



CITY COUNCIL  
MORENO VALLEY  
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**HIGHLAND FAIRVIEW**

14225 Corporate Way  
Moreno Valley, CA 92553

December 2, 2010

Mr. William Bopf  
Interim City Manager  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, California 92552

**SUBJECT:** Partial bond exonerations for the Highland Fairview Corporate Park

Dear Bill,

Further to our request regarding the status for reductions to several public improvement securities for the Highland Fairview Corporate Park project, I thought it might be helpful if I summarize where we stand today.

As of today, the constructions of the four public improvement projects under consideration are 84% complete. These projects have been inspected by your staff during construction for quality as well as to validate the percentage of completion. It has also been verified by a third party engineer.

We currently have \$15.5 million in outstanding bonds with the city. However, our request at this time is for the partial exonerations of bonds totaling \$1.98 million which are securing the stated four public improvement projects. Based on our 84% completion level we are asking for a partial exonerations of \$1.6 million of the bond amount. This request is in accordance with our executed Public Improvement Agreement with the City.

We have been requesting the city for these partial exonerations for quite some time but have not been able to get anywhere. As you know, our agreement calls for incremental exonerations of 20%. We are now 84% complete and have still not received any reductions.

Instead, your staff has indicated to us that they will only approve \$336,000 in reductions. It does not make any sense that we should have both agreed to 20% incremental exonerations if after completing 84% of the job we only receive the equivalent of a 17% reduction. This is in direct contradiction to the intent of our executed agreement.

Mr. William Bopf  
December 2, 2010  
Partial Public Improvement Exonerations

As stated, the projects are now over 84% complete and moving towards completion every day while we are attempting to resolve this matter. By the time we resolve this issue we could be 100% complete making the whole purpose and intent of the partial exoneration as delineated in the Public Improvement Agreement moot. This issue puts unnecessary financial burden on projects and penalizes those of us who are courageous enough to invest in our community particularly in these difficult economic times. As you know, in today's fiscal environment financing is nearly impossible to procure, making this even more onerous.

We therefore ask that the exoneration we requested be awarded as indicated in our PIA and that this item be placed for consideration and approval on the December 14, 2010 City Council agenda. This approval should also apply to all the executed Public Improvement Agreements for Highland Fairview Corporate Park.

Sincerely,



Iddo Benzeevi  
President & CEO  
Highland Fairview Logistics

xc  
City Council Members  
Chris Vogt  
Robert Hansen  
Danette Fenstermacher  
Mark Sambito

friendly materials to name a few. The facility also makes extensive use of parabolic skylights to increase natural lighting in all areas, low water-use fixtures, and recycled water repurposed for irrigation.

LEED, administered by the United States Green Building Council, is a comprehensive system to define, measure and designate "green buildings." Certification in the national recognition program is based on strict standards in five key areas: site planning, water management, energy, material use and indoor environmental quality.

The Highland Fairview-Skechers Logistics Center has become a landmark in the area and is known for its design. With 1.8 million square feet of space, the global logistics center is the first building in a planned eco-friendly logistics campus that will add thousands of new jobs to the area over the coming years.

Highland Fairview Highland Fairview is part of a privately held real estate development company and is part of TG Group. The Company specializes in the development of large-scale industrial, commercial and residential projects. Highland Fairview and its affiliate companies currently own approximately five square miles of properties within Southern California, which are in various stages of development. Highland Fairview is headed by President and CEO Iddo Benzeevi.

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Media Contact Information: Matt Kovacs / Mandev Khalsa BLAZE PR (310) 395-5050 / [mkovacs@blazepr.com](mailto:mkovacs@blazepr.com) / [mkhalsa@blazepr.com](mailto:mkhalsa@blazepr.com)

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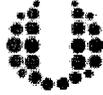
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PRESS RELEASE

Feb. 19, 2013, 9:00 p.m. EST

## **Highland Fairview's Logistic Facility Honored as Largest Building of its kind to Earn 'LEED-Gold' in the U.S.**

**1.8 Million Square-Foot Facility, home of Sketchers North American Distribution Center, Sets Record for Green Building sustainable development**



**PR Newswire**

United Business Media

RANCHO BELAGIO, Calif., Feb. 19, 2013 /PRNewswire via COMTEX/ -- The U.S. Green Building Council (USGBC), the leading authority in green building will present the Highland Fairview-Skechers next generation Logistics Facility the Leadership in Energy and Environmental Design (LEED) Gold Certification at a ceremony next Friday, February 22 at 9 a.m. at 29800 Eucalyptus Ave. , in Rancho Belago, CA (eastern portion of Moreno Valley).

The 1.8 million square-foot facility is the largest building of its kind in the United States to receive this honor.

The USGBC, LEED Gold Certification ceremony will be held Friday, February 22 at 9:00 a.m. at the building and will be attended by representatives of the Office of the Governor of California, County of Riverside and City of Moreno Valley, along with VIPs and community leaders.

"We are honored to receive this unique recognition. A LEED Gold designation is a tremendous achievement for any project. To be recognized as the largest, most advanced sustainable development of its kind in the United States is especially rewarding," said Highland Fairview President & Chief Executive Officer Iddo Benzevi. "To achieve this level of sustainability at this scale required new and innovative approaches to design, the integration of state-of-the-art technologies and advanced construction systems. I'm proud to have been a part of bringing this national recognition to our region."

"SKECHERS is committed to growing its business in a way that conserves natural resources, protects the environment and reduces waste," said David Weinberg, SKECHERS Chief Operating Officer and Chief Financial Officer. "In addition to efficiently distributing our product across North America, the SKECHERS Rancho Belago facility is an outstanding example of how large corporations can grow their business while also promoting earth-friendly practices. We're proud of the design innovation and 'green' features that can be found throughout the facility."

The global logistics center, which serves as the North American distribution headquarters for SKECHERS USA, incorporates Highland Fairview's Complete Life Cycle approach to sustainable development which includes extensive use of recycled construction building materials, the latest technology in irrigation and water utilization, storm water treatment, advanced solar power generation systems, and advanced environmentally-

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jobs to the area over the coming years.

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Volume: 558,969

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P/E Ratio

110.68

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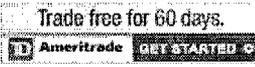
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World Logistics Center (WLC)  
Highland Fairview

Owings, Tom

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**DEVELOPMENT AGREEMENT**

**(World Logistics Center)**

**HIGHLAND FAIRVIEW OPERATING CO., DEVELOPMENT AGREEMENT**

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Moreno Valley, a California general law municipal corporation (“City”), and HIGHLAND FAIRVIEW OPERATING CO., a \_\_\_\_\_ general partnership f/k/a Highland Fairview Properties, LLC (“HF”). The City and Developer hereafter are referred to collectively as the “Parties” and individually as a “Party.” HF is hereafter also referred to alternatively as “Owner” or “HF.”

**RECITALS**

A. The City is authorized to enter into development agreements with persons having legal or equitable interests in real property for the development of such property pursuant to Article 2.5 of Chapter 4 of Division I of Title 7 of the California Government Code commencing with section 65864 (the “Development Agreement Law”), and Article XI, Section 7 of the California Constitution.

B. The City has enacted an ordinance, incorporated into the Moreno Valley Municipal Code as Title 9, Section 9.02.110 (the “Development Agreement Ordinance”) that establishes the procedures and requirements for its consideration of such development agreements upon application by, or on behalf of, persons having legal or equitable interests in real property pursuant to the Development Agreement Law.

C. HF represents that it has a legal or equitable interest in approximately \_\_\_\_\_ acres of real property located at \_\_\_\_\_, and as described in the legal description set forth in Exhibit “A-1” and as illustrated in the depiction set forth in Exhibit “A-2” (the “Subject Property”).

D. HF has proposed a Project for the Subject Property (and other property not owned by HF) consisting of approximately forty one million square feet of \_\_\_\_\_ ~~[CHECK]~~ square feet of hi-cube logistics warehouse and related distribution facilities space. The Project would involve a General Plan Amendment, adoption of the World Logistics Center Specific Plan ("WLCSP"), a Zone Change and annexation of an 85-acre parcel along Gilman Springs Road. The Project will also include a subdivision and a site development permit.

E. Development of the Subject Property is productive of certain public benefits to the City, its residents, property owners, taxpayers and surrounding communities. Among other public benefits, the Owner will implement the goals, objectives and policies of the City's General Plan which will provide logistics development, public utility and open space uses for the Subject Property and for the City. The Project will expand the City's property and sales tax base; will generate high paying construction employment and new permanent employment opportunities for Moreno Valley residents; and will reduce the severe jobs and housing imbalance that exists in the City currently. ~~construct public infrastructure and other public facilities to serve the City and its residents, property owners and taxpayers.~~ In exchange for such benefits, Owner will receive the vested right to develop the Subject Property in accordance with the Existing Land Use Regulations and Existing Development Approvals in existence on the Effective Date of this Agreement.

F. HF may attempt to acquire additional real property within the World Logistics Center Specific Plan area. Such additional real property may become subject to the terms of this Agreement pursuant to an addendum or amendment to this Agreement.

G. On \_\_\_\_\_, the Planning Commission of the City, at a duly noticed public hearing, recommended, in Resolution \_\_\_\_\_, that the City Council certify environmental impact report (SCH # \_\_\_\_\_). The Planning Commission also recommended that the City Council approve General Plan Amendment \_\_\_\_\_, the WLCSP, and Zone Change No. \_\_\_\_\_.

H. On \_\_\_\_\_, \_\_\_\_\_, the City Council of the City, at a duly noticed public hearing, adopted Resolution No. \_\_\_\_\_ certifying the Environmental Impact Report, SCH # \_\_\_\_\_ (the "EIR") for the Project and the related Mitigation Monitoring and Reporting Program and also (i) adopted Resolution \_\_\_\_\_ approving General Plan Amendment No. \_\_\_\_\_, (ii) introduced for first reading Ordinance No. \_\_\_\_\_ approving the WLCSP, and (iii) introduced for first reading Ordinance No. \_\_\_\_\_ approving Zone Change No. 2007-01. ] ("Project Approvals"). The WLCSP and Zone Change No. \_\_\_\_\_ were subsequently adopted on \_\_\_\_\_.

I. The Parties concur that all of the requirements of the California Environmental Quality Act, contained in Division 13 of the California Public Resources Code, commencing with Section 21000, and implemented by the Guidelines contained in Chapter 3 of Title 14, commencing with Section 15000, of the California Code of Regulations ("CEQA") have been satisfied with respect to the Project through the (i) City's certification of the EIR on \_\_\_\_\_, \_\_\_\_\_ and (ii) the City's determination that no substantial changes are proposed within the meaning of 14 Cal. Code of Regulations section 15162.

J. On \_\_\_\_\_, the Planning Commission of the City, at a duly noticed public hearing held pursuant to the Planning and Zoning Law and the City's Municipal Code, the City approved Site Plan No. \_\_\_\_\_ and Parcel Map \_\_\_\_\_. ~~[BASED ON OUR LAST MEETING IT IS UNCLEAR WHETHER WE ARE PROCEEDING WITH ANY SITE PLAN CONCURRENTLY WITH THE GPA, SP AND ZC OR NOT]~~

K. The Planning Commission of the City, at a duly noticed public hearing held pursuant to the Development Agreement Law and the Development Agreement Ordinance, recommended that the City Council find and determine, among other things, that this Agreement is consistent with the goals, objectives, policies, general land uses and programs specified in the City General Plan, as amended by the Project Approvals; is compatible with the uses authorized in and the land use regulations prescribed by the City in its Zoning Code; and will promote and encourage the development of the Subject Property by providing a greater degree of certainty with respect thereto, while also providing specified public benefits to the City.

L. On \_\_\_\_\_, 20\_\_, after a duly noticed public hearing held pursuant to the Development Agreement Law and the Development Agreement Ordinance, the City Council of the City approved the introduction of Ordinance No. \_\_\_\_\_ (the "Enacting Ordinance") that would approve and adopt this Agreement and authorize its execution on behalf of the City. On \_\_\_\_\_, 20\_\_, the City Council of the City adopted the Enacting Ordinance.

M. The Parties intend that Owner will be permitted to proceed with development of the Subject Property pursuant to the Existing Land Use Regulations and Existing Development Approvals in existence on the Effective Date of this Agreement; provided, however, that the Parties also understand that new or different regulations and other requirements for development of the Subject Property may be imposed by laws or regulations of the Federal and or State governments and or various regional governmental agencies or entities with regulatory jurisdiction over aspects of the Project or Subject Property, all of which may, or may not, supersede the provisions of this Agreement.

### AGREEMENT

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

#### **ARTICLE I. DEFINITIONS.**

The following terms when used in this Agreement shall, unless defined elsewhere in this Agreement, have the meanings set forth below:

1.1 The term "Agreement" shall mean this Development Agreement by and between the City and Owner and any subsequent amendments.

1.2 The term "City" shall mean the City of Moreno Valley, a municipal corporation, organized and existing under the general laws of the State of California.

1.3 The term "City Council" shall mean the governing body of the City.

1.4 The term "Development" shall mean the improvement of the Subject Property for the purposes of completing the structures, improvements and facilities comprising the Project, including but not limited to: grading; the construction of infrastructure related to the Project whether located within or outside the Subject Property; the construction of buildings and structures; construction of post-development storm drain related "best management practices" and the installation of landscaping and public facilities and improvements. "Development" also includes the maintenance, repair, reconstruction, modification, or redevelopment of any building, structure, improvement, landscaping, or facility after the construction and completion thereof on the Subject Property.

1.5 The term "Development Plan" shall mean the existing plan for Development of the Subject Property, which includes all of the plans, specifications, and conditions of approval for Owner's entitlement for Development of the Subject Property, the planning and zoning standards, regulations, and criteria for the Development of the Subject Property, including those set forth in this Agreement, and including the Offsite Improvements identified in Exhibit "C" attached hereto.

1.6 The term "Development Requirement" shall mean any requirement of the City in connection with or pursuant to any Development Approval for the construction or improvement of public facilities, the payment of fees or assessments in order to lessen, offset, mitigate or compensate for the impacts of Development.

1.7 The term "Effective Date" shall mean the date that is thirty (30) days after the date the City Council adopts the ordinance approving this Agreement.

1.8 The term "Existing Development Approvals" shall mean any and all permits, licenses, consents, rights and privileges, and other actions approved or issued by City in connection with Development of the Subject Property on or before the Effective Date of this Agreement, including but not limited to, general plans and general plan amendments, zoning and rezoning, site plans and parcel maps, and grading and building-related permits, as well as all associated environmental documentation and mitigation measures pursuant to the California Environmental Quality Act.

1.9 The term "Existing Land Use Regulations" shall mean all ordinances, resolutions, codes, rules, regulations and official policies of City, adopted and effective on or before the Effective Date of this Agreement governing Development and use of the Subject Property, including but not limited to the permitted use of land, the density or intensity of use, the maximum height and size of proposed buildings, and the architectural design, improvement and construction standards and specifications applicable to the Development of the Subject Property including but not limited to, the Development Plan.

1.10 The term "Mortgagee" shall mean a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security device, a lender, or each of their respective successors and assigns.

1.11 The term "Off-Site Improvements" shall mean all off-site improvements required for the Project, including but not limited to intersection and roadway improvements, sewer lines and storm drains and any other off-site improvements contained within Exhibit "C."

1.12 The term "Owner" shall mean HIGHLAND FAIRVIEW OPERATING CO. and/or its successors or assigns to any portion of or all of the Subject Property.

1.13 The term "Project" shall mean the Development of the Subject Property pursuant to and consistent with the Development Plan and the provisions of this Agreement.

1.14 The term "Site Plan " shall mean the site plan attached hereto as Exhibit "B."

1.15 The term "Subject Property" shall mean that certain real property consisting of the Property more particularly described in Exhibit "A-1" attached hereto and depicted on Exhibit "A-2" attached hereto.

1.16 The term "Subsequent Development Approvals" shall mean any and all permits, licenses, consents, rights and privileges, and other actions approved or issued by City in connection with Development of the Subject Property after the Effective Date of this Agreement, including all associated environmental documentation and mitigation measures pursuant to the California Environmental Quality Act.

1.17 The term "Subsequent Land Use Regulations" shall mean any ordinances, resolutions, codes, rules, regulations and official policies of the City adopted and effective after the Effective Date of this Agreement.

1.18 The term "Term" shall mean the period of time during which this Agreement shall be in effect and bind the Parties, as set forth below in Section 3.4 of this Agreement, unless earlier terminated as provided in this Agreement.

**ARTICLE 2. EXHIBITS.**

The following documents are attached to, and by this reference made a part of, this Agreement:

Exhibit "A-1"	Legal Description of the Subject Property
Exhibit "A-2"	Depiction of the Subject Property
Exhibit "B"	Off Site Improvements
Exhibit "C"	Oversized Improvements and City Reimbursable Amount

**ARTICLE 3. GENERAL PROVISIONS.**

3.1 **Binding Effect of Agreement.** From and following the Effective Date of this Agreement, Development of the Subject Property and the City's actions on applications for

Subsequent Development Approvals affecting the Subject Property and the Development of the Subject Property shall be subject to the terms and conditions of this Agreement.

3.2 **Ownership of Subject Property.** The City and Owner acknowledge and agree that Owner has the requisite legal or equitable interest in the Subject Property, and thus Owner is qualified to enter into and be a party to this Agreement in accordance with Government Code section 65865(b).

3.3 **Assignment Rights.** Owner shall have the right to sell, transfer, or assign the Subject Property, or its equitable interest in the Subject Property, in whole or in part (provided that no such parcel transfer shall violate the Subdivision Map Act, Government Code Section 66410, *et seq.*) to any person, partnership, joint venture, firm or corporation at any time during the term of this Agreement; provided, however, that any such sale, transfer or assignment (collectively, "Assignment") shall include the Assignment and assumption of the rights, duties and obligations arising under or from this Agreement be made in strict compliance with the following conditions:

(a) No Assignment of any right or interest under this Agreement shall be made unless made together with the Assignment of all or a part of the Subject Property.

(b) Prior to any such Assignment, Owner shall provide City with an executed agreement, in a form reasonably acceptable to City, by the purchaser, transferee or assignee (collectively, "Assignee") and providing therein that the Assignee expressly and unconditionally assumes all the duties and obligations of Owner under this Agreement.

(c) Any Assignment of this Agreement will require the prior written consent of the City, which will not be unreasonably withheld or delayed. The City's approval will be based upon the financial status of the Assignee and the City's reasonable determination of such Assignee's financial strength to perform the obligations that Owner has described in this Agreement. Within thirty (30) days following receipt by the City of written notice regarding Assignment (such notice must include financial information regarding the Assignee sufficient to allow the City to make the above determination) the City will notify Owner regarding its approval or disapproval of such Assignment; provided, however, that if the City fails to respond in writing within such thirty (30) day period, the Assignment shall be deemed automatically approved.

Any Assignment not made in compliance with the foregoing conditions shall result in Owner continuing to be responsible for all obligations under this Agreement. Notwithstanding the failure of any Assignee to execute the Agreement required by subparagraph (b) above, the burdens of this Agreement shall be binding upon such Assignee, but the benefits of this Agreement shall not inure to such Assignee until and unless such Agreement is executed. The City, Owner and any Assignee will cooperate in the substitution by such Assignee of any letter of credit or other security for Owner's obligations, less completed obligations, pursuant to this Agreement.

3.3.1 Release of Transferring Developer. Notwithstanding any Assignment, a transferring Owner shall continue to be obligated under this Agreement unless such transferring

Owner is given a release in writing by City, which release shall be provided by City upon the full satisfaction by such transferring Owner of the following conditions:

- (a) Owner no longer has a legal or equitable interest in all or any part of the Subject Property.
- (b) Owner is not then in default under this Agreement.
- (c) Owner has provided City with the notice and executed agreement and other information required under subparagraphs (b) and (c) of Subsection 3.3 above.
- (d) The City has reviewed and approved the Assignee and the Assignment, such approval to include a determination by the City that the financial strength of the Assignee is equal to or greater than that of the Owner.
- (e) The Assignee provides City with security equivalent to any security previously provided by Owner to secure performance of its obligations hereunder.

3.3.2 Subsequent Assignment. Any subsequent Assignment after an initial Assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

3.3.3 Partial Release of Purchaser, Transferee or Assignee of Parcel. A purchaser, transferee or assignee of a lot which has been finally subdivided and for which a site plan for development of the lot has been finally approved may submit a request, in writing, to City to release said lot from the obligations under this Agreement relating to all other portions of the Subject Property. Within thirty (30) days following such request, City shall review, and if the above conditions are satisfied, shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof; provided, however, that if the City fails to respond in writing within such thirty (30) day period, the release shall be deemed automatically approved. No such release approved pursuant to this Section 3.3.3 shall cause, or otherwise effect, a release of HF from its duties and obligations under this Agreement.

3.3.4 Termination of Agreement With Respect to Individual Parcel upon Sale to Public and Completion of Construction. The provisions of Subsection 3.3 shall not apply to the sale or lease (for a period longer than one year) of any Parcel which has been finally subdivided and is individually sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Agreement, this Agreement shall terminate with respect to any Parcel and such Parcel shall be released and no longer be subject to this Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

- (a) The Parcel has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,
- (b) A Certificate of Occupancy has been issued for a building on the Parcel, and the fees set forth under this Agreement have been paid.

For purposes of this Section 3.3.4, a transfer shall be deemed to be “in bulk” if it involves the conveyance of more than one Parcel and the transferee will not be the ultimate user of the Parcel. Notwithstanding the foregoing, Owner acknowledges that Owner is responsible for (i) ensuring the completion of all Project conditions and (ii) the payment of all applicable fees to the extent any conditions are not satisfied or any fees remain unpaid following the transfer or development of a parcel.

3.4 **Term.** Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of (i) the date of completion of the last portion of the Development, or (ii) the date that is twenty-five (25) years from and after the Effective Date of this Agreement, subject to extension pursuant to Section 7.2 below.

3.5 **Time of the Essence.** The Parties expressly acknowledge and agree that time is of the essence in the performance of the provisions of this Agreement. Consistent with all applicable legal requirements, the City shall use its best efforts to expedite the planning and permitting process to facilitate the construction, completion, and operation of the Project, and each component thereof, as soon as possible. Notwithstanding the foregoing, Owner shall develop, or not develop, the Project at its sole and absolute discretion.

3.6 **Waiver of Estoppel Defenses by City.** Notwithstanding any legal authorities to the contrary concerning the doctrines of waiver and estoppel as applied to public entities and the actions or inactions of public agencies or public agency officers and officials, the City acknowledges and agrees that Owner and its successors and assigns to all or any interest in the Subject Property is relying upon the contents of this Agreement and the City’s execution of this Agreement and the recordation hereof, and that in consideration of such material reliance, the City shall now and forever be estopped from denying the validity of this Agreement and the City knowingly and expressly waives any such claim or defense.

3.7 **City Cooperation.** City shall cooperate with HF and or its assigns with respect to implementing all aspects of the Project, including, without limitation: (i) processing all permits applications, plans, and subsequent environmental assessments as expeditiously as possible and (ii) cooperating and assisting HF in obtaining any inter-governmental or private party permits, approvals, consents, rights of entry, or encroachment permits, needed for Development of the Project or any other on or offsite improvements.

3.8 **No Obligations to Proceed with Project.** Nothing in this Agreement shall obligate Owner to proceed with any part of or the entirety of the Project. Owner maintains sole and absolute discretion over whether to commence and/or complete any portion of the Project or the Project in its entirety and nothing in this Agreement shall be construed to impose upon the Owner an obligation to commence the construction of and/or complete the Project.

#### **ARTICLE 4. DEVELOPMENT OF THE PROPERTY**

4.1 **Vested Right to Develop.** Subject to and during the term of this Agreement, Owner, its successor or its assignee, shall have a vested right to develop the Subject Property in accordance with the Development Plan and this Agreement.

4.2 **Effect of Agreement on Land Use Regulations.** Except as otherwise provided under the terms of this Agreement, the rules, regulations and official policies governing permitted uses of the Subject Property, the density and intensity of use of the Subject Property, the maximum height and size of proposed buildings, and the design, improvement, and construction standards and specifications applicable to Development of the Subject Property, shall be only the Existing Land Use Regulations and those contained in the Development Plan.

4.3 **Subsequent Development Approvals.** To the extent applicable, the City shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be expeditiously processed. The City further agrees that, unless otherwise requested by Owner, the City shall not amend or rescind any Subsequent Development Approvals respecting the Subject Property after such approvals have been granted by the City.

4.4 **Timing of Development.** The Parties acknowledge that Owner cannot at this time predict when or the rate at which phases of the Subject Property will be developed. Such decisions depend upon numerous factors which are not within the control of Owner, such as market orientation of demand, interest rates, absorption, completion and other similar factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 455, that the failure of the parties therein to provide for the timing of development resulted in a latter adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by expressly acknowledging and providing that Owner shall have the right to develop the Subject Property, or to not develop the Subject Property, in such order and such rate and at such time as Owner deems appropriate within the exercise of its subjective business judgment in its sole and absolute discretion. In addition, to the extent Owner or its assignee decide to proceed with a phase of the development of the Subject Property, City shall cooperate with Owner or its assignee with respect to the phasing of the development of the Subject Property. If Owner or its assignee determine, in their sole and absolute discretion, to develop portions or phases of the Subject Property, City shall allow the phasing of public improvements such that the public improvements required would only be those commensurate to that needed to serve the phase being constructed.

4.5 **Terms of Maps and Other Project Approvals.** Pursuant to California Government Code Sections 66452.6(1) and 65863.9, the term of any subdivision or parcel map that may be processed on all or any portion of the Subject Property and the term of each of the development approvals, including the Tentative Map and any future approvals, shall be extended for a period of time through the scheduled termination date of this Agreement, as set forth above.

4.6 **Changes and Amendments.** The Parties acknowledge that although Development of the Project may require Subsequent Development Approvals, such Development shall be in compliance with the Development Plan. The above notwithstanding, Owner may determine that changes are appropriate and desirable in the existing Development Approvals or Development Plan. In the event Owner finds that such a change is appropriate or desirable, Owner may apply in writing for an amendment to Existing Development Approvals or the Development Plan to effectuate such change. The Parties acknowledge that the City shall be permitted to use its sole and absolute discretion in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing, the City shall not apply

a standard to Owner that is less favorable or different than applied by the City to any other commercial property development within the City. Any change in the Development Approvals or Development Plan made pursuant to Owner's application and deemed a material change by the City, shall require an amendment to this Agreement. Any such amendment shall be solely for the purpose of acknowledging the change to the Existing Development Approvals or Development Plan, as the case may be.

#### 4.7 Reservation of Authority.

4.7.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the Development of the Subject Property:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to the City of processing applications for Subsequent Development Approvals or for monitoring compliance with any Existing and/or Subsequent Development Approvals granted or issued.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, and also adopted by the City as Subsequent Land Use Regulations.

(d) Regulations that are not in conflict with the Development Plan and this Agreement and do not impede the Development, or add to the cost of the Development of the Project.

(e) Regulations that are in conflict with the Development Plan provided Owner has given written consent to the application of such regulations to Development of the Subject Property at Owner's sole and absolute discretion.

(f) Federal, state, county, and multi-jurisdictional laws and regulations which the City is required to enforce as against the Subject Property or the Development of the Subject Property.

(g) Payment of Development Impact Fees and Sewer Facility Development Fees in effect at the time that certificates of occupancy are issued for the development or any portion thereof.

(h) ~~[CONFIRM] Payment of a Traffic Mitigation Fee of \$\_\_\_\_\_ per each developed acre, or fraction thereof, at the time of issuance of certificates of occupancy for each completed phase of the Development.~~ Owner shall be entitled to a credit against the Traffic Mitigation Fee for offsite work constructed by Owner.

4.7.2 Future Discretion of City. This Agreement shall not prevent the City, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations that do not conflict with the Development Plan, nor shall this Agreement prevent City from denying or conditionally approving any Subsequent Development Approval on the basis of Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan. Further, it is also understood and acknowledged by the Parties that the Project Approvals contemplate that the City may be required, in certain circumstances, to undertake further environmental review of Subsequent Development Approvals. If the circumstances set forth in CEQA Guideline 15162 occur in the context of the City considering Subsequent Development Approvals, or if otherwise required by the EIR, the City shall be authorized to exercise the maximum discretion authorized by law, consistent with the terms of CEQA and this Agreement.

4.7.3 Modification or Suspension by Federal, State, County, or Multi-Jurisdictional Law. In the event that federal, state, county, or multi-jurisdictional laws or regulations, enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such federal, state, county, or multi-jurisdictional laws or regulations, and this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce.

4.8 **Future Voter Actions.** It is the intent of the Parties that future voter actions adopting Subsequent Land Use Regulations shall not apply to the Project unless such voter actions promote, advance, or otherwise further the intent and expeditious development of the Project pursuant to and consistent with the terms and conditions of this Agreement.

~~4.9 **City Acquisition of Offsite Real Property Interests and Interim Facilities.** If Owner proceeds with the Project, Owner shall be required, subject to the terms of this Agreement, to construct the Off-Site Improvements [ADD OFF-SITE IMPROVEMENT DETAILS]\_\_\_\_\_. The parties acknowledge that Owner does not own this property [CHECK]. As such, if the land for the public rights-of-way for this property is not acquired by either Owner or the City, then Owner may be required to construct "Interim Facilities" subject to approval by the City.~~

4.10 **Financing District Formation.** The City and Owner agree to cooperate in the formation of a financing district in order to finance, at the Owner's sole election, some or all of certain on-site and/or Off-Site Improvements, and other improvements required of Owner pursuant to the Existing Development Approvals and this Agreement.

~~4.10.1 **City Reimbursement to Owner for Owner's Construction of Oversized Improvements.** The parties acknowledge that certain public infrastructure improvements to be constructed by Owner will benefit adjacent and/or non-adjacent real properties, which are not part of the Subject Property and/or which exceed Owner's fair share requirements (hereafter, "Oversized Improvement(s)"). The Oversized Improvements include all of the following: [DESCRIBE \_\_\_\_\_ OVERSIZED \_\_\_\_\_ IMPROVEMENTS HERE]\_\_\_\_\_ on the project perimeter or within the~~

~~property that are conditioned to be constructed larger than required by or do not directly benefit the needs of the project. The parties have attempted to estimate the scope and costs of each of the Oversized Improvements set forth above, including the percent of applicable reimbursement as shown in Exhibit "D", entitled, "Oversized Improvements and City Reimbursable Amounts". Upon receipt of final engineered street and utility plans, the Director of Public Works shall cooperate with the Owner to prepare an agreement for such Oversized Improvements and shall include the final estimated reimbursement of Development Impact Fee credit amount, subject to verification of actual scope and costs upon completion of improvements. When the City accepts such Oversized Improvements as final, the Director of Public Works, or his designee, at his reasonable discretion, shall determine the final amount of the fee credit and/or reimbursement. The fee credit/reimbursement amount shall be for the Owner's entire portion of the costs incurred by the Owner to construct the Oversized Improvements that exceed Owner's fair share obligation for the Oversized Improvements ("City Reimbursable Amount") and shall be based on Moreno Valley Municipal Code Chapter 3.42 (Commercial and Industrial Development Impact Fees Ordinance).~~

4.11 **Conditions of Approval for Site Approval No. \_\_\_\_\_.** The Owner shall comply with the project conditions of approval for Site Approval No. \_\_\_\_\_ as noted in Exhibit "E".  
**[UNCLEAR WHETHER WE ARE PROCEEDING WITH THIS OR NOT; CHECK]**

~~4.12 **Open Space Areas.** HF shall dedicate to the State of California [CHECK] (the "State") that certain portion of the open space areas described in the Specific Plan comprised of approximately \_\_\_\_\_ acres more particularly described in Exhibit \_\_\_\_\_ and depicted in Exhibit \_\_\_\_\_ (the "Open Space Areas"). In the event the State does not accept the dedicated Open Space Areas, HF shall dedicate the Open Space Areas to the City and the City shall immediately accept HF's offer of dedication. The City shall be responsible for all improvement, rehabilitation, maintenance and management of such Open Space Areas pursuant to all applicable governmental rules, regulations and requirements, including, without limitation any requirements of the United States Army Corps of Engineers and the United States Fish and Wildlife Service ("USFWS"). [JOHN, PLEASE REVIEW THIS SECTION. I DRAFTED THIS WITH THE LIMITED INFORMATION THAT WAS PROVIDED IN NO. 17 OF DEVELOPER'S "SUGGESTED PROVISIONS".]~~

~~4.13 **Trail System.** City shall construct and install those new trails and related improvements within that certain trail system on Redlands to the SJ Wildlife Area [CHECK] (the "Trail System") all as provided and shown in \_\_\_\_\_ of the Specific Plan [CHECK] and consistent with the \_\_\_\_\_ issued by the USFWS. [JOHN, PLEASE REVIEW THIS SECTION. I DRAFTED THIS WITH THE LIMITED INFORMATION THAT WAS PROVIDED IN NO. 17 OF DEVELOPER'S "SUGGESTED PROVISIONS".] [DOES THE CITY OWN THAT PROPERTY NOW? OR WILL IT ACQUIRE IT IN THE FUTURE?]~~

## **ARTICLE 5. REVIEW FOR COMPLIANCE**

5.1 **Periodic Review.** The City Council shall review this Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by Owner with the terms of the Agreement. As part of that review, Owner shall submit an annual

monitoring review statement describing its actions in compliance with this Agreement, in a form acceptable to the Community Development Director or his/her authorized designee, within thirty (30) days after written notice therefrom requesting such a statement. The statement shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of the Agreement during the succeeding year. The amount of the annual review and administration fee shall be set by resolution of the City Council. No failure on part of the City to conduct or complete the review as provided herein shall have any impact on the validity of this Agreement.

5.2 **Special Review.** The City Council may, in its sole and absolute discretion, order a special review of compliance with this Agreement at any time at City's sole cost. Owner shall cooperate with the City in the conduct of such special reviews.

5.3 **Procedure.** Each Party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other Party a justification of its position on such matters.

5.3.1 If on the basis of the Parties' review of any terms of the Agreement, either Party concludes that the other Party has not complied in good faith with the terms of the Agreement, then such Party may issue a written "Notice of Non-Compliance" specifying the grounds therefor and all facts demonstrating such non-compliance.

5.3.2 The Party receiving a Notice of Non-Compliance shall have thirty (30) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such thirty (30) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion.

5.3.3 If the Party receiving the Notice of Non-Compliance does not believe it is out of compliance and contests the Notice, it shall do so by responding in writing to said Notice within thirty (30) days after receipt of the Notice.

5.3.4 If the response to the Notice of Non-Compliance has not been received in the offices of the Party alleging the non-compliance within the prescribed time period, the Notice of Non-Compliance shall be presumed to be valid unless good cause exists for not responding within the time period.

5.3.5 If a Notice of Non-Compliance is contested, the Parties shall, for a period of not less than fifteen (15) days following receipt of the response, seek to arrive at a mutually acceptable resolution of the matter(s) occasioning the Notice. In the event that a cure or remedy is not timely effected or, if the Notice is contested and the Parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period, the party alleging the non-compliance may thereupon pursue the remedies provided in Article 6 of this Agreement.

5.3.6 Neither Party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" as defined in, and subject to the provisions of, Section 11.9 below.

5.4 **Certificate of Agreement Compliance.** If, at the conclusion of a periodic or special review, Owner is found to be in compliance with this Agreement, City shall, upon request by Owner, issue a Certificate of Agreement Compliance ("Certificate") to Owner stating that after the most recent Periodic or Special Review and based upon the information known or made known to the City Council that (1) this Agreement remains in effect and that (2) Owner is in compliance. The Certificate, whether issued after a Periodic or Special Review, shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, and shall state that the Certificate expires upon the earlier of (i) one (1) year from the date thereof, or (ii) the date of recordation of a Notice of Termination of Development Agreement. Owner may record the Certificate with the County Recorder. Additionally, Owner may at any time request from the City a Certificate stating, in addition to the foregoing, which obligations under this Agreement have been fully satisfied with respect to the Subject Property, or any lot or parcel within the Subject Property.

## **ARTICLE 6. DEFAULT AND REMEDIES**

6.1 **Specific Performance Available.** The Parties acknowledge and agree that specific performance is the preferred remedy available for the enforcement of this Agreement. However, nothing in the foregoing shall be construed to constitute a waiver of the right to obtain monetary damages from the other Party by reason of default of this Agreement. Subject to the cure rights set forth in Section 5.3 above, any material default by Owner or the City of the Agreement or any of the conditions of approval of any of the Development Approvals that is not timely cured by Owner or the City shall be deemed a material default by Owner or the City of this Agreement.

### **6.2 Termination of the Agreement.**

6.2.1 Termination of Agreement for Default of Owner. The City in its reasonable discretion may terminate this Agreement for any failure of Owner to perform any material duty or obligation of Owner hereunder or to comply in good faith with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, the City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3.

6.2.2 Termination of Agreement for Default of City. Owner in its reasonable discretion may terminate this Agreement for any default by the City; provided, however, Owner may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3 and thereafter providing written notice by Owner to the City of the default setting forth the nature of the default and the actions, if any, required by the City to cure such default and, where the default can be cured, the failure of the City to cure such default within thirty (30) days after the effective date of such notice or, in the event that such default cannot be cured within such thirty (30) day period, the failure of the City to commence to cure such default

within such thirty (30) day period and to diligently proceed to complete such actions and to cure such default.

6.2.3 Rights and Duties Following Termination. Upon the termination of this Agreement, no Party shall have any further right or obligation hereunder except with respect to (i) any obligations to have been performed prior to said termination, or (ii) any default in the performance of the provisions of this Agreement which has occurred prior to said termination.

6.3 **Institution of Legal Action.** Subject to notice of default and opportunity to cure under Section 5.3, in addition to any other rights or remedies, any Party to this Agreement may institute legal action to cure, correct, or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, or to obtain any other remedies consistent with this Agreement. If a legal action or proceeding is brought by any Party to this Agreement because of default, or to enforce a provision hereof, the prevailing Party shall be entitled to reimbursement of all costs and expenses, including attorneys fees, incurred in prosecuting such legal action or proceeding. This provision is separate and severable, and shall survive the merger of this Agreement into any judgment on this Agreement.

## **ARTICLE 7. THIRD PARTY LITIGATION**

7.1 **Notice, Defense and Indemnification of Third Party Litigation.** The City shall promptly notify Owner of any claim, action, or proceeding filed and served against the City to challenge, set aside, void, annul, limit or restrict the approval and continued implementation and enforcement of this Agreement. Owner agrees to fully defend and indemnify the City for all costs of defense and/or judgment obtained in any such action or proceeding. This indemnification clause shall only apply if Owner approves of the selection of defense counsel for the City, which approval shall not unreasonably be withheld. The City and Owner agree to cooperate in the defense of such action(s).

7.2 **Effect of Third Party Litigation on Term of Agreement.** If any third party litigation is filed referred to in Section 7.1, the Term of this Agreement shall be extended by the amount of time between the date the litigation was filed and the date of the final judgment if the law, regulation or action that was the subject of the litigation had the effect of preventing or suspending Development of the Subject Property for the Project and the final judgment allowed this Agreement to remain in full force and effect.

## **ARTICLE 8. MORTGAGEE PROTECTION**

8.1 The Parties hereto agree that this Agreement shall not prevent or limit Owner, in any manner, at Owner's sole discretion, from encumbering the Subject Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Subject Property. The City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Owner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. Subject to compliance with applicable laws, the City will not unreasonably withhold its consent to any such

requested interpretation or modification provided the City determines such interpretation or modification is consistent with the intent and purposes of this Agreement.

8.2 Any Mortgagee of the Subject Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Subject Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Subject Property, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from the City of any default by Owner in the performance of Owner's obligations under this Agreement.

(c) If the City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Owner under the terms of this Agreement, the City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Owner. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such Party under this Agreement, or (ii) thirty (30) days.

(d) Any Mortgagee who comes into possession of the Subject Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Subject Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Owner's obligations or other affirmative covenants of Owner hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Owner is a condition precedent to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Subject Property acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Plan applicable to the Subject Property or such part thereof so acquired by the Mortgagee.

## **ARTICLE 9. INSURANCE [CHECK WITH CLIENT]**

9.1 **Requirements.** Owner, not later than three (3) business days after the Effective Date, shall submit to the City duplicate originals of policies and endorsements, or appropriate certificates of insurance, of public liability insurance and broad form property damage insurance policies in the amount of not less than Two Million Dollars (\$2,000,000), combined single limits, for death and injury to any person and property damage, naming the City and its officers, officials, employees, agents, and representatives as additional insureds. In addition, all such insurance:

(a) shall be primary insurance and not contributory with any other insurance the City or its officers, officials, employees, agents, and representatives may have;

(b) shall contain no special limitations on the scope of protection affordable to the City and its officers, officials, employees, agents, and representatives;

(c) shall be "date of occurrence" and not "claims-made" insurance;

(d) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;

(e) shall provide that the policy shall not be canceled by the insurer or Owner unless there is a minimum of thirty (30) days prior written notice to the City;

(f) shall be endorsed to include a waiver of subrogation rights against the City or its officers, officials, employees, agents, and representatives; and

(g) shall not require Owner to meet a deductible of more than One Hundred Thousand Dollars (\$100,000) unless approved in writing by the City's Community Development Director in his/her sole and absolute discretion.

9.2 **Workers Compensation Insurance.** Owner shall also furnish or cause to be furnished to the City evidence reasonably satisfactory to Owner that any consultant or contractor with whom Owner has contracted for the performance of any work on or about or with respect to the Subject Property carries worker's compensation insurance as required by the State of California.

## **ARTICLE 10. INDEMNITY**

Owner agrees to and shall indemnify, defend, and hold harmless the City and the City's officers, officials, members, employees, agents, and representatives, from and against any and all claims, liabilities, damages, and losses, including without limitation reasonable attorneys' fees and litigation expenses, including court and expert witness fees (collectively, "Claims"), due to the death or personal injury of any person, or physical damage to any person's real or personal property, caused by the construction of improvements by, or construction-related activities of, Owner or Owner's employees, agents, representatives, servants, invitees, consultants, contractors, or subcontractors (collectively, "Owner's Representatives") on the Subject Property, or for any construction defects in any improvements constructed by Owner or Owner's Representatives on the Subject Property or for any other work related to this Agreement; provided, however, that the foregoing indemnification shall not apply to the extent such Claims are proximately caused by the negligence or willful misconduct of the City, or the City's officers, officials, members, employees, agents, or representatives, subject to any immunities which may apply to the City with respect to such Claims. The foregoing indemnification provision shall survive the termination of this Agreement.

## ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1 **Recordation of Agreement.** This Agreement shall be recorded with the County Recorder by the City Clerk within the period required by Government Code section 65868.5. Any amendments to this Agreement approved by the Parties, and any cancellation hereof, shall be similarly recorded.

11.2 **Entire Agreement.** This Agreement sets forth and contains the entire understanding and agreement of the Parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

11.3 **Severability.** If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the invalid provision shall be deemed to be severable from the remaining provisions contained within the Agreement. The Parties hereby state and acknowledge they would have adopted each provision contained within this Agreement notwithstanding the presence of an invalid provision.

11.4 **Interpretation and Governing Law.** This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party or in favor of the City shall not be employed in interpreting this Agreement, all Parties having been represented by counsel in the negotiation and preparation hereof.

11.5 **Section Headings.** All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

11.6 **Singular and Plural.** As used herein, the singular of any word includes the plural.

11.7 **Waiver.** Failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

11.8 **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole protection and benefit for the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

11.9 **Force Majeure.** Neither Party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, the acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the Party's employment force), court actions (such as restraining

orders or injunctions), or other causes beyond the Party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

**11.10 Mutual Covenants.** The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

**11.11 Counterparts.** This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument.

**11.12 Litigation.** Any action at law or in equity arising under this Agreement or brought by any Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Riverside, State of California, or such other appropriate court in said county, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court. Service of process on the City shall be made in accordance with California law. Service of process on Owner shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between the City and Owner seeking enforcement of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorney's fees.

**11.13 Covenant Not To Sue.** The Parties to this Agreement, and each of them, agree that this Agreement and each term hereof is legal, valid, binding, and enforceable. The Parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other Party to this Agreement, in law or in equity, or based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

**11.14 Project as a Private Undertaking.** It is specifically understood and agreed by and between the Parties that the Development of the Subject Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between the City and Owner is that of a government entity regulating the Development of private property, on the one hand, and the holder of a legal or equitable interest in such property and as future holder of fee title to such property, on the other hand.

**11.15 Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute,

with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

**11.16 Amendments in Writing/Cooperation.** This Agreement may be amended only by written consent of both Parties specifically approving the amendment and in accordance with the Government Code section 65868. The Parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved by the Community Development Director in consultation with the City Attorney.

**11.17 Operating Memoranda.** The Parties acknowledge and agree that the provisions of this Agreement require a close degree of cooperation between the City and Owner, and Development of the Subject Property hereunder may demonstrate that refinements or clarifications are appropriate with respect to the details of performance of the City and Owner. If and when, from time to time, during the Term of this Agreement, the City and Owner agree that such refinements or clarifications are necessary or appropriate, they will effectuate such refinements or clarifications through operating memoranda approved by the City and Owner, which, after execution, will be attached to this Agreement as addenda and become a part hereof, and may be further refined or clarified from time to time as necessary with future approval by the City and Owner. No such operating memoranda will constitute an amendment to this Agreement requiring public notice or hearing. The Community Development Director, in consultation with the City Attorney, will be authorized to make the determination whether a requested refinement or clarification may be effectuated pursuant to this Section or whether the request refinement or clarification is of such a character to constitute an amendment hereof. The Community Development Director will be authorized to execute any operating memoranda hereunder on behalf of the City.

**11.18 Corporate Authority.** The person(s) executing this Agreement on behalf of each of the Parties hereto represent and warrant that (i) such Party are duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such Party is bound.

**11.19 Notices.** All notices under this Agreement shall be effective upon personal delivery, via facsimile so long as the sender receives confirmation of successful transmission from the sending machine, or three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid and addressed to the respective Parties as set forth below or as to such other address as the Parties may from time to time designate in writing:

To City: City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, California 92552  
Attn: City Manager  
Facsimile No.: ( ) \_\_\_\_\_

Copies to: City Attorney  
\_\_\_\_\_  
\_\_\_\_\_, California \_\_\_\_\_  
Facsimile No.: ( ) \_\_\_\_\_

To Owner: Iddo Benzeevi  
\_\_\_\_\_  
Highland Fairview Operating Co.  
14225 Corporate Way  
Moreno Valley, CA 92553  
Telephone: ( ) \_\_\_\_\_  
Facsimile No: ( ) \_\_\_\_\_

Copy to: Rutan & Tucker, LLP  
611 Anton Boulevard, 14<sup>th</sup> Floor  
Costa Mesa, CA 92626  
Attn: John A. Ramirez, Esq.  
Facsimile No: [REDACTED]

**11.20 Nonliability of City Officials.** No officer, official, member, employee, agent, or representatives of the City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

**11.21 No Brokers.** The City and Owner represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement arising out of agreements by the indemnifying Party to pay any commission or finder's fee.

[end – signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first set forth above.

City:

CITY OF MORENO VALLEY

By

\_\_\_\_\_  
Richard A. Stewart  
Mayor, City of Moreno Valley

ATTEST:

By

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By

\_\_\_\_\_  
City Attorney

Owner:

HIGHLAND FAIRVIEW OPERATING CO.  
a \_\_\_\_\_ general partnership

By:

Name: \_\_\_\_\_

Its: \_\_\_\_\_

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

EXHIBIT "A-2"

Depiction of the Subject Property

[SEE FOLLOWING PAGE]

***REPLACE THIS PAGE WITH SITE MAP***

EXHIBIT "C"  
OFFSITE IMPROVEMENTS

[SEE FOLLOWING PAGES]

***REPLACE THIS PAGE WITH OFFSITE IMPROVEMENTS***

EXHIBIT "D"

OVERSIZED IMPROVEMENTS AND CITY REIMBURSABLE AMOUNT

[SEE FOLLOWING PAGES]

***REPLACE THIS PAGE WITH OVERSIZED IMPROVEMENTS AND CITY  
REIMBURSABLE AMOUNT***

Number

# WORLD LOGISTICS CENTER

## PUBLIC INFRASTRUCTURE COSTS

Need a Report providing detailed cost breakdown for Public Infrastructure including

*Turnp  
Net.*

- Public Streets → *Regional*
- Non Vehicular Circulation Improvements -
- SR 60/Theodore Interchange - *Regional*
- Flood Control & Storm Drain - *Regional*
- Water & Sewer — *L 25*
- Electric Utility — *L 20*
- Other utilities — *L .5*

Infrastructure Report to include:

- Cost accounting to include hard and soft costs
- Map locating improvements
- Identification of any infrastructure that will be oversized and why, as well as the percentage that the improvements are oversized
- Phasing plan for public infrastructure improvements

Proposal on how the public infrastructure will be financed, including a sharing of costs by HF and the City, as well as other entities (WRCOG, EMWD, RCTC and MVU)

CIP

- Mail
  - Calendar
  - Contacts
  - Deleted Items (3)
  - Drafts [28]
  - Inbox (186)
  - Junk E-mail [161]
  - Sent Items
- Click to view all folders
- Manage Folders...

Reply
 Reply to All
 Forward
 Move
 Delete
 Junk
 Close

### Highland Fairview Amendment

Cindy Miller

**Sent:** Wednesday, July 07, 2010 5:13 PM

**To:** Bill Bopf; Bob Hansen; Bonnie Flickinger; Cindy Miller; Jane Hailestead; Jesse Molina; Juliene Clay; Michelle Dawson; Richard Stewart; Rick Hartmann; Robin Hastings; William Batey; 'richard stewart' [richstew27@gmail.com]; 'molinavision@verizon.net'; 'Hastings, Robin' [RHASTINGS@rcbos.org]

**Cc:** Ewa Lopez; Meg Itagaki; Gina Gardner

Following item has been added to the July 13, City Council Agenda.

*Approved by:* Council Member Stewart and Molina

**Title:** AMENDMENT TO THE JUNE 22, 2010, MOTION OF THE CITY COUNCIL AUTHORIZING AN AGREEMENT WITH HIGHLAND FAIRVIEW FOR ISSUANCE OF A LIMITED PURPOSE BUILDING PERMIT

**Date:** July 13, 2010 Reports

*Cindy A. Miller*  
 Executive Assistant to Mayor / City Council  
 City Council Office  
 City of Moreno Valley  
 14177 Frederick St.  
 P.O. Box 88005  
 Moreno Valley, CA 92552-0805

E: [cindym@moval.org](mailto:cindym@moval.org)  
 w: [www.moval.org](http://www.moval.org)

**Cindy Miller**

---

**Subject:** FW: Hastings' Time Sensitive Request - Processing Problems - Highland Fairview.doc

---

**From:** Hastings, Robin [mailto:RHASTINGS@rcbos.org]  
**Sent:** Tuesday, June 22, 2010 12:05 PM  
**To:** Cindy Miller  
**Subject:** RE: Processing Problems - Highland Fairview.doc

Cindy:

Please print out all of these documents pertaining to the sewer agreement, including the letter from HF, the City Manager's memo and the 5 documents he references as well as the covenant memo we received.

*not rec'd - HF only requested a place holder*

Robin Hastings  
Chief of Staff for  
Supervisor Marion Ashley  
4080 Lemon Street, 5th Floor  
Riverside, CA 92506

---

**From:** Cathy Parada  
**Sent:** Tuesday, June 22, 2010 10:15 AM  
**To:** City Council  
**Cc:** Bob Hansen; Bill Bopf  
**Subject:** Processing Problems - Highland Fairview.doc

The attached memo is sent to you on behalf of William L. Bopf, Interim City Manager.

Thanks, cp

*Cathy*

Cathy Parada  
Interim Executive Assistant to the City Manager  
City Manager's Office

6/22/2010

MV00228637

Baker & Hostetler LLP  
12100 Wilshire Boulevard  
15th Floor  
Los Angeles, CA 90025-7120

  
www.bakerlaw.com

Bruce R. Greene  
direct dial   
bgreene@bakerlaw.com

## Memorandum

**To:** Iddo Benzeevi, Highland Fairview Properties  
**From:** Bruce Greene  
**Date:** June 8, 2010  
**Re:** Highland Fairview Corporate Park, Moreno Valley

---

I understand that HF Logistics-SKX T1, LLC would like to begin construction at the Highland Fairview Corporate Park in advance of recording of the final subdivision map for this phase of the project. The site currently consists of several legal parcels which would be reconfigured by the pending parcel map. You have requested the City of Moreno Valley to provide you with construction permits subject to the prior recordation of a covenant which would hold all the existing parcels as one until the final map is recorded.

After reviewing the issues considered, the applicable laws and the city's authority to grant you your request; my findings are as follows:

- There is no prohibition in state law or in the Municipal Code against using such a covenant for this purpose. State law does, however, recognize that such covenants are permissible (Government Code Sec. 27281.5).
- Covenants of this kind are commonly used in other jurisdictions. As an example I have attached a copy of San Diego Municipal Code Sec. 125.0760, explicitly authorizing temporary merger of parcels through such a covenant allowing the issuance of development and construction permits, although the adoption of an ordinance is not necessary. While you may find some jurisdictions that do not elect to accommodate this practice, many do, such as San Diego and Los Angeles. This is a matter of local policy and not law, and Moreno Valley can elect

*Chicago Cincinnati Cleveland Columbus Costa Mesa  
Denver Houston Los Angeles New York Orlando Washington, DC*

to allow the practice if the City Council considers it appropriate. Such action will not be in contradiction to the city's municipal code or the Subdivision Map Act.

- The state Subdivision Map Act does not prohibit the kind of temporary merger of parcels which you propose and the subsequent development of those parcels. The only provision which remotely addresses this issue is Government Code Sec. 66499.30. This statute pertains only to situations in which "a final map is required." The question, therefore, is whether or not you fall within that category. As it happens, you have obtained approval for a tentative map; however, merely filing for or obtaining approval of a map for other purposes does not make you subject to the statute. The limited, temporary tying of the parcels by means of a covenant which you propose does not require a subdivision map, just as no map would be required if you had proposed such a covenant arrangement prior to ever filing an application for a map. In other words, the Subdivision Map Act simply does not apply to this situation.

- There is no risk to the City in approving the proposed temporary covenant. Even if it were to be contested, the City's only potential exposure would be to a court order to undo the consolidation of parcels and stop any construction. Instead, by allowing use of the covenant, the City would be assured that the final map would be recorded prior to the end of this calendar year.

BG:mb  
Attachment

Sierra Club  
*and*  
Community Alliance for  
Riverside's Economy and Environment

Dear City Council Members:

Re: Highland Fairview Corporate Park

The developer's report attempts to sell you the idea that this project would be so wonderful that it should be approved. The report refers to the "aesthetics" of the project. But aesthetics cannot compensate for nor can they mitigate the harmful impacts this massive project would have on our community. Please factor into your decision the following issues:

1. You must vote over-riding considerations on AIR QUALITY. All the warehouse workers will be subjected to significant health problems from the thousands of daily truck trips - one every 40 seconds in every 24 hours. The massive area where workers labor is not air-conditioned; thus, they must continually breathe the toxic diesel pollution, which will eventually affect most with health problems. Our very poor air quality will become even worse with this project's diesel trucks - many times more than what existing zoning would allow. More than just "jobs now", we need healthy jobs.
2. There are two projects that are adjacent to this one, which would add 3,000,000 more square feet of warehousing/logistics centers. If you approve this project, you are in reality approving all three, for a total of 5,000,000 square feet of polluting warehousing. The Sierra Club and CAREE do not believe the cumulative, growth-inducing impacts have been thoroughly analyzed for environmental impacts on our community. The "logistic modified General Plan" (LMGP) concept proposed by the developer is something that must be incorporated into the document now before you. Just saying the developer has not submitted paperwork for the LMGP does not justify not having this foreseeable project's information prior to your vote.
3. Noise will substantially increase, and you are telling hundreds, if not thousands, of residents to "grin and bear it" so you can approve this unhealthy project. State Route 60 through Moreno Valley has few trucks compared to Interstate 10. This project and its growth-inducing impacts will change our commuter freeway into one that makes those who live close to it suffer significant noise and pollution impacts from all the noisy, polluting diesel trucks. The 500-foot buffer needs to be 500 meters (or 1600 feet) and must extend southwest as well as directly south. This raises a question as to where the environmental justice analysis is in this document. It is totally lacking and needs to be before you prior to any vote.
4. Greenhouse effects and climate change have not been mitigated. The LEED-certified building - even the lowest level of certification - probably will not

happen. That is why the developer is now qualifying the certification. If we want water in Southern California, we need snow packs in the northern mountains. Think of your children's and grandchildren's future and demand more than what the developer believes is "feasible".

5. Another issue that has not been resolved prior to your vote is TRAFFIC. The developer does not factor in all existing approved projects (like Moreno Highlands with 6,000-plus homes and zoning for 20,000 jobs). The FEIR states that there are two lanes that allow you to continue west from the 60 to the 215. In reality only the SR 60 lane on the far left allows you to continue west, while the other lane forces drivers to exit at Central Avenue. Until the traffic analysis deals with this issue, you cannot vote to certify this EIR because it is inadequate. You must realize that while 2,200 daily diesel truck trips may not sound overwhelming, they represent one every 40 seconds for 24 hours every day. If the two adjacent warehouses are approved, then you are looking at adding one noisy, polluting diesel truck to Highway 60 every 10 to 15 seconds for 24 hours a day - something to look forward to as we head west on that single lane. The FEIR tries to convince you that a truck is like 1 ½ cars. I would rather be behind two Hondas than one noisy, polluting diesel truck. Please remember that in 7 to 14 years, we may have "cleaner" trucks, but not "clean". You, however, could require only cleaner trucks (strongly recommended by AQMD as feasible) and protect Moreno Valley residents as well as the workers.
6. Alternative sites have not been expanded to include other possibilities and thoroughly analyzed. I-215 has no houses along it and is built with overpasses and road-width to handle this number of diesel trucks. Why hasn't the old golf course at Norton Air Base been suggested? That was at one time a strong possibility. The Banning/Beaumont area would, like Norton, be better for trucks because I-10 is also built for them, and trucks would not need to use SR-60 to get to that area.
7. You cannot satisfy impacts to threatened and endangered species by simply paying a mitigation fee. You must thoroughly analyze impacts to each species and how the fee will further each species' recovery.

Please vote to continue the project tonight so you can read and study all information presented to you, including the attached stories, which are very relevant to this project's impact on our community. Please keep both the Sierra Club and CAREE informed of future documents and meetings related to this project by using the address below.

  
George Hague  
Conservation Chair  
Moreno Valley Group of the Sierra Club  
26711 Ironwood Avenue  
Moreno Valley, CA 92555-1906

CAREE  
P. O. Box 5199  
Riverside, CA 92517-5199

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

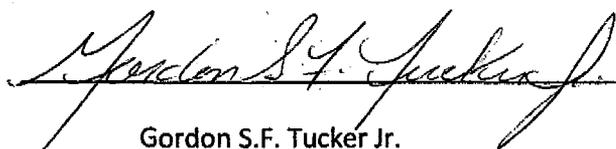
09 FEB - 9 PM 12: 05

## Declaration of Authenticity

I **Gordon S.F. Tucker Jr.**, do hereby swear that the audio recording for which I have submitted into the public record in the matter now before the city council (The Highland Fairview Corporate Project), of the City of Moreno Valley is a true and correct copy of the recording made by me on January 31<sup>st</sup>, 2009 at approximately 1458 hours at the location of 24899 Alessandro Blvd., in the city of Moreno Valley, 92553 (Fiesta Food Warehouse).

The for mentioned audio recording is of the petition takers located outside of the Fiesta Food Warehouse, and of their claims of working on behalf of the City Council of Moreno Valley and Highland Fairview LLC.

I swear under the penalty of perjury that the forgoing is true and correct. This document was executed in the City of Moreno Valley, County of Riverside, State of California on this the 3<sup>rd</sup> Day of February in the Year of 2009.



Date: 02/03/2009

Gordon S.F. Tucker Jr.

submitted - 2/3/09 Council mtg

2009 Highland Fairview/Skechers  
Stewart – Correspondence

28115 Gerald Lane  
Moreno Valley, CA 92555

February 10, 2009

Dear Councilmembers Hastings, Stewart, Batey, Molina, Flickinger,  
and Senior Planner Mark Gross:

I am writing to add my voice to those recommending that you **deny** PA07-0088, a zone change to allow the building of a 1.82 million square foot warehouse (total of 2.62 million square feet for all phases of development) in the east end of Moreno Valley. My reasons have been well-articulated by others with credible evidence, and include the following:

1. Changing the City Plan solely for the benefit of one individual and his employees: The City Plan was developed with considerable taxpayer money, effort of City employees and volunteer work by citizens, over several years. It reflects wise use of land resources and a vision of a city with a variety of businesses and home values. The East End was to have lower density, higher value homes. The City Plan is our Constitution, and as such should not be changed to a use that will not benefit Moreno Valley residents and will instead create an unhealthful environment.
2. Traffic: traffic issues were reviewed in the EIR and commented on by CalTrans and others (e.g., Ms. Melody Lardner in the public comments before you, Feb. 3, 2009). These are not trivial issues. Purchasing a home in the East End has been an expensive enough proposition that many (if not most of us) commute to specialized professional jobs. We chose to live in a suburb because we like the rural atmosphere, but we need to be able to commute to work.
3. Health: Logistics centers are foci for high truck traffic. Diesel exhaust is very hazardous. The medical community and South Coast AQMD have provided testimony to you on this issue. How are Mr. Benzeevi's profits of greater societal value than the health of our children?
4. Jobs: You have been provided with ample evidence that Skechers, the only tenant to date of the proposed logistics center, is unlikely to hire many (if any) Moreno Valley residents. Ms. Sue Gilchrist and others have provided data on warehouse employment. The existing zoning would provide more and better paid **new full time** jobs.
5. The EIR is inadequate, as testified by George Hague, Dr. Tony Metcalf, and others. You need more and better quality information before voting.
6. Impact on existing businesses: Existing new businesses in the East End, including those in the Target and WalMart shopping centers, were built in this area in anticipation of more homes, not fewer and lower income homes associated with warehouses. If warehouses go in we could lose these sales-tax generating businesses which employ hundreds of people.
7. Likelihood that the project will be built and occupied: The developer, Mr. Iddo Benzeevi, has an existing plan in place for an upscale development, Moreno Highlands, which includes part of the project area. His project was approved when housing values were high, and yet he did not build. Similarly, he is the developer of Aqua Bella, another project which you have approved. In the case of Aqua Bella he has only "moved a lot of dirt" (his comment, City Council meeting, Feb. 3, 2009). Others have testified to you that Mr. Benzeevi has never built anything. Will he build this project or simply use the change in zoning to increase the value of the land and sell it? If the project is built, will Skechers move in? Skechers stock has gone from \$25/ share to ca. \$7.60/ share, the most recent decrease last week. Does this company have the capital to move to and equip a large new facility?
8. Finally, and perhaps most distressingly, most or all of our City Council representatives have a financial association with Mr. Benzeevi. Mr. Benzeevi and his associate, Jerry Stephens, have contributed to Moreno Valley Taxpayers, who used the money for smear campaigns against former councilmembers White and West, who had stated opposition to the project. Mr.

Benzeevi also contributed to the campaigns of at least Hastings, Molina, and Flickinger. It is unlikely that Hastings and Molina would have been elected without Mr. Benzeevi's financial assistance. Michael Geller is the treasurer of MV Taxpayers, and is employed by Mr. Benzeevi. He should have recused himself from the Planning Commission decision, but did not. Richard Stewart is Mr. Geller's law partner. **It is unethical for those with financial relationships with the developer to vote on this issue. Please recuse yourselves.**

Riverside resident Jamil Dada has called Moreno Valley "Blagojevich West." You can, by voting against this zone change, prove him wrong.

Should you approve this project, please include a sunset clause: if the logistics center is not built and occupied within 12 months, zoning returns to BP and residential.

Thank you for your attention to these issues.

Sincerely yours,

A handwritten signature in cursive script that reads "Laura D. Merrill".

Laura Merrill, Ph.D.

ME

2/10/09

Moreno Valley City Council

My name is Carol Epstein and I am part owner of 28855 Redlands Blvd which has been in my family for nearly 50 years. Quoting from PressEnterprise Thur Jan 29<sup>th</sup> 2009, Congrats on the city council deciding not to take 10% pay increase. Also noted in the article there are 40 city employee positions left vacant, city department heads have not taken a 2% cost of living salary increase and I understand you have or plan to approve an early retirement incentive. Given facts like these, and lots of other data that shows how many people in this area are without work, losing their homes and suffering, it would be unconscienceable of the council to ignore the opportunity that the Sketchers project offers the citizens of this city. I understand that this project might make some changes to the general plan and it occurs to me that change is a part of life adapting to progress. I believe that you must take this opportunity to start the recovery of a suffering city. Those people who have moved to the east end of the valley and now want to keep it rural should take a drive down the 215 to the Perris /Mead valley area. We all know what they will find is wide open spaces, Large lots, horses and other farm animals.....They will also find rusted out cars and equipment, overgrown lots, high crime and LOW property values. None of us wants to look 5-10 years down the line to see that as our future. There is so much more I could say but I trust that you have heard all this many times now. I do need to add one important fact for you to consider. It has come to my attention that my tenant has been protesting and speaking against this project. Of course she doesn't want this project to go through she is trying to protect her low rent. I believe the property owners opinions should be much more important to you. So I just want to end by saying, PLEASE DON'T LET US DOWN, I BEG YOU TO APPROVE THIS PROJECT.

*Carol Epstein*

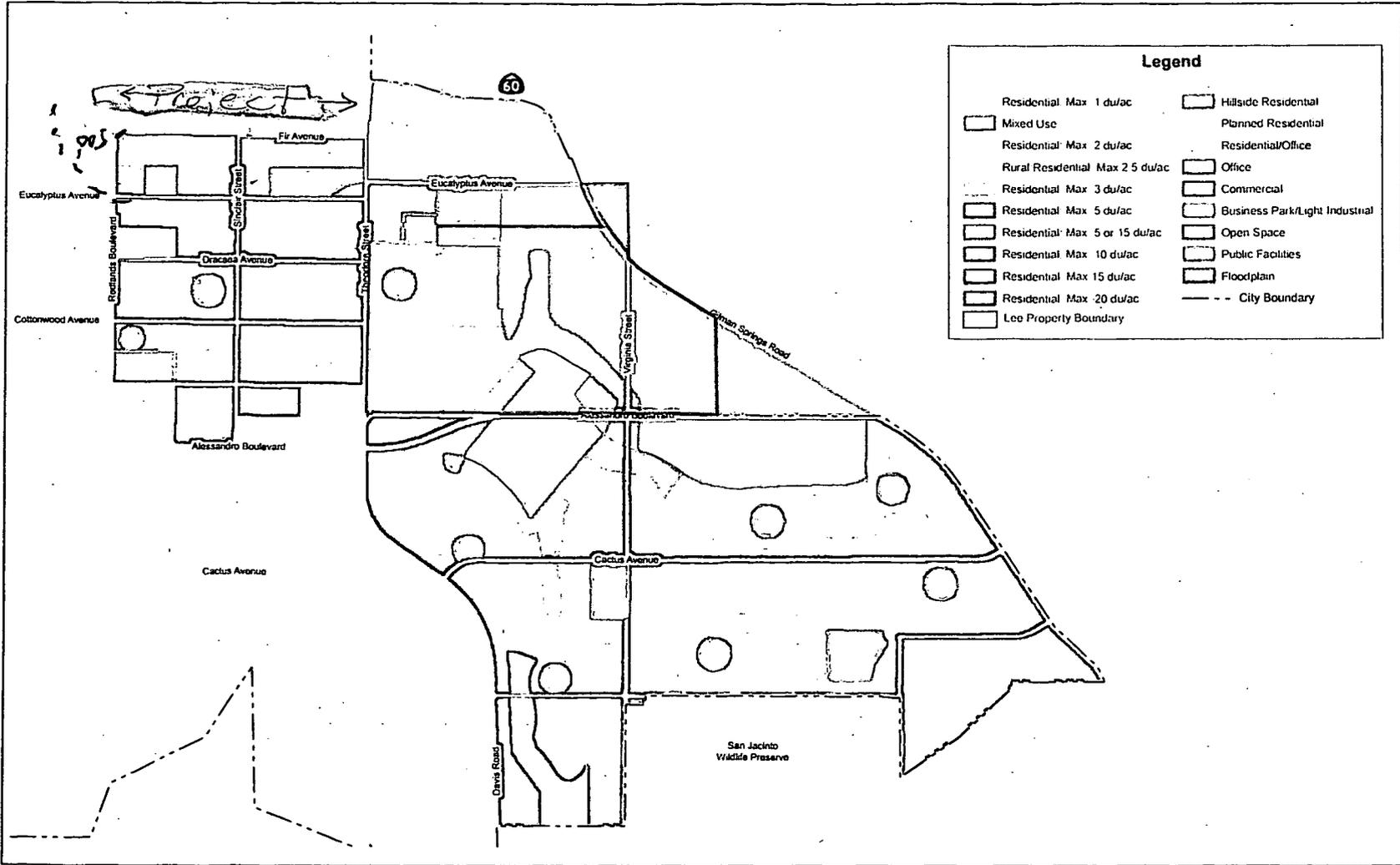
Carol Epstein

██████████ cell phone

09 FEB 10 PM 3: 53

RECEIVED  
MORENO VALLEY  
CITY COUNCIL

Submitted by  
George Hague  
2/9/09

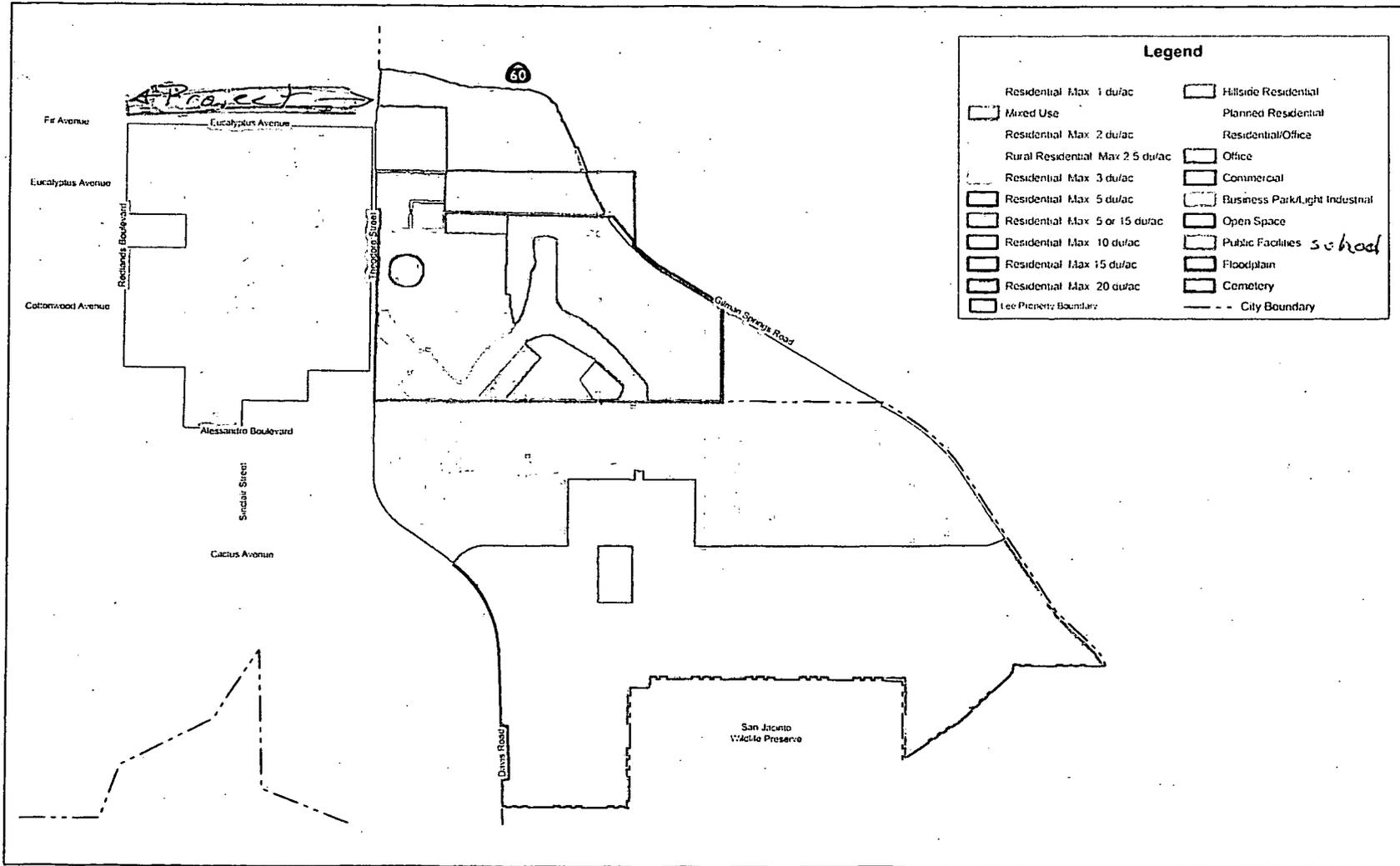


Source: RBF Consulting, January 2008.

**MA**  
NORTH  
NOT TO SCALE  
Michael Brandman Associates  
26100015 • 05/2008 | 6-1\_city\_gp.cdr

Exhibit 6-1  
**City General Plan Land Use**  
HIGHLAND FAIRVIEW CORPORATE PARK  
ENVIRONMENTAL IMPACT REPORT

MV000229194



Source: RBF Consulting, January 2008.



NOT TO SCALE

Michael Brandman Associates

26100015 • 04/2008 | 8-1\_logistics\_genplan.cdr

Exhibit 8-1  
Logistics Modified General Plan

HIGHLAND FAIRVIEW CORPORATE PARK  
ENVIRONMENTAL IMPACT REPORT

**Table 8-1: Existing General Plan and Logistics Modified General Plan Comparison**

Land Use Type	Unit	Existing General Plan	Logistics Modified General Plan
Residential	DU	8,691**	1,342*
Commercial	TSF	1,489	304*
Business Park/Light Industrial	TSF	12,357	4,500*
Logistics	TSF	0***	35,626
Office	TSF	240	59*
School	STU	7,200	1,800*

Notes:

DU = dwelling units      TSF = thousands square feet      STU = students      AC = acres

\* Located on Lee Property.

\*\* Includes approximately 2,381 units located on CDFG property.

\*\*\* Logistics is not a defined land use designation in the Moreno Highlands Specific Plan but it is an allowed use within the Business Park designation of the Moreno Highlands Specific Plan.

An area in the middle of the Moreno Highlands area, approximately 620 acres referred to as the Lee Property, is not owned by the Applicant. The Lee Property is shown on Exhibit 8-1. The MHSP designates the Lee Property for a mixture of industrial, residential, commercial, open space, and community uses as shown on Exhibit 8-1. There is no information available that would indicate that the Lee Property will be developed other than as designated in the MHSP. Therefore, the LMGP concept assumes that the Lee Property will be developed pursuant to the MHSP zoning.

The MHSP area includes 905.2 acres in the San Jacinto Wildlife Preserve. While the MHSP designates this land for development—2,381 residential units as well as schools, parks, and open space—the land is controlled by the California Department of Fish and Game (CDFG), is not likely to be developed, but, instead, is most likely to remain as open space and habitat. The LMGP concept therefore assumes no development on this land.

**8.3.1 - Analysis of Logistics Modified General Plan and Existing General Plan**

Preliminary comparisons of the LMGP concept and the Existing GP for the Moreno Highlands area are made for each of the impact categories addressed in this EIR.

**Aesthetics**

Both the LMGP and Existing GP would result in residential and non-residential development along the hillside areas and on the valley floor. Noise barriers and other structures would obscure views of the surrounding hills to some degree. Impacts on scenic resources, visual character, and light and glare would occur with implementation of either the LMGP or Existing GP. Under the LMGP, the introduction of logistics uses in areas south of Eucalyptus Avenue and west of Theodore Street, and south and east of the Lee Property, would require aesthetics mitigation measures that are similar to

Other Long Term Considerations

measures and infrastructure maintenance will be in accordance with either the Riverside County Flood Control and Water Conservation District or the City's standard engineering practices. Additionally, all new development is required to build master drainage plan facilities and/or pay fees that are used to build the facilities.

**Land Use and Planning**

The City's Master Plan of Trails shows a network of potential trails in the area contemplated for logistics use under the LMGP. While the potential for these trails would remain, it is unclear if any modification to, or deletion of, trail alignments would be necessary.

The Existing GP would retain the existing land use designations and zoning within the Moreno Highlands area. The Business Park and Office uses included in the Existing GP would contribute to a high jobs/housing ratio and there would be no further impacts related to consistency with the SCAG Regional Growth Projections. Under the Existing GP, there would be 8,691 homes and 14,086,000 sq ft of industrial and commercial development. As shown on Table 8-2, the Existing GP for the Moreno Highlands area would generate 17,733 jobs, and the jobs housing balance for the area would be 2.04 jobs per household. Furthermore, the CDFG land is planned mostly for residential uses. If the CDFG land was not developed, the jobs/housing ratio would be even higher.

**Table 8-2: Jobs Generated by Existing General Plan in the Moreno Highlands Area**

Type of Project	Size of Project	Estimated Number of Jobs
Schools	7,200 Students	510
Commercial	1,489,000 sq ft	2,978 (1/500 sq ft)
Business Park/Light Industrial	12,357,000 sq ft	12,357 (1/1000 sq ft)
Office	943,800 sq ft	1,888 (1/500 sq ft)
Logistics	0	0
<b>TOTAL JOBS</b>		<b>17,733</b>

Notes: sq ft = square feet  
Source: MBA, 2007.

**Table 8-3: Jobs Generated by the Logistics Modified General Plan in Moreno Highlands Area**

Type of Project	Size of Project	Estimated Number of Jobs
Schools	1,800 Students	100
Commercial	304,000 sq ft	608 (1/500 sq ft)
Business Park/Light Industrial	4,500,000 sq ft	4,500 (1/1000 sq ft)
Office	59,000 sq ft	118 (1/500 sq ft)
Logistics	35,626,000 sq ft	21,375 (0.6/1000 sq ft)
<b>TOTAL JOBS</b>		<b>26,701</b>

Note: sq ft = square feet  
Source: MBA, 2007.



# The Roadrunner

Friends of the Northern San Jacinto Valley

[www.northfriends.org](http://www.northfriends.org)

September 2008

## OCTOBER IS MEMBERSHIP RENEWAL MONTH:

Fall has arrived at the San Jacinto Wildlife Area and there is much to look forward to with the arrival of wintering birds of prey, migrating waterfowl and shorebirds. The wildlife area is an important link in the Pacific Flyway and provides a stopping point for birds to rest and eat before continuing their migration. Some of the migrating birds end up spending the fall and winter months here. The northern San Jacinto Valley is one of a few remaining inland valleys which has not been developed. Even though the financial crisis has stopped many developments in their tracks, larger developers are continuing to work to gain approval for their projects so they can be built when the economy changes. The Friends are dedicated to working to preserve and protect the northern San Jacinto Valley, the San Jacinto Wildlife Area and Mystic Lake. Please take time to renew your membership with the Friends this month and give what you can. A membership form can be found on the outside flap of this newsletter.

## SAN JACINTO WILDLIFE AREA News:

### TRICOLORED BLACKBIRDS—BAD NEWS, GOOD NEWS

by Tom Paulek: The results of the statewide Tricolored Blackbird population survey are in and the numbers for southern California are low. Statewide volunteers counted approximately 400,000 tricolors. Fewer than 5,500 birds were found in the six-county southern California region. The 2008 survey coordinated by Audubon California indicates the southern population is at risk and may be teetering towards extinction. The good news is the UCLA Conservation Genetics Resource Center has begun a genetic analysis to determine whether the southern California tricolors are genetically distinct from the more numerous northern California birds. The Friends group was instrumental in collecting the specimens UCLA has extracted the DNA material from to perform the genetic analysis. Tricolor nest content collections were made over the last three years. Nest colonies sampled included the 2006 nesting colony in the San Jacinto Valley, Riverside County and the 2007 nesting colony at Rancho Jamul Ecological Reserve in San Diego County. In 2008 nest contents were collected, after the nesting season, at Holiday Lake in Los Angeles County and the Newberry Springs area in San Bernardino County. The UCLA investigators expect to have preliminary results of the genetic testing this November. If the genetic work indicates the southern California tricolors are genetically distinct, it will further substantiate the need to list the southern tricolors as a distinct population segment under the Endangered Species Act.

### SAN JACINTO WILDLIFE AREA LAND MANAGEMENT

PLAN by Ann McKibben: The California Department of Fish and Game has hired a consultant (Dudek) to develop a management plan for the San Jacinto Wildlife Area (SJWA). A public meeting was held at the SJWA on September 29, 2008 to discuss what issues needed to be addressed by the

management plan. Approximately fifty to sixty people attended the public meeting to voice their concern about plan. Most of those in attendance were from the hunting community. Their concerns ranged from increased hunting opportunities and development of hunting areas on the SJWA, dog training facilities, increasing hunting days, and requests that non-consumptive users of the wildlife area start paying a user's fee to support the SJWA. Those from the environmental community asked that the document address and follow the Riverside County Multi-Species Habitat Conservation Plan, Stephens' Kangaroo Rat Habitat Conservation Plan, address the reclaimed water contract with Eastern Municipal Water District (which will expire in 2014), address complex land use issues and development surrounding the SJWA, and preserving and maintaining burrowing owl habitat. Others suggested that DFG needed to address the city of Moreno Valley Trails System which is projected to cross the northern boundary of the SJWA. Nuevo and Lakeview community residents expressed concerns about development adjacent to the SJWA and the potential change to access the wildlife area if the Villages of Lakeview project is approved by the county. After the draft document is completed the Department of Fish and Game plans to hold another public meeting to take comments on the document. Anyone with questions on the project can contact: Eddy Konno, California Department of Fish and Game, (760) 200-9174. The Friends will be posting updated information on the plan and any future hearing dates on our web page once the information is made available.

## FRIENDS NEWS & PROJECTS:

FRIENDS' LAWSUIT FILED, AUGUST 2007 by Sue Nash: FRIENDS OF THE NORTHERN SAN JACINTO VALLEY V. WILDLIFE CONSERVATION BOARD (WCB), DEPARTMENT OF FISH AND GAME (DFG), CALIFORNIA WATERFOWL ASSOCIATION (CWA). Riverside Trial Court # RIC477696 (briefs online); Court of Appeal Case #E045894; 4<sup>th</sup> District, Division Two. Disappointingly, at the April 18th, 2008, the judge, Gloria Trask, agreed with the Attorney General of California (representing the DFG & WCB) that the WCB could approve and give a notice to proceed to a project subject to the California Environmental Quality Act (CEQA) and then several months later the DFG could prepare an alleged CEQA document. Friends are preparing our opening brief for the court of appeal in which we again argue that such a procedure would effectively repeal CEQA, which requires that BEFORE approving any project subject to CEQA, all state agencies shall review a final Environmental Impact Report (EIR), Negative Declaration or other CEQA document. (CEQA Guidelines 15004(a))

Friends also contend that the Mitigated Negative Declaration prepared for this project in March 2008 is void as it was prepared over a year after the WCB approved the project in February 2007. Friends hope to have a published appellate court opinion upholding CEQA, and to receive

attorney fees for our efforts to uphold the law, by next summer.

**PROPOSED MCANALLY CHICKEN RANCH,  
CONDITIONAL USE PERMIT NO.3512 by Ann McKibben:**

The Riverside County Planning Department released the Draft Environmental Impact Report (DEIR) for the McAnally Chicken Ranch Conditional Use Permit (CUP) No. 3512 on September 26. As we have mentioned previously, Lewis Corp must relocate a chicken ranch in order to build The Villages of Lakeview project in Lakeview/Nuevo. The ranch, if approved, would house 2.2 MILLION chickens adjacent to the San Jacinto Wildlife Area where thousands of waterfowl and shorebirds winter each year. Major concerns regarding the project are the spread of avian flu, water quality degradation, locating a industrial scale poultry facility next to the San Jacinto Wildlife Area (a cornerstone reserve in the Riverside County MSHCP) plus locating such a huge facility adjacent to the flood plain of the San Jacinto River. All comments on the project must be received by November 9, 2008. Submit comments to: Matt Straite, Riverside County Planning Department, 4080 Lemon Street, 9<sup>th</sup> Floor, P.O. Box 1409, Riverside, CA 92502-1409. Mr. Straite's telephone number is: (951) 955-8631. Comments can be faxed to: (951) 955-3157. Please take time to voice your concerns about this project and the effects it will have on the northern San Jacinto Valley and the San Jacinto Wildlife Area. Approval for this project is being fast tracked which means the CUP will not go before the Riverside County Planning Commission first, but instead will go straight to the Riverside County Board of Supervisors for approval. If you are following this project, you can check the Board of Supervisors' web page for their agenda at: <http://www.clerkoftheboard.co.riverside.ca.us/agendas/2008.htm> Please check the Friends' web site at [www.northfriends.org](http://www.northfriends.org) where we have posted our comment letters.

**PROPOSED HIGHLAND FAIRVIEW CORPORATE CENTER by Ann McKibben:**

The city of Moreno Valley released the draft environmental impact report (DEIR) for the Highland Fairview Corporate Center in August. Comments on the draft EIR were due September 19. The Friends of the Northern San Jacinto Valley submitted written comments on the DEIR. The project proponent wants to build a 2.42 million square foot logistic center for Skechers Shoes along the southern edge of Highway 60 between Redlands Boulevard and Theodore Street in eastern Moreno Valley. Concerns are: increased truck traffic which will occur if this project and two other logistic centers are built along Highway 60. Also, increased air pollution, diesel particulates and their effects on local air quality is a huge concern as are health effects. According to the project planner, a public hearing on the project might occur in November or December. The project may be put before the Moreno Valley City Council about a month and a half after the planning commission hearing. Project planner is: Mark Gross, Moreno Valley Planning Department, (951) 413-3222. Please take time to attend the Planning Commission hearing and Moreno Valley City Council meeting and let them know that you are concerned about the severe health effects, traffic, changes in land use designations this project will have. You can call Mr. Gross for more information. Planning Commission and city council meetings agendas can be found at: <http://www.moreno-valley.ca.us/>

**PROPOSED VILLAGES OF LAKEVIEW SPECIFIC PLAN 342 by Ann McKibben:**

Lewis Corp continues to work on

their draft environmental impact report (DEIR) for The Villages of Lakeview Specific Plan 342 in Lakeview and Nuevo. The project was scheduled for the October 15, 2008 Riverside County Planning Commission meeting as workshop item. (The project plans to build 10,000+ homes in these communities with approximately 3,000 units planned between the southern boundary of the San Jacinto Wildlife Area and the northern border of the Ramona Expressway.) One has to question whether it is good land use planning to locate high density residential units adjacent to an MSHCP reserve. There is strong opposition to the project from Lakeview/Nuevo residents. Please take time to write a letter, attend public hearings on the project, and help us work to preserve the southern boundary of the San Jacinto Wildlife Area. For more information on the project, contact project planner Matt Straite, Riverside County Planning Department at (951) 955-8631. You can check for planning commission agendas at: [http://www.rctlma.org/planning/content/hearings/pc/current\\_p.c.html](http://www.rctlma.org/planning/content/hearings/pc/current_p.c.html) The Friends will have information posted at their web page: [www.northfriends.org](http://www.northfriends.org)

**PROPOSED MID COUNTY PARKWAY by Ann McKibben:**

The draft environmental document (DEIR) for the Mid County Parkway (MCP), a Riverside County Transportation Commission (RCTC) project which plans to expand the Ramona Expressway from the city of San Jacinto to the city of Corona as a six to eight lane road, was released by the Riverside County Transportation Commission on October 10, 2008. The proposed parkway is a 32 mile 'freeway' between the cities of San Jacinto and Corona. The RCTC and Orange County are also talking about extending the road via tunnels through the Cleveland National Forest (the Irvine-Corona Expressway). The highway will go through the middle of the Villages of Lakeview Project and impact the southern boundary of the San Jacinto Wildlife Area where the road crosses the historic course of the San Jacinto River. The Friends have commented on this project for many years. All written comments are due by December 8, 2008. All draft EIR comments, public meetings and hearing dates are posted at: <http://www.midcountyparkway.org/> or call the RCTC at (951) 787-7141. Project manager is Cathy Bechtel.

**PERSONAL BIRDING TOUR AT THE SJWA by Ann McKibben:**

In our September 2007 newsletter the Friends sponsored a fundraising event. For every \$5.00 regular membership donation to the Friends, a raffle ticket would be given. The drawing for the birding tour was held March 15, 2008 at the Bluebird Box and Birding Nature Walk. Holder of the winning ticket was Mary Rosczyk of Murrieta. The Personal Birding Tour took place on May 31, 2008 at the



wildlife area. Mary invited two friends, Patty Loy and Grace Briganti, to join the tour. Sue Nash, Tom Paulek, Ann & Mike

McKibben

and George Hague led the bird walk where we visited wetland areas, the reclaimed water pond and the west side of Davis Road. Breakfast and lunch were served at the picnic

tables by the office. Sandwiches and dessert from Simple Simon's topped the day's events. Besides the tour Mary also received a copy of The Sibley Field Guide to Birds and fancy binocular straps as part of the day's celebration. Many thanks to Mary for her very generous donation to the Friends and support of the San Jacinto Wildlife Area! And thank you, also, to all of our loyal members who took time to make a donation to the Friends. Our fundraising event raised \$2,900.00 for the Friends' work.

**THE JOY OF LOOKING** by Sandy Kasper, Teacher, Diamond Valley Middle School, Hemet: On May 20 and 21, 2008 the Friends of the Northern San Jacinto Valley and the Department of Fish and Game hosted two environmental field trips for two 6<sup>th</sup> grade classes from Diamond Valley Middle School in Hemet. The students and parents were led



on an informative hike by Sue Nash. She pointed out native plants and animals that are endangered or threatened by invasive species and destruction of habitat. We were also able

to observe and identify several species of waterfowl using the binoculars and guides provided by the Friends of the NSJV. The Department of Fish and Game gave students a walk-through of the SJWA office, including close-up looks at their mounted cougar and game birds. They shared copies of the Fish and Game magazine and educational brochures for us to take home. When the students returned to school they were able to do 70 follow-up investigations in the computer lab, increasing their knowledge and appreciation of wildlife in this area.

#### **CLIMATE CHANGE AND CEQA** by Sue Nash:

This is a very brief summary of laws impacting how developers must deal with climate change under CEQA, including the mitigation of greenhouse gas emissions and/or the effects of greenhouse gas emissions. As you can see, how climate change is to be addressed in CEQA is a process which is far from complete. The following sources should be helpful to you in responding to Draft EIRs and evaluating these and other air quality issues of development.

The Global Warming Solutions Act of 2006 (AB 32) requires the California Air Resources Board (ARB) to prepare a Scoping Plan to achieve reductions in greenhouse gas (GHG) emissions in CA. On June 26, 2008, ARB staff presented the initial draft of the AB 32 Scoping Plan for Board review and public comment. The Document can be found by going to the ARB web page: [www.arb.ca.gov](http://www.arb.ca.gov) The South Coast Air Quality Management District has also developed a draft Climate Change Policy and has assembled a Greenhouse Gas Emissions Working Group. It can be found by going to: [www.agmd.gov](http://www.agmd.gov)

Pursuant to Senate Bill 97, the Governor's office of planning and Research (OPR) is in the process of developing CEQA Guidelines for the mitigation of or the effects of greenhouse gas emissions. The OPR must prepare the Guidelines by July, 2009, and they must be adopted by the Resources Agency by January, 2010. In the meantime, the OPR has provided a Technical Advisory which provides

OPR's perspective on the issue of CEQA and climate change. It can be found at: [www.opr.ca.gov](http://www.opr.ca.gov)

The most difficult and controversial issue concerning CEQA and climate change is determining when a project's GHG emissions are significant. To help fill this void until the CEQA Guidelines are final, the California Air Pollution Control Officer's Association (CAPCOA) issued a white paper suggesting various approaches to determining significance. *CEQA and Climate Change: Evaluating and Addressing Greenhouse Gas Emissions from Projects Subject to CEQA*. (Found at: [www.capcoa.org](http://www.capcoa.org))

#### **METROPOLITAN WATER DISTRICT AND WATER SUPPLIES** by Sue Nash:

The MWD, either through the State Water Project bringing water from northern California or the Colorado River Water Project, supplies around 90% of the water which Eastern Municipal Water District distributes to the San Jacinto Wildlife Area and surrounding communities. MWD has recently issued a series of press releases regarding the Governor's declaration of drought in southern California. In September and October, MWD also held a series of four public forums as it begins updating its region-wide water resources plan. Information on these forums and information on how much water is likely to be available for western Riverside County through 2030 can be found at: [www.mwdh2o.com](http://www.mwdh2o.com)

**THANK YOU TO WALK LEADERS:** Thank you to all of those who led bird walks, nature walks, and birding field trips at the San Jacinto Wildlife Area from fall 2007 to spring 2008. We are fortunate to have many individuals who volunteer their time and share their knowledge at these events. And those who attend the walks always express their appreciation and value what they have learned. It is a busy world we live in, and we sincerely appreciate all of the dedicated leaders who make these events possible.

#### **LINKS:**

*Friends of the Northern San Jacinto Valley:*

[www.northfriends.org](http://www.northfriends.org)

*San Bernardino Valley Audubon Society:* [www.sbvass.org](http://www.sbvass.org)

*Rare Bird Alert:*

<http://listserv.arizona.edu/archives/birdwest.html>

(Southeastern California RBA) or

<http://groups.yahoo.com/group/inlandcountybirds/>

## **NATURE WALKS AND FIELDS TRIPS AT THE SAN JACINTO WILDLIFE AREA:**

**September 13, 2008, Saturday, 5:00 p.m. to 8:00 p.m.**

### **EVENING INSECT NATURE WALK**

Entomologist Gordon Pratt will bring several display boxes of insects and help explain the difference between butterflies, moths and others. He will also set up a blue light to attract insects once the sun goes down. Please wear long sleeved shirts and long pants; bring non-toxic insect repellent because of mosquitoes. Leader: Gordon Pratt.

**October 19, 2008, Sunday, 9:00 a.m. to Noon**  
**SJWA NATURE WALK**

Join us for a relaxing morning walk where we will explore the wetlands habitat at the SJWA and see what kind of waterfowl and shorebirds we can find. It will be a leisurely stroll, driving to a few locations and take in the beauty of the northern San Jacinto Valley. Leader: Tom Paulek.

**November 16, 2008, Sunday, 7:00 a.m.**  
**NORTHERN SAN JACINTO VALLEY FIELD TRIP—San Bernardino Valley Audubon Society**

Check [www.sbvvas.org](http://www.sbvvas.org) for current information. SBVAS's birding field trip in the northern San Jacinto Valley will cover parts of the valley and the SJWA. On good days 100+ species can be found—wintering birds of prey, waterfowl and shorebirds. Leaders: Tony Metcalf (951) 242-7038 and Dave Goodward, (909) 783-2417.

**December 7, 2008, Sunday, 9:00 a.m. to Noon**  
**MORNING BIRDING WALK AT THE SJWA**

Join us for a leisure morning walk to see what kind of birds we can find in early December. Fall brings lots of migrating waterfowl and shorebirds. We will take our time and identify the birds we see. Leader: Sue Nash.

**December 2008**  
**CHRISTMAS BIRD COUNT at the SJWA & San Jacinto Valley—San Bernardino Valley Audubon Society**  
Check [www.sbvvas.org](http://www.sbvvas.org) for information on the CBC in the northern San Jacinto Valley. All are welcome to join in on the count no matter what your birding experience is.

**January 4, 2009, Sunday, 8:00 a.m. to 10:00 a.m.**  
**BEGINNING BIRD WALK—San Bernardino Valley Audubon Society**

Check [www.sbvvas.org](http://www.sbvvas.org) for current information: A slow-paced walk to introduce participants to basic birding techniques and identification skills so you will feel comfortable birding on your own or joining Audubon's longer birding trips. Leader: Doug Karalun, (909) 425-5355.

**January 18, 2009, Sunday, 9:00 a.m. to Noon**  
**SJWA NATURE WALK**

We will be looking for birds at the reclaimed water ponds and visiting a variety of habitats on this nature walk. Also, we will talk about the geology and ecology of the wildlife area and the northern San Jacinto Valley. Join us for a fun day of



birding and learning about the natural resources of the San Jacinto Wildlife Area. Leaders: Sue Nash, Tom Paulek, Mike McKibben.

**February 1, 2009, Sunday, 8:00 a.m. to 10:00 a.m.**  
**BEGINNING BIRD WALK—San Bernardino Valley Audubon Society**

Check [www.sbvvas.org](http://www.sbvvas.org) for current information. A slow-paced walk to introduce participants to basic birding techniques and identification skills so you will feel comfortable birding on your own or joining Audubon's longer birding trips. Leaders: Jennifer & Michelle Tobin. Contact: Cathy Tobin, (951) 684-9613.

**February 21, 2009, Saturday, 8:00 a.m.**  
**SAN JACINTO WILDLIFE AREA—San Bernardino Valley Audubon Society**

Check [www.sbvvas.org](http://www.sbvvas.org) for current information. Ducks, geese, ibis and birds of prey of some of the birds to be seen on this

trip. Leader: To Be Announced. Check SBVAS web page for updated information on this walk.

*Just a reminder that there is all day waterfowl hunting on Wednesdays & Saturdays from October 19, 2008 through February 7, 2009 at the wildlife area. Because of hunting days we have to schedule our nature walks on Sundays. We plan on having Saturday walks (when possible) this spring.*

**BEGINNING BIRD WALKS:** San Bernardino Valley Audubon Society organizes and sponsors Beginning Bird Walks (BBW) at various locations in Riverside County. We are fortunate that a number of the walks are held at the San Jacinto Wildlife Area. Please note that the BBWs start at 8:00 a.m. Please check their web site at: [www.sbvvas.org](http://www.sbvvas.org) for information on dates and locations for all their Beginning Bird Walks. Or call Cathy Tobin at (951) 684-9613. Thank you SBVAS!

**FOR INFORMATION** on the Friends walks, call Ann McKibben at (951) 924-8150 or Sue Nash at (909) 228-6710. Our walks are free and open to all. Children are welcome and you do not need to be a member of the Friends to join us on any of our walks.

**WHERE TO MEET:** All nature walks meet at the appointed time in the parking lot of the San Jacinto Wildlife Area headquarters at 17050 Davis Road, Lakeview. There are picnic tables and restrooms available if you want to spend the day.

**FOR ALL WALKS:** Bring binoculars, camera (if you are interested), non-toxic insect repellent, sturdy walking shoes, hat, sunscreen, plenty of water, lunch, snacks, and wear appropriate clothing for the weather.

**TO VISIT THE SAN JACINTO WILDLIFE AREA:**

**Hours:** The wildlife area is open seven days a week from Dawn to Dusk. You are welcome to visit on your own at any time. There is an Information Kiosk on the east side of Davis Road adjacent to the parking lot.

