: Santa Clarita, CA; San Gabriel, CA; and Seattle, WA. The discount in the comparable sales prices of exposed homes averaged 18.2%.

This E/FIA assumes a 17.0% discount in residential assessed values due to exposure to the proposed RTRP.

#### Industrial/Business Park Property Values

Based on a 2005 article published by the International Right of Way Association analyzing the impact of overhead high voltage transmission towers and lines on industrial properties, the E/FIA does not discount property values of the industrial/business park elements of the nine projects in the RTRP path.

## Retail Properties and Sales Tax Generation

Similar to industrial properties, the E/FIA does not discount property values of the retail elements of the Sky Country Retail Center and Thoroughbred Farm Business Park. Instead, the E/FIA focuses on potential constraints the RTRP will pose to site planning and signage, particularly freeway-oriented signs along the I-15 corridor. The most significant impact is anticipated for the Sky Country Retail Center site located on the northwest quadrant of Limonite Avenue and the I-15 freeway. The impacts to this project are further described below.

## RTRP IMPACT TO SCOPE OF DEVELOPMENT

### Scope of Development: Sky Country Retail Center

The RTRP's most significant impact to project performance and development is its anticipated impacts to the Sky Country Retail Center site. Given the scale and scope of the existing community shopping centers on the northwest and southeast quadrants, the ability of the local market to support a third shopping center at the Sky Country Retail Center location requires product diversification to offer consumers new retail choices beyond what is already abundantly offered in the immediate trade area. As such, the E/FIA has assumed that the Sky Country Retail Center would be developed as a "Lifestyle Center," offering consumers a tenant mix within 289,560 square feet of gross leasable area focused on "national-chain specialty stores with dining and entertainment in an outdoor setting,"<sup>1</sup> and delivering a 100-room suite hotel.

To build a Lifestyle Center and hotel at this location, ideal site characteristics and economic conditions must exist. The RTRP is a direct threat to the Sky Country Retail Center's ability to perform due to the reduction in lot size, constraints to site planning, the aesthetic impact of the transmission towers and lines, and the RTRP ROW's impact on the location and visibility of freeway-oriented signage for the center. Based on these limitations, the E/FIA assumes that, in order for the retail project to be market viable and economically feasible, the project would need to be downgraded in classification, size, scope, and performance from a "Lifestyle Center" to a "Neighborhood Center," as classified by ICSC, and the hotel element would be eliminated. The E/FIA assumes that the remaining 21-acre balance of the property will be developed as industrial park to expand the footprint of the Sky Country Industrial Park site immediately to the north.

Key differences between the two classifications of shopping centers are outlined below.

TABLE V-B  
ICSC U.S. SHOPPING CENTER CLASSIFICATIONS

Type of Shopping Center	Lifestyle Center	Neighborhood Center
<b>Concept</b>	National-chain specialty stores with dining and entertainment in an outdoor setting	Convenience-oriented
<b>Average Building Size</b>	333,411 SF	71,938 SF
<b>Acreage Range</b>	10 - 40 acres	3 - 5 acres
<b>Typical Types of Anchors</b>	Large format upscale specialty	Supermarket
<b>Trade Area Size</b>	8 - 12 miles	3 miles

<sup>1</sup> U.S. Shopping-Center Classification and Characteristics, International Council of Shopping Centers, August 2015

The E/FIA further assumes that the Sky Country Retail Center will perform at 75% productivity in taxable sales due to the impact of the RTRP ROW on the location and visibility of freeway-oriented signage for the project. This is consistent with Institute of Transportation Engineers (“ITE”) trip generation estimates for pass-by trips, or impulse stops, for different land uses, as documented in a 2001 study prepared for the U.S. Small Business Administration -- “SIGNS: Showcasing Your Business on the Street - The Importance of Signage for Your Business.” According to the study, ITE trip generation statistics estimate that 25% of all stops by shoppers at shopping centers between 100,000 and 400,000 square feet are attributable to impulse stops. This percentage goes up to 35% for shopping centers smaller than 100,000 square feet. The E/FIA assumes that the RTRP will impact the number of impulse stops at the Sky Country Retail Center due to reduced freeway visibility and exposure from the increased setback east of the RTRP ROW, away from the I-15 freeway, and ROW restrictions on signage and wayfinding.