**FALL HUNTING HOURS:** The San Jacinto Wildlife Area is owned by the state of California and managed by the Department of Fish and Game. Hunting is allowed at all state-owned wildlife areas. Hunting fees which are collected at facilities throughout the state are used to manage wildlife habitat throughout the state.

**Waterfowl Hunting: October 18, 2008 through February 7, 2009; There will be ALL DAY waterfowl hunting on all Wednesdays and Saturdays. The Wetland Areas at the San Jacinto Wildlife Area will be closed ALL DAY ON WEDNESDAY AND SATURDAYS** for non-hunting public use during the waterfowl season.

**Pheasant Hunting: November 10, 17, 24, and December 1, 8, 15, 2008 (ALL Mondays), there is ALL DAY pheasant hunting throughout the wildlife area on the Mondays listed.** Please keep these dates in mind when you schedule your visits to the wildlife area and call the area staff at (951) 928-0580 during regular work hours if you have any questions regarding which areas might be closed.

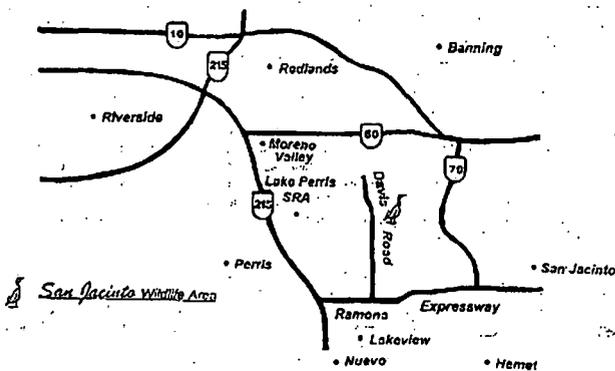
**DIRECTIONS TO THE SAN JACINTO WILDLIFE AREA:** San Jacinto Wildlife Area, 17050 Davis Road, Lakeview. Telephone: (951) 928-0580. **DAVIS ROAD IS CLOSED FROM MORENO VALLEY.** Please use one of these alternate routes to visit the San Jacinto Wildlife Area. *From*

**Moreno Valley:** go south on Perris Boulevard to the Ramona Expressway; go east on the Ramona Expressway to Davis Road in Lakeview; go north on Davis Road 2.3 miles to the headquarters. **From Hemet/San Jacinto Area:** take the Ramona Expressway west to Davis Road in Lakeview; go north on Davis Road 2.3 miles to the headquarters. **From Highway 215:** take the Ramona Expressway east to Davis Road in Lakeview (traffic signal); go north on Davis Road 2.3 miles to the area headquarters.

**PLEASE USE CAUTION WHILE DRIVING ON DAVIS ROAD IF THERE HAVE BEEN RECENT RAINS. Do not drive on Davis Road if it is muddy or it is raining. During the rainy season, please call the wildlife area headquarters, (951) 928-0580, during regular work hours to ask about road conditions.**

## San Jacinto Wildlife Area

### Vicinity Map



**THANK YOU FOR YOUR DONATIONS:** The Friends realize that we are fortunate to have supporters who continue to make donations to our organization year after year. Thank you for making it possible for the Friends to go forward with their work!

**THANK YOU** Ann McKibben and Sue Nash for folding, labeling, and sealing our spring newsletter.

**WAIVER FORM:** The Friends will be asking all walk participants to sign waiver of responsibility forms. Please be aware that minors (under the age 18) cannot sign the waiver. The signator must be a parent or other responsible adult. If you will not be with or are dropping off a minor at one of the Friends' nature walks, please call Sue Nash at (909) 228-6710 or e-mail her at: [snash22@earthlink.net](mailto:snash22@earthlink.net) for a copy of the form so you can sign it and have the minor bring it with them. The form can also be found on our web page.

**FRIENDS' WEB PAGE:** Please check out the Friends' web page at: [www.northfriends.org](http://www.northfriends.org) for information about our nature walks and updated "Take Action" information.

### OTHER NEWS:

**WHERE WE'VE BEEN SEEN:** The Friends attended the May 17 Idyllwild Earth Fair held in Idyllwild where they hosted an information table about the San Jacinto Wildlife Area. Sue Nash hosted the table, talked to visitors and gave handouts to those who stopped by. Thank you to Sue for

spending the day at the festival and getting the word out about the San Jacinto Wildlife Area and the Friends!

**SELF-GUIDED AUTO TOUR:** a self-guided auto tour is available for visitors to use at the San Jacinto Wildlife Area. These reusable guides follow a series of signs and explain what can be seen at each of the seven stops. You can pick them up from a box which is adjacent to the entrance kiosk. You will find a "return" box for the guides sitting on the other side of the road as you leave the wildlife area.

**TIRED OF OUR NEWSLETTER?:** The Friends would be happy to remove your name from our mailing list if you no longer want to receive our newsletter. Send your name and address to: Friends of the Northern San Jacinto Valley, P.O. Box 9097, Moreno Valley, CA 92552-9097; e-mail: [northfriends@northfriends.org](mailto:northfriends@northfriends.org) or call Ann McKibben at (951) 924-8150 to have your name deleted. Our current newsletter is posted on the Friends' web page at: [www.northfriends.org](http://www.northfriends.org)

### UP-COMING EVENTS:

**OCTOBER 18 (noon to 5 p.m.) & 19 (9 a.m. to 3 p.m.), 2008**

- **FALL PLANT SALE**, UCR Botanic Gardens. Information: (951) 784-6962. [www.gardens.ucr.edu](http://www.gardens.ucr.edu)

**NOVEMBER 22 & 23, 2008 - WILDLIFE ART FESTIVAL**, San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. Information: (909) 307-2669.

**MAY 16, 2009 (10 a.m. to 3 p.m.) - DUCK DAZE**, Hidden Valley Nature Center, 11401 Arlington Avenue, Riverside. Information: (951) 785-7452.

**Photographs for this issue by:** Anna Cadle, George Hague, Ann McKibben.



SJWA Plant Walk, April 2008

### FRIENDS OF THE NORTHERN SAN JACINTO VALLEY

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Board Members: Greg Ballmer, Jane Block, George Hague, Ann McKibben, Doug Morton, Sue Nash, Tom Paulek, Paul Prado

The Friends of the Northern San Jacinto Valley is a local conservation group dedicated to preserving and protecting the northern San Jacinto Valley, San Jacinto Wildlife Area, and Mystic Lake. We are a 501(c)(3) organization.

The Roadrunner comes out twice a year in February and September. It is written and edited by Ann McKibben, Sue Nash & Tom Paulek.

MEMBERSHIP FORM – Please enroll me as a contributing member of the Friends of the Northern San Jacinto Valley. I will contribute:

\$10.00  \$20.00  \$50.00  \$100.00  Gift Membership

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P.O. Box 9097

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The Friends is a 501(c)(3) organization.

**The Roadrunner, September 2008**

**FRIENDS OF THE NORTHERN  
SAN JACINTO VALLEY**

**P.O. Box 9097**

**Moreno Valley, CA 92552-9097**

**“Return Service Requested”**

**Membership Renewal**

**October is the Month!**



# Palm and Pine



SIERRA CLUB  
FOUNDED 1892

A publication of the San Geronimo Chapter of the Sierra Club  
Serving Riverside and San Bernardino Counties

Volume 39 Number 1

Protect America's Environment For our Families... For our Future

JANUARY—FEBRUARY 2009

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## Interview With Dennis Schramm...*Superintendent of Mojave National Preserve*

By David Lamfrom

A Brief Introduction to Mojave National Preserve: To millions of drivers en route to or returning from Sin City, the Mojave National Preserve is a large green or brown area on a map, a desolate, rugged, barren landscape to be traversed. To those who have come to know "the Preserve" it is a 1.6 million acre desert mountain wonderland, teeming with wildlife, wildflowers, and wilderness; a place containing singing sand dunes, sweeping vistas, and arguably the finest night sky viewing in Southern California. The Mojave Preserve is a significant reservoir of cultural history dating back 8,000 years or more and is a haven of wilderness within a developing world, allowing current and future generations the opportunity to experience the vastness and diversity of the Eastern Mojave Desert.

### Introducing Mr. Dennis Schramm

Dennis Schramm has been the superintendent of Mojave National Preserve for almost three years. He is a professional botanist who grew up in the Mojave Desert and has witnessed firsthand the population boom that impacts desert wildlands. Dennis has worked for the

NPS for 31 years and has worked in Alaska as well as Santa Monica Mountains NRA. I have posed questions to Dennis in order to share the work being done at Mojave National Preserve. The National Parks Conservation Association (NPCA) would like to thank Dennis Schramm for taking the time to discuss the Mojave National Preserve with us.

### David: Speaking to those who are unfamiliar with the Preserve, what is significant about Mojave National Preserve?

Dennis: Well, from the perspective of the enabling legislation, it is the natural and scenic resources including transitional desert elements that all come together here; it is the human history and the resources associated with Native Americans and westward expansion; and it is the opportunities for compatible outdoor recreation and to promote understanding of the Mojave Desert.

From my personal perspective I think the most significant thing is the preservation of 1.6 million acres of prime Mojave Desert ecosystem and the vast landscapes that are encompassed within the Preserve. Considering the develop-



Craig Deutsche/Desert Committee

The South Entrance to a National Treasure

ments being proposed today in the Mojave, it is so important that a large expanse of the Mojave Desert is permanently protected for future generations.

### Your favorite destination in the Preserve?

Wow, that's kind of hard. There are so many different landscapes and vegetation types to explore. But I would have to say that the hike into the Castle Peaks is definitely one of the tops on my list.

### In your lifetime, how has the Mojave Desert changed?

Population growth and the way peo-

(Continued on page 2)

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Students—Join Now!

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Candidate 80th Assembly District

Membership Application.....11  
Not a member yet?

Non-Sierra Club Classes.....12

Grey Frandsen Endorsement.....12  
Candidate 66th Assembly District

## Membership Meetings

**Tuesday, January 6**

### Mount Zirkel Wilderness

Mary Ann Ruiz, Chapter member and Chair of the Los Serranos Group will present the stunning scenery of the Mt. Zirkel Wilderness she experienced during her 9-day backpack last summer.

**Tuesday, February 3**

### San Manuel Band of Mission Indians

Most know the San Manuel Band of Mission Indians is located above Highland, but few know much about their history and culture. James Ramos, Chairman of the Band will bring a wealth of information featuring song, culture and history.

Programs begin at 7:30 p.m. at the San Bernardino County Museum in Redlands  
(California St exit 10 Fwy)

for almost three years. He is a professional botanist who grew up in the Mojave Desert and has witnessed firsthand the population boom that impacts desert wildlands. Dennis has worked for the

think the most significant thing is the preservation of 1.6 million acres of prime Mojave Desert ecosystem and the vast landscapes that are encompassed within the Preserve. Considering the develop-

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### In your lifetime, how has the Mojave Desert changed?

Population growth and the way peo-

(Continued on page 2)

## Mount Zirkel Wilderness Area



Bighorn Lake

Mary Ann Ruiz/Los Serranos Group

The Mount Zirkel Wilderness Area in Colorado is located in Routt National Forest and includes 160,000 acres between the elevations of 7,000 to 12,180 feet.

One of the five original Colorado wilderness areas designated by the 1964 Wilderness Act, Mount Zirkel was greatly enhanced by additions in 1980 and 1993 which augmented the ecological integrity of the wilderness by combining vital low-elevation forests and rivers with the rocky alpine spine of the Park Range.

Major rivers flow from countless glacial lakes along this northernmost stretch of Colorado's Continental Divide. Mount Zirkel and its lakes owe their current shape to Pleistocene glaciation 15,000 years ago.

One significant attribute of Mount Zirkel lies in its miles or river valleys. The two major rivers in the wilderness, the Elk and the Encampment have both been proposed for official designations as wild and scenic rivers by the Forest Service, and offer many miles of lovely valley hiking.

## San Manuel Band of Mission Indians



James Ramos, Chairman of the San Manuel Band of Mission Indians

The program will feature the song, culture, history and present status of the San Manuel Band, which has lived peacefully with Mother Earth for thousands of years. The land they inhabited has helped to shape their culture, traditions and present lives. The people at the San Manuel reservation trace their ancestry to the indigenous people of the San Bernardino highlands, passes, valleys, and mountains who the Spaniards collectively called the Serrano, a term meaning highlander. The Serrano looked to nature and the land to provide the necessities of life including shelter,

clothing, food and plants used for medicine. Those Serrano who lived at Yuhaviat, an area of pine trees near present day Big Bear Lake were called the Yuhaviatam or the People of the Pines. Members of the San Manuel Band of Mission Indians are descended from the Yuhaviatam and - like their ancestors - they maintain a special connection to the land.

In 1891 with passage of the Act for Relief for Mission Indians the San Manuel reservation was established and recognized as a sovereign nation with the right of self-government. The San Manuel reservation was named in honor of its courageous leader, Santos Manuel, and henceforth the tribe was recognized as the San Manuel Band of Mission Indians. Today the San Manuel reservation is just over 800 acres and is located in the foothills of the San Bernardino Mountains in California, just north of the city of Highland.

## Sierra Club's Climate Recovery Agenda

By Carl Pope

**Our Next Steps:** In 2008, Americans chose change. "New Energy for America" trumped "Drill, Baby, drill," marking a major change across the country. Now that the celebrations are done, we must roll up our sleeves and get to work. Barack Obama's top priority is investment in clean energy and energy efficiency in order to jumpstart our economy, create green jobs and make us more secure - and the Sierra Club's Climate Recovery Agenda closely follows that priority. Energy is now a national priority, and it's clear that the steps we need to take to help our economy recovery will also help our climate recover.

**The Sierra Club's Climate Recovery Agenda:** Fixing our economy, transforming our energy future, slowing and ultimately reversing climate change and its consequences will require a clear agenda and aggressive timetable that will allow us to repower, refuel and rebuild America.

The Sierra Club's Climate Recovery Agenda will help our economy recover, reduce our dependence on foreign oil, cut carbon emissions 80% by 2050, and protect our natural heritage, communities and



(Continued on page 2)

# CLIMATE

*(Continued from page 1)*

country from the consequences of global warming.

Putting our planet on the path to economic and climate recovery will require Congress, working with the Obama Administration, to:

- Invest \$150 - 500 billion in clean energy to create millions of new, high quality jobs.
- Reduce our dependence on oil by increasing vehicle fuel efficiency, increasing the use of alternative fuels, and deploying innovative transportation technology like plug in hybrids.
- Move America to 100% renewable energy for electricity and dramatically increase the efficiency of our buildings and homes.
- Tackle global climate change by establishing an economy-wide cap on carbon emissions. Ensure that carbon permits are auctioned.
- Take action that acknowledges the consequences global warming is already having and the need to protect vulnerable communities, wildlife and their habitat from drought, intense flooding, wildfires and the other changes we are already experiencing.

Congress' first step working with Obama Administration should be serious investments in high performance technologies and energy productivity improvements that will create millions of immediate jobs. Public and private building energy upgrades, mass transportation improvements and grid modernization should also be part of any economic recovery package.

America can lead by example. By taking actions at home, we can provide leadership on the international stage to both work with and be competitive with other nations. This agenda will be hard work, but the good news is that these are

# DENNIS SCHRAMM

*(Continued from page 1)*

ple use the desert have changed a lot. Of course Las Vegas has grown substantially since I went to school and college there in the 60's and 70's. This surge of people has caused unprecedented development in the Vegas valley and the Victor Valley/Lancaster areas.

### Have attitudes towards the Mojave changed?

I'm not sure if attitudes overall have changed, but a lot more people seem to be interested in motorized recreation, whether it is jet skis on Lake Mead and the Colorado River, or four wheel drive vehicles in OHV areas. There is still a core population of folks who prefer a more intimate experience with the desert, but their voices don't seem as loud as in the 60's.

### In your tenure, what do you consider to be the greatest victories or achievements attained?

Well, I have to include in my tenure my first seven years here as the planner and management assistant. Of course, my first major accomplishment was completion of the General Management Plan in 2001. During those first years we also removed 4,000 feral burros and around 8,000 cattle (all with donated funds!). Restoration of the Kelso Depot and opening it as our main visitor center has been a significant achievement and remains a tremendous opportunity for visitor contact. Mojave achieved a 99% visitor satisfaction rate last year and a lot has to do with the Kelso Depot and staff that work there.

I'm also proud of the work we are doing to reduce our impact on the environment. We now have eleven solar systems operating around the Preserve and this year will eliminate the last diesel generator from the Preserve. This year we also converted all our maintenance equipment to bio-based fluids and greatly expanded our recycling program. Finally I would have to say that the

staff we have hired are among the best around and we accomplish a great many things each year due to their hard work and dedication.

### What do you consider to be the greatest threats to Mojave National Preserve?

I think most of our threats today are originating outside the Preserve, some from sources that you wouldn't have suspected. Obviously, the proposed Southern Nevada Supplement Airport just north of Primm poses major threats to the natural quiet of the Preserve if it is built. Then there are the hundreds of solar and wind energy applications filed all over the desert. Mojave has nine proposals surrounding it in California. The Ivanpah Solar is moving rapidly through the permitting process. It lies on the bajada just east of Clark Mountain. They propose to clear nearly 9,000 acres for solar energy development, the majority of which is wet solar. They would heat water to produce steam by pointing mirrors at several 450 foot tall towers. Then they would burn natural gas at night to keep the water warm. We've learned recently that some of the projects are proposing new utility rights of way through the Preserve to connect with grid.

### Why? How can these challenges be best addressed?

The public needs to speak up at the hearings for these projects. As a federal agency we can only do so much. We raise our concerns at every opportunity, but we are also thinking ahead to mitigation if the projects do get built. It is important for the public to learn the details about these proposals and know how these projects will affect the future of the Mojave Desert.

### Looking forward, what are your goals and priorities for improving Mojave National Preserve?

This could go on for a while! There are several areas that we have identified for the future. One obvious opportunity is the National Park Service Centennial Celebration in 2016. A major initiative is already under-

*(Continued on page 11)*

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America can lead by example. By taking actions at home, we can provide leadership on the international stage to both work with and be competitive with other nations. This agenda will be hard work, but the good news is that these are proven ways to face our economic and environmental challenges – and the solutions help everyone.

# Preserve The Future

**N**ot everyone can make a large gift to protect the environment during their lifetime, but you can preserve the environment for generations to come by remembering the Sierra Club in your will.

There are many gift options available. We can even help you plan a gift for your local Chapter.

For more information and confidential assistance, contact:

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San Francisco, CA 94105  
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## Group and Section News

### Moreno Valley Group

By Ann McKibben

According to Moreno Valley city planning staff, the Highland Fairview Corporate Center project will probably go before the city's planning commission early next year. The city released the draft environmental impact report (DEIR) in August 2008; comments were due on September 19. The project proponent wants to build a 2.42 million square foot logistic center for Skechers Shoes along the southern edge of Highway 60 between Redlands Boulevard and Theodore Street in eastern Moreno Valley. Concerns are: increased truck traffic which will occur if this project and two other logistic centers are built along Highway 60. Also, increased air pollution, diesel particulates and their effects on local air quality is a huge concern as are health effects. Please contact project planner Mark Gross, Moreno Valley Planning Department, (951) 413-3222 to confirm dates and times for the public hearings. Also, please take time to attend the Planning Commission hearing and Moreno Valley City Council meeting and let them know that you are concerned about the severe health effects, traffic, and changes in land use designations this project will have. You can call Mr. Gross for more information on the project. And you can also call George Hague, Group Conservation Chair at (951) 924-0816, or e-mail the Moreno Valley Group at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com) for information on when the Planning Commission and/or City Council hearings will be held. Planning Commission and city council meetings agendas can be found at: <http://www.moreno-valley.ca.us/>

Two new city council members were elected in Moreno Valley's November election. Robin Hastings was elected to represent Moreno Valley's 3<sup>rd</sup> District (which covers the eastern portion of Moreno Valley where the Highland Fairview project is proposed to be built). She replaces Frank

Association accepted \$263,000 from Highland Fairview developer Iddo Benzeevi and \$100,000+ from local real estate businessman Jerry Stephens of Diversified Real Estate. The treasurer for the Moreno Valley Taxpayers Association is Moreno Valley Planning Commission member Michael Geller. Mr. Geller is also a law partner with Moreno Valley City Councilmember Richard Stewart. In other election news, the Moreno Valley Utility User's Tax overwhelming passed in the November election.

McAnally Chicken Ranch Conditional Use Permit (CUP) No. 3512 is on the fast track for approval by Riverside County. According to planning staff, the project will bypass a hearing before the Riverside County Planning Commission and will go directly to the Riverside County Board of Supervisors for approval. No reason was given for fast-tracking the project. The Friends of the Northern San Jacinto Valley sent a letter to the Riverside County Planning Department Director Ron Goldman and Supervisor Marion Ashley requesting that the project be heard before the county Planning Commission. No one replied to the request. The ranch, if approved, would house 2.2 MILLION chickens adjacent to the San Jacinto Wildlife Area where thousands of waterfowl and shorebirds winter each year. Major concerns regarding the project are the spread of avian flu, water quality degradation, locating an industrial scale poultry facility next to the San Jacinto Wildlife Area (a cornerstone reserve in the Riverside County Multiple Species Habitat Conservation Plan) plus locating such a huge facility adjacent within feet of the flood plain of the San Jacinto River. Comments on the draft environmental impact report were due on November 9, 2008. In order to build The Villages of Lakeview project the developer (Lewis Operating Corp) has to relocate an existing chicken ranch. It will be

for updated information. The Friends of the Northern San Jacinto Valley also have information posted on their web site: [www.northfriends.org](http://www.northfriends.org)

The Riverside County Planning Commission held an all day workshop on The Villages of Lakeview project at their October 15, 2008 commission meeting. Planning staff spent the morning hours giving presentations on various aspects of the project.

freeway and expose them to high levels of air pollution. The 'old' Cajalco Road would remain in place, meaning that Cajalco and the Mid County Parkway would be parallel routes and disrupt the rural landscape for homeowners. You can log onto the web site for the project at: <http://www.midcountyparkway.org/> You can also review DEIR documents at their web site. For more information call the RCTC at (951)



Moreno Valley Group hike to Olive Mountain Peak in Moreno Valley.

Janet Deen/Moreno Valley

After a lunch break the Lewis Operating Corp (LOC), proponents of the project, spent the afternoon touting the virtues of LOC and explaining the quality and value of their project. The workshop completely ignored talking about any issues related to placing 3,000 high density units between the San Jacinto Wildlife Area and the Ramona Expressway or how locating these units would be beneficial to the San Jacinto Wildlife Area. There was no discussion of putting

787-7141. Project manager is Cathy Bechtel. Or you can call George Hague, Group Conservation Chair at (951) 924-0816, or e-mail the Moreno Valley Group at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com) for updated information.

Save Our Skyline: Box Springs thru the Badlands is a group based in Moreno Valley committed to preserving the city's northern skyline. Meetings are the third Tuesday of every month at the Coffee Grinder, 23580 Sunnymead Blvd. For more information, call

meetings agendas can be found at: <http://www.moreno-valley.ca.us/>

Two new city council members were elected in Moreno Valley's November election. Robin Hastings was elected to represent Moreno Valley's 3<sup>rd</sup> District (which covers the eastern portion of Moreno Valley where the Highland Fairview project is proposed to be built). She replaces Frank West who has served for many years. Ms. Hastings is chief of staff for Riverside County Supervisor Marion Ashley. Jesse Molina was elected to represent the 1<sup>st</sup> Dis-

Riverside County Multiple Species Habitat Conservation Plan) plus locating such a huge facility adjacent within feet of the flood plain of the San Jacinto River. Comments on the draft environmental impact report were due on November 9, 2008. In order to build The Villages of Lakeview project the developer (Lewis Operating Corp) has to relocate an existing chicken ranch. It will be merged with another facility and relocated to the Bridge Street location if the approval process goes forward. If you have questions regarding the project, please contact: Matt

the afternoon touting the virtues of LOC and explaining the quality and value of their project. The workshop completely ignored talking about any issues related to placing 3,000' high-density units between the San Jacinto Wildlife Area and the Ramona Expressway or how locating these units would be beneficial to the San Jacinto Wildlife Area. There was no discussion of putting compatible land uses adjacent to the wildlife area and existing homeowners in Lakeview. Around 3:30 in the afternoon the public was allowed to make comments on the proposed project with 3 minutes allotted to each person speaking. George Hague, Group Conservation Chair, made comments as did Ileene Anderson from the Center for Biological Diversity, Tom Paulek, conservation chair for the Friends of the Northern San Jacinto Valley, and Ann McKibben from the FNSJV. Members of the UCCRC citizen's group in Nuevo and other members of the public made comments expressing their concerns about the project and how it would affect existing landowners in the community. A few people spoke in support of the project. For more information on the project, contact project planner Matt Straite, Riverside County Planning Department at (951) 955-8631. You can check for planning commission agendas at: [http://www.rctlma.org/planning/content/hearings/pc/current\\_pc.html](http://www.rctlma.org/planning/content/hearings/pc/current_pc.html) The Friends of the Northern San Jacinto Valley have information posted at their web site: [www.northfriends.org](http://www.northfriends.org) According to county planning staff, the draft environmental impact report for the project will be released in the summer of 2009.

The draft environmental document for the Mid County Parkway (MCP), a Riverside County Transportation Commission (RCTC) project which plans to expand the Ramona Expressway from the city of San Jacinto to the city of Corona as a six to eight lane road, was released on October 10, 2008. Three public meetings were held in October and two public hearings were held in November. Because of the large number of documents to review for the project, the deadline for comments was postponed until January 8, 2009. The preferred project route would displace about 100 homes, a fire station and businesses in the city of Perris. It would leave existing homes next to the new

conservation Chair at (951) 924-0816, or e-mail the Moreno Valley Group at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com) for updated information.

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For current outings offered by the Moreno Valley Group, please check our web page at: <http://sangorgonio.sierraclub.org/moreno-valley/index.html>

The Moreno Valley Group is selling Sierra Club calendars to support our activities. Please contact Theresa Carson at (951) 242-4752 or e-mail us at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com) if you would like to buy some calendars.

The city of Moreno Valley Parks and Community Services Department Recreational Trails Board is sponsoring a "Hike to Terri Peak" on January 24, 2009. They will meet at 8:30 a.m. at Landmark Middle School, 15261 Legendary Drive. Please call the department at (951) 413-3702 for more information.

Winter provide wonderful opportunities for bird watching, hiking, and wildlife photography in the northern San Jacinto Valley. To visit the wildlife area take Interstate 215 south past the March Air Reserve Base, exit at the Ramona Expressway; drive east to Davis Road in Lakeview; go north 2.2 miles until you come to the wildlife area entrance gates (17050 Davis Road, Lakeview). The wildlife area is open from dawn to dusk seven days a week. Wetland areas are closed for hunting all day Wednesdays and Saturdays through February 7, 2009. Please call the wildlife area office for more information at (951) 928-0580. Please check [www.northfriends.org](http://www.northfriends.org) for current nature walks at the San Jacinto Wildlife Area.

The Moreno Valley Group has many issues to follow, and we are looking for more volunteers. Any amount of time you could contribute would be appreciated. For more information on group meetings and volunteering with the Moreno Valley Group, contact Ann McKibben at (951) 924-8150, Theresa Carson, (951) 242-4752 or George Hague at (951) 924-0816 or e-mail us at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com).



Scenic view of Lake Perris State Recreation Area

George Hague/Moreno Valley

trict defeating long-time city councilmember Charles White. Both Mr. West and Mr. White were targeted by the Moreno Valley Taxpayers Association who claimed that traffic and crime had risen Districts 1 and 3. According to a November 5, 2008 article in The Press-Enterprise, the Moreno Valley Taxpayers Association spent over \$350,000 to unseat both West and White. Apparently, crime and traffic issues only occur in Districts 1 and 3 of the city and stay within council district lines. Councilmember William Bate was unopposed and won reelection for the 5<sup>th</sup> District. He was not targeted by the group. According to an October 17, 2008 article appearing in The Press-Enterprise, the Moreno Valley Taxpayers

Straite, Riverside County Planning Department, 4080 Lemon Street, 9<sup>th</sup> Floor, P.O. Box 1409, Riverside, CA 92502-1409, (951) 955-8631. Please take time to voice your concerns about this project and the effects it will have on the northern San Jacinto Valley and the San Jacinto Wildlife Area. You can also help by attending the public hearing before the board of supervisors. If you are following this project, you can check the Board of Supervisors' web page for their agenda at: <http://www.clerkoftheboard.co.riverside.ca.us/agendas/2008.htm> You can also call George Hague, Group Conservation Chair at (951) 924-0816, or e-mail the Moreno Valley Group at: [movalleygroup@yahoo.com](mailto:movalleygroup@yahoo.com)

# Group and Section News

## Mojave Group

By Jenny Wilder

### Mojave Group ExCom Election Results

Many thanks to the dedicated members who submitted their ballot in a timely manner. We all give Melody a warm welcome to the Mojave Group Excom. Melody takes over from Bill as the Outings Chairperson in January. We hope to continue to be inspired by Bill's outings, Highway Cleanup and leadership for the Wednesday Evening Walks. Our current Excom is as follows: Jenny Wilder, chair; Carol Wiley, vice Chair; Kim Floyd, Conservation; Estelle Delgado, Membership & Chapter Excom delegate; Bryan Baker, Treasurer/website; Adriana Durbin, Secretary; Melody Nichols, Outings Chair.

We also have a great mix of outings leaders and volunteers who help to keep the Mojave Group moving along smoothly. Our ExCom meeting on January 7, 2009 will be an annual planning meeting and all members are welcome to attend. We seek a "Hospitality Chairperson" for our regular monthly meetings (2<sup>nd</sup> Weds of the month). The Hospitality Chairperson is a volunteer who is responsible for making sure we have refreshments at our monthly meetings. This can be done by making a roster of people willing to take their turn or by providing the refreshments him/herself with the aid of a donation can and/or group funds.

### Hacienda at Fairview Valley Proposal

On November 18, 2008 the County of San Bernardino and Strata Equity

Use Services Dept. in San Bernardino. It will also be posted on the SBLUSD website at [www.sbcounty.gov/landuseservices](http://www.sbcounty.gov/landuseservices). There will be a public hearing, the date of which will be sent to all property owners and residents within 1,300 feet of the proposed project and other persons expressing an interest in the project. Notice of Completion of the Draft EIR starts a 45-calendar day public review period.

The environmental consequences of this project are HUGE, and are not confined to 1,300 feet of the project boundary. The issue of water alone is of concern to all residents in the Victor Valley, but especially to those whose water is supplied by Apple Valley Ranchos Water Company.

This is a current description of the proposed project: "The Hacienda at Fairview Valley Specific Plan encompasses 1,557 acres and proposes a master planned residential community with opportunities for equestrian, family-oriented, and active adult (55+) lifestyles. The Specific Plan provides a mix of approximately 3,114 residential units, 15 acres of Neighborhood Commercial uses, and approximately 336 acres of Parks/Recreation/Open Space. The land uses would be linked together through a network of multi-use trails and pedestrian paths, parks, greenbelts, water features, and natural open space. In addition, the project proposes three overlay districts to allow opportunity for expanding uses, including a Golf Course Overlay, and Equestrian Overlay, and a commercial Overlay."

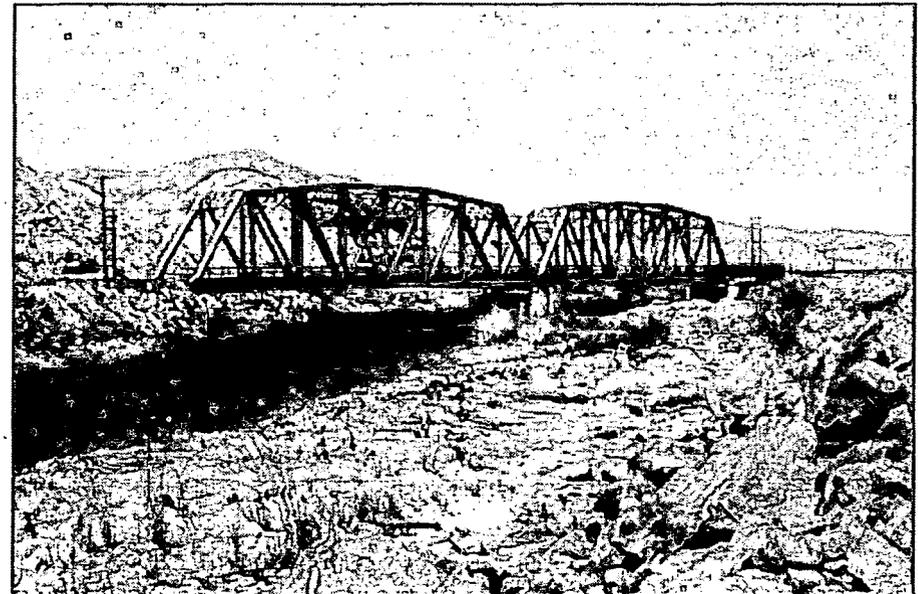
anyway. You are not alone. Write to the county to express your interest in the project and to get on their list so that you are informed about updates: Doug Feremenga, AICP, Senior Planner, 385 North Arrowhead Avenue, First Floor, San Bernardino, CA 92415-0182 or call (909) 387-4147 or email [dferemenga@lusd.sbcounty.gov](mailto:dferemenga@lusd.sbcounty.gov). Mojave Group members may also email Jenny at [JensOasis@aol.com](mailto:JensOasis@aol.com) to get updates on meetings etc.

### Update from the Friends of Juniper Flats

The Juniper Flats Area is an important trans-mountain habitat with numerous seeps and springs which attract wildlife as well as humans. At least three streams have year round

The designated vehicle routes in the region have been signed with open route markers. Unfortunately, this means little to some ATV riders who like to engage in hill climb activity and making their own trails. The Friends of Juniper Flats have developed an Adopt a Trail program to document and report this illegal activity. Each trail takes about 4 hours to complete in the field and there is an expectation that you would do so 2-4 times a year.

Please become a paying member of the Friends of Juniper Flats (\$5), enjoy the area and perhaps adopt a trail so that we can adequately document the damage to the habitat and especially in the riparian areas. Some of the trails require hiking or use of a motorcycle.



Mojave River in Afton Canyon Natural Area

surface water in places along their stretch in most years (2008 was no exception). This area is located to the

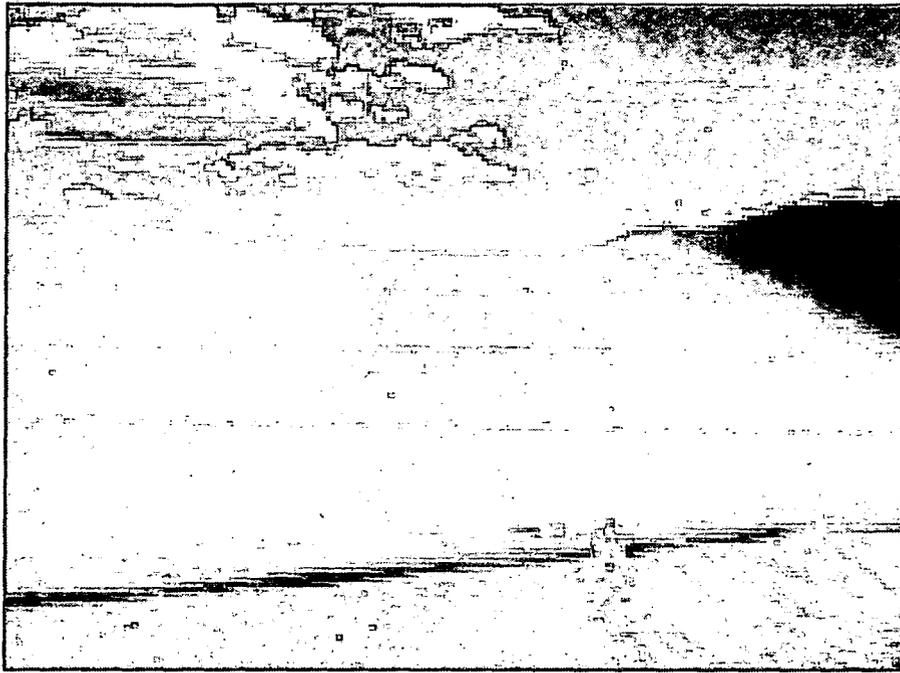
Others may be driven in a car and some require 4x4. If you are unable to volunteer in the field, but you have ability for

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roster of people willing to take their turn or by providing the refreshments him/herself with the aid of a donation can and/or group funds.

### Hacienda at Fairview Valley Proposal

On November 18, 2008 the County of San Bernardino and Strata Equity



Kelso Dunes, largest field of eolian sand deposits in the Mojave Desert.

Group held a public meeting called an EIR Public Scoping Meeting. They did a good job of describing the public process for this project to be able to move forward. The next step is for the county and independent EIR consultants (RBF consulting-John E. Gifford) to prepare and distribute the DRAFT EIR. This document will be distributed to the appropriate state, regional and local agencies for their review and comment.

The Draft EIR will also be available for public review at the San Bernardino County Library (Apple Valley Newton T. Bass Branch on Dale Evans Prky), and at the San Bernardino Land

and pedestrian paths, parks, greenbelts, water features, and natural open space. In addition, the project proposes three overlay districts to allow opportunity for expanding uses, including a Golf Course Overlay, and Equestrian Overlay, and a commercial Overlay.”

The zoning at present is for rural lifestyle, and most of the surrounding lots are 2.5 acres or more and have their own well. Some of the subject property shares a boundary with public lands. If all the lots were 1acre there would perhaps be 1,557 houses. This area is not within the Town of Apple Valley limits, it is in the County area. Many projects such as this one require a change in the County General Plan. This seems to happen rather suddenly, but in fact it happens because neighbors are not generally aware of the environmental consequences, they don't have time, or simply feel that they are alone and can't do anything



Mojave River in Afton Canyon Natural Area

surface water in places along their stretch in most years (2008 was no exception). This area is located to the south of Apple Valley east of the Mojave River to where Highway 18 runs past the Mitsubishi Cement Plant and north of the San Bernardino National Forest.

The area is managed by the Bureau of Land Management and represents a major 'open space' for residents of the Victor Valley. The area has been devastated by several fires including the Devil Fire and more recently the Willow Fire in 1999. Junipers that survived the fires are just now recovering significantly and other vegetation including trees such as ash and cottonwood in the riparian areas are gaining height and strength. 3 types of Yucca, a virtual wealth of wildflowers and native bunch grass contribute to the exceptional beauty of the region.

As if that is not enough, you will enjoy tremendous views of the valley and surrounding mountains as well as fields of huge boulders to clamber over and which provide shelter on a hot, cold or windy day! The area has been used by humans for thousands of years and some important archaeological sites are protected by the designation as the Juniper Flats Area of Critical Environmental Concern (ACEC). An ACEC is the BLM's highest level of management for an area.

We will enjoy a hike in the upper section of Arrastre Canyon on January 11, 2009 and in the ACEC on February 28, 2009. We are also planning a service day to pick up trash (more of a 4x4 activity). See the Outings Calendar for more information and updates and join us to discover the serenity and beauty of the Juniper Flats Area!

Others may be driven in a car and some require 4x4. If you are unable to volunteer in the field, but you have ability for organizing, we need someone to then document the findings from each Adopt a Trail visit (computer use required). Contact Jenny Wilder [Jen-Oasis@aol.com](mailto:Jen-Oasis@aol.com) or 760 220 0730 for a map of the open route system and more information. Please send your membership dues \$5 to Friends of Juniper Flats, Treasurer, P.O. Box 83, Apple Valley, CA 92307.

### Youth in the Desert Hikes

We continue to offer hikes for families and often they fill up fast. Early registration for the hikes and campouts is highly recommended. Visit the Calendar section to see where we are going in January and February! Contact Melody Nichols at [Labe-lady@msn.com](mailto:Labe-lady@msn.com) or 760 963 4430 to join the email list for updates. Thank-you Melody! We also encourage families to call the leader of regular Sierra Club Outings to see if their hike is youth/child friendly. Explore, Enjoy, Protect!

### 4x4 Adventures

Estelle and a select group of volunteers monitor designated Wilderness Areas in the Mojave Desert. Designation as Wilderness takes an act of Congress and is not lightly done. The areas have unique qualities that may not always be apparent. They are well worth exploring! Thank you Estelle. To find out more about this monitoring effort and/or to join the team of volunteers (which could be called the Mojave Group 4x4 Rovers) contact Estelle at [estelledelgado@verizon.net](mailto:estelledelgado@verizon.net) 760 241 7327.

# Calendar of Outings, Meetings, and Other Events

## JANUARY—FEBRUARY 2009

The outings calendar is available on the Internet at <http://sangorgonio.sierraclub.org>

### CALENDAR SUBMISSIONS

**DEADLINE:** Items for the MARCH/APRIL 2009 Calendar are due by February 5. **FORMAT** items similar to those below. Send items electronically if possible. **SUBMISSIONS:** Except for below, send to [ralphsalisbury@att.net](mailto:ralphsalisbury@att.net) **OUTINGS:** Send outings write-ups to your group or section Outings Chair. **MEETINGS** and other events: Send to [iwfladd@eee.org](mailto:iwfladd@eee.org)

### GENERAL INFORMATION, RULES AND DISCLAIMERS

All Outings Leaders are Chapter Certified Leaders having appropriate Outings Training Courses, First Aid Courses, and experience for the Outings they lead. **LEADERS** may exclude individuals from participation if they believe they may not be qualified. Non-Sierra Club members may join outings unless otherwise stated in the write-up. All participants agree to abide by the Leader's rules. Participants should **CALL THE LEADER AHEAD TO SIGN-UP.**

### WHAT TO BRING

Many Outings specify items to be carried by EACH participant. Do not attend Outings without the specified items unless you have first discussed it with the leader. Often the **TEN ESSENTIALS** are required. They are: 1) map, 2) compass, 3), flashlight, 4) knife, 5) windproof/waterproof matches in waterproof case, 6) fire starter, 7) first aid kit, 8) extra food and water for emergency use only, 9) extra clothing including rainwear, and 10) sun protection including sunscreen/sunglasses/hat.

### ADVENTURE PASS SPECIAL NOTICE

Outings occurring in the San Bernardino, Angeles, Cleveland, or Los Padres National Forests require a Forest Service "Adventure Pass" for each vehicle. These Outings will be preceded by \*\* in the listings that follow. Be sure to contact the leader regarding permits. The permits cost \$30 per year or \$5 per day, however they may not be obtainable the day of your outing. If you arrive at the meeting place without making arrangements with the leader and you don't have a pass or find a ride in a vehicle with a pass, you will not be able to attend the outing. You are expected to share the cost of the daily passes equally with the others in the vehicle. A \$.50 contribution from everyone in the vehicle is reasonable for annual passes (above normal mileage contribution). America The Beautiful Interagency Passes may be used in lieu of the Adventure Pass.

### CARPOOLING POLICY

In the interests of facilitating the logistics of some outings, it is customary that participants make carpooling arrangements. The Sierra Club does not have insurance for carpooling arrangements and assumes no liability for them. Carpooling, ride sharing, or anything similar is strictly a private arrangement among the participants. Participants assume the risks associated with this travel. Drivers should have adequate insurance coverage and their vehicles should have no safety defects. Drivers of carpools agree to not consume any alcoholic beverages. It is customary for riders to share expenses with the driver. Ten cents per mile per person for short trips is suggested while six cents per mile per person over 100 miles is usually reasonable.

### LIABILITY WAIVER

In order to participate on one of the Sierra Club's outings, you will need to sign the following liability waiver.

### Sign-In Sheet & Acknowledgment of Outing Member Responsibility, Express Assumption of Risk, and Release of Liability

I understand that during my participation in this Sierra Club Outing, I may be exposed to a variety of hazards and risks, foreseen or unforeseen, which are inherent in each Outing and cannot be eliminated without destroying the unique character of the Outing. These inherent risks include, but are not limited to, the dangers of serious personal injury, property damage, and death ("Injuries and Damages") from exposure to the hazards of travel and the Sierra Club has not tried to contradict or minimize my understanding of these risks. I know that Injuries and Damages can occur by natural causes or activities of other persons, animals, trip members, trip leaders and assistants or third parties, either as a result of negligence or because of other reasons. I understand that risks of such Injuries and Damages are involved in adventure travel such as

**(2ND MON) 7:00 PM SB MOUNTAINS GROUP MEETING**  
Monthly program meeting. No meeting in August or December. PLACE: St. Richard's Episcopal Church, 28708 Highway 18, Sky Forest. INFO: DAVE BARRIE, (909) 337-0313. SB MOUNTAINS GRP

**(2ND TUE) 7:00 PM CHAPTER CONSERVATION COMMITTEE MEETING**  
(In July only the meeting will be the 3<sup>rd</sup> Tuesday, July 18.) Monthly meeting. Take part in working on important conservation issues. Please come: we need your help! PLACE: San Gorgonio CHAPTER Office, 4079 Mission Inn Ave., Riverside. INFO: KIM FLOYD, Conservation Chair, [kimfloyd@verizon.net](mailto:kimfloyd@verizon.net), (760) 249-5385. CHAPTER

**(2ND WED) 7:00 PM MOJAVE GROUP MEETING**  
Monthly meeting except for July and August. PLACE: Sterling Inn, Regency Room, 17738 Francesca, Victorville. (One block north of Bear Valley Rd. on Ridgecrest.) Enter on Ridgecrest side of the building. INFO: CAROL WILEY, (760) 245-8734, [earthlingwiley@aol.com](mailto:earthlingwiley@aol.com) MOJAVE GROUP

**(3RD TUE) 6:00 PM SAN JACINTO VALLEY (HEMET) CONS COMMITTEE MEETING**  
Monthly conservation meeting. The public is welcome. LOCATION: Call or email for location and directions. CONTACT: SHAULI ROSEN-RAGER, (951) 767-2203, [gardens@netzon.net](mailto:gardens@netzon.net). SAN JACINTO VALLEY (HEMET) CONSERVATION COMMITTEE

**(3RD TUE) 6:30 PM BIG BEAR GROUP MEETING**  
Monthly meeting. INFO: For current program information, please visit the Group web site [www.sierraclubbigbeargroup.org](http://www.sierraclubbigbeargroup.org). PLACE: Big Bear Discovery Center, 40971 North Shore Dr. (Hwy. 38), Fawnskin. CONTACT: CHRISTIE WALKER, (909) 866-5006. BIG BEAR GROUP

**(3RD TUE) 7:00 PM LOS SERRANOS GROUP MEETING**  
Monthly meeting except August. The public is welcome. Refreshments will be served. PLACE: Educational Building, Upland Presbyterian Church, Euclid Ave. at 11th. INFO: MARY ANN RUIZ, (909) 628-1285. LOS SERRANOS GROUP

**(3RD THU) 6:00 PM TAHQUITZ GROUP MEETING**  
Monthly meeting except June to September. PLACE: Portola Community Center, 45480 Portola, Palm Desert (Three blocks south of 111 at Shadow Mountain) Enter parking lot from Shadow Mountain east of Portola. INFO: MICHAEL HOWARD (760) 323-1050. TAHQUITZ GROUP

**(4TH TUE) 7:00 PM SAN GORGONIO CHAPTER EXCOM MEETING**  
Chapter governance meeting. PLACE: The San Gorgonio Chapter office, 4079 Mission Inn Ave., Riverside. INFO: RICK ESTES 951-314-3328 <[rickestes\\_92595@yahoo.com](mailto:rickestes_92595@yahoo.com)> CHAPTER

### WEEKLY REOCCURRING FITNESS ACTIVITIES

Please read "LIABILITY WAIVER" preceding these listings

**MON 6:00 PM RIVERSIDE MT. RUBIDOUX ONE HOUR FITNESS WALK**  
MEET: Ninth Street entrance to Mt. Rubidoux. INFO: JUDY SMITH (951) 369-5117. SAN GORGONIO SIERRA SINGLES

**WED 7:00 PM MOJAVE GROUP, VICTOR VALLEY WALK**  
Conditioning walk every Wednesday except Group meeting might on the 2nd Wednesday of the month. Walks are paced for participants. Enjoy the evening air, river breeze, sunsets, stars and moon on a three mile walk around Jess Ranch and along the Mojave River. MEET at the Victor Valley Museum in Apple Valley. INFO: BILL SPRENG (760) (951) 4520, [bspreng@verizon.net](mailto:bspreng@verizon.net) or JENNY WILDER (760) 220-0730, [JensOasis@aol.com](mailto:JensOasis@aol.com). MOJAVE GROUP

### DECEMBER 15 - DECEMBER 21

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**Express Assumption of Risk, and Release of Liability**

I understand that during my participation in this Sierra Club Outing, I may be exposed to a variety of hazards and risks, foreseen or unforeseen, which are inherent in each Outing and cannot be eliminated without destroying the unique character of the Outing. These inherent risks include, but are not limited to, the dangers of serious personal injury, property damage, and death ("Injuries and Damages") from exposure to the hazards of travel and the Sierra Club has not tried to contradict or minimize my understanding of these risks. I know that Injuries and Damages can occur by natural causes or activities of other persons, animals, trip members, trip leaders and assistants or third parties, either as a result of negligence or because of other reasons. I understand that risks of such Injuries and Damages are involved in adventure travel such as Sierra Club Outings and I appreciate that I may have to exercise extra care for my own person and for others around me in the face of such hazards. I further understand that on this Outing there may not be rescue or medical facilities or expertise necessary to deal with the Injuries and Damages to which I may be exposed.

In consideration for my acceptance as a participant on this Outing, and the services and amenities to be provided by the Sierra Club in connection with the Outing, I confirm my understanding that:

- I have read any rules and conditions applicable to the Outing made available to me; I will pay any costs and fees for the Outing; and I acknowledge my participation is at the discretion of the leader.
- The Outing begins and ends at the location where the Outing officially commences with leader and participants in attendance, as designated by the Sierra Club ("Trailhead"). The Outing does not include carpooling, transportation, or transit to and from the Trailhead, and I am personally responsible for all risks associated with this travel. This does not apply to transportation provided by the Sierra Club after the commencement and before the end of the Outing.
- If I decide to leave early and not to complete the Outing as planned, I assume all risks inherent in my decision to leave and waive all liability against the Sierra Club arising from that decision. Likewise, if the leader has concluded the Outing, and I decide to go forward without the leader, I assume all risks inherent in my decision to go forward and waive all liability against the Sierra Club arising from that decision.
- This Agreement is intended to be as broad and inclusive as is permitted by law. If any provision or any part of any provision of this Agreement is held to be invalid or legally unenforceable for any reason, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
- To the fullest extent allowed by law, I agree to **WAIVE, DISCHARGE CLAIMS, AND RELEASE FROM LIABILITY**, and to **INDEMNIFY AND HOLD HARMLESS** the Sierra Club, its officers, directors, employees, agents, and leaders from any and all liability on account of, or in any way resulting from Injuries and Damages, even if caused by negligence of the Sierra Club its officers, directors, employees, agents, and leaders, in any way connected with this Outing. I understand and intend that this assumption of risk and release is binding upon my heirs, executors, administrators and assigns, and includes any minors accompanying me on the Outing.

I have read this document in its entirety and I freely and voluntarily assume all risks of such Injuries and Damages and notwithstanding such risks, I agree to participate in the Outing.

Note: If the participant is a minor, the minor's guardian must sign on the minor's behalf.

**RECURRING MONTHLY MEETINGS**

(LOOK IN CALENDAR FOR DATES)

**(1ST MON) 6:00 PM SB MOUNTAINS GROUP EXCOM MEETING**  
Lake Ridge Escrow Conference Room 27236 Blue Jay Mall on Feb, Apr, Jun, Aug, Oct, Nov & Dec. INFO: DAVE BARRIE, (909) 337-0313. SB MOUNTAINS GROUP

**(1ST TUE) LOS SERRANOS GROUP EXCOM MEETING**  
Odd-numbered months only (Jan, Mar, May, Jul, Sep, & Nov). PLACE: For meeting time and place, call MARY ANN RUIZ 909-815-9379, ruizmaryann@gmail.com  
LOS SERRANOS GROUP

**(1ST TUE) 6:30 PM BIG BEAR GROUP EXCOM MEETING**  
The meeting place rotates. INFO: CHRISTIE WALKER, (909) 866-5006. BIG BEAR GROUP

**(1ST TUE) 7:30 PM SAN GORGONIO CHAPTER MEETING**  
PROGRAM: See front-page notice. Afterwards, SAN GORGONIO SIERRA SINGLES will adjourn for food and drink. COST: \$1 donation requested. PLACE: San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. DIRECTIONS: Exit I-10 at California St. INFO: LADD SEEKINS 909-888-0161 <lwfadd@eee.org>. CHAPTER

mile walk around Jess Ranch and along the Mojave River. MEET at the Victor Valley Museum in Apple Valley. INFO: BILL SPRENG (760) (951) 4520, bspreng@verizon.net or JENNY WILDER (760) 220-0730, JensOasis@aol.com. MOJAVE GROUP

**DECEMBER 15 – DECEMBER 21**

Please read "LIABILITY WAIVER" preceding these listings (Also refer to Weekly reoccurring Outings & Activities)

**DEC 15 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com > MOJAVE GROUP

**DEC 16 (TUE) 6:00 PM SAN JACINTO VALLEY (HEMET) CONS COMMITTEE MEETING**  
Monthly conservation meeting. The public is welcome. LOCATION: Call or email for location & directions. CONTACT: SHAULI ROSEN-RAGER, (951) 767-2203, <gardens@netzon.net> SAN JACINTO VALLEY (HEMET) CONSERVATION COMMITTEE

**DEC 16 (TUE) 6:30 PM BIG BEAR GROUP MEETING**  
Monthly meeting. INFO: For current program information, please visit the Group web site www.sierraclubbigbeargroup.org. PLACE: Big Bear Discovery Center, 40971 North Shore Dr. (Hwy. 38), Fawnskin. CONTACT: CHRISTIE WALKER, (909) 866-5006. BIG BEAR GROUP

**DEC 16 (TUE) 7:00 PM LOS SERRANOS GROUP MEETING**  
Our annual Holiday Dessert Potluck is always a fun evening with delicious treats & good company. We will have some winter holiday music along with our usual meeting. Bring your favorite holiday dessert. Coffee & beverages will be provided. PLACE: Educational Building, Upland Presbyterian Church, Euclid Ave. at 11th. INFO: MARY ANN RUIZ, (909) 628-1285. LOS SERRANOS GROUP

**DEC 18 (THU) 6:00 PM TAHQUITZ GROUP MEETING**  
Monthly meeting except June to September. PLACE: Portola Community Center, 45480 Portola, Palm Desert (Three blocks south of 111 at Shadow Mountain) Enter parking lot from Shadow Mountain east of Portola. INFO: MICHAEL HOWARD (760) 323-1050. TAHQUITZ GROUP

**DECEMBER 22 – DECEMBER 28**

Please read "LIABILITY WAIVER" preceding these listings (Also refer to Weekly reoccurring Outings & Activities)

**DEC 28 (SUN) SUNSET PEAK HIKE**  
Once again we hope to see the San Gabriel Range covered with snow from this vantage point. The last two years we have been let down - we hope for more snow this year! This is a nice 7-mile round trip with about 1350 ft of elevation gain. From the top the view of the whole San Gabriel range, on a crisp & clear winter day is fantastic! BRING: Sturdy shoes, water, lunch. Rain or snow cancels. MEET: For time & place, contact LEADER: MARY ANN RUIZ <Ruizmaryann@gmail.com> (909) 815-9379. LOS SERRANOS GROUP

**DECEMBER 29 – JANUARY 4**

Please read "LIABILITY WAIVER" preceding these listings. (Also refer to Weekly reoccurring Outings & Activities)

**DEC 29 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com > MOJAVE GROUP

**DEC 29-JAN 3 MON-SAT CARRIZO PLAIN NATIONAL MONUMENT SERVICE**  
Celebrate the end of one year & the beginning of the next in one of our new National Monuments. The Carrizo Plain, west of Bakersfield, is a vast grassland, home to pronghorn antelope, tule elk, kit fox, & a wide variety of birds. A welcome hike Dec. 29, three & a half days of service modifying barbed wire fencing, & a full day for hiking & exploring are planned. Use of accommodations at Goodwin Ranch included. Limited to 12 participants. COST: \$30 covers five dinners. RESERVATIONS & INFO: LEADER: CRAIG DEUTSCHE, <deutsche@earthlink.net> (310) 477-6670 or CO-LEADER MELINDA GOODWATER <mgoodwater@sbcglobal.net> (408) 774-1257. CNRCC DESERT COMMITTEE

(Continued on page 6)

(Continued from page 5)

**JAN 3 (SAT) BUTCHER'S CAVE HIKE**  
 (Joshua Tree National Park) I don't know what to call this hike. We pass by a place we call 'Butcher's Cave' but it's just a reference point. Midway though the hike we'll be rooting around for an Indian site that we've only heard about. You can help us look. If there are enough of us, we'll form a horizontal line as we go forward & look in all the most likely places. We'll try to give you some clues as to what is a likely place. This is all directly behind Queen Mt. to the north. This is a very seldom-explored yet beautiful area of the park. The hike will be a bit strenuous with some bouldering. We think about six hours long depending on our search. BRING lots of clothing choices in your car & we'll all figure out what we need depending on what kind of day it is. WEAR good boots though & BRING a couple of liters of water & a hearty lunch. MEET: Call LEADERS ANN & AL MURDY (760) 366-2932 (We don't return calls) or email <al.murdy@gmail.com>  
 TAHQUITZ GROUP

**JAN 3 (SAT) PCT - CEDAR SPRINGS TO HWY 173 HIKE**  
 Please us for a 9 mile hike along the Pacific Crest Trail starting at Cedar Springs & ending at the 173 PCT parking area. This will be a shuttle. BRING jacket, sturdy hiking boots, lunch, snacks, & plenty of water. Please dress in layers for weather conditions. However; Rainy/Foul weather cancels walk. MEET: Call LEADER: MELODY NICHOLS (760) 963-4430 or <Labelady@msn.com>. CO-LEADER BILL SPRENGS.  
 MOJAVE GROUP

**JAN 3 (SAT) 9:00 AM SANTA ROSA ECOLOGICAL PRESERVE HIKE**  
 "New Member" hike (all are welcome though) Enjoy an easy 5 mile roundtrip hike to the Original Ranch Adobe. While you're there, meet local Group leaders & learn about your local Santa Margarita Group (under the shade of ancient oaks trees). RESERVATIONS & INFO: Call LEADER RICK ESTES (951) 393-4071 <rckestes92595@gmail.com>  
 SANTA MARGARITA GROUP

**JANUARY 5 - JANUARY 11**

Please read "LIABILITY WAIVER" preceding these listings  
 (Also refer to Weekly reoccurring Outings & Activities)

**JAN 5 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
 Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >  
 MOJAVE GROUP

**JAN 6 (TUE) LOS SERRANOS GROUP EXCOM MEETING**  
 Odd-numbered months only (Jan, Mar, May, Jul, Sep, & Nov). PLACE: For meeting time & place, call DAVID THORNE, (909) 949-8046.  
 LOS SERRANOS GROUP

**JAN 6 (TUE) 6:30 PM BIG BEAR GROUP EXCOM MEETING**  
 The meeting place rotates. INFO: CHRISTIE WALKER, (909) 866-5006.  
 BIG BEAR GROUP

**JAN 6 (TUE) 7:30 PM SAN GORGONIO CHAPTER MEETING**  
 PROGRAM: See front-page notice. Afterwards, SAN GORGONIO SIERRA SINGLES will adjourn for food & drink. COST: \$1 donation requested. PLACE: San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. DIRECTIONS: Exit I-10 at California St. INFO: LADD SEEKINS (909) 888-0161 <nwfladd@eee.org>.  
 CHAPTER

**JAN 10-11 (SAT-SUN) EL PASO WILDERNESS RESTORATION**  
 Assist the Ridgcrest BLM in protecting this wilderness area from OHV abuse by helping to block off & disguise illegal routes. MEET late Friday afternoon north of the wilderness area & car caravan to our camping area near Sheep Springs or meet near the work site on Saturday morning. Saturday evening happy hour & potluck. INFO: Contact LEADER: KATE ALLEN <kj.allen@wildblue.net> (661) 944-4056.  
 CNRCC DESERT COMMITTEE

**JAN 11 (SUN) 7:30 AM CAHUILLA MOUNTAIN HIKE**  
 Starting near Juan Diego Flats, this popular trail will take us through chamise-dominated chaparral, open meadows, & mature black oak forest to the 5,635 feet peak. 5.5 miles RT, 1200 feet elevation gain/loss. Excellent views, mostly well graded trail, comfortable pace. Kids 9 & older welcome. BRING: Hiking boots, lunch, a snack, 3 liters water, sun and/or warm hat, sunscreen. DRESS in layers for unpredictable weather. Binoculars recommended. MEET: For carpooling: 7:30 AM at Paloma de Sol Park, Temecula (behind Home Depot on Rt. 78) & 7:30 AM at And Hanna's parking lot, Hemet. MUST REGISTER by Friday, Jan 9, 11 AM.  
 SAN JACINTO VALLEY (HEMET) CONSERVATION COMMITTEE

**JAN 17 (SAT) 9:00 AM YOUTH IN THE DESERT - RODMAN MTNS HIKE**  
 We will explore the Area of Critical Environmental Concern (ACEC) in the Rodman Mountain Wilderness with the BLM Barstow Office Archaeologist, Jim Shearer. This ACEC was established to protect sensitive, ancient cultural sites that include petroglyphs & intaglios. This moderate hike will be about 5 miles round trip with an optional climb to the top of a nearby hill to get a lovely view of the Cady Mountains & surrounding desert. WEAR good hiking shoes/boots & layered clothing. BRING plenty of water, snacks, lunch, & hat. Don't forget your binoculars & camera! The drive is about 1 1/2 hours & requires high clearance. Early REGISTRATION & carpooling highly recommended. Group size is limited & preference will be given for folks bringing youths. INFO Contact LEADER JENNY WILDER <JensOasis@aol.com> (760) 220 0730.  
 MOJAVE GROUP

**JAN 17 (SAT) 9:00 AM OWL CANYON LOOP HIKE**  
 Please join me for a 8 to 10 mile loop hike in Owl Canyon, a great hike through the foothills north of Barstow with great views of the surrounding valleys. BRING your spirit of adventure & 2 to 3 qts of water, sturdy boots, lunch/snacks. INFO: Call LEADER TERRENCE MC CORKLY, home (760) 252-2194, cell (760) 412-1683 <oldhikerdude@verizon.net>  
 MOJAVE GROUP

**JAN 18 (SUN) 9:00 AM CEDAR GLEN HIKE**  
 This hike will be part of the East San Gabriel Mountains Campaign to add wilderness acreage to Cucamonga Wilderness. We will write postcards to Congressman David Dreier on a break. Cards & mailing will be provided. This will be an uphill hike on Chapman Trail up Cedar Canyon through oak, spectacular stands of incense cedar, yucca, chaparral, sugar pine, & ponderosa pine to Cedar Glen. Cedar Glen is just inside the Cucamonga Wilderness. Not for beginners, but not all that hard. 4.4 miles round trip, 1460 ft elev. gain. MEET: North parking lot of PFF Bank, Claremont, at NE corner of Indian Hill & Foothill Blvds. We will car-pool to Ice House Canyon Trail trailhead. BRING: extra warm layers, gloves, water & extra snacks; wear sturdy shoes/boots. Rain/snow cancels. INFO: LEADER: DEAN SHIMEK, <dtsierra@msn.com> (909) 899-2795.  
 LOS SERRANOS GROUP

**JANUARY 19 - JANUARY 25**

Please read "LIABILITY WAIVER" preceding these listings  
 (Also refer to Weekly reoccurring Outings & Activities)

**JAN 19 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
 Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >  
 MOJAVE GROUP

**JAN 20 (TUE) 6:00 PM SAN JACINTO VALLEY (HEMET) CONS COMMITTEE MEETING**  
 Monthly conservation meeting. The public is welcome. LOCATION: Call or email for location & directions. CONTACT: SHAULI ROSEN-RAGER, (951) 767-2203, <gardens@netzon.net>  
 SAN JACINTO VALLEY (HEMET) CONSERVATION COMMITTEE

**JAN 20 (TUE) 6:30 PM BIG BEAR GROUP MEETING**  
 Monthly meeting. INFO: For current program information, please visit the Group web site www.sierraclubbigbeargroup.org. PLACE: Big Bear Discovery Center, 40971 North Shore Dr. (Hwy. 38), Fawnskin. CONTACT: CHRISTIE WALKER, (909) 866-5006.  
 BIG BEAR GROUP

**JAN 20 (TUE) 7:00 PM LOS SERRANOS GROUP MEETING**  
 Dr. Susan Shenck from the Claremont Colleges will speak about the Robert J. Bernard Biological Field Station at the Claremont Colleges. She will tell us about the research that is done there along with information about the plant and animal life that can be found at the station. The station consists of 86 acres of primarily coastal sage scrub, Riversidian alluvial fan scrub, live oak forest, and grassland. In addition, an artificial lake with surrounding riparian woodland and several created vernal pools add to habitat diversity. The public is welcome. Refreshments will be served. PLACE: Educational Building, Upland Presbyterian Church, Euclid Ave. at 11th. INFO: MARY ANN RUIZ, (909) 628-1285.  
 LOS SERRANOS GROUP

**JAN 24 (SAT) 8:00 AM S B MTS, PACIFIC CREST TRAIL, SILVERWOOD LAKE HIKE**  
 We will hike West from State Highway 173 to Cedar Springs Dam, Silverwood Lake. Distance: 9.5 mi. Elevation gain: 500 ft. BRING: Water, lunch, 10 essentials. MEET: As this hike requires a car shuttle, call LEADER HEATHER SARGEANT (909) 336-2836.  
 SB MOUNTAINS GROUP

**JAN 25 (SUN) 8:30 AM SYCAMORE CANYON HIKE**  
 Approximate 3 mile hike through Sycamore Canyon Wilderness Park in Riverside. Trails have some ups &

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**JAN 11 (SUN) 7:30 AM CAHUILLA MOUNTAIN HIKE**  
Starting near Juan Diego Flats, this popular trail will take us through chamise-dominated chaparral, open meadows, & mature black oak forest to the 5,635 foot peak. 5.5 miles RT, 1200 feet elevation gain/loss. Excellent views, mostly well graded trail, comfortable pace. Kids 9 & older welcome. BRING: Hiking boots, lunch, a snack, 3 liters water, sun and/or warm hat, sunscreen. DRESS in layers for unpredictable weather. Binoculars recommended. MEET: For carpooling: 7:30 AM at Paloma de Sol Park, Temecula (behind Home Depot on Rt. 79), & 7:30 AM at And Henry's parking lot, Hemet. MUST REGISTER by Friday, Jan 9. INFORMATION & RESERVATIONS: SHAULI ROSEN-RAGER (951) 767-2203 <rosenrager@gmail.com>  
SANTA MARGARITA GROUP

**JAN 11 (SUN) 8:30 AM JUNIPER FLATS HIKE**  
Hike from Coxey Truck Trail to the lovely Arrastre Stream riparian area near the historical VP Mine. Approx. 4 - 5 miles with beautiful views. MEET at 8:30 a.m. at the Victor Valley Museum near the corner of Bear Valley Rd. & Apple Valley Road. BRING lunch, water, snacks & layered clothing. INFO: Contact Carol Wiley <earthlingwiley@aol.com> (760) 245-8734.  
MOJAVE GROUP

**JAN 11 (SUN) 8:30 AM HIDDEN SPRINGS HIKE**  
Enjoy the local hills & hopefully see some burros with an approximate 3.5 mile loop hike on the Hidden Springs trail & arroyo. Trail has some ups & downs but basically follows the base of the hills & then returns through the arroyo of the housing tract, where we may see lots of birds. BRING: Water, sturdy shoes. MEET: Box Springs Park. DIRECTIONS: From 60 freeway go north on Pigeon Pass Rd. to left on Hidden Springs Dr. Driveway into Box Springs Park is on the left off Hidden Springs Drive. We will meet in the parking area up the gravel road near the picnic tables. INFO & LEADERS: THERESA CARSON (951) 660-7246 & JANET DEEN (951) 616-4759.  
MORENO VALLEY GROUP

**JAN 11 (SUN) 6:00 PM MOONLIGHT HIKE HIKE**  
Come for a 2 to 3 hour evening hike in the foothills to enjoy the full moon. (Actual full moon is tonight, January 11.) Hikes are moderately paced. Between 4 & 5 miles round trip, 400 to 1200 ft elev.. Hike locations will vary. MEET: North parking lot of PFF Bank, Claremont, at NE corner of Indian Hill & Foothill Blvds... BRING: Jacket, flashlight, water, & wear sturdy shoes/boots. RAIN CANCELS. INFO: LEADERS PATTY & DAVID THORNE (909) 981-5813  
LOS SERRANOS GROUP

## JANUARY 12 – JANUARY 18

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**JAN 12 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >  
MOJAVE GROUP

**JAN 12 (MON) 7:00 PM SB MOUNTAINS GROUP MEETING**  
Monthly program meeting. No meeting in August or December. PLACE: St. Richard's Episcopal Church, 28708 Highway 18, Sky Forest. INFO: DAVE BARRIE, (909) 337-0313.  
SB MOUNTAINS GROUP

**JAN 13 (TUE) 7:00 PM CHAPTER CONSERVATION COMMITTEE MEETING**  
Monthly meeting. Take part in working on important conservation issues. Please come: we need your help! PLACE: San Gorgonio CHAPTER Office, 4079 Mission Inn Ave., Riverside. INFO: KIM FLOYD, Conservation Chair, kimfloyd@verizon.net, (760) 249-5385.  
CHAPTER

**JAN 14 (WED) 7:00 PM MOJAVE GROUP MEETING**  
Monthly meeting except for July & August. PLACE: Sterling Inn, Regency Room, 17738 Francesca, Victorville. (One block north of Bear Valley Rd. on Ridgecrest.) Enter on Ridgecrest side of the building. INFO: CAROL WILEY, (760) 245-8734, <earthlingwiley@webtv.net>  
MOJAVE GROUP

**JAN 15 (THU) 6:00 PM TAHQUITZ GROUP MEETING**  
The meeting topic will be natural lands recreational resources in and around the Coachella Valley. Please bring along any information about natural lands around the Valley that you have enjoyed. Depending on attendance, this may be the last Tahquitz Group monthly meeting. Starting February, meetings may be discontinued. Please call to confirm. PLACE: Portola Community Center, 45480 Portola, Palm Desert (Three blocks south of 111 at Shadow Mountain) Enter parking lot from Shadow Mountain east of Portola. INFO: MICHAEL HOWARD (760) 323-1050.  
TAHQUITZ GROUP

**JAN 24 (SAT) 8:00 AM S B MTS, PACIFIC CREST TRAIL, SILVERWOOD LAKE HIKE**  
We will hike West from State Highway 173 to Cedar Springs Dam, Silverwood Lake. Distance: 9.5 mi. Elevation gain: 500 ft. BRING: Water, lunch, 10 essentials. MEET: As this hike requires a car shuttle, call LEADER HEATHER SARGEANT (909) 336-2836.  
SB MOUNTAINS GROUP

**JAN 25 (SUN) 8:30 AM SYCAMORE CANYON HIKE**  
Approximate 3 mile hike through Sycamore Canyon Wilderness Park in Riverside. Trails have some ups & downs but overall there is little elevation gain. BRING: Water, sturdy shoes. MEET in the Sycamore Canyon parking area on the south side of Central Ave. between Canyon Crest Drive & the 215/60 Freeway. INFO & LEADERS: THERESA CARSON (951) 660-7246 & JANET DEEN (951) 616-4759.  
MORENO VALLEY GROUP

## JANUARY 26 – FEBRUARY 1

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**JAN 26 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >  
MOJAVE GROUP

**JAN 27 (TUE) 7:00 PM SAN GORGONIO CHAPTER EXCOM MEETING**  
Chapter governance meeting. (No December meeting.) PLACE: The San Gorgonio Chapter office, 4079 Mission Inn Ave., Riverside. INFO: RICK ESTES (951) 314-3328 <rickestes\_92595@yahoo.com>.  
CHAPTER

**FEB 1 (SUN) 7:30 AM BIRDING AT LAKE SKINNER BIRDING**  
We will spend the morning exploring the riparian, chaparral, shores & lawns, observing the many residents & wintering birds. Conversational pace with many stops. Children 10 & older welcome! Some binoculars will be available. Stay for the whole morning or as long as you wish. BRING: Binoculars, bird book, snack, water. DRESS in layers for unpredictable weather. MEET 7:30 at the park entry road off Warren. DIRECTIONS: From Temecula, take Rancho California north 10 miles until it becomes Warren. Park entry road on right. Call for carpooling if coming from Hemet. Please REGISTER for this outing by Friday Jan. 30. INFO & RESERVATIONS: Call LEADER: SHAULI ROSEN-RAGER (951) 767-2203 <rosenrager@gmail.com>  
SANTA MARGARITA GROUP

## FEBRUARY 2 – FEBRUARY 8

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**FEB 2 (MON) 6:00 PM SB MOUNTAINS GROUP EXCOM MEETING**  
Even numbered months plus November (Feb., Apr., Jun., Aug., Oct., Nov. & Dec.). LOCATION (Unless otherwise noted): Lake Ridge Escrow Conference Room 27236 Blue Jay Mall. INFO: DAVE BARRIE, (909) 337-0313.  
SB MOUNTAINS GROUP

**FEB 2 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >  
MOJAVE GROUP

**FEB 3 (TUE) 6:30 PM BIG BEAR GROUP EXCOM MEETING**  
The meeting place rotates. INFO: CHRISTIE WALKER, (909) 866-5006.  
BIG BEAR GROUP

**FEB 3 (TUE) 7:30 PM SAN GORGONIO CHAPTER MEETING**  
PROGRAM: See front-page notice. Afterwards, SAN GORGONIO SIERRA SINGLES will adjourn for food & drink. COST: \$1 donation requested. PLACE: San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. DIRECTIONS: Exit I-10 at California St. INFO: LADD SEEKINS (909) 888-0161 <iwfladd@eee.org>.  
CHAPTER

(Continued on page 7)

(Continued from page 6)

**FEB 7 (SAT) PCT – CEDAR SPRINGS TO HWY 173 HIKE**  
 Please us for a 9 mile hike along the Pacific Crest Trail starting at Cedar Springs & ending at the 173 PCT parking area. This will be a shuttle. BRING jacket, sturdy hiking boots, lunch, snacks, & plenty of water. Please dress in layers for weather conditions. However; Rainy/Foul weather cancels walk. MEET: Call LEADER: MELODY NICHOLS (760) 963-4430 or <Labelady@msn.com>. CO-LEADER BILL SPRENGS.. MOJAVE GROUP

**FEB 7 (SAT) JOSHUA TREE NP - MAZE TRAIL HIKE**  
 The maze trail started out as a horse trail but is interesting enough to have attracted hikers & some of the loose footing may have detracted the equestrians. There are many adventures along the way with lovely overviews & unusual rock formations. February is a good camera month in the park. There's a daring little peak to climb for the foolish. I will if you will. The hike will take about five hours; I'd guess it's about seven miles long. This is a moderate to strenuous hike depending on what condition you're in. BRING: Have a variety of clothes in your car & we'll decide at the meeting place what is apropos for the weather. Otherwise, good boots, lunch & two liters of water should about do it. MEET: Call for meeting place and time. LEADERS ANN & AL MURDY (760) 366-2932 (we don't return calls) <al.murdy@gmail.com> TAHQUITZ GROUP

**FEB 7 (SAT) 8:30 AM S B MTS, GREEN VALLEY LAKE SNOWSHOE**  
 Green Valley Lake has some of the best snow in our local mountains, so come & join me for a day of fun. You need to provide your own equipment, & prior experience on snowshoes is required. MEET in the parking lot behind Lloyd's restaurant on Hwy 18 in Running Springs at 8:30 am to carpool. WEAR layered clothing. BRING lunch & adequate fluids. RESERVATIONS: To sign up, call LEADER HEATHER SARGEANT (909) 336-2836. No snow cancels. SB MOUNTAINS GROUP

**FEB 7 (SAT) 9:00 AM SANTA ROSA ECOLOGICAL PRESERVE HIKE**  
 "New Member" hike. (All are welcome, though.) Enjoy an easy 5 mile roundtrip hike to the Original Ranch Adobe & while you're there, meet local Group leaders & learn about your local Santa Margarita Group (under the shade of ancient oaks trees). RESERVATIONS & INFO: LEADER RICK ESTES (951) 393-4071 <rickestes92595@gmail.com> SANTA MARGARITA GROUP

**FEB 8 (SUN) 6:00 PM MOONLIGHT HIKE HIKE**  
 Come for a 2 to 3 hour evening hike in the foothills to enjoy the "full" moon. (Actual full moon is February 9.) Hikes are moderately paced. Between 4 & 5 miles rt, 400 to 1200 ft elev. Hike locations will vary. MEET: North parking lot of PFF Bank, Claremont, at NE corner of Indian Hill & Foothill Blvds. BRING: Jacket, flashlight, water, & wear sturdy shoes/boots. RAIN CANCELS. INFO: Leaders PATTY & DAVID THORNE (909) 981-5813. LOS SERRANOS GROUP

**FEBRUARY 9 – FEBRUARY 15**

Please read "LIABILITY WAIVER" preceding these listings  
 (Also refer to Weekly reoccurring Outings & Activities)

**FEB 9 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
 Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com > MOJAVE GROUP

**FEB 9 (MON) 7:00 PM SB MOUNTAINS GROUP MEETING**  
 Monthly program meeting. No meeting in August or December. PLACE: St. Richard's Episcopal Church, 28708 Highway 18, Sky Forest. INFO: DAVE BARRIE, (909) 337-0313. SB MOUNTAINS GROUP

**FEB 9-11 (MON-WED) GOLD BUTTE MIDWEEK MAGIC EXPLORATORY TOUR**  
 You've heard about the new bill for a national conservation area in Gold Butte, & you wonder where IS this place? To find out, join our exploratory tour. Petroglyphs, peak scrambling, redrock & granite, Joshua trees, old mining ruins. Car camping with central commissary by Vicky Hoover. INFO: Contact VICKY HOOVER (415) 977-5527 <vicky.hoover@sierraclub.org> CNRCC WILDERNESS COMMITTEE

**FEB 10 (TUE) 7:00 PM CHAPTER CONSERVATION COMMITTEE MEETING**  
 Monthly meeting. Take part in working on important conservation issues. Please come: we need your help! PLACE: San Gorgonio CHAPTER Office, 4079 Mission Inn Ave., Riverside. INFO: KIM FLOYD, Conservation Chair, kimfloyd@verizon.net, (760) 249-5385. CHAPTER

to confirm. PLACE: Portola Community Center, 45480 Portola, Palm Desert (Three blocks south of 111 at Shadow Mountain) Enter parking lot from Shadow Mountain east of Portola. INFO: MICHAEL HOWARD (760) 323-1050. TAHQUITZ GROUP

**FEB 21 (SAT) 8:00 AM S B MTS: LAKE GREGORY IN WINTER BIRD WALK**  
 See wintering birds as we walk part way around the lake. Optional breakfast after. MEET: South Shore parking lot, just east of the water slide. LEADER: BILL ENGS (909) 338-1910. SB MOUNTAINS GROUP

**FEB 21-22 (SAT-SUN) E CALIFORNIA DESERT CLEAN-UP SERVICE & HIKE**  
 Immediately north of Trona, CA, Great Falls Basin borders on a Wilderness Study Area that has been subject to ORV abuse. On Saturday we will assist Marty Dickes with the BLM to build a fence closing off an illegal vehicle hill-climb. Sunday is reserved for hiking & exploring into the washes, dry falls, & nearby ridges. Carcamping & potluck Saturday evening. MEET: For time & place, contact LEADER CRAIG DEUTSCHE <craig.deutsche@gmail.com> (310) 477-6670. CNRCC DESERT COMMITTEE

**FEB 22 (SUN) 8:30 AM SYCAMORE CANYON HIKE**  
 Approximate 3 mile hike through Sycamore Canyon Wilderness Park in Riverside. Trails have some ups & downs but overall there is little elevation gain. We will try to explore some different trails than the previous hike. BRING: Water, sturdy shoes. MEET in the Sycamore Canyon parking area on the south side of Central Ave. between Canyon Crest Drive & the 215/60 Freeway. INFO: Call LEADERS: THERESA CARSON (951) 660-7246 & JANET DEEN (951) 616-4759. MORENO VALLEY GROUP

**FEB 22 (SUN) 9:00 AM CHAPMAN TRAIL - ICE HOUSE CANYON TRAIL LOOP HIKE**  
 This hike will be part of the East San Gabriel Mountains Campaign to add wilderness acreage to Cucamonga Wilderness. We will write postcards to Congressman David Dreier on a break. Cards & mailing will be provided. This will be an uphill hike on Chapman Trail up Cedar Canyon through oak, spectacular stands of incense cedar, yucca, chaparral, Sugar pine, & Ponderosa pine to the junction with Ice House Canyon Trail. We will loop back on Ice House Canyon Trail. Moderate. 8.2 miles Round Trip, 2000 ft elev. gain. MEET: North parking lot of PFF Bank, Claremont, at NE corner of Indian Hill & Foothill Blvds. We will carpool to Ice House Canyon Trail trailhead. BRING: Extra warm layers, gloves, water, & extra snacks; wear sturdy shoes/boots. Rain/snow cancels. INFO: LEADER: DEAN SHIMEK, <dtsierra@msn.com> (909) 899-2795. LOS SERRANOS GROUP

**FEBRUARY 23 – MARCH 1**

Please read "LIABILITY WAIVER" preceding these listings  
 (Also refer to Weekly reoccurring Outings & Activities)

**FEB 23 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
 Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com > MOJAVE GROUP

**FEB 24 (TUE) 7:00 PM SAN GORGONIO CHAPTER EXCOM MEETING**  
 Chapter governance meeting. (No December meeting.) PLACE: The San Gorgonio Chapter office, 4079 Mission Inn Ave., Riverside. INFO: RICK ESTES (951) 314-3328 <rickestes\_92595@yahoo.com>. CHAPTER

**FEB 26 (THU) 6:00 PM DINNER ON THE TOWN SOCIAL**  
 Join us for an evening of fun & food. Your Sierra Club friends are planning another "Dinner on the Town" at a surprise location. This event to be announced on the LSG website. INFO: MARY ANN RUIZ (909) 815-9379 <ruizmaryann@gmail> LOS SERRANOS GROUP

**FEB 28 (SAT) 9:00 AM SB MTS, PACIFIC CREST TRAIL, SILVERWOOD LAKE HIKE**  
 As we hike 8 miles on the Pacific Crest Trail, from the park office to Cedar Springs Dam & return, we will have great views of the water & the park. Elevation gain & loss: about 500 feet. WEAR: hiking boots. BRING: water, snack, lunch, layered clothing. MEET: call for meeting place & RESERVATIONS. LEADER, BILLIE WOLFF (909) 338-2534. SB MOUNTAINS GROUP

**FUTURE OUTINGS & EVENTS**

Please read "LIABILITY WAIVER" preceding these listings  
 (Also refer to Weekly reoccurring Outings & Activities)

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place? To find out, join our exploratory tour. Petroglyphs, peak scrambling, redrock & granite, Joshua trees, old mining ruins. Car camping with central commissary by Vicky Hoover. INFO: Contact VICKY HOOVER (415) 977-5527 <vicky.hoover@sierraclub.org> CNRCC WILDERNESS COMMITTEE

**FEB 10 (TUE) 7:00 PM CHAPTER CONSERVATION COMMITTEE MEETING**  
Monthly meeting. Take part in working on important conservation issues. Please come: we need your help!  
PLACE: San Geronio CHAPTER Office, 4079 Mission Inn Ave., Riverside. INFO: KIM FLOYD, Conservation Chair, kimfloyd@verizon.net, (760) 249-5385. CHAPTER

**FEB 11 (WED) 7:00 PM MOJAVE GROUP MEETING**  
Monthly meeting except for July & August. PLACE: Sterling Inn, Regency Room, 17738 Francesca, Victorville. (One block north of Bear Valley Rd. on Ridgecrest.) Enter on Ridgecrest side of the building. INFO: CAROL WILEY, (760) 245-8734, <earthlingwiley@webtv.net> MOJAVE GROUP

**FEB 15 (SUN) YOUTH IN THE DESERT - AFTON CANYON HIKE**  
Join us for a cross-country hike through a rugged landscape & winding slot canyons just north of Barstow. Our hike will take us through lands that were utilized by Native Americans as a water source. Jedidiah Smith & Kit Carson traveled through here in the early 1800's. We'll start in Afton Canyon, often called the Grand Canyon of California, with the beautiful red, gold, brown & purple striped walls. This area is one of the few places where the Mojave River flows above ground, & the surface water attracts a variety of wildlife. We'll hike roughly 4 miles, keeping a look out for bighorn sheep & other animals. DRESS for the weather, wear sturdy shoes or hiking boots, BRING 2 liters of water & lunch. Don't forget your camera. LEADER CAROL WILEY. INFO: LAUREL WILLIAMS <llwilliams@calwild.org> (909) 260-8833. MOJAVE GROUP

## FEBRUARY 16 - FEBRUARY 22

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**FEB 16 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >

**FEB 17 (TUE) 6:00 PM SAN JACINTO VALLEY (HEMET) CONS COMMITTEE MEETING**  
Monthly conservation meeting. The public is welcome. LOCATION: Call or email for location & directions. CONTACT: SHAULI ROSEN-RAGER, (951) 767-2203, <gardens@netzon.net>  
SAN JACINTO VALLEY (HEMET) CONSERVATION COMMITTEE

**FEB 17 (TUE) 6:30 PM BIG BEAR GROUP MEETING**  
Monthly meeting. INFO: For current program information, please visit the Group web site www.sierraclubbigbeargroup.org. PLACE: Big Bear Discovery Center, 40971 North Shore Dr. (Hwy. 38), Fawnskin. CONTACT: CHRISTIE WALKER, (909) 866-5006. BIG BEAR GROUP

**FEB 17 (TUE) 7:00 PM LOS SERRANOS GROUP MEETING**  
Monthly meeting except August. The Program this month is to be determined at press time. The public is welcome. Refreshments will be served. PLACE: Educational Building, Upland Presbyterian Church, Euclid Ave. at 11th. INFO: MARY ANN RUIZ, (909) 628-1285. LOS SERRANOS GROUP

**FEB 19 (THU) 6:00 PM TAHQUITZ GROUP MEETING**  
Depending on attendance at the January meeting, this and future meetings might be cancelled. Please call

## Thank you for Remembering

Your financial contribution means a lot to us. By supporting this chapter, you support the Sierra Club's work in your back yard. This makes you an important part of our work to protect wilderness and wildlife, to improve the quality of life in our cities, and to promote the enjoyment of nature.

have great views of the water & the park. Elevation gain & loss: about 500 feet. WEAR: hiking boots. BRING: water, snack, lunch, layered clothing. MEET: call for meeting place & RESERVATIONS. LEADER, BILLIE WOLFF (909) 338-2534. SB MOUNTAINS GROUP

## FUTURE OUTINGS & EVENTS

Please read "LIABILITY WAIVER" preceding these listings  
(Also refer to Weekly reoccurring Outings & Activities)

**MAR 2 (MON) 7:00 PM APPLE VALLEY CONDITIONING HIKE HIKE**  
Please join me for a 6-mile fast paced conditioning walk along the Mojave River. MEET at the Victor Valley Museum on Apple Valley Road. The path along the river bed has now been graded & is hard packed, which makes for nice evening walking conditions. BRING flashlights, jacket, & wear comfortable walking shoes. Rainy/Foul weather cancels walk, so please call if questionable. LEADER: MELODY NICHOLS (760) 963-4430 <Labelady@msn.com >

**MAR 8 (SUN) 6:00 PM MOONLIGHT HIKE HIKE**  
Come for a 2 to 3 hour evening hike in the foothills to enjoy the "full" moon. (Actual full moon is March 11.) Hikes are moderately paced. Between 4 & 5 miles rt, 400 to 1200 ft elev.. Hike locations will vary. MEET: North parking lot of PFF Bank, Claremont, at NE corner of Indian Hill & Foothill Blvds. BRING: Jacket, flashlight, water, & wear sturdy shoes/boots. RAIN CANCELS. INFO: Leaders PATTY & DAVID THORNE (909) 981-5813. LOS SERRANOS GROUP

**MAR 14-15 (SAT-SUN) GHOST TOWN EXTRAVAGANZA CARCAMP**  
Come with us to this spectacular desert landscape near Death Valley to explore the ruins of California's colorful past. Camp at the historic ghost town of Ballarat (flush toilets & hot showers). On Sat, do a very challenging hike to ghost town Lookout City with expert Hal Fowler, who will regale us with tales of this Wild West town. Later we'll return to camp for Happy Hour, a potluck feast & campfire. On Sun, a quick visit to the infamous Riley town site before heading home. Group size strictly limited. RESERVATIONS: Send \$8 per person (Sierra Club), 2 SASE, H&W phones, email, rideshare info to LEADER: LYGEIA GERARD, P.O. Box 294726, Phelan, CA 92329; (760) 868-2179. CNRCC DESERT COMMITTEE

**MAR 20-22 (FRI-SUN) CA DESERT WILDERNESS IN SPRING SERVICE**  
Enjoy our traditional spring equinox fling in far-eastern California desert helping the BLM Needles office wilderness coordinator Mona Daniels restore & improve wilderness. Car camping with central commissary by Vicky Hoover. RESERVATIONS & INFO: Contact VICKY HOOVER, (415) 977-5527, <vicky.hoover@sierraclub.org> MOJAVE GROUP

**APR 5-10 (SUN-FRI) FENCES & FLOWERS IN THE CARRIZO PLAIN SERVICE**  
This National Monument is famous for open spaces, for abundant wildlife, & for its springtime wildflowers. Fences significantly restrict the movement of the resident pronghorn antelope, & our service will be in modifying & removing fences for their benefit. We will plan a welcome hike on April 5, three & a half days of service, & a full day for exploring the monument. Use of accommodations at Goodwin Ranch is included. Limited to 12 participants; \$30 covers 5 dinners. RESERVATIONS & INFO: Contact LEADER: CRAIG DEUTSCHE <deutsche@earthlink.net> (310) 477-6670, or CO-LEADER MELINDA GOODWATER, <mgoodwater@sbcglobal.net> (408) 774-1257. CNRCC DESERT COMMITTEE

**APR 18-20 (SAT-MON) FURNACE CREEK, NEVADA BACKPACK**  
On the east side of the White Mountains near Dyer, Nevada; Furnace Creek is a beautiful stream, threatened by plans to rebuild a road that washed out sometime in the 80s. We'll backpack up the creek on Saturday, do a day hike beyond the head of the canyon at Tres Plumas Flats on Sunday, and backpack out on Monday. Water is available near our campsite. This is an easy to moderate trip with ample opportunity to explore and enjoy. We should be back at our cars by late morning on Monday. LIMITED to 12 participants. RESERVATIONS & INFO: Contact LEADER: JOHN WILKINSON (408) 876-8295 <johnfw1@mac.com> CNRCC DESERT COMMITTEE

## Other Outings & Outdoor Classes

In addition to the Natural History Classes and Outdoor Field Study Classes listed elsewhere in the Palm and Pine under The Desert Institute, UCR Extension and Rancho Santa Ana, you can find additional outings and classes at [www.desertreport.org](http://www.desertreport.org)

(Continued from page 7)

**NON-SIERRA CLUB ACTIVITIES**

The following activities, meeting & events are neither sponsored nor administered by the Sierra Club. The Sierra Club has no information about the planning of these activities & makes no representations or warranties about the quality, safety, supervision or management of such activities. They are published only as a reader service because they may be of interest to the readers of this publication.

**NON-SIERRA CLUB  
RECURRING WEEKLY & MONTHLY MEETINGS  
(LOOK IN CALENDAR FOR DATES)**

**(1ST FRI) 8:00 PM INTERNATIONAL FOLK DANCE FOLK DANCE**  
**NON-SIERRA CLUB EVENT UC RIVERSIDE FOLK DANCE CLUB**  
 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. COST: \$2 donation to help pay for the room. PLACE: Highgrove United Methodist Church, 938 W. Center St., Highgrove. DIRECTIONS: Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

**(1ST SUN) 3:30 PM RIVERSIDE CONTRA DANCE DANCE**  
**NON-SIERRA CLUB EVENT RIVERSIDE CONTRA DANCE**  
 Join us in for an afternoon of contra dance to live music. Dance Instruction at 3:30. Dance from 4:00 to 7:00. Refreshment will be served at the break. Potluck at 7:00, so bring a dish to share. COST: \$9 general admission, \$7.00 students with ID. PLACE: All Saints Episcopal Church, 3847 Terracina Dr., Riverside. DIRECTIONS: The church is on the corner of Terracina & Magnolia between 14th St. & Central Ave. From the 91 freeway, exit on 14th St., go north to Magnolia & turn left. The church will be on your right. Alternatively, exit at Central Ave., go north to Magnolia & turn right. The church will be on your left. Caller/Band Coordinator: PATTY MCCOLLOM (714) 267-4567 or <mccollom@sbcglobal.net> INFO: CAITLIN ST. JOHN (951) 522-2473 <caitlinstjohn@yahoo.com> Riverside Contra Dance Website: <http://bees.ucr.edu/riversidedance/cdclink.html>

**(3RD TUE) 6:30 PM SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS OPEN SPACE MEETING**  
**NON-SIERRA CLUB EVENT SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS**  
 Help us preserve Moreno Valley's northern skyline & secure a natural open-space corridor between the Box Springs Mountains & the Badlands, including the upper basin of Reche Canyon. We meet at the Coffee Grinder, 23580 Sunnymead Blvd., Moreno Valley. INFO: DAN CLARK, (951) 924-2454 <saveourskyline@roadrunner.com>

**(3RD WED) 7:30 PM AUDUBON SOCIETY MEETING**  
**NON-SIERRA CLUB EVENT SAN BERNARDINO VALLEY AUDUBON SOCIETY**  
 PROGRAM: A guest speaker presents an illustrated program on wildlife or natural science. Note that the December meeting will be a potluck holiday dinner starting at 6:30 PM. Come early to browse the gift tables & socialize. LOCATION: San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. DIRECTIONS: Exit 10 at California St. INFO: DORI MEYERS, (714) 779-2201.

**(3RD FRI) 8:00 PM INTERNATIONAL FOLK DANCE FOLK DANCE**  
**NON-SIERRA CLUB EVENT UC RIVERSIDE FOLK DANCE CLUB**  
 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. COST: \$2 donation to help pay for the room. PLACE: Highgrove United Methodist Church, 938 W. Center St., Highgrove. DIRECTIONS: Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

**NON-SIERRA CLUB ACTIVITIES CALENDAR**

**DEC 16 (TUE) 6:30 PM SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS OPEN SPACE MEETING**  
**NON-SIERRA CLUB EVENT SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS**  
 Help us preserve Moreno Valley's northern skyline & secure a natural open-space corridor between the Box Springs Mountains & the Badlands, including the upper basin of Reche Canyon. We meet at the

**DEC 19 (FRI) 8:00 PM INTERNATIONAL FOLK DANCE FOLK DANCE**  
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 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. COST: \$2 donation to help pay for the room. PLACE: Highgrove United Methodist Church, 938 W. Center St., Highgrove. DIRECTIONS: Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS, (909) 825-4427 <lgseekins@sbcglobal.net>

**DEC 20 (SAT) 8:30 AM BIG MORONGO HIKE**  
**NON-SIERRA CLUB EVENT CALIFORNIA WILDERNESS COALITION**  
 Join CWC for a leisurely hike through biologically rich riparian forest & Mesquite forest, & a foray into desert hills for a potential opportunity to view desert bighorn. This family-friendly hike will give us ample opportunity to view some of the over 240 species of birds that utilize Big Morongo as a refuge. BRING 2 liters of water per person, sturdy walking shoes or boots, hat, sunscreen, snacks & a picnic lunch. Stroller & wheelchair accessible. REGISTRATION: If you are planning on joining us. Please leave a message in advance for LAUREL WILLIAMS at <williams@calwild.org> or (909) 260-8833.

**JAN 2 (FRI) 8:00 PM INTERNATIONAL FOLK DANCE FOLK DANCE**  
**NON-SIERRA CLUB EVENT UC RIVERSIDE FOLK DANCE CLUB**  
 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. COST: \$2 donation to help pay for the room. PLACE: Highgrove United Methodist Church, 938 W. Center St., Highgrove. DIRECTIONS: Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

**JAN 4 (SUN) 8:00 AM SAN JACINTO WILDLIFE AREA BEGINNING BIRD WALK**  
**NON-SIERRA CLUB EVENT FRIENDS OF THE NORTHERN SAN JACINTO VALLEY**  
 Co sponsored with the San Bernardino Audubon Society. Check <www.sbvsa.org> for current information. A slow-paced walk to introduce participants to basic birding techniques & identification skills so you will feel comfortable birding on your own or joining Audubon's longer birding trips. Do not drive on Davis Road if the road is muddy. COST: Free. BRING: Binoculars, bird book, sturdy shoes, hat, plenty of water, lunch, snacks, non-toxic insect repellent. MEET: San Jacinto Wildlife Area headquarters, 17050 Davis Rd, Lakeview. DIRECTIONS: From Interstate 215, take Ramona Expressway east to Davis Rd. in Lakeview; north on Davis Rd. 2.3 miles to headquarters. Davis Rd. is closed from Moreno Valley. Only entrance to wildlife area is from the Ramona Expressway. INFO: DOUG KARALUN (909) 425-5355.

**JAN 4 (SUN) 3:30 PM RIVERSIDE CONTRA DANCE DANCE**  
**NON-SIERRA CLUB EVENT RIVERSIDE CONTRA DANCE**  
 Caller: Jonathan Southard (from Santa Barbara). Band: Atlantic Crossing (Georgiana Hennessy - fiddle; Patty McCollom - banjo; Matt Tonge - guitar). Join us in for an afternoon of contra dance to live music. Dance Instruction at 3:30. Dance from 4:00 to 7:00. Refreshment will be served at the break. Potluck at 7:00, so bring a dish to share. COST: \$9 general admission, \$7.00 students with ID. PLACE: All Saints Episcopal Church, 3847 Terracina Dr., Riverside. DIRECTIONS: The church is on the corner of Terracina & Magnolia between 14th St. & Central Ave. From the 91 freeway, exit on 14th St., go north to Magnolia & turn left. The church will be on your right. Alternatively, exit at Central Ave., go north to Magnolia & turn right. The church will be on your left. Caller/Band Coordinator: PATTY MCCOLLOM (714) 267-4567 or <mccollom@sbcglobal.net> INFO: CAITLIN ST. JOHN (951) 522-2473 <caitlinstjohn@yahoo.com> Website: <http://bees.ucr.edu/riversidedance/cdclink.html>

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**JAN 18 (SUN) 9:00 AM SAN JACINTO WILDLIFE AREA BEGINNING BIRD WALK**  
**NON-SIERRA CLUB EVENT FRIENDS OF THE NORTHERN SAN JACINTO VALLEY**  
 Join us for a morning of birding & learning about the natural resources at the San Jacinto Wildlife Area. Tom Paulek & Mike McKibben will talk about the ecology & geology of the wildlife area & northern San Jacinto Valley. Do not drive on Davis Road if the road is muddy. COST: Free. BRING: Binoculars, bird book, sturdy shoes, hat, plenty of water, lunch, snacks, non-toxic insect repellent. MEET: San Jacinto Wildlife Area headquarters, 17050 Davis Road, Lakeview. DIRECTIONS: From Interstate 215, take

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**NON-SIERRA CLUB ACTIVITIES CALENDAR****DEC 16 (TUE) 6:30 PM SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS OPEN SPACE MEETING**

**NON-SIERRA CLUB EVENT** SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS  
 Help us preserve Moreno Valley's northern skyline & secure a natural open-space corridor between the Box Springs Mountains & the Badlands, including the upper basin of Reche Canyon. We meet at the Coffee Grinder, 23580 Sunnymead Blvd., Moreno Valley. INFO: DAN CLARK, (951) 924-2454 <saveourskyline@roadrunner.com>

**DEC 17 (WED) 6:30 PM AUDUBON SOCIETY MEETING**

**NON-SIERRA CLUB EVENT** SAN BERNARDINO VALLEY AUDUBON SOCIETY  
*Come & Celebrate the Holidays.* Our traditional potluck dinner will be held at the San Bernardino County Museum, on Wednesday, December 17 at 6:30 p.m. Turkey, ham and beverages will be provided. Please bring your own table service & your favorite dish to share: a salad, vegetable, casserole, side dish, or dessert. Plan to do a little last minute holiday shopping at our bookstore. For our program please bring fifteen of your favorite nature slides to show. Come early to browse the gift tables & socialize. LOCATION: San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. DIRECTIONS: Exit I-10 at California St. INFO: DORI MEYERS (714) 779-2201.