Table V-C presents the net change in annual General Fund property tax and sales tax revenues resulting from the RTRP’s impact on the Sky Country Retail Center.

**TABLE V-C  
RTRP IMPACTS TO SCOPE OF DEVELOPMENT: SKY COUNTRY RETAIL CENTER**

Land Use / Shopping Center Classification	SKY COUNTRY RETAIL CENTER BUILD-OUT FY 2025-26		
	WITHOUT RTRP	WITH RTRP	NET CHANGE
	Lifestyle Center	Neighborhood Center + Industrial Park	
<b>Retail SF</b>	289,560 SF	79,400 SF	- 210,160 SF
<b>Hotel Rooms</b>	100 Rooms	0 Rooms	- 100 Rooms
<b>Industrial Park SF</b>	0 SF	320,166 SF	+ 320,166 SF
<b>Annual General Fund Property Tax Revenue</b>	\$ 48,768	\$ 36,139	\$ (12,629)
<b>Annual General Fund Sales Tax Revenue</b>	515,355	82,729	(432,626)
<b>Annual General Fund TOT Revenue</b>	291,270	-	(291,270)
<b>TOTAL</b>	<b>\$ 855,393</b>	<b>\$ 118,868</b>	<b>\$ (736,526)</b>

Scope of Development: All Projects

Table V-D provides a summary of the anticipated impacts of the RTRP on the nine projects, including: (1) direct impacts of the RTRP's 100-foot ROW width on lot size, building square footage, and dwelling unit counts; and (2) indirect impacts of the RTRP on property values and retail product performance.

**TABLE V-D  
RTRP IMPACTS TO SCOPE OF DEVELOPMENT: ALL PROJECTS**

Map Ref #	Project Name	Land Use	WITHOUT RTRP			WITH RTRP		
			Dwelling Units (DU) / Building SF		Total Residents / Employees	Dwelling Units (DU) / Building SF		Total Residents / Employees
1	Harmony Trails	Single Family Residential	176	DU	674	176	DU	674
2	Turnleaf	Single Family Residential	111	DU	425	111	DU	425
3	Thoroughbred Farm Business Park	Business Park	598,504	SF	998	598,504	SF	900
		Light Industrial	917,592	SF	891	917,592	SF	778
		Commercial/Retail	129,635	SF	259	129,635	SF	259
		Tourist/Commercial	112,211	SF	224	112,211	SF	224
		Total	1,757,942	SF	2,372	1,757,942	SF	2,162
4	I-15 Corridor: Vernola Residential West	Single Family Residential	516	DU	1,976	484	DU	1,854
5	I-15 Corridor: Sky Country Industrial Park	Industrial Park	363,384	SF	353	646,960	SF	628
6	I-15 Corridor: Sky Country Retail Center	Scenic Highway Commercial	289,560	SF	579	79,400	SF	159
		Hotel	60,984	SF	122	0	SF	0
		Total	350,544	SF	701	79,400	SF	159
7	I-15 Corridor: Vernola Industrial Park	Industrial Park	162,323	SF	158	54,108	SF	53
8	Vernola Marketplace Apartment Community	Multifamily Residential	397	DU	1,036	182	DU	475
9	Riverbend	Single Family Residential	466	DU	1,785	360	DU	1,379
		<b>Total DUs / Residents</b>	1,666	DU	5,896	1,313	DU	4,807
		<b>Total SF / Employees</b>	2,634,192	SF	3,584	2,538,409	SF	3,001

## J O B S

Job creation continues to be a major economic development goal of the City as the regional economy continues to recover from the recession. As shown in Table V-D, in addition to generating new revenue streams to the City, an important economic outcome of the projects is the creation of 3,584 new jobs for the region, ranging from part-time service jobs at retail centers to full-time executive jobs in active employment centers. As shown in Table V-E, Jurupa Valley has a deficit of 4,000 jobs, with the highest unemployment rate (8.5%) in the region. The reduced scope of development created by the RTRP would result in the loss of 583 permanent jobs that are sorely needed in the local community and the region.