**JAN 18 (SUN) 9:00 AM SAN JACINTO WILDLIFE AREA BEGINNING BIRD WALK**

**NON-SIERRA CLUB EVENT** FRIENDS OF THE NORTHERN SAN JACINTO VALLEY  
 Join us for a morning of birding & learning about the natural resources at the San Jacinto Wildlife Area. Tom Paulek & Mike McKibben will talk about the ecology & geology of the wildlife area & northern San Jacinto Valley. Do not drive on Davis Road if the road is muddy. COST: Free. BRING: Binoculars, bird book, sturdy shoes, hat, plenty of water, lunch, snacks, non-toxic insect repellent. MEET: San Jacinto Wildlife Area headquarters, 17050 Davis Road, Lakeview. DIRECTIONS: From Interstate 215, take Ramona Expressway east to Davis Rd. in Lakeview; north on Davis Rd. 2.3 miles to headquarters. Davis Rd. is closed from Moreno Valley. Only entrance to wildlife area is from the Ramona Expressway. INFO: ANN MCKIBBEN, (951) 924-8150 or SUE NASH, (909) 228-6710.

**JAN 20 (TUE) 6:30 PM SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS OPEN SPACE MEETING**

**NON-SIERRA CLUB EVENT** SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS  
 Help us preserve Moreno Valley's northern skyline & secure a natural open-space corridor between the Box Springs Mountains & the Badlands, including the upper basin of Reche Canyon. We meet at the  
 (Continued on page 9)

# Chapter Executive Committee

San Gorgonio Chapter Website  
<http://sangorgonio.sierraclub.org>

**Chair**

\*Rick Estes 951-314-3328  
 rickestes\_92595@yahoo.com

**Vice-Chair**

Open

**Secretary**

Kim Floyd  
 760-249-5385

**Treasurer**

\*Ladd Seekins 909-825-4427  
 lgseekins@sbcglobal.net

**Conservation Chair**

\*Kim Floyd 760-249-5385  
 kimffloyd@verizon.net

**Conservation Education Chair**

Open

**Membership Chair**

\*Bill Cunningham 909-793-9558

**Outings Chair**

\*Ralph Salisbury 951-686-4141  
 ralphsalisbury@att.net

**SC Council Delegate**

\*Rick Estes 951-314-3328  
 rickestes\_92595@yahoo.com

**CNRCC Delegates**

\*George Hague 909-924-0816  
 Sid Silliman 909-946-5027  
 gssilliman@csupomona.edu

**Group Representatives****Big Bear Group**

\*Don Jordan 909-585-8786  
 donjordan@silvercloud.net

**Los Serranos Group**

\*Mary Ann Ruiz 909-815-9379  
 ruizmaryann@gmail.com

**Mojave Group**

\*Estelle Delgado 760-241-7327  
 estelledelgado@verizon.net

**Moreno Valley**

\*George Hague 951-924-0816

**San Bernardino Mtns. Group**

\*Dave Barrie 909-337-0313  
 barriemail@mac.com

**Tahquitz Group**

\*Joan Taylor

**Wilderness Skills/Leadership Training**

Ralph Salisbury 951-686-4141

**Chapter Conservation Issue Chairs****Desert Issues — High Desert**

Kim Floyd 760-249-5385  
 Kimffloyd@verizon.net

**Desert Issues — Low Desert**

Joan Taylor

**Desert — Eagle Mountain**

Donna Charpiet 760-392-4722  
 laronna@earthlink.net

**Forestry Issues — Mountaintop RD**

East—Ed Wallace 909-584-9407  
 West—Steve Farrell 909-338-2637  
 spamsqf@verizon.net

**Forestry Issues San Jacinto RD**

Holly Owen 951-303-7922  
 Joyce Burk 760-252-3820

**Forestry Issues Cleveland NF**

Gene Frick 951-689-2283  
 gfrick@cosmoaccess.net

**Water Issues**

Steve Farrell 909-338-2637

**California Wild Heritage Campaign**

Joyce Burk 760-252-3820

**Group Directory****Big Bear Group**

Chair—Christie Walker 909-866-5006  
 Meets 3rd Tuesday, Discovery Center  
 North Shore, 6:30 p.m.  
 www.sierraclubbigbeargroup.org

**Los Serranos Group**

Chair—Mary Ann Ruiz 909-815-9379  
 ruizmaryann@gmail.com  
 Meets 3rd Tuesday Upland Presbyterian Church,  
 Ed Building 7 p.m.

**Mojave Group**

Chair—Jenny Wilder 760-220-0730  
 jensoasis@aol.com  
 Meets 2nd Wednesday except Jul. & Aug.

Sterling Inn, Regency Room,  
 17738 Francesca, Victorville 7 p.m.  
 (just north of Bear Valley and Ridgecrest)  
 (also contact earthingwiley@aol.com)

**Moreno Valley Group**

Chair—Michael Millsbaugh 951-653-2068

**Mountains Group**

Chair—Dave Barrie 909-337-0313  
 barriemail@mac.com  
 Meets 2nd Monday 7:00 p.m.  
 Except Aug & Dec. St Richard's Episcopal  
 Church, 28708 Hwy 18, Sky Forest

**Tahquitz Group**

Chair—Jeff Morgan 760-324-8696

**Section Directory****Sierra Singles**

Chair—Ralph Salisbury 951-686-4141  
 Meets 1st Tuesday,  
 San Bernardino County Museum

**Natural Science Section**

Co-Chairs—Janice/Brian Elliott  
 909-985-2395

# THE DESERT INSTITUTE CLASSES

(Continued from page 12)

review camera basics and how to combine traditional photography skills with digital techniques to create dynamic images in the classroom session and then focus the field sessions on exploring the landscape using boulder towers, outwash plains, panoramas, close ups, and Joshua trees as subjects. Downer will teach participants to develop their personal photography styles against the backdrop of the Mojave Desert and how to optimize images using Adobe Photoshop including an introduction to creating professional quality multimedia presentations, how to stitch together panoramas and improve photographs.

**February 27-28/March 1, 2009 Rocks & Minerals of Joshua Tree National Park** - Learn the geologic story of tectonic plates, magma & time that formed the building blocks of Joshua Tree National Park. Bruce Bridenbecker will explain the critical principles that shaped the rocks and minerals of this area into the blonde granite and pre-Cambrian gneiss which are iconic of the Mojave and Colorado Deserts. During this combined three-day lecture and field class, participants will focus on identification of the three basic rock types: igneous, metamorphic, and sedimentary and then apply their knowledge in the field by exploring examples of rock types, contact zones, and unique geologic formations like polka dot granite and pink feldspar megacrysts.

**March 1, 2009 Secrets of a Desert Oasis** - Explore the largest stretch of palm trees in Joshua Tree National Park with Mark Wheeler. The class will travel to an isolated canyon on the park's south boundary that has over 110 palms! Participants will walk through Munsen canyon to reach Munsen Oasis - a high secluded stand of 35 palms with the back drop of Eagle Mountain. Along the way the class will learn about the ecology of the Colorado Desert, geology of the Eagle Mountains, the importance of oases, the threats to the south boundary and the complexity of washes. The class may even see some big horn sheep who are known to occasionally inhabit this haven for wildlife. Persons attending must be in good physical condition, and comfortable spending the day walking and rock scrambling up to twelve miles in the park.

**March 6-7, 2009 Archaeological Surveying** - Uncover Joshua Tree National Park's historic past through archaeological surveying. During the classroom sessions, Wanda Raschkow will provide a background on historic archaeology and teach survey techniques. Participants will learn basic map and compass skills, artifact identification, and the use of transects. The class will then apply their new mapping skills and record an archaeological site in the park. Participants will document their findings and draw conclusions to create a picture of the people who inhabited the park. This is a great opportunity to get hands-on experience with archaeological field methods. Field sessions will focus on historic period sites.

**March 7, 2009 Basic Desert Survival** - Learn the essential "big four" skills needed to safely explore the sometimes harsh and often challenging desert landscape of Joshua Tree National Park. Tony Nester, survival expert and author of Desert Survival Tips, Tricks and Skills, will teach the physical skills and mental processes that will prepare participants to discover some of the most beautiful and most dangerous habitats of the world. Nester will offer suggestions and strategies to manage your mind in survival situations and how to set priorities when stakes are high. Some of the topics covered include: survival kits, edible and dangerous plants, stellar navigation, as well as desert hazards such as flash floods, venomous creatures, and heat-related injuries. The class will also engage in mock survival scenarios. This class is not to be missed if you plan on spending any time in the desert!

**March 8, 2009 Primitive Skills: The Universal Tool Kit** - Join Paul Campbell to delve into one of the oldest skills known to man: making and using stone tools in this all-day field class. The universal tool kit is the secret tool kit of primitive technology. It makes survival possible without a store-bought metal knife or hatchet. Campbell will discuss the process our ancestors used to pick up naturally fractured rocks or with a few deft strokes turn cobbles into basic tools that are rarely pictured or documented in the archaeological record. Then the class will get to feel the thrill of working directly with rock by breaking, shaping, and creating primitive tools. The tools will then be used to cut wood, haft simple flake knives and make a basic spear.

**March 8, 2009 Rare Species of Joshua Tree National Park** - Joshua Tree National Park is a land of diversity, with ecosystems of the high, cool Mojave Desert and the low, hot Colorado Desert all within its boundaries. Katie Barrows, botanist specializing in endangered species, will explain what animals and plants are considered rare, threatened, or endangered and why in this one-day field class. Starting with a classroom session, Barrows will discuss the basics of what rare or endangered means from a legal and biological perspective, what plants, animals, and insects fall into those categories in the park, and whether extinction is a natural process or the current rate of plant and animal loss around the world is something to be concerned about. During the field component, participants will learn what is being done to ensure that rare species populations remain healthy and prosperous and the 'value' of rare or endangered species while exploring some of the habitats that are home to Joshua Tree's rare plants and animals. The class will also discuss some of the issues involved in conservation efforts in southern California. If lucky, participants may encounter one of the park's best loved residents - the threatened desert tortoise.

**March 14, 2009 Malapai Hill's Fantastic Geology** - Investigate the natural architecture and origin of Joshua Tree National Park's fantastic volcanic geology with Richard Hazlett. Starting in the classroom, participants will be introduced to basic geologic principles, and then Hazlett will focus on one of the park's spectacular examples of volcanism - Malapai Hill. Malapai Hill is a basalt tower that stands 400 feet tall in the middle of Pleasant Valley and contains

(Continued from page 8)

Coffee Grinder, 23580 Sunnymead Blvd., Moreno Valley. INFO: DAN CLARK, (951) 924-2454 <saveourskyline@roadrunner.com>

**JAN 21 (WED) 7:30 PM** **AUDUBON SOCIETY** **MEETING**  
**NON-SIERRA CLUB EVENT** **SAN BERNARDINO VALLEY AUDUBON SOCIETY**  
**PROGRAM:** A guest speaker presents an illustrated program on wildlife or natural science. Come early to browse the gift tables & socialize. **LOCATION:** San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. **DIRECTIONS:** Exit 10 at California St. INFO: DORI MEYERS, (714) 779-2201.

**FEB 1 (SUN) 8:00 AM** **SAN JACINTO WILDLIFE AREA** **BEGINNING BIRD WALK**  
**NON-SIERRA CLUB EVENT** **FRIENDS OF THE NORTHERN SAN JACINTO VALLEY**  
 Co sponsored with the San Bernardino Audubon Society. Check <www.sbvas.org> for current information. A slow-paced walk to introduce participants to basic birding techniques & identification skills so you will feel comfortable birding on your own or joining Audubon's longer birding trips. Do not drive on Davis Road if the road is muddy. **COST:** Free. **BRING:** Binoculars, bird book, sturdy shoes, hat, plenty of water, lunch, snacks, non-toxic insect repellent. **MEET:** San Jacinto Wildlife Area headquarters, 17050 Davis Rd, Lakeview. **DIRECTIONS:** From Interstate 215, take Ramona Expressway east to Davis Rd. in Lakeview; north on Davis Rd. 2.3 miles to headquarters. Davis Rd. is closed from Moreno Valley. Only entrance to wildlife area is from the Ramona Expressway. INFO: CATHY TOBIN, (951) 684-9613

**FEB 1 (SUN) 3:30 PM** **RIVERSIDE CONTRA DANCE** **DANCE**  
**NON-SIERRA CLUB EVENT** **RIVERSIDE CONTRA DANCE**  
 Caller: John Rogers. Band: Molly and the Moonlighters (Evan Anderson, Marie Bruno, Barbara Whitney, Patty McCollom). Join us in for an afternoon of contra dance to live music. Dance instruction at 3:30. Dance from 4:00 to 7:00. Refreshment will be served at the break. Potluck at 7:00, so bring a dish to share. **COST:** \$9 general admission, \$7.00 students with ID. **PLACE:** All Saints Episcopal Church, 3847 Terracina Dr., Riverside. **DIRECTIONS:** The church is on the corner of Terracina & Magnolia between 14th St. & Central Ave. From the 91 freeway, exit on 14th St., go north to Magnolia & turn left. The church will be on your right. Alternatively, exit at Central Ave., go north to Magnolia & turn right. The church will be on your left. Caller/Band Coordinator: PATTY MCCOLLOM (714) 267-4567 or <mccollom@sbcglobal.net> INFO: CAITLIN ST. JOHN (951) 522-2473 <caitlinstjohn@yahoo.com> Riverside Contra Dance Website: <http://bees.ucr.edu/riversidedance/cddlink.html>

**FEB 6 (FRI) 8:00 PM** **INTERNATIONAL FOLK DANCE** **FOLK DANCE**  
**NON-SIERRA CLUB EVENT** **UC RIVERSIDE FOLK DANCE CLUB**  
 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. **COST:** \$2 donation to help pay for the room. **PLACE:** Highgrove United Methodist Church, 938 W. Center St., Highgrove. **DIRECTIONS:** Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

**FEB 17 (TUE) 6:30 PM** **SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS**  
**OPEN SPACE MEETING**  
**NON-SIERRA CLUB EVENT** **SAVE OUR SKYLINE: BOX SPRINGS THRU THE BADLANDS**  
 Help us preserve Moreno Valley's northern skyline & secure a natural open-space corridor between the Box Springs Mountains & the Badlands, including the upper basin of Reche Canyon. We meet at the Coffee Grinder, 23580 Sunnymead Blvd., Moreno Valley. INFO: DAN CLARK, (951) 924-2454 <saveourskyline@roadrunner.com>

**FEB 18 (WED) 7:30 PM** **AUDUBON SOCIETY** **MEETING**  
**NON-SIERRA CLUB EVENT** **SAN BERNARDINO VALLEY AUDUBON SOCIETY**  
**PROGRAM:** A guest speaker presents an illustrated program on wildlife or natural science. Come early to browse the gift tables & socialize. **LOCATION:** San Bernardino County Museum, 2024 Orange Tree Lane, Redlands. **DIRECTIONS:** Exit 10 at California St. INFO: DORI MEYERS, (714) 779-2201.

**FEB 20 (FRI) 8:00 PM** **INTERNATIONAL FOLK DANCE** **FOLK DANCE**  
**NON-SIERRA CLUB EVENT** **UC RIVERSIDE FOLK DANCE CLUB**  
 Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly: on the 1st & 3rd Fridays. **COST:** \$2 donation to help pay for the room. **PLACE:** Highgrove United Methodist Church, 938 W. Center St., Highgrove. **DIRECTIONS:** Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

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**March 14, 2009 Drypoint Prints from Jumbo Rocks** - Discover the fun of printmaking with visual artist Gretchen Grunt. Grunt will guide participants in a day of creativity through the process of making drypoint prints. The class will start with a field trip to Jumbo Rocks Campground in Joshua Tree National Park where participants will begin the printmaking process by scratching on a plastic plate with a needle. The class will finalize their art pieces in a printing session at the Twentynine Palms Creative Center. The use of inks and an etching press will complete the magical process of making unique drypoint prints. A variety of techniques will be demonstrated using brushes, brayers, Q-tips, scratching, cheese cloth and multiple colors. All art materials will be provided and no previous experience required.

**March 15, 2009 Desert Literature** - Be inspired by the literature of the desert! Michel Walker, who has taught numerous classes in environmental literature from Texas to Nevada, will present excerpts from some of the most influential authors in this one-day seminar. Walker will introduce participants to famous desert writers including: Abbey, Austin, Bowden, Harjo, Kingsolver, and Ronald while visiting unique locations within Joshua Tree National Park. There is no better way to read and discuss these famous writings than surrounded by the Joshua trees, vast vistas, and desert sand that create this unique landscape. Students will also have the opportunity to write their own nature inspired compositions during the class.

**March 15, 2009 Southern California Rock Art** - Pictographs and petroglyphs provide a fascinating glimpse into humanity's ancient past. Daniel McCarthy will discuss the universal media of rock art that serves as a testimonial for the ancient voices from the past. This one-day field class will include trips to three archaeological sites with representative rock art from Southern California. Class discussions will focus on who made these timeless images, how they were created, and their importance. McCarthy will guide participants to these fragments of the past that provide a valuable record of ancient societies. This is a great opportunity to learn about rock art's communication through stylistic imagery with an expert archaeologist!

**March 20-22, 2009 Flora of Joshua Tree Park** - Learn the secret of how plants survive in some of the hottest deserts in the world in this two-day field class offered by the Desert Institute. Stefanie Ritter and Mark Wheeler will guide the class in the identification of desert flora while unfolding the story of how plants have adapted to flourish in a land with little rain. The class will walk through the Joshua trees, getting up close and personal with the spring blossoms and perennial shrubs. Participants will learn the identification characteristics, indicator species and the importance of plants in the Mojave and Colorado Deserts.

**March 21, 2009 Watercolor Painting in the Park** - Indulge your creativity with a day of painting in Joshua Tree National Park. Participants will be immersed in the desert landscape and learn the observational skills that are essential to painting nature. Audrey Gillick will help students shift the desert scenery to paper with watercolor paint. Participants will learn basic methods for transforming nature into art through techniques that maintain color clarity and high quality value difference with glazes, washes, wet-on-wet, and dry brush. Learn how the characteristic transparency of watercolor painting brings landscapes to life by allowing light to pass through the film of paint and reflect back off the white paper to give brightness and sparkle to the artwork that matches the sunlit desert environment. This pleasant non-intimidating class provides ample time to relax, investigate and paint.

**March 22, 2009 Light & Color: Oil Painting in JTNP** - Capture the vitality of Joshua Tree National Park in this all-day plein air painting class with international art instructor Diane McClary. McClary will teach signature oil painting techniques such as 'fat over lean,' tone adjustment, underpainting, glazing, and ability to conceal brushstrokes while participants are immersed in the beauty of a desert spring. Participants will have the opportunity for individual instruction on effective use of light and shadow, defining values, and composition in oil. McClary is known for her unique use of color and will also share her approach to color harmony. This pleasant non-intimidating class requires no previous experience and provides ample time to relax, investigate and paint.

**March 27-28, 2009 Photography Up Close & Personal** - Record the beautiful intricacy of the desert using macro photography in this two-day field class. Spelman Evans Downer will teach participants the secret of small scale picture composition and encourage the development of unique photographic styles. During the classroom session, Downer will review basics such as exposure, shutter speeds and depth of field, and how to combine digital camera techniques with traditional photography skills. The field session in Joshua Tree National Park will explore the landscape focusing on flowers, insects, and detail oriented composition. A tripod is strongly recommended for this class. Downer will emphasize formulating personal images of this much photographed landscape.

Redlands. Exit 1010 at California St. INFO: DORI MEYERS, (714) 779-2201.

**FEB 20 (FRI) 8:00 PM**

**INTERNATIONAL FOLK DANCE**

**FOLK DANCE**

**NON-SIERRA CLUB EVENT**

**UC RIVERSIDE FOLK DANCE CLUB**

Join us for international folk dancing. This is the same group that used to meet at UCR. Meetings are twice monthly, on the 1st & 3rd Fridays. COST: \$2 donation to help pay for the room. PLACE: Highgrove United Methodist Church, 938 W. Center St., Highgrove. DIRECTIONS: Take the Center St. exit from Interstate 215. The church is one half mile east of the freeway on the right. INFO: GAIL SEEKINS (909) 825-4427 <lgseekins@sbcglobal.net>

## Rancho Santa Ana Botanic Garden Natural History Classes & Field Trips

The Rancho Santa Ana Botanic Garden in Claremont has an extensive list of classes and field trips including Horticulture and Botany classes, Natural History classes and field trips and Art classes. For a complete description and fees go to [www.rsabg.org](http://www.rsabg.org) and click on "View Full Calendar" or contact Cotton Coslett at [ccoslett@rsabg.org](mailto:ccoslett@rsabg.org) or 909-625-8767, ext. 224.



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## Art at the Oasis

Joshua Tree National Park Art Festival

Seventeenth Annual Joshua Tree National Park Art Festival

April 3, 4 & 5, 2009 (9:00 am to 5:00 pm each day)

Joshua Tree National Park Visitor Center

74485 National Park Drive, Twentynine Palms, CA 92277

(760) 367-5500

Enjoy the arts in an outdoor setting at the Oasis of Mara Visitor Center. The Sixteenth Annual Art Festival will be held at Joshua Tree National Park's Headquarters in Twentynine Palms on April 3, 4, and 5, 9:00 a.m. to 5:00 p.m. You'll have the pleasure of seeing the work of more than twenty artists under the visitor center patio next to the .8 mile historic Oasis of Mara nature trail. A love and respect for the Joshua Tree National Park is the common bond between these artists and you can't escape the feelings of camaraderie that exist at this festival!! Each artist will have work for sale and enjoy sharing their very personal interpretation of the Joshua Tree National Park with you.

Painting, sculpture, photography, ceramics, and jewelry are some of the media included in this year's Art Festival.

Joshua Tree National Park Association, sponsor of the Art Festival, is a non-profit organization that provides support and assistance to the Park's interpretive, educational and scientific programs. Open to the public, there is no fee to attend the Art Festival.



## How California Can Achieve A 33% Standard For Clean Renewable Power

By Jim Metropulos, SC California

California once led the world in renewable energy. Now, and we have the power to take back the lead.

As it stands, our state's three Investor-Owned-Utilities – PG&E, Southern Edison, and San Diego Electric & Gas – probably will fall short of the state's current renewables target, 20% by 2010.

That's why Sierra Club California believes the state should reform our renewable energy portfolio standard (RPS) law. Improving this law will help us meet AB 32 climate protection goals, improve the quality of the air we breathe, and reduce our reliance on depleted fossil fuel resources.

Other states have adopted RPS laws and made significant strides in building renewable energy. In 2007, Texas reached a total installed wind capacity of over 5,000 megawatts. That same year, California only built about 60 megawatts of wind turbines – a dismal performance. Making California a leader again will require significant reforms in the RPS law to remove current regulations that have a built-in bias against renewable energy, and replace these with rules that support the state's goals for clean energy.

Although efforts to pass legislation to boost the RPS goal and to make reforms in the program failed this year, Sierra Club California continues to lobby for more renewable power. We are pleased that Speaker

success in increasing renewable energy generation in Germany, Spain and France.

### Include municipal utilities in the RPS.

Municipal utilities like the Los Angeles Department of Water and Power and Sacramento Municipal Utility District should achieve the same renewable power levels as the Investor-Owned-Utilities.

### Expand RPS Definition to Allow for Innovation and Energy Recovery Systems.

The RPS should include innovative, less well-known technologies to foster breakthroughs, and all thermal, kinetic, pressure, osmotic sources of electricity using little or no fossil fuel.

### Expand Community Choice

Sierra Club activists favor community choice clean energy plans that would allow cities to get over half their electricity from renewables. The RPS law should help and not hinder these local efforts to increase renewable power generation.

Above all, in upgrading California's RPS law we must guard against efforts to undermine it in the name of reform. First, we oppose changing the definition to allow more hydropower to be considered as renewable. California offers very limited protection in its current renewable law, but does restrict the size of small hydros to 30 megawatts, and forbid new impoundments of water – hardly sufficient to protect water resources and aquatic life.



## Huts and Lodges

Want to escape to the mountains? Try visiting one of the Sierra Club Huts or Lodges. Stay overnight at the best rates in town.

Keller Ski Hut, built in 1938 is at an elevation of 6800 feet on Highway 18 between Running Springs and Big Bear in the San Bernardino Mountains, across from Snow Valley Ski Area. An adventure pass is required. There are two rustic living/dining rooms; fully equipped kitchen with cookware, dishes, utensils, stove, refrigerator; two dormitory sleeping lofts with 30 sleeping pads on floors; and bathroom. On open weekends or work parties/overseer training, call Jacqueline Meese (714-427-0457). Keller rates (SC): \$3.00 Day; \$8.00 overnight.

Harwood Lodge, built in 1930 to honor Aurelia Harwood, the first woman president of the Sierra Club is located in the San Gabriel Mountains on Mt. Baldy at 6000 feet elevation. It is about 2 miles after Icehouse Canyon and across from Snow Crest Park on the way up Mt. Baldy Road. The driveway on the right is shared with the Zen Center. There is a fully equipped kitchen, dormitory sleeping facilities and restrooms with showers. On Open Weekends, no reservation is required. Check in with the Overseer between 10:00 a.m. Saturday until 3:00 p.m. Sunday. SC Rates: \$5.00 Day; \$12.00 overnight.

San Antonio Ski Hut, built by the Ski Mountaineers in 1937. At 8200 feet, it is reached by a steep 3 mile hike with 2200 feet of gain. Rates: \$1.00 Day; \$10.00 overnight.

Open weekends/Work Parties/Overseer Training for these huts and lodges can be found by visiting the Angeles Chapter Website (access through [sierraclub.org](http://sierraclub.org)) or in the Angeles Schedule of Activities.

support the state's goals for clean energy.

Although efforts to pass legislation to boost the RPS goal and to make reforms in the program failed this year, Sierra Club California continues to lobby for more renewable power. We are pleased that Speaker Karen Bass has appointed an RPS working group to develop legislation for 2009. Despite the end of the legislative session, this group of lawmakers, which includes Assembly members Krekorian, Blakeslee, and Levine, continues to meet regularly with Sierra Club California and other stakeholders in Sacramento, soliciting our ideas and listening to our concerns about reforming the RPS law.

We have a lot to say about RPS. First, Sierra Club California believes that California needs to adopt a 33% renewable power goal now. To meet our current goal, and work to 33% by 2020 and then 50% or more renewable power generation in the future, Sierra Club California supports and advocates for the following:

### Eliminate Market Price Referent.

Currently, state regulators stack renewable power contracts against future natural gas prices by applying the Market Price Referent, meaning natural gas is used as the basis for competition. This outdated practice discourages capital investment in renewables consistently underestimating future gas prices at the expense of renewable power prices.

### Adopt Feed-In Tariffs.

Feed-in-Tariffs, which set fixed contract terms and prices for each green technology, would provide a more stable incentive structure, freeing investors and developers from risks and uncertainties. Feed-in-tariff programs have achieved remarkable

California offers very limited protection in its current renewable law, but does restrict the size of small hydros to 30 megawatts, and forbid new impoundments of water – hardly sufficient to protect water resources and aquatic life.

Second, we do not think utilities should get renewable power credit for their energy efficiency efforts. While we have always supported energy efficiency, we believe the RPS should instead encourage investment in new sources of clean renewable power while other programs focus on energy efficiency efforts.

We should also keep in mind that not all energy sources labeled under current law as “renewable” are equally sustainable in terms of environmental impacts or energy supply. Even renewable energy can have adverse impacts; poor environmental practices at the Altamont wind site in Northern California resulted in excessive bird kills. The impact and sources of biofuels, large-scale development of solar power in the desert, toxic materials in certain types of solar panels, and other issues should be addressed and standards developed for proper use of resources. Unfortunately, utilities don't always consider those problems during environmental review.

As we power up California's standards, we need to ensure we do not lose valuable resources, and that we do nothing to harm the environment we are striving to protect and improve. As lawmakers address our concerns, we move closer to a RPS for California that leads the way toward sustainable, smart development of renewable energy.

# Rock Climbing

(Continued from page 12)

In time, I realized that on all these climbs I had never led a pitch. (A pitch is the distance a climber can cover in one rope length.) Always I had been belayed from above. On a "multi-pitch" climb, it is more efficient to climb as a two person team and to alternate leads. If a third person (non-leader) is added to a party, he can be belayed from above. To advance, I had to learn the technical skills of leading.

On a Class 5 climb, the leader does not have the security of a top belay. Instead, on ascending he places "protection;" pitons pounded into cracks, nuts jammed into openings and other anchoring devices; to which is attached a snap link, for the rope to run through. Contrasted with the top belay, if the leader falls, he will drop twice the vertical distance he has climbed above the last protection point before being caught by the rope. The other part of the system is the role of the belayer. Now the belayer, in a secure stance at the bottom of the pitch, must be prepared to break a fall that has built up energy. The procedure is dynamic, that is, when the rope suddenly tightens, it needs to slide around the belayer's body, friction absorbing most of the energy of the fall, as he brings the climber to a controlled stop.

To learn the leader techniques I enrolled in the Advanced Climbing Course taught by Helen and Carl Weisner. The class goal was to learn to lead multi-pitch climbs—where there is exposure (that means if you free fall, you are likely to get hurt), so the leader needs "protection." We learned piton placement, rope management, lower belay technique, rappelling and safe practices.

One day, at Indian Rock, for a simulated leader fall,

they tied a heavy (about 50 pounds) iron weight to one end of an old climbing rope, fed the rope through a pulley fastened high up in a tree and hauled the weight all the way up. Below, the trainee, a person took up a lower belay stance on the ground. A few feet of the belay rope was gathered and tied off to form a slack section so that when the weight was cut loose, it fell free (the slack distance) before the belayer felt the pull. Each student caught a "fall." When it was my turn to perform, I felt what it was like to execute a dynamic belay.

We had "hands-on" practice during climbs in the Valley. Proper rope management was always stressed. One route finding principle I remember was, when we can't find where the route goes, "Always look around the corner." For graduation, we divided into teams and climbed Arrowhead Spire (5.5) to demonstrate what we had learned. After the course, Bob Smith and I repeated the climb. I remember leading a steep pitch and feeling very shaky up there. We reached the top.

In the 1960's, the function of climbing clubs was changing: If I remember correctly, it had been a Yosemite National Park rule that a person needed to be qualified to sign out to do a climb in the Valley. That meant that either you were known to the Climbing Ranger or that you were member of a climbing organization and had passed the group's climbing tests. In time more and more parties were able to sign out on their own, so that the attraction of groups like the Sierra Club Rock Climbing Sections (RCS) became less.

Toward the latter 1960's I was elected chair of the S F Bay Chapter RCS. I remember the installation dinner. I was asked to get up on the stage and make an acceptance speech. As soon as I had finished what I had to say, I was smacked in the face with a cream pie, and there was much laughter. That was the end of the tradition. To my memory we never mounted any outings to the Valley afterward, and the chapter RCS faded out.

I never returned to do climbs in the Valley: my energy was focused elsewhere. I opted to spend my outing time on backpacking and peak climbing. Looking back, I realize that if I was ever going to be a skilled rock climber, and have fun, I would have to had to rock climb on about every weekend. Lacking that interest, though, by the 1990's I felt that I had become a more skilled climber than I was in the 1960's. I have no doubt that the what I learned in the '60's helped me climb the big mountains, and in instances where there was exposure, to do it safely.

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## Sierra Student Coalition

# We Can Do It!



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Students: Check out <http://www.ssc.org>

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Willa Rapstine  
Carol Reed  
Benedict Reid  
John C. Rendall  
Barbara Reul  
Wendy Rogers

Eugene Rojek  
Rodolfo Ruibal  
Theodore Sato  
Donald Scott  
Marion G. Schwappach  
Byron Scott  
Christa Shewbridge  
Harold C. Snyder  
William Stahlberg  
Nicolette Sundberg  
David Swenson  
Elizabeth Szabo  
Joel E. Thacker  
Dorothy Thomas  
Laraine Turk  
Jerry & Panny Urbach  
Bruce Wilcox  
Ralph Wilgarde  
Margaret Williams  
Robert & Eniko Wills  
Georgina Wilson  
Donald Woods  
Sam Zusmer

## DENNIS SCHRAMM

(Continued from page 2)

way to get the parks ready for this milestone event. Mojave has identified a number of proposals, and we will continue to refine our thinking in conversations with the public. One major initiative that needs to be supported is the relevancy of parks to future generations. This means connecting kids with parks and with the outdoors in general. We are working on this initiative with several of our sister parks. Restoration of disturbed lands and ensuring safe visits for the public at all of our abandoned mine lands is a priority for us, and for all the desert parks. Reducing our carbon footprint is a major priority for all of us. We will be looking for opportunities to implement meaningful actions that contribute to this goal. This is just one aspect of dealing with climate change. Protecting Mojave from invasive species rates high as well. Surprisingly, given the

long grazing history, Mojave has few issues with the major weed species. After the Hackberry Fire I would have expected lots of exotics to invade the area, and that has not happened. It is important to guard against these invasives making inroads into the Preserve. I also think it is important that we get some wayside exhibits with short accessible trails at four or five key areas along the main paved roads through the Preserve. Providing opportunities for the public to experience areas like the lava beds and cinder cones, the diverse Mojave scrub vegetation in Granite Pass, and the Joshua Tree community on Cima Dome are important to helping people connect first hand with the resources and not just have a drive-through experience. Finally, we are anxious to move forward with a tortoise headstart facility in Ivanpah Valley. This facility will help us and other land managers learn more about juvenile tortoise survival and to jumpstart the population recovery with reproductive age tortoises that have been protected from predation. Getting

more juveniles to reproductive age in the population is critical to tortoise recovery.

### What opportunities exist for the conservation community and the local community to support the efforts of Mojave National Preserve?

Opportunities are almost endless. Obviously volunteers and donations are very important to our operation, and these tend to come from the local communities and members of conservation groups. Being an active voice for National Parks and being a participant in the public review of development proposals that are threatening to further fragment the desert. Teach the children to love the outdoors!

### I would like to offer you the last word, is there anything you would like to impart to those reading this article?

Mojave National Preserve is a very special part of the Mojave Desert. Many people worked very hard to create the Preserve and it is up to all of us to ensure that

future generations can enjoy this place as we do. Most of all, get out and enjoy the quiet, enjoy the dark night skies, enjoy the smells after a desert rain, and enjoy the vast open spaces and spectacular landscapes. This is your national park!

*David Lamfrom is the Cal Desert Field Rep for NPCA's Cal Desert Field Office. David is a relative newcomer to the Cal Desert and pursues his passions of conservation, wildlife photography, hiking, and herpetology throughout the Mojave.*

*Editor's note: This article was reprinted with permission from The Desert Report - the news of the desert from Sierra Club California/Nevada Desert Committee.*

*To subscribe to The Desert Report, send a suggested \$25 to: Sierra Club California/Nevada Desert Committee, 3435 Wilshire Blvd., #320, Los Angeles, CA 90010 or visit their website at [www.desertreport.org](http://www.desertreport.org)*

## The Desert Institute Classes

*Experience Nature with the Desert Institute at Joshua Tree National Park. Joshua Tree National Park, CA, February 5, 2008 – The Desert Institute offers exciting, short outdoor courses in cultural history, natural science, survival skills and the arts where adults can explore the wonders of the park with expert instructors. Each student will have an intimate learning experience with the natural world. This is a great way to visit Joshua Tree National Park and the surrounding area, where sunshine is plentiful in this fascinating backdrop of ancient rock formations and desert vegetation. Below is a course calendar for fall 2008. For information on fees, locations etc, please call or email the Desert Institute to request a course catalog at (760) 367-5535 or [desertinstitute@zipnet.net](mailto:desertinstitute@zipnet.net), or visit our website at [www.joshuatree.org](http://www.joshuatree.org)*

**February 13-14, 2009 Basic Map & Compass Session A** - Do you want the confidence to explore the desert and not get lost? Outdoor guide, Karl VonHalle will teach participants how to navigate using a map and compass in this two-day hands-on field class. Participants will learn the basics of topography, map reading, and the history of navigation during the Friday evening lecture and then spend all-day Saturday in the field. VonHalle will teach simple and straightforward map and compass skills separately and then combine them in a route-finding adventure in the wilderness of Joshua Tree National Park. These orientation techniques are potentially lifesaving skills that will allow participants to explore the wilderness and most importantly find their way back home.

**February 14, 2009 Mining History of Joshua Tree National Park** - Discover the captivating mining history and the unique geology that created the landscape of Joshua Tree National Park. Margaret Eggers will explain the natural processes behind the unique Joshua Tree landscapes and discuss how gold ore was mined and refined in the area. Participants will get to experience the rich connection between the mining and the geological stories in person as the class travels to various historic mining sites within Joshua Tree National Park. During the field session, participants will learn why there are over 250 abandoned mines in the park and how the gold and other minerals were processed and extracted in a harsh but beautiful desert environment created through weathering, erosion, and climate change.

**February 15, 2009 Advanced Map & Compass** - Hone your route finding ability with this advanced map and compass field class. Under the expert guidance of outdoor guide Karl VonHalle, learn how to plan a cross country route through the wilderness, practice navigation based on land features, calculate triangulation, and the tell the difference between flat terrain miles and energy miles. During this all-day desert adventure you will travel approximately 8 miles, charting a course through Joshua Tree National Park to locate specific rock formations and historical landmarks.

**February 15, 2009 Explore Ruby Lee Well** - Discover a part of Joshua Tree National Park's rich mining history in this all-day field class. Mark Wheeler will guide the class down a historic mining road that leads from Park Route 11 to the base of the Hexie Mountains. Participants will learn the importance of interior Colorado Desert ecology and Hexie Mountain geology on the journey to Ruby Lee Well. At the Well, Wheeler will explain the cultural history and significance of the site and Ruby Lee Mill. On the way back the class will travel via Porcupine wash and learn about wash ecology, alluvial fans, and maybe see early wildflowers that are unique to that area. Persons attending must be in good physical condition, and comfortable spending the day walking up to twelve miles in the park.

**February 20-21, 2009 Tracking in Joshua Tree National Park** - Investigate and learn about the natural world in this two-day tracking field class. Jim Lowery will explain how to read the signs and tracks that create natural stories on the desert landscape. The class will then venture into the field where participants will become environmental detectives by identifying and measuring tracks, following gaits, and reading signs to piece together the patterns found in the desert sand. This class provides a solid background for beginning trackers with ample "dirt time" to provide the best and quickest track identification instruction.

**February 21-22, 2009 Geology & Paleontology of the Pinto Basin** - Discover the prehistoric past of Joshua Tree National Park with paleontologists Kathleen Springer, Eric Scott, and J. Chris Sagebiel in this two-day field class. A lecture describing their geologic and paleontologic research in the park, followed by a full-day field trip will reveal the park's buried riches of Pleistocene fossils. Participants will learn about the new discoveries that have provided scientists a revised hypothesis of the pre-history of the Southern California region. The class will also learn about the methodology of paleontology including discovery, recovery, curation and analysis of specimens.

**February 22, 2009 Advanced Wilderness Navigation** - Learn how to explore the desert using advanced navigation techniques with Karl VonHalle, wilderness traveler and educator. This all-day class starts indoors then moves to the field for an afternoon in the Wonderland of Rocks. Karl will instruct participants in advanced wilderness navigation by traveling through boulder piles, washes and canyons combining compass, GPS, USGS quads, and UTM coordinates to determine the classes' route. Be prepared to spend a day discovering one of the most scenic areas in Joshua Tree National Park covering up to six miles with moderate boulder scrambling. Prerequisite Map & Compass Basic Skills or prior map and compass abilities, call if you have any questions.

**February 27-28, 2009 Photography: Nature to the Digital Studio** - Capture the beauty of Joshua Tree National Park through your camera lens and learn how to enhance your images in a digital studio. Spelman Evans Downer will

## Rock Climbing.....My Story

By Bill Engs

Around the time I joined the Sierra Club in 1958, I attended my first rock climbing practice at Indian Rock, in Berkeley, where I was living.

I don't recall whether U C Hiking Club or Sierra Club ran the first event I attended, only that I was drawn to it.

At these sessions, we climbed over low angle slopes and boulders while we waited for a chance to ascend the more difficult, steep rock, using ropes for protection.

Before I go on, I want to explain the process and the terminology. The climber is protected from a serious fall by a rope tied around his waist.

The rope is connected to a "belayer" who sits above (in this case) with the rope running back around his hips, and he gathers in the rope as the climber progresses upward. A climber who "peels off" the rock can be immediately arrested by the rope (unless the belayer has dozed off) and suffers no damage. Simultaneously, the shock of the fall is absorbed by the body of the belayer.

On these Indian Rock outings we practiced easy and difficult climbs, keeping three points of contact (e.g., two hands and one foot) with the rock while making a move. We practiced rappels at Indian Rock, too.

From the top of a climb, climbers often "rope down" by "rappelling." A climber rappels by wrapping a rope (secured at the top by an anchor) around his torso and lowering himself on the rope. The friction of the rope on the body allows the rappeler to control the descent as he varies the amount of friction using one hand. A rappel is done on a doubled rope so that by pulling on one end, the rope can be retrieved from the bottom.

I can see myself, now, doing my first rappel. I was holding on to a rope with my braking hand, walking backward down the rock toward a drop off.

There was no rock below, just space. Getting over the edge felt awkward and



the lip and then hung free, tending to spin around on the rope, before I could lower myself to the bottom. Later, I learned that most rappels were more stable: I could keep my feet on the rock as I descended. Nevertheless, rappels are the most potentially dangerous part of rock climbing.

My first real climbing experience was on a UCHC trip to Yosemite Valley. We climbed Sunnyside Bench (rated 5.0: the easiest piton protected climb, explained below). I was belayed from above, of course. On later Yosemite outings, with Sierra Club members, I did many of the easier Class 5 routes in the Valley including Monday Morning Slab, lower Royal Arches, Church Tower and Lower Brother. A most memorable climb was on Sentinel Rock (led by Al Steck). It was windy, and the only way to communicate ("up rope" or "slack") was for us to emit toots, like a steam whistle. At one point, while making my way along a ledge, I encountered a three foot section where the rock had fallen away. Straddling the gap, I looked down between my legs and saw a straight vertical drop of over 2,000 feet to the Valley floor. (What was I doing up there?)

park's buried riches of Pleistocene fossils. Participants will learn about the new discoveries that have provided scientists a revised hypothesis of the pre-history of the Southern California region. The class will also learn about the methodology of paleontology including discovery, recovery, curation and analysis of specimens.

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*(Continued on page 9)*

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I can see myself, now, doing my first rappel. I was holding on to a rope with my braking hand, walking backward down the rock toward a drop off.

There was no rock below, just space. Getting over the edge felt awkward and somewhat terrifying. Somehow I got over

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*(Continued on page 11)*

## Palm and Pine Advertising

### Display Advertising Rates (Black and White)\*

Palm and Pine pages are 9 1/2 inches wide by 14 1/2 inches deep. There are four columns per page. Each column is 2 1/4 inches wide. Display Advertising is charged at a rate of \$12.50 per column inch. Write or e-mail for Advertising Rate Schedule.

### Classified Advertising Rates

Personal: \$0.25 per word. \$3.00 minimum.  
Commercial: \$0.50 per word. \$5.00 minimum.  
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### Circulation and Distribution

Rates are based on an average circulation of 6,000 per issue. The Chapter member subscription is included in membership dues. Subscriptions rates for non-members is \$9.00 for six issues. Single copies are \$1.50. The newsletter is published and distributed on or before the 1<sup>st</sup> of the month, six times each year beginning January 1.

### Deadlines

Deadline: 1st of the month preceding the issue date.  
(Feb 1, Apr 1, Jun 1, Aug 1, Oct 1, Dec 1)

### Submission

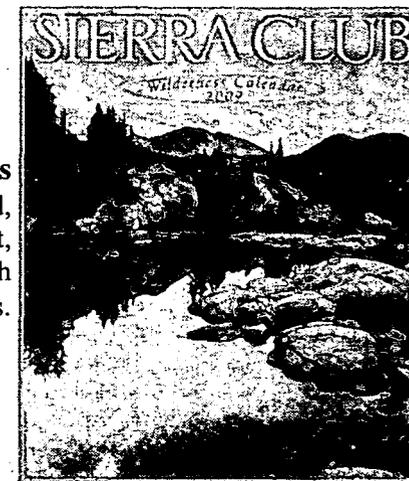
E-mail copy directly to [ralphsalisbury@charter.net](mailto:ralphsalisbury@charter.net)  
Send payment to: Sierra Club, San Geronio Chapter, 4079 Mission Inn Ave., Riverside, CA 92501. Please note that payment is for Palm and Pine advertising and make Attn: Ladd Seekins. Payment must be received by treasurer prior to deadline. Allow at least 2 weeks.

## SIERRA CLUB 2009 CALENDARS

**Sierra Club 2009 Wilderness Wall Calendar**—Spiral bound, Month-by-month format, Featuring 12 majestic North American landscapes.



**Sierra Club 2009 Engagement Calendar**  
Week-by-week format, featuring 57 spectacular photographs and "wire-o" binding.



## Order Form

**Prices Reduced! Save up to 30% off the list price. Support local conservation efforts.**

*Titles may be combined for quantity pricing.*

Title	1-4 price	5-9 price	10+ price	Quantity	Price	Total
<b>Wilderness Wall Calendar</b>	\$12.50	\$11.50	\$10.50	_____	_____	_____
<b>Engagement Calendar</b>	\$13.50	\$12.50	\$11.50	_____	_____	_____
					<i>Subtotal</i>	_____
					<i>Shipping*</i>	_____
<b>Sierra Club Calendars, 4079 Mission Inn Ave., Riverside, CA 92501</b>						
<i>(Cost includes all applicable sales taxes computer to the nearest mil)</i>					<b>Total</b>	_____

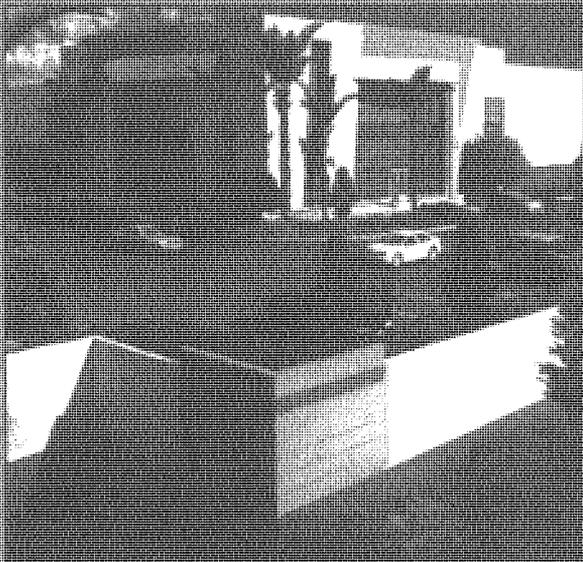
\*Shipping to one address: \$3.75 for the first calendar and 25 cents for each additional calendar. Make checks payable to Sierra Club and mail this coupon to:

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City, State, Zip code \_\_\_\_\_

MV00229227



STATUS: PLANNED

**WEST RIDGE INDUSTRIAL PARK**  
SOUTH SIDE OF SR 60  
BETWEEN QUINCY ST. AND REDLANDS BLVD.

14 ON LOCATION MAP

PROJECT FEATURES:

- +/- 1 million sq. ft. logistics facility

DEVELOPER:

Ridge Property Trust  
Dennis Rice

[drice@rptrust.com](mailto:drice@rptrust.com)

BROKER:

Lee & Associates  
Jeff Burdette

[jburdette@lee-assoc.com](mailto:jburdette@lee-assoc.com)

**HIGHLAND FAIRVIEW CORPORATE PARK**  
SOUTH OF SR 60  
BETWEEN REDLANDS BLVD. AND THEODORE ST.

15 ON LOCATION MAP

PROJECT FEATURES:

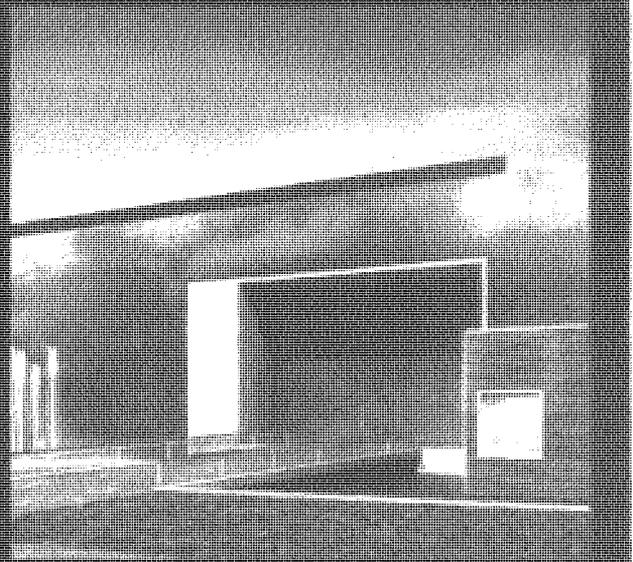
- 265.3 Acres
- Phase 1: +/- 1.8 million sq. ft. industrial warehouse
- Phase 2: +/- 2.6 million sq. ft. mixed-use at build-out

DEVELOPER:

Highland Fairview Properties  
Wayne Peterson

[wpeterson@highlandfairview.com](mailto:wpeterson@highlandfairview.com)

STATUS: PLANNED

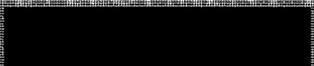


WHERE DREAMS SOAP



MORENO VALLEY

CITY OF MORENO VALLEY  
ECONOMIC DEVELOPMENT DEPARTMENT







**MORENO VALLEY INDUSTRIAL CENTER**  
 PERRIS BLVD. AND RIVARD RD.

**12** ON LOCATION MAP

**PROJECT FEATURES:**

- 355,920 sq. ft.
- Entitled to 569,200 sq. ft. with adjacent building
- 30' Clearance height
- ESFR sprinklers
- 180' Truck court
- 65' Deck high doors
- 2' Grade level doors
- Along established truck route
- Convenient access to I-215

**STATUS: ENTITLED**

**BROKER:**

**CBRE**

Ian Davnes

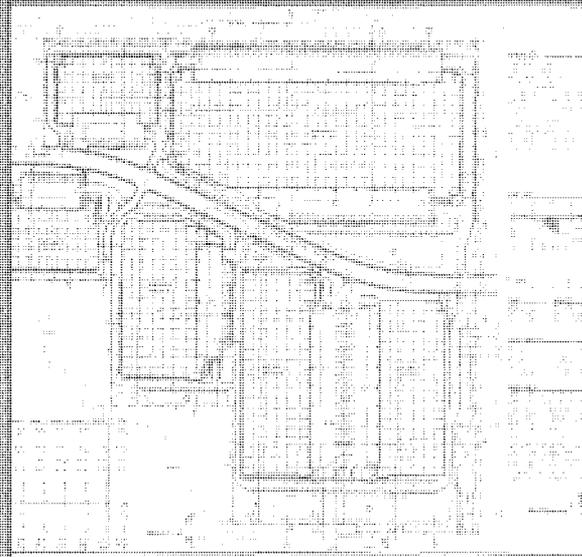
[ian.davnes@cbre.com](mailto:ian.davnes@cbre.com)

**PROLOGIS**  
 SOUTH SIDE OF SR 60 BETWEEN PETTIT ST & QUINCY ST.

**13** ON LOCATION MAP

**PROJECT FEATURES:**

- +/- 2.2 million square feet
- 6 buildings
  - 168,342 sq. ft. building #1
  - 161,112 sq. ft. building #2
  - 160,602 sq. ft. building #3
  - 339,223 sq. ft. building #4
  - 393,102 sq. ft. building #5
  - 325,038 sq. ft. building #6
- Freeway visibility
- Convenient access to SR 60 and I-10



**STATUS: PLANNED/CONCEPTUAL**

**DEVELOPER:**

Prologis

Michael Del Santo

[mdelsanto@prologis.com](mailto:mdelsanto@prologis.com)

RESOLUTION NO. 2007-08-81

**RESOLUTION OF THE BOARD OF EDUCATION OF THE MORENO VALLEY UNIFIED SCHOOL DISTRICT ELECTING TO ABANDON CERTAIN SPECIFIED EAST MORENO VALLEY SCHOOL SITES; TO ACCEPT THE CONTRIBUTION OFFERED BY HIGHLAND FAIRVIEW; AND AUTHORIZING DISTRICT STAFF TO IDENTIFY NEW SCHOOL SITE LOCATIONS AND TO TAKE SUCH ACTIONS REASONABLY NECESSARY TO FACILITATE THE PURPOSE OF THIS RESOLUTION**

**WHEREAS**, the Board of Education ("Board") of the Moreno Valley Unified School District ("District") previously adopted Resolution Nos. 2006-07-87 and 2007-08-47, wherein it approved the construction of a high school, middle school, and elementary school on certain real property, identified as Riverside County Assessor Parcel Nos. 477-110-001, -002, -003, -004, -009, -010, and -011, 478-220-006, and -007 and located east and west of Redlands Boulevard between the currently designated Eucalyptus and Fir Avenues in the east side of the City of Moreno Valley ("Schools"); and

**WHEREAS**, in the process of analyzing and planning for the location of the Schools, significant concerns were identified regarding potentially inconsistent uses between the Schools and proposed warehousing facilities in the vicinity of the Schools ("Warehouse Projects"); and

**WHEREAS**, two of the Warehouse Projects involve the proposed construction and operation of potentially up to 4 million square feet of new warehousing facilities, including 624 truck loading docks, and are currently in varying stages of consideration before the City of Moreno Valley ("City"), with the potential of a third project which would include an additional 1 million square feet that has not yet been presented to the City; and

**WHEREAS**, the District's original siting of the Schools was based on contemplated significant residential development in the areas surrounding the Schools. Those same areas are now under consideration for rezoning for light industrial uses, and it is anticipated the such land use changes will likely result in further warehousing operations further east and south of the Schools, potentially impacting the proposed middle and elementary schools; and

**WHEREAS**, the District has incurred substantial costs in designing and conducting required environmental review and testing in connection with the choice of sites for the Schools but has not yet acquired any of the sites nor commenced construction of any of the Schools; and

**WHEREAS**, the District is concerned with the placement of schools in areas originally planned for residential development and which may now be located in industrial warehousing areas that may not be conducive to schools; and

**WHEREAS**, Highland Fairview, in its continuing cooperation with the District in its efforts to provide schools to house its students, has offered to contribute \$500,000 to the District which will allow it to identify and review other school sites that will not be incompatible with the Warehouse Projects and that, in view of the Warehouse Projects, will generally provide better sites for the District's schools; and

**WHEREAS**, it is reasonably probable that environmental concerns relative to conflicts between the Warehouse Projects and the Schools would not be ultimately resolved until after such time as the District must complete the acquisition of the related properties and begin construction of, at a minimum, the high school, in order to meet the educational needs of the District, with no guarantee that the Warehouse Projects would not have a negative impact on the Schools after construction.

**NOW, THEREFORE, THE BOARD DOES HEREBY DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are true and correct.

**Section 2.** The Board hereby finds and determines that the potential incompatibility of the Warehouse Projects with the proposed Schools, coupled with the uncertainty of future resolution of those concerns within the timeframe required for the District to open a new high school and Highland Fairview's contribution to assist the District with the funding of the cost associated with the review and design of other, more compatible, school sites, so that the District's search for and analysis of new potential school sites will not be at additional public expense, renders pursuit of the Schools, in their current locations, undesirable.

**Section 3.** Based on the reasons set forth herein, the Board hereby finds and determines that it is in the best interests of the District, its students, and the public it serves, both financially and environmentally, to abandon the School projects, as previously approved by Resolution Nos. 2006-07-87 and 2007-08-47.

**Section 4.** The Board hereby accepts Highland Fairview's contribution of \$500,000.

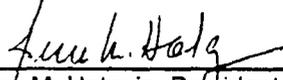
**Section 5.** The Board hereby finds and determines that (1) the environmental concerns previously expressed by the District to the City regarding the Warehouse Projects, and the allowance of such land uses adjacent to the Schools, will be withdrawn as they shall no longer apply, as the District will no longer seek to operate schools in the locations identified as incompatible with the proposed Warehouse Projects; and (2) the concerns previously expressed by the District to the City concerning the impact of the Warehouse Projects on the Schools should be considered and avoided by the District in selecting other potential sites in a reasonable proximity to the Warehouse Projects.

**(Remainder of Page Left Intentionally Blank)**

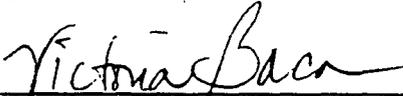
**Section 6.** The Superintendent, or her designee, is hereby authorized to (1) provide written notice to the City of Moreno Valley, and to any other interested or involved party or agency, of the District's election to abandon the Schools, as currently proposed; (2) identify new sites for the proposed Schools, with particular consideration to be given to selecting sites that would not place the new schools in conflict with the proposed Warehouse Projects; and (3) enter into an agreement consistent with Sections 3 and 5 of this Resolution that the District will abandon the Schools projects as defined herein and consider future warehouse projects in the selection of any school sites east of Redlands Boulevard and south of Interstate 60; and (4) take any other such action as may be reasonably necessary to effectuate the purpose of this Resolution.

**Section 7.** The Board appreciates the cooperation and efforts of Highland Fairview in assisting the District to provide for future educational opportunities for its students in a manner consistent with the continuously evolving landscape of the community of Moreno Valley.

**APPROVED, ADOPTED, AND SIGNED** this 15th day of April, 2008.

By:   
Jesus M. Holguin, President of the Board of  
Education of the Moreno Valley Unified  
School District

ATTEST:

By:   
Victoria Baca, Clerk of the Board of Education  
of the Moreno Valley Unified School District



# Moreno Valley

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## More distribution centers proposed for Moreno Valley's eastern side

Block 1

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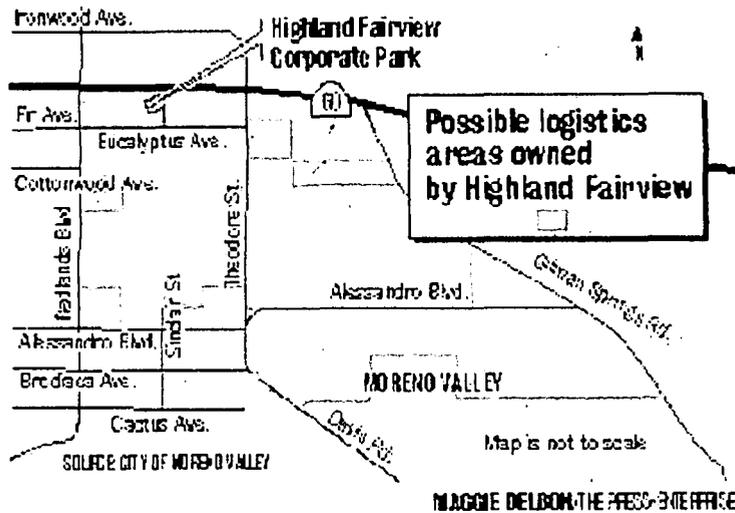
10:00 PM PDT on Thursday, August 21, 2008

By DAN LEE  
The Press-Enterprise

MORENO VALLEY - Highland Fairview Properties, the developer of the Aquabella residential project and the Skechers logistics facility, is considering plans to build as much as 35 million square feet in distribution centers on the eastern side of town.

That potential scenario was included in the draft environmental impact report that the Michael Brandman Associates consulting firm prepared for the Skechers project. It would affect about 1,800 acres south of Highway 60 and between Redlands Boulevard and Gilman Springs Road, reducing the number of homes allowable in the Specific Plan in the area and increasing the land devoted to industrial uses.

Although the 1.8 million-square-foot Skechers building is a separate project, Highland Fairview President Iddo Benzeevi said the scenario was included in the report because residents had asked what might happen if that area, known as the Moreno Highlands, was developed into a business park. Highland Fairview has not formally submitted any proposal for logistic centers in the Moreno Highlands area.



"It is an alternative that will be evaluated," Benzeevi said by phone. "We're looking at every possibility."

Any such proposal would require revising the Moreno Highlands Specific Plan, which would require the city Planning Commission and the City Council to hold public hearings prior to approval, city Planning Official John Terrell said by phone.

### Jobs

The City Council had approved the Moreno Highlands plan in 1992. The 3,000-acre, master-planned community would include 7,700 homes, a 600-acre business park, schools, golf courses and 120 acres of city parks. It would add as many as 30,000 new residents to Moreno Valley and 21,000 jobs, according to city estimates at the time.

Environmental activists sued the city over the plan, claiming that traffic, air pollution and potential earthquake hazards were not adequately addressed. They also argued that the planned community threatened the nearby San Jacinto Wildlife Area.

Although the projects' developers decided not to shelve their construction plans in June 1993, citing the economic downturn at that time, a judge in May 1994 ruled that the city had approved the Moreno Highlands plan properly. The Moreno Highlands community remains unbuilt.

Benzeevi said it is critical that Moreno Valley develop more of an employment base: Only about 3 percent of Moreno Valley's land can generate jobs, compared with the 10-20 percent in most cities. Without sufficient local jobs, residents are forced to commute out of town for work, creating traffic and causing them to have less time with their families, he said.

"It is just not acceptable," Benzeevi said. "We need to build sustainable communities."

A big part of the original Highlands plan already was intended for industrial uses, the developer added. With the addition of distribution centers the Moreno Highlands area could generate more than 26,700 jobs, according to Michael Brandman Associates.

Jamil Dada, chairman of the Moreno Valley Chamber of Commerce, said he agrees that Moreno Valley needs jobs. Dada has supported the Skechers project and proposals by ProLogis and First Industrial Trust to build distribution centers nearby.

Dada added, however, that he would like to see city officials determine what Moreno Valley residents want on the eastern end. He also said he would like to know what the environmental impact of the proposed changes might be.

### 'Still a Mess'

A new grassroots group called Residents for a Livable Moreno Valley is expressing concern about the proposed distribution centers. Spokesman Bob Franz said he is not opposed to growth or creating more jobs, but building distribution centers in eastern Moreno Valley does not make sense, given the traffic and pollution.

"It's already still a mess heading west (on Highway 60)," Franz said by phone. "I don't think it's a good idea taking trucks east through the Badlands."

The addition of logistics buildings to the Moreno Highlands would result in less traffic and overall pollution emissions than the land uses under the existing plan, according to Michael Brandman Associates. However, it would result in increased diesel emissions, the consulting firm found in its report.

Benzeevi said any logistics or distribution centers built in the Moreno Highlands area would be built to the same standard as the Skechers building, which is seeking the highest rating under the Leadership in Energy and Environmental Design standards. The developer added that Highland Fairview would take the necessary steps to minimize the effects on air quality and traffic as much as possible.

The logistics proposal and the future of eastern Moreno Valley are expected to be issues in the Nov. 4 election for the 3rd Council District seat, which represents the area.

Incumbent Frank West has said his constituents are concerned about building distribution centers on the eastern end of Moreno Valley. But West has four challengers: Robin Hastings, Mike Rios, Ray Carbajal Jr. and Robert Burks.

Moreover, the Moreno Valley Taxpayers Association has spent about \$120,000 on a campaign to oust West and fellow incumbent Councilman Charles White. Highland Fairview Properties has contributed \$60,000 to the effort, according to the most recent campaign finance reports that have been submitted.

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# **Growing the SACOG Region's Logistics Sector: How Much, How Fast?**

March 30, 2007

By Jock O'Connell

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*(This whitepaper was prepared in conjunction with a comprehensive goods movement study commissioned by the Sacramento Area Council of Governments.)*

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## **Summary**

*Should the Sacramento Area Council of Governments encourage the development of the region's logistical capabilities beyond the level needed to meet the region's own goods movement needs over the next three decades?*

*At present, there appears to be little enthusiasm among local elected leaders and economic development officials in the SACOG region for allocating appreciable resources to the construction of large warehouses, distribution centers and transloading facilities on a scale that would transform the Sacramento area into a multi-regional or multi-state logistics hub. However, in light of widely publicized claims that the logistics sector represents a fertile source of well-paying jobs for blue-collar workers, regional leaders are understandably concerned that they might be remiss in not pursuing an economic development strategy that could yield promising employment opportunities for many of the half-million adults in the six-county region who possess no more than a high school education and are therefore considered most at risk in a labor market increasingly biased toward individuals with technical training or at least some post-secondary education.*

*Our analysis finds that studies contending that the logistics sector is replacing manufacturing as a primary source of jobs for the state's blue-collar workforce are, at best, misleading. In particular, reports indicating that average annual wages in the logistical sector exceed \$40,000 misrepresent a reality in which most logistics workers take home a great deal less. And, contrary to the claims of some economists, there is scant evidence that the logistics sector offers marginally-educated, unskilled workers a broad pathway for career advancement into positions paying a middle-class income. Accordingly, this report finds no compelling reason why officials in the SACOG region should deviate from their existing reluctance to overbuild the region's logistical capabilities.*

## **Logistics and Blue-Collar Jobs**

They are simple needs. Stores must be stocked with merchandise. Parcels must be delivered to offices and households. Goods must be stored, if only temporarily. Freight must be transported ASAP, if not JIT. Yet accommodating these everyday logistical needs in a region with a growing population and an expanding economy involves choices and compromises arrived at via a decision-making process that straddles political jurisdictions and demands the balancing of transportation plans, land-use priorities, fiscal constraints, and environmental goals.

Broadly speaking, logistics encompasses those activities involved in the movement of goods, whether from a creamery in south Sacramento to a grocery in Folsom, from a toy factory in Asia to a Roseville department store, or from the Blue Diamond processing plant in Midtown Sacramento to a bakery in Austria. In common parlance, the logistics sector includes only those functions directly related to the transportation, storage and distribution of goods by truck, rail,

ship, pipeline or plane. Other definitions, however, include a broader array of ancillary functions, such as the services of logistics consultants. Most regional economic studies greatly expand the scope of the logistics sector by including businesses engaged in wholesale trade./1/

In Phase One of the SACOG Regional Goods Movement Study, the logistics sector was defined as "a variety of industry groups that involve the shipping, receiving, processing, and storage of goods." In 2004 (the most recent year for which detailed employment and payroll data were available), this sector accounted for approximately 53,000 jobs or 5.8 percent of the SACOG region's total employment. Employment in the Wholesale Trade sector alone accounted for 45 percent of the logistics sector's total employment in the region, with truck transportation the next largest segment with some 11 percent of all of the region's logistics jobs. Annual payroll in this region's logistics sector amounted to some \$2.1 billion in 2004./2/

There is no question that the SACOG region should grow its logistics sector to keep pace with population increases and economic expansion. Doing so will require, among other things, land-use policies congenial with the gradual addition of warehouses, distribution centers and other facilities needed to ensure the efficient and economical transportation of goods throughout the region. The policy implications and trade-offs inherent in resolving this land-use question are examined in elsewhere in this report.

Here the discussion seeks to illuminate the question of whether it would be in the interest of the SACOG region to promote the development of huge logistical complexes intended to serve the goods movement needs of the rest of Northern California and perhaps even adjacent states. Beyond satisfying the region's own logistical needs, there is little apparent enthusiasm among elected leaders and economic development officials to seek to lure large-scale multi-regional distribution centers or to otherwise make the Sacramento area a major hub for logistical services./3/ Instead, there is a strong consensus that such facilities provide a relatively poor return on public investment and generally do not represent the highest and best use to which scarce commercial real estate should be devoted. The clear regional priority is to attract and/or retain enterprises engaged in high value-added research and design work, software production, or light manufacturing -- preferably in the clean energy, biomedical, and information technologies sectors.

But then there is the matter of jobs and, in particular, employment opportunities for those workers most in danger of being relegated to the sidelines as the state's economy becomes more and more technologically infused. Repetitive labor of the sort once associated with work on assembly lines has been largely automated or outsourced, frequently to offshore locations. Blue-collar occupations increasingly require extensive technical training, if not some post-secondary education. Consider the case of one of the better paying occupational categories within the logistics sector, Wholesale Sales Representative. Unlike past salesman, today's Willy Loman's more often than not traffic in highly sophisticated equipment and technical services where a high school degree is no longer sufficient. As a California Employment Development Department guidebook observes: "The background needed for sales jobs varies by product line and market. Many employers hire individuals with previous sales experience who lack a college degree, but they increasingly prefer or require a bachelor's degree because job requirements have become more technical and analytical."/4/

Still, the need to create rewarding jobs for those without advanced skill sets or a college degree persists. According to the U.S. Census Bureau's 2005 American Community Survey, 501,531 adults (or 36.5 percent of the SACOG region's population aged 25 and over) lack any formal schooling beyond high school. In an economy that emphasizes technology and sophisticated skill sets, this cohort is most at risk economically and socially. Across the region, the size of this marginally-educated group varies considerably, from a high of 55.6 percent in Yuba County to a low of 28.9 percent in El Dorado County. In Sacramento County, which accounts for over 60 percent of the SACOG area's total population, that group numbered 315,999 in 2005, or 37.5

percent of the county's residents 25 and older.

There are a few signs this situation will improve. A new report from the Educational Testing Service entitled *America's Perfect Storm* concludes that, given current trends, the literacy level of the workforce in 2025 will be even lower than it is today. The report points to national surveys indicating that large numbers of the nation's adults, 16 years of age and older, do not demonstrate the literacy and numeracy skills needed to fully participate in an increasingly competitive work environment. "Put crudely," the report states, "over the next 25 years or so, as better educated individuals leave the workforce they will be replaced by those who, on average, have lower levels of education and skill. Over this same period, nearly half of the projected job growth will be concentrated in occupations associated with higher education and skill levels." /5/ Commenting on this study, Peter Schrag, the respected columnist of the *Sacramento Bee*, concluded: "If that's correct, millions of Californians, many of them black or Latino, will be shut out; our economic competitiveness will be attenuated; income and social gaps will widen and the social and political stresses that they produce will grow with them." /6/

Failure to meet the challenge of providing rewarding employment for this vast cohort is apt to have dire consequences not only for these individuals and their families but for society as a whole. As Janet Yellen, president of the Federal Reserve Bank of San Francisco commented in a November 6, 2006 address at the University of California at Irvine: "There are signs that rising inequality is...impairing social cohesion, and could, ultimately, undermine American democracy." /7/

Yet many of the employment categories projected to grow the fastest in the SACOG region -- tourism, the leisure industry, and retail trade -- tend to offer wages below the region's mean hourly wage rate of \$20.38 in 2006 /8/, and certainly well beneath the wage level at which a single individual could be expected to provide a middle-class lifestyle for his or her family /9/ Other occupations that are expected to see their ranks increase in coming years -- most notably in education and health services -- are generally unavailable to those without college training. Meanwhile, employment in the manufacturing sector, the one area of the economy which had historically provided wages consistent with a middle-class lifestyle to high school graduates, has been declining in California for several years.

By most accounts, manufacturers in the Sacramento area currently employ just over 50,000 workers. But many of those are not blue-collar workers engaged in production jobs. Intel, which alone employs about one-seventh of the region's manufacturing workforce and which is usually identified as the SACOG region's largest manufacturer, actually manufactures nothing in commercial quantities at its facilities in Folsom and Rancho Cordova. Its employment ranks are dominated by individuals engaged in research, product design and development, and administrative support. The best estimate by the California Employment Development Department is that there are now approximately 36,000 residents of the six-county SACOG region who may be classified as working in Production Occupations /10/ But that represents just four percent of all jobs within the entire region. Where, then, will those possessing few technical skills and little more than a high school education find good-paying jobs within our community?

### Employment and Wages in the Logistics Sector

Given the potentially corrosive social effects of growing disparities in income distribution, it is understandable that claims that the logistics sector may furnish a potent antidote to the decline of well-compensated blue-collar manufacturing jobs should resonate strongly. What public official would not be impressed by a widely circulated report prepared last year for the Southern California Leadership Council which proclaims that, in 2003, "logistics pay averaged \$45,314 or more than both manufacturing (\$43,871) and construction (\$40,439)?" /11/

Those wage figures are roughly consistent with the findings of a 2005 monograph on logistics employment published under the auspices of the California Regional Economies Project./12/ Even though the CREP study used a rather unique definition of what it terms the logistics "cluster," it found that logistics jobs statewide paid an average annual wage of \$42,475 in 2003. Within specific functions, the occupational pattern was found to vary, but in each case the great majority of logistics jobs (81 percent) were said to offer mid-level wages, with salaries ranging from just over \$27,000 to approximately \$48,000 annually. About 14.6 percent of logistics jobs were found to be at the higher-level, paying wages from \$48,000 to \$155,000. One of the CREP study's more remarkable findings was that just 4.2 percent of logistics jobs paid entry-level wages (i.e., from \$16,400 to just above \$27,000).

These are indeed remarkable claims. For a sector of the economy that is characterized by extensive use of part-time workers, witnesses seasonal fluctuations in staffing levels, and is generally associated with help-wanted ads promising wages seldom more than one or two dollars over minimum wage, such levels of compensation seem almost counter-intuitive. Yet, if they are true, the desirability of creating substantial numbers of new, well-paying jobs for a region's blue-collar workforce could come to outweigh those land-use policy considerations that would otherwise discourage the construction of warehouses and distribution centers built to serve multi-regional markets. On the other hand, if these wage claims prove untrue, their uncritical acceptance could easily result in wasteful distortions of regional economic development policies as well as misshapen land-use priorities.

### Parsing the Data

There is no doubt that the logistics sector offers a good many jobs paying wages consistent with a middle-class lifestyle. According to Employment Development Department data, the operators of the towering cranes found at the state's seaports or at major construction sites are very well compensated, often earning well above an average of \$51,000 a year. Locomotive engineers average \$55,000 a year. Certain classes of supervisors and managers also earn \$55,000 a year on average. Sales representatives working in wholesale trade average \$58,000 a year./13/

The issue here, however, is whether such relatively well-compensated blue-collar jobs are readily available to workers lacking a post-secondary education and possessing little in the way of technical skills.

As always in analyzing statistical data, it is vital to understand the origin of the numbers. Most regional economics studies, including those done for CREP and SCAG, utilize data from the Quarterly Census of Employment and Wage (QCEW)/14/ which are in turn derived from payroll tax reports submitted by employers to the state's Employment Development Department. These raw data are subsequently aggregated by industry sector using a six-digit NAICS code assigned to each employer based on the nature of its business./15/ A refrigerated warehouse, for example, is coded 493120, while the NAICS code for a winery is 312130.

For each industry sector (and for scores of subsectors), QCEW reports provide the number of business establishments, average monthly employment, total annual payroll, and the average weekly pay per employee./16/ For instance, the QCEW report for the 2005 calendar year indicates there were 1,627 warehousing and storage establishments in California, with average monthly employment of 63,072, a total annual payroll of \$2,487,619,000, and an average weekly wage of \$758./17/

QCEW data are regarded as the most complete universe of monthly employment and quarterly wage information by detailed industry at the state and regional levels. QCEW data are widely used by businesses and by public and private research organizations for economic forecasting, industry and regional analysis, economic impact studies, and other uses. But as with any data source this one has its limitations.

One drawback associated with the QCEW data stems from the fact the data are much too inclusive to shed useful light on what the average blue-collar logistics worker earns./18/ To return to an earlier example, Intel, as a maker of computer chips and related materials, is rightly classified as a manufacturer. The problem, though, is that everyone who works for Intel is categorized as being employed in the manufacturing sector, regardless of the tasks they actually perform. The company's entire workforce -- from modestly compensated janitors and cafeteria workers to highly paid research scientists and senior executives -- is aggregated into the same broad category of manufacturing sector employees as the workers who assemble window frames at CertainTeed's facility in West Sacramento or the laborers who cast concrete sewer pipes for Teichert Materials. Although the practice of aggregating employment and wage figures by industry enables researchers to gauge the overall impact of specific industries on the economy, what it reveals about the wages earned by individual workers or classes of workers can be extraordinarily misleading.

In most cases, the average wage figures found in QCEW reports provide an exaggerated measure of the wages actually received by most of the employees within any industry. Indeed, the methodology involved in producing QCEW wage data almost invariably yields an average wage much different from (and usually much higher than) the wage earned by the average worker.

To illustrate this deficiency in the QCEW data, consider a hypothetical industry which employs 100 people, sixty of whom earn \$400 a week, thirty who take home \$800 a week, and ten who receive \$1,600 a week. For this industry, the QCEW methodology would produce an average weekly wage of \$640./19/ Yet not only is this a wage not one single worker in the industry actually earns, it is fully 60 percent higher than the \$400 wage paid to the majority of the industry's workforce. It would therefore be wrong either to imply or to infer that \$640 is what the average worker in this industry earns. Unfortunately, that is often the conclusion drawn by consumers of reports based on QCEW employment and wage data.

It is even more inappropriate to imply or to infer that the average worker earns the annual average wage attributed to his or her industry, particularly when the industry in question is noted for sharp seasonal fluctuations in staffing levels, not to mention relatively high rates of employee turnover /20/ Nonetheless, many economic studies persist in citing average annual wage figures that are crudely derived by multiplying the average hourly wage reported to EDD by 2,080./21/ even though EDD advises data users that: "QCEW annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer at a time. Average annual pay is affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations."/22/

To be sure, QCEW data are very useful. As previously noted, they provide a reasonably sound way of empirically measuring the economic impact of the logistics industry or any other specific industrial groupings. However, when the objective of research is to ascertain what individuals performing logistical tasks are earning, the QCEW data set is an inappropriate source of insight.

#### Another View: The Occupational Employment Statistics Survey

There is an alternate source of state employment and wage data which does inquire into what workers performing logistical tasks are actually earning. The Employment Development Department's Occupational Employment Statistics (OES) survey is a semiannual mail survey measuring occupational employment and occupational wage rates for wage and salary workers in non-farm establishments, by industry. The survey samples about 37,000 establishments per year /23/

The OES survey uses the Standard Occupational Classification (SOC) system for specific occupational categories /24/ Wages for the OES survey are straight-time gross pay, exclusive of premium pay. Included are base rate, cost-of-living allowances, guaranteed pay, hazardous duty pay, tips, incentive pay including commissions and production bonuses, and on-call pay. Excluded are back pay, jury duty pay, overtime pay, severance pay, shift differentials, non-production bonuses, and tuition reimbursements. Importantly, the OES Survey provides much more than the number of workers employed in each of nearly 800 occupational categories. It provides both the mean and median hourly wages along with the mean wages earned by the bottom and the top quartiles of employees in each occupational category /25/

Why should we be concerned with the distinction between mean and median wage figures? In the case of QCEW data, the average wage is derived simply by dividing total wages paid by all companies in a given industry by the total number of workers whom those companies employed during the given reporting period. The resulting number is the mean wage for that industry. By contrast, the median wage would be that wage figure which separates the top half of wage-earners from the bottom half. Knowing the median wage is a useful antidote against the well-known "Bill Gates Gets on a Bus" statistical fallacy. (Were Mr. Gates to board a bus carrying day laborers, the mean annual income of the bus patrons would instantly soar above the billion dollar level. But it would hardly give an accurate picture of the welfare of the average person on the bus. Knowledge of the median income – and a bit of common sense – would prevent us from concluding that the average person on this particular bus had become fantastically wealthy, even though that is precisely what the mean income figure would suggest.)/26/

According to EDD reports based on the OES survey, the mean hourly wage paid to over 14.7 million California workers in 2006 was \$20.88 (or \$43,430 had they worked full-time for an entire year). However, the median hourly wage for these same California workers was 22.7 percent lower at \$16.14 /27/ In other words, half of California's wage-earners last year were making no more than the equivalent of \$33,571 annually (assuming they were paid for a full year of work) /28/ For the lowest quartile of California workers, the average wage last year was just \$10.06 or \$20,925 for those who managed to work a forty hour week year-round.

More germane to the point under consideration here is the status of the 1,005,490 Californians reportedly working in the forty-five Transportation and Material Moving (T&MM) occupations. These are the jobs most commonly associated with blue-collar labor in the logistics sector. They are also the jobs that represent the best employment opportunities for unskilled, marginally-educated members of the state's workforce. In 2006, the approximately one million Californians employed in the T&MM occupational categories received a mean hourly wage of \$14.05. But the median hourly wage was significantly lower, at \$11.66. For those in T&MM occupations who held full-time jobs on a year-round basis, their mean and median annual wages would be \$29,224 and \$24,253, respectively. Neither, of course, comes close to the elevated wage levels some studies have attributed to jobs in the logistics sector.

Even worse is the wage plight of the lowest twenty-five percent of wage-earners employed in the T&MM occupations. Their average hourly wage last year was \$8.55, which theoretically annualizes to \$17,784. Few individuals probably volunteer for these lowest-paying jobs. More commonly, those who occupy these positions do so because they are not deemed qualified or otherwise able to perform more highly compensated tasks. Yet since this is the quartile most likely populated by unskilled and poorly educated workers, the OES data appear to be inconsistent with claims that the logistics sector represents a major source of well-paying jobs for marginally-educated members of California's workforce /29/

In an October 2006 report entitled to "California Opportunities in Logistics," EDD analysts profiled 31 occupational categories, including "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products." /30/ (See Appendix for a roster of the

occupations profiled in this report.) It employed 141,590 Californians in 2005 and, of all the logistical occupations the report examined, it is the one that appears to offer the greatest potential for good pay and career advancement, with a median hourly wage of \$24.59 (\$51,150 annualized). But, as we have seen, more and more of these sales jobs require technical knowledge and the ability to understand complex concepts.

For the entire range of logistics occupations identified in "California Opportunities in Logistics," the median hourly wage was \$15.37. Assuming a worker making this wage was able to work full-time for an entire year, his or her annual wage would amount to \$31,554, a level substantially below the average logistics sector annual wage figures cited in SCAG and CREP reports.<sup>31/</sup>

The report also fails to sustain the claim that the logistics sector offers a broad pathway to the middle-class for workers who have no more than a high school diploma. In 2004, for example, there were an estimated 282,900 Californians classified as Laborers and Freight, Stock and Material Movers (Hand), according to OES figures. EDD forecasts that this occupational category will spawn 14,340 job openings per year through 2014. By contrast, there were 20,710 Californians working further up that particular career ladder as First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers (Hand) in 2004. But job openings in this category are expected to be average just 760 per year through 2014. So while it is definitely possible for some laborers to improve their job status to a level where \$20 per hour <sup>32/</sup> is not a completely unreasonable expectation, the path looks to be exceedingly narrow.

If we focus on the occupational categories with a preponderance of workers with a high school education or less – the very workers about whose welfare is of utmost concern – the wage expectations are a good deal more modest than is often claimed. EDD identifies 10 occupational categories in the logistics sector in which at least 70 percent of the current workforce have a high school education at best. Of these, one category (Crane and Tower Operators) boasts a statewide annual wage of \$50,972. However, there are currently just 2,530 of these positions statewide, and EDD forecasts that only 120 positions in this field are expected to open up annually through 2014. For the other nine categories where employment is dominated by those with no more than a high school degree, average annual wages range from \$18,844 for Packers to \$38,436 for Tank Car, Truck, and Ship Loaders.

Unfortunately, of these occupations with a disproportionately high representation of marginally-educated workers, those job categories that are forecast to see the most openings also happen to be those which pay the least.

EDD figures indicate that the great majority of blue-collar logistics jobs are in relatively low-paying categories such as Laborers and Freight, Stock, and Material Movers (Hand); Stock Clerks, Order Fillers; Customer Service Representatives; Packers and Packagers; Shipping, Receiving and Traffic Clerks; Light or Delivery Truck Drivers. Together, these classifications constituted 60 percent of all blue-collar logistics employment in California in 2004. Statewide, California's 1.7 million blue-collar logistics workers earned an average of \$33,355 in 2006. Yet even that level of pay does not reflect what most workers with little more than a high school education can reasonably expect.

The single largest, well-paying category of logistics occupational category is Sales Representative, Wholesale and Manufacturing except Technical and Scientific Products. Average earnings statewide in 2006 for the 148,000 Californians in this category amounted to \$59,850. Yet, according to EDD, three-quarters of the workers in this occupational category have at least some college training. Indeed, half are college graduates.

It should be noted that one of the more decisive factors in separating high-wage from low-wage logistics jobs appears to be union representation, usually by the International Longshore and

**Warehouse Union and the International Brotherhood of Teamsters. The two highest earning occupational categories dominated by workers with no more than a high school diploma are closely associated with maritime trade and union representation. For the most part, though, workers in the logistics sector are seldom represented by organized labor.**

**Future employment trends in the logistics sector must also be understood in the context of ongoing efforts by supply chain managers to wring the highest degrees of productivity out of the various components of the supply chain. In many instances, this involves the substitution of technology for labor. The future is also likely to see more of the value-added logistics services moved offshore for the same reason manufacturing work has been outsourced to nations offering substantially lower labor costs. As a recent article in the Financial Times reports: "Companies from countries as far apart as Japan, Chile, Spain and the US now have goods sorted before they leave China into the right mixes for individual stores or distribution centres and labelled with the correct price. Many will be ready-packed into a display stand."/33/**

**While the benefits of a robust logistics sector are felt regionally and sometimes nationally, the aesthetic and environmental downsides of facilities engaged in the movement and storage of goods are most directly experienced locally. This reality has prompted many public officials to call for greater equity in sharing the costs of ameliorating the consequences of air pollution, traffic congestion, and accelerated roadway deterioration. The same imbalance as well to the dispersal of employment in the logistics sector could be repeated. For example, a region seeking to attract enterprises engaged in wholesale trade may find that the high-paying white-collar jobs which boost average wage figures are apt to be located in downtown office towers or suburban office campuses that may be far removed from the warehouses, distribution centers and heavy rail or trucking venues where lower-paid blue-collar work is performed.**

**Finally, in the category of no good deed goes unpunished, communities which succeed in generating large numbers of jobs suitable for their marginally-educated, unskilled residents will often find that these job opportunities will attract workers from other communities who are similarly disadvantaged in the job market. The net result may be that the ranks of unemployed or under-employed individuals seeking entry level jobs in the logistics sector will swell, imposing a greater strain on social support networks, the availability of affordable housing and, sadly but ultimately, on law enforcement. In sum, there is very little empirical evidence to sustain the belief that the logistics sector offers a powerful antidote to the challenge of providing meaningful employment opportunities to those who are unequipped to compete in today's labor market.**

### **Conclusion**

**Contrary to several recent, well-publicized claims, the logistics sector does not appear to be providing the kinds of jobs and the numbers of jobs once associated with the manufacturing sector. At its high-water mark, manufacturing accounted for nearly 30 percent of U.S. jobs. Today in California, jobs in the logistics sector account for no more than 8.3 percent of all employment.**

**The wage levels often attributed to the logistics sector represent an average income that most blue-collar logistics workers are apt to find extravagant. Similarly, there is little empirical evidence that, especially in regions of California with a relatively high cost-of-living, the logistics sector offers a broad pathway to the middle-class for marginally-educated, semi-skilled workers.**

**Although industries engaged in the transportation, storage and distribution of goods do provide employment opportunities for marginally-educated workers, the logistics sector is no panacea for community's seeking to create large numbers of jobs paying middle-class wages for those lacking the kinds of skills that are increasingly demanded of workers in today's economy. There is no compelling reason, therefore, that local or regional economic development strategies should aim to bolster the region's logistics capacity beyond the level needed to meet the region's own**

needs.

### End Notes

1. This practice is followed by the Southern California Association of Governments and the Association of Bay Area Governments, among other regional transportation planning organizations. One major exception is a series of recent studies done under the auspices of the California Regional Economies Project, which is jointly sponsored by the California Labor & Workforce Development Agency, the California Employment Development Department, and the California Workforce Investment Board. CREP studies do not include Wholesale Trade as part of what these studies define as the "logistics cluster."
2. See the section entitled "Implications of Land Use Decisions on Goods Movement in the SACOG Region."
3. That much was made abundantly clear in an October 26, 2006, focus group discussion involving several economic development directors from throughout the region.
4. *California Opportunities in Logistics*, EDD (October 2006). See the chapter on "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products," pp. 129-132.
5. See [http://www.ets.org/Media/Education\\_Topics/pdf/ExecSummAmPerfectStorm.pdf](http://www.ets.org/Media/Education_Topics/pdf/ExecSummAmPerfectStorm.pdf).
6. See Schrag's op-ed page article in the February 7, 2007, edition of the *Sacramento Bee*.
7. See: <http://www.frbsf.org/news/speeches/2006/1106.html>.
8. The mean wage paid the approximately 870,000 wage-earners in the Sacramento MSA according to the California Employment development Department's latest Occupational Employment and Wage Survey. By contrast, the median wage for the region was \$16.90 in 2006.
9. One standard definition holds that the middle-class is composed of the quartiles of households immediately above and below the median household income. The 2005 American Community Survey fixed the median household income in the Sacramento Metropolitan Statistical Area at \$53,890.
10. California Employment Development Department, Occupational Employment (May 2005) and Wage (2006 - First Quarter) Data, See: <http://www.labormarketinfo.edd.ca.gov/cgi/career/?PageID=3&SubID=152>.
11. John Husing, "Logistics: Southern California Has Competitive Advantages for a Major Blue Collar Sector for 1st Time Since Defense Industry After WWII," (Southern California Leadership Council Report, 2006), p. 2. See: [http://www.laedc.org/sclc/studies/center\\_husing-whitepaper.pdf](http://www.laedc.org/sclc/studies/center_husing-whitepaper.pdf).
12. *Logistics and Manufacturing Value Chains: Meeting The Workforce And Infrastructure Demands Of A "Real Time" Economy* (California Regional Economies Project, July 2005.) See: <http://www.labor.ca.gov/panel/logmanufvalue.pdf>. Unlike most other analyzes of the logistics sector, the CREP studies do not include Wholesale Trade as part of the logistics cluster.
13. These wage figures are drawn from a report entitled "California Opportunities in Logistics," published in October 2006 by the California Employment Development Department, Labor Market Information Division, Information Services Group, Occupational Research Unit.

14. The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Publicly available files include data on the number of establishments, monthly employment, and quarterly wages, by NAICS industry, by county, by ownership sector, for the entire United States. These data are aggregated to annual levels, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (national, State, and Metropolitan Statistical Area (MSA)). The QCEW program serves as a near census of monthly employment and quarterly wage information by 6-digit NAICS industry at the national, State, and county levels.

15. The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America.

16. The same data are also provided for sectors and subsectors within major industry categories out to the six-digit NAICS level of specificity. For example, the data indicate that there were 1,709 Warehousing & Storage (NAICS 493) establishments in California during the second quarter of 2006, of which 157 were refrigerated facilities (NAICS 493120).

17. A weekly wage of \$758 annualizes to \$39,416.

18. Perhaps paradoxically, the QCEW data also suffer from being insufficiently encompassing. Since independent contractors are not included in payroll reports to EDD, truck drivers who own and operate their own vehicles are excluded from the data. Yet such drivers, who play a critical role in transporting goods to and from the state's major seaports, are by most accounts struggling to make ends meet. Also excluded from the data on logistics sector employment are those who perform tasks that are inherently logistical but who do not work for a logistics company. For example, a truck driver employed by a retail bakery is counted as a bakery worker, not as a truck driver.

19. The total weekly payroll would equal \$64,000, which would be divided by the number of employees (100).

20. U.S. Bureau of Labor Statistics, "Occupational Outlook Handbook," <http://www.bls.gov/oco/ocos243.htm>.

21. The number of hours for which an employee would be paid were he or she worked 40 hours a week over a full year.

22. See: <http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/?PageID=176>. Similarly crude is the common practice of multiplying a known average hourly wage by 2,080 to obtain an annual average wage. 2,080 represents the number of hours for which a full-time worker would be paid if he or she worked year-round (40 hours per week x 52 weeks = 2,080.)

23. A more complete set of technical notes for the OES survey is available at the BLS website at [http://www.bls.gov/oes/current/oes\\_tec.htm](http://www.bls.gov/oes/current/oes_tec.htm).

24. The Standard Occupational Classification structure and definitions can be found at the Bureau of Labor Statistics <http://www.bls.gov/soc/home.htm>

25. Occupations in which workers do not generally work 2,080 hours per year have only one set

of wage rates. Occupations such as teachers and pilots have only annual wage rates reported; and the occupations actors; dancers; musicians and singers; and entertainers and performers, sports and related workers, all other have only hourly wages reported.

26. A third type of average – the mode – would indicate the wage earned by the largest number of workers in the given category. In the hypothetical example cited in this analysis, the mode would be \$400, the amount earned by sixty percent of the industry's workers.

27. The median is that statistical measure where half of the workers earn more and half earn less.

28. The variation between mean and median wages for all workers in the Sacramento area was somewhat smaller at just over 20 percent (\$20.38 versus \$16.90).

30. California Employment Development Department, Labor Market Information Division (in cooperation with the California Workforce Investment Board and the California Regional Economies Project), California Opportunities in Logistics. 2006.

31. For comparison sake, this median income level is about 60 percent of the median household income for the Sacramento Metropolitan Statistical Area, which in 2005 was \$53,890.

32. Median hourly wage for someone in this category was \$19.55 in 2006, according to OES data.

33. See "China wraps up new trend in exporting" in the Financial Times, March 27, 2007.

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*Appendix: Occupations Profiled in "California Opportunities in Logistics"*

*Air Traffic Controllers; Aircraft Cargo Handling Supervisors; Aircraft Mechanics and Service Technicians; Airfield Operations Specialists; Airline Pilots, Copilots, and Flight Engineers; Bus and Truck Mechanics and Diesel Engine Specialists; Captains, Mates, and Pilots (Ship and Boat); Cargo and Freight Agents; Cleaners of Vehicles and Equipment; Couriers and Messengers; Crane and Tower Operators; Customer Service Representatives; Dispatchers; Driver/Sales Workers; First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand; First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle Operators; Laborers and Freight, Stock, and Material Movers; Logisticians; Material Moving Occupations; Packers and Packagers, Hand; Postal Service Workers; Rail Transportation Occupations; Sailors and Marine Oilers; Sales Representatives, Wholesale and Manufacturing; Ship Engineers; Shipping, Receiving, and Traffic Clerks; Stock Clerks and Order Fillers; Transportation Inspectors; Transportation, Storage, and Distribution Managers; Truck Drivers, Heavy and Tractor-Trailer; Truck Drivers, Light or Delivery Services.*

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1

## Center for Community Action and Environmental Justice

### Centro de Acción Comunitaria y Justicia

Mailing Address: PO Box 33124, Riverside, CA 92519    Office Location: 7701 Mission Blvd.  
Riverside, CA 92509

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Testimony by Penny J. Newman  
Executive Director,  
Center for Community Action and Environmental Justice

October 10, 2007

### Field Briefing the Senate Environment and Public Works Committee on Air Pollution Challenges for California's Inland Empire

Chairwoman Boxer, Honorable Members of the committee, I thank you for the opportunity to address this committee on this important issues.

My name is Penny Newman, Executive Director for the Center for Community Action and Environmental Justice. CCAEJ is one of the oldest and most accomplished environmental justice organizations in the nation having begun our work in 1978 as a small neighborhood group fighting for the cleanup of California's top priority Superfund site, the Stringfellow Acid Pits. We will be celebrating our 30 years of working with communities of the Inland Valleys to improve the health, quality of life, and well-being of all our families.

Southern California is facing a critical health crisis. One that we can't inoculate against, change our habits like stop smoking, or exercise more to improve. The health threat comes from the vary activity that we depend upon to keep us alive—breathing.

- Southern California air quality remains the worst in the nation, posing a major health concern for almost 17 million residents in the region.
- The state Air Resource Board estimates that air pollution (PM 2.5) in the South Coast Air Basin is responsible annually for up to 5,400 premature deaths, 2,400 hospitalizations, and 980,000 lost work days.
- 140,000 Children in Southern California have asthma and respiratory problems largely due to air pollution.
- Over 70% of the airborne cancer risk in Southern California is directly attributed to diesel fueled engines in the basin.

Prompted by these startling statistics, Southern California Association of Governments (SCAG) and South Coast Air Quality Management District (SCAQMD) have called upon Governor Arnold Schwarzenegger and President George Bush to issue a State of Emergency for the area.

For the communities of the Inland Valleys these statistics have special significance. Geologic and meteorologic factors make our area the center of the accumulation of this pollution. As coastal winds blow pollution from the Los Angeles and Orange county areas it is trapped by our surrounding mountains where it sits and bakes creating a toxic brew of pollution. As a result San Bernardino has the highest levels of ozone pollution in the nation. Riverside County holds the record for having the highest levels of Particulate matter pollution known as PM<sub>10</sub> (Particulate Matter 10 microns or less). While the health risk on a region wide basis is unacceptable, the most severe impacts are concentrated in those communities closest to the sources.

It is in this setting that the decisions to make the movement of goods with its reliance on heavily polluting ships, trucks, and trains, the economic engine for southern California has been made. The rapid growth and convenient location to freeways, airports or rail lines make the Inland Valleys of Riverside and San Bernardino Counties prime locations for industrial facilities, warehouses and distribution centers-- without regard to the incompatibility with existing communities. Also ignored is the health threat posed to local residents. Planning strategies and the drive for economic growth have led local agencies to disregard existing problems such as air pollution, traffic congestion, water contamination or consideration of the rural nature or life styles of existing neighborhoods affected by their decisions. The outcome of poor public policies and lack of appropriate planning has created a situation where homes are next to polluting industries; where diesel trucks crowd residential streets threatening the safety of our children; where neighbors can't use their backyards because of overwhelming noise or odors. This concentration of truck and rail activity has also resulted in the area being designated as a diesel "hot spot" by the South Coast Air Quality Management District (SCAQMD) with a cancer risk of over 1500 in a million. The result is an overall deterioration of the air, water, and quality of life— dramatically affecting the health and lives of local residents.

While we often look at the impacts on a regional basis, health researchers have demonstrated that a higher health risk is experienced the closer one gets to the diesel source. The concentration of diesel dependant facilities in communities already at risk disregards this fact. Economic development strategies and local land use decisions influence the levels of pollution to which specific communities are exposed, too often resulting in disproportionate levels of risk for low-income neighborhoods and Communities of Color. Increases in community exposure can lead to increased rates of disease and negative impacts on public health. More than 45 studies conducted by various investigators between 1967 and 1993 examined the role of race and income level in exposure to environmental hazards, and found disparate impacts in the great majority of cases studied (87 percent and 74 percent, respectively).

One such heavily impacted community is the unincorporated community of Mira Loma in Riverside County.

Mira Loma has the highest levels of particulate pollution in the nation.<sup>1</sup>

Mira Loma has the 4<sup>th</sup> worst particulate pollution in the world only after Jakarta, Indonesia; Calcutta, India; and Bangkok, Thailand<sup>2</sup>

In recent years, environmental health researchers have firmly established the linkage between air pollution exposure and a range of negative health outcomes, including slowed lung growth rates in children (Gauderman et al Cohort C, Cohort D papers), exacerbation of existing respiratory disease (McConnell et al EHP bronchitis/asthmatic paper), increased absences from school due to respiratory illness (Gilliland et al CHS absences paper), and increased mortality. Both gaseous and particulate pollutants have been implicated in health investigations, with increasing attention being focused recently on the toxicity of particulate pollution, both for the physical size and chemical nature of the particles inhaled each day. The California Air Resources Board estimates that more than 2400 people die prematurely due directly to air pollution from the movement of products and goods.

The impact of air pollution on children's respiratory health, in particular asthma, is a significant problem in Southern California. A recent survey in California found that nearly 700,000 children ages 6-17 suffer from asthma symptoms; one in five African-American children in California has been diagnosed with asthma. (CHIS) That same survey finds that in Southern California, the highest asthma symptom prevalence in children ages 0-17 is found in San Bernardino County (13.9%), (CHIS). Air pollution is a significant problem for the target communities of the Inland Valley.

The findings from the USC Children's Health Study demonstrating the affects of air pollution upon lung function are particularly frightening for our area. The Study found *that Mira Loma children had the weakest lung function and slowest lung growth of all children studied in southern California.*

Another analysis that drew upon data from the same USC Children's Health Study, ranked children living in Mira Loma as the most likely to develop asthma, other respiratory diseases *and* have stunted lung growth. The study found that children living within 500 meters of a freeway (approximately a third of a mile) have substantial deficits in lung function by the time they reach age 18. Of all children studied

500 meters  
=  
625 feet

<sup>1</sup> South Coast Air Quality Management District, "Multiple Air Toxics Exposure Study in the South Coast Air Basin" (MATES II Study), March 2000.

<sup>2</sup> World Health Organization, as cited by California Public Interest Research Group, CalPIRG, Citizens' Agenda, Vo. 13, No. 3; pg 4, Fall 1997. (The industrialization of China has now created many communities with high levels of PM pollution. While our levels have not gone down, levels in a number of communities in China have risen.

throughout southern California, children in Mira Loma and Riverside had the poorest lung function, and as a result the greatest risk for developing respiratory and cardiovascular diseases later in life.

But disease risk caused by particulate matter pollution is not limited to children. A recent study by the University of Washington found that women over the age of 50 living in highly polluted areas around the United States (including Mira Loma and Riverside) have more than double the chance of developing heart disease and dying from it, compared with women living in cleaner air regions. Again, the study found a strong correlation between particulate pollution and heart disease.

While the science is clear; the documentation of pollution levels is substantial; and suggested solutions have been proposed—local officials continue to place industrial warehouses, truck terminals and railyards next to the homes, schools and parks of these communities ignoring the severe health impacts those decisions inflict upon the families in the area. Inland Valley officials are looking to the Goods Movement as the economic hope for the future. As a result, rail yards, intermodal facilities and trucks have multiplied bringing the pollution closer to existing homes and schools. Adding insult to injury, BNSF Rail road has put forward an offer to buy the neighborhood's only park, so that the facility can expand.

Suggested actions that would lessen the impact are routinely ignored. For example, it has been recognized that by providing a buffer zone of 1,000-1,500 feet between a diesel source (road, warehouse, railyard) and homes, schools, and parks, we reduce the health risk where people live. Yet, there are currently proposals being approved that place these polluting facilities directly next to the fence lines of homes. While SCAG has acknowledged the severity of the health crisis in its call for a State of Emergency, it is considering an Inland Port facility in Mira Loma.

The Union Pacific rail road auto distribution facility in Mira Loma, is located next to Jurupa Valley High School. Separating the railyard from the athletic field of the school is the street the hundreds of trucks use to pick up their load each day. This close proximity to the diesel spewing trucks creates a high health risk for the students. A simple action of closing this southern gate and using the northern gate would reduce significantly the pollution these students are exposed to. Yet, Union Pacific has refused to implement this small mitigation, because it would be inconvenient to its tenants. It is puzzling to me why a corporation would not take easy measures that they know would reduce its impact upon the health of the children of our community.

The anticipated three-to five fold increase in the movement of goods through southern California will compound further adverse health outcomes. Solutions being offered by officials at the ports pose greater increase in the deadly diesel pollution for Inland Valley communities. One solution offered to address port pollution is to utilize rail instead of trucks with the assumption that trucks pollute more than locomotives per

number of containers hauled. Again what is overlooked is that containers would be transported on an expanded rail system while more containers would be still be hauled by an expanded trucking system, the widened freeways. The goal is to maximize both rail and truck transportation modes in order to handle the anticipated expansion of the freight hauling industry.

For the Inland Valleys the promotion of an expanded rail system is particularly troublesome since it depends on the development of an "Inland Port." Since there isn't room at the ports to sort and distribute the containers of goods, the goods would be directly moved from the ships to the rail cars and hauled to the Inland Port. Here the goods would be sorted and thousands of trucks would converge to pick up loads for distribution. One of the leading locations under consideration is at the Space Center in Mira Loma.

To expand an industry that is currently killing people without addressing the current health crisis is criminal. The message to residents is clear—the health and well being of our families does not count; our neighborhoods are expendable.

Many promises are being made to address pollution associated with the expansion of Goods Movement, but there is little reason to believe any of it. Responsibility for action is passed from one jurisdiction to another. Local government points to the state for responsibility; the state points to federal government, and in turn they point back to local government and sanctity of local land use decisions. With all the finger pointing NO ONE is doing anything to address this critical situation. U.S. Environmental Protection Agency is nowhere in the discussions. The National Environmental Justice Advisory Committee was recently asked to prepare recommendations regarding how to address the health crisis surrounding the Goods Movement. Not one community person from southern California has been appointed to this study committee, even though I personally have volunteered and traveled to Washington DC for the first face-to-face meeting at my own expense. It is difficult to understand how comprehensive recommendations can arise from the committee if the major geographic area hit hardest by this industry has no voice. Clearly the recommendations will have little credibility if those most directly and most significantly impacted are silenced from the discussions.

Since the trucking, railroad and shipping industries are primarily regulated by federal rules, the federal government holds special importance and must step in to address this growing problem. Instead we are engaged in a hectic discussion on how to increase the movement of goods by 3-5 fold. Our communities will not survive that onslaught.

While ignorance regarding the health implications of exposure to diesel exhaust could be claimed many years ago, the emerging scientific information brought forth by the South Coast AQMD, researchers at USC and UCLA and the hundreds of other

scientific studies generated on diesel, clearly show the horrific health impacts from constant, high levels of diesel exhaust. And yet, the federal government is absent and state agencies appear impotent. Local government seems hypnotized by the promise of jobs and economic growth and ignores the deadly consequences. In many cases local government directly benefits financially from the destruction of our targeted communities. Just as federal intervention was necessary to correct the violations of civil rights occurring in the 1960's, intervention is warranted to correct the immoral land use decisions being made in southern California. If our communities are to survive, such intervention is demanded.

Let's be very clear—the continuing practice of placing these polluting facilities in low-income communities of color is institutional racism in its most obvious form. On behalf of the target communities, struggling families and sick children of our area, we appeal to you, Senator Boxer to begin the process of correcting this deadly injustice.

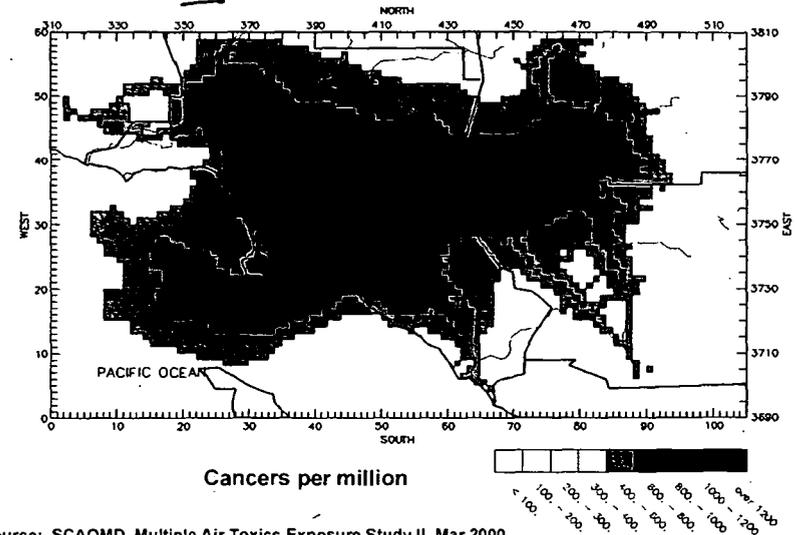
Thank you.



## Air Pollution

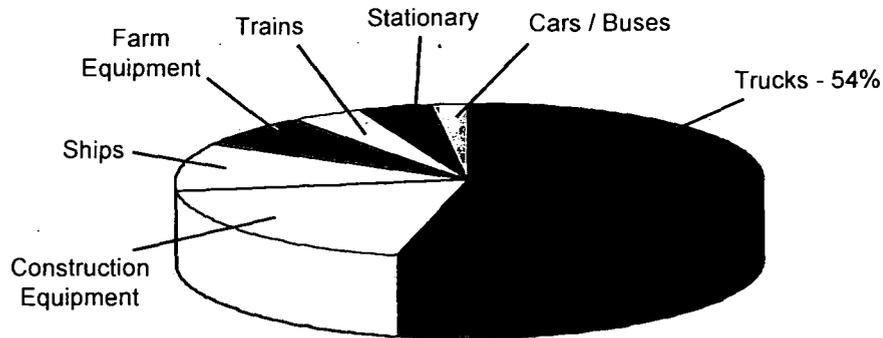
- Issue primarily in Western Riverside County
- ✕ ▪ Riverside County is first in the nation for asthma, heart disease, respiratory ailments
- Inland Empire has worst air quality in California
- ✕ ▪ Mira Loma area has the highest levels of particulate pollution in the US (SCAQMD, Multiple Air Toxics Exposure Study II, Mar 2000)
- Diesel particulates are 71% of the major pollutants contributing to cancer risk in the South Coast Air Basin (SCAQMD, Multiple Air Toxics Exposure Study II, Mar 2000)
  - The largest source of diesel emissions in the South Coast Air Basin is the goods movement industry

## Estimated Risk of Cancer from Airborne Toxics: All Emission Sources



CAMBRIDGE SYSTEMATICS

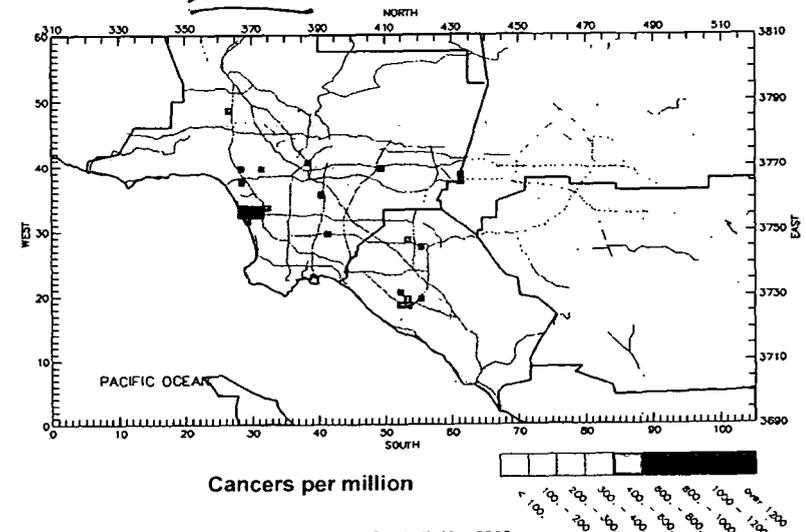
## Major Sources of Diesel Emissions (SCAG Region)



Source: California Air Resources Board

CAMBRIDGE SYSTEMATICS

## Estimated Risk of Cancer from Airborne Toxics: Excluding Diesel



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**Declaration of Authenticity**

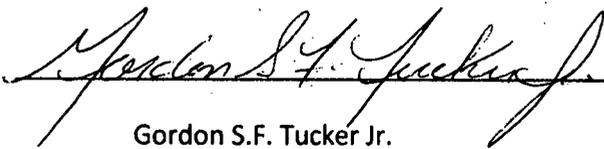
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I **Gordon S.F. Tucker Jr.**, do hereby swear that the audio recording for which I have submitted into the public record in the matter now before the city council (The Highland Fairview Corporate Project), of the City of Moreno Valley is a true and correct copy of the recording made by me on January 31<sup>st</sup>, 2009 at approximately 1458 hours at the location of 24899 Alessandro Blvd., in the city of Moreno Valley, 92553 (Fiesta Food Warehouse).

The for mentioned audio recording is of the petition takers located outside of the Fiesta Food Warehouse, and of their claims of working on behalf of the City Council of Moreno Valley and Highland Fairview LLC.

I swear under the penalty of perjury that the forgoing is true and correct. This document was executed in the City of Moreno Valley, County of Riverside, State of California on this the 3<sup>rd</sup> Day of February in the Year of 2009.



Date: 02/03/2009

Gordon S.F. Tucker Jr.

submitted - 2/3/09 Council mtg

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# UPDATE 1-Skechers sees Q4 loss; shares fall

Thu Feb 5, 2009 5:49pm EST

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Feb 5 (Reuters) - Shoe maker Skechers USA Inc (SKX.N) said it expects a fourth-quarter loss as its gross margin declined in a worsening retail environment, slamming its shares down 22 percent.

Skechers, whose rivals include Deckers Outdoor (DECK.O) and Timberland (TBL.N), said it was hit by "U.S. retailers' comps being down significantly and a number of both retail bankruptcies and going-out-of-business sales."

The company, which expects a fourth-quarter loss of 45 cents to 50 cents a share, believes it will continue to be hurt by these factors in 2009.

The company said it is cutting additional operating expenses in all key areas of business and has reduced its headcount by about 3 percent.

Skechers, which had in October forecast a quarterly profit of 15 cents to 23 cents a share, also said buying plans for many of its key retail partners may be down about 7 percent to 20 percent across all categories of merchandise, including footwear, in the first half of 2009.

The company, which expects fourth-quarter sales of \$290 million to \$300 million, also expects its margins in its International business to be hurt by worsening economic conditions in several regions outside the United States. But the company, which in October had forecast quarterly sales of \$305 million to \$320 million, expects to break even in the first half of 2009, and return to profitability in the second half of the year.

Analysts on average were expecting the company to post a fourth-quarter profit of 15 cents a share on revenue of \$305.2 million, according to Reuters Estimates.

Shares of the Manhattan Beach, California-based company fell to \$7.85 in after-hours trade. They had closed at \$10.09 Thursday on the New York Stock Exchange. (Reporting by Renju Jose and Pratih Narayanan in Bangalore; Editing by Deepak Kannan)

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# Skechers expects large 4Q loss on higher markdowns

Skechers warns of big 4Q loss as higher markdowns crimped margins for shoe retailer

Thursday February 5, 2009, 8:52 pm EST

Yahoo! Buzz

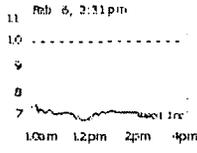
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Related: Skechers USA Inc.

NEW YORK (AP) -- Skechers USA Inc. on Thursday said it expects to post a large loss in its fourth quarter, hurt by higher markdowns as the shoe retailer tried to boost sales, sending shares down sharply in after-hours trading.

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Symbol	Price	Change
SKX	7.32	-2.77



The stock dropped \$2.04, or 20 percent, to \$8.05 in late trading, after rising 33 cents, or 3.4 percent, to finish at \$10.09.

Skechers expects a loss between 45 cents and 50 cents per share and sales between \$290 million and \$300 million.

Analysts polled by Thomson Reuters predict earnings of 15 cents per share and sales of \$305.2 million.

Skechers said the shortfall is primarily due to a decrease in gross margin as the company reduced prices to better manage inventory. Skechers also said the company's sales and margins were hurt from some retailers going bankrupt.

"The global economic environment has resulted in a far more substantial impact to consumer demand than we had previously anticipated," said Chief Operating Officer David Weinberg.

The company expects to break even in the first half of 2009, return to profitability in the second half of the year, and report 2009 annual revenue between \$1.2 billion and \$1.3 billion.

Analysts polled by Thomson Reuters expect sales of \$1.46 billion for the year.

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EX-99.1

## FOR IMMEDIATE RELEASE

Company Contact:

David Weinberg  
Chief Operating Officer  
Fred Schneider  
Chief Financial Officer  
SKECHERS USA, Inc.

Investor Relations:

Andrew Greenbaum

ICR, Inc.

(310) 954-1100

SKECHERS USA EXPECTS FOURTH QUARTER 2008 RESULTS TO BE  
BELOW ITS PREVIOUS OUTLOOK

MANHATTAN BEACH, CA. – February 5, 2009 – SKECHERS USA, Inc. (NYSE:SKX), a global leader in lifestyle footwear, today announced that its fourth quarter 2008 results are expected to be significantly below the range of its previous outlook. For the fourth quarter of 2008, the Company now expects net sales to be in the range of \$290 million to \$300 million and a net loss per diluted share of [\$0.45 to \$0.50].

The shortfall in earnings versus its previous outlook is primarily due to a decrease in gross margin of approximately 1,000 basis points from the same period last year. The decrease in gross margin is a result of the extremely weak retail climate, which caused the Company to manage its inventory levels down at reduced prices and, as a result, the Company expects to increase its reserves for inventory and accounts receivable by over \$15 million. The Company's sales and margins were adversely impacted in the fourth quarter due to U.S. retailers' comps being down significantly and a number of both retail bankruptcies and going out of business sales. The Company believes it will continue to be negatively impacted by these factors in 2009. The Company further expects that buying plans for many of the Company's key retail partners may be down approximately 7 to 20 percent across all categories of merchandise, including footwear, in the first half of 2009 versus the prior year. While many of these same accounts are also planning to close some stores, potentially creating further reductions in their buying patterns, the company believes it remains one of the key footwear brands with its retail partners.

Robert Greenberg, SKECHERS' chief executive officer, commented: "In spite of the recent downturn of economic events affecting our performance, we remain confident in our long-term strategic plan, and in the global strength and increasing awareness of our many brands. Our recent pre-lines with our key retail partners confirm the belief that our products remain affordable, fashionable and relevant. SKECHERS continues to provide great value in the current marketplace. In our nearly 17 years in business, we have continually grown, diversified and emerged stronger, and we believe this cycle will be no different. While the macro-economic environment remains weak, we are a company with compelling products and merchandising, talented people, and dedicated partners, and look forward to continuing to deliver on target product."

David Weinberg, SKECHERS' chief operating officer, stated: "The global economic environment has resulted in a far more substantial impact to consumer demand than we had previously anticipated. Despite the economic challenges, we remain confident that SKECHERS is well-positioned for sustainable long-term profitability based on the breadth and depth of our global footwear business. Furthermore, our balance sheet and liquidity remain very strong."

The Company's international business continues to perform well. Bookings across South America, Europe, and key areas in Asia are equivalent to the prior year. The Company is beginning to see a benefit from its new subsidiary in Brazil and its recent joint ventures in China and Hong Kong. However, the Company does expect to see some margin compression in its international business due to worsening economic conditions in many of these regions.

The Company's retail business experienced mid-single digit declines in the fourth quarter and does not see any near term catalysts that would change its retail performance over the coming months. In response to the weakness at retail, it has pared back store openings where possible, deferred store re-models, and is attempting to renegotiate rents in certain locations.

"The financial performance of our domestic businesses was largely impacted by significant margin pressure in the retail marketplace, and we have taken these into consideration in our analysis of inventory and accounts receivable at year end," stated Fred Schneider, chief financial officer of SKECHERS. "Going forward, we plan to further rationalize our expenses to be in line with our reduced outlook for 2009. Despite our disappointment with our fourth quarter results and near-term outlook, we are confident that the combination of our inventory reduction plan, reduced expenses and current sales performance will allow us to return to profitability in the back half of the year."

The Company will report its fourth quarter 2008 results and hold a conference call after the close of market on Wednesday, February 18, 2009, but based on its preliminary analysis expects to end the fourth quarter with approximately \$190 million to \$200 million in cash and investments and \$250 million to \$260 million in inventory. While the inventory is appreciably higher than initially expected, the Company has slowed its production, and has an aggressive plan to manage both its inventory and expenses down by the middle of 2009. The Company is cutting additional operating expenses in all key areas of business and has reduced its headcount by approximately three percent. The Company will provide further detail on its inventory and expense reduction initiatives on its February 18 fourth quarter conference call. Furthermore, the Company expects to see its cash position increase during the year.

Based on all the factors discussed, the Company now expects to break even in the first half of 2009, to return to profitability in the second half of 2009, and to achieve 2009 annual revenues between \$1.2 billion and \$1.3 billion.

SKECHERS USA, Inc., based in Manhattan Beach, California, designs, develops and markets a diverse range of footwear for men, women and children under the SKECHERS name, as well as under several uniquely branded names. SKECHERS footwear is available in the United States via department and specialty stores, Company-owned SKECHERS retail stores and its e-commerce website, as well as in over 100 countries and territories through the Company's global network of distributors and subsidiaries in Canada, Brazil, and across Europe, as well as through a joint venture in China and Hong Kong. Please visit [www.skechers.com](http://www.skechers.com) or call the Company's information line at 877-INFO-SKX.

This announcement may contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or simply state future results, performance or achievements, and can be identified by the use of forward looking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will be," "will continue," "will result," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include international, national and local general economic, political and market conditions; intense competition among sellers of footwear for consumers; changes in fashion trends and consumer demands; popularity of particular designs and categories of products; the level of sales during the spring, back-to-school and holiday selling seasons; the ability to anticipate, identify, interpret or forecast changes in fashion trends, consumer demand for the products and the various market factors described above; the ability to maintain brand image; the ability to sustain, manage and forecast growth and inventories; the ability to secure and protect trademarks, patents and other intellectual property; the loss of any significant customers, decreased demand by industry retailers and cancellation of order commitments; potential disruptions in manufacturing related to overseas sourcing and

*concentration of production in China, including, without limitation, difficulties associated with political instability in China, the occurrence of a natural disaster or outbreak of a pandemic disease in China, or electrical shortages, labor shortages or work stoppages that may lead to higher production costs and/or production delays; changes in monetary controls and valuations of the Yuan by the Chinese government; increased costs of freight and transportation to meet delivery deadlines; violation of labor or other laws by independent contract manufacturers, suppliers or licensees; potential imposition of additional duties, tariffs or other trade restrictions; business disruptions resulting from natural disasters such as an earthquake due to the location of domestic warehouse, headquarters and a substantial number of retail stores in California; changes in business strategy or development plans; changes in economic conditions that could affect the ability to open retail stores in new markets and/or the sales performance of existing stores; the ability to attract and retain qualified personnel; the disruption, expense and potential liability associated with existing or unanticipated future litigation; and other factors referenced or incorporated by reference in the Company's Form 10-K for the year ended December 31, 2007 and the Company's Form 10-Q for the quarter ended September 30, 2008. The risks included here are not exhaustive. We operate in a very competitive and rapidly changing environment. New risks emerge from time to time and we cannot predict all such risk factors, nor can we assess the impact of all such risk factors on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.*

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09 FEB -9 PM 5:19

Provident Bank  
3756 Central Ave  
Riverside CA 92506

[REDACTED]

# facsimile transmittal

To: Cindy Fax: [REDACTED]

From: \_\_\_\_\_ Date: 2/7/09

Re: \_\_\_\_\_ Pages: 2 (Including cover page)

CC: \_\_\_\_\_

- Urgent     For Review     Please Comment     Please Reply     Please Recycle

Notes:

*please*  
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 one for each.

Thank you  
 Jamil

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09 FEB - 9 PM 5: 19

Mayor Richard Stewart  
Mayor Pro-Tem Bonnie Flickinger  
Council member Bill Batey  
Councilmember Robin Hastings  
Councilmember Jessie Molina

Just wanted to give you some more of my thoughts on this Highland Fairview project featuring Skechers, if I may.

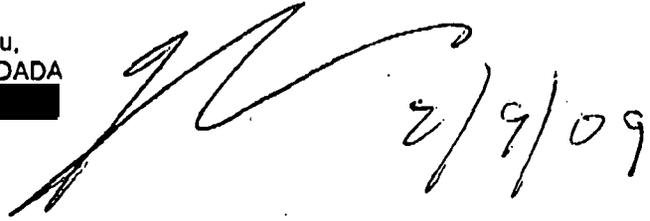
It is becoming clear now that even a majority of the opponents are saying go ahead, but build it in Bonnie's district. I believe that Moreno Valley could use a high profile, prestigious landmark. Hundreds of thousands of people ( not all Moreno Valley residents) drive back and forth on Highway 60 and all they presently see, other than the Mall, is weed infested fields, dilapidated huts, old tires, broken down cars, etc. This architectural gem smack in the center of town would restore our citizen's pride !

I also believe that because of the state of the economy and due to the fact that all over this country, companies are tucking their tails between their legs and walking away or at least mothballing projects, that Moreno Valley will make national news if you approve this project. And what a message that would send; that little old Moreno Valley, amidst all the turmoil, is flourishing and attracting global companies. That would definitely create interest from many other large employers considering new sites !

On the other hand, if you choose to decline this project, you will send a message loud and clear that we don't care about global companies, that we don't care about financially stable companies ( very rare today) and that we don't care that it is the worst economic time in 80 years, we're just not interested in business. It would be a form of economic suicide !

And finally, please don't let two former council members who are trying to provoke you, influence your decisions. Moreno Valley needs bold, visionary leaders to gain back the stature and respect that our great community deserves. We need change, not fear mongering.

Thank you,  
JAMIL DADA  
[REDACTED]



mk

CITY COUNCIL  
MORENO VALLEY  
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09 FEB - 9 PM 2: 44

February 6th, 2009

TO: The Moreno Valley City Council

RE: Investigation of the November 2008 City Council Election process and results

Please postpone your vote regarding the Sketcher's project, or any other proposed development submitted by Iddo Benzeevi/Highland Fairview until a formal investigation into the bona fides of the November 2008 City Council Election process and results is concluded.

Fremont Older  
Moreno Valley, CA

February 6<sup>th</sup>, 2009

TO: The Editor, Press Enterprise

RE: The Stench of Corruption in Moreno Valley Politics: November 2008 City Council election process and results

This letter is in reference to Dan Lee's report in the February 6<sup>th</sup>, 2009 edition of your newspaper in which he quotes a former FPCC official who opined that direct contributions or expenditures on behalf of a candidate's campaign do not create a conflict of interest which disables the winning candidate from thereafter voting on a matter which directly affects the campaign contributor. Sadly, under current California campaign finance laws, that statement is correct.

**Conflict of interest is not the issue** with respect to the corruption which affected the Moreno Valley City Council November 2008 election process and results.

**Pigs Don't Fly:** It is not a coincidence that council members West and White, who oppose Benzeevi's/Highland Fairview's proposed warehouse project were ousted from office as the result of a \$350,000 smear campaign against them which was funded with Benzeevi's/Highland Fairview's/Stephen's money; and that the two newly-elected candidates, Hastings and Molina; who support Benzeevi's/Highland Fairview's project, received nearly \$200,000 in support of their campaigns from Benzeevi/Highland Fairview, the "Association" and Benzeevi's protégés.

**In total, Benzeevi/Highland Fairview, the "Association" using Benzeevi's/Highland Fairview's money, and their protégés, committed \$500,000 in cash or services to oust West and White and to install Hastings and Molina.**

West and White's combined total expenditures? \$40,000.

**(1) Money laundering, (2) false reporting and (3) "quid pro quo"** (ie cash or property for a vote) are quite illegal in California and **are in issue** with respect to the Moreno Valley 2008 City Council election process and results.

A formal investigation by appropriate authorities is required to determine whether money was laundered (ie. whether the actual "source" of campaign contributions or expenditures in opposition to West and White and in support of Hastings and Molina were falsely reported) and whether any city council member sold their vote on Benzeevi's/Highland Fairview's proposed warehouse project.

Using the Subpoena power of the Riverside County District Attorney's Office and the California State Attorney General, tracing is required to determine:

- the **beneficial ownership** of Highland Fairview (tracing past fictitious names, nominees etc.)
- the **actual source** (as opposed to the name of the remitter) of donations to the Moreno Valley Taxpayer's Association and to the contributors to the Molina and Hastings campaigns. Detailed tracing of bank records is required which can only be accomplished through issuance and enforcement of Subpoenas.
- the **beneficial ownership** (ie tracing past fictitious business names and "nominees") of all tracts of land which will be directly or indirectly benefited by approval of the proposed amendment to the General Plan, thereby paving the way for unfettered, "boot-strapped" warehouse developments in the East end of the City
- the **fact and substance of any contacts or relationship** between Benzeevi/Highland Fairview, or their agents or "entities", [eg. LLCs, Joint Ventures, Trusts etc. purchasing/transferring/holding land in the area subject to the proposed amendment to the General Plan] and Council members Batey, Hastings, Molina, or Stewart, as well as Planning Commissioner Geller prior to the election **and their contributors**
- **Benzeevi's/Highland Fairview's relationship with any contributor to the "Association" and to the Molina or Hasting's campaign**, including the political consultants who extended more than \$30,000 in credit to the Hasting's campaign and contributed services to the Molina campaign.

Fremont Older  
Moreno Valley, CA

cc: Michael Cabral, Riverside County District Attorney  
Gary W. Schons, Senior Assistant California State Attorney General  
California Fair Political Practices Commission  
Moreno Valley City Council

# Los Angeles Times

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## Publicist Is Fined for Illegal Donations in Perris Campaign

■ State political watchdog orders Colin Flaherty to pay \$76,000 for funneling funds to three candidates through friends and associates.

By Janet Wilson, Times Staff Writer

A San Diego publicist laundered thousands of dollars' worth of campaign contributions to candidates for the Perris City Council and mayor's office while representing a major Southern California developer that wanted to build large housing projects in Perris, state authorities said.

Colin Flaherty also failed to report sizable contributions he made to then-Gov. Pete Wilson and then-state Sen. Curt Pringle, including nearly \$4,000 worth of balloons, birthday cake and other party favors for Wilson in 1998.

The state Fair Political Practices Commission ruled Sept. 3 that Flaherty violated state campaign finance laws 38 times, and fined the public relations consultant \$76,000. Flaherty did not return calls seeking comment.

"It's a significant fine. Money-laundering is considered by the commission to be the most serious violation" of political finance laws, because it denies the public the ability to know who is really supporting a campaign, said commission spokeswoman Sigrid Bathen.

In the finding, commission investigators said that from July 1997 to September 1998, Flaherty persuaded his housecleaner, a high school basketball coach, the executive director of the Commission of the Californias, friends and others to write checks or give cash to candidates in Perris and elsewhere. He then reimbursed them with checks from his own bank account.

"The majority of the laundered contributions were made to secretly finance a slate of candidates in the city of Perris that he perceived as favorable to a project of his client, Barratt American Homes," the FPPC finding states.

Those candidates were real estate executive Al Landers, who was elected mayor, and Raul Mark Yarbrough and Cecilia

Larios, who were elected to the council.

Landers and Yarbrough are still in office. Larios was defeated in the last election. Neither Landers nor Larios could be reached for comment.

Yarbrough, an auto shop and towing business owner, said he had "absolutely no knowledge" that his contributions from various individuals had been illicitly funneled to him by Flaherty. He recalled meeting with the lobbyist on behalf of Barratt American, based in Carlsbad, back then, but said that many developers had consultants.

Yarbrough said he gladly supported Barratt American on 1,200 homes, building fee credits and other items because the city was emerging from a \$3-million bankruptcy and "we wanted to refire this economic engine."

Under his political predecessors, he said, the city had developed a "terrible, terrible reputation with the building industry," and that Barratt American was "not the largest, but they were the first to take their project and move forward" when he and his colleagues were elected.

That helped persuade others to flood the now fast-growing city with proposals and rebuild its coffers, he said.

"They set the pace, and everybody else jumped in."

A Barratt American staffer said the president was the only one who could comment, but he was unavailable Thursday. Bathen of the FPPC declined to comment when asked whether the developer's role had been investigated.

In an earlier action, the commission fined Landers \$15,000 for 10 counts of violating state laws as the former mayor of Hemet, including trying to use his influence in governmental decisions in which he had financial interests in 1997 and 1999.

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See the article on [Los Angeles Times website](#)

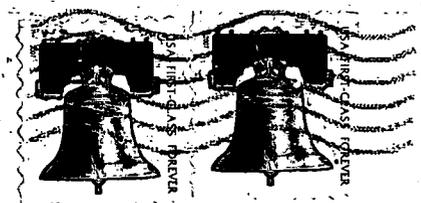
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Fremont Older  
Moreno Valley, CA

SAN DIEGO CA 921

07 FEB 09 PM 9 L



Council Members Batey, Hastings,  
Stewart and Molina  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92553

92553+9038



mlc

CITY COUNCIL  
MORENO VALLEY  
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5 Feb 2009

09 FEB -5 AM 10: 38

Honorable Richard Stewart  
Mayor, City of Moreno Valley

Subject: Highland Fairview/Skechers

Ref: Wind data from March ARB

Honorable Mayor,

I spoke in front of the city council this past Tuesday and referenced historical wind data I obtained from the weather shop at March ARB and online from the Weather Underground's website.

I have printed out the data for 2008, Jan-Jun and Jul-Dec. WU has data back to 1996 and all years are very similar to 2008. If you look at the bottom box you will see the data points depicting wind direction throughout the months. Wind direction 45 degrees from the 90 deg. lines would have the most direct impact on the city from East end development. As you can see, there are few points in that area compared to the dominance of points found from the NW, our prevailing wind.

Winds from the East are associated with Santa Anna's. Santa Anna's bring us warm temperatures and clear desert air. This data supports the argument that if non-retail commerce is to come to town the best place for it, pollution wise, will be on the East end (Redlands Blvd and beyond). Any pollution created there will flow most often to the East towards the Badlands and on those days with Easterly winds the pollution will be diluted with clean Santa Anna air.

Most naysayers to this project cite pollution and traffic in support of their position. We live in California, traffic and pollution is a burden we all must live with. This data mitigates the pollution factor and any building will lead to more traffic. To oppose this project because of increased traffic means you must oppose any and all development in our city. I hope this information will help you and the council come to the right decision...build it.

Thank you,



Lawrence B. Froehlich  
28278 Belleterre Ave.  
Moreno Valley, Ca.

cc: HFP

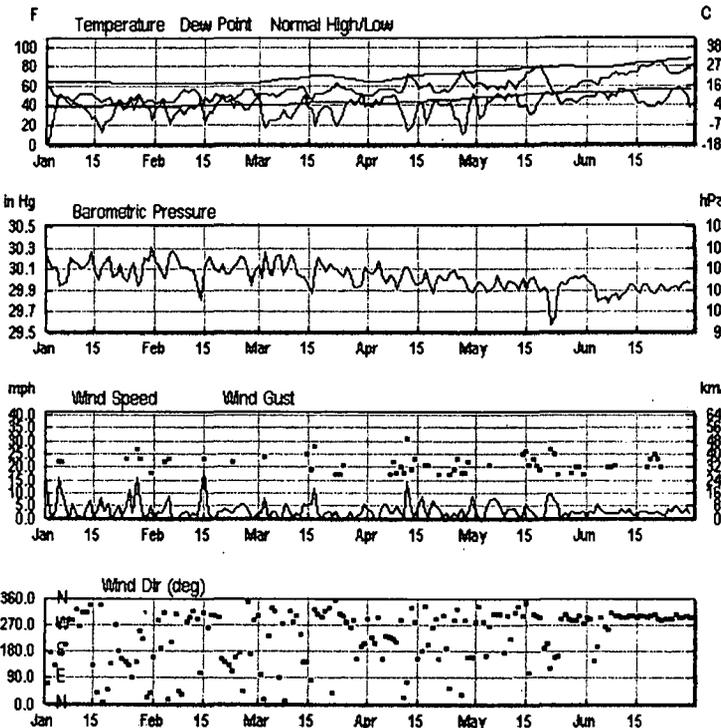


**History for Riverside March, CA**

January 1, 2008 through June 30, 2008

**Custom Summary**

	Max:	Avg:	Min:	Sum:
<b>Temperature:</b>				
Max Temperature	107 °F	73 °F	48 °F	
Mean Temperature	84 °F	58 °F	41 °F	
Min Temperature	64 °F	42 °F	24 °F	
<b>Degree Days:</b>				
Heating Degree Days (base 65)	24	9	0	1685
Cooling Degree Days (base 65)	19	2	0	344
Growing Degree Days (base 50)	34	8	0	1542
<b>Dew Point:</b>				
Dew Point	64 °F	39 °F	-8 °F	
<b>Precipitation:</b>				
Precipitation	0.63 in	0.02 in	0.00 in	3.96 in
Snowdepth	-	-	-	-
<b>Wind:</b>				
Wind	30 mph	3 mph	0 mph	
Gust Wind	38 mph	21 mph	16 mph	
<b>Sea Level Pressure:</b>				
Sea Level Pressure	30.36 in	30.02 in	29.44 in	



**Observations**

2008	Temp. (°F)			Dew Point (°F)			Humidity (%)			Sea Level Pressure (in)			Visibility (mi)			Wind (mph)	Gust Speed (mph)	Precip (in)	Events	
January	high	avg	low	high	avg	low	high	avg	low	high	avg	low	high	avg	low	high	sum			
1	64	58	47	7	2	-8	19	12	7	30.30	30.25	30.17	10	10	10	24	17	36	0.00	
2	68	58	45	15	4	-3	30	15	8	30.20	30.16	30.09	10	10	10	15	7	-	0.00	
3	66	51	38	34	22	16	67	42	15	30.16	30.12	30.09	10	10	10	9	0	-	0.00	

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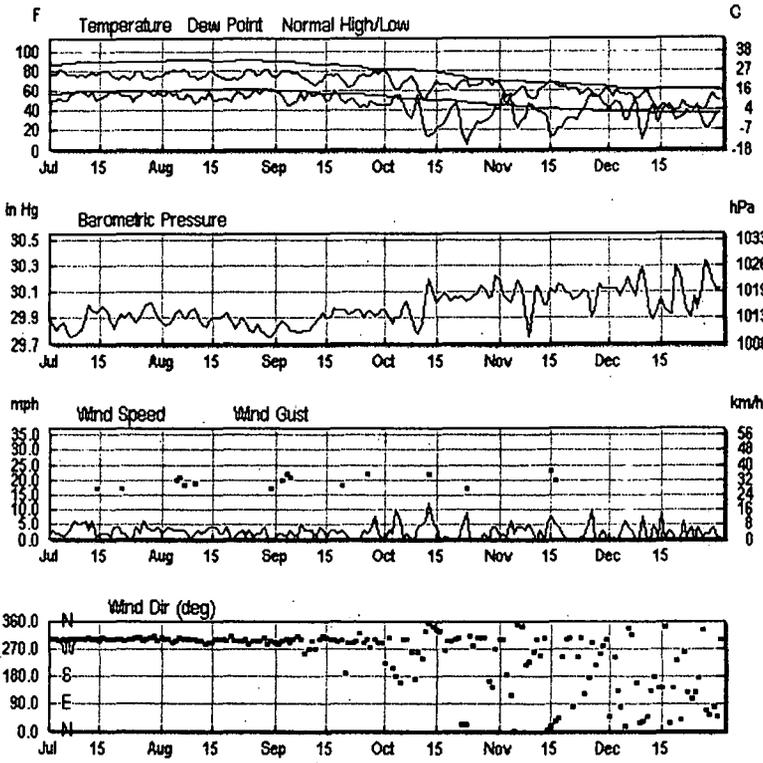


**History for Riverside March, CA**

July 1, 2008 through December 31, 2008

**Custom Summary**

	Max:	Avg:	Min:	Sum:
<b>Temperature:</b>				
Max Temperature	102 °F	84 °F	44 °F	
Mean Temperature	83 °F	68 °F	38 °F	
Min Temperature	70 °F	52 °F	25 °F	
<b>Degree Days:</b>				
Heating Degree Days (base 65)	26	4	0	681
Cooling Degree Days (base 65)	18	6	0	1180
Growing Degree Days (base 50)	33	18	0	3358
<b>Dew Point:</b>				
Dew Point	67 °F	45 °F	-4 °F	
<b>Precipitation:</b>				
Precipitation	1.33 in	0.02 in	0.00 in	3.63 in
Snowdepth				
<b>Wind:</b>				
Wind	26 mph	3 mph	0 mph	
Gust Wind	32 mph	20 mph	16 mph	
<b>Sea Level Pressure:</b>				
Sea Level Pressure	30.39 in	29.97 in	29.67 in	



**Observations**

2008	Temp. (°F)	Dew Point (°F)	Humidity (%)	Sea Level Pressure (in)	Visibility (mi)	Wind (mph)	Gust Speed (mph)	Precip (in)	Events
July	high avg low	high avg low	high avg low	high avg low	high avg low	high avg	high	sum	

OPERATIONAL CLIMATIC DATA SUMMARY

STATION: MARCH AFB/RIVERSIDE CALIFORNIA STATION #: 722860  
 LOCATION: 3353N 11716W ELEVATION (FEET): 1539  
 PREPARED BY: AFCCC/DON, MAR 2004 PERIOD: 193301-200401

ICAO: KRIV  
 LST = GMT -8

SOURCE NO.	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANN	
1. TEMPERATURE ( F )														
EXTREME MAX	1/2	85	90	95	100	108	110	114	111	114	110	94	90	114
MEAN DAILY MAX	2	63	65	67	73	78	84	92	93	88	80	71	65	77
MEAN	2	51	53	55	59	64	70	77	77	73	66	58	52	63
MEAN DAILY MIN	2	39	41	43	46	51	55	61	62	58	51	44	40	49
EXTREME MIN	1/2	16	22	24	27	32	39	48	47	42	28	26	17	16
# DAYS GE 90	2	0	0	#	1	3	10	22	22	15	6	1	#	80
# DAYS LE 32	2	5	2	1	#	#	0	0	0	0	#	1	4	13
# DAYS LE 0	1/2	0	0	0	0	0	0	0	0	0	0	0	0	0
2. PRECIPITATION (INCHES)														
MAXIMUM	2	9.0	9.5	6.1	4.6	2.1	0.9	1.5	2.4	3.0	2.9	5.6	6.1	24.0
MEAN	2	2.0	2.2	1.6	0.8	0.2	0.1	0.1	0.1	0.3	0.4	0.8	1.4	9.8
MINIMUM	2	0	0	0	0	0	0	0	0	0	0	0	0	3.1
MAX 24 HR	2	3.1	2.4	2.4	1.6	1.1	0.9	1.4	1.7	2.1	1.1	2.1	2.7	3.1
# DAYS GE TRACE	2	8	8	9	7	6	4	2	3	4	4	5	7	66
# DAYS GE 0.01	2	6	6	6	4	2	1	1	1	1	2	3	5	37
# DAYS GE 0.50	2	1	1	1	#	#	#	#	#	#	#	1	1	6
# DAYS GE 1.00	2	#	1	#	#	#	0	#	#	#	#	#	#	2
3. SNOWFALL (INCHES)														
MEAN	2	0.1	#	#	0	0	0	0	0	0	0	#	0.1	0.3
MAXIMUM	2	4.9	0.2	0.6	0	0	0	0	0	0	0	0.1	2.8	5.8
MAX 24 HR	2	3.0	0.2	0.6	0	0	0	0	0	0	0	0.1	2.0	3.0
# DAYS GE 0.1	2	#	#	#	0	0	0	0	0	0	0	#	#	#
# DAYS GE 1.5	2	#	0	0	0	0	0	0	0	0	0	0	#	#
4. MEAN RELATIVE HUMIDITY (%) / VAPOR PRESSURE (IN HG) / DEWPOINT ( F )														
RH ( 5 LST)	1	74	78	83	84	85	83	76	74	76	76	70	70	77
RH (13 LST)	1	39	42	43	39	38	34	28	28	30	32	33	36	35
VAPOR PRESS	1	.22	.24	.27	.30	.35	.39	.43	.44	.41	.33	.24	.21	.32
DEWPOINT	1	34	37	40	43	48	51	54	54	52	45	37	33	44
5. SURFACE WINDS 16 PT/KTS / 99.95% HIGHEST PRESSURE ALTITUDE (FEET)														
PVLG DRCTN	1	\$NW												
MEAN SPEED														
(PVLG DRCTN)	1	6	6	7	7	7	8	8	8	7	7	6	5	7
MEAN SPEED														
(ALL OBS)	1	4	4	4	5	5	5	5	5	4	4	4	4	4
MAX PEAK GUST@	1/2	46	45	48	40	38	45	43	43	40	46	44	49	49
PRESSURE ALT	1	2049	1943	2051	1769	1757	1798	1746	1754	1802	1849	1918	1898	2051
6. MEAN CLOUD COVER (8THS) / THUNDERSTORMS / FOG / BLOWING SAND & DUST (BNBD)														
CLD COVER	1	3	4	4	3	3	3	2	2	2	3	3	3	3
DAYS TSTMS	1	1	1	1	#	1	#	1	1	1	#	#	#	8
DAYS FOG LT 7	1	12	13	18	15	18	17	12	11	12	16	12	11	167
DAYS BNBD LT 7	1	#	#	#	#	#	#	#	#	#	#	#	#	2

REMARKS: \* = DATA NOT AVAILABLE  
 # = LT 0.5 DAY, OR 0.05 INCH, OR 0.5% APPLICABLE  
 \$ = % CALM GT PVLGN DRCTN  
 = BASED ONLY ON AVAILABLE DATA, I.E. LT 24 HRS/DAY, OR LT 12 MONTH/YR  
 ANNUAL TOTALS MAY NOT EQUAL THE SUM OF MONTHLY TOTALS DUE TO ROUNDING  
 @ = GUST NOT ALWAYS REPORTED, VALUES ARE MAX SUSTAINED OR GUSTS

Steve and Donni Borchard  
13780 Roderick Dr.  
Moreno Valley, CA 92555  
February 2, 2009

Dear Council Members;

This letter is to urge you to uphold the Planning Commissions' recommendation in denying the change in the zoning for the east side of Moreno Valley.

This is where I live. This is where we choose to live after investigating many areas before moving here from Maryland two years ago. Since moving to Moreno Valley, we have had to fight to keep the zoning as planned. This is getting tiresome. I am very disappointed with the continuous money hungry developers. In Jamil Dada's article to the Press Enterprise yesterday, he indicated that Moreno Valley would send a message to businesses that this city is not business friendly. That is far from the truth. What we are, are concerned citizens with our health, traffic, and toxic diesel pollution. There are planned areas for warehouses. That is on the west side of town. That is where they belong, easy access to Rts. 215/60/15/91. Yes, we want jobs, warehouses will not bring jobs. Skeeters will be transferring jobs from their Ontario location, which will bring more traffic as those employees travel to Moreno Valley. Warehouses are automated for the most part. They do not have enough jobs to justify the health hazards.

This might not matter to the council, but my husband and I are actively searching for a new place to live. It will not be in Moreno Valley. Our son and his fiancé are buying a house and they made the conscience decision to NOT buy in Moreno Valley. That means loss of revenue in many forms, housing taxes, retail purchases to just name a couple.

I could belabor the above points, I will not. Let me say in closing, please uphold the Planning Commission's recommendation.

**DO NOT CHANGE THE ZONING.  
SAY NO TO IDDO BENZEEVI and to DIESEL, TRAFFIC.**

Thank you for your time.

Sincerely,  
Donni and Steve Borchard

# Johnson Sedlack

ATTORNEYS at LAW

Please put into the Public Record

Raymond W. Johnson, Esq. AICP  
Carl T. Sedlack, Esq., *Retired*  
Abigail A. Broedling, Esq.  
Veera K. Tyagi, Esq.

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February 3, 2009

Mr. Mark Gross  
Senior Planner  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92553

CITY CLERK  
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Dear Mr. Gross:

On behalf of the San Gorgonio Chapter of the Sierra Club, I submit the following comments regarding the Final Environmental Impact Report ("Final EIR") for the Highland Fairview Corporate Park PA07-0088, PA07-0089, PA07-0900, and PA07-09-091. These comments are intended to be a supplement for previous Sierra Club comment letters.

## I. Failure to Evaluate Reasonably Foreseeable Related Projects

The EIR improperly segments the current Project from a related distribution center project, and it fails to consider or analyze the impacts associated with this related project. The Final EIR states that the City actually chose to exclude this Project from its cumulative impact analysis (p. 3-61). This is inconsistent with CEQA.

The Applicant acknowledges that a separate project is contemplated for the adjacent 1,800-acre property located south of Highway 60 and between Redlands Boulevard and Gilman Springs Road. This approximately 35 million square foot distribution center project qualifies as a cumulative project and must be considered in this EIR. (State CEQA Guidelines Section 15130 (b)) CEQA is primarily a disclosure statute. The public and decision-makers must be informed about the *full* environmental consequences of land use decisions. CEQA also prohibits the segmentation of project approvals. Here, the Final EIR acknowledges the following:

"The Applicant has stated that it is considering seeking revisions to the City's existing General Plan and Moreno Highlands Specific Plan (MHSP) as they apply to approximately 1,800 acres owned by the Applicant immediately adjacent to the south and east of the project" (p. 3-61).

Under the City of Moreno Valley General Plan, the 1,800-acre was previously designated for schools, parks, homes, commercial and business parks use. Thus, the General Plan did not evaluate the impacts associated with developing the site as an industrial or business use. By

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resolution, the Moreno Valley Unified School District has taken official actions to abandon a much needed school site with a certified EIR due to the incompatibility with the proposed warehouse projects.

Thus, it is clear the Applicant is actively considering the development of this adjacent land, and the development has not been evaluated in any previous environmental analysis. As such, the development must be considered in this environmental document in the cumulative impact analysis. Moreover, any purported compliance with a general plan or other adopted land use plan does not by itself absolve a project proponent from analyzing and mitigating its individual and cumulative impacts.

## **II. Aesthetic Impacts**

The Final EIR acknowledges the Project will have a significant aesthetic impact to the extent that it will block scenic views of Mystic Lake area, among other things. The Final EIR acknowledges the impact, however, the document fails to explain why a proposed mitigation measure to limit the height of the building to 25 feet is infeasible, or why the adjacent land owned by the Applicant cannot be used to mitigate for the loss of scenic views. Mitigation measures for aesthetic impacts have not been shown to be infeasible as required by State CEQA Guidelines Section 15091 (a)(3).

Additionally, the Final EIR does not explain why certain "dark sky" lighting standards are infeasible, and any purported reliance on City lighting standards does not excuse this project from mitigating its individual project impacts.

## **III. Agricultural Impacts**

The Draft EIR concludes that the loss of prime farmland as a result of the Project is a significant impact (p. 5-2.5). The Final EIR also states that the proposed project will contribute to the cumulative loss of farmlands including prime farmlands (p. 3-59). The Mitigation Program concludes there are no mitigation measures available to lessen the impact (pp. 4-3, 4-5). However, among other deficiencies, the Final EIR does not adequately address the comment in the record that the Applicant's ownership of 1,800 acres of agricultural land adjacent to the Project site could be used to mitigate for the loss of agricultural lands as a result of this Project.

Mitigation measures for agricultural impacts have not been shown to be infeasible as required by State CEQA Guidelines Section 15091 (a)(3). Feasible mitigation measures exist for these impacts such as the designation of land adjacent to the San Jacinto Wildlife Area for agricultural uses; the purchase of agricultural lands elsewhere to offset in part for the loss of agricultural lands; or the payment of mitigation funds to a conservation agency.

The purchase of agricultural conservation easements on land of at least equal quality and size as partial compensation for the direct loss of agricultural land as well as for the mitigation of growth inducing and cumulative impacts has not been shown to be infeasible. This measure could be implemented by the outright purchase of conservation easements tied to the Project; or it could be implemented via the donation of mitigation fees to a local, regional or statewide organization or agency including land trusts and conservancies whose purpose includes the purchase, holding and maintenance of agricultural conservation easements. The conversion of agricultural land should be deemed an impact of regional importance and the search for mitigation lands conducted regionally. Furthermore, "mitigation" under CEQA includes the

concept of "minimizing" the impact by *limiting* the degree or magnitude of the action. Here, the purchase of a conservation easement or the donation of a mitigation fee could certainly minimize, if not avoid, the significant agricultural impacts.

The EIR fails to address, let alone find, that the above mitigation measures are infeasible within the meaning of State CEQA Guidelines Section 15091 (a)(3) (pp. 5.2-6-5.2-7).

#### **IV. Air Quality**

The Final EIR concludes that climate change impacts due to Greenhouse Gas Emissions are significant and unavoidable, yet the EIR fails to make findings on the basis of substantial evidence that proposed mitigation measures to lessen significant air quality impacts are infeasible. (State CEQA Guidelines Section 15091 (a)(3)) Proposed mitigation measures include emission trading regimes and carbon sequestration. Mitigation measures for climate change impacts have not been shown to be infeasible.

#### **V. Parking Impacts**

With respect to traffic impacts, the Final EIR still does not address the comment that the City has improperly deferred analysis of parking impacts to future projects. The entirety of the Project including all phases must be evaluated by the Project EIR.

#### **VI. Alternatives Analysis**

The EIR concludes that the existing General Plan alternative, Reduced Density alternative, and Normal Construction Schedule alternative each reduce some of the significant impacts of the Project. These alternatives were rejected because they purportedly do not satisfy some of the project objectives. However, there is no financial data or other evidence to support the conclusion that the alternatives are infeasible for economic, employment, or other reasons. (State CEQA Guidelines Section 15091 (a)(3)) (*See*, CEQA findings pp. 60-61; Draft EIR p. 9-36)

Furthermore, environmentally superior alternatives were improperly rejected. The project objectives cannot be structured in such a way to preclude the adoption of an alternative. Also, alternatives cannot be rejected because they fail to meet the applicant's objectives since project alternatives must be independently evaluated by the lead agency. Here, the project objectives are overly specific so as to preclude the adoption of one of the project alternatives. Also, some of the project objectives are clearly tailored to the needs of the specific applicant which is inconsistent with CEQA.

#### **VII. Water Supply**

The EIR fails to contain any assessment of the water supply demands of the current Project when combined with other cumulative projects, including the 35 million square foot distribution center which is contemplated for the adjacent property. There is no data or evidence to back up the conclusion of the EIR that cumulative water supply impacts are less than significant. The EIR also fails to contain a sufficient analysis of long term water supplies for the Project.

The EIR contains unenforceable and uncertain mitigation; mitigation measures were improperly rejected without adequate findings of infeasibility, and the City failed to adopt feasible mitigation; and project alternatives were improperly rejected without adequate

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findings of infeasibility. Overall, the City's CEQA findings are not supported by substantial evidence in the record.

Sincerely,

Johnson & Sedlack

A handwritten signature in black ink, appearing to read "Raymond W. Johnson". The signature is written in a cursive style with a long horizontal stroke at the end.

Raymond W. Johnson, Esq. AICP

Sierra Club  
and  
Community Alliance for  
Riverside's Economy and Environment

*Please submit  
this and all  
attachments  
to the  
Public Record*

Dear City Council Members:

Re: Highland Fairview Corporate Park

The developer's report attempts to sell you the idea that this project would be so wonderful that it should be approved. The report refers to the "aesthetics" of the project. But aesthetics cannot compensate for nor can they mitigate the harmful impacts this massive project would have on our community. Please factor into your decision the following issues:

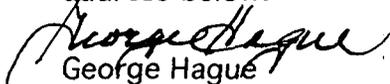
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CITY CLERK  
MORENO VALLEY  
RECEIVED

1. You must vote over-riding considerations on AIR QUALITY. All the warehouse workers will be subjected to significant health problems from the thousands of daily truck trips - one every 40 seconds in every 24 hours. The massive area where workers labor is not air-conditioned; thus, they must continually breathe the toxic diesel pollution, which will eventually affect most with health problems. Our very poor air quality will become even worse with this project's diesel trucks - many times more than what existing zoning would allow. More than just "jobs now", we need healthy jobs.
2. There are two projects that are adjacent to this one, which would add 3,000,000 more square feet of warehousing/logistics centers. If you approve this project, you are in reality approving all three, for a total of 5,000,000 square feet of polluting warehousing. The Sierra Club and CAREE do not believe the cumulative, growth-inducing impacts have been thoroughly analyzed for environmental impacts on our community. The "logistic modified General Plan" (LMGP) concept proposed by the developer is something that must be incorporated into the document now before you. Just saying the developer has not submitted paperwork for the LMGP does not justify not having this foreseeable project's information prior to your vote.
3. Noise will substantially increase, and you are telling hundreds, if not thousands, of residents to "grin and bear it" so you can approve this unhealthy project. State Route 60 through Moreno Valley has few trucks compared to Interstate 10. This project and its growth-inducing impacts will change our commuter freeway into one that makes those who live close to it suffer significant noise and pollution impacts from all the noisy, polluting diesel trucks. The 500-foot buffer needs to be 500 meters (or 1600 feet) and must extend southwest as well as directly south. This raises a question as to where the environmental justice analysis is in this document. It is totally lacking and needs to be before you prior to any vote.
4. Greenhouse effects and climate change have not been mitigated. The LEED-certified building - even the lowest level of certification - probably will not

happen. That is why the developer is now qualifying the certification. If we want water in Southern California, we need snow packs in the northern mountains. Think of your children's and grandchildren's future and demand more than what the developer believes is "feasible".

5. Another issue that has not been resolved prior to your vote is TRAFFIC. The developer does not factor in all existing approved projects (like Moreno Highlands with 6,000-plus homes and zoning for 20,000 jobs). The FEIR states that there are two lanes that allow you to continue west from the 60 to the 215. In reality only the SR 60 lane on the far left allows you to continue west, while the other lane forces drivers to exit at Central Avenue. Until the traffic analysis deals with this issue, you cannot vote to certify this EIR because it is inadequate. You must realize that while 2,200 daily diesel truck trips may not sound overwhelming, they represent one every 40 seconds for 24 hours every day. If the two adjacent warehouses are approved, then you are looking at adding one noisy, polluting diesel truck to Highway 60 every 10 to 15 seconds for 24 hours a day - something to look forward to as we head west on that single lane. The FEIR tries to convince you that a truck is like 1 1/2 cars. I would rather be behind two Hondas than one noisy, polluting diesel truck. Please remember that in 7 to 14 years, we may have "cleaner" trucks, but not "clean". You, however, could require only cleaner trucks (strongly recommended by AQMD as feasible) and protect Moreno Valley residents as well as the workers.
6. Alternative sites have not been expanded to include other possibilities and thoroughly analyzed. I-215 has no houses along it and is built with overpasses and road-width to handle this number of diesel trucks. Why hasn't the old golf course at Norton Air Base been suggested? That was at one time a strong possibility. The Banning/Beaumont area would, like Norton, be better for trucks because I-10 is also built for them, and trucks would not need to use SR-60 to get to that area.
7. You cannot satisfy impacts to threatened and endangered species by simply paying a mitigation fee. You must thoroughly analyze impacts to each species and how the fee will further each species' recovery.

Please vote to continue the project tonight so you can read and study all information presented to you, including the attached stories, which are very relevant to this project's impact on our community. Please keep both the Sierra Club and CAREE informed of future documents and meetings related to this project by using the address below.



George Hague  
Conservation Chair  
Moreno Valley Group of the Sierra Club  
26711 Ironwood Avenue  
Moreno Valley, CA 92555-1906

CAREE  
P. O. Box 5199  
Riverside, CA 92517-5199

⑤ 2 pages on LMG Plan

⑥ 3 pages MVUSD Resolution No. 2007-0887

#### Attachments

① 6 pages CCAEJ Oct 10, 2007

② MCA Air Resources Board

③ 6 pages on SB 375

④ 11 pages: Growing the SACOG Region Local to Se...

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## Center for Community Action and Environmental Justice

### Centro de Acción Comunitaria y Justicia

Mailing Address: PO Box 33124, Riverside, CA 92519 Office Location: 7701 Mission Blvd.  
Riverside, CA 92509  
http://www.ccaej.org

Testimony by Penny J. Newman  
Executive Director,  
Center for Community Action and Environmental Justice

October 10, 2007

### Field Briefing the Senate Environment and Public Works Committee on Air Pollution Challenges for California's Inland Empire

Chairwoman Boxer, Honorable Members of the committee, I thank you for the opportunity to address this committee on this important issues.

My name is Penny Newman, Executive Director for the Center for Community Action and Environmental Justice. CCAEJ is one of the oldest and most accomplished environmental justice organizations in the nation having begun our work in 1978 as a small neighborhood group fighting for the cleanup of California's top priority Superfund site, the Stringfellow Acid Pits. We will be celebrating our 30 years of working with communities of the Inland Valleys to improve the health, quality of life, and well-being of all our families.

Southern California is facing a critical health crisis. One that we can't inoculate against, change our habits like stop smoking, or exercise more to improve. The health threat comes from the vary activity that we depend upon to keep us alive—breathing.

- ~~Southern California air quality~~ remains the worst in the nation, posing a major health concern for almost 17 million residents in the region.
- The state Air Resource Board estimates that air pollution (PM 2.5) in the South Coast Air Basin is responsible annually for up to 5,400 premature deaths, 2,400 hospitalizations, and 980,000 lost work days.
- 140,000 Children in Southern California have asthma and respiratory problems largely due to air pollution.
- Over 70% of the airborne cancer risk in Southern California is directly attributed to diesel fueled engines in the basin.

Prompted by these startling statistics, Southern California Association of Governments (SCAG) and South Coast Air Quality Management District (SCAQMD) have called upon Governor Arnold Schwarzenegger and President George Bush to issue a State of Emergency for the area.

For the communities of the Inland Valleys these statistics have special significance. Geologic and meteorologic factors make our area the center of the accumulation of this pollution. As coastal winds blow pollution from the Los Angeles and Orange county areas it is trapped by our surrounding mountains where it sits and bakes creating a toxic brew of pollution. As a result San Bernardino has the highest levels of ozone pollution in the nation. Riverside County holds the record for having the highest levels of Particulate matter pollution known as PM<sub>10</sub> (Particulate Matter 10 microns or less). While the health risk on a region wide basis is unacceptable, the most severe impacts are concentrated in those communities closest to the sources.

It is in this setting that the decisions to make the movement of goods with its reliance on heavily polluting ships, trucks, and trains, the economic engine for southern California has been made. The rapid growth and convenient location to freeways, airports or rail lines make the Inland Valleys of Riverside and San Bernardino Counties prime locations for industrial facilities, warehouses and distribution centers-- without regard to the incompatibility with existing communities. Also ignored is the health threat posed to local residents. Planning strategies and the drive for economic growth have led local agencies to disregard existing problems such as air pollution, traffic congestion, water contamination or consideration of the rural nature or life styles of existing neighborhoods affected by their decisions. The outcome of poor public policies and lack of appropriate planning has created a situation where homes are next to polluting industries; where diesel trucks crowd residential streets threatening the safety of our children; where neighbors can't use their backyards because of overwhelming noise or odors. This concentration of truck and rail activity has also resulted in the area being designated as a diesel "hot spot" by the South Coast Air Quality Management District (SCAQMD) with a cancer risk of over 1500 in a million. The result is an overall deterioration of the air, water, and quality of life— dramatically affecting the health and lives of local residents.

While we often look at the impacts on a regional basis, health researchers have demonstrated that a higher health risk is experienced the closer one gets to the diesel source. The concentration of diesel dependant facilities in communities already at risk disregards this fact. Economic development strategies and local land use decisions influence the levels of pollution to which specific communities are exposed, too often resulting in disproportionate levels of risk for low-income neighborhoods and Communities of Color. Increases in community exposure can lead to increased rates of disease and negative impacts on public health. More than 45 studies conducted by various investigators between 1967 and 1993 examined the role of race and income level in exposure to environmental hazards, and found disparate impacts in the great majority of cases studied (87 percent and 74 percent, respectively).

One such heavily impacted community is the unincorporated community of Mira Loma in Riverside County.

Mira Loma has the highest levels of particulate pollution in the nation.<sup>1</sup>

Mira Loma has the 4<sup>th</sup> worst particulate pollution in the world only after Jakarta, Indonesia; Calcutta, India; and Bangkok, Thailand<sup>2</sup>

In recent years, environmental health researchers have firmly established the linkage between air pollution exposure and a range of negative health outcomes, including slowed lung growth rates in children (Gauderman et al Cohort C, Cohort D papers), exacerbation of existing respiratory disease (McConnell et al EHP bronchitis/asthmatic paper), increased absences from school due to respiratory illness (Gilliland et al CHS absences paper), and increased mortality. Both gaseous and particulate pollutants have been implicated in health investigations, with increasing attention being focused recently on the toxicity of particulate pollution, both for the physical size and chemical nature of the particles inhaled each day. The California Air Resources Board estimates that more than 2400 people die prematurely due directly to air pollution from the movement of products and goods.

The impact of air pollution on children's respiratory health, in particular asthma, is a significant problem in Southern California. A recent survey in California found that nearly 700,000 children ages 6-17 suffer from asthma symptoms; one in five African-American children in California has been diagnosed with asthma. (CHIS) That same survey finds that in Southern California, the highest asthma symptom prevalence in children ages 0-17 is found in San Bernardino County (13.9%), (CHIS). Air pollution is a significant problem for the target communities of the Inland Valley.

The findings from the USC Children's Health Study demonstrating the affects of air pollution upon lung function are particularly frightening for our area. The Study found *that Mira Loma children had the weakest lung function and slowest lung growth of all children studied in southern California.*

Another analysis that drew upon data from the same USC Children's Health Study, ranked children living in Mira Loma as the most likely to develop asthma, other respiratory diseases *and* have stunted lung growth. ~~The study found that children living~~ *within 500 meters of a freeway (approximately a third of a mile) have substantial deficits in lung function by the time they reach age 18. Of all children studied*

<sup>1</sup> South Coast Air Quality Management District, "Multiple Air Toxics Exposure Study in the South Coast Air Basin" (MATES II Study), March 2000.

<sup>2</sup> World Health Organization, as cited by California Public Interest Research Group, CalPIRG, Citizens' Agenda, Vo. 13, No. 3; pg 4, Fall 1997. (The industrialization of China has now created many communities with high levels of PM pollution. While our levels have not gone down, levels in a number of communities in China have risen.

throughout southern California, children in Mira Loma and Riverside had the poorest lung function, and as a result the greatest risk for developing respiratory and cardiovascular diseases later in life.

But disease risk caused by particulate matter pollution is not limited to children. A recent study by the University of Washington found that women over the age of 50 living in highly polluted areas around the United States (including Mira Loma and Riverside) have more than double the chance of developing heart disease and dying from it, compared with women living in cleaner air regions. Again, the study found a strong correlation between particulate pollution and heart disease.

While the science is clear; the documentation of pollution levels is substantial; and suggested solutions have been proposed—local officials continue to place industrial warehouses, truck terminals and railyards next to the homes, schools and parks of these communities ignoring the severe health impacts those decisions inflict upon the families in the area. Inland Valley officials are looking to the Goods Movement as the economic hope for the future. As a result, rail yards, intermodal facilities and trucks have multiplied bringing the pollution closer to existing homes and schools. Adding insult to injury, BNSF Rail road has put forward an offer to buy the neighborhood's only park, so that the facility can expand.

Suggested actions that would lessen the impact are routinely ignored. For example, it has been recognized that by providing a buffer zone of 1,000-1,500 feet between a diesel source (road, warehouse, railyard) and homes, schools, and parks, we reduce the health risk where people live. Yet, there are currently proposals being approved that place these polluting facilities directly next to the fence lines of homes. While SCAG has acknowledged the severity of the health crisis in its call for a State of Emergency, it is considering an Inland Port facility in Mira Loma.

The Union Pacific rail road auto distribution facility in Mira Loma, is located next to Jurupa Valley High School. Separating the railyard from the athletic field of the school is the street the hundreds of trucks use to pick up their load each day. This close proximity to the diesel spewing trucks creates a high health risk for the students. A simple action of closing this southern gate and using the northern gate would reduce significantly the pollution these students are exposed to. Yet, Union Pacific has refused to implement this small mitigation, because it would be inconvenient to its tenants. It is puzzling to me why a corporation would not take easy measures that they know would reduce its impact upon the health of the children of our community.

The anticipated three-to five fold increase in the movement of goods through southern California will compound further adverse health outcomes. Solutions being offered by officials at the ports pose greater increase in the deadly diesel pollution for Inland Valley communities. One solution offered to address port pollution is to utilize rail instead of trucks with the assumption that trucks pollute more than locomotives per

number of containers hauled. Again what is overlooked is that containers would be transported on an expanded rail system while more containers would be still be hauled by an expanded trucking system, the widened freeways. The goal is to maximize both rail and truck transportation modes in order to handle the anticipated expansion of the freight hauling industry.

For the Inland Valleys the promotion of an expanded rail system is particularly troublesome since it depends on the development of an "Inland Port." Since there isn't room at the ports to sort and distribute the containers of goods, the goods would be directly moved from the ships to the rail cars and hauled to the Inland Port. Here the goods would be sorted and thousands of trucks would converge to pick up loads for distribution. One of the leading locations under consideration is at the Space Center in Mira Loma.

~~To expand an industry that is currently killing people without addressing the current health crisis is criminal.~~ The message to residents is clear—the health and well being of our families does not count; our neighborhoods are expendable.

Many promises are being made to address pollution associated with the expansion of Goods Movement, but there is little reason to believe any of it. Responsibility for action is passed from one jurisdiction to another. Local government points to the state for responsibility; the state points to federal government, and in turn they point back to local government and sanctity of local land use decisions. With all the finger pointing NO ONE is doing anything to address this critical situation. U.S. Environmental Protection Agency is nowhere in the discussions. The National Environmental Justice Advisory Committee was recently asked to prepare recommendations regarding how to address the health crisis surrounding the Goods Movement. Not one community person from southern California has been appointed to this study committee, even though I personally have volunteered and traveled to Washington DC for the first face-to-face meeting at my own expense. It is difficult to understand how comprehensive recommendations can arise from the committee if the major geographic area hit hardest by this industry has no voice. Clearly the recommendations will have little credibility if those most directly and most significantly impacted are silenced from the discussions.

Since the trucking, railroad and shipping industries are primarily regulated by federal rules, the federal government holds special importance and must step in to address this growing problem. Instead we are engaged in a hectic discussion on how to increase the movement of goods by 3-5 fold. Our communities will not survive that onslaught.

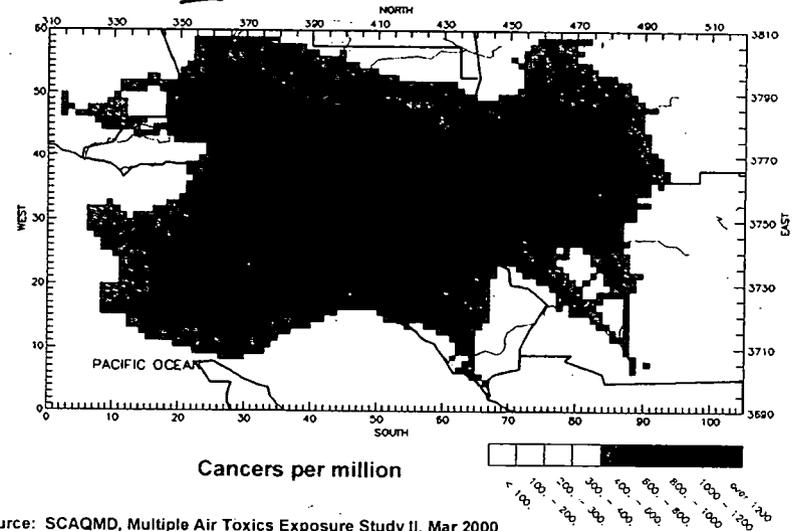
While ignorance regarding the health implications of exposure to diesel exhaust could be claimed many years ago, the emerging scientific information brought forth by the South Coast AQMD, researchers at USC and UCLA and the hundreds of other

scientific studies generated on diesel, clearly show the horrific health impacts from constant, high levels of diesel exhaust. And yet, the federal government is absent and state agencies appear impotent. Local government seems hypnotized by the promise of jobs and economic growth and ignores the deadly consequences. In many cases local government directly benefits financially from the destruction of our targeted communities. Just as federal intervention was necessary to correct the violations of civil rights occurring in the 1960's, intervention is warranted to correct the immoral land

## Air Pollution

- Issue primarily in Western Riverside County
- X ▪ Riverside County is first in the nation for asthma, heart disease, respiratory ailments
- Inland Empire has worst air quality in California
- X ▪ Mira Loma area has the highest levels of particulate pollution in the US (SCAQMD, Multiple Air Toxics Exposure Study II, Mar 2000)
- Diesel particulates are 71% of the major pollutants contributing to cancer risk in the South Coast Air Basin (SCAQMD, Multiple Air Toxics Exposure Study II, Mar 2000)
  - The largest source of diesel emissions in the South Coast Air Basin is the goods movement industry

## Estimated Risk of Cancer from Airborne Toxics: All Emission Sources

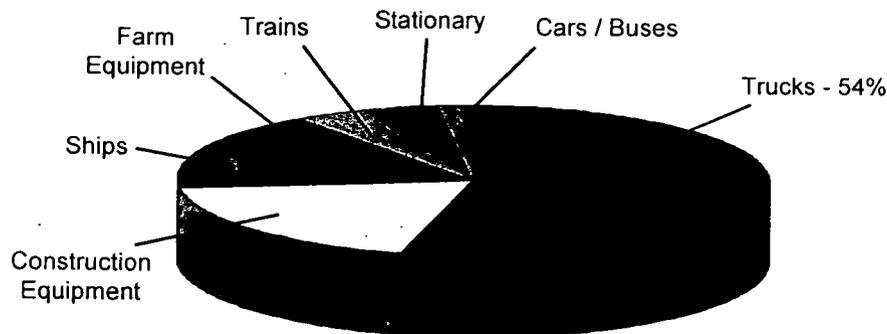


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AMERICAN SYSTEMATICS

AMERICAN SYSTEMATICS

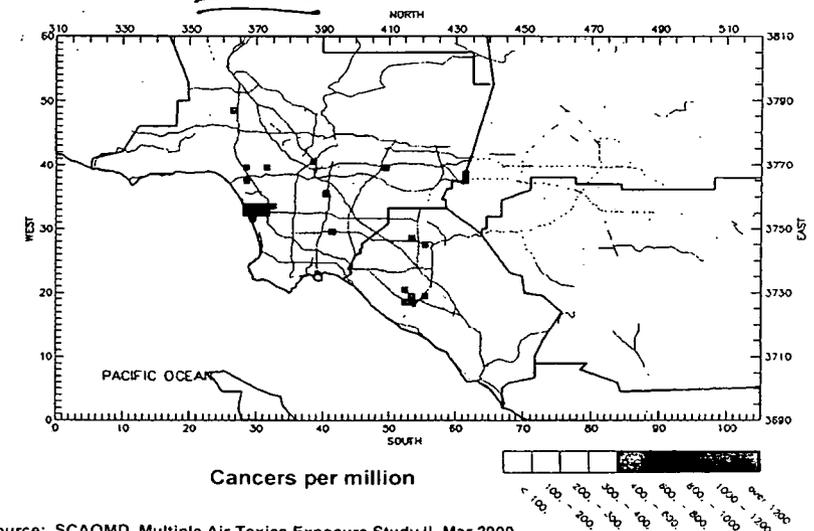
## Major Sources of Diesel Emissions (SCAG Region)



Source: California Air Resources Board

AMERICAN SYSTEMATICS

## Estimated Risk of Cancer from Airborne Toxics: Excluding Diesel



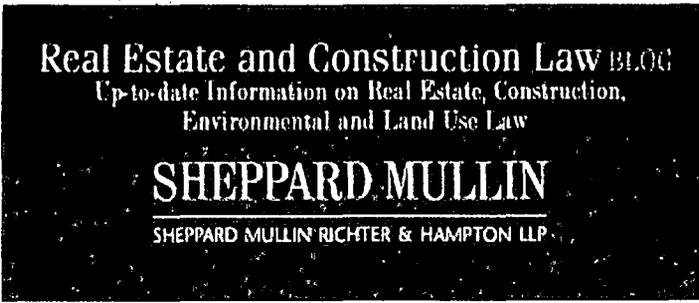
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SB 375 should

impact the placement of logistic centers in the Sacramento Valley. Please modify HCP in light of what is now law.



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October 24, 2008 | Posted By

### SB 375: CALIFORNIA ADOPTS NEW LAW GEARED TO REDUCE GREENHOUSE GAS EMISSIONS BY INTEGRATING REGIONAL TRANSPORTATION AND LAND USE PLANNING

By Rafael F. Muilenburg, James E. Pugh, and Michael Hansen

On September 30, 2008, the rules governing regional planning changed dramatically when Governor Schwarzenegger signed Senate Bill No. 375 ("SB 375") into law. SB 375, in its essence, attempts to control greenhouse gas ("GHG") emissions by curbing urban sprawl through the implementation of "sustainable community strategies" in land use and transportation planning, along with various related incentives relating to housing development.

SB 375 was put together through an unusual compromise that brought together the diverse interests of the California Building Industry Association, League of California Cities, environmental groups, and affordable housing advocates. The "compromise" nature of the bill is apparent from the text - most of the mandatory requirements or "teeth" contained in earlier versions of the bill have been stripped out, and the final bill represents a hodgepodge of different provisions that advance the respective goals of the various constituent groups. Nonetheless, the planning requirements of the bill are likely to have significant and direct "persuasive" effect on local jurisdictions and developers, and these requirements may obtain further force under certain developing CEQA requirements relating to climate change (as discussed below).

SB 375 creates a complex set of requirements that may represent the first step towards creating an overarching strategy for pursuit of regional transportation-oriented development and the AB 32 goals for GHG emissions reduction. Although the extent of the actual substantive changes SB 375 will trigger is difficult to quantify, the likely impact of the bill should not be minimized - its implementation over the next few years will tell the tale. Whatever the ultimate outcome, interested parties throughout California, from regional transportation agencies to local governmental agencies to land developers and industries alike, will need to navigate this new legal landscape as it evolves. For such parties, it is critical to carefully consider SB 375's provisions now and become involved early on in its implementation.

#### Background Information

The bill applies to every region in the state that has a Metropolitan Planning Organization ("MPO"), which is a policy-making organization made up of representatives from local government and transportation authorities. MPOs receive state and federal funds to accomplish regional transportation planning.

California has 18 MPOs. Please see the attached map that shows the jurisdictional boundaries for the state's 18 MPOs. Most of the MPOs cover a single county, such as the San Diego Association of Governments ("SANDAG") and the Santa Barbara Association of Governments, while the MPOs in certain regions cover multiple counties. For example, the Bay Area region's MPO is the Metropolitan Transportation Commission ("MTC") associated with the Association of Bay Area Governments ("ABAG"), which serves nine counties, and the MPO for the Los Angeles region and adjoining counties is the Southern California Association of Governments ("SCAG").

MPOs prepare the region's Regional Transportation Plan ("RTP"). The RTP sets forth the long-range (20 year) transportation plan for the region and is based upon a set of land use assumptions about future development patterns. The RTP identifies the existing and future transportation needs in the region and includes rough cost estimates. RTPs must be updated every four or five years, depending on whether the region meets federal air quality attainment standards.

### **What Does SB 375 Say?**

The bill requires all Metropolitan Planning Organizations ("MPOs") to update their Regional Transportation Plans ("RTPs") so that resulting development patterns and supporting transportation networks can reduce GHG emissions by the amounts to be set by the California Air Resources Board ("CARB"). The language of SB 375 articulates changes to the landscape of regional planning and the applicable standards for analysis of transportation-related climate change impacts under CEQA through a multi-pronged approach. The key elements of that approach include:

#### **1. Regional GHG Targets**

AB 32 requires CARB to set reduction targets for the state for various sectors of the economy. CARB will soon release its Scoping Plan, which the board plans to adopt by January 1, 2009. The Scoping Plan will include reduction targets for the state and a strategy for meeting those targets. SB 375 requires CARB to divvy up the state targets and assign each region a target for the automobile and light truck sectors for 2020 and 2035.

To develop these targets, the bill requires CARB to create a Regional Targets Advisory Committee by January 31, 2009 to recommend facts to consider and methodologies to use for setting the regional GHG targets. The committee must be comprised of representatives of the MPOs, affected air districts, the League of California Cities, the California State Association of Counties, local transportation agencies, and members of the public. The Regional Targets Advisory Committee must submit its report to CARB with its recommendation by September 30, 2009. In turn, CARB will review the report and must provide targets for each region by June 30, 2010.

Interested parties may want to closely monitor the formation of the Regional Targets Advisory Committee and the rest of the process to ensure that CARB sets the targets for each region in a reasonable manner.

#### **2. Sustainable Community Strategies**

Each of the Metropolitan Planning Organizations described above ("MPOs") that are tasked with implementing SB 375 must incorporate a Sustainable Community Strategy ("SCS") as a new linchpin element of its Regional Transportation Plan ("RTP"). The SCS will be effectively a blueprint-like set of planning assumptions that shape the land use component of the RTP. Its goal is to promote development density near urban cores and transit centers.

Under SB 375, each SCS prepared by an MPO must, at a minimum, (a) identify the general location of uses, residential

densities, and building intensities within the region; (b) identify a transportation network to serve the transportation needs of the region; (c) identify areas within the region sufficient to house all the population of the region over the life of the RTP; (d) include a discussion of how the development pattern and transportation network can work together to reduce greenhouse gas emissions; and (e) set forth a forecasted development pattern for the region, which, when integrated with the transportation network and other transportation measures and policies, will reduce the GHG emissions from automobiles and light trucks to achieve, if there is a *feasible* way to do so, the reduction targets set by CARB. Determining what is "feasible" will likely be a much-debated (and potentially litigated) subject, especially considering that SB 375 uses the definition of "feasible" found in CEQA, thus incorporating a standard that is extremely flexible and case-specific. CARB must certify that the final SCS meets the regional targets before it is enforceable.

If CARB does not approve the SCS, the MPO can revise and resubmit it. Alternatively, if it is clear that "federal planning requirements" preclude meeting the GHG emissions targets or if the public will not accept the proposed framework of the SCS, the MPO must adopt an Alternative Planning Strategy ("APS"). The APS would theoretically show how the GHG emissions targets could be achieved through alternative development patterns or additional transportation measures. The APS would not be adopted as part of the RTP and would not be considered an "applicable land use plan" under CEQA. In contrast, because the SCS is the land use plan for the RTP, inconsistency between a project and the SCS could form the basis of a significant environmental impact under CEQA.

Prior to adoption of the SCS, the MPO must conduct at least two informational meetings in each county within the region for members of the board of supervisors and city councils. Each MPO must also adopt a Public Participation Plan for development of the SCS that includes: outreach efforts to encourage active participation of a broad range of stakeholder groups; consultation with congestion management agencies, transportation agencies, and transportation commissions; workshops for the public; circulation of a draft SCS for at least 55 days; and at least three public hearings on the draft SCS.

Land owners and other interested parties in each region should be actively involved in the development of the SCS through the above process to advocate for current and future projects to be included within the "forecasted development patterns" submitted for approval in the SCS.

### **3. Regional Housing and Transportation Planning**

SB 375 requires that planning for transportation and housing occur together. To accomplish that goal, the bill extends the general plan housing element update period from five to eight years, thereby synchronizing those efforts with the eight-year Regional Housing Needs Allocation ("RHNA") periods. Procedurally, the MPOs will first allocate housing units among cities and counties using the RHNA. Those allocations must be consistent with the approved SCS. Second, and based on the RHNA, the local governments must submit a new housing element to the Department of Housing and Community Development. The housing element must comply with various planning requirements provided in Section 65583 of the California Government Code as amended by SB 375. Then, the local governments have 3 years to rezone parcels within the housing element boundaries to demonstrate consistency with the SCS.

If a local government fails to do so, the local government generally may not disapprove a housing development project, or impose other discretionary measures to make the project infeasible, if the project is otherwise consistent with the SCS. (The local government may only disapprove the project if it makes findings based on substantial evidence that the project would adversely impact public health and safety.) This may give project proponents significant additional leverage to obtain local approval of infill or high-density projects that are consistent with the SCS.

#### 4. Transportation Funding

SB 375 focuses public transportation funds on infrastructure improvements that are consistent with or facilitate the SCS. The financial element of the RTP will recommend that projects consistent with the SCS be financed with regional improvement funds - presumably, it will be harder to obtain funding for projects that are inconsistent with the SCS. This may result in increasingly privately financed transportation infrastructure, such as toll roads, to fund those developments that are not considered consistent with the SCS.

#### 5. Streamlined CEQA Review for Qualifying Projects

SB 375 fast-tracks "transit-priority projects" that are consistent with general use designation, density, building intensity, and applicable policies specified in either the SCS or APS. It also provides CEQA exemptions and streamlining provisions for certain residential and mixed use projects that are consistent with such policies (this generally includes certain infill and high-density projects located adjacent to transportation nodes or corridors, which satisfy other applicable policies such as providing affordable housing on site). SB 375 provides detailed definitions regarding what characteristics these qualifying projects must include; and it outlines the streamlined CEQA procedures that apply to qualifying projects.

#### What Does SB 375 Not Say?

Specific "disclaimer" language was inserted into the bill at the behest of the various interest groups that reached the compromise on the legislation, which expressly provide that "nothing" in the bill (the six "nothings") shall:

1. Be interpreted to supersede the prerogatives of local agencies over land use planning;
2. Be interpreted to limit the California Air Resources Board's authority under any law;
3. Be interpreted to authorize the abrogation of vested rights;
4. Require a local agency's land use policies and regulations to be consistent with the regional plans that are created;
5. Require a metropolitan planning organization to approve a strategy inconsistent with federal law; or
6. Relieve a public or private entity or any person from compliance from any other law.

SB 375 further states that "Nor will the plans that are developed under the provisions of SB 375 regulate the use of land."

These "disclaimer" provisions may lead to arguments in the future regarding their interpretation, as some of them arguably conflict with other provisions of SB 375. For example, though the plans developed under SB 375 may not regulate the use of land directly, they certainly have a strong indirect effect on the planning process that controls land use, and may in some cases act to "supersede the prerogatives of local agencies over land use planning." Such issues could very well be the subject of litigation in years to come.

#### When Will SB 375 Be Implemented?

- December 11, 2008: CARB plans to adopt the Scoping Plan required by AB 32 on this date. The Scoping Plan must include state-wide GHG reduction targets for various sectors of the economy. We may want to provide

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comments on the proposed final plan.

- January 31, 2009: CARB must create a Regional Targets Advisory Committee, which must recommend facts to consider and methodologies to use for divvying up the state targets and assigning each region a target for the automobile and light truck sectors for 2020 and 2035.
- September 30, 2009: The Regional Targets Advisory Committee must submit a report to CARB with its recommendation regarding the regional targets.
- June 30, 2010: CARB must provide each region its GHG emissions reduction targets for use in the region's next RTP update.
- After June 30, 2010: Each MPO must prepare an SCS (and possibly an APS) as part of its next regular RTP update.

### So, What Does SB 375 Really Do?

Ultimately, no one knows exactly what SB 375 will do, other than create a series of planning milestones that must be met between now and 2010, and then into the future. These milestones may be what is needed to begin to pull the diverse landscape of regional planning together into a coherent policy for meeting California's housing and transportation needs into the future. Each agency and property owner will need to evaluate the legislation to determine how it affects them and how to address its dictates, and stay closely in contact with the planning processes being conducted by CARB and by the local MPO will affect specific properties located within their jurisdictions and/or ownerships.

For land owners it could provide significant density incentives and CEQA streamlining benefits for certain transit-oriented projects. Land owners may also want to consider promoting an SCS that is favorable to their parcel. One way to do this is to join the advisory committees established by each MPO that will shape the development of each RTP, or otherwise participate in the public processes established by each MPO as described above. There are also incentives to develop housing with a minimum of 49% affordable units, since these projects may qualify for an "anti-NIMBY" defense if a local government fails to grant the necessary approvals for a project that meets zoning requirements and the applicable requirements specified in SB 375.

On the downside, traditional auto-oriented development (i.e., "sprawl") will be even more carefully scrutinized under SB 375, as the ultimate goal for the SCS is to meet GHG emissions targets set by CARB. For agencies, the transportation-funding provisions of SB 375 could provide access to funds for meeting their transportation goals, for projects that are consistent with an adopted SCS - however, transportation funding may be more scarce for infrastructure outside the urban core. On the brighter side, SB 375 requires that realistic "planning assumptions" be applied under federal law, and this may allow for arguments on behalf of land owners in shaping the SCS process, e.g. that feasibility and financeability of future projects should be considered. Both local agencies and developers will need to be alert to these issues in planning future projects and arguments supporting the inclusion of proposed projects within the SCS will need to be carefully analyzed.

On the CEQA side, the implementation of SB 375 will present both significant challenges and significant opportunities. The legislation contemplates CEQA exemptions for "transit-priority projects" as discussed above and other CEQA streamlining for projects that are consistent with the applicable SCS. Likewise, the new CEQA guidelines currently being considered by ARB and the Office of Planning and Research would grant projects that are consistent with the applicable SCS (at either a program level or an individual-project level) an exemption from having to analyze their transportation-related impacts to global climate change. On the other hand, it is fairly clear (through not explicitly stated) in SB 375 that proposed new projects that are inconsistent with an adopted SCS will be more likely to be viewed as having a significant transportation-related impact to climate change, which will require mitigation. These details, like so many others, will be fleshed out in the upcoming months as the legislation is implemented.

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For all of these reasons, it is essential to carefully consider SB 375 provisions and how they will affect the properties and business plans of land owners and developers, and the future responsibilities of local agencies, as early as possible.

Sheppard Mullin has a team of 60 attorneys throughout California with specialized knowledge and experience in land use, real estate, and environmental law, and an interdisciplinary team of attorneys specializing in global climate change law in California and other jurisdictions, who can advise clients on SB 375 and other evolving climate change rules in a wide variety of practice specialties and issue areas. Several of our attorneys have been involved in the development and early implementation of SB 375, and have been speaking as well as writing on the topic. As such, our attorneys are well-positioned to assist developers and public agencies in benefiting from SB 375 or avoiding its pitfalls.

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# Growing the SACOG Region's Logistics Sector: How Much, How Fast?

March 30, 2007

By Jock O'Connell

*(This whitepaper was prepared in conjunction with a comprehensive goods movement study commissioned by the Sacramento Area Council of Governments.)*

## Summary

*Should the Sacramento Area Council of Governments encourage the development of the region's logistical capabilities beyond the level needed to meet the region's own goods movement needs over the next three decades?*

*At present, there appears to be little enthusiasm among local elected leaders and economic development officials in the SACOG region for allocating appreciable resources to the construction of large warehouses, distribution centers and transloading facilities on a scale that would transform the Sacramento area into a multi-regional or multi-state logistics hub. However, in light of widely publicized claims that the logistics sector represents a fertile source of well-paying jobs for blue-collar workers, regional leaders are understandably concerned that they might be remiss in not pursuing an economic development strategy that could yield promising employment opportunities for many of the half-million adults in the six-county region who possess no more than a high school education and are therefore considered most at risk in a labor market increasingly biased toward individuals with technical training or at least some post-secondary education.*

*Our analysis finds that studies contending that the logistics sector is replacing manufacturing as a primary source of jobs for the state's blue-collar workforce are, at best, misleading. In particular, reports indicating that average annual wages in the logistical sector exceed \$40,000 misrepresent a reality in which most logistics workers take home a great deal less. And, contrary to the claims of some economists, there is scant evidence that the logistics sector offers marginally-educated, unskilled workers a broad pathway for career advancement into positions paying a middle-class income. Accordingly, this report finds no compelling reason why officials in the SACOG region should deviate from their existing reluctance to overbuild the region's logistical capabilities.*

## Logistics and Blue-Collar Jobs

**They are simple needs. Stores must be stocked with merchandise. Parcels must be delivered to offices and households. Goods must be stored, if only temporarily. Freight must be transported ASAP, if not JIT. Yet accommodating these everyday logistical needs in a region with a growing population and an expanding economy involves choices and compromises arrived at via a decision-making process that straddles political jurisdictions and demands the balancing of transportation plans, land-use priorities, fiscal constraints, and environmental goals.**

**Broadly speaking, logistics encompasses those activities involved in the movement of goods, whether from a creamery in south Sacramento to a grocery in Folsom, from a toy factory in Asia to a Roseville department store, or from the Blue Diamond processing plant in Midtown Sacramento to a bakery in Austria. In common parlance, the logistics sector includes only those functions directly related to the transportation, storage and distribution of goods by truck, rail,**

ship, pipeline or plane. Other definitions, however, include a broader array of ancillary functions, such as the services of logistics consultants. Most regional economic studies greatly expand the scope of the logistics sector by including businesses engaged in wholesale trade./1/

In Phase One of the SACOG Regional Goods Movement Study, the logistics sector was defined as "a variety of industry groups that involve the shipping, receiving, processing, and storage of goods." In 2004 (the most recent year for which detailed employment and payroll data were available), this sector accounted for approximately 53,000 jobs or 5.8 percent of the SACOG region's total employment. Employment in the Wholesale Trade sector alone accounted for 45 percent of the logistics sector's total employment in the region, with truck transportation the next largest segment with some 11 percent of all of the region's logistics jobs. Annual payroll in this region's logistics sector amounted to some \$2.1 billion in 2004./2/

There is no question that the SACOG region should grow its logistics sector to keep pace with population increases and economic expansion. Doing so will require, among other things, land-use policies congenial with the gradual addition of warehouses, distribution centers and other facilities needed to ensure the efficient and economical transportation of goods throughout the region. The policy implications and trade-offs inherent in resolving this land-use question are examined in elsewhere in this report.

Here the discussion seeks to illuminate the question of whether it would be in the interest of the SACOG region to promote the development of huge logistical complexes intended to serve the goods movement needs of the rest of Northern California and perhaps even adjacent states. Beyond satisfying the region's own logistical needs, there is little apparent enthusiasm among elected leaders and economic development officials to seek to lure large-scale multi-regional distribution centers or to otherwise make the Sacramento area a major hub for logistical services./3/ Instead, there is a strong consensus that such facilities provide a relatively poor return on public investment and generally do not represent the highest and best use to which scarce commercial real estate should be devoted. The clear regional priority is to attract and/or retain enterprises engaged in high value-added research and design work, software production, or light manufacturing -- preferably in the clean energy, biomedical, and information technologies sectors.

But then there is the matter of jobs and, in particular, employment opportunities for those workers most in danger of being relegated to the sidelines as the state's economy becomes more and more technologically infused. Repetitive labor of the sort once associated with work on assembly lines has been largely automated or outsourced, frequently to offshore locations. Blue-collar occupations increasingly require extensive technical training, if not some post-secondary education. Consider the case of one of the better paying occupational categories within the logistics sector, Wholesale Sales Representative. Unlike past salesman, today's Willy Loman's more often than not traffic in highly sophisticated equipment and technical services where a high school degree is no longer sufficient. As a California Employment Development Department guidebook observes: "The background needed for sales jobs varies by product line and market. Many employers hire individuals with previous sales experience who lack a college degree, but they increasingly prefer or require a bachelor's degree because job requirements have become more technical and analytical."/4/

Still, the need to create rewarding jobs for those without advanced skill sets or a college degree persists. According to the U.S. Census Bureau's 2005 American Community Survey, 501,531 adults (or 36.5 percent of the SACOG region's population aged 25 and over) lack any formal schooling beyond high school. In an economy that emphasizes technology and sophisticated skill sets, this cohort is most at risk economically and socially. Across the region, the size of this marginally-educated group varies considerably, from a high of 55.6 percent in Yuba County to a low of 28.9 percent in El Dorado County. In Sacramento County, which accounts for over 60 percent of the SACOG area's total population, that group numbered 315,999 in 2005, or 37.5

percent of the county's residents 25 and older.

There are a few signs this situation will improve. A new report from the Educational Testing Service entitled *America's Perfect Storm* concludes that, given current trends, the literacy level of the workforce in 2025 will be even lower than it is today. The report points to national surveys indicating that large numbers of the nation's adults, 16 years of age and older, do not demonstrate the literacy and numeracy skills needed to fully participate in an increasingly competitive work environment. "Put crudely," the report states, "over the next 25 years or so, as better educated individuals leave the workforce they will be replaced by those who, on average, have lower levels of education and skill. Over this same period, nearly half of the projected job growth will be concentrated in occupations associated with higher education and skill levels." /5/ Commenting on this study, Peter Schrag, the respected columnist of the *Sacramento Bee*, concluded: "If that's correct, millions of Californians, many of them black or Latino, will be shut out; our economic competitiveness will be attenuated; income and social gaps will widen and the social and political stresses that they produce will grow with them." /6/

Failure to meet the challenge of providing rewarding employment for this vast cohort is apt to have dire consequences not only for these individuals and their families but for society as a whole. As Janet Yellen, president of the Federal Reserve Bank of San Francisco commented in a November 6, 2006 address at the University of California at Irvine: "There are signs that rising inequality is...impairing social cohesion, and could, ultimately, undermine American democracy." /7/

Yet many of the employment categories projected to grow the fastest in the SACOG region -- tourism, the leisure industry, and retail trade -- tend to offer wages below the region's mean hourly wage rate of \$20.38 in 2006 /8/, and certainly well beneath the wage level at which a single individual could be expected to provide a middle-class lifestyle for his or her family. /9/ Other occupations that are expected to see their ranks increase in coming years -- most notably in education and health services -- are generally unavailable to those without college training. Meanwhile, employment in the manufacturing sector, the one area of the economy which had historically provided wages consistent with a middle-class lifestyle to high school graduates, has been declining in California for several years.

By most accounts, manufacturers in the Sacramento area currently employ just over 50,000 workers. But many of those are not blue-collar workers engaged in production jobs. Intel, which alone employs about one-seventh of the region's manufacturing workforce and which is usually identified as the SACOG region's largest manufacturer, actually manufactures nothing in commercial quantities at its facilities in Folsom and Rancho Cordova. Its employment ranks are dominated by individuals engaged in research, product design and development, and administrative support. The best estimate by the California Employment Development Department is that there are now approximately 36,000 residents of the six-county SACOG region who may be classified as working in Production Occupations. /10/ But that represents just four percent of all jobs within the entire region. Where, then, will those possessing few technical skills and little more than a high school education find good-paying jobs within our community?