**TABLE V-E  
MONTHLY LABOR FORCE DATA (OCT 2015 – PRELIMINARY)**

Jurisdiction	UNEMPLOYMENT	
	Number	Rate
Riverside County	67,000	6.5%
Chino	1,800	4.7%
Corona	4,000	5.1%
Eastvale	1,400	4.4%
Fontana	6,300	6.7%
<b>Jurupa Valley</b>	<b>4,000</b>	<b>8.5%</b>
Ontario	5,100	6.2%
Rancho Cucamonga	4,200	4.6%
Riverside, City	9,300	6.2%

*Source: California Employment Development Department*

## RTRP IMPACT TO CITY GENERAL FUND REVENUES & EXPENDITURES

### Scenario #2: RTRP

Based on the reduced scope of development resulting from the RTRP's direct impacts to the projects, and based on reductions in property values and retail performance due to exposure to the RTRP and its ROW restrictions, an updated 10-year build-out projection of General Fund recurring revenues and expenditures was prepared. Please refer to Table V-F on the following page.

TABLE V-F  
FISCAL IMPACT ANALYSIS: SCENARIO #2 – RTRP (2015\$)

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
<b>GENERAL FUND RECURRING REVENUES</b>											
General Property Tax	27,570	111,391	235,783	355,083	455,969	501,043	528,141	555,239	582,337	596,225	3,948,782
Sales Tax <sup>1</sup>	-	-	82,729	82,729	372,241	1,005,730	1,005,730	1,005,730	1,005,730	1,005,730	5,566,349
Transient Occupancy Tax	-	-	-	-	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
Property Transfer Tax	813	3,372	7,121	10,776	13,870	15,317	16,187	17,057	17,928	18,373	120,815
Franchise Fees - Utilities	5,183	17,991	39,315	57,519	72,097	78,653	83,260	87,867	92,474	94,835	629,195
Franchise Fees - Solid Waste	2,653	9,210	20,126	29,444	36,907	40,263	42,621	44,980	47,338	48,547	322,088
<b>TOTAL</b>	<b>36,219</b>	<b>141,963</b>	<b>385,074</b>	<b>535,550</b>	<b>1,242,354</b>	<b>1,932,277</b>	<b>1,967,210</b>	<b>2,002,144</b>	<b>2,037,077</b>	<b>2,054,981</b>	<b>12,334,849</b>
<b>GENERAL FUND RECURRING EXPENDITURES</b>											
General Government & Finance <sup>2</sup>	4,306	14,947	32,664	47,787	59,899	66,346	69,174	73,002	76,829	78,791	522,745
Development Services <sup>3</sup>	6,011	20,866	45,599	66,712	83,620	91,224	96,568	101,911	107,254	109,993	729,758
Police Protection <sup>4</sup>	48,877	169,661	370,760	542,427	679,910	741,738	785,184	828,631	872,077	894,343	5,933,608
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	132,514	241,084	322,113	327,804	333,494	336,411	1,693,419
<b>TOTAL</b>	<b>62,053</b>	<b>213,734</b>	<b>465,317</b>	<b>679,734</b>	<b>984,342</b>	<b>1,170,332</b>	<b>1,306,520</b>	<b>1,367,369</b>	<b>1,428,218</b>	<b>1,459,403</b>	<b>9,137,022</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(25,834)</b>	<b>(71,770)</b>	<b>(80,243)</b>	<b>(144,184)</b>	<b>258,012</b>	<b>761,944</b>	<b>660,690</b>	<b>634,775</b>	<b>608,859</b>	<b>595,578</b>	<b>3,197,827</b>

<sup>1</sup> Calculated at 1% of taxable sales.

<sup>2</sup> Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

<sup>3</sup> Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

<sup>4</sup> Includes Police Protection via contract with Riverside County Sheriff. Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

<sup>5</sup> Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

Exhibit V-A illustrates projected annual net General Fund revenues over expenditures generated by the projects with and without the RTRP. The impact of the RTRP on the Sky Country Retail Center is shown by the prolonged net General Fund deficit generated by the projects until sales tax and TOT revenues are generated by new retail and hotel uses in the Thoroughbred Farm Business Park.

EXHIBIT V-A

I-15 Corridor Projects: Net GF Revenues Over Expenditures

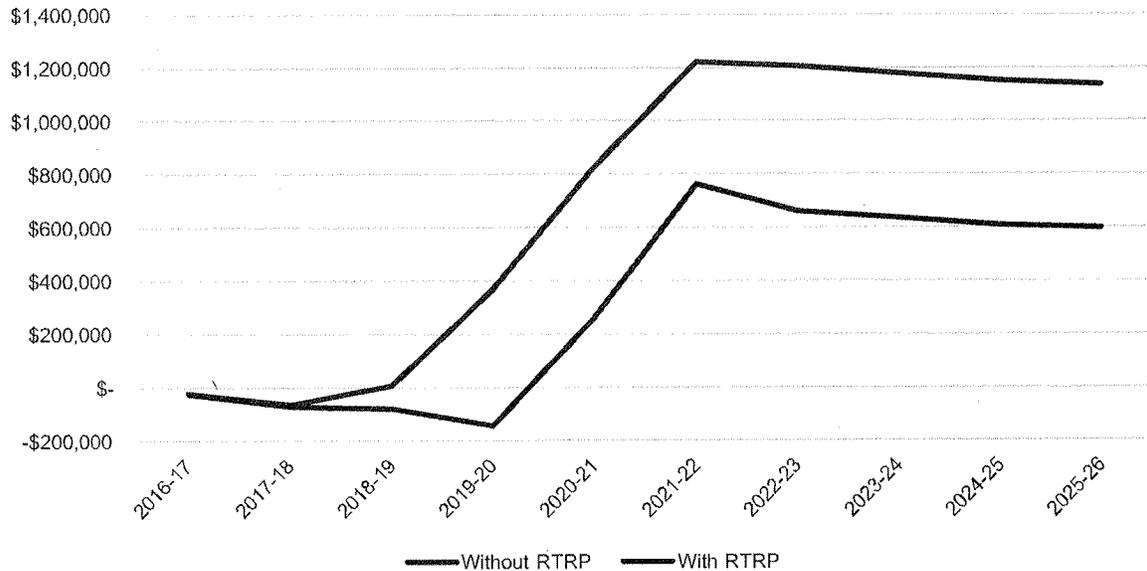


Table V-F on the following page provides 10-year totals of revenues and expenditures with and without the RTRP, including the net change in the 10-year totals of revenues and expenditures. Over the 10-year time period, the City stands to lose approximately \$3.8 million in surplus revenues generated by the projects if the RTRP is built along the currently proposed path.

TABLE V-F  
RTRP IMPACT AT PROJECT BUILD-OUT – SCENARIO #2 (2015\$)

	I-15 CORRIDOR PROJECTS: 10-YEAR TOTALS FY 2016-17 - FY 2025-26		
	WITHOUT RTRP	WITH RTRP	NET CHANGE
<b>GENERAL FUND RECURRING REVENUES</b>			
General Property Tax	4,823,022	3,948,782	(874,240)
Sales Tax <sup>1</sup>	8,769,681	5,566,349	(3,203,333)
Transient Occupancy Tax	3,786,510	1,747,620	(2,038,890)
Property Transfer Tax	150,095	120,815	(29,279)
Franchise Fees - Utilities	758,484	629,195	(129,289)
Franchise Fees - Solid Waste	388,271	322,088	(66,184)
<b>TOTAL</b>	<b>18,676,063</b>	<b>12,334,849</b>	<b>(6,341,214)</b>
<b>GENERAL FUND RECURRING EXPENDITURES</b>			
General Government & Finance <sup>2</sup>	630,160	522,745	(107,415)
Development Services <sup>3</sup>	879,711	729,758	(149,953)
Police Protection <sup>4</sup>	7,152,862	5,933,608	(1,219,254)
Animal Services	310,796	257,492	(53,303)
Revenue Neutrality Payments <sup>5</sup>	2,705,859	1,693,419	(1,012,440)
<b>TOTAL</b>	<b>11,679,388</b>	<b>9,137,022</b>	<b>(2,542,365)</b>
<b>SURPLUS / (DEFICIT)</b>	<b>6,996,675</b>	<b>3,197,827</b>	<b>(3,798,848)</b>

<sup>1</sup> Calculated at 1% of taxable sales.