### Employment and Wages in the Logistics Sector

Given the potentially corrosive social effects of growing disparities in income distribution, it is understandable that claims that the logistics sector may furnish a potent antidote to the decline of well-compensated blue-collar manufacturing jobs should resonate strongly. What public official would not be impressed by a widely circulated report prepared last year for the Southern California Leadership Council which proclaims that, in 2003, "logistics pay averaged \$45,314 or more than both manufacturing (\$43,871) and construction (\$40,439)?" /11/

Those wage figures are roughly consistent with the findings of a 2005 monograph on logistics employment published under the auspices of the California Regional Economies Project./12/ Even though the CREP study used a rather unique definition of what it terms the logistics "cluster," it found that logistics jobs statewide paid an average annual wage of \$42,475 in 2003. Within specific functions, the occupational pattern was found to vary, but in each case the great majority of logistics jobs (81 percent) were said to offer mid-level wages, with salaries ranging from just over \$27,000 to approximately \$48,000 annually. About 14.6 percent of logistics jobs were found to be at the higher-level, paying wages from \$48,000 to \$155,000. One of the CREP study's more remarkable findings was that just 4.2 percent of logistics jobs paid entry-level wages (i.e., from \$16,400 to just above \$27,000).

These are indeed remarkable claims. For a sector of the economy that is characterized by extensive use of part-time workers, witnesses seasonal fluctuations in staffing levels, and is generally associated with help-wanted ads promising wages seldom more than one or two dollars over minimum wage, such levels of compensation seem almost counter-intuitive. Yet, if they are true, the desirability of creating substantial numbers of new, well-paying jobs for a region's blue-collar workforce could come to outweigh those land-use policy considerations that would otherwise discourage the construction of warehouses and distribution centers built to serve multi-regional markets. On the other hand, if these wage claims prove untrue, their uncritical acceptance could easily result in wasteful distortions of regional economic development policies as well as misshapen land-use priorities.

### Parsing the Data

There is no doubt that the logistics sector offers a good many jobs paying wages consistent with a middle-class lifestyle. According to Employment Development Department data, the operators of the towering cranes found at the state's seaports or at major construction sites are very well compensated, often earning well above an average of \$51,000 a year. Locomotive engineers average \$55,000 a year. Certain classes of supervisors and managers also earn \$55,000 a year on average. Sales representatives working in wholesale trade average \$58,000 a year./13/

The issue here, however, is whether such relatively well-compensated blue-collar jobs are readily available to workers lacking a post-secondary education and possessing little in the way of technical skills.

As always in analyzing statistical data, it is vital to understand the origin of the numbers. Most regional economics studies, including those done for CREP and SCAG, utilize data from the Quarterly Census of Employment and Wage (QCEW)/14/ which are in turn derived from payroll tax reports submitted by employers to the state's Employment Development Department. These raw data are subsequently aggregated by industry sector using a six-digit NAICS code assigned to each employer based on the nature of its business./15/ A refrigerated warehouse, for example, is coded 493120, while the NAICS code for a winery is 312130.

For each industry sector (and for scores of subsectors), QCEW reports provide the number of business establishments, average monthly employment, total annual payroll, and the average weekly pay per employee./16/ For instance, the QCEW report for the 2005 calendar year indicates there were 1,627 warehousing and storage establishments in California, with average monthly employment of 63,072, a total annual payroll of \$2,487,619,000, and an average weekly wage of \$758./17/

QCEW data are regarded as the most complete universe of monthly employment and quarterly wage information by detailed industry at the state and regional levels. QCEW data are widely used by businesses and by public and private research organizations for economic forecasting, industry and regional analysis, economic impact studies, and other uses. But as with any data source this one has its limitations.

One drawback associated with the QCEW data stems from the fact the data are much too inclusive to shed useful light on what the average blue-collar logistics worker earns./18/ To return to an earlier example, Intel, as a maker of computer chips and related materials, is rightly classified as a manufacturer. The problem, though, is that everyone who works for Intel is categorized as being employed in the manufacturing sector, regardless of the tasks they actually perform. The company's entire workforce -- from modestly compensated janitors and cafeteria workers to highly paid research scientists and senior executives -- is aggregated into the same broad category of manufacturing sector employees as the workers who assemble window frames at CertainTeed's facility in West Sacramento or the laborers who cast concrete sewer pipes for Teichert Materials. Although the practice of aggregating employment and wage figures by industry enables researchers to gauge the overall impact of specific industries on the economy, what it reveals about the wages earned by individual workers or classes of workers can be extraordinarily misleading.

In most cases, the average wage figures found in QCEW reports provide an exaggerated measure of the wages actually received by most of the employees within any industry. Indeed, the methodology involved in producing QCEW wage data almost invariably yields an average wage much different from (and usually much higher than) the wage earned by the average worker.

To illustrate this deficiency in the QCEW data, consider a hypothetical industry which employs 100 people, sixty of whom earn \$400 a week, thirty who take home \$800 a week, and ten who receive \$1,600 a week. For this industry, the QCEW methodology would produce an average weekly wage of \$640./19/ Yet not only is this a wage not one single worker in the industry actually earns, it is fully 60 percent higher than the \$400 wage paid to the majority of the industry's workforce. It would therefore be wrong either to imply or to infer that \$640 is what the average worker in this industry earns. Unfortunately, that is often the conclusion drawn by consumers of reports based on QCEW employment and wage data.

It is even more inappropriate to imply or to infer that the average worker earns the annual average wage attributed to his or her industry, particularly when the industry in question is noted for sharp seasonal fluctuations in staffing levels, not to mention relatively high rates of employee turnover./20/ Nonetheless, many economic studies persist in citing average annual wage figures that are crudely derived by multiplying the average hourly wage reported to EDD by 2,080./21/ even though EDD advises data users that: "QCEW annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer at a time. Average annual pay is affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations."/22/

To be sure, QCEW data are very useful. As previously noted, they provide a reasonably sound way of empirically measuring the economic impact of the logistics industry or any other specific industrial groupings. However, when the objective of research is to ascertain what individuals performing logistical tasks are earning, the QCEW data set is an inappropriate source of insight.

#### Another View: The Occupational Employment Statistics Survey

There is an alternate source of state employment and wage data which does inquire into what workers performing logistical tasks are actually earning. The Employment Development Department's Occupational Employment Statistics (OES) survey is a semiannual mail survey measuring occupational employment and occupational wage rates for wage and salary workers in non-farm establishments, by industry. The survey samples about 37,000 establishments per year./23/

The OES survey uses the Standard Occupational Classification (SOC) system for specific occupational categories./24/ Wages for the OES survey are straight-time gross pay, exclusive of premium pay. Included are base rate, cost-of-living allowances, guaranteed pay, hazardous duty pay, tips, incentive pay including commissions and production bonuses, and on-call pay. Excluded are back pay, jury duty pay, overtime pay, severance pay, shift differentials, non-production bonuses, and tuition reimbursements. Importantly, the OES Survey provides much more than the number of workers employed in each of nearly 800 occupational categories. It provides both the mean and median hourly wages along with the mean wages earned by the bottom and the top quartiles of employees in each occupational category./25/

Why should we be concerned with the distinction between mean and median wage figures? In the case of QCEW data, the average wage is derived simply by dividing total wages paid by all companies in a given industry by the total number of workers whom those companies employed during the given reporting period. The resulting number is the mean wage for that industry. By contrast, the median wage would be that wage figure which separates the top half of wage-earners from the bottom half. Knowing the median wage is a useful antidote against the well-known "Bill Gates Gets on a Bus" statistical fallacy. (Were Mr. Gates to board a bus carrying day laborers, the mean annual income of the bus patrons would instantly soar above the billion dollar level. But it would hardly give an accurate picture of the welfare of the average person on the bus. Knowledge of the median income – and a bit of common sense – would prevent us from concluding that the average person on this particular bus had become fantastically wealthy, even though that is precisely what the mean income figure would suggest.)/26/

According to EDD reports based on the OES survey, the mean hourly wage paid to over 14.7 million California workers in 2006 was \$20.88 (or \$43,430 had they worked full-time for an entire year). However, the median hourly wage for these same California workers was 22.7 percent lower at \$16.14./27/ In other words, half of California's wage-earners last year were making no more than the equivalent of \$33,571 annually (assuming they were paid for a full year of work)./28/ For the lowest quartile of California workers, the average wage last year was just \$10.06 or \$20,925 for those who managed to work a forty hour week year-round.

More germane to the point under consideration here is the status of the 1,005,490 Californians reportedly working in the forty-five Transportation and Material Moving (T&MM) occupations. These are the jobs most commonly associated with blue-collar labor in the logistics sector. They are also the jobs that represent the best employment opportunities for unskilled, marginally-educated members of the state's workforce. In 2006, the approximately one million Californians employed in the T&MM occupational categories received a mean hourly wage of \$14.05. But the median hourly wage was significantly lower, at \$11.66. For those in T&MM occupations who held full-time jobs on a year-round basis, their mean and median annual wages would be \$29,224 and \$24,253, respectively. Neither, of course, comes close to the elevated wage levels some studies have attributed to jobs in the logistics sector.

Even worse is the wage plight of the lowest twenty-five percent of wage-earners employed in the T&MM occupations. Their average hourly wage last year was \$8.55, which theoretically annualizes to \$17,784. Few individuals probably volunteer for these lowest-paying jobs. More commonly, those who occupy these positions do so because they are not deemed qualified or otherwise able to perform more highly compensated tasks. Yet since this is the quartile most likely populated by unskilled and poorly educated workers, the OES data appear to be inconsistent with claims that the logistics sector represents a major source of well-paying jobs for marginally-educated members of California's workforce./29/

In an October 2006 report entitled to "California Opportunities in Logistics," EDD analysts profiled 31 occupational categories, including "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products."/30/ (See Appendix for a roster of the

occupations profiled in this report.) It employed 141,590 Californians in 2005 and, of all the logistical occupations the report examined, it is the one that appears to offer the greatest potential for good pay and career advancement, with a median hourly wage of \$24.59 (\$51,150 annualized). But, as we have seen, more and more of these sales jobs require technical knowledge and the ability to understand complex concepts.

For the entire range of logistics occupations identified in "California Opportunities in Logistics," the median hourly wage was \$15.37. Assuming a worker making this wage was able to work full-time for an entire year, his or her annual wage would amount to \$31,554, a level substantially below the average logistics sector annual wage figures cited in SCAG and CREP reports./31/

The report also fails to sustain the claim that the logistics sector offers a broad pathway to the middle-class for workers who have no more than a high school diploma. In 2004, for example, there were an estimated 282,900 Californians classified as Laborers and Freight, Stock and Material Movers (Hand), according to OES figures. EDD forecasts that this occupational category will spawn 14,340 job openings per year through 2014. By contrast, there were 20,710 Californians working further up that particular career ladder as First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers (Hand) in 2004. But job openings in this category are expected to be average just 760 per year through 2014. So while it is definitely possible for some laborers to improve their job status to a level where \$20 per hour /32/ is not a completely unreasonable expectation, the path looks to be exceedingly narrow.

If we focus on the occupational categories with a preponderance of workers with a high school education or less – the very workers about whose welfare is of utmost concern – the wage expectations are a good deal more modest than is often claimed. EDD identifies 10 occupational categories in the logistics sector in which at least 70 percent of the current workforce have a high school education at best. Of these, one category (Crane and Tower Operators) boasts a statewide annual wage of \$50,972. However, there are currently just 2,530 of these positions statewide, and EDD forecasts that only 120 positions in this field are expected to open up annually through 2014. For the other nine categories where employment is dominated by those with no more than a high school degree, average annual wages range from \$18,844 for Packers to \$38,436 for Tank Car, Truck, and Ship Loaders.

Unfortunately, of these occupations with a disproportionately high representation of marginally-educated workers, those job categories that are forecast to see the most openings also happen to be those which pay the least.

EDD figures indicate that the great majority of blue-collar logistics jobs are in relatively low-paying categories such as Laborers and Freight, Stock, and Material Movers (Hand); Stock Clerks, Order Fillers; Customer Service Representatives; Packers and Packagers; Shipping, Receiving and Traffic Clerks; Light or Delivery Truck Drivers. Together, these classifications constituted 60 percent of all blue-collar logistics employment in California in 2004. Statewide, California's 1.7 million blue-collar logistics workers earned an average of \$33,355 in 2006. Yet even that level of pay does not reflect what most workers with little more than a high school education can reasonably expect.

The single largest, well-paying category of logistics occupational category is Sales Representative, Wholesale and Manufacturing except Technical and Scientific Products. Average earnings statewide in 2006 for the 148,000 Californians in this category amounted to \$59,850. Yet, according to EDD, three-quarters of the workers in this occupational category have at least some college training. Indeed, half are college graduates.

It should be noted that one of the more decisive factors in separating high-wage from low-wage logistics jobs appears to be union representation, usually by the International Longshore and

Warehouse Union and the International Brotherhood of Teamsters. The two highest earning occupational categories dominated by workers with no more than a high school diploma are closely associated with maritime trade and union representation. For the most part, though, workers in the logistics sector are seldom represented by organized labor.

Future employment trends in the logistics sector must also be understood in the context of ongoing efforts by supply chain managers to wring the highest degrees of productivity out of the various components of the supply chain. In many instances, this involves the substitution of technology for labor. The future is also likely to see more of the value-added logistics services moved offshore for the same reason manufacturing work has been outsourced to nations offering substantially lower labor costs. As a recent article in the Financial Times reports: "Companies from countries as far apart as Japan, Chile, Spain and the US now have goods sorted before they leave China into the right mixes for individual stores or distribution centres and labelled with the correct price. Many will be ready-packed into a display stand."/33/

While the benefits of a robust logistics sector are felt regionally and sometimes nationally, the aesthetic and environmental downsides of facilities engaged in the movement and storage of goods are most directly experienced locally. This reality has prompted many public officials to call for greater equity in sharing the costs of ameliorating the consequences of air pollution, traffic congestion, and accelerated roadway deterioration. The same imbalance as well to the dispersal of employment in the logistics sector could be repeated. For example, a region seeking to attract enterprises engaged in wholesale trade may find that the high-paying white-collar jobs which boost average wage figures are apt to be located in downtown office towers or suburban office campuses that may be far removed from the warehouses, distribution centers and heavy rail or trucking venues where lower-paid blue-collar work is performed.

Finally, in the category of no good deed goes unpunished, communities which succeed in generating large numbers of jobs suitable for their marginally-educated, unskilled residents will often find that these job opportunities will attract workers from other communities who are similarly disadvantaged in the job market. The net result may be that the ranks of unemployed or under-employed individuals seeking entry level jobs in the logistics sector will swell, imposing a greater strain on social support networks, the availability of affordable housing and, sadly but ultimately, on law enforcement. In sum, there is very little empirical evidence to sustain the belief that the logistics sector offers a powerful antidote to the challenge of providing meaningful employment opportunities to those who are unequipped to compete in today's labor market.

### Conclusion

Contrary to several recent, well-publicized claims, the logistics sector does not appear to be providing the kinds of jobs and the numbers of jobs once associated with the manufacturing sector. At its high-water mark, manufacturing accounted for nearly 30 percent of U.S. jobs. Today in California, jobs in the logistics sector account for no more than 8.3 percent of all employment.

The wage levels often attributed to the logistics sector represent an average income that most blue-collar logistics workers are apt to find extravagant. Similarly, there is little empirical evidence that, especially in regions of California with a relatively high cost-of-living, the logistics sector offers a broad pathway to the middle-class for marginally-educated, semi-skilled workers.

Although industries engaged in the transportation, storage and distribution of goods do provide employment opportunities for marginally-educated workers, the logistics sector is no panacea for community's seeking to create large numbers of jobs paying middle-class wages for those lacking the kinds of skills that are increasingly demanded of workers in today's economy. There is no compelling reason, therefore, that local or regional economic development strategies should aim to bolster the region's logistics capacity beyond the level needed to meet the region's own

needs.

### End Notes

1. This practice is followed by the Southern California Association of Governments and the Association of Bay Area Governments, among other regional transportation planning organizations. One major exception is a series of recent studies done under the auspices of the California Regional Economies Project, which is jointly sponsored by the California Labor & Workforce Development Agency, the California Employment Development Department, and the California Workforce Investment Board. CREP studies do not include Wholesale Trade as part of what these studies define as the "logistics cluster."
2. See the section entitled "Implications of Land Use Decisions on Goods Movement in the SACOG Region."
3. That much was made abundantly clear in an October 26, 2006, focus group discussion involving several economic development directors from throughout the region.
4. *California Opportunities in Logistics*, EDD (October 2006). See the chapter on "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products," pp. 129-132.
5. See [http://www.ets.org/Media/Education\\_Topics/pdf/ExecSummAmPerfectStorm.pdf](http://www.ets.org/Media/Education_Topics/pdf/ExecSummAmPerfectStorm.pdf).
6. See Schrag's op-ed page article in the February 7, 2007, edition of the *Sacramento Bee*.
7. See: <http://www.frbsf.org/news/speeches/2006/1106.html>.
8. The mean wage paid the approximately 870,000 wage-earners in the Sacramento MSA according to the California Employment development Department's latest Occupational Employment and Wage Survey. By contrast, the median wage for the region was \$16.90 in 2006.
9. One standard definition holds that the middle-class is composed of the quartiles of households immediately above and below the median household income. The 2005 American Community Survey fixed the median household income in the Sacramento Metropolitan Statistical Area at \$53,890.
10. California Employment Development Department, Occupational Employment (May 2005) and Wage (2006 - First Quarter) Data, See: <http://www.labormarketinfo.edd.ca.gov/cgi/career/?PageID=3&SubID=152>.
11. John Husing, "Logistics: Southern California Has Competitive Advantages for a Major Blue Collar Sector for 1st Time Since Defense Industry After WWII," (Southern California Leadership Council Report, 2006), p. 2. See: [http://www.jaedc.org/sclc/studies/center\\_husing-whitepaper.pdf](http://www.jaedc.org/sclc/studies/center_husing-whitepaper.pdf).
12. *Logistics and Manufacturing Value Chains: Meeting The Workforce And Infrastructure Demands Of A "Real Time" Economy* (California Regional Economies Project, July 2005.) See: <http://www.labor.ca.gov/panel/logmanufvalue.pdf>. Unlike most other analyzes of the logistics sector, the CREP studies do not include Wholesale Trade as part of the logistics cluster.
13. These wage figures are drawn from a report entitled "California Opportunities in Logistics," published in October 2006 by the California Employment Development Department, Labor Market Information Division, Information Services Group, Occupational Research Unit.

14. The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Publicly available files include data on the number of establishments, monthly employment, and quarterly wages, by NAICS industry, by county, by ownership sector, for the entire United States. These data are aggregated to annual levels, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (national, State, and Metropolitan Statistical Area (MSA)). The QCEW program serves as a near census of monthly employment and quarterly wage information by 6-digit NAICS industry at the national, State, and county levels.

15. The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America.

16. The same data are also provided for sectors and subsectors within major industry categories out to the six-digit NAICS level of specificity. For example, the data indicate that there were 1,709 Warehousing & Storage (NAICS 493) establishments in California during the second quarter of 2006, of which 157 were refrigerated facilities (NAICS 493120).

17. A weekly wage of \$758 annualizes to \$39,416.

18. Perhaps paradoxically, the QCEW data also suffer from being insufficiently encompassing. Since independent contractors are not included in payroll reports to EDD, truck drivers who own and operate their own vehicles are excluded from the data. Yet such drivers, who play a critical role in transporting goods to and from the state's major seaports, are by most accounts struggling to make ends meet. Also excluded from the data on logistics sector employment are those who perform tasks that are inherently logistical but who do not work for a logistics company. For example, a truck driver employed by a retail bakery is counted as a bakery worker, not as a truck driver.

19. The total weekly payroll would equal \$64,000, which would be divided by the number of employees (100).

20. U.S. Bureau of Labor Statistics, "Occupational Outlook Handbook,"  
<http://www.bls.gov/oco/ocos243.htm>.

21. The number of hours for which an employee would be paid were he or she worked 40 hours a week over a full year.

22. See: <http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/?PageID=176>. Similarly crude is the common practice of multiplying a known average hourly wage by 2,080 to obtain an annual average wage. 2,080 represents the number of hours for which a full-time worker would be paid if he or she worked year-round (40 hours per week x 52 weeks = 2,080.)

23. A more complete set of technical notes for the OES survey is available at the BLS website at [http://www.bls.gov/oes/current/oes\\_tec.htm](http://www.bls.gov/oes/current/oes_tec.htm).

24. The Standard Occupational Classification structure and definitions can be found at the Bureau of Labor Statistics <http://www.bls.gov/soc/home.htm>

25. Occupations in which workers do not generally work 2,080 hours per year have only one set

of wage rates. Occupations such as teachers and pilots have only annual wage rates reported; and the occupations actors; dancers; musicians and singers; and entertainers and performers, sports and related workers, all other have only hourly wages reported.

26. A third type of average – the mode – would indicate the wage earned by the largest number of workers in the given category. In the hypothetical example cited in this analysis, the mode would be \$400, the amount earned by sixty percent of the industry's workers.

27. The median is that statistical measure where half of the workers earn more and half earn less.

28. The variation between mean and median wages for all workers in the Sacramento area was somewhat smaller at just over 20 percent (\$20.38 versus \$16.90).

30. California Employment Development Department, Labor Market Information Division (in cooperation with the California Workforce Investment Board and the California Regional Economies Project), California Opportunities in Logistics. 2006.

31. For comparison sake, this median income level is about 60 percent of the median household income for the Sacramento Metropolitan Statistical Area, which in 2005 was \$53,890.

32. Median hourly wage for someone in this category was \$19.55 in 2006, according to OES data.

33. See "China wraps up new trend in exporting" in the Financial Times, March 27, 2007.

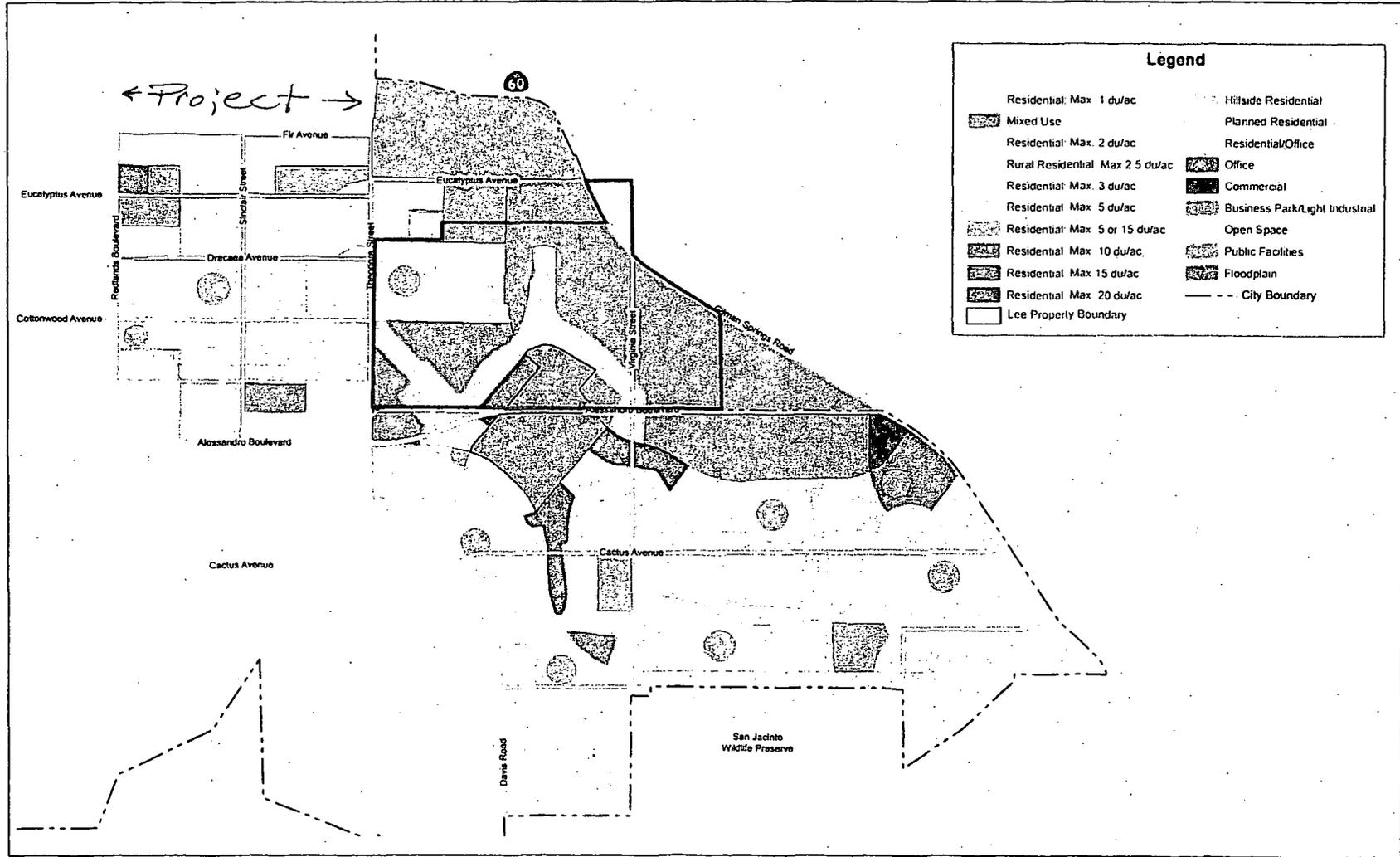
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*Appendix: Occupations Profiled in "California Opportunities in Logistics"*

*Air Traffic Controllers; Aircraft Cargo Handling Supervisors; Aircraft Mechanics and Service Technicians; Airfield Operations Specialists; Airline Pilots, Copilots, and Flight Engineers; Bus and Truck Mechanics and Diesel Engine Specialists; Captains, Mates, and Pilots (Ship and Boat); Cargo and Freight Agents; Cleaners of Vehicles and Equipment; Couriers and Messengers; Crane and Tower Operators; Customer Service Representatives; Dispatchers; Driver/Sales Workers; First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand; First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle Operators; Laborers and Freight, Stock, and Material Movers; Logisticians; Material Moving Occupations; Packers and Packagers, Hand; Postal Service Workers; Rail Transportation Occupations; Sailors and Marine Oilers; Sales Representatives, Wholesale and Manufacturing; Ship Engineers; Shipping, Receiving, and Traffic Clerks; Stock Clerks and Order Fillers; Transportation Inspectors; Transportation, Storage, and Distribution Managers; Truck Drivers, Heavy and Tractor-Trailer; Truck Drivers, Light or Delivery Services.*

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5  
27



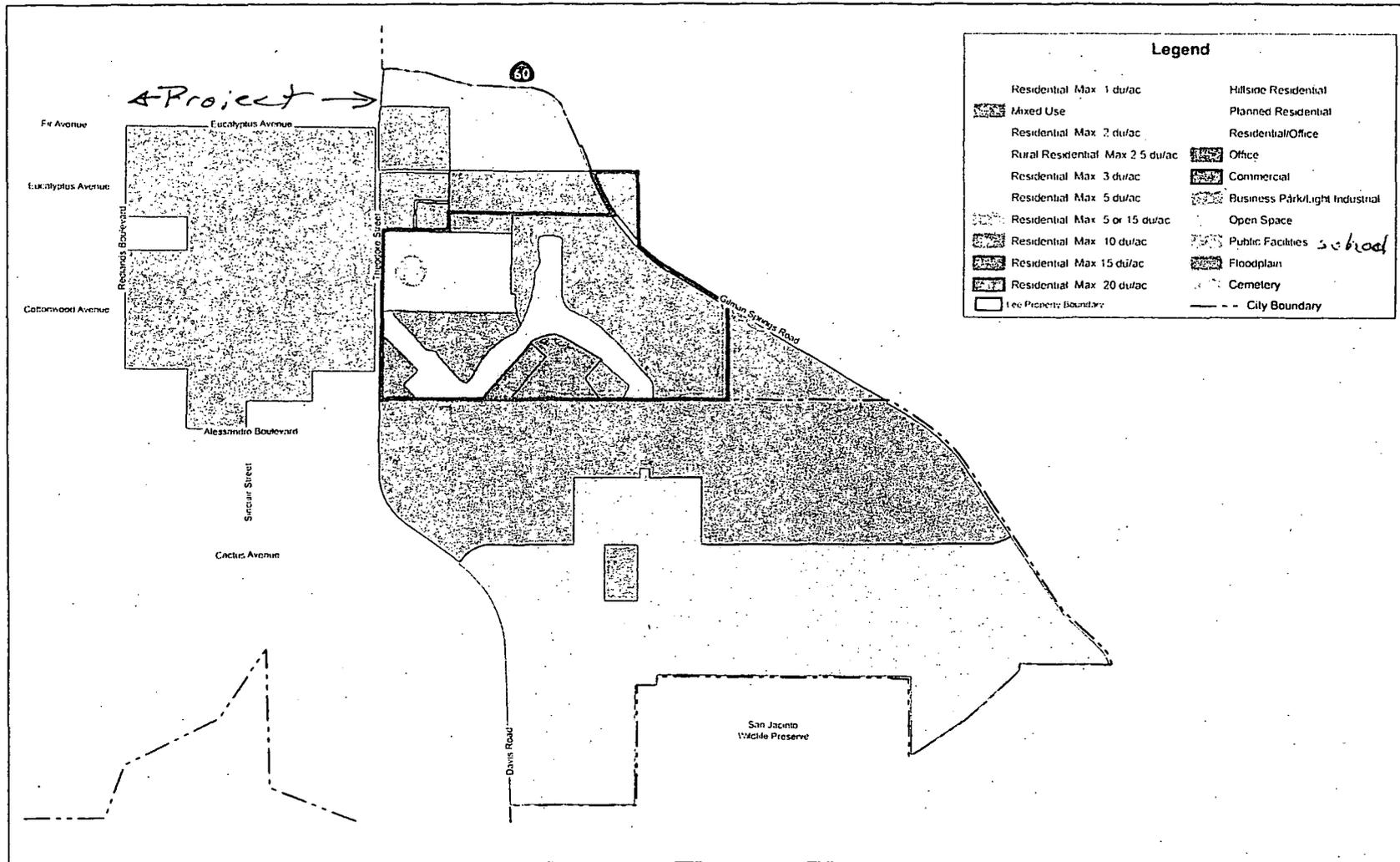
Source: RBF Consulting, January 2008.

**MA** NORTH  
 Michael Brandman Associates  
 NOT TO SCALE  
 26100015 • 05/2008 | 6-1\_city\_gp.cdr

**Exhibit 6-1**  
**City General Plan Land Use**

HIGHLAND FAIRVIEW CORPORATE PARK  
 ENVIRONMENTAL IMPACT REPORT

MV000229306



Source: RBF Consulting, January 2008.

**mb** NORTH  
NOT TO SCALE

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**Exhibit 8-1**  
**Logistics Modified General Plan**

HIGHLAND FAIRVIEW CORPORATE PARK  
ENVIRONMENTAL IMPACT REPORT

**Table 8-1: Existing General Plan and Logistics Modified General Plan Comparison**

Land Use Type	Unit	Existing General Plan	Logistics Modified General Plan
Residential	DU	8,691**	1,342*
Commercial	TSF	1,489	304*
Business Park/Light Industrial	TSF	12,357	4,500*
Logistics	TSF	0***	35,626
Office	TSF	240	59*
School	STU	7,200	1,800*

Notes:

DU = dwelling units      TSF = thousands square feet      STU = students      AC = acres

\* Located on Lee Property.

\*\* Includes approximately 2,381 units located on CDFG property.

\*\*\* Logistics is not a defined land use designation in the Moreno Highlands Specific Plan but it is an allowed use within the Business Park designation of the Moreno Highlands Specific Plan.

An area in the middle of the Moreno Highlands area, approximately 620 acres referred to as the Lee Property, is not owned by the Applicant. The Lee Property is shown on Exhibit 8-1. The MHSP designates the Lee Property for a mixture of industrial, residential, commercial, open space, and community uses as shown on Exhibit 8-1. There is no information available that would indicate that the Lee Property will be developed other than as designated in the MHSP. Therefore, the LMGP concept assumes that the Lee Property will be developed pursuant to the MHSP zoning.

The MHSP area includes 905.2 acres in the San Jacinto Wildlife Preserve. While the MHSP designates this land for development—2,381 residential units as well as schools, parks, and open space—the land is controlled by the California Department of Fish and Game (CDFG), is not likely to be developed, but, instead, is most likely to remain as open space and habitat. The LMGP concept therefore assumes no development on this land.

**8.3.1 - Analysis of Logistics Modified General Plan and Existing General Plan**

Preliminary comparisons of the LMGP concept and the Existing GP for the Moreno Highlands area are made for each of the impact categories addressed in this EIR.

**Aesthetics**

Both the LMGP and Existing GP would result in residential and non-residential development along the hillside areas and on the valley floor. Noise barriers and other structures would obscure views of the surrounding hills to some degree. Impacts on scenic resources, visual character, and light and glare would occur with implementation of either the LMGP or Existing GP. Under the LMGP, the introduction of logistics uses in areas south of Eucalyptus Avenue and west of Theodore Street, and south and east of the Lee Property, would require aesthetics mitigation measures that are similar to

measures and infrastructure maintenance will be in accordance with either the Riverside County Flood Control and Water Conservation District or the City's standard engineering practices. Additionally, all new development is required to build master drainage plan facilities and/or pay fees that are used to build the facilities.

**Land Use and Planning**

The City's Master Plan of Trails shows a network of potential trails in the area contemplated for logistics use under the LMGP. While the potential for these trails would remain, it is unclear if any modification to, or deletion of, trail alignments would be necessary.

The Existing GP would retain the existing land use designations and zoning within the Moreno Highlands area. The Business Park and Office uses included in the Existing GP would contribute to a high jobs/housing ratio and there would be no further impacts related to consistency with the SCAG Regional Growth Projections. Under the Existing GP, there would be 8,691 homes and 14,086,000 sq ft of industrial and commercial development. As shown on Table 8-2, the Existing GP for the Moreno Highlands area would generate 17,733 jobs, and the jobs housing balance for the area would be 2.04 jobs per household. Furthermore, the CDFG land is planned mostly for residential uses. If the CDFG land was not developed, the jobs/housing ratio would be even higher.

**Table 8-2: Jobs Generated by Existing General Plan in the Moreno Highlands Area**

Type of Project	Size of Project	Estimated Number of Jobs
Schools	7,200 Students	510
Commercial	1,489,000 sq ft	2,978 (1/500 sq ft)
Business Park/Light Industrial	12,357,000 sq ft	12,357 (1/1000 sq ft)
Office	943,800 sq ft	1,888 (1/500 sq ft)
Logistics	0	0
<b>TOTAL JOBS</b>		<b>17,733</b>

Notes: sq ft = square feet  
Source: MBA, 2007.

**Table 8-3: Jobs Generated by the Logistics Modified General Plan in Moreno Highlands Area**

Type of Project	Size of Project	Estimated Number of Jobs
Schools	1,800 Students	100
Commercial	304,000 sq ft	608 (1/500 sq ft)
Business Park/Light Industrial	4,500,000 sq ft	4,500 (1/1000 sq ft)
Office	59,000 sq ft	118 (1/500 sq ft)
Logistics	35,626,000 sq ft	21,375 (0.6/1000 sq ft)
<b>TOTAL JOBS</b>		<b>26,701</b>

Note: sq ft = square feet  
Source: MBA, 2007.

4



# Moreno Valley

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## More distribution centers proposed for Moreno Valley's eastern side

Block 1

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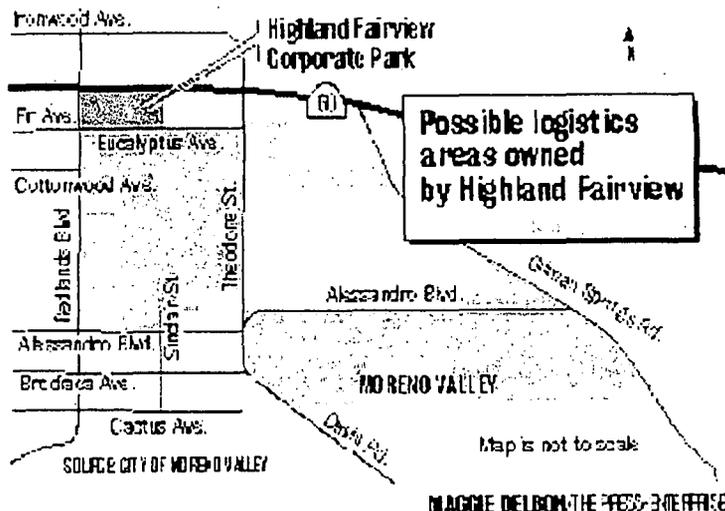
10:00 PM PDT on Thursday, August 21, 2008

By **DAN LEE**  
The Press-Enterprise

**MORENO VALLEY** - Highland Fairview Properties, the developer of the Aquabella residential project and the Skechers logistics facility, is considering plans to build as much as 35 million square feet in distribution centers on the eastern side of town.

That potential scenario was included in the draft environmental impact report that the Michael Brandman Associates consulting firm prepared for the Skechers project. It would affect about 1,800 acres south of Highway 60 and between Redlands Boulevard and Gilman Springs Road, reducing the number of homes allowable in the Specific Plan in the area and increasing the land devoted to industrial uses.

Although the 1.8 million-square-foot Skechers building is a separate project, Highland Fairview President Iddo Benzevi said the scenario was included in the report because residents had asked what might happen if that area, known as the Moreno Highlands, was developed into a business park. Highland Fairview has not formally submitted any proposal for logistic centers in the Moreno Highlands area.



"It is an alternative that will be evaluated," Benzeevi said by phone. "We're looking at every possibility."

Any such proposal would require revising the Moreno Highlands Specific Plan, which would require the city Planning Commission and the City Council to hold public hearings prior to approval, city Planning Official John Terrell said by phone.

### Jobs

The City Council had approved the Moreno Highlands plan in 1992. The 3,000-acre, master-planned community would include 7,700 homes, a 600-acre business park, schools, golf courses and 120 acres of city parks. It would add as many as 30,000 new residents to Moreno Valley and 21,000 jobs, according to city estimates at the time.

Environmental activists sued the city over the plan, claiming that traffic, air pollution and potential earthquake hazards were not adequately addressed. They also argued that the planned community threatened the nearby San Jacinto Wildlife Area.

Although the projects' developers decided not to shelve their construction plans in June 1993, citing the economic downturn at that time, a judge in May 1994 ruled that the city had approved the Moreno Highlands plan properly. The Moreno Highlands community remains unbuilt.

Benzeevi said it is critical that Moreno Valley develop more of an employment base: Only about 3 percent of Moreno Valley's land can generate jobs, compared with the 10-20 percent in most cities. Without sufficient local jobs, residents are forced to commute out of town for work, creating traffic and causing them to have less time with their families, he said.

"It is just not acceptable," Benzeevi said. "We need to build sustainable communities."

A big part of the original Highlands plan already was intended for industrial uses, the developer added. With the addition of distribution centers the Moreno Highlands area could generate more than 26,700 jobs, according to Michael Brandman Associates.

Jamil Dada, chairman of the Moreno Valley Chamber of Commerce, said he agrees that Moreno Valley needs jobs. Dada has supported the Skechers project and proposals by ProLogis and First Industrial Trust to build distribution centers nearby.

Dada added, however, that he would like to see city officials determine what Moreno Valley residents want on the eastern end. He also said he would like to know what the environmental impact of the proposed changes might be.

### **'Still a Mess'**

A new grassroots group called Residents for a Livable Moreno Valley is expressing concern about the proposed distribution centers. Spokesman Bob Franz said he is not opposed to growth or creating more jobs, but building distribution centers in eastern Moreno Valley does not make sense, given the traffic and pollution.

"It's already still a mess heading west (on Highway 60)," Franz said by phone. "I don't think it's a good idea taking trucks east through the Badlands."

The addition of logistics buildings to the Moreno Highlands would result in less traffic and overall pollution emissions than the land uses under the existing plan, according to Michael Brandman Associates. However, it would result in increased diesel emissions, the consulting firm found in its report.

Benzeevi said any logistics or distribution centers built in the Moreno Highlands area would be built to the same standard as the Skechers building, which is seeking the highest rating under the Leadership in Energy and Environmental Design standards. The developer added that Highland Fairview would take the necessary steps to minimize the effects on air quality and traffic as much as possible.

The logistics proposal and the future of eastern Moreno Valley are expected to be issues in the Nov. 4 election for the 3rd Council District seat, which represents the area.

Incumbent Frank West has said his constituents are concerned about building distribution centers on the eastern end of Moreno Valley. But West has four challengers: Robin Hastings, Mike Rios, Ray Carbajal Jr. and Robert Burks.

Moreover, the Moreno Valley Taxpayers Association has spent about \$120,000 on a campaign to oust West and fellow incumbent Councilman Charles White. Highland Fairview Properties has contributed \$60,000 to the effort, according to the most recent campaign finance reports that have been submitted.

*Reach Dan Lee at 951-763-3457 or [dlee@PE.com](mailto:dlee@PE.com)*

#16

RESOLUTION NO. 2007-08-81

**RESOLUTION OF THE BOARD OF EDUCATION OF THE MORENO VALLEY UNIFIED SCHOOL DISTRICT ELECTING TO ABANDON CERTAIN SPECIFIED EAST MORENO VALLEY SCHOOL SITES; TO ACCEPT THE CONTRIBUTION OFFERED BY HIGHLAND FAIRVIEW; AND AUTHORIZING DISTRICT STAFF TO IDENTIFY NEW SCHOOL SITE LOCATIONS AND TO TAKE SUCH ACTIONS REASONABLY NECESSARY TO FACILITATE THE PURPOSE OF THIS RESOLUTION**

**WHEREAS**, the Board of Education ("Board") of the Moreno Valley Unified School District ("District") previously adopted Resolution Nos. 2006-07-87 and 2007-08-47, wherein it approved the construction of a high school, middle school, and elementary school on certain real property, identified as Riverside County Assessor Parcel Nos. 477-110-001, -002, -003, -004, -009, -010, and -011, 478-220-006, and -007 and located east and west of Redlands Boulevard between the currently designated Eucalyptus and Fir Avenues in the east side of the City of Moreno Valley ("Schools"); and

**WHEREAS**, in the process of analyzing and planning for the location of the Schools, significant concerns were identified regarding potentially inconsistent uses between the Schools and proposed warehousing facilities in the vicinity of the Schools ("Warehouse Projects"); and

**WHEREAS**, two of the Warehouse Projects involve the proposed construction and operation of potentially up to 4 million square feet of new warehousing facilities, including 624 truck loading docks, and are currently in varying stages of consideration before the City of Moreno Valley ("City"), with the potential of a third project which would include an additional 1 million square feet that has not yet been presented to the City; and

**WHEREAS**, the District's original siting of the Schools was based on contemplated significant residential development in the areas surrounding the Schools. Those same areas are now under consideration for rezoning for light industrial uses, and it is anticipated the such land use changes will likely result in further warehousing operations further east and south of the Schools, potentially impacting the proposed middle and elementary schools; and

**WHEREAS**, the District has incurred substantial costs in designing and conducting required environmental review and testing in connection with the choice of sites for the Schools but has not yet acquired any of the sites nor commenced construction of any of the Schools; and

**WHEREAS**, the District is concerned with the placement of schools in areas originally planned for residential development and which may now be located in industrial warehousing areas that may not be conducive to schools; and

**WHEREAS**, Highland Fairview, in its continuing cooperation with the District in its efforts to provide schools to house its students, has offered to contribute \$500,000 to the District which will allow it to identify and review other school sites that will not be incompatible with the Warehouse Projects and that, in view of the Warehouse Projects, will generally provide better sites for the District's schools; and

**WHEREAS**, it is reasonably probable that environmental concerns relative to conflicts between the Warehouse Projects and the Schools would not be ultimately resolved until after such time as the District must complete the acquisition of the related properties and begin construction of, at a minimum, the high school, in order to meet the educational needs of the District, with no guarantee that the Warehouse Projects would not have a negative impact on the Schools after construction.

**NOW, THEREFORE, THE BOARD DOES HEREBY DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:**

**Section 1.** The above recitals are true and correct.

**Section 2.** The Board hereby finds and determines that the potential incompatibility of the Warehouse Projects with the proposed Schools, coupled with the uncertainty of future resolution of those concerns within the timeframe required for the District to open a new high school and Highland Fairview's contribution to assist the District with the funding of the cost associated with the review and design of other, more compatible, school sites, so that the District's search for and analysis of new potential school sites will not be at additional public expense, renders pursuit of the Schools, in their current locations, undesirable.

**Section 3.** Based on the reasons set forth herein, the Board hereby finds and determines that it is in the best interests of the District, its students, and the public it serves, both financially and environmentally, to abandon the School projects, as previously approved by Resolution Nos. 2006-07-87 and 2007-08-47.

**Section 4.** The Board hereby accepts Highland Fairview's contribution of \$500,000.

**Section 5.** The Board hereby finds and determines that (1) the environmental concerns previously expressed by the District to the City regarding the Warehouse Projects, and the allowance of such land uses adjacent to the Schools, will be withdrawn as they shall no longer apply, as the District will no longer seek to operate schools in the locations identified as incompatible with the proposed Warehouse Projects; and (2) the concerns previously expressed by the District to the City concerning the impact of the Warehouse Projects on the Schools should be considered and avoided by the District in selecting other potential sites in a reasonable proximity to the Warehouse Projects.

**(Remainder of Page Left Intentionally Blank)**

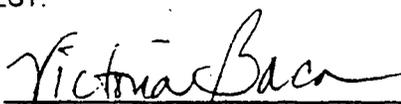
**Section 6.** The Superintendent, or her designee, is hereby authorized to (1) provide written notice to the City of Moreno Valley, and to any other interested or involved party or agency, of the District's election to abandon the Schools, as currently proposed; (2) identify new sites for the proposed Schools, with particular consideration to be given to selecting sites that would not place the new schools in conflict with the proposed Warehouse Projects; and (3) enter into an agreement consistent with Sections 3 and 5 of this Resolution that the District will abandon the Schools projects as defined herein and consider future warehouse projects in the selection of any school sites east of Redlands Boulevard and south of Interstate 60; and (4) take any other such action as may be reasonably necessary to effectuate the purpose of this Resolution.

**Section 7.** The Board appreciates the cooperation and efforts of Highland Fairview in assisting the District to provide for future educational opportunities for its students in a manner consistent with the continuously evolving landscape of the community of Moreno Valley.

**APPROVED, ADOPTED, AND SIGNED** this 15th day of April, 2008.

By:   
Jesus M. Holguin, President of the Board of  
Education of the Moreno Valley Unified  
School District

ATTEST:

By:   
Victoria Baca, Clerk of the Board of Education  
of the Moreno Valley Unified School District

Sierra Club  
*and*  
Community Alliance for  
Riverside's Economy and Environment

Dear City Council Members:

Re: Highland Fairview Corporate Park

The developer's report attempts to sell you the idea that this project would be so wonderful that it should be approved. The report refers to the "aesthetics" of the project. But aesthetics cannot compensate for nor can they mitigate the harmful impacts this massive project would have on our community. Please factor into your decision the following issues:

1. You must vote over-riding considerations on AIR QUALITY. All the warehouse workers will be subjected to significant health problems from the thousands of daily truck trips - one every 40 seconds in every 24 hours. The massive area where workers labor is not air-conditioned; thus, they must continually breathe the toxic diesel pollution, which will eventually affect most with health problems. Our very poor air quality will become even worse with this project's diesel trucks - many times more than what existing zoning would allow. More than just "jobs now", we need healthy jobs.
2. There are two projects that are adjacent to this one, which would add 3,000,000 more square feet of warehousing/logistics centers. If you approve this project, you are in reality approving all three, for a total of 5,000,000 square feet of polluting warehousing. The Sierra Club and CAREE do not believe the cumulative, growth-inducing impacts have been thoroughly analyzed for environmental impacts on our community. The "logistic modified General Plan" (LMGP) concept proposed by the developer is something that must be incorporated into the document now before you. Just saying the developer has not submitted paperwork for the LMGP does not justify not having this foreseeable project's information prior to your vote.
3. Noise will substantially increase, and you are telling hundreds, if not thousands, of residents to "grin and bear it" so you can approve this unhealthy project. State Route 60 through Moreno Valley has few trucks compared to Interstate 10. This project and its growth-inducing impacts will change our commuter freeway into one that makes those who live close to it suffer significant noise and pollution impacts from all the noisy, polluting diesel trucks. The 500-foot buffer needs to be 500 meters (or 1600 feet) and must extend southwest as well as directly south. This raises a question as to where the environmental justice analysis is in this document. It is totally lacking and needs to be before you prior to any vote.
4. Greenhouse effects and climate change have not been mitigated. The LEED-certified building - even the lowest level of certification - probably will not

happen. That is why the developer is now qualifying the certification. If we want water in Southern California, we need snow packs in the northern mountains. Think of your children's and grandchildren's future and demand more than what the developer believes is "feasible".

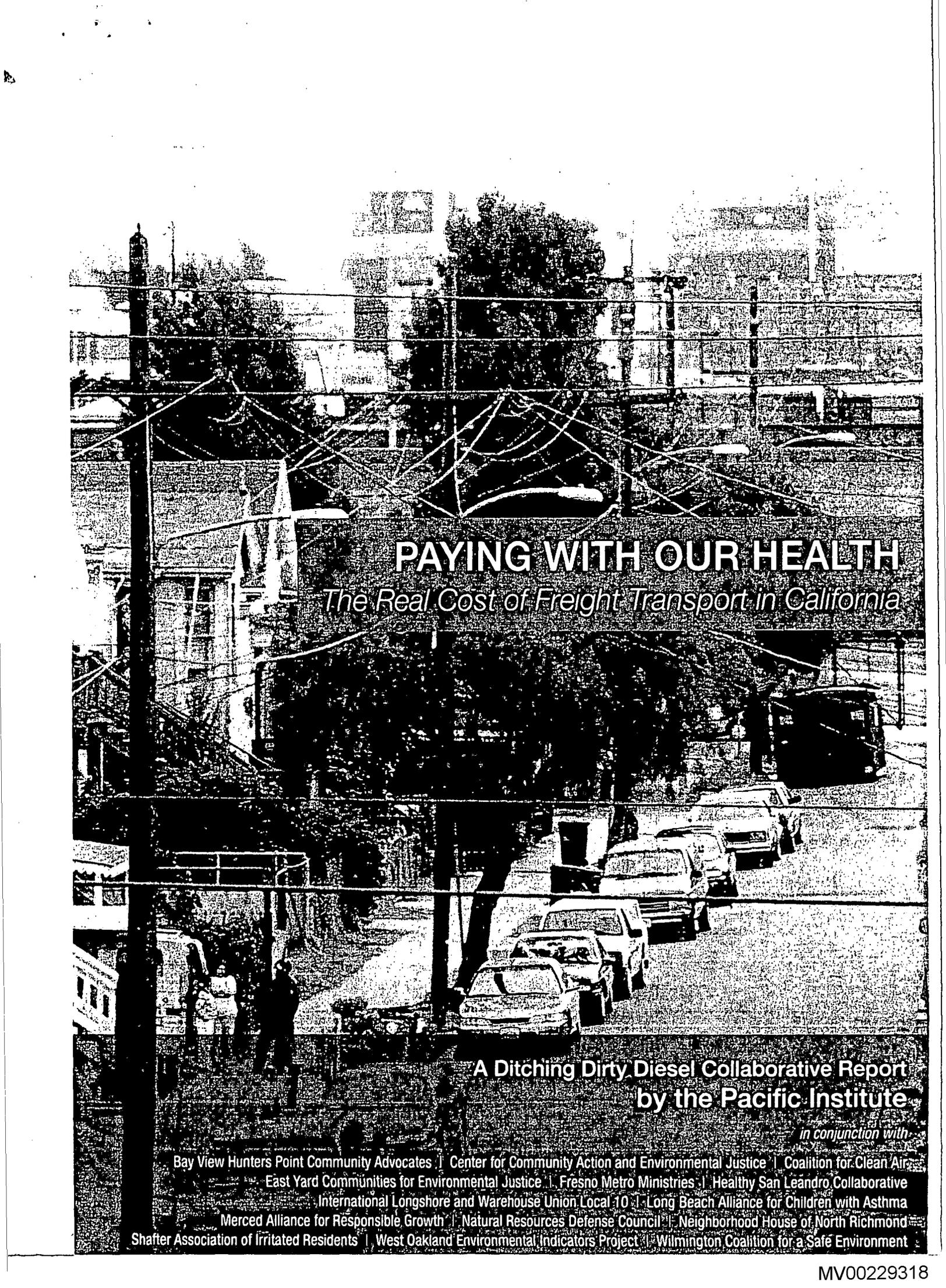
5. Another issue that has not been resolved prior to your vote is TRAFFIC. The developer does not factor in all existing approved projects (like Moreno Highlands with 6,000-plus homes and zoning for 20,000 jobs). The FEIR states that there are two lanes that allow you to continue west from the 60 to the 215. In reality only the SR 60 lane on the far left allows you to continue west, while the other lane forces drivers to exit at Central Avenue. Until the traffic analysis deals with this issue, you cannot vote to certify this EIR because it is inadequate. You must realize that while 2,200 daily diesel truck trips may not sound overwhelming, they represent one every 40 seconds for 24 hours every day. If the two adjacent warehouses are approved, then you are looking at adding one noisy, polluting diesel truck to Highway 60 every 10 to 15 seconds for 24 hours a day - something to look forward to as we head west on that single lane. The FEIR tries to convince you that a truck is like 1 ½ cars. I would rather be behind two Hondas than one noisy, polluting diesel truck. Please remember that in 7 to 14 years, we may have "cleaner" trucks, but not "clean". You, however, could require only cleaner trucks (strongly recommended by AQMD as feasible) and protect Moreno Valley residents as well as the workers.
6. Alternative sites have not been expanded to include other possibilities and thoroughly analyzed. I-215 has no houses along it and is built with overpasses and road-width to handle this number of diesel trucks. Why hasn't the old golf course at Norton Air Base been suggested? That was at one time a strong possibility. The Banning/Beaumont area would, like Norton, be better for trucks because I-10 is also built for them, and trucks would not need to use SR-60 to get to that area.
7. You cannot satisfy impacts to threatened and endangered species by simply paying a mitigation fee. You must thoroughly analyze impacts to each species and how the fee will further each species' recovery.

Please vote to continue the project tonight so you can read and study all information presented to you, including the attached stories, which are very relevant to this project's impact on our community. Please keep both the Sierra Club and CAREE informed of future documents and meetings related to this project by using the address below.

  
George Hague

Conservation Chair  
Moreno Valley Group of the Sierra Club  
26711 Ironwood Avenue  
Moreno Valley, CA 92555-1906

CAREE  
P. O. Box 5199  
Riverside, CA 92517-5199



# PAYING WITH OUR HEALTH

*The Real Cost of Freight Transport in California*

**A Ditching Dirty Diesel Collaborative Report  
by the Pacific Institute**

*in conjunction with*

Bay View Hunters Point Community Advocates | Center for Community Action and Environmental Justice | Coalition for Clean Air  
East Yard Communities for Environmental Justice | Fresno Metro Ministries | Healthy San Leandro Collaborative  
International Longshore and Warehouse Union Local 10 | Long Beach Alliance for Children with Asthma  
Merced Alliance for Responsible Growth | Natural Resources Defense Council | Neighborhood House of North Richmond  
Shafter Association of Irrigated Residents | West Oakland Environmental Indicators Project | Wilmington Coalition for a Safe Environment

# PAYING WITH OUR HEALTH

## *The Real Cost of Freight Transport in California*

November 2006

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## ABOUT THE PARTNERS

The Ditching Dirty Diesel Collaborative is a Bay Area collaborative of over a dozen environmental justice and health organizations who have been working together since October 2004 to reduce diesel pollution and improve health in environmental justice communities throughout the Bay Area. The Ditching Dirty Diesel Collaborative has three active areas of work: diesel idling, goods movement, and capacity building. The Steering Committee of the Ditching Dirty Diesel Collaborative includes Bayview Hunters Point Community Advocates, BVHP Health and Environmental Task Force of SFDPH, Contra Costa Health Services/Contra Costa Asthma Coalition, Ethnic Health Institute, Healthy San Leandro Collaborative, Natural Resources Defense Council, Neighborhood House of North Richmond, Pacific Institute, Regional Asthma Management and Prevention Initiative, and West Oakland Environmental Indicators Project.

The Pacific Institute, celebrating its 20th anniversary, is an independent, nonprofit center created in 1987 to conduct research and develop solutions to the related problems of environmental protection, economic development, and human health. Our Community Strategies for Sustainability and Justice Program was launched in 1995 to assist communities in addressing critical human health and environmental issues. Our goal is to empower community residents so that they can have a real say in their future. Through our numerous community-based participatory research projects, we have helped community residents to ask questions, conduct research, and develop solutions to advocate for improvements in their quality of life. [www.pacinst.org](http://www.pacinst.org)

The Natural Resources Defense Council is a national nonprofit organization of scientists, lawyers, and environmental specialists dedicated to protecting public health and the environment. Founded in 1970, NRDC has 1.2 million members and online activists nationwide, served from offices in New York, Washington, Los Angeles, and San Francisco. [www.nrdc.org](http://www.nrdc.org)

Bay View Hunters Point Community Advocates is dedicated to improving the quality of life of residents of Bayview and Hunters Point in San Francisco, CA through advocacy, information, community organizing, education, and economic development and projects such as the "Alternative Community Energy Project" and the "Windows Project," which provides outreach and education to residents about pollution issues regarding the Hunters Point Shipyard.

The Center for Community Action and Environmental Justice is a nonprofit organization based in Riverside which brings groups of people together to find opportunities for cooperation, agreement, and problem-solving to build a strong movement for change that recognizes the connections between environmental and worker exploitation, and oppression on the basis of race, gender, sexual orientation, and class. [www.ccaej.org](http://www.ccaej.org)

The Coalition for Clean Air is dedicated to restoring clean healthful air to California by advocating for responsible public policy, providing technical and educational expertise, and promoting broad-based community involvement. [www.coalitionforcleanair.org](http://www.coalitionforcleanair.org)

East Yard Communities for Environmental Justice is a nonprofit organization working towards a safe and healthy environment for communities by promoting community participation in making policies and the implementation of environmental justice guidelines for local, state, and federal agencies and industry, through direct democratic decision-making and collective action. [www.eastyardcej.org](http://www.eastyardcej.org)

The Fresno Metro Ministry is an ecumenical and interfaith nonprofit engaged in community problem-solving, advocacy, and community organizing around several primary community issues including environmental justice, hunger and nutrition policy, and access to health care. [www.fresnometroministry.org](http://www.fresnometroministry.org)

## ABOUT THE AUTHORS

The Healthy San Leandro Collaborative was created to improve the quality of life and the quality of air for families in San Leandro, CA, a community heavily impacted by the Oakland Airport and truck thoroughfares. [www.wafaa4sanleandro.us](http://www.wafaa4sanleandro.us)

The International Longshore and Warehouse Union (ILWU) Local 10 consists of 1,200 members who are longshore workers at the Port of Oakland, the Port of San Francisco, and several other ports in the Bay Area. [www.ilwu.org](http://www.ilwu.org)

The Long Beach Alliance for Children with Asthma is a broad-based community coalition working towards changing the profile of childhood asthma in the cities of Long Beach, Carson, San Pedro, and Wilmington through improved health care delivery and quality, outreach, education, support systems, and living environments and through changes in policy at all levels. [www.lbaca.org](http://www.lbaca.org)

The MARG Wal-Mart Action Team is dedicated to protecting our quality of life in Merced by preventing the approval of a Wal-Mart distribution center in our community. [www.mercedalliance.org](http://www.mercedalliance.org)

The Neighborhood House of North Richmond, based in Western Contra Costa County, is a private, nonprofit, multi-service agency, with a long community-based tradition of identifying those in need and establishing the resources to address their problems. [www.neighborhoodhouse-online.org](http://www.neighborhoodhouse-online.org)

The West Oakland Environmental Indicators Project is a community-based nonprofit organization dedicated to using information to improve the quality of life and health of residents living the community of West Oakland, adjacent to the Port of Oakland, through capacity building, leadership development, and community-based participatory research. [www.neip.org](http://www.neip.org)

The Wilmington Coalition for a Safe Environment works in the community of Wilmington, CA to mitigate, reduce, and eliminate public exposure and public health impacts caused by air, land, and water pollution generated by the Port of Los Angeles, the Port of Long Beach, international cargo and cruise ships, the petroleum industry, energy sources, and the goods movement transportation industry. [www.coalitionfase.org](http://www.coalitionfase.org)

Meena Palaniappan is the former Director of the Community Strategies for Sustainability and Justice program and a Senior Research Associate at the Pacific Institute. Ms. Palaniappan is an engineer with more than 10 years' experience in community-based environmental planning and research. At the Pacific Institute, she has directed numerous community-based participatory research projects, including Neighborhood Knowledge for Change: the West Oakland Environmental Indicators Project and several diesel pollution projects. Ms. Palaniappan earned an M.S. in Energy and Resources from the University of California, Berkeley. She also holds a B.S. in Environmental Engineering from Northwestern University. She recently conducted research on sanitation in India through a Fulbright Fellowship and will be continuing her work in this area.

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Appendices are available online at [www.pacinst.org/reports/freight\\_transport](http://www.pacinst.org/reports/freight_transport)

Appendix 1: Major California Seaports

Appendix 2: Top California Airports for Cargo

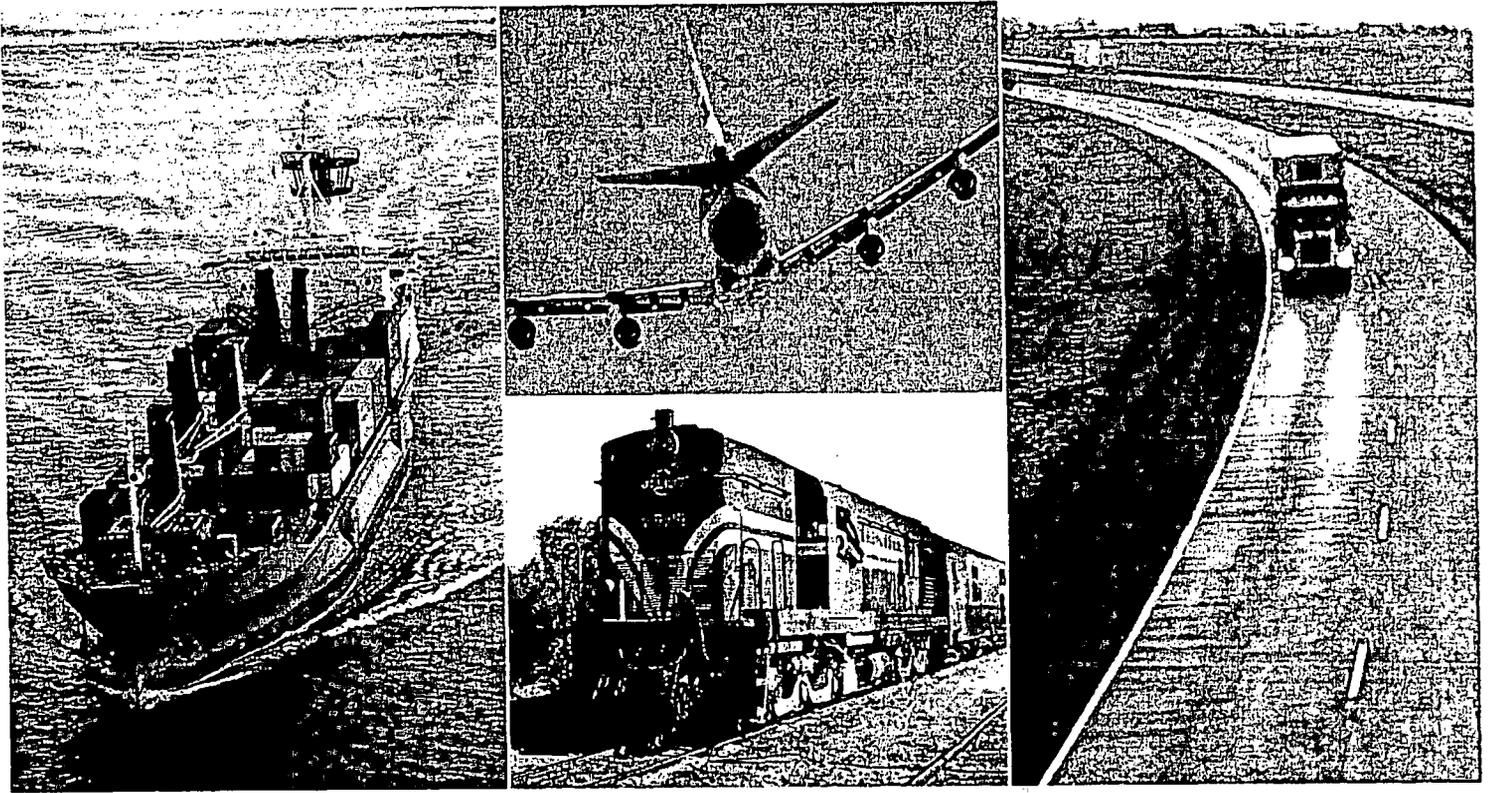
## ACKNOWLEDGEMENTS

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Finally, we would like to thank the Ditching Dirty Diesel Collaborative's membership, who were deeply involved in creating this report through the Goods Movement Subcommittee. Community organizations involved in the Goods Movement Subcommittee attended numerous meetings to develop the concept for this paper and contribute their testimonials. Ultimately, all errors in this report are the responsibility of the report authors.



## EXECUTIVE SUMMARY

# The Costs of Freight Transport

Imagine where your DVD player has been. Depending on the brand, it may have been produced in Korea, packaged in China, packed in a shipping container, and freighted across the Pacific Ocean on a ship—and then arrived in Long Beach, where it was unloaded by a crane and placed on a truck, taken to a railyard, then to a distribution center, packed onto another truck, and unpacked at the store, where it landed on a store shelf. The ships, cranes, trucks, trains, distribution centers, and airplanes that move our imports and exports make up a complex system of freight transport in the United States.

In this report we show that pollution from this system of freight transport severely burdens Californians, especially the predominantly low-income people of color living close to freight transport hubs. We present data on the high and often hidden health, economic, and social costs that are not accounted for by the freight transport industry. And we tell the stories of people who live, work, and play near California's freight transport hubs. These Californians write what it feels like to live underneath the shadow of seaport cranes, to wake up each morning to the acrid smell of diesel exhaust, to walk to school amid the rumble of slow-moving trucks, to work in an industry that you know is bad for your health, or to go to bed after a long day of tending to your asthmatic child.

The cost of using cleaner equipment and safer technology is a small fraction of the health costs borne by California residents.

The good news is that there are solutions to clean up the system of freight transport and improve the health of California residents. The cost of using cleaner equipment and safer technology is a small fraction of the health costs borne by California residents. We demonstrate that there is plenty of money in the freight transport system to clean up the diesel pollution and health impacts that are left in the wake of the ships, trucks, and trains delivering products to store shelves. This finding is encouraging: California can have its freight transport industry while protecting the health of its residents.

Since the amount of goods transported through California is projected to nearly quadruple between 2000 and 2020,<sup>1</sup> now is the time to implement a range of practical measures that can ensure that our neighbors, friends, and families can continue to enjoy the benefits of our vibrant

economy while helping all of us breathe easier and live healthier lives.

*Summary of Findings*

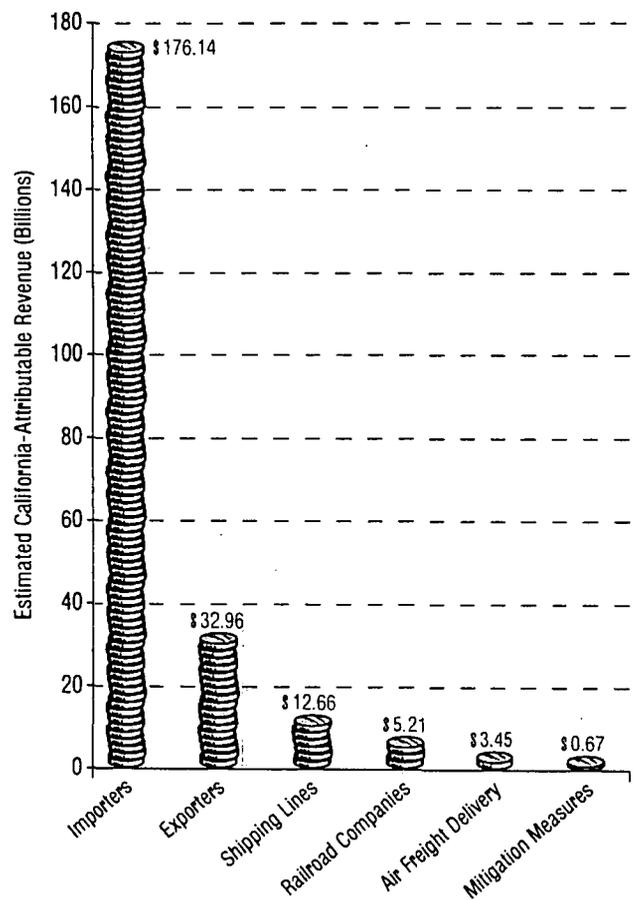
Over the past year, a coalition of community-based organizations and non-governmental organizations came together to develop a plan to improve health in communities suffering from the pollution of freight transport. We wanted to understand how much it would cost to clean up this system, which players were obtaining the benefits of passing on health costs to Californians, and whether the system of freight transport and its beneficiaries could afford to make the necessary changes to protect the health of Californians. Through our research, we found that:

- Freight transport will cost California residents \$200 billion over the next 15 years in health costs, and most of this is borne by low-income communities of color near freight transport hubs. The California Air Resources Board (CARB) estimated that freight transport each year causes 2,400 people to die prematurely; 2,830 people to be admitted to the hospital; 360,000 missed workdays; and 1,100,000 missed days of school. The medical and social costs of these impacts are an environmental injustice that affects predominantly low-income communities of color in California.
- Using cleaner equipment and better technology for freight transport will cost just \$6 to \$10 billion over the next 15 years. CARB estimates that for every dollar invested in cleaning up pollution from freight transport, \$3 to \$8 in health costs will be saved.
- The costs of cleaning up pollution are only a fraction of the benefits derived from the transport of freight. The good news is that if the major corporations benefiting from freight transport through California paid less than a penny for every dollar in revenue, we could clean up the system of freight transport in California. In fact, cleaning up freight transport in California would cost less than a penny for every dollar in estimated California-dependent revenue made by Wal-Mart alone.

- There is a range of exciting and effective solutions that can ensure that the health of Californians is protected while freight continues to be moved. Examples include ensuring that companies internalize the costs of doing business, focusing emissions reductions on the most-impacted communities, and involving communities in decision-making around freight transport expansion.

Consider your globe-trotting DVD player: A few cents of its \$100 price tag could lessen the impacts on millions. California could lift the burden off its communities and continue to have a thriving freight transport industry. With exponential growth expected in this industry, it is time for California to do right by its residents.

**Figure ES1: Comparison of Estimated California-Dependent Revenue to Health Mitigation Costs**



## Two Long Beach Mothers

by Oti Nungaray and Adriana Hernandez

### Oti Nungaray

**R**UMBLE, RUMBLE. That's the hum of my community, so close to the nation's largest port complex. The air tickles your throat, but my daughter and I are not laughing. We've been living in Long Beach for ten years. The doctor first diagnosed her with asthma when she was six. It's been traumatizing to watch my child suffer.

Through my involvement with the Long Beach Alliance for Children with Asthma, I've learned about managing my child's asthma, including controlling triggers inside the home. Unfortunately, it's impossible to control the environment outside, when you live next to the largest fixed source of air pollution in greater Los Angeles.

These companies make a lot of money while I spend money on medicine and miss work and my daughter misses school.

I believe there are solutions to these problems. I don't believe industry's claim that reducing pollution will hurt our economy. These companies make a lot of money while I spend money on medicine and miss work and my daughter misses school.

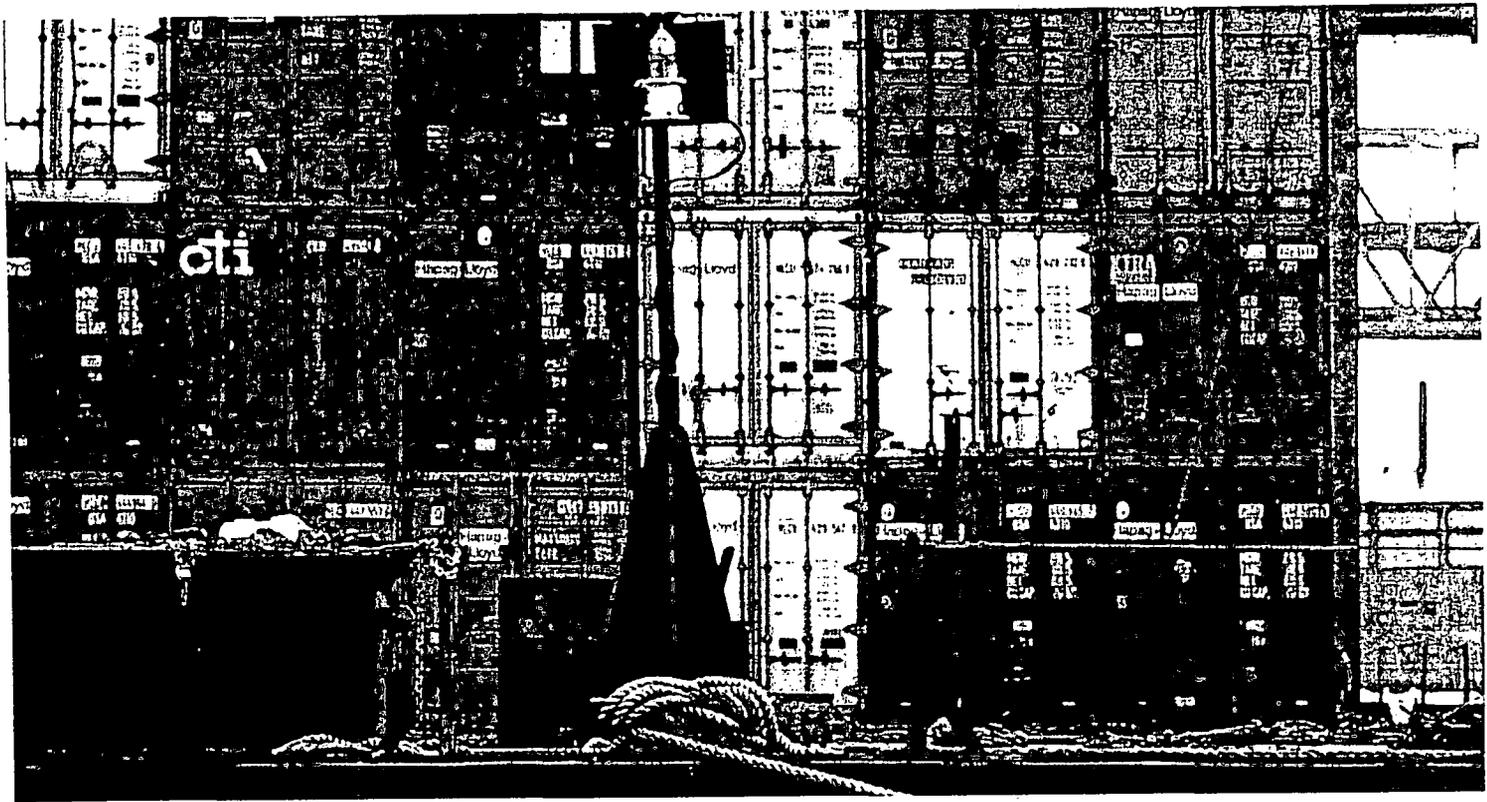
### Adriana Hernandez

**I** LIVE NEAR I-710: a parking lot of nearly 50,000 cargo trucks daily. Next door is Wilmington, an area pockmarked with refineries. We get hit with pollution from all sides. My youngest son was born with a closed trachea and his left vocal cord paralyzed; he still takes speech classes. He also suffered from severe asthma attacks. I had to medicate him and connect him to a breathing machine, feeling desperate that my child couldn't breathe.

Lots of companies are making lots of money, while we pay for medicines, insurance pays for doctor's visits, and the government pays when children miss school. These companies are selfish to not pay the pennies needed to help reduce this pollution.

In doctor visits, medication costs, and a mother's anguish, increased freight transport in Long Beach costs us too much.





## CHAPTER 1 Introduction

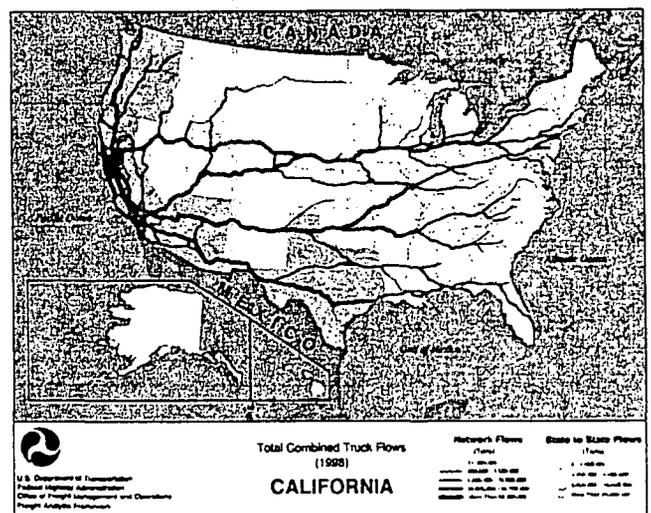
Freight transport is a broad term that applies to the movement of for-sale products from the location of their manufacture or harvest to their final retail destination. U.S. residents all benefit from the availability of imported items in stores, from eating a plum out of season to buying cheaper clothes, sneakers, and electronic items made in Asia.

Many U.S. companies also benefit from being able to ship their goods overseas. Freight transport provides benefits to residents, businesses, and producers living hundreds, even thousands, of miles away. But the health and quality of life costs of freight transport are concentrated in specific areas, particularly the communities living near seaports, airports, railyards, highways, and distribution centers.

### A. THE CALIFORNIA PERSPECTIVE

California plays a huge role in the transportation of freight across the United States and the entire world. The amount of goods transported through California is projected to nearly quadruple from 11 million cargo container units in 2000 to 42 million in 2020.<sup>2</sup> Improving the movement of goods through California was identified as a high priority by Governor Schwarzenegger, and in

Figure 1: Total Combined Truck Flows to/from California, 1998



Source:

[http://ops.fhwa.dot.gov/freight/freight\\_analysis/state\\_info/california/ca\\_combtrks.pdf](http://ops.fhwa.dot.gov/freight/freight_analysis/state_info/california/ca_combtrks.pdf)

2004, the Schwarzenegger Administration created a Cabinet-Level Working Group to develop policies to support the expansion of freight transport in the state. Their goal is to improve and expand California's freight transport industry and infrastructure, while improving the economy, jobs, and public health. The Group released its

controversial Draft Framework for Action<sup>3</sup> in March 2006, laying out a plan for freight transport capacity expansion, security improvements, and public health protections.

As community organizations and their supporters, we found the State's Goods Movement Action Plan lacked a clear strategy to fund the approaches and technologies needed to clean up pollution from freight transport and protect health. Importers, shippers, and other stakeholders say the cost of preventing the harm caused by freight transport would be too economically burdensome.

The purpose of this report is to 1) identify the health costs generated by the system of freight transport and the communities that are most affected; 2) provide a voice to affected Californians; 3) profile industries benefiting from the freight transport system; and 4) assess whether the costs of implementing measures to protect health truly present an insurmountable barrier to the companies most benefiting from freight transport through California. While the health costs of freight transport to California residents are extreme, the cost of protecting health is relatively small. Businesses benefiting from the system of freight transport have more than enough funds to implement health protective measures without harming their bottom line or the economy.

## **B. THE HUBS**

The transportation infrastructure that supports the movement of cargo in and out of California is principally comprised of major hubs: seaports, airports, highways, rail lines and railyards, and truck distribution centers. California's eight major seaports transfer containerized cargo, measured in twenty-foot equivalent units (TEUs), from ships to trucks and trains. The average container we see on ships, trucks, or trains is two TEUs in size. In 2004 California's seaports processed over 15 million TEUs, or 42% of all U.S. container trade.<sup>4</sup> The value of these goods was nearly \$290 billion. Some seaports transfer bulk cargo like coal, cement, crude oil, chemicals, and automobiles, or loose cargo—also called break bulk—like lumber, steel, or newsprint. Appendix 1 lists a table of the major seaports in California, their size, and major materials transferred.

The Ports of Los Angeles and Long Beach are the largest containerized cargo ports in the nation, and import far more containers than they export.<sup>5,6</sup> The Port of Oakland is the fourth-largest containerized port in the country, and exports slightly more goods than it imports.<sup>7</sup> The Port of San Francisco primarily handles break bulk commodities and some containerized goods,<sup>8</sup> while the Port of Richmond primarily handles liquid and dry bulk commodities and automobiles.<sup>9</sup> The Port of Stockton<sup>10</sup>—California's fastest-growing port—handles mostly agricultural goods and bulk commodities, while the Port of Hueneme primarily handles fruit and automobiles.<sup>11</sup> Almost all goods are imported and exported on ships that exclusively carry cargo.

Airports are another major hub in the freight transport system, although they are not included as part of the state's assessment of the health impacts of goods movement. While the volume and weight of goods traveling via airports is considerably smaller than those traveling through seaports in California, their value is nearly half that of goods coming in through seaports. The value of all imports and exports through California airports added up to \$128.6 billion in 2004,<sup>12</sup> which does not include the value of goods transported domestically. California's four major cargo airports, Los Angeles, San Francisco, Oakland, and Ontario, moved over 3.7 million metric tons of air freight in 2005.<sup>13</sup> Cargo is carried by both passenger airplanes and exclusive freight delivery service providers (such as FedEx, UPS, and DHL).

Once goods arrive at seaports and airports, they are transferred onto either trains or trucks. The network of rail lines and highways that crisscross the state is a crucial

### **Sidebar:**

#### **Goods Movement versus Freight Transport**

When the State of California released its plan to ease the impact of international trade on California's global gateways, it introduced the term "goods movement." This was a new term for many of the residents living near marine ports or railyards, who did not associate the ships belching diesel soot or the trucks idling outside their windows or the trains rumbling through the night with the concept of "goods." The concept of goods movement begs the question: good for whom?

In this report, we choose to use the more traditional term "freight transport," which has a longer history and a clearer definition: the transport of cargo by a commercial carrier via ship, truck, train, or plane. Freight transport is most recognizable as the millions of sealed massive cargo containers making their way on our state's freeways, rail lines, and coastal waters.

component of freight transport. So too are the hubs for these two modes of transportation. Trains rely on railyards for storage and repairs and as coordination sites for operations. Most rail operations in California are through the Burlington Northern Santa Fe Railway and Union Pacific Railroad companies, together operating 14 major railyards in Long Beach, Los Angeles, Oakland, Richmond, Sacramento, and several other cities.<sup>14</sup> Trucks traverse the state on heavily trafficked thoroughfares such as the I-5 corridor through the Central Valley and the I-710 in Southern California. In addition, a number of intermodal facilities throughout the state transfer cargo from truck to train or vice versa. Distribution centers are also a major hub in the system of freight transport, attracting hundreds to thousands of trucks a day to unload, unpack, and upload cargo.

### C. SNAPSHOT: A TOY STORY<sup>15</sup>

Olive's seventh birthday is weeks away. She has her heart set on a doll she saw at the toy store a few weeks ago, and she has already decided that she will name it Kathy. Before that doll can end up in the dollhouse that adorns Olive's suburban Chicago bedroom, Kathy is going to have to go on a bit of a journey.

Kathy is assembled and packaged in China and packed with 20,000 others into a 40-by-8-foot container. The container

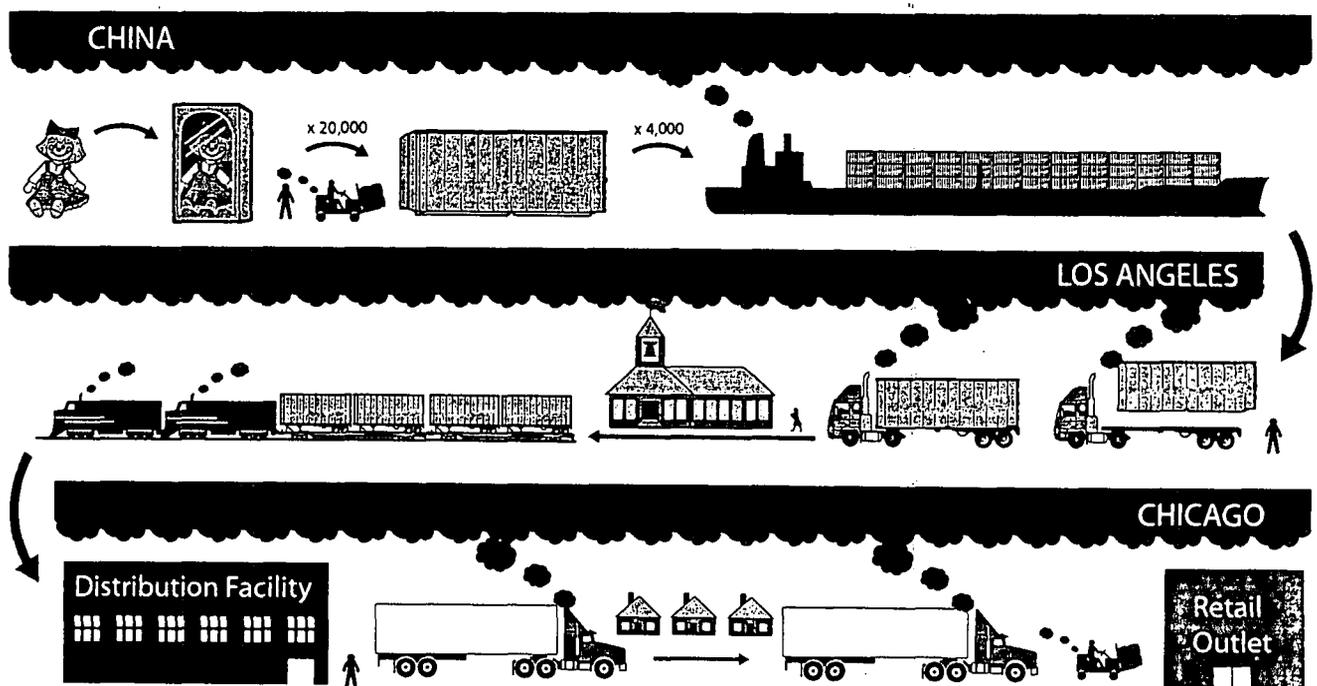
is loaded onto a marine vessel holding 4,000 other containers carrying dolls, shoes, and electronics. Fueled by low-quality bunker fuel, the ship leaves Shanghai and chugs across the Pacific Ocean, belching nitrogen oxides, sulfur oxides, particulate matter, and other pollutants all the way.

Weeks later, Kathy arrives at either the Southern California Port of Los Angeles or Long Beach, which together receive 36% of all U.S. containerized imports. She and the other 20,000 dolls are unloaded by longshore workers. Diesel soot from the ship, the Port's diesel machinery, and the hundreds of idling trucks coats the workers. Olive's doll doesn't get sooty, but the longshoremen will use baby wipes on their hands and faces before they go home.

Kathy takes a ride in the back of a truck to a railyard. On the way she and her friends pass many other children; in fact, the railyard is one-quarter of a mile from schools and homes. Kathy's container is placed on a freight train, pulled by a diesel locomotive. Alternatively, some of the dolls from Kathy's factory are placed on a big-rig truck and sent for repackaging to a mega-warehouse 50 miles from the ports.

After Kathy's train trip, her container is unloaded in a distribution facility. Then, after weeks of being on the move, Kathy finally is trucked to her destination, a big-box retailer in suburban Chicago. By this time, she has traveled more than 8,000 miles, far more than Olive ever could imagine, on diesel-burning conveyances the entire trip.

Figure 2: A Toy Story



## Wheezing in West Oakland

by Margaret Gordon

**S**TANDING AT THE WEST OAKLAND BART platform in early September 2005, I looked over the Port of Oakland. A huge vessel stacked with black, red, and gray Lego-like containers was slowly cruising into the port of call.



I've lived in West Oakland for 14 years, yet this was the first time I'd seen a ship come to harbor. When black smoke curled from the top of the ship, the thrill quickly faded. I knew what that black smoke does to the health of West Oakland residents.

I live less than a mile from the Port in a second-floor apartment along a main thoroughfare for trucks traveling between the Port and the freeway. Three years ago, I was standing in my bedroom with my window open. A truck was parked outside, idling. I started coughing and choking. Within two minutes, I was having an asthma attack. Without my inhalers I could have ended up in the emergency room.

I was standing in my bedroom with my window open. A truck was parked outside, idling. I started coughing and choking. Within two minutes, I was having an asthma attack.

Many of my neighbors have similar stories. West Oakland children are seven times more likely to be hospitalized for asthma than the average child in California. A 2004 West Oakland Community Health Collaborative health survey found that 64% of children in the survey area did not have a regular place to go for medical care. Almost 40% of adults surveyed did not have health coverage — an alarming number considering the health threats presented by excessive diesel truck fumes.

Freight transport will become a bigger problem as the Port expands exponentially. While many benefit from cheaper goods, West Oakland residents pay with more trucks, ships, and trains. Plans for Port expansion are fairly specific, but there are no plans to protect the health of Oakland residents. Until the Port develops a strategy that includes greater profits *and* clean air, I will pack my inhaler wherever I go.

Increased freight transport in West Oakland is costing me and my neighbors in asthma attacks, emergency room visits, and unsafe streets.



## CHAPTER 2 The Problem with Freight Transport

### A. HEALTH IMPACTS

Freight transport in California is powered almost exclusively by diesel engines, many of which are old and dirty. The diesel trucks, trains, ships, and equipment used to move goods around the state emit numerous pollutants. Diesel exhaust is a major source of both diesel particulate matter (PM) and nitrogen oxides (NO<sub>x</sub>) pollution. In all, diesel exhaust can contain an estimated 450 different chemicals, 40 of which are listed by the California Environmental Protection Agency as toxic air contaminants that are dangerous to health even at extremely low levels. There is no level at which these pollutants are considered safe.<sup>16</sup>

Freight transport contributes significantly to ambient air pollution in California. In 2005, freight transport activity (excluding air cargo) contributed about 30% of the total statewide NO<sub>x</sub> emissions and a stunning 75% of all diesel PM emissions in the state.<sup>17</sup> Diesel particulate matter—microscopic particles produced by combustion—is among the most toxic air pollutants. Sometimes diesel particles can be seen as black soot coming out of diesel vehicles, but most of the time the particles are so small they cannot be seen by the naked

Because diesel soot is so small, it can carry toxic chemicals deep into the lungs where our bodies have a harder time removing them.

eye. Particulate matter is categorized in terms of the size of individual particles—particles referred to as PM<sub>10</sub> have a diameter of 10 microns (a millionth of a meter) or smaller, while PM<sub>2.5</sub> particles are 2.5 microns or smaller in diameter. Most diesel particulate matter, about 80-95%, is less than 1 micron in size or about 60-100 times smaller than the width of a human hair.<sup>18</sup> Many other toxic substances in diesel exhaust can also attach onto diesel particles. Because diesel PM is so small, it can carry toxic chemicals deep into the lungs where our bodies have a harder time removing them. The ultrafine particles are so small they can also enter the bloodstream directly, where toxins on those particles may have direct contact with body tissues.<sup>19</sup>

Diesel exhaust is associated with a long list of health problems. These include early death (from effects on the cardiopulmonary system, lung cancer, and infant mortality), respiratory problems (including asthma and bronchitis), heart attacks, and reduced birth weight and premature birth.<sup>20</sup> Of all air pollutants, diesel exhaust poses the greatest cancer risk to Californians. The South Coast Air Quality Management District estimates that 70% of all airborne cancer risk comes from breathing diesel exhaust.<sup>21</sup> Each year in California, freight transport causes 2,400 people to die prematurely; 2,830 people to be admitted to the hospital; 360,000 missed workdays; and 1,100,000 missed days of school.<sup>22</sup>

Many studies have shown that diesel exhaust can irritate the nose, sinuses, throat, and eyes; damage the respiratory system; and potentially cause or aggravate allergies.<sup>23,24</sup>



Diesel exhaust leads to inflammation of the airways that may cause or worsen asthma and increase the frequency and severity of asthma attacks.<sup>25</sup> Children are at particular risk from air pollution. Their lungs are still developing and their airways are narrower than those of adults, and they often play outdoors during the day and thus may have greater exposure. Studies have shown that children raised in heavily polluted areas have reduced lung capacity, prematurely aged lungs, and an increased risk of bronchitis and asthma compared to children living in less-polluted areas. Air pollution created by diesel exhaust has also been implicated in pregnancy outcomes, including reduced birthweight and premature delivery.<sup>26</sup>

## **B. ENVIRONMENTAL JUSTICE COMMUNITIES**

### *Freight Transport Hubs*

Diesel pollution is significantly higher where the freight transport industry is concentrated around seaports, airports, highways, railyards, and truck distribution centers and thoroughfares. Numerous studies show that diesel pollution is highest within 500-1,000 feet of sources like freeways.<sup>27</sup> This means that those California residents living closest to hubs in the freight transportation system are at greatest risk.

Transportation hubs are “magnet sources” of pollution. Although the physical buildings that comprise these facilities do not generate significant quantities of pollution by themselves, the overall facility attracts large numbers of vehicles that collectively produce very large amounts of air pollution. As a result, these hubs effectively become large stationary sources of pollution. Numerous modeling and monitoring studies have confirmed the disproportionate risk faced by residents living near hubs in the freight transport system.

- **Seaports.** A recent California Air Resource Board (CARB) study of diesel pollution from port terminals in Los Angeles and Long Beach concluded that cancer risks associated with the terminals alone exceeded 500 in a million.<sup>28</sup> This risk level is 500 times higher than what is considered acceptable by the federal government and does not include elevated risks from thousands of diesel trucks serving the ports. Cancer risks attributable to port terminal pollution remained elevated, at 50 per million, as far as 15 miles away from the terminals. The CARB study also estimated a number of non-cancer health impacts from the two ports for nearby neighborhoods, including 67 premature deaths and 41 hospital admissions for respiratory and cardiovascular causes in 2005 alone.
- **Railyards.** Locomotives are incredibly polluting, for several reasons. Emission standards for rail engines lag far behind those for trucks and other diesel engines. To make matters worse, many locomotives tend to be very old, predating the first standards. Union Pacific operates almost 500 switching locomotives that are on average 30 years old.<sup>29</sup> A 2004 CARB health risk assessment of a large railyard in Roseville, a suburb of Sacramento, found very high cancer risks from diesel exhaust within 1,000 feet of the facility.<sup>30</sup> Air monitoring done by the South Coast Air Quality Management District in the



City of Commerce, which is home to two major railyards, showed high levels of elemental carbon (used as an indicator of diesel exhaust), translating to cancer risks of 2,000 per million,<sup>31</sup> more than 2,000 times that which is considered acceptable by the federal government.

- **Distribution Centers.** CARB modeling has found that diesel pollution from distribution centers can also greatly elevate cancer risks to nearby residents.<sup>32</sup> In 2001, the South Coast Air Quality Management District conducted air monitoring in Mira Loma, a community with a concentration of distribution centers, showing greatly elevated PM<sub>10</sub> levels compared to elsewhere in the area. They discovered levels of elemental carbon (an indicator of diesel exhaust) that translated to cancer risks of about 1,600 per million, similar to railyards described above.<sup>33</sup>
- **Freeways and Heavy Trucking Corridors.** Dozens of studies have shown adverse health impacts among people who live, work, study, or play close to high-traffic roadways. CARB air quality and risk analyses show elevated cancer risks near freeways.<sup>34</sup> Impacts appear to be worst near roadways with heavy diesel truck traffic, and children are particularly vulnerable.<sup>35</sup> Findings from recent studies demonstrate that asthma symptoms increase with proximity to roadways,<sup>36</sup> and those living within 650 feet of heavy-traffic and heavy-truck-volume roadways experienced increased asthma

## Richmond Parkway: A Lousy Neighbor

by Lee Jones



**N**ORTH RICHMOND HAS always been an industrial wasteland, and goods movement has broadened its scope. I bought a home in North

Richmond in 1999 after I retired. My home lies just a few blocks from the Chevron oil refinery and the Richmond Parkway. I can see the train tracks and yard from my back door. With the increased truck and train traffic the air pollution has reached unimaginable heights. I see and hear the trucks all day and all night, and thousands pass by my home everyday.

I see and hear the trucks all day and all night.

Soot collects on the sides of my house from the diesel trucks running on the parkway. When I participated in an indoor air study, my home had three times more black soot than the home in Lafayette that was tested, and it was the highest in the test. My monitor went through the roof showing the dramatic difference in air quality for the residents of North Richmond who live on a freeway and residents in neighboring town and cities. We need change here, and we don't have time to wait.

hospitalizations.<sup>37</sup> A recent Bay Area study showed links between elevated levels of pollution and health impacts, including asthma and bronchitis, among children within 1,000 feet downwind of freeways, despite “good overall regional air quality,”<sup>38</sup> while a study of children in San Diego showed that those living within 550 feet of heavy traffic experienced increased medical visits.<sup>39</sup> Several air monitoring studies conducted along major truck routes have found black carbon levels translating to cancer risks of 1,200 to 3,700 per million.<sup>40</sup>

- **Airports.** While little data on air pollution and health risks from airport activity is available, it is widely agreed that airports are a significant source of pollution, including many air toxics. In fact, a U.S. EPA study of a Chicago airport found it to be one of the largest local sources of air toxics such as benzene and formaldehyde.<sup>41</sup> In addition to the poorly regulated emissions from airplanes themselves—which contribute significant quantities of NOx and volatile organic chemicals—the ground transportation required to carry goods to and from airports adds to local air pollution.

Table 1 summarizes diesel particulate matter concentrations near major hubs in the freight transport system, and shows that these are 1.5 to 4 times higher than the State of California average, clearly showing a disproportionate impact. The diesel PM levels in Table 1 are calculated based on levels of black carbon or elemental carbon (both are surrogates for diesel PM) measured near concentrated freight activity areas in various studies. People living near freight transport-related facilities face elevated cancer risks of up to 3,700 in a million, more than six times higher than the statewide average from exposure to diesel PM. The rates of other health impacts near these types of sources are also likely to be much



higher than statewide averages; however, exact statistics are unknown.

*Impacted Communities*

The “My Stories” peppered throughout this report provide a human face to the freight movement system throughout California. These are the stories that go untold in the race to expand the flow of cargo through California communities. By telling their own stories, communities impacted by freight transport seek to redress decades of disproportionate impacts so that they will no longer bear the health burden of freight transport, while gaining very few of its benefits.

The communities that are profiled here, representing some but not all affected residents, are from all over California,

Table 1

Diesel Particulate Matter Levels Measured Near High-Exposure Locations, Compared to Statewide Average Levels <sup>42</sup>					
	Trucking Corridors <sup>43</sup>	Railyards <sup>44</sup>	Distribution Centers <sup>45</sup>	Port Terminal <sup>46</sup>	State of California Average <sup>47</sup>
Diesel Particulate Matter (micrograms per cubic meter, µg/m <sup>3</sup> )	3 – 9	3 – 5	4	~5 (on-site)	2
Associated Cancer Risk Levels	1,200 – 3,700 in a million	1,300 – 2,000 in a million	~1,600 in a million	Not Calculated	600 in a million

from the South Coast to the Central Valley and the Bay Area. Beyond their shared role as the dumping ground for freight transport pollution, they share some other common characteristics. As shown in Table 2 below, these impacted communities are all low-income communities, with an average median income less than 70% of the State of California average. Nearly four out of five residents in these communities are people of color, and they are often less likely to have access to health care. With little political power to make changes, these communities are subsidizing California's system of freight transport.