<sup>2</sup> Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

<sup>3</sup> Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

<sup>4</sup> Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

<sup>5</sup> Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

### Scenario #3: RTRP + Secondary Impacts

Although the above tables do not evaluate the direct or indirect impacts of the proposed RTRP alignment to the “Commercial/Retail” and “Tourist/Commercial” uses located in the Thoroughbred Farm Business Park, it is important to note that there could be secondary impacts to the market viability of those uses resulting from the reduced scope of development from adjacent properties, particularly along the I-15 freeway. Because of the sensitivity of retail and hotel markets to adjacent uses and other economic factors, the overall ability of the market to support the assumed tenant mix and hotel use envisioned for the Thoroughbred Farm Business Park could significantly change. If investors believe those projects are too risky, the property owner(s) would likely file an application with the City for an amendment to the specific plan to change those uses to Light Industrial and/or Business Park uses. Particularly in the Inland Empire, Light Industrial and Business Park uses are significantly less risky than Commercial/Retail and Tourist/Commercial uses. Such a specific plan amendment would reduce General Fund sales tax and TOT revenues from the Thoroughbred Farm Business Park by \$924,759 annually. Table V-G on the following page provides a 10-year build-out projection of General Fund recurring revenues and expenditures based on this scenario. As illustrated in Table V-G, if the RTRP impairs the market viability of sales tax and TOT generating retail and hotel development projects along the I-15 corridor, the remnant projects would create an annual ongoing operating deficit for the City’s General Fund.

**TABLE V-G  
FISCAL IMPACT ANALYSIS: SCENARIO #3 – RTRP + SECONDARY IMPACTS TO THOROUGHBRED FARM BUSINESS PARK (2015\$)**

	FISCAL YEAR										10-YEAR TOTAL
	1	2	3	4	5	6	7	8	9	10	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	
<b>GENERAL FUND RECURRING REVENUES</b>											
General Property Tax	27,570	111,391	235,783	363,842	467,352	505,875	532,973	560,071	587,169	601,057	3,993,084
Sales Tax <sup>1</sup>	-	-	82,729	82,729	82,729	82,729	82,729	82,729	82,729	82,729	661,830
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-	-
Property Transfer Tax	813	3,372	7,121	11,057	14,235	15,472	16,343	17,213	18,083	18,529	122,238
Franchise Fees - Utilities	5,183	17,991	39,315	58,927	74,782	81,272	85,879	90,486	95,093	97,454	646,381
Franchise Fees - Solid Waste	2,653	9,210	20,126	30,165	38,281	41,603	43,962	46,320	48,678	49,887	330,885
<b>TOTAL</b>	<b>36,219</b>	<b>141,963</b>	<b>385,074</b>	<b>546,720</b>	<b>677,380</b>	<b>726,951</b>	<b>761,885</b>	<b>796,819</b>	<b>831,752</b>	<b>849,656</b>	<b>5,754,418</b>
<b>GENERAL FUND RECURRING EXPENDITURES</b>											
General Government & Finance <sup>2</sup>	4,306	14,947	32,664	48,957	62,130	67,522	71,350	75,177	79,005	80,966	537,023
Development Services <sup>3</sup>	6,011	20,866	45,599	68,345	86,734	94,261	99,605	104,948	110,291	113,030	749,691
Police Protection <sup>4</sup>	48,877	169,661	370,760	555,707	705,228	766,432	809,878	853,325	896,771	919,037	6,095,676
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	88,013	94,177	98,512	102,848	107,184	109,406	600,139
<b>TOTAL</b>	<b>62,053</b>	<b>213,734</b>	<b>465,317</b>	<b>695,817</b>	<b>970,504</b>	<b>1,053,332</b>	<b>1,112,826</b>	<b>1,172,320</b>	<b>1,231,814</b>	<b>1,262,305</b>	<b>8,240,021</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(25,834)</b>	<b>(71,770)</b>	<b>(80,243)</b>	<b>(149,097)</b>	<b>(293,124)</b>	<b>(326,380)</b>	<b>(350,941)</b>	<b>(375,501)</b>	<b>(400,062)</b>	<b>(412,649)</b>	<b>(2,485,603)</b>

<sup>1</sup> Calculated at 1% of taxable sales.