To achieve environmental justice, we must eliminate the unfair burden borne by low-income communities of color that prop up the freight movement industry. The industry is quite capable of standing on its own and paying for cleaner technologies, instead of standing on the backs of California's poor and minority communities.

### C. IMPACTS ON LABOR

In addition to the people living side by side with freight transport pollution hubs, another group of people faces equally high exposure. The dockworkers responsible for loading and unloading ships at port, the drivers who haul cargo from port to destination, the railroad workers on the many trains that chug along rail lines, and countless other workers often face the highest exposure to diesel

exhaust and other job-related health and safety hazards. The health effects on these workers are more under-compensated expenses in the freight transport industry.

CARB notes that "over 30 human epidemiological studies have investigated the potential carcinogenicity of diesel exhaust. These studies, on average, found that long-term occupational exposures to diesel exhaust were associated with a 40 percent increase in the relative risk of lung cancer."<sup>48</sup> Researchers trying to understand the health impacts of diesel exposure first studied railroad workers. They chose railroad workers because their on-the-job exposures are so high, and because the rates of lung cancer were also unusually high. Several studies have documented the link between railroad workers exposed to diesel exhaust on the job and lung cancer.<sup>49,50</sup> The U.S. EPA has noted "typical" exposure levels for railroad workers of 39 to 191  $\mu\text{g}/\text{m}^3$ , considerably higher than the California statewide average of 2  $\mu\text{g}/\text{m}^3$ .<sup>51</sup>

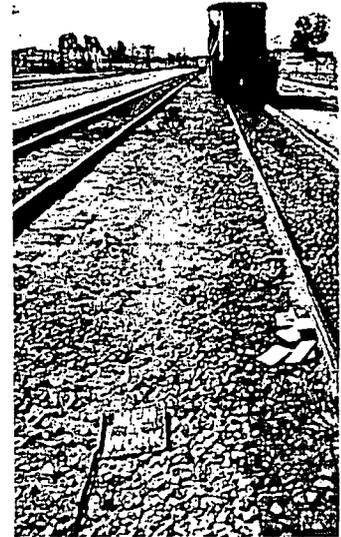


Table 2

Summary of Communities Profiled in This Report				
Community Name	Zip Code	Major Hubs	Median Income	Percent People of Color
Bayview/Hunters Point—San Francisco, CA	94124	Port of San Francisco	\$37,146	94.6
Commerce, CA	90040	Railyards	\$35,205	95.4
Fresno, CA	93637	Distribution centers	\$37,043	60.9
Huntington Park, CA	90255	Major truck route	\$30,375	97.2
Long Beach, CA	90802	Port of Long Beach	\$25,860	66.2
Merced, CA	95340	Wal-Mart	\$32,573	60.6
Mira Loma, CA	91752	Distribution centers	\$37,110	50.9
Richmond, CA	94801	Port of Richmond, Railyards	\$33,962	87.2
Shafter, CA	93263	Railyards, Distribution centers	\$29,466	69.4
West Oakland, CA	94607	Port of Oakland	\$21,124	93.0
Wilmington, CA	90744	Port of Los Angeles	\$30,259	92.8
<b>Average</b>			<b>\$31,829</b>	<b>78.9</b>
California Average			\$47,493	53.3

Source: U.S. Census, 2000.

## Surrounded in San Leandro

by Wafaa Aborashed



**T**HE DAVIS WEST Neighborhood is surrounded by pollution magnets. To the west: the ever-expanding Oakland Airport, the railroad, and

numerous industrial businesses. To the south: big-box stores and cargo distribution centers. To the east: I-880. To the north: we are downwind from all the activities coming from West and East Oakland.

Our children have to fight with truck traffic to get home from school everyday.

For one young neighborhood child, pollution is not the only concern. "I get out of school knowing that I have to fight to get home ... I almost got hit just the other day." She has to sprint to avoid the trucks on Davis Street. "I have asthma attacks every now and then when I reach my home."

We need to reduce air pollution and make our streets more livable. And we need solutions now, not in 2025.

Heavy-duty truck traffic on streets designed for passenger car use increases the risk of collisions with other vehicles and pedestrians.

Dockworkers and truck drivers are two other high-risk groups. One Swedish study found that dockworkers exposed to the highest levels of diesel exhaust were 1½ to 3 times more likely to develop lung cancer than workers exposed to little or no diesel exhaust.<sup>32</sup> Several studies have found excess lifetime cancer risk for truck drivers—some as high as 10 times above what the Occupational Safety & Health Administration considers to be acceptable risk levels.<sup>33</sup> Other studies have found that long-haul truck drivers with the longest driving records are 1½ to nearly 2 times as likely as workers not exposed to diesel exhaust to develop lung cancer during their lives.<sup>34</sup>

### D. OTHER COMMUNITY IMPACTS

Air pollution is just one of the ways that freight transport affects human health. A host of other factors either directly or indirectly impacts the health and well-being of people living near freight transport facilities and infrastructure. While seaports and airports often have direct connections to and from local highways, trucks often use local streets to bypass traffic or cut down on travel time. Many ports lack sufficient space for drivers to park their trucks, so they often must resort to parking overnight on local streets, reducing pedestrian visibility and an overall sense of safety in a community. Heavy-duty truck traffic on streets designed for passenger car use also increases the risk of collisions with other vehicles and pedestrians—not to mention the wear and tear on these roads that can damage private vehicles. And anyone who has ever heard a truck rumbling along at low speeds can attest to how loud these vehicles can be.

The presence of railroad tracks, railyards, truck distribution centers, and large trucks on local streets (whether parked or moving)—and the noise from these vehicles—discourages people from taking walks in their neighborhood or visiting their local parks—both important forms of exercise that help people maintain healthy body weights. Recent studies validate the common-sense idea that residents of pedestrian-friendly



members of the state's Goods Movement Action Plan Integrating Workgroup included a comprehensive description of other community impacts.<sup>60</sup> This should serve as a foundation for further analysis and integration of these concerns into cost estimates and mitigation projects related to freight transport.

### E. SNAPSHOT: THE HIDDEN COSTS OF IMPORTED GRAPES

In order for consumers to enjoy grapes out of season, those grapes make a very long journey, traveling almost 6,000 miles from the vine to your refrigerator, and creating a lot of pollution along the way.

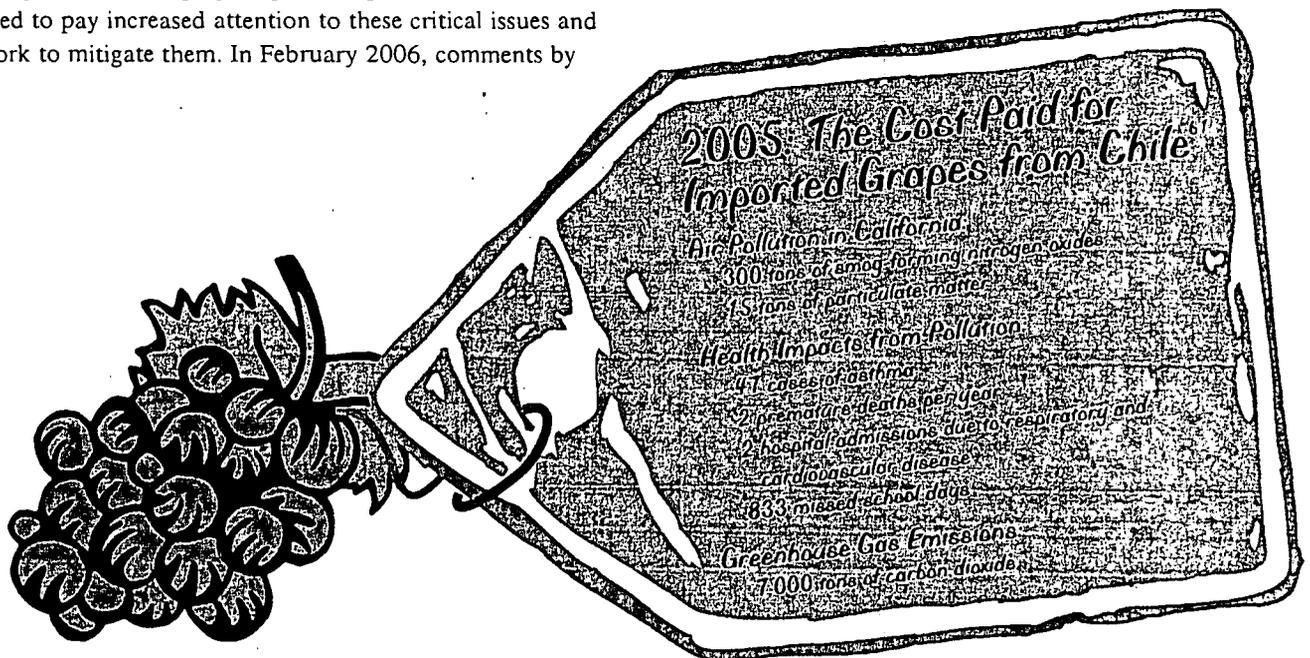
For example, grapes that are grown in Chile are transported by truck to the port of Valparaiso, where they are loaded onto cargo ships to make the 5,500-mile journey to California, most likely to the Port of Los Angeles. Then the grapes are transported by truck across California to local supermarkets or are transported to a local truck distribution center, where they are loaded onto other trucks that deliver them to retail stores all over the nation.

In 2005, the transport of grapes from Chile to California using trucks and cargo ships resulted in the release of hundreds of tons of pollutants that contribute to poor air quality and global warming, as shown below.

neighborhoods are less likely to be overweight.<sup>55</sup> Various studies have cited the link between noise and increased risk of heart attacks;<sup>56</sup> increases in overall stress levels; and impacts on children's mental health,<sup>57</sup> reading comprehension,<sup>58</sup> and school performance.<sup>59</sup> One study that found a link between sleep disturbance and noise specifically cites air, rail, and road traffic as a problem.

These other community impacts are a key part of the overall quality of life impacts from freight transport. Because these impacts have not yet been adequately characterized and quantified, this report does not go into depth on these very important issues. State agencies charged with managing freight transport in California need to pay increased attention to these critical issues and work to mitigate them. In February 2006, comments by

Figure 3: The Cost Paid for Imported Grapes from Chile



## A Day in the Life of a Longshore Worker

by John M. Castanho

ARRIVE AT THE PORT OF OAKLAND just before 8 AM, passing a line of 20-40 trucks waiting to enter the terminal. The smell of diesel exhaust is as familiar to a longshoreman as the smell of salt air is to a sailor.

I change into my work gear, and proceed to the dock. A black smoke-belching tugboat leads the cargo ship to the pier, billowing white smoke that blows inland. Gangs of longshoremen, 20 to 60 in all, commence the day's arduous work. We begin unlashng the containers. The black matter from the ship's smokestacks coats the containers and the ship's deck where I will be working. The "black snow" looks like soot inside a chimney. It will be rubbed into my coveralls and boots. It will stick to the perspiration on my skin.



The smell of diesel exhaust is as familiar to a longshoreman as the smell of salt air is to a sailor.

When the workday ends, I am wringing wet with sweat. Removing my work gear, I pull a box of baby wipes from my trunk. The less of this stuff I bring home, the less my wife and children will come into contact with. In one wipe of my face, large, dark smudges cover the sheet. If this is on my face, my hands, my clothes, and my boots, how much of it entered my lungs today? I have a good paying job, and I'm in good shape, but how much will working in this environment shorten my life?

I have worked in this industry for over 20 years. My father was a longshoreman for 21 years before dying at the age of 45 from asbestosis and throat cancer. Today's longshoremen are exposed to different sorts of carcinogenic substances that need to be eliminated. With ports expanding, the problems of asthma, cancer, and circulatory diseases will only worsen.

In unanswered questions, blackened baby wipes, and lost loved ones, goods movement is costing me and my fellow longshoremen.

*The author is currently a longshoreman working at C and H Sugar Refinery in Crockett. He worked at the Port of Oakland for 20 years.*



## CHAPTER 3

# Impact Costs in Dollars and Cents

Four percent of all deaths in California are attributable to air pollution, costing the state \$70 billion per year.<sup>62</sup> In their Emissions Reduction Plan for Ports and Goods Movement, CARB calculated that pollution from freight transport was estimated to cost \$19.5 billion in the year 2005. If nothing is done to clean up the freight transport system, it will cost California \$200 billion between now and 2020.<sup>63</sup>

The annual cost of the health effects attributable to PM and ozone pollution from freight transport in California is summarized in Table 3. At least half of these health effects are caused directly by PM in the areas closest to ports, railyards, and freeways. Although the cost estimates given for multiple health endpoints, including things like the cost of missed school and work days and health care costs, are in the hundreds of millions, the costs of premature deaths far outranks all other health effects.<sup>64</sup>

In addition, Table 3 does not include many known health effects from freight transport sources of PM and ozone that are currently too difficult to quantify. These include myocardial infarction (heart attack), chronic bronchitis, onset of asthma, premature birth, low birth weight, and reduced lung function growth in children.<sup>66</sup> This estimate also does not include all sources of pollution related to freight transport, including air cargo operations. Thus, the annual cost of \$19.5 billion is a conservative figure.

**Table 3**

Annual (2005) Health Effects of PM and Ozone Pollution from Freight Transport in California <sup>65</sup>		
Health Outcome <sup>A</sup>	Cases per Year	2005 Valuation (\$ Millions)
Premature Death <sup>B</sup>	2,400	19,000
Hospital Admissions (respiratory causes)	2,000	67
Hospital Admissions (cardiovascular causes)	830	34
Asthma and Other Lower Respiratory Symptoms	62,000	1.1
Acute Bronchitis	5,100	2.2
Work Loss Days	360,000	65
Minor Restricted Activity Days	3,900,000	230
School Absence Days	1,100,000	100
<b>Total</b>	<b>NA</b>	<b>19,499</b>

Source: California Air Resources Board, March 2006.

A Does not include the contributions from particle sulfate formed from SO<sub>x</sub> emissions, which is being addressed with several ongoing emissions, measurement, and modeling studies.

B Includes cardiopulmonary- and lung cancer-related deaths.

## Trucks, Trains, Illness, and Commerce

by Sylvia Betancourt

I GREW UP IN THE City of Commerce, just east of Los Angeles, between two very large and active railyards. Everyday, we hear the perpetual beeping and rumbling of the trains, so much so that my ears are constantly ringing. Our community is also intersected by the diesel truck-clogged I-710 and pockmarked by a number of industrial toxic facilities.



Growing up, I always felt that something was wrong with living near such massive industry, smelling diesel in the air. I saw friends and neighbors diagnosed with cancer and pass away, but I didn't fully understand the connection with our environment.

I saw friends and neighbors diagnosed with cancer and pass away, but I didn't fully understand the connection with our environment.

A few years ago, the government proposed to expand the I-710 — which already saw 47,000 diesel cargo truck trips per day — to accommodate increased truck traffic resulting from projected port growth. That was the last straw. I became a volunteer with East Yard Communities for Environmental Justice and connected the dots between truck and train emissions and illnesses.

My parents worked hard to secure a home for our family, but the trucks and trains are taking a toll on our lives. My father was a truck driver and a member of the Teamsters Union, so I clearly understand that truck drivers are feeling the impacts along with our community. Unhealthy air where we work and where we live is a violation of a basic right.

It was only a matter time before one of our family members was diagnosed with cancer. My brother's father-in-law lost his battle with throat cancer in February of this year. Breathing clean air is essential for life.

We're not lobbyists, but we are determined to ensure that the community determines its own fate. Railroads and shipping companies need to take responsibility for how their operations impact their workers and their neighbors. Tax money, health, and quality of life should not be a tradeoff.



## CHAPTER 4 Plenty to Go Around: Paying to Clean Up Freight Transport

While many people suffer a disproportionate burden of the health and environmental costs from freight transport, a relative few big business and logistics-related industries rely on easy access to these transportation hubs to support their business operations. These businesses include the shipping industries that carry goods to and from California ports, the air freight delivery companies, the truck and train transporters of consumer goods within and out of the state, and the retailers that sell these goods in stores across the United States. By failing to cover their full costs of business, these companies' profits are being subsidized by the health and well-being of the predominantly low-income communities that bear the brunt of freight transport's environmental impacts.

Equitable markets require that all the costs of producing a product are covered by the producer. In economics this is called "cost internalization," or internalizing external costs.<sup>67</sup> A company internalizes its cost when it installs a pollution filter or pays to clean up an accidental spill. If an individual pollutes a stream that he shares with his neighbor, then the individual receives the benefits of being able to pollute (externalizing his costs), while his neighbor

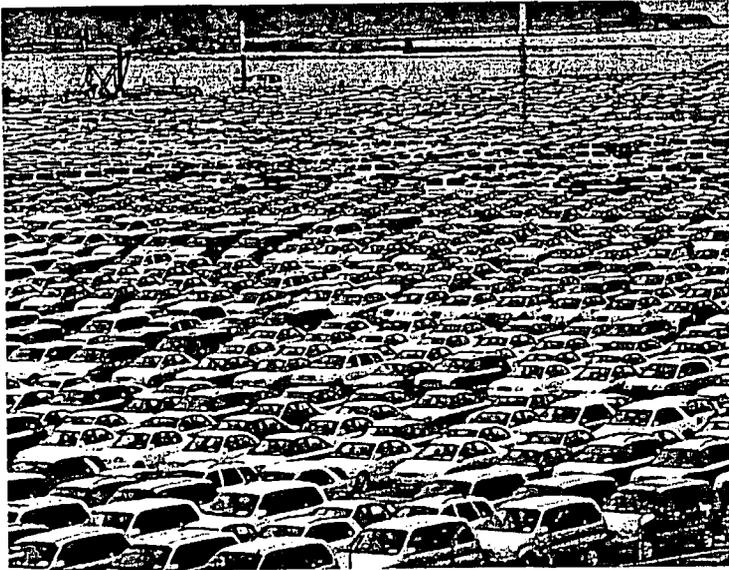
Companies' profits are being subsidized by the health and well-being of low-income communities.

bears the cost of not having fish or clean water. Externalizing costs onto those who do not benefit from the transaction involves privatizing a benefit while socializing resulting costs onto the community.<sup>68</sup>

Externalizing costs is the fundamental problem with the movement of goods through California. This is also sometimes called the "tragedy of the commons," where each individual actor pursuing his own self interest will destroy the commons that all share together. In this conundrum, no one actor can institute cleaner technology without being priced out of the market by his competitors who do not implement cleaner technology.

There are two solutions to the tragedy of the commons problem in market economies. To the extent that any one actor has market power (the ability to set prices for

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goods), it can lead the market in implementing and requiring cleaner technology by their suppliers, thus solving the tragedy of the commons. For example, Nike and other sector leaders led efforts to address the widespread use of child labor in the production of apparel and footwear. A market leader such as Wal-Mart, whose revenue is equal to the combined revenue of the next nine largest importers, holds the potential solution to the freight transport system's pollution problem.

The second solution to the tragedy of the commons is that in a more competitive market, the government will need to intervene so that all players can internalize their costs, or clean up their pollution, together.

There is plenty of money in the system of freight transport to pay for the costs of mitigating impacts. In fact, the

costs of mitigating the impacts of freight transport are a mere drop in the bucket (or rather drop in the ocean) when we take a close look at the overall value of goods being moved through California's ports, and at the revenue and profits brought in by these companies. In the same way that a company's revenue is used to pay for the costs of raw materials, worker salaries, financing for capital, and (increasingly high) CEO salaries, companies benefiting from freight transport through California should pay for the health costs of moving goods. This can be done by a minor increase in prices (still keeping them below competitors' prices), a minor reduction in rates of return (still keeping profit rates above those of competitors), lower compensation for high-paid corporate officers, or any number of other options. Not only should companies benefiting from freight transport pay the full costs of moving goods, these companies are making more than enough in revenue and profits to cover these costs without it being a financial burden.

This report focuses on the revenue of five types of companies:

- Top retail importers of containerized goods into the United States
- Top exporters of containerized goods from the U.S.
- Top railroad companies in the state of California
- Major shipping lines doing business at California ports
- Major air freight delivery companies in the U.S.

Table 4 summarizes the total 2005 revenue and net income for all of these companies. Revenue are the sales from all operations of these companies, while net income (also known as net profit) is income remaining after all

Table 4

2005 Revenue and Net Income of Freight Transport Industries Nationwide		
Sector	2005 Revenue (\$ Billions)	2005 Net Income (\$ Billions)
Top 10 Importers	625.9	24.5
Top 10 Exporters	363.8	21.2
Top 3 Air Freight Delivery Shipping Lines*	105.5	8.2
Top 2 Railroad Companies	104.2	8.9
	26.6	2.6
<b>Total</b>	<b>1,226.0</b>	<b>65.4</b>

Source: Hoover's Online (<http://www.hoovers.com>) July 2006.  
\*2004 Data.

corporate expenses (including salaries, taxes, and depreciation) are subtracted. These revenues exceeded \$1.2 trillion in 2005, while net profit was \$65.4 billion. It should be noted that the average net profit margin for the companies that reported both revenue and net income was 6.5%, well above the 3.1% average for all NASDAQ companies.<sup>69</sup>

As a point of comparison, the cost to implement all the mitigation measures CARB proposed in its Goods Movement Emission Reduction Plan ranges from \$6 billion to \$10 billion for the entire state between now and 2020, or between \$400 million and \$667 million per year. A comparison of revenue to cost of mitigation measures is provided in Chapter 5.

#### A. CORPORATE IMPORTERS

The ships, trucks, airplanes, and locomotives involved in freight transport are carrying the cargo of large corporate importers. The companies importing the largest volumes of containerized goods through U.S. seaports have names familiar to most Americans, including Wal-Mart, Target, and Home Depot. As shown in Table 5, the total revenue for these companies in 2005 was over \$625 billion. Wal-Mart's total revenue (\$312 billion) is equal to the revenue of the next nine importers combined. The net profit of all these companies combined added up to \$24.5 billion, of which Wal-Mart accounted for nearly half, or \$11.2 billion. These companies together imported 2.6 million containers into the United States, considerably less than the 7.4 million imported through all California ports.<sup>70</sup> Consequently, the total revenue of these 10 companies is likely an underestimate of the total revenue of all companies importing containerized cargo through California ports.

Data on retail importers of goods just through California ports is not available. Because of the large number of intermediaries between the shipping lines and the ultimate retail destination of goods carried by cargo containers, there is no publicly available information on which retail users are using which ports in California, or the volume of their trade through those ports. This list also does not include end users of non-containerized cargo such as automobiles, dry bulk products, liquid bulk products, or break bulk products.

## Merced's Potential 230-Acre Neighbor

by Kyle Stockard



LIVE IN MERCED, along Highway 99 in California's Central Valley. Wal-Mart recently proposed a 230-acre distribution center, right next to Merced's residential

neighborhoods. It would have a warehouse the size of 24 football fields; parking for 1,600 trailers, 300 tractors, and up to 850 passenger vehicles; and 400 loading dock doors.

27,000 new truck trips and 2,150 new passenger vehicles would increase the risk of life-threatening accidents, road damage, and asthma.

Within a mile are three schools, and a fourth is planned for directly next to the facility. The distribution center would add about 27,000 new truck trips and 2,150 new passenger vehicles to our roads every month. This level of traffic would increase the risk of life-threatening accidents, road damage, and asthma and other health risks caused by air pollution. It's not too late for Merced. The more people know, the more they are opposed to a distribution center being built in our neighborhood.

## Life in the Diesel Death Zone

by Jesse N. Marquez



**I** LIVE IN THE Hispanic community of Wilmington in the shadow of the Ports of Los Angeles and Long Beach. When I wake up in the morning I do not smell

the fresh clean ocean air or see beautiful blue skies that are only a distant childhood memory.

Instead I smell tons of diesel exhaust from ships, cargo trains, and over 45,000 diesel trucks, and see a deadly brown smog cloud

When I wake up in the morning I do not smell the fresh clean ocean air or see beautiful blue skies that are only a distant childhood memory.

looming overhead. Almost every family I know has someone suffering from asthma, respiratory health problems, lung disease, or cancer. Our community is located in what is now called the "Diesel Death Zone." Six people die prematurely every day so that Wal-Mart, Nike, K-Mart, and others can make billions in profits. In 2001 we created the Wilmington Coalition for a Safe Environment to fight for our right to a clean and healthy environment, where the benefits of international trade are shared by all communities.

### B. CORPORATE EXPORTERS

Although the United States is widely known to have a large and sustained trade deficit—the country imports substantially more than it exports—there are numerous profitable companies exporting goods and materials to foreign countries. Like importers, exporters do not need to factor community and health impacts into the cost of exporting their products through seaports. Wastepaper, timber, chemical, and industrial agricultural corporations utilize the country's freight transport infrastructure to export significant quantities of product through California's ports each year. The Port of Oakland is a net exporter of goods, and the Ports of Los Angeles and Long Beach export large volumes of goods as well. Listed in Table 6, the revenue of the top 10 corporate exporters of containerized goods from the U.S. totaled \$364 billion in 2005, while net income (profits) added up to \$21.2 billion.

### C. INTERNATIONAL AND DOMESTIC SHIPPING

Shipping companies own and operate the large ships that carry as many as 6,000 to 8,000 containers across the ocean, ensuring that containers leaving China or Guatemala arrive in the U.S. and vice versa. These ships produce a tremendous amount of pollution. Regulatory oversight of pollution from shipping has fallen between the cracks—defeated by confusion over jurisdictional authority and a strong industry lobby. While a patchwork of international, federal, state, and local rules applies to various pollution sources related to freight transport, most are weak and poorly enforced.<sup>71</sup> Further, while other diesel sources have been heavily regulated with multiple rounds of increasingly stringent emission standards, the engines propelling international ships (ocean-going vessels) are only bound by one relatively lax emission standard through an international treaty, which does not cover particulate emissions.<sup>72</sup> While a recent BlueWater Network lawsuit against the U.S. EPA established that the agency has jurisdiction to adopt emission standards for all marine vessels regardless of country of origin, the U.S. EPA has yet to exercise this authority.

The fact that ships are highly underregulated bolsters profits, as the true cost of doing business is not fully taken into account. The names of these shipping companies are emblazoned on the sides of shipping containers being transported across the state by truck and train; Table 7 lists the 2004 revenue and net profit data for 11 of these shipping companies. This list includes major companies

Table 5

Revenue and Net Income for Top Importers of Containerized Goods into the U.S., 2005			
Company	2005 TEUs Imported	2005 Revenue (\$ Millions)	2005 Net Income (\$ Millions)
Wal-Mart Stores	695,000	312,427	11,231
Target Corporation	371,000	52,620	2,408
The Home Depot	335,000	81,511	5,838
Sears Holdings Corp.	240,000	49,124	858
Dole Food Company	169,700	5,871	134*
Lowe's Company	163,000	43,243	2,771
Costco Wholesale Corp.	160,000	52,935	1,063
LG International Corp.	127,100	6,217*	77*
Philips Electronic, N.A.	125,000	**	**
Chiquita Brands Intl.	112,300	3,904	131
Ikea International A/S	100,000	18,089	**
<b>Total</b>	<b>2,598,100</b>	<b>625,941</b>	<b>24,511</b>

Source for TEU data: "Special Report: Top 100 Importers and Exporters." Journal of Commerce (May 29, 2006):16A - 48A.

Source for financial data unless noted below: Hoover's Online (<http://www.hoovers.com>) July 2006.

\*Data for 2004, most recent data available for these companies.

\*\*Private company for which relevant financial data is not publicly available.

Table 6

Revenue and Profits for Top U.S. Exporters of Containerized Goods, 2005				
Company	2005 TEUs	Headquarters	2005 Revenue (\$ Millions)	2005 Net Profit (\$ Millions)
America Chung Nam, Inc.	244,400	CA	505 <sup>A</sup>	**
Weyerhaeuser Company	163,200	WA	22,629	733
E.I. du Pont de Nemours & Company	98,000	DE	28,491	2,053
Cargill, Inc.	78,400	MN	71,100	2,100
Koch Industries, Inc.	72,600	KS	80,000	**
International Paper Co.	68,200	TN	24,097	1,100
Dow Chemical Co.	65,400	MI	46,307	4,515
ExxonMobil Chemical Co.	62,300	TX	27,781 <sup>B</sup>	3,428 <sup>B</sup>
MeadWestvaco Corp.	61,500	VA	6,170	28
Cellmark Group	60,800	Sweden	**	**
Procter & Gamble Company	60,700	OH	56,741	7,257
<b>TOTAL</b>	<b>1,035,500</b>		<b>363,821</b>	<b>21,214</b>

Source for TEU data: "Special Report: Top 100 Importers and Exporters." Journal of Commerce (May 29, 2006):16A - 48A.

Source for financial data unless noted below: Hoover's Online (<http://www.hoovers.com>) July 2006.

\*\*These are private companies for which net profit and/or total revenue data is not available.

A Revenue data for America Chung Nam is from 2004, latest year for which data is available. Source for America Chung Nam revenue: Nusbaum, David. "L.A.'s 100 largest private companies: ranked by 2004 revenue." Los Angeles Business Journal (October 24, 2005).

B Data for ExxonMobil is for 2004, latest year available.

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that lease land at the Port of Los Angeles, Port of Long Beach, or Port of Oakland. It also includes all the members of the Transpacific Alliance, an industry association of shipping companies serving the Asia-U.S. route.<sup>73</sup> Because two of these companies have no revenue or profit data available, the total revenue for these companies is an underestimate.

**D. RAIL**

The U.S. rail system serves both passenger and freight carriers, with freight far outweighing passenger transport.

There are currently 20,000 freight and 400 passenger locomotives operating in the United States,<sup>74</sup> and these locomotives make their way across the country on approximately 140,000 miles of track. The freight transport industry is using rail at an increasing rate. Some of the nation's largest railroads plan to expand their infrastructure to accommodate the increased demand for their services in moving goods across the country. In California, the rail companies are expanding infrastructure to accommodate the growth in trade. For example, Burlington Northern Santa Fe (BNSF) has proposed a major new switching yard in Southern California—just 200 yards from an elementary school.<sup>75</sup>

Table 7

2004 Revenue and Net Income for Top Shipping Companies			
Shipping Line	Headquarters	2004 Revenue (\$ Millions)	2004 Net Income (\$ Millions)
A.P. Moller-Maersk A/S	Copenhagen	30,421	4,464
China Ocean Shipping (Group) [COSCO]	Beijing	17,459 *	**
Nippon Yusen Kaisha (NYK)	Tokyo	13,236	330
Mitsui O.S.K. Lines	Tokyo	9,440	524
Kawasaki Kisen Kaisha, Ltd. ("K" Line)	Tokyo	6,860	314
APL Limited (Subsidiary of Neptune Orient)	Singapore	6,545	943
Hanjin Shipping Co, Ltd.	Seoul	5,921	617
Orient Overseas (parent company of OOCL)	Hong Kong	4,140	670
Evergreen Marine Corporation Ltd.	Taiwan	4,080	378
Hapag-Lloyd Container Line	Hamburg	3,671	386
Yang Ming	Taiwan	2,452	306
China Shipping (Group) Company	China	**	**
Hyundai Merchant Marine Company (HMM)	Seoul	**	**
<b>TOTAL</b>		<b>104,225</b>	<b>8,932</b>

Source for financial data: Hoover's Online (<http://www.hoovers.com>) July 2006.

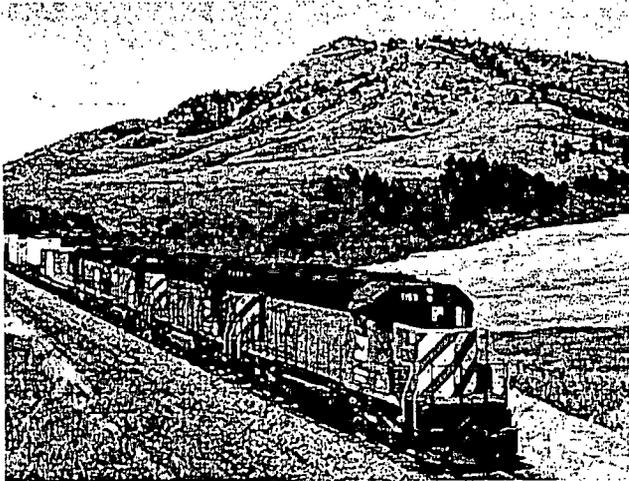
\*Revenue for COSCO is for 2005.

\*\*No revenue or profit data available.

Table 8

2005 Revenue and Net Income for Top Railroad Companies in California			
Railroads	Headquarters	2005 Revenue (\$ Millions)	2005 Net Income (\$ Millions)
Union Pacific Railroad Corp	NE	13,578	1,026
Burlington Northern Santa Fe	TX	12,987	1,531
<b>TOTAL</b>		<b>26,565</b>	<b>2,557</b>

Source for financial data: Hoover's Online (<http://www.hoovers.com>) July 2006.



Rail is often hailed as a cleaner alternative to trucks. While a single train can replace up to 250 truck trips, locomotives are expected to pollute more than trucks by 2015,<sup>76</sup> since emission standards for locomotives lag far behind those for trucks.<sup>77</sup> Like trucks, diesel trains emit NOx and fine particulate matter. By 2030 the U.S. EPA estimates that, without new controls, locomotives and ships will contribute about 27% of NOx and 45% of fine diesel particulate matter (PM<sub>2.5</sub>) emissions from mobile sources.<sup>78</sup>

In California, two companies—BNSF Corporation and Union Pacific Railroad Corporation—comprise virtually the entire rail industry. The revenue for these two companies alone in 2005 was \$26.6 billion, while their profits totaled \$2.6 billion.

### E. AIR FREIGHT DELIVERY COMPANIES

Although it is frequently left out of discussions and planning for freight transport growth, air cargo plays a significant role in California's freight transport industry, and it is growing at unprecedented rates. California's four major cargo airports—Los Angeles, San Francisco, Oakland, and Ontario—handled over 3.7 million metric tons of cargo in 2005, much of it high-value products such as electronic circuits, aircraft equipment, and apparel. Although the total volume is less than the total volume of goods transported through the state's seaports, the movement of goods via airports does present a serious health concern for the cities that host these four airports. Additionally, these airports are in or near densely populated central urban locations, which means their impacts affect more people.

## Hopscotch Along Hwy. 99

by Carolina Simunovic



Margarita Guzman

**A**T RECESS, THE students at Fresno's Addams Elementary have a clear view of Highway 99, two distribution centers, and plenty of diesel trucks. It's no coincidence that Addams

Elementary ranks third among all Fresno Unified School District schools for student asthma rates.

It's no coincidence that we rank third among all Fresno schools for student asthma rates.

Parent leaders created Comité ASMA: Addams for Health and a Better Environment to focus on industrial pollution surrounding their children's school.

"We are already suffering from the large number of polluting facilities located in our community" says Tony Diaz, the committee's coordinator.

"We are bombarded with diesel exhaust and other air pollution from Highway 99, the railroad, and two large distribution centers."

Margarita Guzman, the committee's president, worries about increasing truck traffic and rail cargo along the 99 Corridor. "Our children are suffering and can't breathe; the last thing this community needs is more pollution."

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Air cargo is transported in two ways: by freight delivery and all-cargo carriers, or in the cargo hold of passenger airlines. By weight, the majority of goods that come in and out of California's airports are on all-cargo planes.

We include in our analysis the total revenue and profits for three major air freight delivery companies operating in the United States: FedEx, UPS, and DHL, all of which have operations in California airports.

Table 9

2005 Revenue and Net Income for Major Air Freight Delivery Companies Nationwide			
	Headquarters	2005 Revenue (\$ Millions)	2005 Net Income (\$ Millions)
UPS	GA	42,581	3,870
DHL	Belgium	33,524 *	2,899
FedEx	TN	29,363	1,449
<b>TOTAL</b>		<b>105,468</b>	<b>8,218</b>

Source: Hoover's Online (<http://www.hoovers.com>) July 2006.

\*Revenue data for DHL is from 2004.

**Sidebar:**

**Fueling Freight Transport:  
A Multi-Billion Dollar Industry**

From the ships that bring containerized goods to and from California's seaports, to the thousands of cargo-carrying airplanes that take off and land in California's airports each day, to the trucks and trains that move goods from these ports to their final destination—the freight transport industry is dependent on oil-derived fuels. Consequently, the corporations that refine and sell oil to fuel freight transport through California profit significantly from the movement of goods through California.

Although an analysis of the proportion of fuel corporation profits that is attributable to freight transport in California is beyond the scope of this project, data on annual sales and profits of the top five oil companies in the United States are presented in Table 10 for comparison purposes.

Oil company revenue and profits far outweigh revenue and profits in other freight transport industries. The top 5 oil companies made two times more revenue, and over four times the profit, of the top 10 importers.

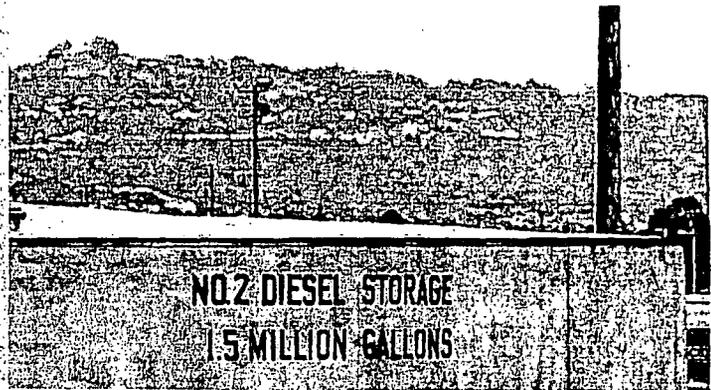


Table 10

2005 Revenue and Net Income for Five Largest U.S. Fuel Companies, 2005		
Company	2005 Revenue (\$ Millions)	2005 Net Income (\$ Millions)
ExxonMobil	370,680	36,130
BP	245,486	19,642
Shell	306,731	26,261
Chevron	198,200	14,099
ConocoPhillips	183,364	13,529
<b>TOTAL</b>	<b>1,304,461</b>	<b>109,661</b>

Source of financial data: Hoovers Online (<http://www.hoovers.com>) July 2006.

Source of Top 5 Company Names: <http://www.gravmag.com/oil2.html>.



## Not the Bad Guy: One Man's Struggle to Work and Breathe

by Nelson Montoya



I CAME TO THE United States from Colombia 25 years ago. I have been a truck driver for 22 years, transporting commercial products to and from the

ports of Los Angeles and Long Beach. My truck is a 20-year-old, heavy-duty diesel-fueled 18-wheeler. Truckers barely benefit from freight transport. Many have to work longer hours than are legal just to make as much as the average worker with a high school diploma — just under

I have heard that diesel produces cancer and respiratory illness. But like many other drivers, I do not have insurance to pay for preventive care.

\$30,000. I would like to go to the doctor to have a general check-up, especially of the lungs, since I have heard that diesel produces cancer and respiratory illness. But like many other truck drivers, I do not have insurance to pay for preventive health care. I need to have better equipment, a modern truck that will contaminate less. Shipping companies should provide modern equipment — this will benefit the drivers, the community, and the environment.

### F. TRUCKING INDUSTRY

Port trucking, also called drayage, is a specific segment in the trucking industry that involves the first segment of transportation from the marine port to a railyard or distribution center or directly to retailers or manufacturers. Truckers work through small carriers or brokers to contract with cargo owners or shipping lines to make their deliveries.

Port truckers were significantly affected by deregulation of the industry in 1980, which led to a higher percentage of independent owner-operators who are in turn prevented from organizing for higher wages or benefits due to anti-trust provisions. A 2005 hearing of the California Assembly Committee on Labor and Employment documented that of the 11,000 short-haul truck drivers working in the Los Angeles area, 87% are owner-operators. Port drivers must pay for fueling, insurance, maintenance, taxes, and other fees, and are paid by the load rather than hourly. Numerous trucker strikes throughout the country have demonstrated the difficult working conditions and low pay associated with drayage trucking. Testimony of several truckers during the Assembly hearing exemplified adverse working conditions of truckers who are being squeezed by stagnant wages, increasing turn times at ports, and increased fuel costs. One Oakland driver testified that he works an average of 11 to 13 hours per day. Nearly half of that time can be spent waiting in line at port terminals. He brings home \$20,000 to \$25,000 a year, with no benefits.<sup>79</sup> Revenue and profit data cannot be presented because individual owner-operators, rather than companies, dominate drayage trucking in California.

## Once-Rural Riverside County

by Penny Newman

I'VE BEEN A RESIDENT of the rural community of Glen Avon/Mira Loma for more than 41 years. Located next to Highway 60 and Interstate 15, our unincorporated area is the target of industrial development of massive warehouses and distribution centers. The expansion of goods imported into the ports of Los Angeles and Long Beach has created a demand for rail hauling of goods that has led to the expansion of the Union Pacific railyard — now the largest auto distribution center in the world.



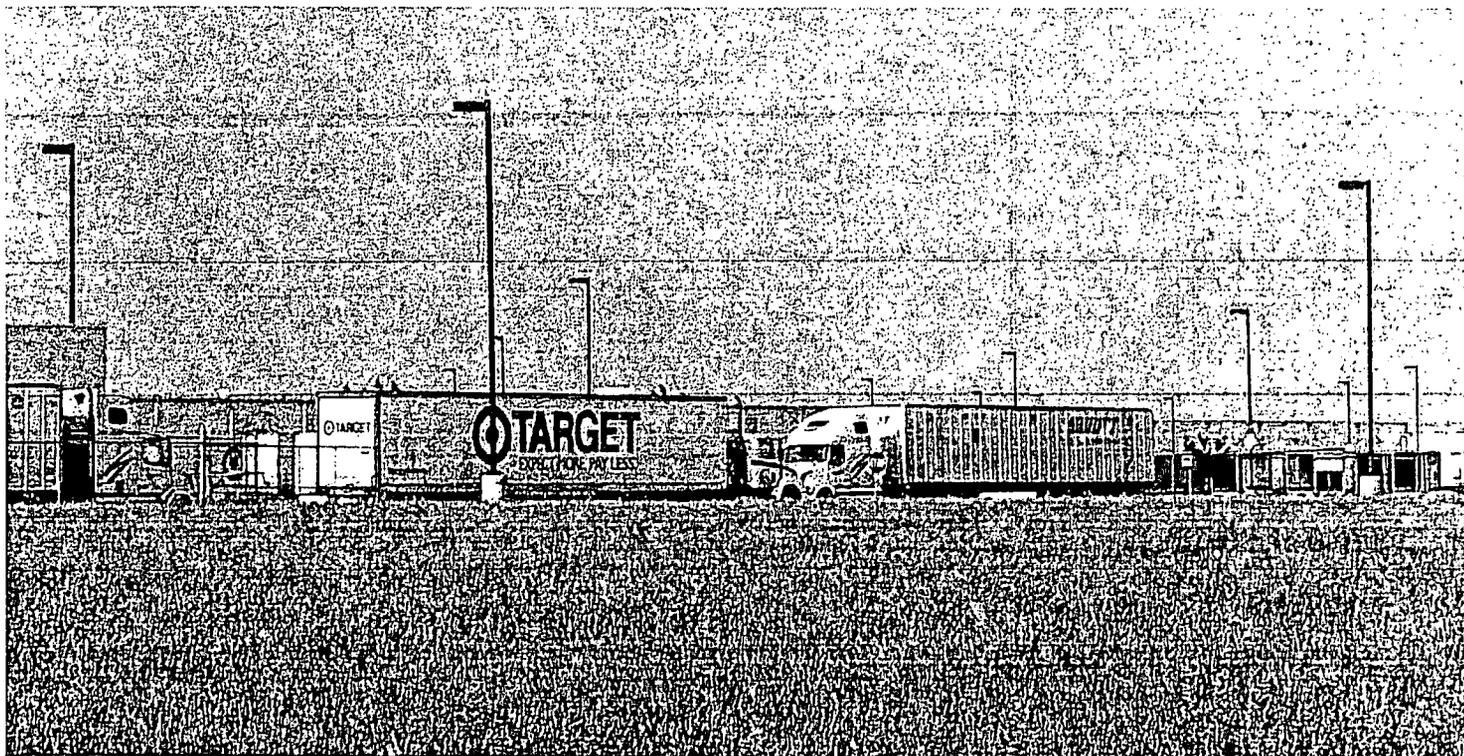
In five years, our sleepy, agriculturally based community turned into a major industrial park. More than 120 warehouses have replaced cow pastures and vineyards. Our mountain views have been replaced by looming cement monoliths. The Union Pacific is now directly next to our high school. Hundreds of trucks park and idle 20 feet from the athletic fields where our children play.

Hundreds of trucks park and idle 20 feet from the athletic fields where our children play.

The Inland Valleys of Riverside and San Bernardino have long had high levels of smog pollution, but recently the main focus has turned to particulate matter (PM). The World Health Organization (WHO) ranked us fourth in the world in PM pollution, after Jakarta, Indonesia; Calcutta, India; and Bangkok, Thailand. According to researchers at USC, the children in our communities have the slowest lung growth and weakest lung capacity of all children studied in Southern California. Asthma and other respiratory ailments are prevalent. Cancer risk from freight transport is 1,500 times the Environmental Protection Agency's "acceptable" risk levels.

With this development, our streets and rural roads have become danger zones. Residents must compete with semi trucks for space on the same roads. Horse riders navigate trails that now wind through industrial areas. Children who once enjoyed the open fields now are confined to their own backyards for recreation.

We greatly fear the prediction that freight transport will increase exponentially. Our families simply can't take any more.



## CHAPTER 5

# Public Costs and Private Revenue, in Perspective

How much will it cost to clean up the freight transport system in California, and who can pay for it? CARB proposed a package of roughly 30 mitigation measures that are estimated to reduce diesel PM and NOx by a respective 77% and 64% by 2020.<sup>80</sup> These measures are aimed at reducing air pollution emissions from cargo ships, commercial harbor craft, cargo handling equipment, trucks, and locomotives. The total cost to implement all of the CARB-recommended measures by the year 2020 is \$6 to \$10 billion (in 2005 dollars).<sup>81</sup> If these measures are implemented, CARB estimates that for every \$1 invested in cleaning up pollution from freight transport, \$3 to \$8 in health costs will be saved.<sup>82</sup> Numerous other estimates of mitigation costs have been made by the No Net Increase Task Force for the Port of Los Angeles and the recently released San Pedro Bay Ports Clean Air Action Plan. We will use the CARB mitigation cost estimate because it provides a statewide mitigation number.

To pay the full costs of doing business, companies must pay to mitigate health costs from their operations. To put the cost of the mitigation measures proposed by CARB in

For every \$1 invested in CARB's recommended measures, California could save \$3 to \$8 in health costs.

perspective, we do two comparisons. First, we compare these mitigation costs to the revenue of companies benefiting from freight transport. Then, we compare mitigation costs to the total value of imported and exported goods traded in California.

Table 11 below compares mitigation measures to "estimated California-dependent revenue,"<sup>83</sup> which has been scaled down from total revenue in proportion to California's economic or freight transport activity. The intent here is to compare the total cost of mitigation to a ballpark estimate of the portion of companies' revenue dependent on California's freight transport infrastructure. Because only the top companies are profiled in each category, this is most likely an underestimate of the industry's ability to pay.

**PAYING WITH OUR HEALTH: THE REAL COST OF FREIGHT TRANSPORT IN CALIFORNIA**

Compared to the vast revenue earned by companies that depend on California's freight transportation system, the cost of measures to protect health from the harmful impacts of this system is miniscule. Table 12 compares the total cost of implementing mitigation measures by the year 2020 to the estimated annual revenue derived from freight transport through California.

The cost of implementing all of CARB's proposed mitigation measures is less than a third of a penny for every dollar in revenue that is derived from freight transport through California.

It should be noted that the revenue of the largest importer, Wal-Mart, dominates the total estimated revenue of companies relying on freight transport through California. In fact, the cost of implementing measures to protect Californians' health is just about a penny per dollar of Wal-Mart's estimated California freight transport-dependent revenues.<sup>89</sup>

Another way to put mitigation costs in perspective is to compare them to the total value of imported and exported goods moving through California, estimated to be \$456.8 billion in 2004.<sup>90</sup> The cost of implementing all of CARB's proposed mitigation measures is equal to less than a fifth

Table 11

Estimation of the Proportion of Total Revenue for Companies That Depends on Freight Transport through California		
Sector	Total 2005 Revenue (\$ Billions)	Estimated California-Dependent Revenue (\$ Billions)
Importers	625.9	176.1 <sup>84</sup>
Exporters	363.8	33.0 <sup>85</sup>
Shipping	104.2	5.2 <sup>86</sup>
Rail	26.6	3.5 <sup>87</sup>
Air Freight Delivery	105.5	12.7 <sup>88</sup>
<b>TOTAL</b>	<b>1,226.0</b>	<b>230.5</b>

Table 12

Comparison of Freight Transport-Dependent Industry Revenue to Cost of CARB Mitigation Measures		
2005 Estimated California-Dependent Revenue for Corporations Benefiting from Freight Transport	Annual Costs (in 2005 Dollars) of Mitigation Measures (Upper Estimate)	Mitigation Costs per Dollar of Estimated California-Dependent Industry Revenue
\$231 billion	\$0.667 billion	\$0.0029

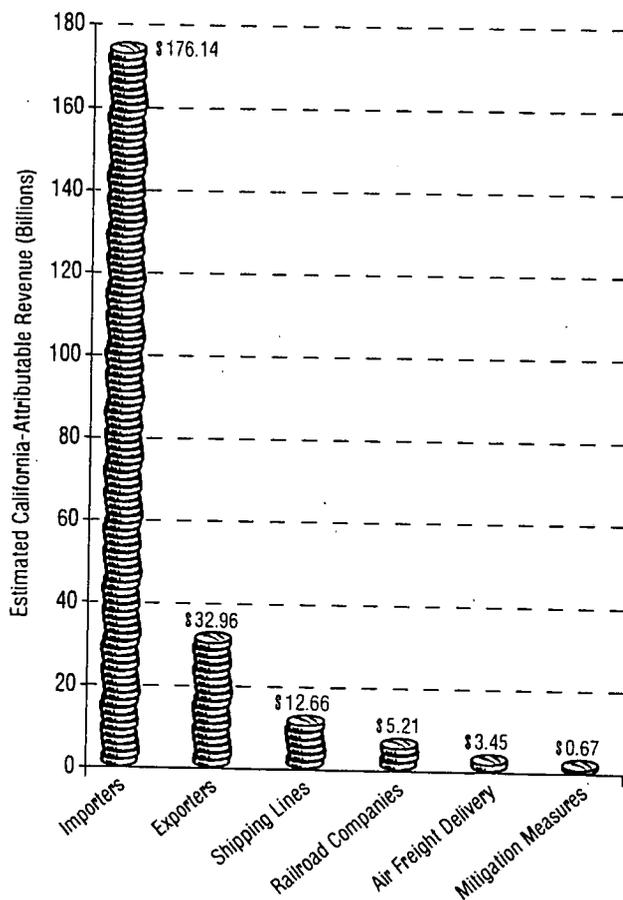
Table 13

Comparison of Value of Goods Transported Through California to Cost of CARB Mitigation Measures		
2005 Estimated Value of Imported/Exported Goods Transported through California	Annual Costs (in 2005 Dollars) of Mitigation Measures (Upper Estimate)	Mitigation Costs per Dollar Value of Goods Imported and Exported through California
\$457 billion	\$0.667 billion	\$0.0015

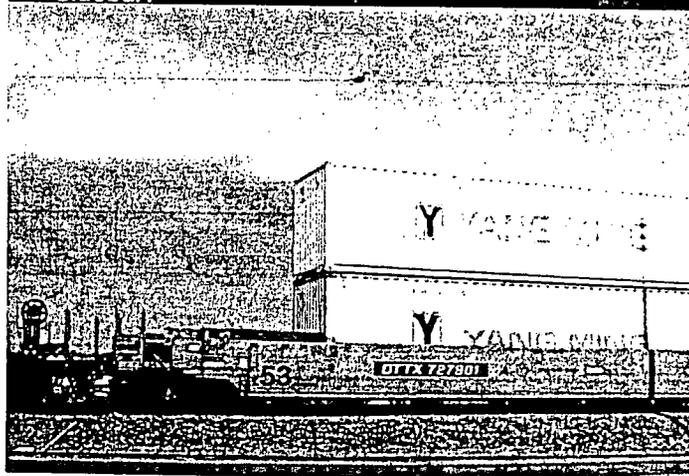
of a penny for every dollar's worth of import/export goods moving through California each year. This calculation does not include the value of goods that only move domestically through California. Including these goods would considerably drop mitigation costs relative to total value of goods.

Whether looking at the revenue of companies that are most benefiting from freight transport through California or at the total value of goods moving through California, the cost of protecting the health of California's communities is considerably less than a penny per dollar.

Figure 4: Comparison of Estimated California-Dependent Revenue to Health Mitigation Costs



Sidebar:



Container Fees Add Pennies to the Cost of a DVD

Container fees are one means of paying for measures to protect health from the impacts of freight transport. A \$30 container fee would add mere pennies to the cost of a DVD player (based on DVD box dimensions of 415mm x 88mm x 365mm and an internal volume of 28m<sup>3</sup> for a twenty-foot equivalent container), assuming the entire cost of the fee was passed on to the consumer.

Source: Coalition for Clean Air Fact Sheet.

<http://www.coalitionforcleanair.org/pdf/factsheets/SB760-8-8-06.pdf>

Whether looking at companies' revenue or the total value of goods, the cost of protecting the health of California's communities is considerably less than a penny per dollar.

## Freight Transport around Shafter, California

by Tom Frantz

I HAVE LIVED IN SHAFTER, a small city northwest of Bakersfield, for 50 years. I am a teacher and third-generation farmer. In 1997, Shafter acquired nearly 5,000 acres of farmland to develop the International Trade and Transportation Center (ITTC), located along the Santa Fe rail line and 7th Standard Road. In 2001, Target selected the ITTC for its new 1.7 million-square-foot distribution center.



My community has always been dusty in the summer and fall, and hazy in the winter. We now have severe ozone problems in the summer and deadly ammonium nitrate problems in the winter. Our air quality is considered to be among the worst in the country. We need the new distribution and intermodal transportation sites to implement the best-available pollution controls and efficiency standards.

Many of my high school students' absences are attributable to illnesses from bad air. Many experience headaches when the air is heavy with pollutants.

Breathing problems are almost a year-round topic of conversation in Shafter. After my 50th birthday, I developed asthma problems that were unknown in my youth. Many of my high school students' absences are attributable to illnesses from bad air. Many experience headaches when the air is heavy with pollutants. A recent study concluded that the cost of pollution above federal standards in the Valley—in terms of absences from work, health care costs, and premature deaths—is over \$3 billion. Increased freight transport through the Valley will only increase our problems.

Like most of my Shafter neighbors, I depend on 7th Standard to get into Bakersfield. It is heavy with truck traffic, and increased rail crossings back up this traffic even worse. Planned improvements to the 7th Standard are sorely due. But small country roads are also seeing a big increase in truck traffic. These roads are deteriorating under this increase in trucks.

In diminished health, missed school and work days, and impacts to our roads and our community, increased freight transport in Shafter is costing me and my neighbors.



## CHAPTER 6 Recommendations

### FAIR ECONOMIC COSTS

1. *Companies must internalize the costs of doing business.*

Equitable markets require that all production costs are covered by the company. Externalizing costs onto those who do not benefit from the transaction involves privatizing a benefit while socializing resulting costs onto the community. Importers, shippers, rail companies, and other industries must pay the full costs of moving goods through California, including the health costs from pollution that are borne by California residents. There are numerous ways that the industries that are causing the pollution can pay the full costs of doing business:

- Importers, exporters, and shippers should be required to pay a charge for each container that comes into or leaves California, which could be used to fund cleaner equipment and technologies to reduce pollution.
- A container charge should be combined with a method to require importers of non-containerized cargo (e.g., cars and crude oil) as well as air cargo to pay a charge for the pollution caused by their operations.

Importers, shippers, rail companies, and other industries must pay the full costs of moving goods through California, including the health costs from pollution that are borne by California residents.

- New infrastructure that is created to ease the movement of goods should require a percentage of funds be used to mitigate community impacts resulting from the construction and use of the infrastructure.

2. *California must accurately measure and analyze these costs.*

The State of California's subsidy to the freight transport industry yields numerous costs on its citizens. These costs

## COMMUNITY-FOCUSED SOLUTIONS

3. *Impacted communities should be at the center of decision making on the growth and expansion of freight transport.*

Too often, the residents that are most affected by the movement of goods through California have been the least able to participate in and make decisions about the expansion of freight transport in the state. It is critical that impacted communities are at the center of decision-making about freight transport. The families surrounding California's railyards, seaports, airports, and distribution centers are bearing the burden of freight traffic without any of its benefits.

Communities should have access to all needed information surrounding freight transport, including the companies involved, how they are benefiting, and what decisions affecting the expansion of freight transport are being made. Residents should be provided funding to be able to participate in key decision-making bodies around freight transport. Meaningful participation means that these communities have equal decision-making power where decisions are made and are not simply involved to satisfy legal requirements while their pleas are ignored.

4. *People should be separated from freight transport industry operations.*

Living near freight transport operations is a health risk. Yet, land use conflict near freight transport industries is intensifying. While freight transport hubs seek to expand closer to residential areas, city councils throughout the state are approving new housing within 500 feet of major sources of diesel pollution, in clear violation of the CARB land-use guidelines.<sup>91</sup>

To protect community health, the CARB land-use guidelines should be made into regulation that ensures that residential areas are buffered from freight operations. To ensure that those with the power to make decisions on land-use are armed with the right information, CARB should do a statewide education and advocacy campaign to city planning departments, city councils, and planning commissions to alert them to the significant health impacts of residential proximity to diesel sources. Impacted communities should have a central voice in determining land-use decisions in and around their communities. Over time, residential areas should be separated from industrial



need to be accurately measured and analyzed. As identified above, health costs are an essential part of the analysis. The actual cost to California taxpayers and insurance ratepayers due to freight transport needs to be evaluated. Ultimately, California taxpayers will pay for the uninsured Californians affected by freight transport morbidity. Insured Californians affected by freight transport will end up driving up health insurance costs for others.

There is also a significant impact from the expansion of freight transport infrastructure on housing costs and real estate values adjacent to freight transport hubs. These have not yet been characterized and require significant study. Environmental costs of freight transport, including ecological impacts and impacts on the built environment, have also not been adequately characterized.

and freight transport activities through a buffer zone that strictly prevents expansion of one into the other.

*5. Incorporate environmental justice principles and analysis in freight transport planning.*

Freight transport in California disproportionately affects low-income and people-of-color communities and is an environmental justice issue at a regional and statewide scale. As shown in Table 2, all of the impacted communities profiled in this report are low-income, predominantly people-of-color communities. All California state agencies with a commitment to environmental justice should consider the impacts of freight transport expansion on exacerbating environmental injustice in the state. The Environmental Justice Principles created at the 1990 People of Color Summit should be utilized in conducting planning at the state and local levels. Environmental justice tools such as the precautionary principle and cumulative impact analysis must be used to mitigate community impacts from freight transport.

### COMMON-SENSE REGULATION

*6. Hubs in the freight transport system should be regulated like factories.*

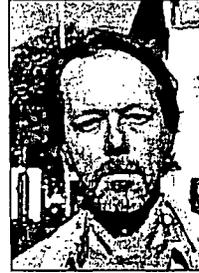
While seaports and other hubs in the system of freight transport effectively serve as large fixed sources of pollution, they are not regulated as such. A factory with a smoke stack is typically far more regulated than a seaport, airport, railyard, or truck thoroughfare, even though these freight transport hubs may cause more pollution. Freight transport hubs serve as magnet sources for pollution, drawing ships, trains, and trucks to them. These mobile sources collect and serve as large fixed sources of pollution. These freight transport hubs, including seaports, airports, railyards, distribution centers, and truck thoroughfares, should be regulated as fixed sources and be required to use the best available control technologies.

*7. Focus emissions reductions on the most impacted communities.*

The most significant and deadly impacts of freight transport occur at a very local level. For example, diesel emissions are 90 times higher per square mile in West

## Trucks on My Street

by Brian Beveridge



I LIVE IN SOUTH PRESCOTT, less than half a mile from the Port of Oakland. Despite all of the streets in our little neighborhood being posted to prohibit trucks over 4½

tons, the signs are routinely ignored by truck drivers and the Oakland Police Department.

We have at least one pedestrian death each year due to trucks using our streets as part of their commercial operations.

My trucker neighbors regularly bring their heavy-duty diesel trucks home with them. They occasionally find curb space for the tractors. More often the truck is double-parked on the street, often with trailers attached. A 50-foot trailer is a wall of steel, impossible for drivers to see around when approaching an intersection. Children playing in the street are at risk of being run down. We have at least one pedestrian death each year due to trucks using our streets as part of their commercial operations.

Drivers' training should introduce the idea of community or environmental health. More so, our leaders should better balance the community's fiscal and physical health.

Oakland and over 40 times higher per square mile in West Contra Costa County than the California average.<sup>92</sup> When the state and freight transport industries commit to reductions in diesel emissions, these emissions reductions need to be targeted in the communities that bear the largest disproportionate impact from freight movement. CARB's proposed 85% reduction in freight transport emissions should be translated to a demonstrable 85% reduction in emissions in impacted communities like Wilmington, Oakland, and Mira Loma; these reductions should not be averaged reductions over the entire state.

*8. Include mitigation funding with all new infrastructure projects.*

Every new infrastructure project should have a significant portion of funds be applied toward the mitigation of community impacts from the construction and operation of the new infrastructure. Proposed ballot initiatives that provide bond funding for infrastructure investments should be required to allocate a substantial portion of project funds to mitigate community impacts from the new infrastructure. There also needs to be a clear recognition of the damaging impacts to community health and safety that current infrastructure has already caused, and efforts to redress these impacts must be sought.

*9. The cleanest and most efficient technologies should be used in all cases. Many existing technologies can already provide significant reductions in diesel pollution.*

In all cases, the cleanest available technology should be used. The costs of freight transport are significant, and they are borne in health costs to California taxpayers and residents. Purchasing the cleanest technology available is a small fraction of the costs of premature death and illness in California. Clean technologies that already exist but have not been fully utilized include shoreside power for ships, lower emission rail technologies such as the Green Goat hybrid locomotive, and vehicle exhaust controls such as diesel particulate filters.

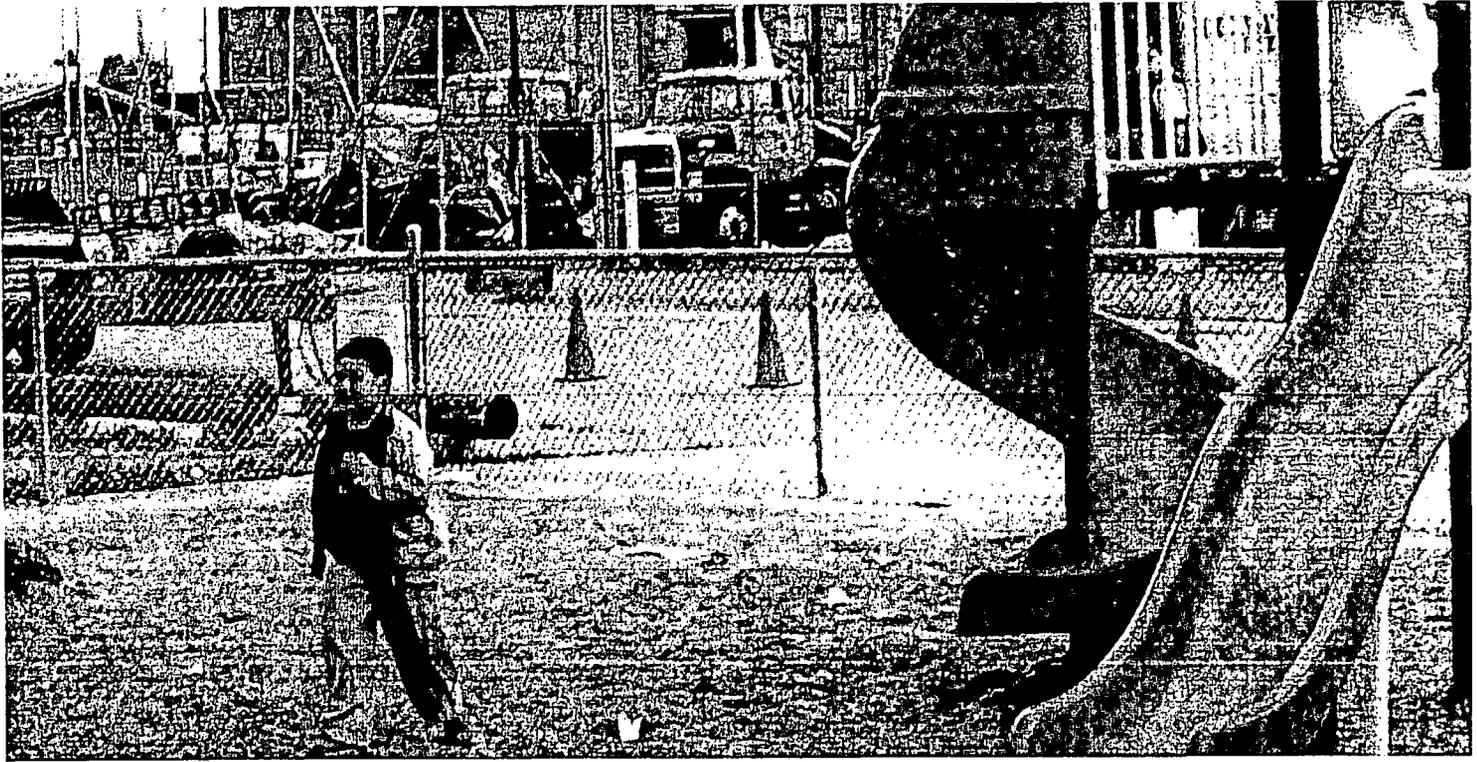
The freight transport industry also needs to evaluate new transportation methods, moving beyond dated 20th century technology. The logistical challenges involved with moving ever more cargo through California call for new technology to avoid paving over the entire state with twenty-lane freeways. For example, Shanghai employs an

The freight transport industry needs to move beyond dated 20th century technology.

elevated magnetic levitation train from the airport to the city. California must explore and invest in such promising new technologies.

*10. Subject all final project plans for freight transport expansion to legitimate CEQA review.*

The development of a statewide Goods Movement Action Plan should not be used to preclude the requirement for legitimate review of all new infrastructure projects as required under the California Environmental Quality Act (CEQA). Environmental Impact Reports should be developed and mitigation accomplished for every proposed infrastructure project independently and as an entire system to account for systemwide impacts.



## CHAPTER 7 Conclusion

The most profitable corporations in the world are making money at the expense of some of California's most vulnerable communities. While many suffer from the health and community impacts of freight transport through California's seaports, airports, rail lines, and highways, a relatively few large business and logistics-related industries rely on easy access to these transportation hubs to support their business operations. Claims that there is not enough money in the industry to cover the unpaid health, environment, and social costs ring hollow. Implementing the recommendations proposed by the California Air Resources Board would cost a fraction of a penny per dollar of these corporations' revenue.

In this paper we have demonstrated the severe costs of freight transport, in dollars, illnesses, and personal perspectives. We have also shown the way to avert these costs—by requiring that the companies most benefiting from access to California's freight transport to cover the cost of their pollution. The health of California as a whole—and its most vulnerable residents in particular—demands it.

Implementing the recommendations proposed by the California Air Resources Board would cost a fraction of a penny per dollar of these corporations' revenue.

# Endnotes

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$$\text{Dose Inhaled} = \frac{(C_a)(DBR)(A)(EF)(ED)(1 \times 10^{-6})}{AT}$$

Parameter	Definition	Value
Dose Inhaled	Dose through inhalation (mg/kg/day)	
C <sub>a</sub>	Concentration in air (µg/m <sup>3</sup> )	(1.38)(BC)
DBR	Daily breathing rate (L/kg body weight-day or L/kg-day)	393 (represents the 95th percentile, or high end*)
A	Inhalation absorption factor	1 (currently used for all substances included in CARB's Hot Spots program)
EF	Exposure frequency (day/year)	350 days/year
ED	Exposure duration (years)	70 years
AT	Averaging time period over which exposure is averaged, in days	25,550 days (70 years)
1 x 10 <sup>-6</sup>	Micrograms to milligrams conversion (10 <sup>-3</sup> mg/µg), liters to cubic meters conversion (10 <sup>-3</sup> m <sup>3</sup> /l)	

\* This risk assessment does not account for the fact that exposure is higher during infant and childhood years due to much higher breathing rates and other factors; therefore, the high end of adult breathing rates was selected.

- Cancer Risk Potency Factor for diesel PM = 3.0 x 10<sup>-4</sup> per µg/m<sup>3</sup> or 1.1 per mg/kg-day
- Cancer Risk (chances per million) = Dose Inhaled (mg/kg-day) x Cancer Potency (mg/kg-day)<sup>-1</sup> (1x10<sup>6</sup>)

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 Black carbon and elemental carbon measurements were converted to diesel PM concentrations per the following method:  
 Black carbon to elemental carbon = 1.32  
 Elemental carbon to diesel exhaust particulate = 1.56  
 Amount of elemental carbon in the air from diesel sources = 0.67 as documented in: STAPPA/ALAPCO, *Cancer Risk from Diesel Particulate: National and Metropolitan Area Estimates for the United States*, March 15, 2000.  
 Concentration in the Air = (BC)(1.32)(1.56)(0.67) µg/m<sup>3</sup> diesel PM,  
 where black carbon and elemental carbon levels are measured in µg/m<sup>3</sup>.  
 Cancer risks associated with DPM were calculated per methodology from Cal EPA, Office of Environmental Health Hazard Assessment. See methodology in note 31, supra.
- 43 Low end of range taken from limited monitoring done by NRDC near 7th St. truck route in West Oakland, showing average black carbon levels of 2.1 µg/m<sup>3</sup> (diesel PM = 2.9 µg/m<sup>3</sup>). [See Palaniappan et al. in note 40.] Middle of range comes from a study of Hunters Point neighborhood that measured an average elemental carbon of 7.3 µg/m<sup>3</sup> (diesel PM = 7.6 µg/m<sup>3</sup>). [Suvendini et al. in note 40.] High end of range taken from 6.5 µg/m<sup>3</sup> black carbon measured at a distance of ~500 feet (150 meters) from the 710 freeway in Los Angeles. [Zhu et al. in note 40.]
- 44 Low end of range taken from extremely limited monitoring done by NRDC in May 2002 at two sites along the Long Beach ICTF for a cumulative total of only one hour, yielding average black carbon levels of 2.3 µg/m<sup>3</sup> using an Aethalometer. High end of range taken from EC measured near Commerce railyard, averaging 4.9 µg/m<sup>3</sup>.
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**PAYING WITH OUR HEALTH: THE REAL COST OF FREIGHT TRANSPORT IN CALIFORNIA**

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- 84 Total importer revenues multiplied by the proportion of all containerized cargo imported into the U.S. that comes through California's seaports (46.9%) [Haveman JD et al. 2006, at Table 13.] multiplied by the share of the top importer's retail products that are imported (60%) [Stanley, Morgan Stanley. Quoted in American Federation of Labor/Congress of Industrial Organizations Fact Sheet "Wal-Mart's Impact on India's suppliers and small businesses." March 2004].
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NEIGHBORHOOD VOICE

Environmental Indicators Project

Bay View Hunters Point Community Advocates

Healthy San Leandro Collaborative

Merced Alliance for Responsible Growth Walmart Action Team

Shafter Association of Irrigated Residents

Wilmington Coalition for a Safe Environment

This report is available on-line at [www.pacinst.org/reports/freight\\_transport](http://www.pacinst.org/reports/freight_transport)

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Good evening city council and members of the audience.  
My name is Norma Carrillo. I'm a high school teacher and live in Moreno Valley.

I am here to ask you to vote for Sketchers tonight.

Our nation is in the midst of the worst recession ever and may be in its first economic depression in 70 years. Our City may be on the brink of bankruptcy.

The President is trying to get an economic stimulus package, but Congress has filled it with pork and wasteful spending that will do little to create jobs.

But we don't need the Congress to try to create jobs. We have this project that will do that.

In Moreno Valley we've already have double digit unemployment. Over 11 percent of the workers living here cannot find work. We need to help these people by becoming a City that does all it can to bring job-creating businesses here and does not listen to the phony arguments of a small group of radical, hard core environmentalists.

Sketchers will bring over 1,000 construction jobs that our people badly need and over 2,500 permanent jobs once the Corporate Center is up and running.

I ask everyone in Moreno Valley to welcome Sketchers with open arms, to thank them for seeing more potential in our city than our foolish Planning Commission did.

I ask you to approve Sketchers tonight because doing nothing is not an option and a no vote will have dire consequences on the future of our city.



**Executive Board**

- Jack Schirner  
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- Norma Cortez  
Vice President
  
- Maria Lozano  
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- Omar Montez
- Diane Kacsmayk
- Javier Figueroa
- Sam Jones

February 3, 2009

To Honorable Members of the Moreno Valley City Council

The Moreno Valley Hispanic Chamber of Commerce has represented the greater business community in Moreno Valley since 1993. Our constituents range in size from multinational to the local home based businesses that reside within our City's boundary. We, as past and current Presidents of the Chamber, come forward now on their behalf and issue this letter proclaiming our unilateral support for the proposed Highland Fairview Corporate Park project.

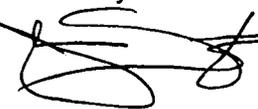
Moreno Valley needs to support real projects which will bring real economic benefits, real jobs, and real tax dollars to the City. We need to take advantage of such opportunities when they arise. This is just such an opportunity.

We, as a Chamber, like the City Council, care and share the same concerns about the City of Moreno Valley. We endorse intelligent responsible development, high quality diverse employment that enhances the standard of living for Moreno Valley families and provide a great future for generations of Moreno Valley residents to come. We strongly urge you to approve the Highland Fairview Corporate Park project.

We trust during this critical time in Moreno Valley's history that leadership will recognize that the opportunity for positive change is before us today and that opportunity is a great one indeed. By approving this project, Moreno Valley will gain a great company, and hopefully attract others that will follow Skechers' lead.

We want to thank Highland Fairview for its leadership and vision and for bringing the first Fortune 500 world-class company to Moreno Valley. Mr. Benzeevi has been a pillar of the community and a strong supporter of the City of Moreno Valley, of the Hispanic Chamber and of the overall Hispanic community. We have no better friend. We applaud his vision, his commitment and his investment in our community.

Sincerely

  
Jack Schirner  
MVHCC President 09

  
Art Alcaraz  
MVHCC Past President 07-08

  
Anthony Fabelo  
MVHCC Past President 06-07

  
Jaime Hurtado  
MVHCC Past President 04-06

  
Aurelio Aguirre  
MVHCC Past President 00-02

Good evening

My name is Daniela Flint. I am a resident of the east end ~~of the city~~ of Moreno Valley and a tax payer. I am here tonight in support of the Skechers warehouse to be built.

I have heard the opposition expressing the concern about air pollution poisoning our kids. Fear tactics are a very powerful tool to use, however, a very ignorant one if the fact does not support the theory. The fact is, ~~is~~ that the proposed Skechers warehouse is taking the environment into consideration and it's designed to meet LEED certification. Solar energies are integrated into the project which means solar panels will be installed and the building will run on solar energy. Water conservation has been implemented and the builder has even taken into consideration to extend the equestrian trail for horse riders.

My son is currently serving in the Marine Corps with two tours to Iraq completed. His enlistment ends in May and with the current economy being in the freefall, what does he have to look forward to once he returns home to Moreno Valley? We need to build this warehouse, it is environmentally friendly and most of all it brings employment to Moreno Valley, tax revenues to our city, and a future for our kids. I have heard arguments about minimum wage jobs, but as it stands right now, any wage job is better than no job at all.

I implore ~~to~~ you, as our city counsel, as our trustees, to put your personal feelings aside towards the builder and approve what is best for the city of Moreno Valley and its community.

VOTE for this project to be built. If you are against this project, than please give us a better solution to help our community thrive WITHOUT raising taxes.

1. My name is Carol Epstein and I am part owner of 28855 Redlands Blvd which has been in my family for nearly 50 years.
2. Quoting from PressEnterprise Thur Jan 29<sup>th</sup> 2009, Congrats on the city council deciding not to take 10% pay increase. Also noted in the article there are 40 city employee positions left vacant, city department heads have not taken a 2% cost of living salary increase and I understand you have or plan to approve an early retirement incentive.
3. Given facts like these, and lots of other data that shows how many people in this area are without work, losing their homes and suffering, it would be unconscienceable of the council to ignore the opportunity that the Sketchers project offers the citizens of this city.
4. I understand that this project might make some changes to the general plan and it occurs to me that change is a part of life adapting to progress. I believe that you must take this opportunity to start the recovery of a suffering city.
5. Those people who have moved to the east end of the valley and now want to keep it rural should take a drive down the 215 to the Perris /Mead valley area. We all know what they will find is wide open spaces, Large lots, horses and other farm animals.....They will also find rusted out cars and equipment, overgrown lots, high crime and LOW property values. None of us wants to look 5-10 years down the line to see that as our future.
6. There is so much more I could say but I trust that you have heard all this many times now. So I just want to end by saying.
7. PLEASE DON'T LET US DOWN, I BEG YOU TO APPROVE THIS PROJECT.

*Jobs starting  
with Construction  
then the  
Sketchers  
Jobs*

*School  
Not  
Happening!*

### Warehouse Conflict Symptomatic of Deeper Woes

Warehouse developer, Iddo Benzeevi, professes he is a 'good' friend and neighbor; concerned about Moreno Valley's best interests. If true, why does he endorse confusion and community divisiveness on multiple scales (e.g. promotes name changes of 'Moreno Valley' with 'Rancho Belago' for our band, ball club, district, city park...)? His divisiveness is socially and geographically engineered (e.g. he requested removal of a freeway overpass—a project encouraging north-south city integration, outdoor recreation and greener travel).

During recent public hearings Mr. Benzeevi referred to District 3 as "the East End". What happened to his fantasy 'beautiful' Rancho Belago? He marketed Rancho Belago as an upscale, exclusive community with trails and other green, family friendly amenities; promising "people would come from all over" to live in this classy high-rent district. Now, warehouse proponents sneer at 'his vision' and refer to District 3 residents as racist snobs.

When Mr. Benzeevi master-planned *his* Rancho Belago megalopolis, he spoke of changing the General Plan's Highway 60 Business Corridor from Business Park to Residential zoning. He insisted this would improve community appearance from the freeway and increase home values. Now he has *discarded* Rancho Belago and replaced it with his 'beautiful' warehouse. Why isn't he promoting how 'good' warehouses are for esthetics and our declining home prices?

The erratic Benzeevi 'vision of change' appears to be self-serving and irreversibly fracturing Moreno Valley's spirit in People, Pride and Progress. His coaching, supporting, dressing, etc. paid hecklers and community detractors is an overwhelming display of utmost disrespect for our system of government, community process, and truly interested residents. This includes championing disdain for District 3 dwellers, their concerns about community health, quality of life, needs and vision as outlined in OUR city General Plan.

Like other 'strings attached deals' that Mr. Benzeevi is notorious for, his warehouse project comes with a cost. Promised jobs for a few may cost most Moreno Valley residents not only their health and worse traffic, but more money. He requested that our financially strapped city (i.e. taxpayers) pay for on-site improvements on his warehouse (conditions required of all developers) and has appealed the planning commissions vote to endorse the General Plan business park zoning.

Instead of spearheading efforts to engender community cohesion and "Moreno Valley's soaring vision", Mr. Benzeevi continues to fuel conflict by insisting on planting a warehouse in a 'location' that doesn't make sense. Where, may I ask, is the 'good' in this?

**FRIENDS OF THE NORTHERN SAN JACINTO VALLEY**  
**P.O. Box 9097**  
**Moreno Valley, CA 92552-9097**  
**[www.northfriends.org](http://www.northfriends.org)**

3 February 2009

City Councilmembers  
City of Moreno Valley  
14177 Frederick Street  
P.O. Box 88005  
Moreno Valley, CA 92552-0805

Dear City Councilmembers:

**Re: Agenda Item E-1, Highland Fairview Corporate Park**

Thank you for the opportunity to make comments on Highland Fairview Corporate Park project.

The Friends do not think the Final Environmental Impact Report for the Highland Fairview Corporate Park has adequately addressed all of the issues raised by all the comment letters on the project.

In particular the Friends are extremely concerned that "Air Quality" issues have not been addressed and the project emissions during operation will exceed the South Coast Air Quality District's regional thresholds for a number of pollutants that are detrimental to our community's health, especially for children and the elderly.

The document does not adequately address "Climate Change and Greenhouse Gases" and instead relies on a finding of overriding consideration.

We are extremely concerned about the high levels of truck trips this project will bring to Moreno Valley. Highway 60 is not built to handle the levels of traffic this project will require. And it will make an already unsafe road even more dangerous to residents and visitors.

We are also concerned because the document does not contain analysis of traffic levels for the Moreno Highlands project which is adjacent to the Highland Fairview Corporate Park.

It is disheartening that the city have chosen to fast track the project, have given a very limited time span for public review (releasing the final EIR during the Christmas and New Years' holidays) of the environmental document, and are clearly marginalizing the public's

input and concerns by moving quickly on the project and allowing the project proponent unlimited time to discuss his project before the city's decision makers.

The Draft Final Environmental Impact Report for the Highland Fairview Corporate Park is inadequate and does not properly address all of the issues of concern raised in all the comment letters.

We urge you listen to the Planning Commission's concerns and also vote to deny the approval of this project.

Sincerely,



Ann L. Turner-McKibben, President

  
e-mail: [northfriends@northfriends.org](mailto:northfriends@northfriends.org)

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Federal Tax ID #: 94-0362650

Call **1.800.LUNG.USA**  
to reach your nearest  
American Lung Association,  
make a donation, or speak  
with a health professional at  
our free Lung Helpline.

The American Lung  
Association's mission is to  
prevent lung disease and  
promote lung health.



February 3, 2009

Dear Mayor and Members of the Council:

The American Lung Association has expressed concern over the proposed Highland Fairview Corporate Park. We were present at the Planning Commissions hearing to express that concern and bring to light the numerous health consequences that could result if this project is approved. According to the Environmental Impact Report, this project will have a *"significant and unavoidable net increase in criteria pollutants for which the project region is non-attainment under an applicable federal and state air quality standard"*. Our region already loses 22 billion dollars each year because of costs associated with air pollution. This project could make it even harder for the region to meet healthy air quality standards.

The connection between pollution and negative health impacts from heavy-duty diesel trucks has been documented in numerous research studies. Recent studies from the USC Medical School indicate that pollution from trucks and cars have stunted lung development in children in nearby Mira Loma, never to be regained. Pollution is also responsible for causing asthma and exacerbations in children already diagnosed.

According to the American Lung Association's State of the Air Report, Riverside received an "F" grade for having a very high number of days with unhealthy air pollution, both for smog and soot. Riverside County cannot afford more air pollution in terms of meeting health based federal air quality standards for both ozone and particle pollution, especially since the standards are now more stringent than before.

The issue of how much business these new warehouses would bring to the community is clearly overshadowed by the health costs which would rise from this heavy source of pollution. As you deliberate this issue, we ask each and every one of you to consider the evidence that has been brought before you and base your decision on what would be better for the community and their wellbeing.

Thank you for your time and consideration.

Sincerely,

*Patricia Gonzalez*

Patricia Gonzalez, MPH, CHES  
American Lung Association of California

[Pgonzalez@alac.org](mailto:Pgonzalez@alac.org)

# DAVID AND MARY SERRANO

v 26120 Kalmia Ave.  
v Moreno Valley, CA 92555  
v dserrano@znet.com

February 3, 2009

## **Robin N. Hastings**

City Council Member  
District 3  
Moreno Valley, CA

Dear Councilmember Hastings,

My wife and I want to express our support for the decision of the Planning Commission to deny the request of Highland Fairview, Inc. for change of zone for its property from the current Business Park (BP) and Community Commercial (CC) to Light Industrial (LI). This change would allow Highland Fairview to build a megawarehouse of 1.82 million square feet and ultimately additional warehouses of up to a total of 2.62 million square feet off of Highway 60 between Theodore Street and Redlands Blvd. This use is incompatible with the City's General Plan and would create air pollution and serious traffic congestion. We urge you and the other City Council Member to accept the recommendation of the Planning Commission and also deny the change of zone.

Highway 60 is already congested large diesel trucks, commercial vehicles and passenger cars making it a dangerous thoroughfare. The diesel trucks from the warehouses would add even more traffic not only to Highway 60, but to Redlands Blvd. and San Timoteo Canyon Road. East of Redlands Blvd., Highway 60 is a two lane freeway in each direction with many hills and curves. Many diesel trucks have to slow down to less than fifty miles per hour, causing faster diesel truck to pass them, causing congestion and delay. In addition, there are very few sections where disabled vehicles can get off the road increasing the danger.

Redlands Blvd. and San Timoteo Canyon Road are one lane roads in each direction with hills and curves. Diesel trucks already use these roads as a short cut to get from Highway 60 to Interstate 10 in Redlands. In addition these diesel trucks have seriously damaged the roads, so much so that the City of Redlands had to spend a great deal of money to repave its section of San Timoteo Canyon Road. The additional traffic generated by the proposed warehouses would seriously damage Redlands Blvd and Theodore Street and the bridges over the freeway in and around the project cause unanticipated costs to repave and repair the damage. Such costs would be borne by all Moreno Valley taxpayers.

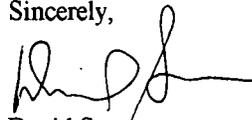
In its presentation, Highland Fairview conceded that there are already numerous empty warehouses in the Inland Empire especially in the City of Redlands. The justification for building this megawarehouse is that Schetchers wants to consolidate its operations from two separate warehouses in Ontario. The basic purpose which has not been stated is to automate the warehouse to reduce the number of people it currently employs in Ontario so it can be operated more efficiently, meaning a net loss of jobs in the Inland Empire. Thus, we can assume that the people who are currently employed in Ontario would be given first priority to work at the Moreno Valley location meaning there would be no new jobs for residents of Moreno Valley.

Another question that should be asked is where will Sketchers sell its shoes. Mervyns recently went bankrupt and closed all its stores. Gotshalks, went into bankruptcy in January, and this month Macy's has announced that it is laying off large numbers of employees and may go bankrupt itself. There is no guarantee that Skechers would not also find itself in similar straits and no longer need a megawarehouse. If so, we would have an empty megawarehouse. We already have too many empty commercial buildings on Sunnymead Blvd., in Towngate and the Moreno Valley Mall. We don't need empty warehouses as well.

My wife and I have lived in Moreno Valley since 1974, and at our current address above since July 1, 1978. We have paid taxes and voted in this area for 34 years and recently paid off the mortgage on our home. We chose to move to this community in the 1970's (now the Third District) because of the lack of smog, minimum traffic, the easy commute to UCR and Riverside, and the opportunity to own a large lot with a secure back yard for my two daughters to grow up in. We are now both retired and want to stay in our neighborhood.

The proposed project would seriously affect the quality of life for many people like my wife and I who live in the Third district and support our local economy. We urge you and the City Council to vote NO for the proposed change of zone.

Sincerely,



David Serrano



City Council Members  
City of Moreno Valley  
P.O. Box 88005  
Moreno Valley, CA 92552

February 3, 2009

Re: Comments on Highland Fairview Corporate Park Project DEIR/FEIR, State Clearinghouse  
Number 2007101132

Dear Council members:

I have been a resident of Moreno Valley since 1985, and have been a Geologist at U.C. Riverside since 1984. Prior to that I was a resident of Riverside from 1971-1979. I would like to make comments on the FEIR/DEIR for the Highland Fairview Project.

Assertions made on page 3-147 of the FEIR (Responses to comments, letter 15, response 15-1) are incorrect. Just because there are no active or potentially active faults shown on 20+ year old Alquist-Priolo fault maps does not mean that the project doesn't have to trench for unmapped faults on the property. State Publication 42 on using the Alquist-Priolo maps clearly states on page 9: "*The fault information shown on the maps is not sufficient to meet the requirement for fault-rupture hazard investigations. Local governmental units must require developers to have project sites within the Earthquake Fault Zones evaluated to determine if a potential hazard from any fault, whether heretofore recognized or not, exists with regard to proposed structures and their occupants.*" (Bryant and Hart, 2007, Fault-rupture hazard zones in California; Calif. Div. Mines and Geol., Special Publ. 42. online at <ftp://ftp.consrv.ca.gov/pub/dmg/pubs/sp/Sp42.pdf>).

The EIR cannot duck its responsibility and try to get by with a cheap, inadequate approach: relying on prior off-site trenching to document, assess and mitigate on-site hazards. Contrary to assertions made in Response 15-1, there has been no legitimate statistical assessment of whether or not known or suspected faults nearby project onto the project site. In fact, the active faulting patterns in the San Jacinto Valley are *characterized* by complex multiple branching and jogging patterns (Park, S.K. et al. 1995, Delineation of intrabasin structure in a dilational jog of the San Jacinto fault zone, southern California; Jour. Geophysical Research, Vol. 100, No. BA, p. 691-702, and Morton, D.M., and Miller, F. K., 2006, Geologic map of the San Bernardino and Santa Ana 30' x 60' quadrangles, California; USGS Open File Report 1271, 2006, <http://pubs.usgs.gov/of/2006/1271/>). This makes trenching on-site *essential* to evaluate and date potential unmapped faults and their splays on the project site. Otherwise the specific geologic hazards on the project site are poorly known, unevaluated and not capable of being mitigated. The provisions of CEQA and Alquist-Priolo regarding the project and analysis of its impacts and hazards therefore have not been satisfied.

Assertions made on page 3-148 of the FEIR (Responses to comments, letter 150, response 15-3) are also incorrect. It doesn't matter whether the potential for peak ground acceleration reaching ~1 is 10% or 90% over 50 years, the potential is there and so the infrastructure simply *has to be built* to withstand that level of potential ground acceleration and shaking. It's why we use 100-year flood zone maps (a 1% probability over a century). Otherwise no mitigation has been attained.

I ask that these comments be incorporated into the public record for review of this EIR, and hereby incorporate all references cited (and their contained references) into the review process for this EIR.

I also ask that I be kept informed in writing of all notices, documents, meetings and actions regarding this EIR and Project, at the address listed below.

Sincerely,



Michael A. McKibben, Ph.D.  
23296 Sonnet Drive  
Moreno Valley, CA 92557

  
mamckibben@roadrunner.com

A few specific Ultimate **General Plan Goals, Objectives and Policies** that I think will be violated by accepting this zone change request.

**I. Exhibit an ORDERLY and BALANCED land use pattern that accommodates a range of residential, cultural, recreational, business and employment opportunities.**

The general plan process will be disregarded and the additional warehousing will be a preponderant theme that will overwhelm and become the city 'theme'.

If we already have empty warehouses, how can more be justified? Especially in declining markets. If the zone is changed what guarantee is there that they will be built? People aren't buying as much so what guarantee is there that these warehouses won't remain empty?

One tenant for 1 warehouse doesn't help existing empty warehouse space.

If we have empty storage waiting for businesses, shouldn't building more stop? When houses weren't bought--building more homes came to a halt.

**II Is CLEAN development....**

need I say more...Industrial isn't clean no matter where it is put...so 'soiling' just one edge of the city seems to be better than all of it, doesn't it?

**III Provide public services and facilities needed and desired by public...**

Some of us desire more connectivity between N&S of SH 60

& want to maintain the multiuse trail system...

The developer wants NO Sinclair over cross & wants to reduce move trails

If preplanned amenities aren't going to work with his project then isn't his project/structure too big for the site and his priority isn't the public?

**IV Enjoys healthy economic climate that benefits residents and businesses.**

If industrial goes in multiple areas then won't the climate for other types of business be reduced due to conflict in 'business culture'?

**V Provides recreational amenities, services, multiuse trails....open space.**

Removal or reduction as requested by developer will 'hurt' trail connectivity.

Shouldn't new development embrace our idea of lifestyle and quality of life?

**VI Enjoys a circulation system that fosters traffic safety and efficient movement of motor vehicles, bikes & pedestrians.**

Won't putting behemoth structure(s) in this location inhibit resident 'safety, circulation and efficient movement' inherent in the size of the building(s) & trucks lack of infra structure to the roads and freeways. Won't removing freeway overpass and planned trails decrease the safety and efficient movement for residents? Also see: **Goal 4.2, 5.2m Policy 4.1.1. Objective 4.3.-1-3**

**VII Emphasize public health and safety....**

Bad air, Bad traffic, Bad neighborhood. New projects should be a positive addition to a city. How will this project improve public health & safety?

**VII Recognize the need to conserve natural resources while accomodating growth and development.**

Cement buildings and asphalt parking lots have no 'natural' component. Landscaping on this project is minimal/acre so it won't really reduce the solar heat and glare that it produces.

How much 'heat' loading is this adding to the area?

**(Goal 2.10.13--provide landscaping to reduce solar loading).**

In light of the global climate crises, micro-site changes of 5 to 10 degrees can impact water and AC use off site.

Cities are typically 10 or more degrees warmer than rural areas.

How much heat is this project adding and how much will it impact adjacent homes and business utility bills due to increased AC & H2O use?

**Goal 2.1 A pattern of land uses which ORGANIZES future growth, minimizes conflicts between land uses and which promotes the RATIONAL utilization of presently under- and undeveloped parcels.**

It seems unorganized and irrational to hodgepodge industrial in opposite sides of the city when infra structure is planned on the southwest end to withstand the burdens of storage facilities and not on the east end.

A high percentage of District 3 residents & the Planning Commission view this as a HUGE land use conflict.

How can the applicant or any City Council member disagree?

**Goal 6.3: Reevaluate designated truck routes in terms of noise impact on existing land uses to determine if routes and hours of use should be adjusted to minimize truck noise exposure.**

This is not a typical 'rural' sound if trucks are busy 24/7--how will this ever be able to be adjusted/mitigated?

**Objective 2.1 Balance the provision of urban and rural lands within Moreno Valley by providing adequate land for present and future urban and economic development needs, while RETAINING the significant natural features & rural character & lifestyle of the NE portion of the community.**

The freeway noise and pollution is already impacting the rural character of the NE portion. How will additional truck noise and diesel pollution NOT further degrade health and lifestyle quality?

**Obj 2.2 Provide wide range of residential opportunities & dwelling types to meet demands of present & future residents of all socioeconomic groups.**

If we have Industrial in this area, where can the 'unaffordable' housing be built that Moreno Valley is so deficit in?

Especially since Industrial zones reduce residential value.

**Goal 2.2 An organized well designed high quality & functional balance of urban & rural land uses that will meet the needs of a diverse population & promote optimum health, safety, well being & beauty for all areas...**

It appears to me that the change of zoning violates this goal by mixing too diverse of zones.

How many cities actually include "industrial" in their rural zones?

**Policy 2.5.2 Locate manufacturing & industrial to avoid adverse impacts on surrounding land uses.**

EIR shows negative declaration for air quality:

How will the air be 'scrubbed' or 'contained' to elimination toxicity to the nearby wildlife preserve, people and homes?

Clean air is a priority for residents who moved to rural east Moreno Valley—this will **destroy** the rural culture, quality of life and chosen lifestyle.

**Goal 7.7.4 Gilman Springs Rd, Moreno Beach Dr and SH 60 are designated local scenic roads**

The entrance of the city is important to set a precedent.

What do warehouses say that is positive?

Marcia Narog,  
Moreno Valley

Feb 3, 2009

Dear City Council Members:

Thank you for the opportunity to comment. There is a large amount of information available about the current state of the logistics /warehousing/distribution business. This information strongly suggests to me that the City should not embrace warehousing, especially in the east end. The data <sup>definitives</sup> shows that along side of the housing industry, the logistics industry is a definite boom-bust industry. International shipping and the logistics industry have tanked in the market, and independent market analysis of the logistics industry is gloomy for years to come. For Moreno Valley to break faith with its current General Plan to partner with another boom-bust industry that has crashed does not make civic or economic sense. I know you and I have mixed feelings and thoughts about the current General Plan, but for its faults it has several things going for it. One it was hard fought and reflects the thinking and compromises of many of our city's interest groups. Second, it offers the best opportunity for Moreno Valley to develop a complex and diversified economic base over the coming years. As you and I know, a diversified economic base mean more economic stability in tough times. It also attracts a wider variety of job skills and business ventures, that over time, give cities a real chance to develop some sort of economic identity and a greater degree independence from simply responding to the economies of LA.

I thought I would give you a bit of info that points to how and why

the logistics industry was trying so hard to become established as a dominant industry in cities like Moreno Valley, and to the north, Victorville. The industry come at too a high a total cost when all factors (e.g., space used up, <sup>per job</sup> traffic impacts, <sup>poor non union</sup> median pay-scales, and now health impacts and costs, for example) are considered, and so they move out and seek to exploit cities like Moreno Valley to the east and Victorville to the north. In an article on the California Planning and Development Report, as far back as 2004, Rick Bragg, the City of Fontana's Redevelopment and Special Projects Director stated that, " Warehousing and distribution centers, unfortunately, are not high job producers, and they are not what you might call 'living-wage' job producers that allow people to live in the community" Furthermore Bragg went on to say that 'truck-dependent warehouses generate enormous road maintenance costs for local government,' according to the article.

*Other cities regret the loss of space taken from jobs + the loss of sales tax. Caused by the warehouse industry.*

The data is in, and most of us now know the actual breakdown of jobs associated with the warehousing/logistics/distribution industry as well as the documented median incomes with these jobs. We also know the increased costs to the people and to the governments that serve them in terms of impacts to infrastructure, health costs and human suffering. Richard, it is not pretty.

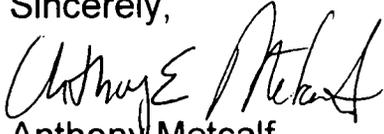
Well, one can argue about the logistics industry in principle and in Moreno Valley specifically, but why I want to talk with you, is that I want to discuss the impacts of breaking faith with the General Plan to create new zoning for warehousing/logistics/distribution industries

in the east end of Moreno Valley, especially when facilities sit empty and new investment in the industry has dried up. I know you have tried your best to do what is best for the city over your many years of service, but, I also know it is a real world and that project proponents know how to press the right buttons. However, the attention this proposed project has generated goes far beyond the city. To most of the people I have spoken with outside Moreno Valley (and, more important, to a significant number in the city) it appears that the issue is whether or not the City Council will approve a controversial project primarily to come to the aid an individual(s) that has alot invested in the outcome. I trust the members of the Council, will reject that reasoning, and not reward a bad, poorly timed business strategy because of proponent pressure, no matter how intense.

Moreno Valley will survive just fine (short and long term) without establishing zoning for warehousing/logistics/distribution industries in the east end. But, the economic health, transportation, cost of heath and welfare, and the city identity will be permanently and negatively impacted if the wisdom of the General Plan is rejected to allow this industry access to the east end of the Moreno Valley. I council patience and faith in the City, and its leaders, that over time the East End will become what we all really envision, and I urge you to follow the advice of the Planning Commission majority in finding the proposed radical change imposed by this project to be not in the

best interests of the City or its residents.

Sincerely,



Anthony Metcalf

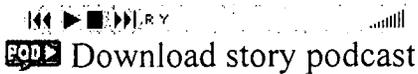
Moreno Valley, CA



## Local Topics

Comments 0 | Recommend 0

# Distribution centers plan raises health concerns in Moreno Valley



10:00 PM PDT on Monday, June 16, 2008

By DAN LEE  
The Press-Enterprise

MORENO VALLEY - Distribution centers proposed in the Rancho Belago area could have harmful impacts on residents' health because of the diesel exhaust from trucks that would use the facilities, experts said at a community meeting Monday.

Distribution centers are magnets for diesel-powered trucks, which emit particulates that can lodge in the bloodstream and possibly even the brain, said Andrea Hricko, a professor of preventative medicine at USC's Keck School of Medicine.

"Pollution is much more concentrated in one area (with a distribution center)," she said.

Hricko was one of four environmental and health experts who spoke Monday at the Moreno Valley Conference and Recreation Center. Councilman Frank West, who represents the Rancho Belago area, sponsored the meeting as a way of educating the public about distribution centers that are proposed in the area.

At least three developers have proposed building warehouses or distribution centers south of Highway 60 between the Moreno Valley Auto Mall and Theodore Street. West said developers also have expressed interest in building distribution centers in the 3,000-acre Moreno Highlands area east of Redlands Boulevard, where plans call for 7,700 homes, a 600-acre business park and Almost 120 acres of parks.

The experts made presentations and answered questions submitted by the audience. More than 150 people attended the meeting, including elected officials, business leaders, homeowners and union workers, some wearing fluorescent yellow-green shirts that said, "Bring Good Jobs to Moreno Valley Now."

Steve Clute, a former assemblyman who now works as business development director for the National Electrical Contractors Association and the International Brotherhood of Electrical Workers, said the labor groups believe the projects would create 9,000 construction jobs during the next five to seven years and 30,000 sustainable jobs.

"The environment and air quality will show a net improvement because less people will be commuting away from Moreno Valley," Clute said before the meeting.

But construction worker Eric Rosengarten said he would like to see higher-end housing in eastern Moreno Valley, which would attract wealthier people. Rosengarten added that the west side of Moreno Valley has land and warehouses that are not being fully utilized.

"Fill up what you have first before you build out there (on the east end)," he said as he was leaving the meeting.

The question-and-answer session was interrupted by outbursts from a few spectators, who complained that they had not had a chance to speak and demanded to hear from the developers.

West said he had organized the meeting, and if the developers wanted to speak, they could rent the room for their own meeting.

The distribution center proposals would require the City Council to approve changes either in the city's general plan or the zoning in the area. The first could come before the council in November, West said.

West called the proposed distribution centers the biggest issue in the 12 years that he has represented eastern Moreno Valley because it would require radical changes to the general plan -- the guide to the city's future development.

The council approved a comprehensive update to the plan in 2006 after eight years of work.

*Reach Dan Lee at 951-763-3457 or [dlee@PE.com](mailto:dlee@PE.com)*

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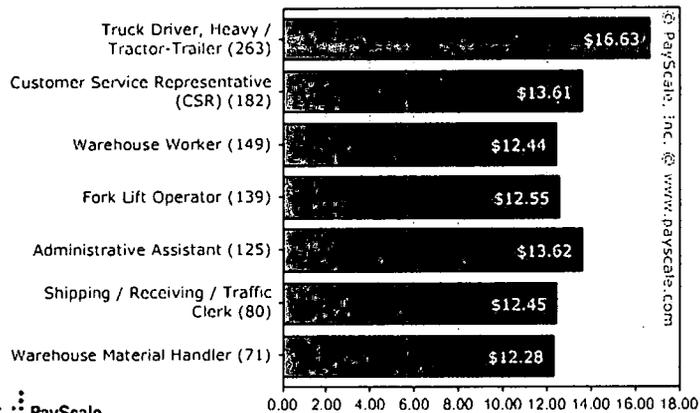
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Research Center: United States » Shipping / Transportation / Warehousing / Logistics / Distribution » Hourly Rate

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- Entrepreneur** - Operations Manager - (City withheld for privacy), Michigan, United States. Posted in **Dream Job** on 17 Jul 2007. I would like to be my own boss one day. I would love the freedom and the ability to earn my worth.
- Job move** - Operations Manager - (City withheld for privacy), Michigan, United States. Posted in **Moving/Relocation** on 17 Jul 2007. Always try for bigger and better when looking for a new job even if it is because of relocation.
- It's a mind set** - Operations Supervisor - (City withheld for privacy), Oregon, United States. Posted in **Good Books** on 13 Jul 2007. I have not read many get ahead books however there is one title that I found to be highly motivating and have read it a couple of times. THE GOAL. The author eludes me right now and I do not wish to get up from my chair, it is an easy find I am sure... Good Luck!



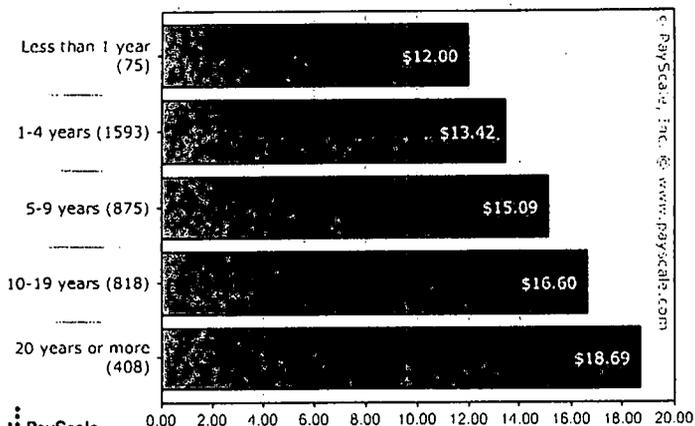
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Currency: USD | Updated: 9 Jan 2009 | Individuals reporting: 3,769

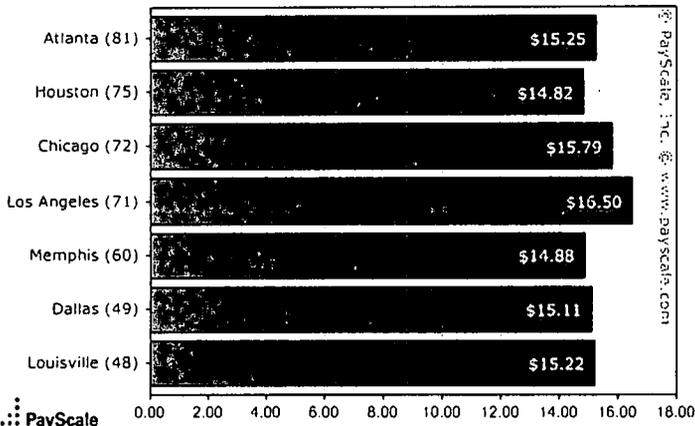
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**TRANSPORTATION AND LOGISTICS INDUSTRY CLUSTER REPORT**

**Stanislaus County, California**

**Prepared by the**

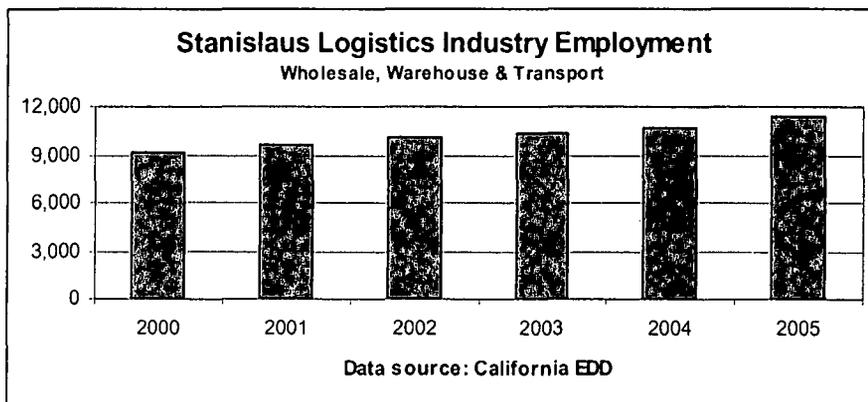
**Stanislaus Economic Development & Workforce Alliance**

**September 2006**

### Transportation and Logistics in Stanislaus

The Stanislaus River Valley is building a reputation as a logistics hub. This trend is reflected in the growing number of distribution centers and related operations opening in the area. Sector employment has increased 24% since 2000, nearly triple the overall rate of local job creation.

A major attraction is the County's strategic location. Drive time to San Francisco and the Silicon Valley is 90 minutes, while greater Los Angeles is only five hours away. In addition to its prime location, Stanislaus offers some of the most competitive wage and electricity rates in the Golden State, especially when compared with many Bay Area locations. A large portion of the County was awarded Enterprise Zone status in November 2005, further enhancing the area's competitiveness.



### Area Overview

Stanislaus has long been known for its farming and food processing sectors. Many name brand companies are headquartered or have operations in the area, including ConAgra, E&J Gallo Winery, Foster Farms, Frito-Lay, and Hershey Chocolate to name but a few. The large majority of Stanislaus businesses are served by a public utility district. Industrial electric rates often range between 7¢-and-8¢ locally compared with approximately 12¢ for much of California. The area's population has grown to over 514,000 and offers a significant available workforce.

### Transportation Infrastructure

Stanislaus is crossed by two of California's major north-south arteries: Interstate 5 and Highway 99. These routes directly serve or provide freeway connections to all the major cities of the western United States. Five freight railroads have track in Stanislaus, including two national operations and three short-haul lines. As a result, almost every community has access to at least one rail provider. Daily passenger air service is available from Modesto City-County Airport to San Francisco and Los Angeles.

Rail Freight Service Providers		
<u>Railroad</u>	<u>Description</u>	<u>Website</u>
Burlington Northern & Santa Fe	National	<a href="http://www.bnsf.com">www.bnsf.com</a>
California Northern	Short Line	<a href="http://www.railamerica.com/railmaps/CFNR.htm">www.railamerica.com/railmaps/CFNR.htm</a>
Modesto Empire & Traction	Short Line	<a href="http://www.metrr.com/sections/railroad">www.metrr.com/sections/railroad</a>
Sierra Northern	Short Line	<a href="http://www.sierrarailroad.com/freight.html">www.sierrarailroad.com/freight.html</a>
Union Pacific	National	<a href="http://www.up.com">www.up.com</a>

Located due east of California's Bay Area, Stanislaus is well within driving distance of the Port of Oakland (80 miles) and the Port of San Francisco (90 miles). Likewise, major airports in Oakland, San Francisco, San Jose and Sacramento are also in close proximity.

### Distribution Centers

A number of companies have located major distribution operations in the area. Recently, the pace of major openings has increased. Some recent examples include WinCo Foods' distribution center (720,000 square feet, opened in 2004), Kohl's Corporation (650,000 square feet, 2006), Longs Drug (500,000 square feet, 2006) and Fastenal Company (2006).

Representative Distribution Centers		
<u>Company</u>	<u>City</u>	<u>Business Description</u>
Dot Foods	Modesto	Food redistributor
Fastenal	Modesto	Regional distribution center
G-3 Enterprises	Modesto	Logistics
Heartland Logistics	Modesto	Tomato products distribution
Kohl's Corporation	Patterson	Regional distribution center
Longs Drug	Patterson	Regional distribution center
MTC Distributing	Modesto	Wholesaler grocery related products
Nasco	Modesto	Regional distribution center
Piranha Produce	Keyes	Wholesale produce
Sysco	Modesto	Wholesale food and related products
WinCo Foods	Ceres	Regional grocery products distribution

### Logistics and Warehousing

Logistics services are available through any of a number of nationally recognized vendors. A few examples of firms with local operations include Americold, G-3 Enterprises, Sierra Pacific and Transload Shippers. Significant warehousing capacity, including dry and cold storage for food products, is available locally.

<b>Representative Warehousing Providers</b>		
<u>Company</u>	<u>Location(s)</u>	<u>Description</u>
G-3 Enterprises	Modesto	Food grade facilities
Hughson Cold Storage	Hughson	Refrigerated storage for food products
Versacold Logistics	Modesto	Multi-million cubic feet of space
Sierra Pacific Distribution	Modesto, Patterson, Turlock	Dry and cold storage capability
Trinidad-Benham	Patterson, Westley	Agricultural products
Americold	Turlock	Multi-million cubic feet of cold storage

### Trucking Services

The area is well served by the full range of large number of national and regional trucking providers such as Old Dominion, Swift, USF Bestway, Watkins & Shepard and many more. Stanislaus also is home to a number of locally headquartered fleets. The following table lists some of Stanislaus' multi-unit trucking firms. Combined fleet size for just these listed operators exceeds 660 trucks.

<b>Representative Trucking Firms Based in Stanislaus</b>	
Ameri Eagle, LLC	Manuel Brasil Trucking
B & B Trucking, Inc	Northern Refrigerated, Inc
B Panella Drayage Co	Pohl & Holmes, Inc
Baldwin Trucking, Inc	Quigley Trucking
Borden & Son's	Robert Harkrader Trucking
Brite Transportation System, Inc	Ron Lawrence Trucking
Cartel Transport, LLC	Sunshine Express
Cobb Frozen Transport, Inc	Sward Trucking, Inc
Ed Rocha Livestock Transportation	Thornberry
Ernest Prouty & Sons Trucking	Timmerman Starlite Trucking
Fandick Trucking, Inc	Try-Us Trucking, Inc
G & G Transportation	Golden Valley Trucking Corp
Golden Eagle Trucking Co	Guerrero Trucking
Joe L Coelho Trucking & Hay, Inc	Takhar Trucking
Lopes Trucking Service	Trevino Trucking, LLC

## Workforce and Compensation

According to California Employment Development Department (EDD), 14,270 jobs in Stanislaus were in transportation-related occupations as of late 2004. This same source shows the area's 2005 median hourly wage in the overall category at from 17%-to-18% less than in the San Francisco and Oakland metropolitan statistical areas.

Stanislaus Logistics-Related Wage and Employment Data Third Quarter 2005 Wage Levels, California EDD							
SOC Code	Occupational Title	Estimated Employment Nov. 2004	Entry-Level Wage (1)	Mean Hourly Wage	25th Percentile Wage	Median Hourly Wage	75th Percentile Wage
53-0000	Transportation and Material Moving Occupations	14,270	\$8.28	\$13.26	\$8.81	\$12.05	\$16.46
53-1021	First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand	250	\$12.50	\$19.69	\$14.17	\$18.46	\$24.49
53-1031	First-Line Supervisors/Mgrs of Transport and Material-Moving Machine and Vehicle	240	\$16.04	\$22.89	\$18.05	\$22.87	\$27.65
53-3031	Driver/Sales Workers	1,280	\$8.02	\$14.12	\$8.57	\$10.56	\$16.72
53-3032	Truck Drivers, Heavy and Tractor-Trailer	2,440	\$12.95	\$17.17	\$14.19	\$16.49	\$19.80
53-3033	Truck Drivers, Light or Delivery Services	1,210	\$8.07	\$11.53	\$8.59	\$10.55	\$13.63
53-3099	Motor Vehicle Operators, All Other	20	\$8.72	\$11.63	\$9.05	\$10.16	\$12.83
53-6099	Transportation Workers, All Other	40	\$7.76	\$10.40	\$8.14	\$10.29	\$12.45
53-7011	Conveyor Operators and Tenders	120	\$13.85	\$16.90	\$15.03	\$17.18	\$19.66
53-7032	Excavating and Loading Machine and Dragline Operators	(3)	\$18.53	\$21.34	\$18.91	\$21.00	\$24.24
53-7051	Industrial Truck and Tractor Operators	1,460	\$11.16	\$15.17	\$12.20	\$15.28	\$18.04
53-7061	Cleaners of Vehicles and Equipment	720	\$7.83	\$9.72	\$7.88	\$8.74	\$10.53
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	3,710	\$7.87	\$10.62	\$8.11	\$9.41	\$12.41
53-7063	Machine Feeders and Offbearers	150	\$8.08	\$14.73	\$8.38	\$17.02	\$20.55
53-7064	Packers and Packagers, Hand	1,550	\$7.62	\$10.69	\$7.78	\$9.23	\$13.36
11-3071	Management Occupation: Transportation, Storage, and Distribution Managers	120	\$18.70	\$29.31	\$22.10	\$30.15	\$35.34

**Data Footnotes:**

(1) The mean of the first third of the wage distribution is provided as a proxy for entry-level wage.  
(2) For some occupations, workers may not work full-time all year-round. For These occupations it is not feasible to calculate an hourly wage.  
(3) An estimate of employment could not be provided.  
(4) An estimate of wage could not be provided.  
(5) For Mean Relative Standard Error data, see EDD website.

*Reproduced from the California Employment Development Department website*

**Data sources:**

California Employment Development Department [www.edd.ca.gov](http://www.edd.ca.gov)

California Department of Finance [www.dof.ca.gov](http://www.dof.ca.gov)

California Department of Transportation [www.dot.ca.gov](http://www.dot.ca.gov)

Stanislaus GIS <http://regional.stangis.org>

United States Bureau of Labor Statistics [www.bls.gov](http://www.bls.gov)

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# **SoCal warehouse demand strong as development moves inland**

**California Planning & Development Report, Sept, 2004 by Paul Shigley**

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Every month when the news media reports the latest "record trade deficit," what often goes unsaid is that this deficit means cargo handlers in Southern California are busier than ever. With the country's ever-

increasing reliance on imported materials and goods, the logistics industry appears to be thriving. But developing the warehouses and distribution centers has become an issue in many Southern California communities.

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Several factors are affecting Southern California's warehouse development scene: An almost complete absence of vacant land near the largest ports, some local governments' unease with the low jobs-per-square-foot ratio inherent in warehousing, and rising questions about air pollution from trucks that come and go from warehouses. Thus, warehouse and distribution center development continues to move farther inland, where land is available and inexpensive, and where local governments are happy to approve almost any project that brings jobs.

This move inland comes despite the total dominance of the coastal ports of entry. The Los Angeles-Long Beach port complex is the largest in the country and third largest in the world, and experts say the amount of cargo headed through the port complex will quadruple over a 25-year period. Los Angeles International Airport (LAX) handles more cargo than any other West Coast airport and, despite attempts by transportation planners to spread the wealth among other airports in the region, LAX continues to get most of the growth. By way of comparison, LAX handles about as much cargo in one week as the region's second-busiest cargo airport, Ontario International, handles all year.

But most warehouse and distribution center development is occurring 50 or more very congested miles from the seaport and LAX. Grubb & Ellis recently reported that about 10 million square feet of industrial space was under construction in Riverside and San Bernardino counties during the second quarter of 2004. Nearly all of this space was in the form of 500,000-square-foot or larger warehouses.

"The place where the warehouse growth has been is the Inland Empire," said Gary Painter, director of research at the University of Southern California's Lusk Center for Real Estate. "It all has to do with the cost for the land."

Currently, the cheaper land offsets the cost of transporting things--usually by truck--to the outlying warehouses, Painter said. At some point, the balance will change, he said. But determining where that balance point lies is difficult. Unless there are some "radically different trends" in ground transportation costs, the inland movement of warehouses and distribution centers will continue, he said.

However, officials in cities that have already become shipping hubs are ambivalent about further growth.

"Warehouse and distribution centers just sort of happen by themselves," said Ray Bragg, the City of Fontana's redevelopment and special projects director. "We've got three interstate freeways traversing through the city, and we've got Union Pacific railroad going through the south end of the city."

Fontana provides incentives for distribution centers only if there is an additional component, such as sales or marketing. For example, an American Hotel Supply facility in Fontana serves as both a warehouse and as a

sales outlet, providing the city with sales tax revenue.

"Warehouses and distribution centers, unfortunately, are not high jobs producers, and they are not what you might call 'living-wage' jobs producers that allow people to live in the community," Bragg said. Furthermore, truck-dependent warehouses generate enormous road maintenance costs for local government, he said.

Neighboring Ontario has 84 million square feet of industrial space, about half of which is devoted to the logistics industry, said Mary Jane Olhasso, the city's economic development director. The city encouraged this development by zoning large tracks of freeway-accessible farmland near the airport for industrial uses, and by processing applications quickly.

But, even with its airport, freeways and the UP rail line, Ontario's days of warehouse growth are about over because, Olhasso said, the city is "virtually out of space for a big box ... If I'm a real estate developer, I'm not going to look at Ontario." she said.

A 2002 study by airport consultants Leigh Fisher Associates found room for air cargo growth at Ontario airport. That is fine with the city, but Olhasso pointed to the fact that the number of passengers is expected to quadruple by 2020. That passenger growth is going to boost the demand for office space, so Olhasso expects some existing distribution centers along Interstate 10 to become office buildings.

"Over the next 10 years, you're going to see a major change in Ontario jobs and in the skyline," Olhasso predicted.

Still, some inland localities remain enthusiastic about warehouse development, including cities along I-215 in western Riverside County and in San Bernardino County's Victor Valley. Former military bases are also starting to get some significant projects.

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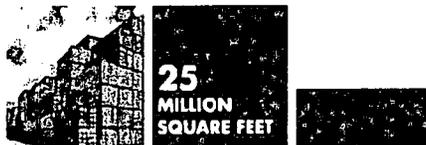
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## Transportation and logistics: FTR Associates data indicates 2009 may be challenging

Jeff Berman, Group News Editor -- *Logistics Management*, 1/9/2009

NASHVILLE, Ind.—In another example of the shaky ground the economy—and the freight transportation industry are on, recent data from transportation forecasting consultancy FTR Associates suggests 2009 is more than likely to pick up where 2008 left off.

The firm's data paints a stark picture of what may be down the road this year. Some of its most telling analyses include:

- the freight market continuing to fall—for what will be seven consecutive quarters—bottoming out in the third quarter of 2009;
- an annualized change in the GDP that could be up to a 6 percent decline, which would be in line with the 1982 recession that had quarterly GDP declines of 6.2 percent and 4.9 percent (FTR added that a return to a recession of this level could translate into a 10 percent annual decline in truck tonnage volume); and
- U.S. retail sales for Class 8 trucks may dip below 75,000 for 2009.

While it is no secret that the economy is in very bad shape, FTR data suggest things could get better—albeit slightly—by 2010, with projected upticks in GDP, freight volumes, and vehicle sales and production.

But in order for that to become a reality, much needs to happen, said FTR Associates President Eric Starks in an interview.

"We are going to need to see the manufacturing base come back...as a starting point," said Starks. "That can happen if businesses start buying equipment again. Getting liquidity back into the marketplace and freeing up credit is badly needed. Banks are not lending enough yet for that to happen, and there is some availability out there, but they are still being [careful] to a certain degree. Either way it needs to reverse course."

The recovery of the global economy is also key to getting the economy back on track, explained Starks, noting it cannot be just a U.S.-based recovery, with the recession spreading to other parts of the world. And the job market is continuing to take its toll on economic levels, as businesses and consumers are keeping a close eye on spending.

**Capacity's future:** As the economy continues its tailspin, trucking capacity continues to leave the marketplace, due to low demand and consumer spending, coupled with tight credit markets. A major topic in the trucking industry on the capacity front is that when the economy comes back, there will not be nearly enough capacity to meet future requirements.

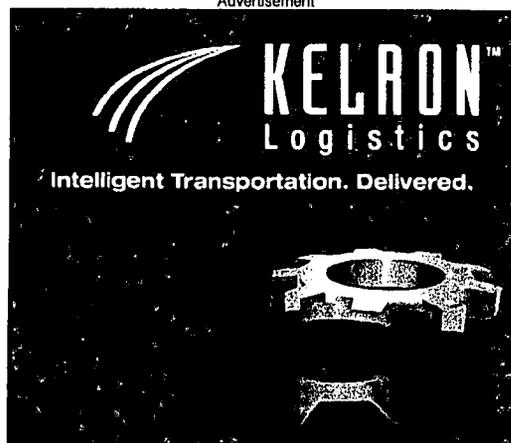
And John Larkin, Stifel Nicolaus transportation analyst, wrote in a recent research note that "the credit crisis should exacerbate the coming capacity shortfall in transportation and logistics as lenders will, at least initially, be unwilling to finance fleet expansion programs, start ups, etc."

Starks agreed with Larkin, explaining that when the economy comes back, things will be "ugly" from a capacity standpoint and the longer that things drag on, the worse the situation will be when demand returns and carriers will be scrambling to add capacity. No carriers will add capacity ahead of time, he said, as that requires cash on hand, and freight to move.

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Advertisement



# Growing the SACOG Region's Logistics Sector: How Much, How Fast?

March 30, 2007

By Jock O'Connell

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*(This whitepaper was prepared in conjunction with a comprehensive goods movement study commissioned by the Sacramento Area Council of Governments.)*

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## Summary

*Should the Sacramento Area Council of Governments encourage the development of the region's logistical capabilities beyond the level needed to meet the region's own goods movement needs over the next three decades?*

*At present, there appears to be little enthusiasm among local elected leaders and economic development officials in the SACOG region for allocating appreciable resources to the construction of large warehouses, distribution centers and transloading facilities on a scale that would transform the Sacramento area into a multi-regional or multi-state logistics hub. However, in light of widely publicized claims that the logistics sector represents a fertile source of well-paying jobs for blue-collar workers, regional leaders are understandably concerned that they might be remiss in not pursuing an economic development strategy that could yield promising employment opportunities for many of the half-million adults in the six-county region who possess no more than a high school education and are therefore considered most at risk in a labor market increasingly biased toward individuals with technical training or at least some post-secondary education.*

*Our analysis finds that studies contending that the logistics sector is replacing manufacturing as a primary source of jobs for the state's blue-collar workforce are, at best, misleading. In particular, reports indicating that average annual wages in the logistical sector exceed \$40,000 misrepresent a reality in which most logistics workers take home a great deal less. And, contrary to the claims of some economists, there is scant evidence that the logistics sector offers marginally-educated, unskilled workers a broad pathway for career advancement into positions paying a middle-class income. Accordingly, this report finds no compelling reason why officials in the SACOG region should deviate from their existing reluctance to overbuild the region's logistical capabilities.*

## Logistics and Blue-Collar Jobs

**They are simple needs. Stores must be stocked with merchandise. Parcels must be delivered to offices and households. Goods must be stored, if only temporarily. Freight must be transported ASAP, if not JIT. Yet accommodating these everyday logistical needs in a region with a growing population and an expanding economy involves choices and compromises arrived at via a decision-making process that straddles political jurisdictions and demands the balancing of transportation plans, land-use priorities, fiscal constraints, and environmental goals.**

**Broadly speaking, logistics encompasses those activities involved in the movement of goods, whether from a creamery in south Sacramento to a grocery in Folsom, from a toy factory in Asia to a Roseville department store, or from the Blue Diamond processing plant in Midtown Sacramento to a bakery in Austria. In common parlance, the logistics sector includes only those functions directly related to the transportation, storage and distribution of goods by truck, rail, ship, pipeline or plane. Other definitions, however, include a broader array of ancillary functions, such as the services of logistics consultants. Most regional economic studies greatly expand the scope of the logistics sector by including businesses engaged in wholesale trade./1/**

**In Phase One of the SACOG Regional Goods Movement Study, the logistics sector was defined as “a variety of industry groups that involve the shipping, receiving, processing, and storage of goods.” In 2004 (the most recent year for which detailed employment and payroll data were available), this sector accounted for approximately 53,000 jobs or 5.8 percent of the SACOG region’s total employment. Employment in the Wholesale Trade sector alone accounted for 45 percent of the logistics sector’s total employment in the region, with truck transportation the next largest segment with some 11 percent of all of the region’s logistics jobs. Annual payroll in this region’s logistics sector amounted to some \$2.1 billion in 2004./2/**

**There is no question that the SACOG region should grow its logistics sector to keep pace with population increases and economic expansion. Doing so will require, among other things, land-use policies congenial with the gradual addition of warehouses, distribution centers and other facilities needed to ensure the efficient and economical transportation of goods throughout the region. The policy implications and trade-offs inherent in resolving this land-use question are examined in elsewhere in this report.**

**Here the discussion seeks to illuminate the question of whether it would be in the interest of the SACOG region to promote the development of huge logistical complexes intended to serve the goods movement needs of the rest of Northern California and perhaps even adjacent states. Beyond satisfying the region’s own logistical needs, there is little apparent enthusiasm among elected leaders and economic development officials to seek to lure large-scale multi-regional distribution centers or to otherwise make the Sacramento area a major hub for logistical services./3/ Instead, there is a strong consensus that such facilities provide a relatively poor return on public investment and generally do not represent the highest and best use to which scarce commercial real estate should be devoted. The clear regional priority is to attract and/or retain enterprises engaged in high value-added research and design work, software production, or light manufacturing -- preferably in the clean energy, biomedical, and information technologies sectors.**

**But then there is the matter of jobs and, in particular, employment opportunities for those workers most in danger of being relegated to the sidelines as the state’s economy becomes more and more technologically infused. Repetitive labor of the sort once associated with work on assembly lines has been largely automated or outsourced, frequently to offshore locations. Blue-collar occupations increasingly require extensive technical training, if not some post-secondary education. Consider the case of one of the better paying occupational categories within the logistics sector, Wholesale Sales Representative. Unlike past salesman, today’s Willy Loman's more often than not traffic in highly sophisticated equipment and technical services where a high school degree is no longer sufficient. As a California Employment Development Department guidebook observes: “The background needed for sales jobs varies by product line and market. Many employers hire individuals with previous sales experience who lack a college degree, but they increasingly prefer or require a bachelor’s degree**

because job requirements have become more technical and analytical.”/4/

Still, the need to create rewarding jobs for those without advanced skill sets or a college degree persists. According to the U.S. Census Bureau's 2005 American Community Survey, 501,531 adults (or 36.5 percent of the SACOG region's population aged 25 and over) lack any formal schooling beyond high school. In an economy that emphasizes technology and sophisticated skill sets, this cohort is most at risk economically and socially. Across the region, the size of this marginally-educated group varies considerably, from a high of 55.6 percent in Yuba County to a low of 28.9 percent in El Dorado County. In Sacramento County, which accounts for over 60 percent of the SACOG area's total population, that group numbered 315,999 in 2005, or 37.5 percent of the county's residents 25 and older.

There are a few signs this situation will improve. A new report from the Educational Testing Service entitled America's Perfect Storm concludes that, given current trends, the literacy level of the workforce in 2025 will be even lower than it is today. The report points to national surveys indicating that large numbers of the nation's adults, 16 years of age and older, do not demonstrate the literacy and numeracy skills needed to fully participate in an increasingly competitive work environment. "Put crudely," the report states, "over the next 25 years or so, as better educated individuals leave the workforce they will be replaced by those who, on average, have lower levels of education and skill. Over this same period, nearly half of the projected job growth will be concentrated in occupations associated with higher education and skill levels."/5/ Commenting on this study, Peter Schrag, the respected columnist of the Sacramento Bee, concluded: "If that's correct, millions of Californians, many of them black or Latino, will be shut out; our economic competitiveness will be attenuated; income and social gaps will widen and the social and political stresses that they produce will grow with them."/6/

Failure to meet the challenge of providing rewarding employment for this vast cohort is apt to have dire consequences not only for these individuals and their families but for society as a whole. As Janet Yellen, president of the Federal Reserve Bank of San Francisco commented in a November 6, 2006 address at the University of California at Irvine: "There are signs that rising inequality is...impairing social cohesion, and could, ultimately, undermine American democracy."/7/

Yet many of the employment categories projected to grow the fastest in the SACOG region -- tourism, the leisure industry, and retail trade -- tend to offer wages below the region's mean hourly wage rate of \$20.38 in 2006 /8/, and certainly well beneath the wage level at which a single individual could be expected to provide a middle-class lifestyle for his or her family./9/ Other occupations that are expected to see their ranks increase in coming years -- most notably in education and health services -- are generally unavailable to those without college training. Meanwhile, employment in the manufacturing sector, the one area of the economy which had historically provided wages consistent with a middle-class lifestyle to high school graduates, has been declining in California for several years.

By most accounts, manufacturers in the Sacramento area currently employ just over 50,000 workers. But many of those are not blue-collar workers engaged in production jobs. Intel, which alone employs about one-seventh of the region's manufacturing workforce and which is usually identified as the SACOG region's largest manufacturer, actually manufactures nothing in commercial quantities at its facilities in Folsom and Rancho Cordova. Its employment ranks are dominated by individuals engaged in research, product design and development, and administrative support. The best estimate by the

residents of the six-county SACOG region who may be classified as working in Production Occupations./10/ But that represents just four percent of all jobs within the entire region. Where, then, will those possessing few technical skills and little more than a high school education find good-paying jobs within our community?

### Employment and Wages in the Logistics Sector

Given the potentially corrosive social effects of growing disparities in income distribution, it is understandable that claims that the logistics sector may furnish a potent antidote to the decline of well-compensated blue-collar manufacturing jobs should resonate strongly. What public official would not be impressed by a widely circulated report prepared last year for the Southern California Leadership Council which proclaims that, in 2003, "logistics pay averaged \$45,314 or more than both manufacturing (\$43,871) and construction (\$40,439)?" /11/

Those wage figures are roughly consistent with the findings of a 2005 monograph on logistics employment published under the auspices of the California Regional Economies Project./12/ Even though the CREP study used a rather unique definition of what it terms the logistics "cluster," it found that logistics jobs statewide paid an average annual wage of \$42,475 in 2003. Within specific functions, the occupational pattern was found to vary, but in each case the great majority of logistics jobs (81 percent) were said to offer mid-level wages, with salaries ranging from just over \$27,000 to approximately \$48,000 annually. About 14.6 percent of logistics jobs were found to be at the higher-level, paying wages from \$48,000 to \$155,000. One of the CREP study's more remarkable findings was that just 4.2 percent of logistics jobs paid entry-level wages (i.e., from \$16,400 to just above \$27,000).

These are indeed remarkable claims. For a sector of the economy that is characterized by extensive use of part-time workers, witnesses seasonal fluctuations in staffing levels, and is generally associated with help-wanted ads promising wages seldom more than one or two dollars over minimum wage, such levels of compensation seem almost counter-intuitive. Yet, if they are true, the desirability of creating substantial numbers of new, well-paying jobs for a region's blue-collar workforce could come to outweigh those land-use policy considerations that would otherwise discourage the construction of warehouses and distribution centers built to serve multi-regional markets. On the other hand, if these wage claims prove untrue, their uncritical acceptance could easily result in wasteful distortions of regional economic development policies as well as misshapen land-use priorities.

### Parsing the Data

There is no doubt that the logistics sector offers a good many jobs paying wages consistent with a middle-class lifestyle. According to Employment Development Department data, the operators of the towering cranes found at the state's seaports or at major construction sites are very well compensated, often earning well above an average of \$51,000 a year. Locomotive engineers average \$55,000 a year. Certain classes of supervisors and managers also earn \$55,000 a year on average. Sales representatives working in wholesale trade average \$58,000 a year./13/

The issue here, however, is whether such relatively well-compensated blue-collar jobs are readily available to workers lacking a post-secondary education and possessing little in the way of technical skills.



As always in analyzing statistical data, it is vital to understand the origin of the numbers. Most regional economics studies, including those done for CREP and SCAG, utilize data from the Quarterly Census of Employment and Wage (QCEW),<sup>14/</sup> which are in turn derived from payroll tax reports submitted by employers to the state's Employment Development Department. These raw data are subsequently aggregated by industry sector using a six-digit NAICS code assigned to each employer based on the nature of its business.<sup>15/</sup> A refrigerated warehouse, for example, is coded 493120, while the NAICS code for a winery is 312130.

For each industry sector (and for scores of subsectors), QCEW reports provide the number of business establishments, average monthly employment, total annual payroll, and the average weekly pay per employee.<sup>16/</sup> For instance, the QCEW report for the 2005 calendar year indicates there were 1,627 warehousing and storage establishments in California, with average monthly employment of 63,072, a total annual payroll of \$2,487,619,000, and an average weekly wage of \$758.<sup>17/</sup>

QCEW data are regarded as the most complete universe of monthly employment and quarterly wage information by detailed industry at the state and regional levels. QCEW data are widely used by businesses and by public and private research organizations for economic forecasting, industry and regional analysis, economic impact studies, and other uses. But as with any data source this one has its limitations.

One drawback associated with the QCEW data stems from the fact the data are much too inclusive to shed useful light on what the average blue-collar logistics worker earns.<sup>18/</sup> To return to an earlier example, Intel, as a maker of computer chips and related materials, is rightly classified as a manufacturer. The problem, though, is that everyone who works for Intel is categorized as being employed in the manufacturing sector, regardless of the tasks they actually perform. The company's entire workforce -- from modestly compensated janitors and cafeteria workers to highly paid research scientists and senior executives -- is aggregated into the same broad category of manufacturing sector employees as the workers who assemble window frames at CertainTeed's facility in West Sacramento or the laborers who cast concrete sewer pipes for Teichert Materials. Although the practice of aggregating employment and wage figures by industry enables researchers to gauge the overall impact of specific industries on the economy, what it reveals about the wages earned by individual workers or classes of workers can be extraordinarily misleading.

In most cases, the average wage figures found in QCEW reports provide an exaggerated measure of the wages actually received by most of the employees within any industry. Indeed, the methodology involved in producing QCEW wage data almost invariably yields an average wage much different from (and usually much higher than) the wage earned by the average worker.

To illustrate this deficiency in the QCEW data, consider a hypothetical industry which employs 100 people, sixty of whom earn \$400 a week, thirty who take home \$800 a week, and ten who receive \$1,600 a week. For this industry, the QCEW methodology would produce an average weekly wage of \$640.<sup>19/</sup> Yet not only is this a wage not one single worker in the industry actually earns, it is fully 60 percent higher than the \$400 wage paid to the majority of the industry's workforce. It would therefore be wrong either to imply or to infer that \$640 is what the average worker in this industry earns. Unfortunately, that is often the conclusion drawn by consumers of reports based on QCEW employment and wage data.

**It is even more inappropriate to imply or to infer that the average worker earns the annual average wage attributed to his or her industry, particularly when the industry in question is noted for sharp seasonal fluctuations in staffing levels, not to mention relatively high rates of employee turnover./20/ Nonetheless, many economic studies persist in citing average annual wage figures that are crudely derived by multiplying the average hourly wage reported to EDD by 2,080./21/ even though EDD advises data users that: "QCEW annual pay data only approximate annual earnings because an individual may not be employed by the same employer all year or may work for more than one employer at a time. Average annual pay is affected by the ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations."/22/**

**To be sure, QCEW data are very useful. As previously noted, they provide a reasonably sound way of empirically measuring the economic impact of the logistics industry or any other specific industrial groupings. However, when the objective of research is to ascertain what individuals performing logistical tasks are earning, the QCEW data set is an inappropriate source of insight.**

### **Another View: The Occupational Employment Statistics Survey**

**There is an alternate source of state employment and wage data which does inquire into what workers performing logistical tasks are actually earning. The Employment Development Department's Occupational Employment Statistics (OES) survey is a semiannual mail survey measuring occupational employment and occupational wage rates for wage and salary workers in non-farm establishments, by industry. The survey samples about 37,000 establishments per year./23/**

**The OES survey uses the Standard Occupational Classification (SOC) system for specific occupational categories./24/ Wages for the OES survey are straight-time gross pay, exclusive of premium pay. Included are base rate, cost-of-living allowances, guaranteed pay, hazardous duty pay, tips, incentive pay including commissions and production bonuses, and on-call pay. Excluded are back pay, jury duty pay, overtime pay, severance pay, shift differentials, non-production bonuses, and tuition reimbursements. Importantly, the OES Survey provides much more than the number of workers employed in each of nearly 800 occupational categories. It provides both the mean and median hourly wages along with the mean wages earned by the bottom and the top quartiles of employees in each occupational category./25/**

**Why should we be concerned with the distinction between mean and median wage figures? In the case of QCEW data, the average wage is derived simply by dividing total wages paid by all companies in a given industry by the total number of workers whom those companies employed during the given reporting period. The resulting number is the mean wage for that industry. By contrast, the median wage would be that wage figure which separates the top half of wage-earners from the bottom half. Knowing the median wage is a useful antidote against the well-known "Bill Gates Gets on a Bus" statistical fallacy. (Were Mr. Gates to board a bus carrying day laborers, the mean annual income of the bus patrons would instantly soar above the billion dollar level. But it would hardly give an accurate picture of the welfare of the average person on the bus. Knowledge of the median income – and a bit of common sense – would prevent us from concluding that the average person on this particular bus had become fantastically wealthy, even though that is precisely what the mean income figure would suggest.)/26/**

**According to EDD reports based on the OES survey, the mean hourly wage paid to over 14.7 million California workers in 2006 was \$20.88 (or \$43,430 had they worked full-time for an entire year).**

However, the median hourly wage for these same California workers was 22.7 percent lower at \$16.14./27/ In other words, half of California's wage-earners last year were making no more than the equivalent of \$33,571 annually (assuming they were paid for a full year of work)./28/ For the lowest quartile of California workers, the average wage last year was just \$10.06 or \$20,925 for those who managed to work a forty hour week year-round.

More germane to the point under consideration here is the status of the 1,005,490 Californians reportedly working in the forty-five Transportation and Material Moving (T&MM) occupations. These are the jobs most commonly associated with blue-collar labor in the logistics sector. They are also the jobs that represent the best employment opportunities for unskilled, marginally-educated members of the state's workforce. In 2006, the approximately one million Californians employed in the T&MM occupational categories received a mean hourly wage of \$14.05. But the median hourly wage was significantly lower, at \$11.66. For those in T&MM occupations who held full-time jobs on a year-round basis, their mean and median annual wages would be \$29,224 and \$24,253, respectively. Neither, of course, comes close to the elevated wage levels some studies have attributed to jobs in the logistics sector.

Even worse is the wage plight of the lowest twenty-five percent of wage-earners employed in the T&MM occupations. Their average hourly wage last year was \$8.55, which theoretically annualizes to \$17,784. Few individuals probably volunteer for these lowest-paying jobs. More commonly, those who occupy these positions do so because they are not deemed qualified or otherwise able to perform more highly compensated tasks. Yet since this is the quartile most likely populated by unskilled and poorly educated workers, the OES data appear to be inconsistent with claims that the logistics sector represents a major source of well-paying jobs for marginally-educated members of California's workforce./29/

In an October 2006 report entitled to "California Opportunities in Logistics," EDD analysts profiled 31 occupational categories, including "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products."/30/ (See Appendix for a roster of the occupations profiled in this report.) It employed 141,590 Californians in 2005 and, of all the logistical occupations the report examined, it is the one that appears to offer the greatest potential for good pay and career advancement, with a median hourly wage of \$24.59 (\$51,150 annualized). But, as we have seen, more and more of these sales jobs require technical knowledge and the ability to understand complex concepts.

For the entire range of logistics occupations identified in "California Opportunities in Logistics," the median hourly wage was \$15.37. Assuming a worker making this wage was able to work full-time for an entire year, his or her annual wage would amount to \$31,554, a level substantially below the average logistics sector annual wage figures cited in SCAG and CREP reports./31/

The report also fails to sustain the claim that the logistics sector offers a broad pathway to the middle-class for workers who have no more than a high school diploma. In 2004, for example, there were an estimated 282,900 Californians classified as Laborers and Freight, Stock and Material Movers (Hand), according to OES figures. EDD forecasts that this occupational category will spawn 14,340 job openings per year through 2014. By contrast, there were 20,710 Californians working further up that particular career ladder as First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers (Hand) in 2004. But job openings in this category are expected to be average just 760 per year through 2014. So while it is definitely possible for some laborers to improve their job

status to a level where \$20 per hour /32/ is not a completely unreasonable expectation, the path looks to be exceedingly narrow.

If we focus on the occupational categories with a preponderance of workers with a high school education or less – the very workers about whose welfare is of utmost concern – the wage expectations are a good deal more modest than is often claimed. EDD identifies 10 occupational categories in the logistics sector in which at least 70 percent of the current workforce have a high school education at best. Of these, one category (Crane and Tower Operators) boasts a statewide annual wage of \$50,972. However, there are currently just 2,530 of these positions statewide, and EDD forecasts that only 120 positions in this field are expected to open up annually through 2014. For the other nine categories where employment is dominated by those with no more than a high school degree, average annual wages range from \$18,844 for Packers to \$38,436 for Tank Car, Truck, and Ship Loaders.

Unfortunately, of these occupations with a disproportionately high representation of marginally-educated workers, those job categories that are forecast to see the most openings also happen to be those which pay the least.

EDD figures indicate that the great majority of blue-collar logistics jobs are in relatively low-paying categories such as Laborers and Freight, Stock, and Material Movers (Hand); Stock Clerks, Order Fillers; Customer Service Representatives; Packers and Packagers; Shipping, Receiving and Traffic Clerks; Light or Delivery Truck Drivers. Together, these classifications constituted 60 percent of all blue-collar logistics employment in California in 2004. Statewide, California's 1.7 million blue-collar logistics workers earned an average of \$33,355 in 2006. Yet even that level of pay does not reflect what most workers with little more than a high school education can reasonably expect.

The single largest, well-paying category of logistics occupational category is Sales Representative, Wholesale and Manufacturing except Technical and Scientific Products. Average earnings statewide in 2006 for the 148,000 Californians in this category amounted to \$59,850. Yet, according to EDD, three-quarters of the workers in this occupational category have at least some college training. Indeed, half are college graduates.

It should be noted that one of the more decisive factors in separating high-wage from low-wage logistics jobs appears to be union representation, usually by the International Longshore and Warehouse Union and the International Brotherhood of Teamsters. The two highest earning occupational categories dominated by workers with no more than a high school diploma are closely associated with maritime trade and union representation. For the most part, though, workers in the logistics sector are seldom represented by organized labor.

Future employment trends in the logistics sector must also be understood in the context of ongoing efforts by supply chain managers to wring the highest degrees of productivity out of the various components of the supply chain. In many instances, this involves the substitution of technology for labor. The future is also likely to see more of the value-added logistics services moved offshore for the same reason manufacturing work has been outsourced to nations offering substantially lower labor costs. As a recent article in the Financial Times reports: "Companies from countries as far apart as Japan, Chile, Spain and the US now have goods sorted before they leave China into the right mixes for individual stores or distribution centres and labelled with the correct price. Many will be ready-packed into a display stand."/33/

**While the benefits of a robust logistics sector are felt regionally and sometimes nationally, the aesthetic and environmental downsides of facilities engaged in the movement and storage of goods are most directly experienced locally. This reality has prompted many public officials to call for greater equity in sharing the costs of ameliorating the consequences of air pollution, traffic congestion, and accelerated roadway deterioration. The same imbalance as well to the dispersal of employment in the logistics sector could be repeated. For example, a region seeking to attract enterprises engaged in wholesale trade may find that the high-paying white-collar jobs which boost average wage figures are apt to be located in downtown office towers or suburban office campuses that may be far removed from the warehouses, distribution centers and heavy rail or trucking venues where lower-paid blue-collar work is performed.**

**Finally, in the category of no good deed goes unpunished, communities which succeed in generating large numbers of jobs suitable for their marginally-educated, unskilled residents will often find that these job opportunities will attract workers from other communities who are similarly disadvantaged in the job market. The net result may be that the ranks of unemployed or under-employed individuals seeking entry level jobs in the logistics sector will swell, imposing a greater strain on social support networks, the availability of affordable housing and, sadly but ultimately, on law enforcement. In sum, there is very little empirical evidence to sustain the belief that the logistics sector offers a powerful antidote to the challenge of providing meaningful employment opportunities to those who are unequipped to compete in today's labor market.**

### Conclusion

**Contrary to several recent, well-publicized claims, the logistics sector does not appear to be providing the kinds of jobs and the numbers of jobs once associated with the manufacturing sector. At its high-water mark, manufacturing accounted for nearly 30 percent of U.S. jobs. Today in California, jobs in the logistics sector account for no more than 8.3 percent of all employment.**

**The wage levels often attributed to the logistics sector represent an average income that most blue-collar logistics workers are apt to find extravagant. Similarly, there is little empirical evidence that, especially in regions of California with a relatively high cost-of-living, the logistics sector offers a broad pathway to the middle-class for marginally-educated, semi-skilled workers.**

**Although industries engaged in the transportation, storage and distribution of goods do provide employment opportunities for marginally-educated workers, the logistics sector is no panacea for community's seeking to create large numbers of jobs paying middle-class wages for those lacking the kinds of skills that are increasingly demanded of workers in today's economy. There is no compelling reason, therefore, that local or regional economic development strategies should aim to bolster the region's logistics capacity beyond the level needed to meet the region's own needs.**

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### End Notes

**1. This practice is followed by the Southern California Association of Governments and the Association of Bay Area Governments, among other regional transportation planning organizations. One major exception is a series of recent studies done under the auspices of the California Regional Economies Project, which is jointly sponsored by the California Labor & Workforce Development Agency, the California Employment Development Department, and the California Workforce**

**Investment Board. CREP studies do not include Wholesale Trade as part of what these studies define as the "logistics cluster."**

**2. See the section entitled "Implications of Land Use Decisions on Goods Movement in the SACOG Region."**

**3. That much was made abundantly clear in an October 26, 2006, focus group discussion involving several economic development directors from throughout the region.**

**4. *California Opportunities in Logistics*, EDD (October 2006). See the chapter on "Sales Representatives, Wholesale and Manufacturing, except Technical and Scientific Products," pp. 129-132.**

**5. See [http://www.ets.org/Media/Education\\_Topics/pdf/ExecSummAmPerfectStorm.pdf](http://www.ets.org/Media/Education_Topics/pdf/ExecSummAmPerfectStorm.pdf).**

**6. See Schrag's op-ed page article in the February 7, 2007, edition of the *Sacramento Bee*.**

**7. See: <http://www.frbsf.org/news/speeches/2006/1106.html>.**

**8. The mean wage paid the approximately 870,000 wage-earners in the Sacramento MSA according to the California Employment Development Department's latest Occupational Employment and Wage Survey. By contrast, the median wage for the region was \$16.90 in 2006.**

**9. One standard definition holds that the middle-class is composed of the quartiles of households immediately above and below the median household income. The 2005 American Community Survey fixed the median household income in the Sacramento Metropolitan Statistical Area at \$53,890.**

**10. California Employment Development Department, Occupational Employment (May 2005) and Wage (2006 – First Quarter) Data, See: <http://www.labormarketinfo.edd.ca.gov/cgi/career/?PageID=3&SubID=152>.**

**11. John Husing, "Logistics: Southern California Has Competitive Advantages for a Major Blue Collar Sector for 1st Time Since Defense Industry After WWII," (Southern California Leadership Council Report, 2006), p. 2. See: [http://www.laedc.org/sclc/studies/center\\_husing-whitepaper.pdf](http://www.laedc.org/sclc/studies/center_husing-whitepaper.pdf).**

**12. *Logistics and Manufacturing Value Chains: Meeting The Workforce And Infrastructure Demands Of A "Real Time" Economy* (California Regional Economies Project, July 2005.) See: <http://www.labor.ca.gov/panel/logmanufvalue.pdf>. Unlike most other analyzes of the logistics sector, the CREP studies do not include Wholesale Trade as part of the logistics cluster.**

**13. These wage figures are drawn from a report entitled "California Opportunities in Logistics," published in October 2006 by the California Employment Development Department, Labor Market Information Division, Information Services Group, Occupational Research Unit.**

**14. The Quarterly Census of Employment and Wages Program is a cooperative program involving the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State unemployment insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program.**

**Publicly available files include data on the number of establishments, monthly employment, and quarterly wages, by NAICS industry, by county, by ownership sector, for the entire United States. These data are aggregated to annual levels, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (national, State, and Metropolitan Statistical Area (MSA). The QCEW program serves as a near census of monthly employment and quarterly wage information by 6-digit NAICS industry at the national, State, and county levels.**

**15. The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America.**

**16. The same data are also provided for sectors and subsectors within major industry categories out to the six-digit NAICS level of specificity. For example, the data indicate that there were 1,709 Warehousing & Storage (NAICS 493) establishments in California during the second quarter of 2006, of which 157 were refrigerated facilities (NAICS 493120).**

**17. A weekly wage of \$758 annualizes to \$39,416.**

**18. Perhaps paradoxically, the QCEW data also suffer from being insufficiently encompassing. Since independent contractors are not included in payroll reports to EDD, truck drivers who own and operate their own vehicles are excluded from the data. Yet such drivers, who play a critical role in transporting goods to and from the state's major seaports, are by most accounts struggling to make ends meet. Also excluded from the data on logistics sector employment are those who perform tasks that are inherently logistical but who do not work for a logistics company. For example, a truck driver employed by a retail bakery is counted as a bakery worker, not as a truck driver.**

**19. The total weekly payroll would equal \$64,000, which would be divided by the number of employees (100).**

**20. U.S. Bureau of Labor Statistics, "Occupational Outlook Handbook,"**  
<http://www.bls.gov/oco/ocos243.htm>.

**21. The number of hours for which an employee would be paid were he or she worked 40 hours a week over a full year.**

**22. See: <http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/?PageID=176>. Similarly crude is the common practice of multiplying a known average hourly wage by 2,080 to obtain an annual average wage. 2,080 represents the number of hours for which a full-time worker would be paid if he or she worked year-round (40 hours per week x 52 weeks = 2,080.)**

**23. A more complete set of technical notes for the OES survey is available at the BLS website at [http://www.bls.gov/oes/current/oes\\_tec.htm](http://www.bls.gov/oes/current/oes_tec.htm).**

**24. The Standard Occupational Classification structure and definitions can be found at the Bureau of Labor Statistics <http://www.bls.gov/soc/home.htm>**

**25. Occupations in which workers do not generally work 2,080 hours per year have only one set of wage rates. Occupations such as teachers and pilots have only annual wage rates reported; and the**

occupations actors; dancers; musicians and singers; and entertainers and performers, sports and related workers, all other have only hourly wages reported.

26. A third type of average – the mode – would indicate the wage earned by the largest number of workers in the given category. In the hypothetical example cited in this analysis, the mode would be \$400, the amount earned by sixty percent of the industry's workers.

27. The median is that statistical measure where half of the workers earn more and half earn less.

28. The variation between mean and median wages for all workers in the Sacramento area was somewhat smaller at just over 20 percent (\$20.38 versus \$16.90).

30. California Employment Development Department, Labor Market Information Division (in cooperation with the California Workforce Investment Board and the California Regional Economies Project), California Opportunities in Logistics. 2006.

31. For comparison sake, this median income level is about 60 percent of the median household income for the Sacramento Metropolitan Statistical Area, which in 2005 was \$53,890.

32. Median hourly wage for someone in this category was \$19.55 in 2006, according to OES data.

33. See "China wraps up new trend in exporting" in the Financial Times, March 27, 2007.

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*Appendix: Occupations Profiled in "California Opportunities in Logistics"*

*Air Traffic Controllers; Aircraft Cargo Handling Supervisors; Aircraft Mechanics and Service Technicians; Airfield Operations Specialists; Airline Pilots, Copilots, and Flight Engineers; Bus and Truck Mechanics and Diesel Engine Specialists; Captains, Mates, and Pilots (Ship and Boat); Cargo and Freight Agents; Cleaners of Vehicles and Equipment; Couriers and Messengers; Crane and Tower Operators; Customer Service Representatives; Dispatchers; Driver/Sales Workers; First-Line Supervisors/Managers of Helpers, Laborers, and Material Movers, Hand; First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle Operators; Laborers and Freight, Stock, and Material Movers; Logisticians; Material Moving Occupations; Packers and Packagers, Hand; Postal Service Workers; Rail Transportation Occupations; Sailors and Marine Oilers; Sales Representatives, Wholesale and Manufacturing; Ship Engineers; Shipping, Receiving, and Traffic Clerks; Stock Clerks and Order Fillers; Transportation Inspectors; Transportation, Storage, and Distribution Managers; Truck Drivers, Heavy and Tractor-Trailer; Truck Drivers, Light or Delivery Services.*



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Friday, May 9, 2008

## Whatever the logistics jobs payoff, growth will eat up land

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A central question in deciding if logistics is worth the tens of millions of dollars in public spending likely needed to help the industry thrive in Central Ohio is what's the payoff in jobs?

Officials have given myriad projections.

The Columbus Chamber has said the Rickenbacker Global Logistics Park would create 20,000 jobs in 10 years, including employees at the park and others working at developments spurred by the activity there. The **Columbus Regional Airport Authority**, meanwhile, has projected 20,400 jobs would come over 30 years.

Mike Brown, a spokesman for Columbus Mayor Michael Coleman, says the Rickenbacker area could bring 69,000 jobs in coming years.

To Jim Schimmer, director of the **Franklin County Economic Development and Planning Department**, the number is immaterial.

"I think it is very difficult to project how many jobs we'll find down there over time," he said. "In some ways, that discussion is moot. Any job created down there is one more that exists today that didn't exist in the past."

### Land use

But everyone can agree that the jobs created will require a lot of space. Warehousing and distribution facilities - where the bulk of logistics work comes from - typically create far fewer jobs per square foot than offices or factories. A 2006 study of logistics in southern California found the industry creates one job for every 2,166 square feet of land, compared with 959 square feet in manufacturing and 326 square feet for offices.

The Rickenbacker Global Logistics Park is expected to create as many as 22 million square feet of warehouse space within 15 years, so using the California study estimates, the industry has the potential to generate 10,157 jobs there. The logistics industry grew 28.5 percent between 2000 and 2006, adding 16,460 jobs for a total of 74,217, according to Columbus Business First research.

The Rickenbacker logistics park sits on 1,600 acres, an area about 200 acres larger than downtown Columbus, which has about 100,000 workers, according to the **Columbus Downtown Development Corp.**

Central Ohio is suited for such a land-intensive industry, said Geoff Manack, partner at **Hyperlogistics Group Inc.**, a warehousing company at Rickenbacker.

"There are no limiting factors in the physical layout of Columbus," he said. "It's

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farmland."

Even so, the jobs-to-land ratio has turned off at least one community.

"(Logistics) is not something we're targeting as a key industry," said Canal Winchester Development Director Chris Strayer. "It's the amount of jobs you get versus the space they take up. We're more into manufacturing."

Development officials may have little control over whether it's logistics or manufacturing that takes root in Central Ohio, said John Husing, the California economist who studied the industry.

"We are moving, whether we like it or not, into the post-manufacturing economy," he said. "And at the same time, (we're) moving into an economy where global trade is becoming increasingly important. You get what the economy gives you."

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09 FEB -2 PM 2: 46

Mayor Richard Stewart  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92552

Dear Mayor Stewart,

As a business owner/leader in the city of Moreno Valley, I am urging you to support the Highland Fairview project and zone change.

We are in a time when the economy is down and jobs are hard to obtain. Now more than ever we need to support new business opportunities and move forward with new ideas and objectives.

Highland Fairview's proposed "LEED Certified" Business Park, with Skechers as a guaranteed 10 year tenant, will help Moreno Valley provide jobs that we desperately need. I ask that you please support this important project and approve the zone change request before you.

Sincerely,

CC: Mayor Pro-Tem Bonnie Flickinger  
Council Member Robin Hastings  
Council Member William Batey  
Council Member Jesse Molina

February 3, 2009

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To the Members of the Moreno Valley City Council:

09 FEB - 4 PM 4:02

Comments on PA-07-0088 (Change of Zone), PA07-0089 (General Plan Amendment), PA07-0090 (Tentative Parcel Map 35629) to include PA08-057 (Phasing Map), PA07-0091 (Plot Plan) and P07-157 (EIR) – Highland Fairview Project

The Highland Fairview Project before you will generate excessive diesel truck traffic on Hwy 60 polluting our city and clogging a freeway with cars and trucks that is already clogged at times now. Try driving our freeways at commute times or even weekends as people are running their weekend errands and see how off-ramps back up onto the freeways even now and even outside of "commute times." The EIR identified the pollution from the traffic as a significant effect and gave a breakout of truck and car traffic from this project that was astounding.

I was concerned with all of the numbers flying around at the Planning Commission meetings and I would like to stress that these numbers for traffic are from the final EIR for this project and not made up. In phase 1, the final EIR stated that we can expect 3,325 trips daily where 50% would be trucks (that is 1,663 trucks in a day only in phase 1). In phase 2, there would be 8,739 daily trips where 25% would be trucks – that is 2,185 trucks a day). In Phase 3, the final EIR notes that there will be 15,339 trips a day (2,200 trucks and 13,139 cars) from this project! It should also be noted that it was mentioned in the EIR that 330 truck trips a day would be passing through the Badlands to the east on Hwy 60 and we all know how clogged that gets now with slow trucks and only two lanes and no widening planned by Caltrans anywhere on the horizon! For comparison, under the current general plan there would only be 725 trucks per day according to the final EIR. Again I am stressing that these are the numbers in the final EIR for this project.

Another way to look at this is to look at trucks per minute. Under Phase 1, there would be 69 trucks an hour (1663 trucks per day) or over a truck a minute if based on a 24 hour day. In Phase 2, there would be 91 trucks an hour or 1.5 truck trips a minute using a 24 hour day. These figures of trucks per minute were based on a 24 hour day and if they operate mainly during the day then the figures of trucks per minute will be even more intense during the day and it appears from the EIR that that will be the case. Under the current general plan and zoning, there would only be 0.5 trucks per minute. The video shown by the proponent of the traffic from this project at peak times appears very misleading. I counted the red trucks during a loop of that presentation and it was nowhere near the numbers shown in the EIR if you look at it from trucks per minute.

Highway 60 through Moreno Valley is already congested at times. Even now, trucks often ride in the fast lane to avoid cars getting on and off ramps between Perris and Moreno Beach and slower cars are in the slow lanes making traffic blockades going down this stretch of freeway

during commute times. Cars back up into traffic lanes from the off-ramps during peak commute home times. Theodore and Redlands off-ramps are small off-ramps with stop signs at the bottom and no separate turn lanes onto and off of the freeway. And the overpasses themselves are small with small narrow sidewalks. Theodore is very narrow and potholed now. Many of the improvements noted in the EIR are not going to help this on-ramp and off-ramp situation or these overpasses in the near future as many will have to wait until CalTrans improves them. All of the trucks and cars noted above may be exiting at those two ramps.

I am concerned that trucks and cars trying to get in and out of this project may try to find other ways around these off-ramps by using other ramps and traveling through the city. Many commuters do it now. Redlands and Theodore need to be improved with bigger off-ramps, traffic lights and turn lanes both north and southbound to ease the congestion that will be coming if you approve this project and we cannot count on Caltrans to do it anytime soon. Although the final EIR mentions contributing fair share with other cumulative projects to temporarily fix the intersection at Redlands - what if there is no one else to contribute - will it not get done? The temporary improvements may have to last for years - would they be adequate to serve the intersection for many years to come since Caltrans has not even scheduled any improvements to this ramp? And the temporary improvements to this intersection from this project are not planned until Phase 3 apparently due to the lack of a connection to Eucalyptus until phase 3 but will all of the cars and trucks know that? I would like to see that Redlands is improved before Eucalyptus is completed. And the improvements to Redlands will still not fix the overpasses and ramps. These overpasses are narrow now - how does one walk across or ride a bike across with all of this traffic? And the ramps are only one lane wide.

Caltrans does not even have improvements to these off-ramps (Redlands and Theodore) and overpasses on their schedule yet according to the final EIR. Caltrans is not going to even begin improvement work on Nason and Moreno Beach overpasses and ramps until 2011 and with the state budget crisis I would not be surprised if even that is delayed even further into the future. Also remember that Hwy 60 is already down to two lanes at Redlands Blvd. as the car pool lane ends just after Moreno Beach so one less lane for all of this additional traffic there. If approved, this project should fund extension of those car pool lanes to Theodore. Interstate 215 is much larger and wider and designed for this type of traffic and can better accommodate this increased traffic than Hwy 60. I support warehouses there where they are closer to a larger freeway and potential cargo hubs at March - it makes more sense there and not carting all of this cargo across town on a too small freeway like Highway 60.

The EIR explains away some comments on traffic on the freeway by stating that Caltrans and Riverside County monitor traffic situations. Well we all know how far behind Caltrans is with

fixing any problems and with the state budget crisis it will only get worse. And then we will have to live with the problem for years once a problem is identified and planned for and then years more during construction. Maybe the proponents should fund improvements to the ramps and overpasses now. I worry that if anything else ever does develop on the east end this end of the freeway and the Redlands and Theodore ramps will be impossible.

I am very concerned about traffic impacts on Redlands Blvd. itself. This is the first off-ramp trucks and cars traveling to this complex will encounter if coming from the west, which most will be according to the traffic information in the EIR. It is expected that most will therefore exit on Redlands which is a narrow potholed street now. The proponent had said they may place truck bars to prevent trucks from entering Eucalyptus off of Redlands Blvd. into the complex. Use of that bar is not in the proposal evaluated by the city as it was not in the developers proposal to the city so I am unsure if that will be required. I am concerned even if these bars are installed that trucks may still exit at Redlands and then find they cannot enter that way and then wander down Redlands Blvd. to try to get around to other side of the complex which would mean traveling east on Alessandro which is a small neighborhood street in this location. There is nothing to stop trucks from exiting at Redlands Blvd.! And in Phase 3, they noted this project will bring an estimated 13,139 cars as well who can and will exit at Redlands. I am not sure what it would take to encourage traffic to mostly use Theodore where there is less use now.

I am also concerned that trucks and commuters will use Redlands Blvd. to the north and San Timoteo Canyon which was not analyzed in the EIR. The EIR assumed no traffic impacts to these roads from the project. Commuters already use this route from the San Bernardino county areas to get to Moreno Valley as well as trucks trying to get around traffic or find a quick way to San Bernardino County. This is an already overloaded small road that in reality will be impacted as well as commuters from Ontario may use it (employees who transfer from their current facility) to get to Moreno Valley and trucks will use it to bypass traffic or shortcut routes as some do already. This project will affect this route and it was not analyzed in the EIR.

Approval of this project will also open the door to more of these types of proposals on the east end as people I future developments south of the 60 on the east end will not want houses near warehouses so developers will look to building other than houses to make money on their properties. If right now it is only economical to build warehouses then that is what may end up out here as it is much easier to build like next to like as it avoids a lot of neighbor conflicts and then what will our freeway look like? And what will happen to the higher density housing some of this project will displace?

Another area where incorrect numbers were being thrown during the planning commission meetings is with the number of jobs resulting from this project. We heard a lot about all of the

jobs this project will create for Moreno Valley at the Planning Commission meeting but I fear it will not be as many as people have been lead to believe. Many have rallied others to speak about wanting and needing jobs based on figures that were much higher than what is presented in the final EIR. The final EIR states that this project will create only 1,986 jobs at build-out but the final EIR states that there are currently 1,000 employees at the Skecher's Ontario facility and I would bet most of them will commute here rather than quit their jobs in this current economy. That only leaves potentially 986 new jobs into the future from this project and that was at full build out, which means phase 2 and 3 being built and occupied as well. So it is very unclear how many jobs Skechers will bring, but from the EIR it will be well under the figures we have seen in flyers and presentations. I found it interesting that no representative of Skechers was at any of the Planning Commission meetings to clarify this very large issue for members of our community. And if Skechers really wants this project and it were really creating a lot of jobs, then why would they not send someone to represent them to these meetings and get to the bottom of this very big issue.

The EIR noted that under the current general plan it was estimated that there could be 4,250 jobs created in this same location. It appears this project will not bring as many jobs as estimated under the current plan and zooming and it appears not as many high paying jobs as was planned for this area.

#### Other issues:

Solar – if this is a truly green project and it gets approved, I would like to see enough solar to run the entire warehouse (and for all of the warehouses proposed) and not just the office space for Skechers as stated in their proposal. Let's look forward into the future and take advantage of the very large roof areas on warehouses. Moreno Valley of course has a vested interest in this facility buying electricity from their utility company but utility companies are being pressured to become more green in the future and if Skechers really wants this project have them make it fully green and give back more electricity to the grid – maybe that will help mitigate the pollution from the trucks if you approve this project. The final EIR noted that greenhouse gases were a significant issue and were not mitigated to less than significance. Many utilities are looking to bring in green electricity from far away and that has its own issues with new lines needing to be constructed and additional impacts and here we have a great opportunity to add green electricity to our area and make Moreno Valley utility more green! Also the additional phases of this project should also be required to be green buildings with enough solar to run their operations (there was no mention of solar for the other phases in the final EIR).

24 hour construction – The proponent is asking for a 24 hour construction waiver will create light in the nighttime on nearby hillsides and although construction manager is supposed to

make sure that is kept to a minimum who will be out there checking and enforcing at night? Plus the noises at night carry far greater distances so residents quite a distance away will hear this noise at night. The city has times for construction for a reason and we do not need to subject everyone to this additional noise and lighting. Wildlife in the nearby Badlands and preserves will also hear the noise and be affected by the lighting as well.

Lighting for the final project – If approved, I hope the permanent lighting will be kept to a minimum. The city of Beaumont did not require minimum lighting at one of their warehouse facilities on the west end of their city and you can see the orange glow from that facility in Moreno Valley (across the Badlands from that warehouse sight). Let's not contribute to that light pollution! Please keep lighting to the bare minimum. The new Stater Brothers at Moreno Beach Marketplace is a good example of low lighting and this facility should be kept to those standards.

Landscaping – If this project is approved, please require them to plant large trees (boxed tress) and not small ones that will take years to grow – this will help mitigate noise and pollution more quickly if this project is approved. The proponent also mentioned planning gaps in the vegetation along the freeway so we can have views of the building. I think these gaps should be planted with trees as well to mitigate the noise and pollution as much as possible as vegetation can help mitigate these impacts to some extent, rather than worry about a view of the building. The EIR identified noise and air quality as significant impacts and vegetation, if carefully selected will help mitigate some of that. They need to be required to plant drought tolerant vegetation but careful selection must be done as some drought tolerant vegetation is not very lush. Selection of the plants must be done in a manner to select those plants that are truly drought tolerant in our area but also develop into dense vegetation where needed as screening and for noise reduction. Some plants sold as drought tolerant may not be drought tolerant in our climate so careful selection is needed and some may not be tolerant of the winter cold so follow-up re-planting may need to be required as well. I am concerned that visual representations of the project were misleading. The vegetation shown was more like 20-30 year old landscaping (very tall and very dense) and not landscaping at 5 years as was presented at the planning meetings. And the amount for water for the plants shown may be more than this project would have under the agreement with EMWD.

Pollution – Air Quality was identified as a significant cumulative effect in the final EIR. They do mention diesel emissions being reduced with newer trucks but newer trucks can be years in coming as no one is going to go out and sell their working truck now until it finally breaks down for good which could be many years down the road and meantime we will see much increased pollution from all of these trucks. And the number of trucks as stated above is well over what

we would see under the current general plan and zoning. I have breathing difficulties and this is a big concern to me.

Water – this project was delayed at least partly because EMWD would not approve any new projects due to water concerns about a year ago but then they turn around and say it is OK for new development but then are raising our rates and saying there is not enough water! This project, if approved should be required to use recycled water for all landscaping. The pool/fountain area in front of the building is also a waste of water. Waterscapes lead to evaporation and thus more water use. It is not clear what the water source is for the water in the fountain/pool, but I have heard it might be from a well where they will be pumping water from groundwater as I could not find this information in the EIR. Any groundwater pumping could have impacts to Mystic Lake and the wildlife areas which are downstream of this project. And is the use drought tolerant landscaping I am not sure the visuals of the landscaping presented at the planning meeting will appear quite as dense and lush.

I moved to the east end of Moreno Valley for the more rural, quiet, and less busy and bustling life. I used to live in a much busier section of Moreno Valley and I looked for an area that would be mostly residential and the east end was what I was looking for. I looked at the zoning there before deciding to move there. And during the general plan revision, I kept hearing how they wanted to create an upscale area on this end and I was looking forward to it. Large warehouses and truck traffic do not fit this vision and I fear we will head our city into a totally different direction than what was envisioned. I hope that because of the budget crisis we are not losing the vision for the east end of Moreno Valley and I would hate for the city to take such a short sighted view because once this is built there is no turning back. This is not a good project for this area and does not make sense in this location and may not bring all that some are being promised.

Thank you for your reviewing my comments.

Melody Lardner  
28201 War Admiral St.  
Moreno Valley, CA 92555

CITY COUNCIL  
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February 1, 2009

City Council  
14177 Frederick Street  
Moreno Valley, CA 92552

Dear Mayor and Council Members:

In the past week, I have received two mailings from Mr. Iddo Benzeevi and Highland Fairview thanking me for my recent support of the Highland Fairview Industrial Park (please see attached.) When contacted by phone recently by one of his colleagues, I made it clear to him that I did NOT support this venture.

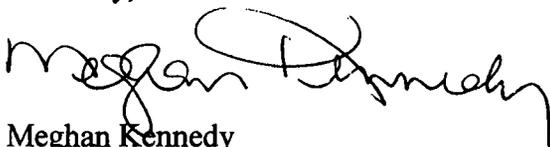
I am writing to you not just to ask you to vote NO when this comes to a vote at City Council, but also because if you have received any information from Highland Fairview regarding supporters to please remove my name from the list.

I understand that this venture is supposed to bring jobs and revenue. We have numerous other warehouses, distribution centers, grocery stores and restaurants that have gone up. These were all supposed to bring jobs and revenue to the City, but instead older established businesses are closing. Each closure results in a loss of jobs and revenue. This town has clearly reached a saturation point and can't support what is currently here.

Also, the east end of town is home to what little remaining farmland we have. If this industrial park is approved, others will soon follow and that farmland shall vanish.

In the end, does all this "growth" really aid the community? Please vote NO for the Highland Fairview Industrial Park.

Sincerely,



Meghan Kennedy  
13582 Red Mahogany Drive  
Moreno Valley, CA 92553



**Highland Fairview**

14225 Corporate Way  
Moreno Valley, CA 92553

January 21, 2009

Meghan Kennedy  
13582 Red Mahogany Drive  
Moreno Valley, CA 92553-4309

Dear Ms. Kennedy,

Thank you for expressing your support for the Highland Fairview Industrial Park when you spoke to my colleague on the phone a few days ago. I am honored that you support our effort to create jobs in Moreno Valley.

Unfortunately, the Planning Commission voted to deny our project, showing how detached they are from the desire of the majority of our community. They clearly do not share the same wisdom and foresight that you and thousands of other residents have shown by supporting job creation.

These are extraordinarily challenging times – and such times call for extraordinary effort and creativity to secure a better future for our community and children.

Our plan for this world-class logistics center, which will be anchored by Skechers' North American Operations Center, does just that by creating more than 2,500 permanent jobs and over 1,000 construction jobs in Moreno Valley.

Your support and active participation are instrumental in helping us create jobs in Moreno Valley. This is critical to our city, especially when this project will also provide a new and much needed source of revenue for our city to fund vital services such as fire, police and schools.

The logistics center will also create more than \$157 million in local economic benefit for our community. We cannot pass up the opportunity to bring a major global company like Skechers to Moreno Valley, that has the potential to lead to other large employers and global companies to come to our community and set-up shop.

On February 3, our proposal will go before the City Council for final consideration. We need your active voice to remind the City Council that the overwhelming majority of local residents want this project built, and want the jobs and economic benefits that will arise as a result of this project.

Please take part in this important hearing by lending your voice to our effort. As we approach the hearing date, I will keep you updated about how you can participate.

Thank you again for your support. It means more than you can know. I have enclosed a postage paid card that you can use to share any additional input you may have regarding our plan. If you ever have questions, I can be reached at [REDACTED] or [Benzeevi@highlandfairview.com](mailto:Benzeevi@highlandfairview.com).

Sincerely,

Iddo Benzeevi  
President, Highland Fairview



**Highland Fairview**

14225 Corporate Way  
Moreno Valley, CA 92553

January 28, 2009

Meghan Kennedy  
13582 Red Mahogany Dr.  
Moreno Valley, CA 92553-4309

Dear Ms. Kennedy:

Next Tuesday at 6 PM the City Council will be holding the hearing for our proposed Highland Fairview Industrial Park, which includes the much talked about Skechers' North American Operation Headquarters.

You would think that in today's tough economic reality, every city would do anything in its power to approve a proposal that would generate more than \$157 million in annual economic stimulus for our community, create 2,500 permanent jobs and over 1,000 construction jobs.

But as we witnessed at the Planning Commission hearings, the pressure that a small group of NIMBYs ("Not in My Back Yard" people) are putting on the city to reject this project is having an impact.

These NIMBYs don't speak for the community. I know this because to date, I have heard from more than 6,000 community residents just like you who have sent me emails, letters and told me they support our effort. Thank you as well for standing with me. It means more to me than you can know.

At next week's hearing, please don't let the NIMBYs speak for you. Attend the hearing, and speak for yourself. Let the City Council know you want jobs and economic stimulus for Moreno Valley.

The challenges that Moreno Valley faces – double-digit unemployment, a sluggish housing market, and a looming city budget crisis – will not go away unless we work aggressively to reverse our economic decline. Bringing Skechers to Moreno Valley will go a long way in helping us do just that. Details for the City Council hearing are as follows:

**Tuesday, February 3<sup>rd</sup> at 6:00 PM**  
**Moreno Valley City Council Chambers**  
**14177 Frederick Street**

We will be hosting a gathering at our office before the hearing, so that we can all meet, share some food and conversation, and walk over to the hearing together. Details for the gathering at our office are as follows:

**Tuesday, February 3<sup>rd</sup> at 5:00 PM**  
**Highland Fairview Offices**  
**14225 Corporate Way**

To help us anticipate the number of people attending, please RSVP by calling 951.867.5365 or emailing me at [Benzeevi@highlandfairview.com](mailto:Benzeevi@highlandfairview.com). If you can't make it to the gathering at our office, that's okay. Just go directly to the hearing.

Thank you again for your support. It has served as a constant reminder to us that we are doing the right thing. We could not have made the progress we've made without you.

I really hope you'll be able to make the hearing next week, so that together we can tell the City Council to do the right thing and approve our project so we can start creating jobs for Moreno Valley.

Sincerely,



Iddo Benzeevi

President, Highland Fairview

mlc

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Moreno Valley City Council.

You allowed an over-abundance of low-income units built in Moreno Valley, which has a negative impact on our City. Yet, you insist on denying Sketchers' Shoes an opportunity to bring their project into Moreno Valley.

Think about your decision, as your vote could determine the course Moreno Valley will take in the future. I believe the positive will outweigh the negative if Sketchers' is allowed to pursue their venture where they believe is feasible.

Thank you  
Rose Lyons  
10399 Shorecrest Terrace  
Moreno Valley, Ca 92557

City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA. 92553  
(951) 413-3000

29, January 2009

**RE: Highland Fairview Corporate Park Project**

I am writing in opposition to the granting of the changes needed and the overall approval of the Highland Fairview Corporate Park Project (**PA07-0088 (CZ)**, **PA07-0089 (GPA)**, **PA07-0090 (TPM)**, and **PA07-0091 (PP)**), for the following reasons.

The developer Iddo Benzeevi and Highland Fairview lack the appropriate track record to undertake such an enormous project. Iddo Benzeevi the representative of Highland Fairview, has repeatedly given false testimony before the City Council of Moreno Valley, the Planning Commission of Moreno Valley and the general public as well as to his and Highland Fairview's qualifications, and/or past experience in undertaking such developments.

Mr. Benzeevi has stated on the record that he has over 30 years of development experience, and has built many projects within California and throughout the nation, however this claim is false.

Neither Mr. Benzeevi nor Highland Fairview has ever been properly licensed within this state to act in the fashion for which he so states. Of the 360 months Mr. Benzeevi has claimed to have been in the profession of developing and building "high quality construction and design", he or his alter egos have only been properly licensed under California law for seventeen (17), of those months (March 24<sup>th</sup>, 2007 through August 30<sup>th</sup> of 2008).

Currently Highland Fairview has an RME (Responsible Managing Employee) which came onboard on January 15<sup>th</sup>, 2009. However this RME's licenses are set to expire on March 31<sup>st</sup>, of 2009. This brings into suspicion the true nature of this relationship between the RME and Highland Fairview.

Is this a true employee of Highland Fairview or just an individual which is loaning out his license to that of Highland Fairview? If it be the later, this would constitute a misdemeanor under the laws of California.

Under California law Mr. Benzeevi and/or Highland Fairview is required to poses at all times throughout the development process, a valid state contractor's license, be it personally or through an RME or RMO (Responsible Managing Officer). However this has never been the case with Mr. Benzeevi or any of his alter egos when dealing with or within the city of Moreno Valley, yet the city continues to issue permits for various operations pertaining to Highland Fairview and its project(s).

Highland Fairview has lacked the ability to subcontract work regarding its projects for which it has in the past or is currently engaged in. California law requires a contractor's license for such undertakings which have taken place, and also requires Counties and Cities to verify the proper existence of such licenses prior to the issuance of any such permits.

Per the documentation within the DEIR by Michael Brandman Associates, many operations which required permits from the City of Moreno Valley were not issued at a time Highland Fairview was nor had it ever been in compliance with state contracting laws. All this took place with no doubt that this work was being performed as part of overall development process of the Highland Fairview Corporate Park Project (Skechers Distribution, Logistics Center), as stated in the documentation within the DEIR and the FEIR as well.

Given the facts above, both Highland Fairview and Iddo Benzevi have purported to, and have stated to have the capacity to undertake such developments not only now but in the past, all in violation of California law.

California Business and Professions Code 7026 states; *"any person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or herself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, parking facility, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith, or the cleaning of grounds or structures in connection therewith, or the preparation and removal of roadway construction zones, lane closures, flagging, or traffic diversions, or the installation, repair, maintenance, or calibration of monitoring equipment for underground storage tanks, and whether or not the performance of work herein described involves the addition to, or fabrication into, any structure, project, development or improvement herein described of any material or article of merchandise. "Contractor" includes subcontractor and specialty contractor. "Roadway" includes, but is not limited to, public or city streets, highways, or any public conveyance."*

The term "undertake to" has been defined as "putting oneself under the obligation to perform, to guarantee or to accept as a charge (57 Ops.Cal.Atty.Gen. 421 (1974)).

Although Highland Fairview would not be under any obligation to the public to perform as it states in regards to this project (The Highland Fairview Corporate Park), it is however under a contractual obligation with Skechers U.S.A., Inc., to perform and provide that of a 1.8 million square foot warehouse and distribution facility.

Highland Fairview again is under no obligation to accept a charge from the public (that the public is aware of) for the Highland Fairview Corporate Park Project. Again it is however under a contractual agreement with Skechers U.S.A., Inc. for an eleven year lease for the results of said construction as mentioned above, for which Highland Fairview is to receive nearly \$100,000,000.00 in compensations.

This mentioned lease is not based on any contingent that it is void in the event the project was not approved in accordance with City, County and State laws, and was worded as if the project was already pre-approved and only in need of construction.

Highland Fairview by and through Iddo Benzeevi have made statements for which he and Highland Fairview have offered as an enticement of approval for this project a form of guarantee, the guarantee of 2500 jobs for Moreno Valley and a large influx of tax based benefits to the City of Moreno Valley.

This guarantee can be evidenced not only by his (Iddo Benzeevi's) words but by and through his and Highland Fairview's actions as well. These actions include but are not limited to offering of "Jobs Now" t-shirts, food and drink to those who come and support the Skechers project which will bring much needed jobs to Moreno Valley, the payment of citizens in the amount of \$20.00 per person to stand at the podium before the planning commission and recite the words Skechers will bring 2,500 new jobs to Moreno Valley, and an ongoing petition drive throughout Moreno Valley to gather signatures to bring the 2,500 new jobs for which Skechers will bring to this City.

As to the track record of Iddo Benzeevi and his alter egos, the City of Moreno Valley has on prior occasions made concessions in its General Plans, Zoning etc. on behalf of Mr. Benzeevi, only to see no such developments produced. The City of Moreno Valley dealt with this same almost exact issue in 1986 in regards to another grandiose Distribution Hub, complete with a 10,000 foot runway big enough to handle a 747. The results, changes made by the city, yet no development took place, just a large waste of the taxpayers money and time dealing with a go nowhere project by the Benzeevi Holdings.

Not to be out done San Bernardino County took a try with Iddo Benzeevi as well in the yearly 1990's with their need to redevelop the Norton Air Force Base, only to find themselves disappointed in their decision, as can be evidenced by these quotes as taken from the Los Angeles Business journal August 19<sup>th</sup>, 1991; ([http://www.thefreelibrary.com/\\_/print/PrintArticle.aspx?id=11227602](http://www.thefreelibrary.com/_/print/PrintArticle.aspx?id=11227602))

**"The board has decided to come up with new guidelines . . . because of our disappointing experience," Mitchell said. "Mr. Benzeevi hasn't been able to come up with anybody to join him in developing the project."**

**"It is a wasted year, in retrospect,"** said Jon Mikels, a San Bernardino County supervisor who was on the IVDA board when Benzeevi was given the exclusive deal to negotiate the base's development. Mikels said he wanted to split the rights among two or three of the top developers who bid for the project, but was overruled by other IVDA board members."

**"The development board has "lost a lot of good faith. They lost a lot of good P.R. and they got a lot of egg on their face,"** said David Ariss, managing director of the California Commerce Center, a 10 million square foot industrial center adjacent to Ontario Airport, which is 85 percent owned by Lusk Co., a San Diego-based developer. Lusk, along with Upland-based Lewis Homes, has written to IVDA indicating a joint-venture interest in developing the Norton site, according to the IVDA's Mitchell."

The City of Moreno Valley again made concessions in its zoning etc. for Iddo Benzeevi in regards to the Aqua Bella development when it approved that project against a great deal of public debate as well as legal court challenges, only to see that four years later this development has yet to materialize, and most of this action again took place with the developer/builder acting without the proper licensing required under law.

These are not the only actions Highland Fairview and/or Mr. Benzeevi have taken in their quest for total dominance of the City of Moreno Valley, they/or he (Mr. Benzeevi) have put themselves out as brokering land deals, yet again in depth research into Mr. Benzeevi and his many alter egos show that at no time has he ever in his adult life held or possessed any required licensing for such endeavors within this or any other state.

Mr. Benzeevi has undertaken the defamatory actions against several elected officials of our city, and its citizens as well. He has employed the use of a political hate group to come before the council and the city's planning commission to defame the character of those who oppose his projects. He is currently engaging in the tactic of divide and conquer of our city, Mr. Benzeevi personally interview prospective candidates to run against those who either apposed this project on behalf of their constituents, or opposed his vision of the nick name Ranch Belago, all in an attempt to seed the council in his favor.

Highland Fairview has acted outside the law in dealing with Hazardous Waste and Materials which were found to be present on the proposed sites for the total build out of the projects they have submitted to the city for approval. This can be evidenced by the DEIR, its supporting documents and the recommendations made by those licensed companies which were contracted by Highland Fairview for site assessment.

These claims will hold even in regards to the later received by Mike Rios from Highland Fairview by and through the City of Moreno Valley dated January 6<sup>th</sup>, 2009 (Which was an incomplete un-signed letter of three pages including one map). NOTE: A response to said letter is being drafted and will include all documentations in support of its arguments against the claims of Highland Fairview.

As a conclusion I feel it is important that this also be made a part of the record. It is with some great suspicion that every time a letter is submitted be it by way of personal delivery to the city and its staff, or by means of e-mail, that within fifteen minutes or less those same letters and or documents are on the desk of Iddo Benzeevi and Highland Fairview.

That two days after the final and negative decision as to the purposed Highland Fairview Project was made by the Planning Commission of Moreno Valley, that Mr. Dada of the Moreno Valley Chamber of Commerce was able to give a date certain as to the public hearing before the City Council, in his address and call for support of the project before the chambers dinner event on January 17<sup>th</sup>, 2009.

Also of interest was the absence of supporters at the regular city council meeting which was held on Tuesday January 27<sup>th</sup>, 2009 ( A group which has yet to miss any opportunity to speak up to this date).

The only substantive difference was the unknown announcement made by now Mayor Richard A. Stewart that no public comments would be heard on the issue of the Highland Fairview Project.

These occurrences and situations bring into question the actions of not only our city government, but that of our council as well, and cast a big shadow of distrust upon entities, those elected and those employed by the people of Moreno valley.

It is the duty of our elected officials to protect the rights of its citizens, and to uphold the rule of law and the state and federal constitutions. That being said there are no inherent rights to a corporate entity in the constitutions of our nation or state. However the actions of this government of the City of Moreno Valley seems more interested in the protectionism of a business entity than that of the citizens is was elected to serve.

In going forward let us not forget our nation is not a true democracy nor has it ever been. We are by definition a republic as so stated in our pledge to the flag and in our constitution as well.

The distinguishing feature of a Democracy is: Rule by Omnipotent Majority. In a Democracy, The Individual, and any group of Individuals composing any Minority, have no protection against the unlimited power of The Majority. It is a case of Majority over Man.

Traditional American philosophy teaches that The Majority must be strictly limited in power, and in the operation of government, for the protection of The Individual's God-given, unalienable rights proclaimed in the Declaration of Independence and, therefore, of the rights of The Minority of all minorities.

Therein lies the reason why the American leaders who framed and ratified the United States Constitution in 1787-1788 chose, for America's form of government, that of a Republic and not a Democracy.

America is a republic not a democracy In form of government so as to limit effectively the majority to protect the individual or the minority.

A Republic is a constitutionally limited government of the representative type, created by a written Constitution adopted by the people and changeable (from its original meaning) by them only by its amendment with its powers divided between three separate Branches: Executive, Legislative and Judicial. In a Republic, the whole system is designed primarily to protect The Individual's unalienable rights therefore The Minority, all minorities against any violation by government or by others. As the Declaration of Independence expresses this American goal of safeguarding these rights, the people form their governments "to secure these rights" to make and keep them secure.

Its purpose is to control The Majority strictly, as well as all others among the people, primarily to protect The Individual's God-given, unalienable rights and therefore for the protection of the rights of The Minority, of all minorities, and the liberties of people in general.

It has been held that in order for this form of government to survive and function as was intended, that the public would need to be informed and knowledgeable of the issues at hand. If we apply all these principals to this issue before the city, one would see that the minority has taken its time to gain knowledge and information into this issue far beyond that which has been presented before the planning commission, the city council and the public in general. It is that knowledge which should side in their favor over that of the supposed majority which merely comes to the table with the constant phrase of 2,500 jobs, which has more than been proven be factual evidence not to be the case.

If the majority comes before the government with information which is suspect or incorrect, it is the constitutional duty of the government to side on that which is more accurate and upholds the rights of the minority.

This could be best stated by a quote from Thomas Jefferson's first inaugural address on March 14<sup>th</sup> of 1801;

"I ask your indulgence for my own errors, which will never be intentional, and your support against the errors of others, who may condemn what they would not if seen in all its parts."

The key here in this quote is the words, **"MAY CONDEM WHAT THEY WOULD NOT....IF SEEN IN ALL ITS PARTS."**

He even went further in this address to the people;

"We are all republicans, we are all federalists. If there be any among us who would wish to dissolve the Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it."

Again let me point out the important key parts of this quote, **"ERROR OF OPINION MAY BE TOLERATED WHERE REASON IS LEFT TO COMBATE IT."**

Yet again from Thomas Jefferson's address to the people;

"All, too, will bear in mind this sacred principle, that though the will of the majority is in all cases to prevail, that will to be rightful must be reasonable; that the minority possesses their equal rights, which equal law must protect, and to violate would be oppression."

The words here should be obvious but here they are anyway, **"that will to be rightful must be reasonable;** that the minority possesses their equal rights, which equal law must protect, and to violate would be oppression."

If not for these beliefs and followings of our past we would not be the nation we are today, women and minorities would not be able to vote undocumented immigrants and their children would not have access to healthcare and education in California (based on a overwhelming passage of a bill denying them those rights by the majority of California voters, however over ruled as being unconstitutional), and educational and employment opportunities would not be open to all.

With all that said the minority (by appearance only) has come before both bodies of our local government, both the planning commission and the city council, and here we are again before the council one more time. On every occasion they have presented evidence which should lead to the same conclusion as that of the planning commission on January 15<sup>th</sup> of 2009.

This evidence has been very diverse, well researched, and substantiated on all accounts, however the so called majority has come before the same with only one argument, and that is the number of 2,500 jobs by one employer, that being Skechers U.S.A., Inc. who has yet to make any such claim. However the minority has proven through factual evidence that the purported tenant Skechers only employees currently 2157 employees nationwide in its entire corporation (based on information provided for their investors). If the number of 2157 is what they Skechers U.S.A., Inc. puts out on their corporate filings and to their investors, one would think it to be an accurate one as well, otherwise it would bring up past memories of Enron, and do we need an Enron in Moreno Valley?

When all is added up as stated above there could only be one choice for the City Council of Moreno Valley, and that would be to side with the Planning Commission and deny the applicant at this time.

I request that this letter be entered into the record of the public hearing before the Moreno valley City Council held on the 3<sup>rd</sup> Day of February in the Year of 2009.

Gordon S.F. Tucker Jr.  
25279 El Greco Dr.  
Moreno valley, CA. 92553  
[REDACTED]  
[mvgordie@roadrunner.com](mailto:mvgordie@roadrunner.com)

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 29 PM 4: 14

1-27-09

Mayor Richard Stewart  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92552

Dear Mayor Stewart,

As a business owner/leader in the city of Moreno Valley, I am urging you to support the Highland Fairview project and zone change.

We are in a time when the economy is down and jobs are hard to obtain. Now more than ever we need to support new business opportunities and move forward with new ideas and objectives.

Highland Fairview's proposed "LEED Certified" Business Park, with Skechers as a guaranteed 10 year tenant, will help Moreno Valley provide jobs that we desperately need. I ask that you please support this important project and approve the zone change request before you.

Sincerely,



CC: Mayor Pro-Tem Bonnie Flickinger  
Council Member Robin Hastings  
Council Member William Batey  
Council Member Jesse Molina

MV00229434

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 29 PM 4: 12

Mayor Richard Stewart  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92552

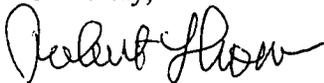
Dear Mayor Stewart,

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Highland Fairview's proposed "LEED Certified" Business Park, with Skechers as a guaranteed 10 year tenant, will help Moreno Valley provide jobs that we desperately need. I ask that you please support this important project and approve the zone change request before you.

Sincerely,



Robert Thomas  
Regional Manager  
Security Public Storage

CC: Mayor Pro-Tem Bonnie Flickinger  
Council Member Robin Hastings  
Council Member William Batey  
Council Member Jesse Molina

MV00229435

CITY COUNCIL  
MORENO VALLEY  
RECEIVED  
09 JAN 29 PM 4: 13

Mayor Richard Stewart  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, CA 92552

Dear Mayor Stewart,

As a business owner/leader in the city of Moreno Valley, I am urging you to support the Highland Fairview project and zone change.

We are in a time when the economy is down and jobs are hard to obtain. Now more than ever we need to support new business opportunities and move forward with new ideas and objectives.

Highland Fairview's proposed "LEED Certified" Business Park, with Skechers as a guaranteed 10 year tenant, will help Moreno Valley provide jobs that we desperately need. I ask that you please support this important project and approve the zone change request before you.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Philpott".

CC: Mayor Pro-Tem Bonnie Flickinger  
Council Member Robin Hastings  
Council Member William Batey  
Council Member Jesse Molina

MV00229436



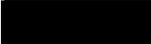
CITY COUNCIL  
MORENO VALLEY  
RECEIVED

*mlc*

09 JAN 26 PM 2: 15

January 24, 2009

Attn: *Moreno Valley City Council*  
*Moreno Valley, Ca.*

Fax  

*To whom it may concern,*  
*My name is Larry Crosier, my wife and I are part owners in the property at:*  
*28855 Redlands Blvd. This property has been in our family for over*  
*50 years. In this period of time, we have seen very little growth, and nothing*  
*positive for the city itself.*

*We support the approval of Sketchers Warehouse, knowing it will bring jobs,*  
*and positive growth to the city. We think this area has laid dormant long*  
*enough, and we hope you will finally make a decision that will benefit all*  
*concerned.*

*Thank You*  
*Mr & Mrs Larry Crosier*

mk

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 26 PM 2: 15

1/22/09

City of Moreno Valley  
Attn; City Council Members

I understand you will soon be voting on the Sketchers project. I wanted to let you know that I have recently moved here to the east end of Moreno Valley. We are homeowners at 14985 Titanium Circle. I am hoping that you will approve this project. At this time I am have to commute to Riverside for my two jobs. I am hoping to live here for a long time and raise my children here. It would be so helpful if there where jobs locally so that I would not have to spend the time and money it takes me to go elsewhere for work. I am with in 3 miles of the site and do not see that it would cause me any problems rather it would benefit me not just with jobs but with the taxes dollars etc. it will bring to the area.

Thank you,



CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 22 PM 3: 18

*mlc*

1/22/09

City of Moreno Valley  
Attn; City Council Members

It is my understanding you will soon be voting on the Sketchers project at the 60 Frwy and Theodore. As a long time resident of Moreno Valley I would like to advise you that I support the project and the jobs and taxes it will bring to the area. Please vote to allow this needed boost to city.

Thank you,

*Carlos de la Cruz*  
24834 Fair Dawn Ln.  
Moreno Valley, CA  
92557



CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 26 PM 4: 38

MC

January 22, 2009

Mayor Richard Stewart  
14177 Frederick St.  
Moreno Valley, CA 92553

Re: Sketchers proposed 1.8 million square feet facility

Dear Mayor Stewart:

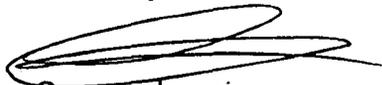
I was quite disappointed to see that the planning commission recently rejected the developers' proposal to immediately build a 1.8 million square feet distribution facility along the 60 Freeway in the city limits.

First of all I would like to state that I have no vested interest in the project or the developer. Our company has processed over the years several residential projects in the city and we have always enjoyed the level of professionalism we have been treated with.

In the current economic climate we are in, I certainly find it quite appalling that any city would try to run out of town a tremendous opportunity such as this one; creating significant jobs and revenue. And as leaders of the community it is important that you bear in mind not only the immediate jobs, but the related jobs and benefits to the community, the local food establishments that will have added customers, the local retailers, the local fuel stations, motels and so forth.

It is high time our leaders both locally, state and federal take a stand and quit cowering to the extremists who are ruining this great country of ours. Those folks who complain are just doing it to complain. The folks who don't care that hundreds, if not thousands of folks that are out of work may obtain work from projects just like this one.

Sincerely,



Gregory Lansing

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

*Mc*

09 JAN 26 PM 4: 30

January 20<sup>th</sup>, 2009

TO: The Moreno Valley City Council  
FROM: Fremont Older, Moreno Valley, CA 92555  
RE: November 2008 City Council election process and results

---

Enclosed please find a copy of my letter to the editor for The Press Enterprise.

Request is hereby made that the City Council vote to indefinitely postpone its vote on any project proposed by Iddo Benzeevi/Highland Fairview pending the results of an investigation by the Riverside County District Attorney's Office, the State Attorney General and the Fair Political Practices Commission into the November 2008 Moreno Valley City Council election process and results.

Fremont Older  
Moreno Valley, CA 92555

January 18<sup>th</sup>, 2009

**TO: The Editor, Press Enterprise**

**The Stench of Corruption In Moreno Valley Politics: Land Development , Follow the Money and Subversion of the Democratic Process. The Need for a Formal Investigation by the Riverside County District Attorney, State Attorney General and the Fair Political Practices Commission into the Moreno Valley November 2008 City Council Election Process and Results**

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An iconic American folk singer once opined in song that at least in the realm of politics, "**money doesn't talk, it swears**".