<sup>2</sup> Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

<sup>3</sup> Includes Development Services/Engineering, Planning, Building & Safety, Code Enforcement, and Engineering/Public Works. Assumes 70% cost recovery from fees.

<sup>4</sup> Includes Police Protection via contract with Riverside County Sheriff; Assumes 49 sworn officers and ratio of 0.44 sworn officers per 1,000 service population (residents plus 50% employees). Fire protection costs for wildland protection omitted.

<sup>5</sup> Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

As stated earlier in this report, in addition to the nine new development projects that are proposed along the RTRP path, the RTRP is likely to also impact the performance of the existing 382,909 square foot Vernola Marketplace Shopping Center. Total annual sales tax revenue for the center in 2014 was \$589,460. Potential impacts of the RTRP on signage and aesthetic freeway visibility of the center from the I-15 freeway could reduce taxable sales by 25 percent, consistent with the E/FIA's review of the proposed Sky Country Retail Center project. This would result in an additional \$147,365 reduction in annual sales tax revenues to the City's General Fund.

#### Scenario #4: RTRP + Police Cost Increases

In the prior scenarios, the E/FIA held police contract costs constant for simplicity of analysis. However, future increases in Sheriff contract costs are expected, as has been reported in a number of recent news articles and recent analyses conducted by a number of contract cities in Riverside County. Based on discussions with City staff, an annual growth factor of 5% is likely and is applied to the cost-per-sworn officer rate analyzed in Scenario #4. Table V-H illustrates the critical nature of the RTRP's impact on key General Fund revenue-generating projects. Scenario #4 assumes no secondary impacts of the RTRP to the retail and hotel elements of the Thoroughbred Farm Business Park project, but applies the 5% annual growth factor to the City's police contract costs for the corridor projects. Until Thoroughbred Farm generates significant sales tax and TOT revenues in Year 5 (FY 2020-21), the projects create a significant General Fund operating deficit for the City during the first four years (FY 2016-17 to FY 2019-20). By Year 10 (FY 2025-26), rising police contract costs and a steadily growing service population would partially offset the revenues generated by the Thoroughbred Farm Business Park. Any secondary impacts of the RTRP to Thoroughbred Farm's retail and hotel projects (see Scenario #3) would severely limit the City's financial capacity to fund core public safety services at appropriate levels of service.

**TABLE V-H  
FISCAL IMPACT ANALYSIS: SCENARIO #4 – RTRP + ANNUAL POLICE CONTRACT COST INCREASES (2015\$ EXCEPT POLICE PROTECTION – 5% ANNUAL GROWTH)**

	FISCAL YEAR										10-YEAR TOTAL
	1 2016-17	2 2017-18	3 2018-19	4 2019-20	5 2020-21	6 2021-22	7 2022-23	8 2023-24	9 2024-25	10 2025-26	
<b>GENERAL FUND RECURRING REVENUES</b>											
General Property Tax	27,570	111,391	235,783	355,083	455,969	501,043	528,141	555,239	582,337	596,225	3,948,782
Sales Tax <sup>1</sup>	-	-	82,729	82,729	372,241	1,005,730	1,005,730	1,005,730	1,005,730	1,005,730	5,566,349
Transient Occupancy Tax	-	-	-	-	291,270	291,270	291,270	291,270	291,270	291,270	1,747,620
Property Transfer Tax	813	3,372	7,121	10,776	13,870	15,317	16,187	17,057	17,928	18,373	120,815
Franchise Fees - Utilities	5,183	17,991	39,315	57,519	72,097	78,653	83,260	87,867	92,474	94,835	629,195
Franchise Fees - Solid Waste	2,653	9,210	20,126	29,444	36,907	40,263	42,621	44,980	47,338	48,547	322,088
<b>TOTAL</b>	<b>36,219</b>	<b>141,963</b>	<b>385,074</b>	<b>535,550</b>	<b>1,242,354</b>	<b>1,932,277</b>	<b>1,967,210</b>	<b>2,002,144</b>	<b>2,037,077</b>	<b>2,054,981</b>	<b>12,334,849</b>
<b>GENERAL FUND RECURRING EXPENDITURES</b>											
General Government & Finance <sup>2</sup>	4,306	14,947	32,664	47,787	59,899	65,346	69,174	73,002	76,829	78,791	522,745
Development Services <sup>3</sup>	6,011	20,866	45,599	66,712	83,620	91,224	96,568	101,911	107,254	109,993	729,758
Police Protection <sup>4</sup>	51,321	187,052	429,201	659,323	867,757	994,000	1,104,833	1,224,265	1,352,877	1,456,790	8,327,419
Animal Services	2,859	8,259	16,295	22,808	28,399	30,940	33,481	36,022	38,563	39,866	257,492
Revenue Neutrality Payments	-	-	-	-	132,514	241,084	322,113	327,804	333,494	336,411	1,693,419
<b>TOTAL</b>	<b>64,497</b>	<b>231,124</b>	<b>523,758</b>	<b>796,630</b>	<b>1,172,189</b>	<b>1,422,594</b>	<b>1,626,169</b>	<b>1,763,003</b>	<b>1,909,018</b>	<b>2,021,850</b>	<b>11,530,834</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(28,278)</b>	<b>(89,161)</b>	<b>(138,685)</b>	<b>(261,080)</b>	<b>70,165</b>	<b>509,682</b>	<b>341,041</b>	<b>239,141</b>	<b>128,059</b>	<b>33,130</b>	<b>804,016</b>

<sup>1</sup> Calculated at 1% of taxable sales.

<sup>2</sup> Includes City Council, City Attorney, City Manager, Administration, City Clerk, Finance, and Non-Departmental. Assumes incremental increase of 50% versus 100% per service population.

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<sup>5</sup> Pro rata share of revenue neutrality payment to County based on projects' share of City annual property tax and sales tax revenues. Projects' share triggered only when step increases in payments triggered under the Revenue Neutrality Agreement.

## VI. SUMMARY

As a newly incorporated City, Jurupa Valley is appropriately investing in economic development activities not to only ensure the future viability and sustainability of the local economy, but also to ensure the fiscal solvency of the City. The loss of VLF-related revenue sources critically shrank the scope of the City's revenue portfolio. With one less major revenue category to rely upon, the City must focus on growing its other revenue sources, particularly property tax, sales tax, and TOT. The development projects planned along the I-15 corridor are crucial, not only because of the breadth of development that would take place, but also because the I-15 corridor presents the greatest opportunities for economic development throughout the entire City. A 100-foot wide no-build-zone along the City's frontage properties along the I-15 freeway would seriously impair the ability of the City and private property owners to leverage the City's greatest economic asset, the I-15 freeway, for the benefit of the local and regional economy, and for the fiscal sustainability of the City.

This E/FIA evaluated future General Fund revenues and expenditures for nine key development projects relying upon assumptions primarily based on today's fiscal and economic conditions. Additional factors that the City and California Public Utilities Commission ("CPUC") should consider when reviewing the impacts of the proposed RTRP alignment include:

- **Secondary Impacts from RTRP:** As described above, the potential secondary impacts of the RTRP on the market viability of the adjacent uses, including retail and hotel uses in the Thoroughbred Farm Business Park, could present additional fiscal impacts to the City, reducing sales tax and TOT revenues by \$924,759. The RTRP's secondary impacts to the performance of the existing Vernola Marketplace Shopping Center could further reduce General Fund sales tax revenues by \$147,365.
- **Rising Public Safety Costs:** Police contract costs have consistently risen on an annual basis for the City and other contract cities in Riverside County. E/FIA Scenarios #1, #2, and #3 held police contract costs constant for simplicity of analysis. However, future increases in contract costs (Scenario #4) will significantly worsen General Fund operating deficits for the projects during the initial years of development.

The City has a potentially small window of time and opportunity in the current market to leverage the I-15 corridor to grow its revenue base and ensure financial and economic resilience. The proposed RTRP alignment would force changes in market conditions that would close that window of opportunity and cripple the City's ability to address its current budget deficit, leading to the depletion of reserves, fiscal insolvency, and potential bankruptcy or disincorporation. Undergrounding the RTRP line along an alternative alignment would preserve the City's window of opportunity and promote greater economic benefits for the region through enhanced job creation.