His observation perfectly describes the November 2008 election of two new members to the Moreno Valley City Council and the ouster of two long-term, honest, dedicated public servants.

The nexus between who was ousted (West and White) and who was elected (Hastings and Molina)?

**Ousted City Council members West and White**, who publicly oppose a *pending* proposed warehouse project in the east (rural) end of Moreno Valley were the targets of a \$350,000 smear campaign, \$263,000 of which was funded with the developer's money and conducted in the name of the Moreno Valley Taxpayer's Association. Jerry Stephens of Diversified Real Estate purportedly donated \$100,000 to the "Association".

**Newly-elected council members Hastings and Molina** who opposed the project before the election *now publicly support the project*. Hastings and Molina have direct ties to Iddo Benzeevi/Highland Fairview and to long-time Benzeevi/Highland Fairview campaign political consultants. "Association" funds were not only used to character assassinate West and White, but also to support both Hastings and Molina.

The project would require an amendment to the General Plan and the abandonment of the City's long-term commitment to preserve the rural character of the East end, would invite massive amounts of particulate diesel pollution caused by thousands of diesel truck trips per month over an inadequate, already congested freeway/surface street infrastructure, and would generate a handful of jobs, at best. **On its face, it would appear to be an abject dereliction of duty for any City Council member to vote to approve the project.** [The Moreno Valley Planning Commission voted 4 -2 on January 17<sup>th</sup>, 2009 *not* to approve the project for countless obvious reasons, including those listed herein.]

As part of its \$350,000 effort to oust West and White and to install Molina and Hastings in their place, the "Association" circulated glossy, expensive, albeit sleazy mailers throughout the City, smearing West and White. The mailers were replete with materially false and misleading information about West and White. The "Association" also circulated signs and ads in support of Molina and Hastings and provided phone banks for Molina.

**The smear campaign was funded by Iddo Benzeevi**, President of Highland Fairview Properties, a Miami, Florida based real estate developer seeking approval of the warehouse project, who funneled \$263,000 into the "Association". The campaign was orchestrated by **Michael Geller**, Treasurer of the "Association" using Iddo Benzeevi's/Highland Fairview's money.

**Michael Geller is also a member of the Moreno Valley Planning Commission; and is also the law partner of Councilman Richard Stewart; who was instrumental in his law partner's appointment to the Moreno Valley Planning Commission.**

On January 17<sup>th</sup>, 2009, the Moreno Valley Planning Commission voted 4 to 2 *not* to approve Benzeevi's project, *over Geller's vocal, histrionic and bellicose support of the project.*

Prior to the November 2008 election process and Benzeevi's/Highland Fairview's massive infusion of funds to the Association to fund the attack on West and White, the "Association" was an essentially defunct IRC 501(c)(3) charitable organization, *which by law* (1) cannot use association funds (contributions) to affect the outcome of an election, including, *inter alia*, using the association's funds to publish campaign materials that support or oppose a candidate and (2) cannot use association funds (contributions) to benefit a single individual or control group. The identity of members of the "Association" is not publicly known.

**Councilman William Batey**, who now also supports the warehouse project and is expected to vote to approve the project on January 27<sup>th</sup>, 2009, took he and his family on an all-expense paid vacation to a posh Hotel in Miami, Florida, which is located on the same street just a few miles away from Iddo Benzeevi's/Highland Fairview's Miami, Florida principal

business office. Reportedly, Iddo Benzeevi/Highland Fairview paid all travel, lodging and meal expenses for Batey and his family.

**The Need for an Investigation by Appropriate Authorities:** That Iddo Benzeevi/Highland Fairview and the "Association" dictated the results of the November 2008 Moreno Valley City Council Election for financial gain is obvious; the worst kind of unsophisticated, political thuggery, which subverts the democratic process and further adds to the state-wide view that Riverside County is one of the most corrupt Counties in the State.

*Follow the money.* Only the Subpoena power of the Riverside County District Attorney's Office and/or the State Attorney General can uncover:

- the **beneficial ownership** of Highland Fairview (tracing past fictitious names, nominees etc.)
- the **actual source** (as opposed to the name of the remitter) of donations to the Moreno Valley Taxpayer's Association. Detailed tracing of bank records is required which can only be accomplished through issuance and enforcement of Subpoenas.
- the **beneficial ownership** (ie tracing past fictitious business names and "nominees") of all tracts of land which will be directly or indirectly benefited by approval of the proposed amendment to the General Plan, thereby paving the way for unfettered, "boot-strapped" warehouse developments in the East end of the City
- the fact and substance of any contacts or relationship between Benzeevi/Highland Fairview, or their agents or representatives, and Council members Batey, Hastings, Molina, or Stewart, as well as Planning Commissioner Geller prior to the election
- Benzeevi's/Highland Fairview's relationship with any contributor to the "Association", and to the Molina or Hasting's campaign, including the political consultants who extended more than \$30,000 in credit to the Hasting's campaign and contributed services to the Molina campaign.

The source of the money and the relationship of those using the money to politically assassinate West and White, to install Hastings and Molina as Moreno Valley City Councilmen and to otherwise influence the Council to approve the Benzeevi/Highland Fairview warehouse project must be traced through legal process to determine whether campaign or other laws were violated, whether the election results should be set aside, and whether Council members Batey, Hastings, Molina, or Stewart should be recalled.

Fremont Older  
Moreno Valley, CA

cc: Riverside County District Attorney  
California State Attorney General  
California Fair Political Practices Commission  
Moreno Valley City Council

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

09 JAN 21 PM 2: 14

1/20/2009

Moreno Valley City Council

Attn: *Mayor**Richard A. Stewart*

As property owners in Moreno Valley we felt compelled to contact you about our concerns over the recent recommendation by the planning commission not to support the Sketchers warehouse and distribution center project.

We attempted to attend the meeting of January 8<sup>th</sup> 2009, but like many others was turned away due to the large crowds. Rather than attending the next meeting we chose to watch it on the live feed over the internet. We urge you to disregard their recommendation. It was clear from the speakers that evening that those citizens were in favor of the project on a 2 to 1 basis.

We were appalled that the vote went against such an important project. It was obvious to me that several members of that commission were not listening to the public. One member seemed to be hostile towards the applicant. He also would not allow the representative from Sketchers to speak, and stated it would have been simplified if the Sketchers had a representative present to answer questions. One member seems unable to finish a complete sentence, and kept asking others what he was saying. Another member was so uninformed that she was unaware that the school district many months ago abandoned their plans to build schools in the area. She cited that as one of the main reasons for her to vote against it. We heard things like a fear that there was not going to be enough water to support the project even though Eastern Municipal Water has long ago said they would be able to supply the needed water. We heard how the traffic would be a huge problem in spite of the fact that the cities traffic department has said the roads could handle the increased traffic. Some how they seem to ignored the general public, the water district, the school district and the traffic division. We are embarrassed for them. They should be ashamed of themselves for taking positions they accepted and then failing to do the due diligence required to make informed decisions.

We were relieved to hear at the end of the meeting that there are 4 spaces opening up on the committee, thank God. The city deserves and needs a Planning Committee that represents the city in an intelligent informed manner. Some of this committee seems to be short sighted and perhaps only concerned with there own agendas. It is our feeling that it would be foolish to let an opportunity like this slip through our fingers. We understand there are those who would like to keep the east side rural, but those people should take a drive down to Mead Valley/Perris they have lots of wide open space for themselves and their animals. They also have high crime and low property values not to mention the resemblance to a 3<sup>rd</sup> world country. Our property has been in the family for nearly 50 years. Now that we would like to sell this property to care for my father (one of the original family owners) we are being held hostage, first by the school district for a couple of years while they did their studies and chased off any prospective buyers we had. Those who came to this area as little as a few years ago now want to put their desires ahead of

those of us who have owned here for nearly ½ century. Our property was once zoned for Business Park now we are zoned for "Executive" housing. Realistically who are we kidding with all the vacant unsold or foreclosed housing in the city how long will it take before the city needs additional housing? We beg you to make a decision that serves the best interest of the city as a whole.

There has been a lot said about putting industry on the south side, it is my understanding that much of that would put the building and growth in the city of Riverside. What sense does that make when the city of Moreno Valley is in need of the jobs, taxes and fees that would be generated by project this size. Please use your own good judgment, in addition to the information provided by The Moreno Valley School District, Eastern Municipal Water District; the city's own Traffic Department and what appears to be a majority of the citizens to approve this project. Thank you in advance for your attention on this important matter.

We also feel it very curious that "Several" of the objecting planners said what a beautiful project, if it were only on the south side I would approve it.

Do they really think that pollution, traffic, water would not be a factor on the south side? Do they think that air pollution- as they have protested, would not blow from one area to another?

Do they believe Los Angeles, San Bernardino, and other areas have never contributed any air pollution to the Moreno Valley area via wind?

Do they really believe that if this was in the South side, all of their objections would not apply there too?

We believe the planning commission had already made up their collective minds, and used the erroneous reasons / excuses to disallow the project, and remove the possibility of this project to appease the select few certain members they seem to represent.

Please feel free to contact us.

Sincerely,



Paul and Carol Epstein property owners of  
28855 Redlands Blvd Moreno Valley, Ca.  
Home address 11750 Carly Ct Riverside, Ca. 92503



January 19, 2009

Dear Debra,

An industrial area near a residential area definitely affects the value of the residential property negatively. I currently have a property near an industrial area, and one of the first issues that is mentioned by buyers when I show it, is the fact it is near an industrial area. Instead of having just neighbors in the neighborhood, you have workmen, truck drivers, trucks, etc. that come from all parts of the city. The neighborhood is not homogeneous, which is why buyers buy in a neighborhood.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Peggy Burkhalter'.

Peggy Burkhalter, ABR, CRS, GRI  
Broker  
Keller Williams

**RE: QUESTION?**

---

**From:** Doreen Spiller <doreens@century21aa.com>  
**To:** DEBRA COGGINS-ORTIZ  
**Subject:** RE: QUESTION?  
**Date:** Jan 8, 2009 10:02 PM

---

Debra, Sorry, just getting your email now.

In my opinion the increase of commercial traffic alone will impact the value of a residential area in a negative manner. Noise, congestion and visually unappealing to a picturesque neighborhood.....Good Luck!

Doreen Spiller  
Century21AAREalty  
1596 Straight Path  
Lindenhurst NY 11757

████████████████████  
████████████████████  
Email: Doreens@century21aa.com  
Website:www.Century21aa.com/doreenspiller

-----Original Message-----

**From:** DEBRA COGGINS-ORTIZ [mailto:cogginsortiz@earthlink.net]  
**Sent:** Thursday, January 08, 2009 4:52 PM  
**To:** Peggy C Burkhalter,; Doreen Spiller; Denise Orland; Cari Josue; Peggy Burkhalter  
**Subject:** QUESTION?

Hello,

I have a developer wanting to build a Skechers warehouse walking distance from my home. I live in a rural residential area of mostly custom homes and ranches with a new equestrian center built walking distance away in the opposite direction of the warehouse. Our freeway only has two lanes each direction here, and the main road to the freeway also only has two lanes (1 lane each direction). I understand that thousands of diesel trucks will go to and from the warehouse constantly.

Based on your knowledge and experience, how will this affect the property values of those in this area? I have a meeting at City Hall to go to tonight regarding a vote on this project.

Thank you for your time, and have a very nice day!

Debra Coggins-Ortiz  
████████████████████

## Suzanne Potter

28131 Bethany Circle Moreno Valley, CA 92555

January 17, 2009

City of Moreno Valley  
Mayor Stewart and City Council Members  
City Hall Council Chambers  
14177 Frederick St.  
Moreno Valley, CA 92553

Re: Skechers Project

Dear Council Members:

Change is hard, but inevitable. We are facing times of great economic change, hard times. Hard times call for hard decisions. In order to make the right decisions, we must take our personal feelings and pride out of the equation, and look at things objectively; and at what we know is, not what we think may be.

What we know is that, with very few exceptions, even the people who said NIMBY (Not in my back yard) thought the idea of a Skechers North American Headquarters and Logistics Center in Moreno Valley was a great world-class project for this community – as long as we put it in a different part of town. That is NOT an option, not a choice we are able to make, not something Skechers is going to consider. No one in our city's economic development department has been able to attract Skechers, or anyone similar, to occupy the empty buildings WE (our Planning Commission anyway) think are the appropriate size and location. It is a private citizen of our community that has steered his company to SECURE this multinational corporation to bring their North American Operations Center, with state-of-the-art logistics technology to our community, with world-class architecture and design, planning, and investment. What we also know is that this local company has spent a great deal of time and money to achieve the most responsible environmental, economic, and aesthetic outcomes possible for their community.

What MAY be is more traffic than we would like (though it will generate less traffic than the existing general plan's 7,000 additional homes), and more pollution than is acceptable (though the EIR shows it will be responsibly, appropriately) and less than promised jobs (though it will generate at least a couple thousands local jobs, at least 1,000 immediate construction jobs, and \$45 million in improvements and contributions – including 1.2 million to our local schools). However, the bottom line is – it's not what WE planned.

So how do we decide? How do we make the best choice for our present, and our future? Proverbs are pithy sayings, general truths distilled from ageless wisdom. This particular decision brings two to mind. First, *A bird in the hand is worth two in the bush*. We know we will reap economic benefit for our community and our citizens if we say yes to this change in our general plan, but have no idea when and if anything better will come if we say no.

Second, *Pride goeth before a fall*. We can let what is essentially no more than pride (along with arrogance and an unwillingness to compromise or change) prevent us from taking this opportunity, and, as a result, see some other local community take advantage of what we turn down. It would be naïve to think that other local communities, economic development agencies, and other companies are not closely watching and waiting for the final decision on this project.

We face a window of opportunity – a window that will not be open much longer. If we let this one close without taking advantage of it, there is no guarantee, or likelihood that another will open soon – or ever. Please make the decision that is best for ALL of Moreno Valley – say “Yes” to what CAN be rather than “No” to what might be.

Sincerely,

Suzanne Potter

Suzanne Potter

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

Jan. 12, 2009

m/c

09 JAN 13 PM 3:15  
Dear Councilperson / Mayor Stewart:

My wife and I have lived off of Redlands Blvd.  
in Moreno Valley for over 20 years.

As I considered writing this letter I realized  
it would fill 2 to 3 pages. The bottom line  
is please do not change the city's general  
plan and bail out Mr. Benzene on  
his premature commitment to Speckers.

We need to support the new in Moreno Valley  
shopping centers (Walmart, Target, Best Buys, Kohls etc.)  
with housing not transient truckers, excessive  
traffic on the 60 Freeway, Air pollution and a  
questionable number of employees to support  
our city's needs.

Your consideration and NO VOTE on  
this proposal will be appreciated.

Sincerely,

Gilbert Dunlap

Marilyn Dunlap

11031 Night Shadow Dr

Moreno Valley, Ca. 92555



## MEMORANDUM

To: Mayor and City Council

From: Mark Gross, AICP, Senior Planner <sup>MG</sup>

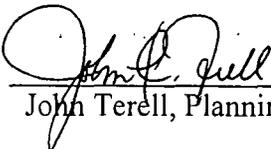
Date: December 19, 2008

Subject: Release of the Final Environmental Impact Report (EIR) for the Highland Fairview Corporate Park Project.

Enclosed is a copy of the Final Environmental Impact Report (EIR) for the Highland Fairview Corporate Park Project, a 2,620,000 square foot industrial and commercial development on approximately 158 acres (265.3 acres to include offsite improvements and drainage), including a 1,820,000 square foot industrial warehouse building for Skechers. The project is located south of Highway 60 along future Eucalyptus Avenue (Fir Avenue) between Redlands Boulevard and Theodore Street.

The Final EIR contains responses to the comments that were received during the public review period, necessary modifications to the text of the Draft EIR, and the proposed Mitigation Monitoring Program for the project. For your information, the document is also located online at [www.moreno-valley.ca.us](http://www.moreno-valley.ca.us), at the City Hall Community Development Department offices and at the Public Library. The project and subsequent EIR have also been scheduled for public hearing at the January 8, 2009 Planning Commission Meeting.

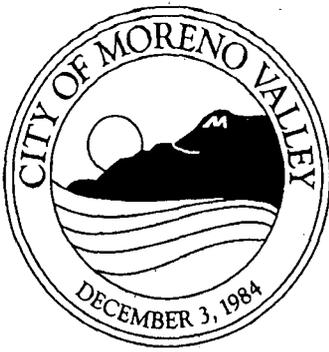
If you should have any questions on the attached document, please do not hesitate to contact Mark Gross, Senior Planner, at Extension 3215.

Approved by:   
John Terell, Planning Official

MG

Cc: Bob G. Gutierrez, City Manager  
Rick Hartmann, Deputy City Manager  
Kyle Kollar, Community Development Director  
Planning Commission (7 disk copies)  
Environmental and Historical Preservation Board (7 disk copies)

Attachment



# Notice of PUBLIC HEARING

This may affect your property. Please read.  
Notice is hereby given that a Public Hearing will be held by the  
Planning Commission of the City of Moreno Valley on the following  
item(s):

**CASE:** PA07-0088 (Change of Zone), PA07-0089 (General Plan Amendment), PA07-0090 (Tentative Parcel Map No. 35629) to include P08-057 (Phasing Map), PA07-0091 (Plot Plan) and P07-157(EIR)

**APPLICANT:** Highland Fairview Inc.

**OWNER:** Highland Fairview Inc.

**REPRESENTATIVE:** Wayne Peterson

**LOCATION:** North side of future Eucalyptus Ave. (Fir Ave.), east of Redlands Blvd., west of Theodore St. and south of Highway 60.

**PROPOSAL:** A tentative parcel map to subdivide a 158.4 gross acre portion of land (265.3 acres to include offsite improvements and drainage) into four (4) separate buildable parcels and two parcels dedicated for freeway improvement purposes (a total of 2,620,000 square feet of industrial and commercial development), with the first phase to include a plot plan for a 1,820,000 square foot distribution warehouse building on approximately 83 acres. The project site currently lies within the BP (Business Park) and CC (Community Commercial) land use districts and will require a change of zone to LI (Light Industrial) for all proposed industrial uses/parcels and a General Plan Amendment for the elimination of a required multi-use trail connection, adjustment of a multi-use trail to the north side of future Eucalyptus Avenue and the addition of medians on future Eucalyptus as well as the adjustment of parcel lines and land use for two parcels located in the CC land use district (a deduction of 138 feet in width on the eastern portion and enlargement of 93 feet in width on the western portion. An Environmental Impact Report (EIR) has been prepared.

**ENVIRONMENTAL DETERMINATION:** An Environmental Impact Report (P07-157) including a Statement of Overriding Considerations and Mitigation Monitoring Program, has been prepared for this project (SCH#2007101132). The document was circulated in draft form to the public (including interested parties/responsible agencies) for review from August 5, 2008 to September 19, 2008. The Final EIR in disk format is attached for the public's review.

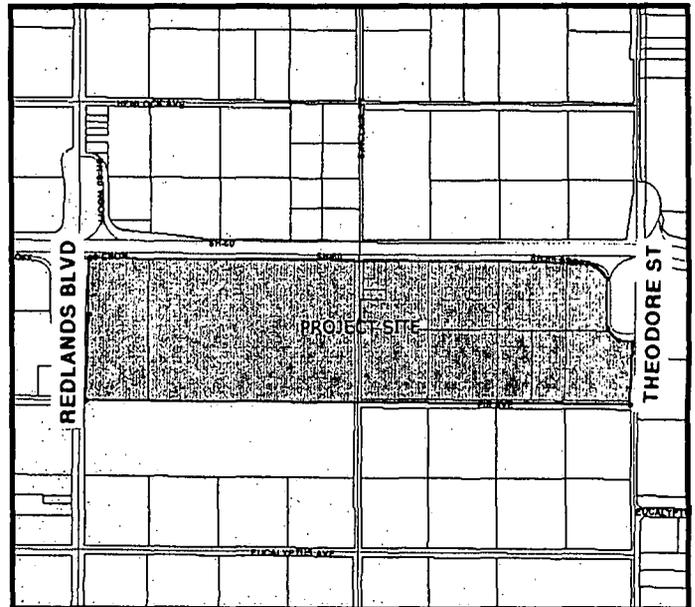
**COUNCIL DISTRICT:** 3

Any person interested in any listed proposal can contact the Community Development Department, Planning Division, at 14177 Frederick St., Moreno Valley, California, during normal business hours (7:30 a.m. to 5:30 p.m., Monday through Thursday; 8 a.m. to 5 p.m. on Friday) or may telephone (951) 413-3206 for further information. The associated documents will be available for public inspection at the above address.

In the case of Public Hearing items, any person may also appear and be heard in support of or opposition to the project or recommendation of adoption of the Environmental Determination at the time of the Hearing.

The Planning Commission, at the Hearing or during deliberations, could approve changes or alternatives to the proposal.

If you challenge any of these items in court, you may be limited to raising only those items you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing.



**LOCATION** N ↑

## PLANNING COMMISSION HEARING

City Council Chamber, City Hall  
14177 Frederick Street  
Moreno Valley, Calif. 92553

**DATE AND TIME:** January 8, 2009 at 7 PM

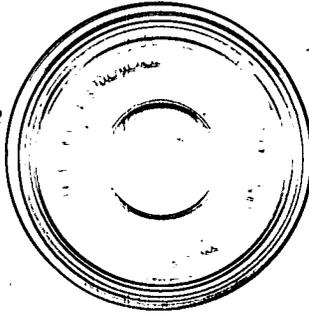
**CONTACT PLANNER:** Mark Gross

**PHONE:** (951) 413-3215

**Final  
Environmental Impact Report**

P07-157 (EIR)  
Highland Fairview Corporate Park  
PA07-0088 (CZ), PA07-0089 (GPA), PA07-0090  
(TPM 35629), and PA07-0091 (PP)  
State Clearinghouse No. 2007101132

December 19, 2008  
Disk 1 of 2



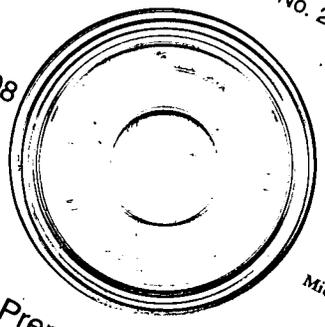
Prepared for:  
City of Moreno Valley  
Community Development Department

PDF Format  
26100015

**Final  
Environmental Impact Report**

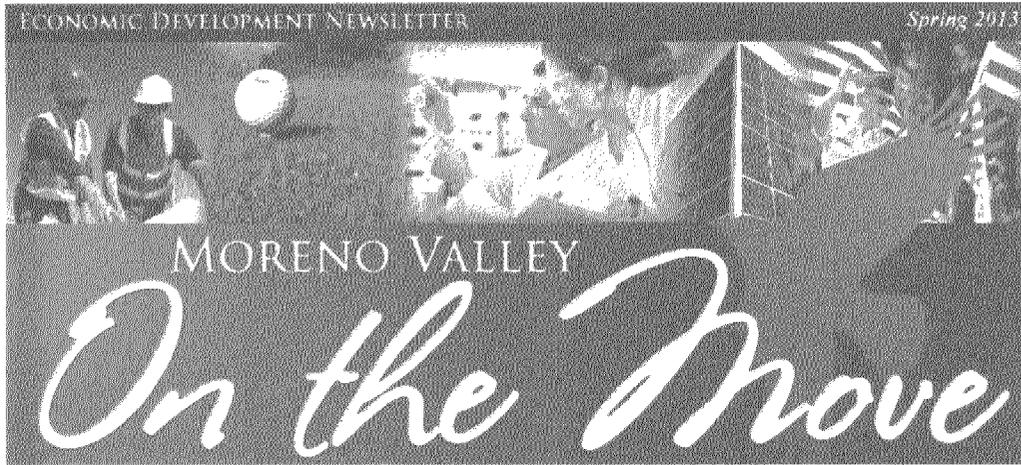
P07-157 (EIR)  
Highland Fairview Corporate Park  
PA07-0088 (CZ), PA07-0089 (GPA), PA07-0090  
(TPM 35629), and PA07-0091 (PP)  
State Clearinghouse No. 2007101132

December 19, 2008  
Disk 2 of 2



Prepared for:  
City of Moreno Valley  
Community Development Department  
PDF Format  
26100015

The content in this preview is based on the last saved version of your email - any changes made to your email that have not been saved will not be shown in this preview.



## Quarterly Economic Development News

### In This Issue

[Skechers Building is LEED Certified](#)

[New 3-year Economic Development Plan to be Released](#)

[Development Interest Unwavering](#)

[New Business Highlight](#)

[Events/Awards/Trends](#)

[Get to Know Us](#)

[Developer Workshops](#)

### Quick Links

[City of Moreno Valley](#)

[RivCoProspector.com](#)

[Small Business](#)

[Resource Guide](#)

[Shop MoVal](#)



**Supervisor Marion Ashley, Council Member Richard A. Stew: Benzeevi, Council Member Jesse L. Molina, Mayor Pro Tem Tom Owings and Council Member Victoria Baca at the present Certification at the Skechers USA developme**

### Moreno Valley Skechers Building is LEED Gold Certifi

Highland Fairview's Skechers USA development project has been certified LEED Building Council (USGBC). On Friday February 22, 2013, a ceremony was held to celebrate the project having been certified LEED Gold.

The LEED designation in new building construction is prestigious and an achievement to aspire to achieve. LEED stands for Leadership in Energy and Environmental certification process is managed by USGBC in seeking to design and build more and sustainable development projects. The LEED rating system scores points in



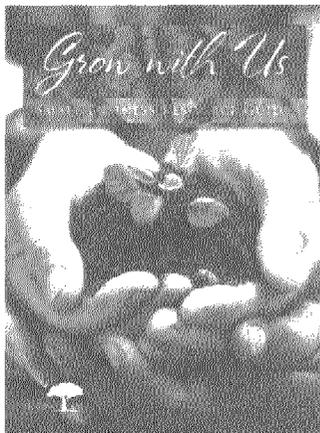
**WHEN YOU HAVE  
THE RIGHT TOOL,  
FINDING  
THE BEST LOCATION IS  
EASY**

SEARCH IT NOW

To gain final LEED certification from the USGBC, a development project demonstrate its operating efficiencies, along with its environmental and attributes.

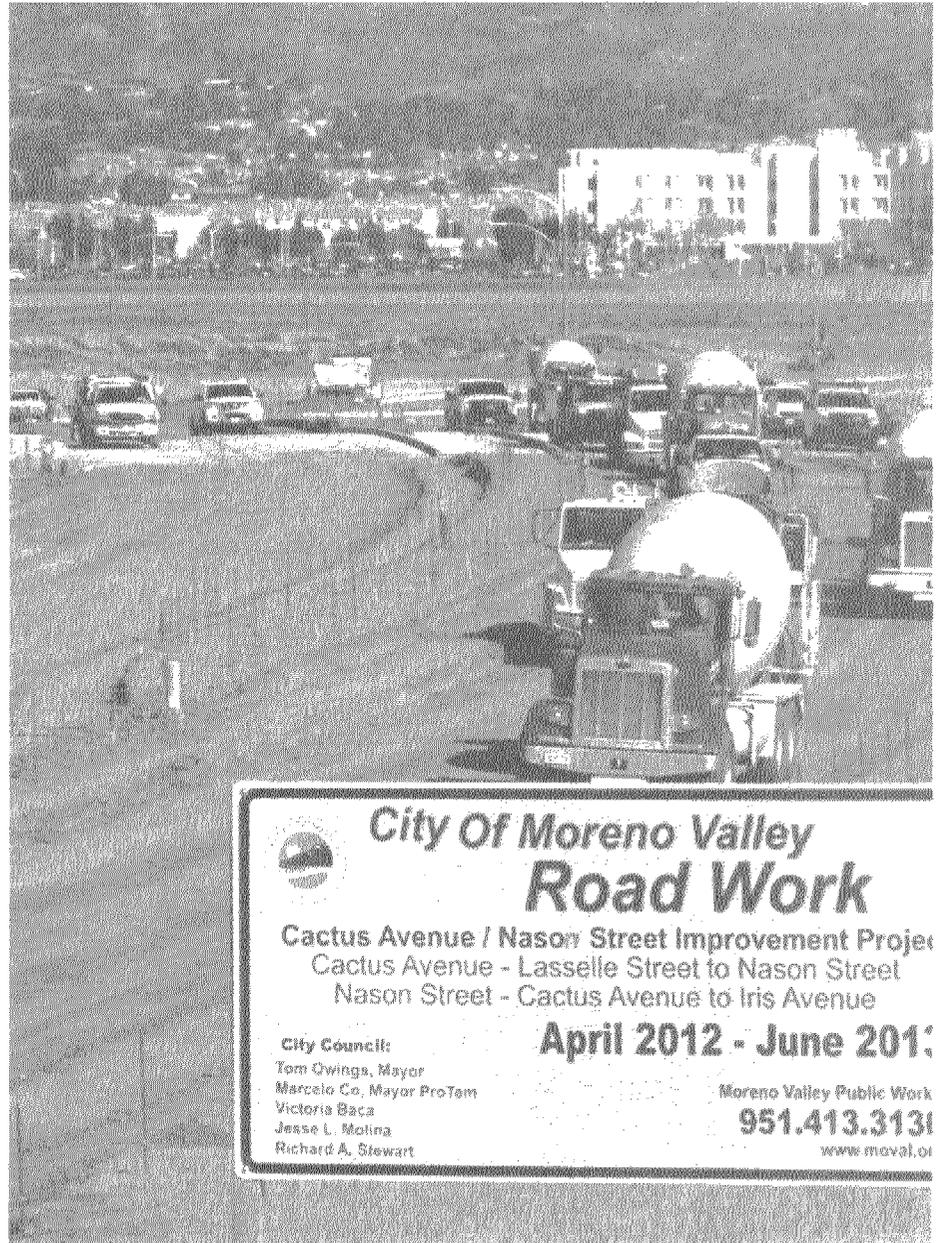
Click here to view the press release in its entirety.

*Grow with Us*



*Invest in your  
Community*

**SHOW  
MOVAL**



**City Of Moreno Valley  
Road Work**

Cactus Avenue / Nason Street Improvement Project  
Cactus Avenue - Lasselle Street to Nason Street  
Nason Street - Cactus Avenue to Iris Avenue

**April 2012 - June 2013**

**City Council:**  
Tom Owings, Mayor  
Marcelo Co, Mayor Pro-Tem  
Victoria Baca  
Jesse L. Molina  
Richard A. Stewart

Moreno Valley Public Work  
**951.413.3131**  
www.moval.org

Work continues on the Cactus Ave. / Nason St. Improvement

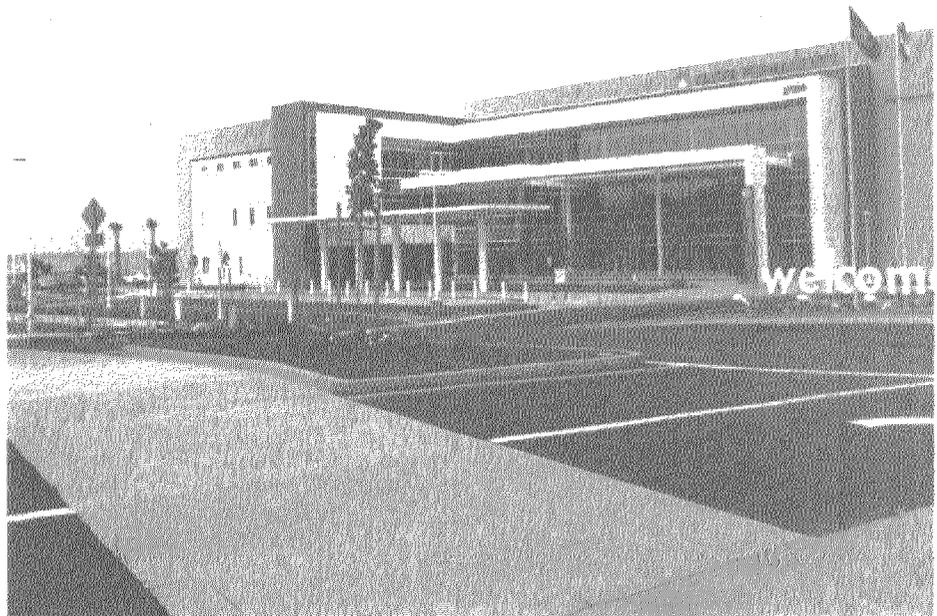
### ED Action Plan Update: New 3-year Economic Dev Plan to be Released

As the City's successful 2-year Economic Development Action Plan sunsets, a new 3-year Economic Development Action Plan is underway. The new plan will expand areas from five to nine to capitalize on near-term opportunities in more areas of the city.

for the expanded plan was unveiled to the City Council at a recent Council meeting. Future discussion and consideration for approval is as follows:

- Economic Development Subcommittee March 14, 2013.
- City Council Study Session April 2, 2013.
- Consider for approval by the City Council April 23, 2013.

All meetings are open to the public. Meeting agendas can be found [online](#).



**Kaiser Permanente recently completed a new 75,000 square foot medical office complex.**

### **Development Interest Unwavering**

Moreno Valley is clearly becoming a "best place to do business" as developers complete projects in the City. Most development projects in Moreno Valley are speculative, reflecting the significant level of confidence that business in Moreno Valley will succeed.

In this last year alone, one developer completed, and subsequently leased, a 600,000 square foot medical office complex in the South Moreno Valley Industrial Area. Additionally, Kaiser Permanente recently completed a new 75,000 square foot medical office complex, complementing the existing community.

Current projects include:

- More than 2.5 million square feet under construction
- More than 7 million square feet of approved projects, many of which are in progress

For project details, view the Economic Development Summary by visiting the City of Moreno Valley Economic Development Department [online](#).

**Window + Door Manufacturer Coming**

Value Windows & Doors Corporation purchased the former 9.7 acre MVP RV fa  
 Tenant improvement plans are under development for the reuse of the three bu  
 square feet. Value Windows & Doors expects to employ approximately 125 peo

**R&D Company Chooses Moreno Valley**

InTouch BioSolutions, LLC, is a research & development (R&D) company that r  
 Valley. Development Services staff worked hard to help facilitate the relocation  
 San Francisco Bay area. InTouch BioSolutions operates the following:

- InTouch Bio-provides enabling services in drug R&D and preclinical res  
 and the scientific community-including oncology, neurology & immunol  
 toxicology testing.
- Cell Specific-provides cell-based assay and drug biomarker developme  
 services.

**Events/Awards/Trends:**



The City of Moreno Valley was honored with a REXIE

**City named 2012 NAIOP Public Partner of the Year**

The City of Moreno Valley was awarded the Public Partner of the Year for  
 Estate Excellence in the Inland Empire (REXIE) awards program for the Nation  
 & Office Properties (NAIOP). Five major industrial developers nominated Mor

and Moreno Valley beat out four other finalists including the cities of Rivers and Riverside County. Information about NAIOP can be found at [www.naiopie.org](http://www.naiopie.org).

### CEQA Process Forum hosted by City



[Click Here to Watch the Video](#)

When a development project is proposed, the City of Moreno Valley follows the Quality Act (CEQA) to evaluate and evaluate the impact on the environment. V in the planning process, the City hosted a public forum to provide an unders process projects undergo. The event and all related presentations can be found here to watch the video.

### Auto Mall Improvements Land Public Works Award

The American Public Works Association (APWA) presented the City of More award in December 2012 for the completed Moreno Valley Auto Mall improve was bestowed upon the City for the Auto Mall upgrade project funded by th Agency. The project encompassed both the freeway pylon sign and th improvements. The completed project is an important element of the "Shop Mo' residents and businesses to spend retail dollars in Moreno Valley.

### Get to Know Us: Randy Metz



Randy Metz is the Fire Marshal for the Moreno Randy manages the Fire Prevention Bureau which i construction inspections, hazard reduction/weed residential housing inspections, and the annual fir inspection programs. The Fire Prevention Bure Department and responsible for enforcing all codes

fire & life safety, as well as educating the public as to the importance of commu emphasizes the importance of working with our development community to en the needs of our developers while at the same time, achieve the level of sa Code.

With an undergraduate degree in Management from Azusa Pacific University California State Fire Marshal's Office as a Fire Marshal, and international accre through the Center for Public Safety Excellence, Randy's 21 years in the Califc broad level of experience to Moreno Valley. Randy is currently in his final Academy's Executive Fire Officer Program and is preparing to begin Graduat Public Administration program. Randy serves as a member of the Executive California Fire Prevention Officers. Randy also spends his spare time serv Pasadena Tournament of Roses where he has been a volunteer leader for over

### About Developer Workshops

The City of Moreno Valley's quarterly Developer Workshop provides a unique o the development community to join City Council members, City execut development services staff to discuss ways to enhance the development s Valley. This meeting is designed to promote communication and exchange ide development in Moreno Valley. The next Developer's Workshop will be on Th more information about this opportunity, please contact Karyn Kiefer at [karynk@](mailto:karynk@)

### We Want to Hear from You!

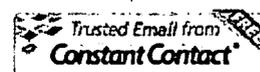
The City of Moreno Valley Economic Development Team is here to assist you. Please send your comments, qu to: [edteam@moval.org](mailto:edteam@moval.org)

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City of Moreno Valley | 14177 Frederick Street | PO Box 88005 | Moreno Valley | CA | 92552

TO: Eric Lewis, City Traffic Engineer, City of Moreno Valley

FROM: Don Hubbard, TE, AICP

DATE: November 14, 2012

SUBJECT: **Traffic Generated by the Skechers Warehouse**

During the approval process for the Highland Fairview Corporate Park concerns were raised regarding the amount of traffic that would be generated by the project as forecast utilizing city mandated trip generation rates. Now that the Skechers warehouse and outlet store have been fully occupied and operational for over a year we can make a real world comparison between the projected traffic counts in the original traffic analysis done for the entitlement of the project and the actual traffic at the project site today. This information is very useful in determining the reasonableness of the forecasting methodology used in our analysis of potential traffic impacts for the proposed World Logistics Center. We found the differences to be substantial. The actual traffic counts are lower by as much as 67% than the trip generation rates required to be used for the entitlements and the percent of truck trips are even lower, 86% lower. These are significant differences. Because of these huge differences, I thought it might be useful if I share with you the result of our analysis which can assist all of us in reasonableness testing the traffic analysis for the WLC.

Comparison of Actual to TIA Forecast

The Traffic impact study for the Highland Fairview Corporate Park<sup>1</sup> forecasted that Phase 1 of the project, the Skechers building, would generate more than three thousand vehicle trips per day. The study used trip generation rates that were one standard deviation higher than those found in the 2007 NAIOP High-Cube Warehouse Rate, and peak hour directional splits from the same study. The TIA forecast is compared to actual traffic for the outlet store in Table 1, and for the warehouse in Table 2. Table 3 shows a comparison for the truck component of the forecast traffic.

Data Source	AM Peak Hour			PM Peak Hour			ADT
	In	Out	Total	In	Out	Total	
Highland Fairview Corporate Park TIA	5	2	7	11	12	23	266
Traffic Counts	1	0	1	11	13	25	319
Actual as % of Forecast	20%	20%	20%	104%	110%	107%	120%

Data Source	AM Peak Hour			PM Peak Hour			ADT
	In	Out	Total	In	Out	Total	
Highland Fairview Corporate Park TIA	109	91	200	91	145	236	3,059
Traffic Counts	39	23	62	8	60	67	1,021
Actual as % of Forecast	36%	26%	31%	8%	41%	28%	33%

<sup>1</sup> Highland Fairview Corporate Park Traffic Study, Austin-Faust Associates July 2008

Data Source	AM Peak Hour			PM Peak Hour			ADT
	In	Out	Total	In	Out	Total	
Highland Fairview Corporate Park TIA	55	53	108	58	69	127	1,663
Traffic Counts	3	1	4	4	1	5	212
Actual as % of Forecast	6%	1%	4%	7%	1%	4%	13%

The actual traffic is significantly lower for the logistics operations than was originally forecasted utilizing the old trip generation rate factors as was required in the project entitlement TIA. The logistics facility generates only about one-third as much traffic as was forecast in the traffic study. The largest error was the over-estimation of truck traffic; the actual percentage of truck trips is 86% less than estimated.

The actual traffic experienced for the outlet store is somewhat higher than the traffic forecast for the daily period and exceeded the AM peak hour forecast. However, this is auto traffic and the number of trips involved is small (319/day) because the store represents less than one percent of the occupied building space.

Comparison with TIA Guideline Methodology

The City's TIA guidelines mandate the use of trip generation rates from the ITE *Trip Generation Manual* along with the truck mix percentages from the City of Fontana *Truck Trip Generation Study*. The trips generated using this methodology is compared to the actual traffic from the Skechers buildings in Tables 4 and 5.

Data Source	AM Peak Hour			PM Peak Hour			ADT
	In	Out	Total	In	Out	Total	
High-Cube Logistics Center (ITE 152 9 <sup>th</sup> Edition)	0.076	0.034	0.110	0.037	0.083	0.120	1.680
Actual Traffic from Skechers Logistics	0.022	0.013	0.035	0.004	0.033	0.037	0.567
Skechers as a % of ITE	29%	38%	32%	11%	40%	31%	34%

Vehicle Type	ITE Trip-Gen + Fontana Vehicle Mix	Skechers Warehouse per KSF	Skechers as a % of ITE/Fontana
Pass Vehicles	1.337	0.449	34%
2-Axle, 6 wheel Trucks	0.058	0.019	32%
3 Axle Trucks	0.078	0.014	17%
4+ Axle Trucks	0.207	0.086	41%
Total	1.680	0.567	34%

The comparison shows that the City's current methodology, had it been applied to the Skechers project, would have forecast approximately three times as much traffic as is actually being generated by the Skechers building.

Comparisons with Other Local Studies

This is not the first time that a survey in southern California has found that the traffic actually being generated by local high-cube logistics warehouses is well below the ITE trip generation rates. The same result was also found in the Fontana Truck Trip Generation Study and in the 2011 NAIOP study (see table below).

Data Source	AM Peak Hour	As % of ITE Rate	Ratio ITE/Other	PM Peak Hour	As % of ITE Rate	Ratio ITE/Other
ITE 9th Edition (Code 152)	0.110			0.120		
Fontana Truck Study	0.070	64%	1.57	0.073	61%	1.64
2011 NAIOP Study	0.047	43%	2.34	0.070	58%	1.71
Skechers Counts	0.035	32%	3.14	0.037	31%	3.24

Conclusions

After being fully operational for more than a year the Skechers building is generating much less traffic than was forecast in its TIA or would have been forecast if the City's TIA guidelines had been followed (the original TIA used a different data source). The issue is specific to the logistics portion of the building; the forecast for the outlet store is in reasonable agreement with actual traffic. Because the proposed World Logistics Center is composed almost entirely of logistics buildings and its traffic study will follow the TIA guidelines, it follows that the forecast of traffic impacts in the upcoming WLC traffic study may be significantly over-estimated. A conservative approach to traffic is prudent but forecasts that greatly deviate from reality are at best misleading and at worst could be very damaging. I hope you find this information helpful. I look forward to discussing our findings in greater detail.



RIVERSIDE COUNTY  
DISTRICT ATTORNEY

3960 ORANGE STREET  
RIVERSIDE, CALIFORNIA 92501-3643  
951-955-5520

PAUL E. ZELLERBACH  
DISTRICT ATTORNEY

October 22, 2013

Ms. Jane Halstead  
Moreno Valley City Clerk  
14177 Frederick St.  
Moreno Valley, CA 92552

Subject: **Preservation of Evidence Demand**

Dear Ms. Halstead:

The Riverside County District Attorney's Office has learned that the Moreno Valley City Council will consider adopting Resolution No. 2013-82, a "Resolution Adopting Updated Records Retention Schedules and Authorizing Destruction of Certain City Records" at its regular meeting on October 22, 2013.

The District Attorney's Office has reason to believe that litigation may result from matters currently under investigation with regard to the City of Moreno Valley and that relevant evidence potentially may be destroyed if Resolution No. 2013-82 is passed and implemented. This information may be in the City of Moreno Valley's possession or control and the City has a duty to preserve that information.

Therefore, the District Attorney's Office demands that the City of Moreno Valley immediately take action to protect and preserve until further notice any of that information that is in its possession or under its control until further notice.

Specifically, the District Attorney's Office demands that the City of Moreno Valley immediately suspend deletion, overwriting and/or any other destruction of records and electronic stored information (hereinafter "ESI") connected, either directly or indirectly, to the following:

- All records and ESI associated with or concerning Highland Fairview, Iddo Benzeevi, Jerry Stephens, Tom Owings, Marcelo Co, Jesse Molina, Victoria Baca, Richard Stewart, Yxstian Gutierrez and Michael Geller.
- All records and ESI associated with or concerning all City of Moreno Valley elected and appointed public officials and Department Heads.

- All records and ESI associated with or concerning pending or approved development construction projects, infrastructure and/or new infrastructure projects located in the City of Moreno Valley.
- All records and ESI associated with or concerning communications to and from City of Moreno Valley employees, elected and/or appointed public officials regarding the hiring, employment and discharge of former City Manager Henry Garcia.
- All records and ESI associated with or concerning the following development projects: Skechers, World Logistic Center, Prologis, Aquabella Development, Ridge Property Development and Nason Street infrastructure improvements.

The District Attorney's Office is specifically demanding that you preserve all documents, tangible things and ESI potentially associated with or concerning the matters identified above for the time frame of January 1, 2008 to present.

ESI, as used in this demand, should be afforded the broadest possible definition and includes (by way of example and not as an exclusive list) any and all information electronically, magnetically or optically stored as:

- Digital communications (e.g., e-mail, voice mail, instant messaging);
- Word processed documents (e.g., Word or WordPerfect documents and drafts);
- Spreadsheets and tables (e.g., Excel or Lotus 123 worksheets);
- Accounting Application Data (e.g., QuickBooks, Money, Peachtree data files);
- Image and Facsimile Files (e.g., .PDF, .TIFF, .JPG, .GIF images);
- Sound Recordings (e.g., .WAV and .MP3 files);
- Video and Animation (e.g., .AVI and .MOV files);
- Databases (e.g., Access, Oracle, SQL Server data, SAP);
- Contact and Relationship Management Data (e.g., Outlook, ACT!);
- Calendar and Diary Application Data (e.g., Outlook PST, Yahoo, blog tools);
- Online Access Data (e.g., Temporary Internet Files, History, Cookies);
- Presentations (e.g., PowerPoint, Corel Presentations)
- Network Access and Server Activity Logs;
- Project Management Application Data;
- Computer Aided Design/Drawing Files; and,
- Back Up and Archival Files (e.g., Zip, .GHO)

All ESI must be preserved so that it can be retrieved at a later time. The information must be preserved in its original electronic form so that all information contained within it,

Jane Halstead, Moreno Valley City Clerk

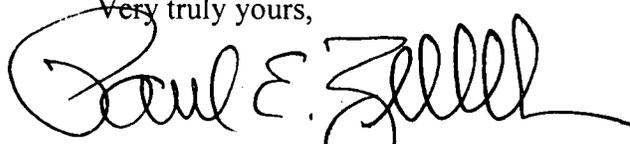
October 22, 2013

Page | 3

whether visible or not, is also available for inspection. It is not sufficient to make a hard copy of electronic communication.

Thank you for your anticipated cooperation.

Very truly yours,



PAUL E. ZELLERBACH  
Riverside County District Attorney

Cc: Michelle Dawson  
Moreno Valley City Manager  
14177 Frederick St.  
Moreno Valley, CA 92552

Suzanne Bryant  
Moreno Valley City Attorney  
14177 Frederick St.  
Moreno Valley, CA 92552

Tom Owings  
Mayor, Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

Jesse Molina  
Mayor Pro Tem, Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

✓ Victoria Baca  
Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

Richard Stewart  
Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

Yxstain Gutierrez  
Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

PAUL E. ZELLERBACH  
RIVERSIDE COUNTY DISTRICT ATTORNEY  
3960 ORANGE STREET  
RIVERSIDE, CA 92501-3643

CITY CLERK  
MORENO VALLEY  
RECEIVED

13 OCT 22 PM 2:33

Victoria Baca  
Moreno Valley City Council  
14177 Frederick St.  
Moreno Valley, CA 92552

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

13 OCT 22 PM 2:43

Date: July 10, 2013  
From: Mayor Tom Owings  
To: Michelle Dawson, City Manager

To: The Corrupt Mayor and City Council

Subject: The "Forgotten" Priorities of the MV Citizens' Majority

FYI

The July 9<sup>th</sup> City Council (CC) Report on the \$2,000,000 funding for Theodore Street Interchange at SR 60 is a total travesty and a tremendous dis-service to the citizens that live and work in Moreno Valley. This is another ploy for the entire corrupt CC to appease Iddo Benzevi, the Sketchers owner (Greenburgs') and the cronies of Jerry Stephens at their behest by using the \$2,000,000 in realized savings from the other Iddo benefiting \$25,000,000 Cactus/Nason project. The CC back in April 26, 2011 took this money away from previously funded and "construction-ready" street improvement projects like Kitching Street, Reche Vista Drive, Heacock Avenue and Perris Boulevard realignment projects to fund the Cactus/Nason Project.

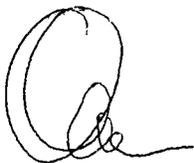
We are well aware of the Mayor's corrupt relationship with the Sketchers' owner and his cozy relationship with the political association headed by Jerry Stephens, Michael Geller, Doug Whitney and David Slawson. In 2011 & 2012, "Slump Lord" Co, "Plain Dumb" Molina and "Past his Prime" Stewart of the CC at the guidance of the corrupt Henry Garcia and Barry Foster, voted to take existing funding away (they used big words like "re-sequencing") from very important projects to the City majority/citizens to benefit Iddo's Cactus/Nason project. Henry and the corrupt CC even agreed to offer the contractor a \$100,000 bonus to finish the project two months early because Iddo was going to build a "jobs, jobs, jobs" medical facility; which we all now call new Nason; a "road to nowhere" (right Molina?) because there is nothing there or planned in the near future. Do you know that Iddo will not have to pay any Development Impact Fees if he develops that property according to the City-Highland Fairview Development Agreement because he was supposed to pay and build Cactus and Nason (Agreement dated January 2006 page 49 & 52)? Now, the corrupt CC is taking the \$2,000,000 in savings to fund another Iddo project (the World Logistic Center directly benefits) out in nowhere while we citizens suffer without the necessary upkeep of our existing streets. What a mockery!!!

You currently have a key bunch of Department Heads that were hand-picked by Henry to make "things happen" on behalf of Iddo, the Sketchers owner and the Jerry Stephens' political association. Did you know Henry and the corrupt CC checks with "City Hall West" (Iddo's Office at Veterans and Calle San Juan) before they make any decisions? Henry hired "Riverside's Chief Crook" Desantis to concoct a biased Audit of the Public Works Department so that Henry and the current City Manager, Michelle Dawson fired the previous Public Works Director at the behest of Iddo and corrupt Barry in order to hire Henry's hand-picked Public Works Director, Ahmad Ansari from Henry's former job at City of Rialto. Did you know that even the Western Riverside Council of Government staff is questioning the City of Moreno Valley's request to add the Theodore Interchange into the previously approved TUMF network? They know this corrupt City's blatant actions are to benefit Iddo; which is an illegal action in accordance with their Administrative Plan. Apparently, it was corrupt Henry's directive to his hand-picked Public Works Director to get this done at the behest of Iddo and Sketchers. He was apparently directed to request removing Redlands Interchange to add the Theodore Interchange to the TUMF network if necessary!!! If you ask the citizens of Moreno Valley, Redlands Interchange needs the fix sooner than Theodore Interchange.

Henry also fired the former Human Resources Director and made Desantis the "interim" then subsequently permanent Director (isn't non-competitive recruitment illegal for City Government?) so they could hand pick recruit "behind closed doors" the "pawns of their game". Why do you think Desantis is now the Assistant City Manager!! The morale of staff is extremely low and they function in fear. There are many City staff that know the corrupt ways of the Department Heads (past and present) but they are very scared that they will be fired or laid off under the pretense of economic budget cuts like the former Public Works Director, City Attorney, Human Resources Director, the Building Official, the Code Enforcement Officer, the Deputy City Attorney, and many others. These people and the present key employees should be deposed by the US Attorney General with protection from disclosure and impunity. However, the CC and key Department Heads hand-picked by Henry must be prosecuted to the fullest extent possible.

For God, Country, City, Justice and plain Fairness, please use the taxpayers' money not to benefit developers but to fund the much needed repairs to Kitching Street, Reche Vista Drive including a traffic signal and the realignment of Heacock Avenue and Perris Boulevard, and so many other streets that badly needs new pavement.

On behalf of the MV Citizens' Majority,

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, followed by a horizontal line.

C: United States Attorney  
Press Enterprise

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## MEMORANDUM

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To: Mayor and City Council  
From: Robert G. Gutierrez, City Manager *RG*  
Date: December 1, 2008  
Subject: Meeting with Highland Fairview Involving Their Skechers Project Application

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The purpose of this memorandum is to memorialize the details of a meeting held on Monday morning, December 1, 2008, at Mayor Batey's request involving the Skechers project application submitted by Highland Fairview. The purpose of the meeting was to discuss the entitlement process and potential public hearing schedule for the Skechers project. In attendance were:

Mayor Batey and Councilmember Elect Robin Hastings;  
Highland Fairview principals/staff/advisors Iddo Benzeevi, Dannette Fenstermacher, Mark Anderson, Wayne Peterson, Brian Hixon and Ken Bley;  
City staff Bob Gutierrez, Bob Herrick, Rick Hartmann, Kyle Kollar, and Chris Vogt.

At the outset of this meeting, Mayor Batey indicated his desire to provide Skechers representatives with firm public hearing dates for both the Planning Commission and City Council. The meeting discussion, therefore, revolved around two main topics: (1) what work products and project submittals from Highland Fairview are still outstanding and necessary for the City staff's completion of project review; and (2) what is a practical public hearing schedule, based on legal requirements, time for adequate review of all outstanding submittals, and the City's current policies and procedures for presenting major projects to the Planning Commission and City Council?

With respect to topic (1) above, the most significant work products/project submittals from Highland Fairview which require review/refinement--or yet need to be submitted--include the Mitigation Monitoring Plan, Findings of Fact and Statement of Overriding Considerations (for the project EIR). There are also conditions of project approval (for the Skechers Site Plan and Parcel Map) which need to be generated by various City departments that have not been completed as of the date of this memo.

With regard to topic (2) above, the City, like many cities, does not publish public hearing notices for development applications until/unless the 'background' documents and materials prepared for the project are in finished form and available for public scrutiny. This avoids potential criticism from the public that they did not have an adequate opportunity to review the documentation, or that the

process was skewed to favor project approval. Also, for the same reasons and with only a very few historical exceptions, the City provides 30 days for public review of project documents after publication of a hearing notice for a major development proposal.

Given the foregoing, City staff indicated that the Planning Commission hearing date of December 18, 2008, sought by Highland Fairview is not achievable since it would require all submittals to be in, reviewed, responded to and finalized in less than a week from today and could not provide for the standard 30 day review period. Councilmember Elect Hastings suggested a January 22 date as a way of getting a firm date that staff thought could be met with the 30 day notice period. However, Mayor Batey felt that was too much time, was comfortable with the legal minimum 10 day notice and directed staff to publish notice for the next available Planning Commission hearing, January 8, 2009. I indicated, based on staff comments during the meeting, that there is no certainty that the project will be ready for hearing by that date.

Mayor Batey acknowledged that the hearing date might need to be postponed if all of the necessary work is not able to be completed in time, but felt it important to set an aggressive date and reiterated his direction to schedule a Planning Commission hearing for January 8, 2009. After some around-the-table discussion about a potential City Council hearing date--during which the developer asked for a City Council hearing date sometime in January 2009--the developer's lawyer, Ken Bley, pointed out that under recent case law the Council Hearing cannot legally even be noticed until the Planning Commission recommendation is finalized and available to the public. City staff suggested the earliest likely date given the staff work involved would be your regular meeting of February 10, 2009. The Mayor felt that was too long a time period and directed that a Council hearing be noticed for February 3, 2009, as a 'special meeting' in addition to the Closed Session scheduled for that date. It was pointed out that there is a possibility that holding a special meeting to hold a public hearing on a potentially controversial project could lead to criticism of the Council as having already made up its mind on the project before the hearing. However, the Mayor felt it important to proceed with the special meeting and reiterated his direction that the City Council hearing be noticed for February 3, 2009.

I forward the above in order to keep you all updated as to events involving the Skechers application. I assure you City staff will make earnest and exceptional efforts to meet the hearing dates directed by the Mayor. It is important to underscore, though, that the feasibility of these dates rests in part with the timeliness and quality of necessary work products/submittals from Highland Fairview, the Council's contentment with abbreviated public review periods and the assumption that the Planning Commission hearing process will consume no more than one meeting.

In the final analysis, I cannot hold City staff solely responsible for achieving these hearing dates, when the ability to do so in part rests with circumstances and other parties beyond staff's control. Please let me know if you have any comments and/or concerns.



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## MEMORANDUM

**To:** City Council Members Bonnie Flickinger and Richard Stewart  
**From:** Robert G. Gutierrez, City Manager *RG*  
**Date:** November 18, 2008  
**Subject:** MEETINGS WITH HIGHLAND FAIRVIEW AND SKECHERS

As you have requested, I have had the Staff members involved in the early discussions with Highland Fairview regarding the Skechers project review their calendar for dates and notes of those meetings. We have notes from four meetings: April 3, April 5, July 19, and July 26, 2007. The following table identifies those attending the meetings and items discussed.

Meeting Date	Highland Fairview & Others in Attendance*	City Staff in Attendance	Items Discussed*
April 3, 2007	HF <sup>1</sup> (I. Benzeevi, D. Fenstermacher)	B. Gutierrez R. Hartmann B. Foster C. Vogt L. Guillis	<ul style="list-style-type: none"> <li>HF stated they had a large warehouse/distribution center interested in relocating to the City along south side of RT60 Freeway at Theodore.</li> <li>The user needs a 1.8mil. sq.ft, high cube (44 feet) building with room to expand.</li> <li>HF anticipated having to file for a GPA<sup>2</sup>, ZC, SPA, DAA if the property was part of the Moreno Highland SP.</li> <li>HF stated the environmental review would take only eight months to complete and HF would take 18 months to build the building.</li> <li>The user may be a point of sales too.</li> <li>City staff provided an overview of the process and stated it would take approx. 390 days to process the project (CEQA<sup>3</sup> and entitlements). An eight month timeline to complete the environmental review is unrealistic and undoable.</li> </ul>
April 5, 2007	HF (I. Benzeevi, D. Fenstermacher) CBRE Real Estate Brokers (D. Longo, B. Reinhard, J. Morgan) Skechers (P. Galihier)	B. Gutierrez R. Hartmann B. Foster L. Guillis	<ul style="list-style-type: none"> <li>HF provided an overview of the project and process and stated it would take 10 to 12 months to get through the City. Outside sources are not within HF's control.</li> <li>Skechers stated it needs to move from Ontario where they are in six separate buildings.</li> <li>They need a total of 3mil. sq.ft. of building(s) in one centralized area.</li> </ul>

Memo  
 Highland Fairview/Skechers  
 November 18, 2008

Meeting Date	Highland Fairview & Others in Attendance*	City Staff in Attendance	Items Discussed*
			<ul style="list-style-type: none"> <li>• Skechers currently employees 850 people with its Ontario operations and would go to 1,100 to 1,200 during peak times with this new facility in MV – maybe expanding to two shifts.</li> <li>• Skechers point-of-sale for its web-business may move from Manhattan Beach to Moreno Valley (MV).</li> <li>• City Staff stated the time to process at best would be 12 months – cannot anticipate the public involvement with a proposed project as significant as being proposed.</li> <li>• The City recently approved its GP and this would be a change in policy direction.</li> <li>• CBRE reps and City Staff again reviewed the CEQA and entitlement process of the City.</li> </ul>
July 19, 2007	HF (J. Trump [just for intros], I. Benzeevi, D. Fenstermacher) Skechers (M. Bravo)	B. Gutierrez R. Hartmann B. Foster C. Kinser	<ul style="list-style-type: none"> <li>• HF again reviewed the process.</li> <li>• Skechers move-in dates may be Oct. 2008 or Jan. 2009.</li> <li>• City Staff said the time to process both CEQA documents and entitlements will be 12 months – maybe 10 if everything goes perfectly.</li> </ul>
July 26, 2007	HF (D. Fenstermacher, W. Peterson)	B. Gutierrez R. Hartmann B. Foster C. Vogt C. Kinser	<ul style="list-style-type: none"> <li>• HF and City Staff again reviewed the process.</li> <li>• HF stated they will be submitting an amendment to the Moreno Highland Specific Plan soon after the Skechers project is submitted for processing (approx. two months)</li> </ul>

\* The attendees and discussion points are the collection of Staff's notes from those dates to the best of their individual recollection of each meeting.

Please contact me if you have any questions on the information provided above.

c: Mayor William Batey  
 Mayor Pro Tem Frank West  
 City Councilman Charles White  
 Council Member Elect Robin Hastings  
 Rick Hartmann, Deputy City Manager  
 Kyle Kollar, Community Development Director

RGG/rch

<sup>1</sup> HF = Highland Fairview;

<sup>2</sup> GPA = General Plan Amendment; ZC = Zone Change; SPA = Specific Plan Amendment; DAA = Development Agreement Amendment; SP = Specific Plan

<sup>3</sup> CEQA = California Environmental Quality Act



CITY OF MORENO VALLEY  
Community Development Department  
Planning Division

MEMORANDUM

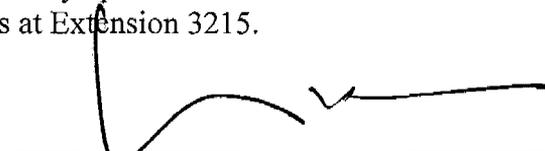
To: Councilmember Charles R. White  
From: Mark Gross<sup>MG</sup>, AICP, Senior Planner  
Date: August 25, 2008  
Subject: Supplemental Information for the Highland Fairview Corporate Park Draft Environmental Impact Report (EIR)

As requested, the Planning Division is providing additional supplemental information in regard to the Draft Environmental Impact Report (DEIR) review for the Highland Fairview Corporate Park Project. The attached White Paper entitled, "Alternative Approaches to Analyzing Greenhouse Gas Emissions and Global Climate Change in CEQA Documents," has been recognized by the Association of Environmental Professionals (AEP) as a tool used within environmental documents to evaluate a project's contribution to both climate change and greenhouse gas emissions.

As directed by Kyle Kollar, Community Development Director, staff is providing a copy of this paper to all members of City Council for their information.

A copy of the DEIR was initially sent to the City Council Offices on August 8, 2008. The public comment period on the document runs for a 45 day period from August 6, 2008 to September 19, 2008.

If you should have any questions on the attached document or the DEIR in general, please contact Mark Gross at Extension 3215.

Approved by:   
Kyle Kollar, Community Development Director

MG

Cc: Mayor William H. Batey  
Mayor Pro-Tem Frank West  
✓ Councilmember Bonnie Flickinger  
Councilmember Richard A. Stewart  
Bob G. Gutierrez, City Manager  
Rick Hartmann, Deputy City Manager  
John C. Terell, AICP, Planning Official

Attachment

Markg/2007/PA07-0088/ Memo on White Paper

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Mitigation Measures – Highland Fairview	Conditions of Approval – Western RealCo	Draft Mitigation Measures – Western RealCo
<p>MM AQ-2. The project applicant shall meet CARB standards by assuring use of lowest emission construction equipment reasonably available for use on this project. The construction fleet average shall meet or exceed Tier II level and the applicant shall provide incentives in the bidding process in selecting construction contractors that propose the lowest-emission construction equipment (i.e., high pressure injectors; smaller engine sizes; electric equipment; gasoline powered equipment with catalytic converters; and alternatively fueled construction equipment).</p> <p>The applicant shall also provide incentives in the bidding process in selecting grading and construction contractors that propose the use of equipment using Level III diesel particulate filters.</p>	<p><b>The Western Realco site has sensitive receptors (residential zoning and existing homes) to the northeast (the northeast corner of the site is within the 300 foot Proximity to Residential Buffer Area) - opposite from the prevailing wind; the project design set back the truck bays a total of approximately 500 feet from sensitive receptors and routed truck traffic away from receptors. The air quality study indicated that project emissions were below significance thresholds. Project does not include night time grading.</b></p> <p><b>The Highland Fairview site has existing and potential future sensitive receptors to the east, southeast, south and southwest, areas mostly in the direction of prevailing winds, and trucks are only able to traverse roads immediately adjacent to existing and future sensitive receptors. The HFP project has a mandated setback of approximately 440 from its southern boundary to any sensitive receptor. The air quality study demonstrated that the project emissions exceeded significance thresholds. This and many other</b></p>	<p>MM AQ-2. The project applicant shall ensure that construction equipment is properly maintained, including proper tuning and timing of the engines.</p> <p>MM AQ-4. Utilize alternatives fuels in construction equipment and require construction equipment to utilize the best available technology to reduce emissions or provide evidence that it is prohibitively expensive.</p> <p>MM AQ-9. Use alternative fuels and measures to maximize fleet efficiency for vehicles that will serve the proposed project on a frequent basis (e.g. forklifts, switcher tractors/ hostelling units) or provide evidence that it is prohibitively expensive.</p>

	<p>mitigation measures were offered and necessary to minimize the impacts. Project includes night time grading.</p> <p>Several conditions and mitigation measures address this issue, though not to the same level, as it would the project impacts are expected to be less than those of HFP.</p> <p>P33. Use low emission mobile construction equipment and utilize existing power sources whenever feasible.</p> <p>P34. Maintain construction equipment engines by keeping them tuned.</p> <p>P35. Use low sulfur fuel for stationary construction equipment (required by SCAQMD Rules 431.1 and 431.2).</p> <p>P49. Maintain equipment and vehicle engines in good condition and in proper tune as per manufacturers' specifications.</p> <p>P50. Encourage the use of alternative clean fuel such as compressed natural gas-powered equipment with oxidation catalysis instead of diesel powered engines, or if diesel</p>	
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	<p>equipment has to be used, encourage use of particulate filters, oxidation catalysts and low sulfur diesel as defined in AQMD Rule 431.2, i.e., with less than 15 ppm sulfur content.</p> <p><b>P52. Use low-sulfur diesel fuel with particulate traps whenever feasible.</b></p> <p><b>P53. Use alternative-fueled yard tractors or other off-road equipment whenever feasible.</b></p>	
<p><b>MM AQ-4.</b> During project construction, the project applicant shall require all contractors to turn off all construction equipment and delivery vehicles when not in use or prohibit idling in excess of five (5) minutes.</p>	<p><b>Issue covered.</b></p> <p><b>P47. Restrict idling emissions by using auxiliary power units/electrification and prohibit idling in excess of 5 minutes.</b></p>	
<p><b>MM AQ-5.</b> Prior to issuance of a grading permit, the project applicant shall provide a traffic control plan to the City of Moreno Valley that will describe in detail safe detours around the project construction site with temporary traffic control (e.g., flag person) during construction-related truck hauling activities, as required by the City. <u>Construction activities that affect traffic flow on the arterial system shall be</u></p>	<p><b>Issue covered</b></p> <p><b>P36. Configure construction parking to minimize traffic interference.</b></p> <p><b>P37. The Traffic Control Plan required by Transportation Engineering shall include the following:</b></p> <p><b>a. Develop a traffic plan to</b></p>	

<p><u>minimized by scheduling such activities to off-peak hours. Construction truck travel shall be routed to minimize travel on congested streets and near to sensitive receptor areas.</u> Construction traffic shall gain access to the project site via Theodore Street and Eucalyptus Avenue to the greatest extent possible to minimize traffic and dust along Redlands Boulevard. The traffic control plan is primarily intended as a safety measure but also can minimize traffic congestion and delays that increase idling and acceleration emissions. The traffic control plan shall be prepared in accordance with U.S. Department of Transportation Federal Highways Administration Rule on Work Zone Safety 23 CFR 630 Subpart J, Developing and Implementing Traffic Management Plans for Work Zones.</p>	<p><b>minimize traffic flow interference from construction activities and minimize obstruction of through traffic lanes to the extent feasible.</b></p> <p><b>b. Schedule construction operations affecting traffic for off-peak hours.</b></p> <p><b>P48. Provide temporary traffic controls such as a flag person during all phases of construction as reasonably necessary to maintain traffic flow.</b></p> <p><b>P54. Conduct air quality monitoring at sensitive receptors if required by SCAQMD.</b></p> <p><b>P55. Redirect truck traffic to avoid residential areas or schools.</b></p>	
<p><b>MM AQ-6.</b> All paints shall be low VOC paints and applied using either high volume low-pressure (HVLP) spray equipment or by hand application. For a list of low VOC paints, refer to the website: <a href="http://www.aqmd.gov/prdas/brochures/paintguide.html">www.aqmd.gov/prdas/brochures/paintguide.html</a>.</p>	<p><b>Issue partially covered – in contrast to HFP project, impacts not significant.</b></p> <p><b>P43. Construct and build with materials that do not require painting where feasible.</b></p> <p><b>P44. Use pre-painted construction materials where possible.</b></p>	

<p><b>MM AQ-7A. Construction Phases.</b> Prior to the issuance of grading permits, the developer shall provide documentation to the City of Moreno Valley indicating that construction workers will be encouraged to carpool to the greatest extent practical, <u>including providing information on park and ride programs available to workers.</u> <u>The project shall also provide for lunch services onsite during construction to minimize the need for offsite vehicle trips.</u> Workers shall be informed in writing and a letter placed on file at the City of Moreno Valley documenting the efforts to encourage carpooling.</p>	<p><b>Not covered – in contrast to HFP project, impacts not significant.</b></p>	
<p><b>MM AQ-7B. Occupancy.</b> Prior to the issuance of occupancy permits, the project applicant shall provide documentation to the City of Moreno Valley indicating that tenant workers will be encouraged to carpool to the greatest extent practical <u>including providing information on park and ride programs available to employees.</u> Employees shall be informed in writing and a letter placed on file at the City of Moreno Valley documenting the efforts to encourage carpooling.</p>	<p><b>Not covered. In contrast to HFP project, impacts not significant</b></p>	
<p><b>MM AQ-8.</b> During project construction, onsite electrical hook-ups shall be provided for electric construction tools including saws, drills and compressors, to minimize the need for diesel powered electric generators.</p>	<p><b>Issue covered</b></p> <p><b>P65. Project Applicant shall provide construction site electrical hook ups for electric hand tools such as saws, drills, and compressors, to</b></p>	<p><b>MM AQ-1.</b> Project Applicant shall provide construction site electrical hook ups for electrical hand tools such as saws, drills, and compressors, to eliminate the need for diesel powered</p>

	<p>eliminate the need for diesel powered electric generators or provide evidence that electrical hook ups at construction sites are not practical or prohibitively expensive.</p>	<p>electrical generators or provide evidence that electrical hook ups at construction sites are not practical or prohibitively expensive.</p>
<p>MM AQ-9. During construction, rumble or bumper strips or similar best management practices shall be provided where vehicles enter and exit the construction site onto paved roads, or wash off trucks or any equipment leaving the site with each trip.</p>	<p><b>Issue covered</b></p> <p><b>P45. Based on the City's Grading Ordinance and requirements of SCAQMD, the following shall be administered by the Public Work's Department:</b></p> <ul style="list-style-type: none"> <li><b>a. Water active construction sites a minimum of three times a day.</b></li> <li><b>b. Pave or provide soil stabilizers according to manufactures' specifications for parking areas and construction roads.</b></li> <li><b>c. Suspend all excavating and grading operations when wind speeds exceed instantaneous gusts exceeding 25 mph.</b></li> <li><b>d. Replace ground cover in disturbed areas inactive for 15 days or more.</b></li> <li><b>e. Trucks hauling dirt, sand, gravel or soil shall be covered or should maintain at least two feet of freeboard in accordance with</b></li> </ul>	

Section 23114 of the California Vehicle Code, while truck drivers shall be informed of this requirement prior to entering the site.

LD6. (G) The developer shall monitor, supervise and control all construction and construction supportive activities, so as to prevent these activities from causing a public nuisance, including but not limited to, insuring strict adherence to the following:

(a) Removal of dirt, debris, or other construction material deposited on any public street no later than the end of each working day.

(b) Observance of working hours as stipulated on permits issued by the Public Works Department.

(c) The construction site shall accommodate the parking of all motor vehicles used by persons working at or providing deliveries

	<p>to the site.</p> <p>(d) All dust control measures per South Coast Air Quality Management District (SCAQMD) requirements shall be adhered to during the grading operations.</p> <p>Violation of any condition or restriction or prohibition set forth in these conditions shall subject the owner, applicant, developer or contractor(s) to remedies as noted in the City Municipal Code 8.14.090. In addition, the City Engineer or Building Official may suspend all construction related activities for violation of any condition, restriction or prohibition set forth in these conditions until such time as it has been determined that all operations and activities are in conformance with these conditions.</p>	
<p><b>MM-AQ-10.</b> Offsite construction improvements shall be limited to an 8-hour day during daylight hours.</p>	<p><b>Issue covered –no offsite improvements are anticipated.</b></p> <p><b>The Public Works Department has a</b></p>	

	<p>standard condition of approval regarding the public nuisance aspect of the construction activities. The construction operations including building related activities and deliveries shall be restricted to <u>Monday through Friday from 6:00 AM to 8:00 PM, excluding holidays, and from 7:00 AM to 8 PM on weekends and holidays</u>, in accordance with City Municipal Code 8.14.040, unless otherwise extended or shortened by the City Engineer or Building Official.</p>	
<p><b>Operations</b></p> <p>MM AQ-11. <u>All project entrances</u> shall be posted with signs which state:</p> <p>a) Diesel trucks servicing the project shall not idle for more than 3 minutes; and</p> <p>b) Telephone numbers of the building facilities manager and the California Air Resources Board to report violations.</p>	<p>Issue partially covered.</p> <p>P46. The applicant shall appoint a construction relation officer, or the contractor's project superintendent shall be available during regular working hours to address and resolve community issues concerning on-site construction activity related to PM 10 generation.</p> <p>P47. Restrict idling emissions by using auxiliary power units/electrification and prohibit idling in excess of 5 minutes.</p>	
<p>MM AQ-12. Electricity shall be provided in the loading dock areas for transportation refrigeration units visiting the site, if any.</p>	<p>Issue covered</p> <p>P56. Provide electrical sources for</p>	

	<b>service equipment and docking of trucks.</b>	
<b>MM AQ-14.</b> Electrical hookups shall be provided for transport refrigeration units within the Commercial component (Phases II and III) to eliminate the need for idling of diesel-powered transport refrigeration units.	<b>Issue covered</b>  <b>P56. Provide electrical sources for service equipment and docking of trucks.</b>	
<b>MM AQ-15.</b> The project applicant shall include in all new lease documents the requirement that the tenants shall utilize only trucks using refrigeration units capable of utilizing electrical hook-ups for deliveries to the tenant.	<b>Issue not covered - in contrast to HFP project, impacts not significant</b>	
<b>MM AQ-16.</b> The project applicant shall encourage its tenants to do the following: have a compressed workweek schedule for its employees; include electric powered and/or compressed natural gas fueled trucks and/or vehicles in fleets; require or provide incentives to use California Air Resources Board certified particulate filters that meet level III requirements; use "clean" trucks, such as 2007 or newer model year or 2010 compliant; use electric yard trucks; use trucks with a SmartWay 1.25 rating; and electrify auxiliary power units. The applicant shall provide documentation of its efforts to the satisfaction of the City.	<b>Issue partially covered - in contrast to HFP project, impacts not significant</b>	<b>MM AQ-9.</b> Use alternative fuels and measures to maximize fleet efficiency for vehicles that will serve the proposed project on a frequent basis (e.g. forklifts, switcher tractors/hostelling units) or provide evidence that it is prohibitively expensive.
<b>MM AQ-17.</b> The project shall be designed such that the check-in point for trucks is inside the facility property to ensure that there are no trucks	<b>Issue partially covered – there is no potential for queuing near sensitive receptors as would be the</b>	

<p>queuing outside the facility.</p>	<p>case with HFP.</p> <p><b>P47. Restrict idling emissions by using auxiliary power units/electrification and prohibit idling in excess of 5 minutes.</b></p>	
<p><b>MM AQ-19.</b> Prior to the Issuance of Occupancy Permits, written evidence shall be provided to the Planning and Transportation Engineering Divisions that the project applicant shall include in all new lease documents the requirement that the tenant shall provide employees with incentives for carpooling or impose a parking fee.</p>	<p><b>Issue not covered - in contrast to HFP project, impacts not significant</b></p>	
<p><b>MM AQ-20.</b> The property owners association shall maximize use of electrical equipment for landscape maintenance.</p>	<p><b>Issue not covered - in contrast to HFP project, impacts not significant</b></p>	
<p><b>MM BR-3.</b> A pre-construction clearance survey for burrowing owl shall be provided. The pre-construction survey shall be conducted by a qualified biologist no more than thirty (30) days prior to any grading or ground disturbing activities.</p> <p>If construction is to be initiated during the breeding season (February 1 through August 31) and burrowing owl is determined to occupy any portion of the study area during the 30-day pre-construction survey, consultation with the CDFG and USFWS shall take place and no construction</p>	<p><b>Issue covered</b></p> <p><b>P12. A focused Burrowing Owl preconstruction survey needs to be conducted within 30 days prior to the initiation of any ground disturbances. If a Burrowing Owl is found present on the project site, the protocol of the Multi Species Habitat Conservation Program shall be followed.</b></p> <p><b>P66. If construction is to commence</b></p>	<p><b>MM BIO-1 &amp; 5.</b> A pre-construction clearance survey for burrowing owl shall be conducted within the development footprints and a 500-foot buffer. A qualified biologist shall conduct the pre-construction survey no more than thirty (30) days prior to any grading or ground disturbing activities.</p>

<p>activity shall take place within 500 feet of an active nest/burrow until it has been determined that the nest/burrow is no longer active, and all juveniles have fledged the nest/burrow. No disturbance to active burrows shall occur without appropriate permitting through the MBTA and/or CDFG.</p> <p>If active burrowing owl burrows are detected outside the breeding season (September through January), or within the breeding season but owls are not nesting or in the process of nesting, passive relocation may be conducted following consultation with the CDFG and USFWS. Construction activity may occur within 500 feet of the active nests at the discretion of the biological monitor.</p>	<p><b>during the raptor breeding season (January 15–July 30), a preconstruction survey for nesting raptors will be required three days prior to ground disturbance. No construction activities may occur within 500 feet of an active raptor nest unless the activity has been authorized by a qualified biologist as having no potential to interfere with nesting activity or until the biologist determines that the nest is no longer active.</b></p> <p>P67. <b>A pre-construction burrowing owl survey will be conducted within the development footprint and a 500-foot buffer within 30 days of grading or other significant site disturbance.</b></p>	<p><b>MM BIO-2.</b> If construction is to commence during the raptor breeding season (January 15–July 30), a preconstruction survey for nesting raptors will be required three days prior to ground disturbance. No construction activities may occur within 500-feet of any active raptor nest unless a qualified biologist as having no potential to interfere with nesting activity has authorized the activity or until the biologist determines that, the nest is no longer active.</p> <p><b>MM LU-1.</b> A pre-construction clearance survey for burrowing owl shall be conducted within the development footprints and a 500-foot buffer. A qualified biologist shall conduct the pre-construction survey no more than thirty (30) days prior to any grading or ground disturbing activities.</p>
<p><b>MM BR-4.</b> Prior to issuance of a building</p>	<p><b>Issue covered</b></p>	

<p>permit, the applicant shall pay the mandatory mitigation fee for the MSHCP. The mitigation fee is a per unit fee based on the residential development and a per square feet fee based on commercial or industrial development. This will satisfy mitigation required for Impact 5.4-5 and 5.4-6.</p>	<p><b>P23. (BP) Prior to issuance of building permits, the developer or developer's successor-in-interest shall pay all applicable impact fees, including but not limited to Transportation Uniform Mitigation fees (TUMF), Multi-species Habitat Conservation Plan (MSHCP) mitigation fees, and the City's adopted Development Impact Fees. (Ord)</b></p>	
<p><b>MM N-2. No Nighttime Grading within 1,200 Feet of Residences south of Future Eucalyptus Avenue. City grading hours are from 7 a.m. to 6 p.m., Monday through Friday. No grading activities shall occur at night (8 p.m. to 7 a.m.) within 1,200 feet from any noise-sensitive land uses (i.e. occupied residences including yard areas, schools, etc.) located south of SR-60 (Exhibit 5.11-6 shows the current location of occupied residences). Prior to the issuance of a grading permit, the project applicant shall submit a Noise Reduction Compliance Plan (NRCP) to the City as part of the grading permit submittal showing the limits of nighttime construction based on the location of occupied residential dwellings and their associated parcels, and other noise sensitive</b></p>	<p><b>Issue not covered - no night time grading is proposed as part of Western Realco project. No significant noise impacts were identified, therefore no mitigation plan required.</b></p>	

<p><b>uses.</b> The limits of nighttime grading shall be shown on the NRCP and grading plan submitted to the City.</p> <p>The limits of construction allowed at night shall be staked or posted on site, and contractors will be provided with a copy of the plan showing the limits of nighttime construction.</p> <p>In the event any new residential units or other noise sensitive land uses are built and occupied in the vicinity of the project site prior to completion of Phase 1 construction, nighttime construction and grading activities shall be prohibited within 1,200 feet of such residences. Compliance shall be demonstrated through a modification of the NRCP.</p> <p>With the implementation of this mitigation measure, the loudest noise level that would be experienced at any developed residential parcel would be less than 55 dBA (Leq) during the nighttime, and this level would be consistent with the limits established in the City's Noise Ordinance. Compliance with these standards during Phase 1 construction of the project should be assured through the Noise Reduction Compliance Plan (NRCP) and periodic monitoring of noise levels at developed residential parcels within 1,200 feet of the project site.</p>		
<p><b>MM N-3. Daytime Construction Noise. City grading hours are from 7 a.m. to 6 p.m.,</b></p>	<p><b>Issue covered – sensitive receptors are located away from major site construction</b></p>	<p><b>MM N-1&amp;2</b></p>

MV00233326

<p><b>Monday through Friday. If project site grading activities must occur within 560 feet of noise-sensitive land uses during the daytime (7 a.m. to 8 p.m.), then temporary sound barriers of sufficient height and density to reduce daytime noise levels to 60 dBA (Leq) or less shall be placed between the grading activities and the noise-sensitive land uses.</b></p> <p>Prior to the issuance of a grading permit, the developer shall submit a NRCP to the City as part of the grading permit submittal showing the limits of daytime construction based on the 560 foot setback in relation to the location of occupied residential dwellings and their associated parcels and other noises sensitive uses.</p> <p>In the event any new residential units or other noise sensitive land uses are built and occupied in the vicinity of the project site prior to completion of Phase 1 construction, the NRCP shall be modified to show a the revised new 560 foot setback for day time construction and grading activities in relation to the new residences.</p> <p>With the implementation of this mitigation measure the loudest noise level that would be experienced at any developed residential parcel would be less than 60 dBA (Leq) during the daytime, and these levels would be consistent with the limits established in the City's Noise</p>	<p><b>and away from construction routes.</b></p>	<ul style="list-style-type: none"> <li>• All noise-producing construction equipment and vehicles using internal combustion engines will be equipped with mufflers, air-inlet silencers where appropriate, and any-other shrouds, shields, or other noise reducing features in good operating condition that meets or exceeds original factory specifications. Mobile or fixed "package" equipment (e.g., arc welders, air compressors) will be equipped with shrouds and noise control features that are readily available for that type of equipment.</li> <li>• Materials stockpiles and mobile equipment staging, parking, and maintenance areas will be located as far as practicable from adjacent residential development.</li> </ul>
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MV00233327

<p>Ordinance. Compliance with these standards during Phase 1 construction of the project should be assured through the NRCP and periodic monitoring of noise levels at developed residential parcels within 560 feet of the project site. This mitigation measure does not apply to off-site construction.</p>		<ul style="list-style-type: none"> <li>• Construction site and access road speed limits will be established and enforced during the construction period.</li> </ul> <p>The Public Works Department has a standard condition of approval regarding the public nuisance aspect of the construction activities. The construction operations including building related activities and deliveries shall be restricted to Monday through Friday from 6:00 AM to 8:00 PM, excluding holidays, and from 7:00 AM to 8 PM on weekends and holidays, in accordance with City Municipal Code 8.14.040, unless otherwise extended or shortened by the City Engineer or Building Official.</p>
<p><b>MM N-4.</b> Require Equipment Maintenance. All construction equipment shall be maintained in good working order and fitted with the appropriate silencers, mufflers or acoustic covers where applicable.</p>	<p><b>Issue covered</b></p> <p><b>P49. Maintain equipment and vehicle engines in good condition and in proper tune as per manufacturers' specifications.</b></p>	<p><b>MM AQ-2.</b> The project applicant shall ensure that construction equipment is properly maintained, including proper tuning and timing of the engines.</p>

<p><b>MM GCC-1.</b> The project shall be designed to meet applicable 2008 Title 24 energy efficiency requirements, or any more stringent requirements that may be adopted prior to the issuance of building permits for the project.</p>	<p><b>Issue covered</b></p> <p><b>P38. Improve thermal integrity of the buildings and reduce thermal load with the use of automated time clocks or occupant sensors.</b></p> <p><b>P39. Install energy efficient street lighting subject to review and approval by City.</b></p> <p><b>P40. If applicable, waste heat will be captured and reemployed in nonresidential buildings.</b></p> <p><b>P42. Provide lighter color roofing and road materials to deflect heat and if feasible, tree planting programs, to comply with AQMP Miscellaneous Sources MSC-01 measure.</b></p> <p><b>P57. Install solar panels on building roof to supply electricity for office use.</b></p> <p><b>P58. Use double paned windows to reduce thermal loss, and/or provide high performance glass and window coverings at office areas to reduce HVAC loads.</b></p>	
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	<b>P59. Install central water heating systems and energy efficient appliances to reduce energy consumption.</b>	
<b>MM GCC-2.</b> All buildings shall be designed with “cool roofs” using products certified by the Cool Roof Rating Council, and exposed roof surfaces shall use “cool paints.”	<b>Issue partially covered - in contrast to HFP project, impacts not significant</b>  <b>P42. Provide lighter color roofing and road materials to deflect heat and if feasible, tree planting programs, to comply with AQMP Miscellaneous Sources MSC-01 measure.</b>	<b>MM AQ-8.</b> Use light-colored roof materials to reflect heat.
<b>MM GCC-3.</b> The project shall install a photovoltaic array (solar panels) or other source of renewable energy generation on-site, or otherwise acquire energy from the local utility that has been generated by renewable sources, to meet the project’s Phase 1 office electricity needs.	<b>Issue covered</b>  <b>P57. Install solar panels on building roof to supply electricity for office use.</b>	
<b>MM GCC-4.</b> The design and operation of the project shall use ENERGY STAR-qualified energy efficient products for heating and cooling systems, and for built-in appliances and lighting.	<b>Issue covered</b>  <b>P59. Install central water heating systems and energy efficient appliances to reduce energy consumption.</b>	
<b>MM GCC-6.</b> The project shall provide a minimum of two electric vehicle-charging	<b>Issue not covered - in contrast to HFP project, impacts not significant</b>	

stations.		
<p><b>MM GCC-7.</b> During onsite construction phases of mass grading, fine grading, and building (excluding asphalt paving, trenching, and offsite improvements), off-road construction equipment shall use biodiesel fuel (a minimum of B20, or 20 percent of biodiesel). Construction equipment exempt from this measure include those with warranties that would be voided if B20 biodiesel fuel is used. Prior to issuance of grading permits, the applicant shall provide documentation to the City that verifies that certain equipment are exempt; that a biodiesel supply has been secured; and that the construction contractor is aware that the use of biodiesel is required.</p>	<p><b>Issue partially covered - in contrast to HFP project, impacts not significant</b></p>	<p><b>MM AQ-4.</b> Utilize alternatives fuels in construction equipment and require construction equipment to utilize the best available technology to reduce emissions or provide evidence that it is prohibitively expensive.</p> <p><b>MM AQ-9.</b> Use alternative fuels and measures to maximize fleet efficiency for vehicles that will serve the proposed project on a frequent basis (e.g. forklifts, switcher tractors/hostelling units) or provide evidence that it is prohibitively expensive.</p>
<p><b>MM GCC-8.</b> Prior to issuance of a grading permit, the project shall have in place a City-approved Solid Waste Diversion and Recycling Plan that demonstrates the diversion and recycling of all salvageable and re-useable wood, metal, plastic and paper products used during project construction. A similar Plan shall be in place prior to occupancy that demonstrates the diversion and recycling of all wood, metal, plastic and paper products during on-going operation of the warehouse and office portions of</p>	<p><b>B4.</b> (BP) Prior to the issuance of a building permit, the applicant shall submit a properly completed "Waste Management Plan" (WMP), as required, to the Compliance Official (Building Official) as a portion of the building or demolition permit process.</p>	

<p>the project. The Plans shall include the name of the waste hauler, their assumed destination for all waste and recycled materials, and the procedures that will be followed to ensure implementation of this measure.</p>		
<p><b>MM GCC-9.</b> The project shall be certifiable under Leadership in Energy and Environmental Design (LEED). <u>The project shall obtain the following credits from the LEED for New Construction &amp; Major Renovations, version 2.2 (or equivalent): Sustainable Sites Credit 7.1: Heat Island Effect, Non-Roof; LEED Energy &amp; Atmosphere Credit 1, Optimize Energy Performance, in part through installing skylights and utilizing energy efficient lighting. Demonstration of certifiability shall be provided to the satisfaction of the City, prior to the issuance of building permits.</u></p>	<p><b>Not covered - in contrast to HFP project, impacts not significant</b></p>	
<p><b>MM GCC-10.</b> The project shall be designed to accommodate trucks utilizing “SmartWay Truck Efficiency” emission reduction features. Trailer tails (extenders) are incompatible with loading docks and are exempt from this measure.</p>	<p><b>Not covered - in contrast to HFP project, impacts not significant</b></p>	
<p><b>MM GCC-11.</b> Every truck that enters the site with a gross vehicle weight rating over 10,000 pounds shall have an Engine Certification Label. If it does not have the label, it shall be prohibited from entering the project site.</p>	<p><b>Not covered - in contrast to HFP project, impacts not significant.</b></p>	

Highland Fairview / Skechers  
2009/2010 Stewart, Richard

09 NOV 18 PM 4: 58



## MEMORANDUM

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To: Mayor Richard Stewart and Members of the City Council  
From: Robert G. Gutierrez, City Manager   
Date: November 16, 2009  
Subject: INFORMATION REGARDING THE SLPP GRANT APPLICATIONS OF  
HIGHLAND FAIRVIEW

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In early August, City Staff met with representatives of Highland Fairview to discuss the City filing for four State-Local Partnership Program (SLPP) grant applications on behalf of Highland Fairview. The four projects were: the construction of Eucalyptus Avenue, Redlands Boulevard, and Theodore Street associated with its Highland Fairview Corporate Park (HFCP) project and Cactus Avenue associated with its Aquabella aged-restricted housing project. By way of background, The Highway Safety, Traffic Reduction, Air Quality, and Port Act of 2006, commonly referred to as Proposition 1B, includes funding for two, State-Local Partnership Programs (SLPP). The first program is a formula grant program in which a city must have a voter-approved tax and/or fee to qualify. Measure A qualifies as a local match. The second SLPP program is a competitive grant program and is the source of Highland Fairview's request. A local city must have in place its own development impact fee for transportation related improvements to serve as matching funds. The City's DIF and TUMF programs qualify.

The California Transportation Commission (CTC) will be the responsible agency in awarding SLPP competitive grant program funds and Caltrans will have local oversight. A brief summary of the grant is as follows:

- The SLPP requires a local match (100%) of a uniform traffic mitigation fee up to a grant request of \$1,000,000. DIF and TUMF would qualify.
- The City is the grant applicant in that the funds must be distributed by the City from its DIF/TUMF program. The State would reimburse the City for the improvements.
- The project must be prevailing wage and must follow the Public Contract Code.
- The projects must be constructed in 2010. The SLPP Guidelines state the grant recipient may have two additional years to complete the project.
- A request for SLPP grant funds must include the signature of the Chief Executive Officer or other authorized officer of the implementing agency in order for the

Memo  
Highland Fairview/SLPP Grant Funds  
November 16, 2009

application to be considered and filed with the CTC by August 15 (since the 15<sup>th</sup> was a Saturday, applications were accepted until the close of business on Monday, August 17).

- The Agency will commit to have the available funds upon submittal of a grant nomination to CTC.

Highland Fairview prepared the necessary SLPP grant applications, obtaining the necessary signature and filed the request for funding on August 17.

The City received notice from the Commission and Department of Transportation, Local Assistance staff that two of Highland Fairview's proposed projects for State-Local Partnership Program (SLPP) 1-B competitive grant funds are being recommended to the Commission for funding. The two SLPP applications are: Cactus Avenue Street Improvements and Eucalyptus Street Improvements. Each application requested funding in the amount of \$1 million.

We have been advised that on October 15, 2009, the California Transportation Commission took action to approve Highland Fairview's grant applications for the two projects. Based on the representation to City Staff that Highland Fairview would fully fund its projects, the City is requesting Highland Fairview deposit the necessary funds to match and construct the two projects with the City prior to the Commission's hearing dates (Cactus Avenue project is estimated to cost \$6,350,000 and Eucalyptus Street Improvements \$6,265,915). A copy of the letter staff sent to Highland Fairview advising them of the same is attached for your information.

The SLPP grant process requires an agency requesting grant funds to demonstrate evidence of matching developer fees. Since the City Council has not taken action to fund the two projects, staff is requesting Highland Fairview deposit the necessary funds with the City as soon as possible. Upon depositing the funds with the City, the two projects will be placed on the City Council agenda for its consideration of the grant funds and approval of the projects. If this does not occur, the Commission may remove the two projects from further consideration for the grant money due to lack of matching funds.

Please contact Chris Vogt if you have any questions on the information provided above.

Attachment: Letter to Highland Fairview dated November 16, 2009,  
SLPP Grant Funds for the Cactus Avenue and Eucalyptus Avenue  
Improvements – Highland Fairview Properties

c: Bob Hansen, Interim City Attorney  
Betsy Adams, Assistant City Manager  
Chris Vogt, Public Works Director/City Engineer

RGG/rch

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14177 FREDERICK STREET  
P.O. BOX 56005  
MORENO VALLEY, CA 92552-0805

**SENT VIA  
E-MAIL & U.S. MAIL**

November 16, 2009

Danette Fenstermacher  
Chief Operating Officer &  
Executive Vice President  
Highland Fairview Properties  
14225 Corporate Way  
Moreno Valley, CA 92553

**RE: SLPP Grant Funds for the Cactus Avenue and Eucalyptus Avenue  
Improvements – Highland Fairview Properties**

Dear Ms. Fenstermacher:

On October 15, 2009, the California Transportation Commission took action to approve grant applications applied for by the City at the request of Highland Fairview. As you will recall, these applications were for the Cactus Avenue Street Improvements and the Eucalyptus Avenue Improvements, which are obligations of Highland Fairview to construct as part of the approvals for the Highland Fairview Corporate Park Project. Based on representations made to City Staff on Thursday, August 13, 2009, Highland Fairview stated it would fully fund these projects. Therefore, the City is now requesting that Highland Fairview deposit the necessary funds to match and construct these two projects. The cost estimates included in the applications for the projects are as follows:

Cactus Avenue Improvements – \$6,350,000; and  
Eucalyptus Avenue Improvements – \$6,265,915.

As you are aware, the SLPP grant process requires the agency requesting grant funds to demonstrate evidence of matching developer fees and the financial ability to construct the projects. Since the City Council has not taken action to fund these two projects, it is imperative that Highland Fairview deposit the necessary funds with the City as soon as possible.

Upon depositing the funds with the City, an action will be placed on the City Council agenda for consideration of acceptance of the grant funds and approval of the funding of the projects. Please be advised that until the necessary funds are deposited with the City, staff cannot recommend to the City Council that the grants be accepted. If the City Council does not accept the grants and approve the funding of these two projects, the Commission may remove the two projects from further consideration for the grant money due to lack of matching funds.

PUBLIC WORKS DEPARTMENT

MV00233532

Danette Fenstermacher  
November 16, 2009  
Page 2

Feel free to contact me if you have any questions and/or comments.

Respectfully,



Chris A. Vogt, P.E.  
Public Works Director/City Engineer

V:/Highland Fairview :Ltr.HFP. SLPP.09.1028

## Discussion Topics (in random order)

### CITY

INDUSTRIM

1. Signage at truck driveways on Eucalyptus between Redlands and Theodore directing use of Theodore
2. Physical barriers to trucks on westbound Eucalyptus after HFCP Phase 3 opening
3. Work with Cal-Trans for placement of freeway signs on SR60 directing HFCP trucks to Theodore
4. Eliminate "Truck route" designation on Ironwood between Moreno Beach Drive and Theodore Street
5. Code Compliance and enforcement efforts for Commercial properties established
6. "Dark Sky" lighting guidelines considered for City lighting policy
7. AB811 (City finance of alternative energy installations)
8. Climate Action Plan prepared by City
9. Regional development impact fee to fund SR60 mainline improvements
10. Send a staff person to 6/12/09 AB811 conference

### HIGHLAND FAIRVIEW

1. Provide information on trucks for Skechers distributors – distribution %, out-of-state trips % of total
2. Restrict distribution trucks entering Skechers facility to highest enforceable AQ standards and Smart Way 1.25 trucks as feasible
3. Average Tier II modifications to construction equipment
4. Carpooling incentives
5. Preferred parking for alternative fuel vehicles
6. Additional plug-in stations for electric vehicles
7. Added on-site solar to provide more than office demand based upon level of assistance from MV Utility.
8. Electric/propane yard goats
9. Attorney's fees
10. Disclosure to prospective residents of HF developments about nearby logistics project
11. Agricultural easement
12. Restrict diesel-powered portable generators during construction
13. Optimize energy efficiency of exterior lighting
14. Solar water heaters

### SIERRA CLUB

1. Provide Agricultural Preserve contact information

Paul G @ SECURUS.COM



Paul Gantner

Upon Phase 3 of the project, all vehicles over 10,000 pounds entering or exiting Phase 1 or Phase 2 facilities shall continue to utilize the Theodore Street entrances and exits to SR 60 unless the traffic study required prior to Phase 3 identifies compelling evidence that the failure to allow large vehicles to utilize the Redlands Ave. entrances and exits to SR 60 will cause the Theodore St. entrances and exits to SR 60 to exceed Level of Service standards of the City and that mitigation is unavailable to reduce impacts to acceptable levels and that allowing the use of Redlands Ave. will not result in any decrease in the Level of Service for Redlands Ave. for either links or intersections.

The applicant shall be responsible for constructing physical constraints on the project site itself, or within the right of way for Eucalyptus St. if approved by the City, installation of no right turn for trucks signs at Phase 1 and 2 project exits, shall pay for the installation of informational signs on SR 60 advising trucks to utilize Theodore street exits, and ~~shall subsidize City Code Enforcement in order to enforce the no right turn requirements.~~

Developer shall purchase an equal acreage (122.9 acres) of agricultural land in western Riverside County to compensate for the loss of acreage by the proposed buildings, parking lots, and roads. Satisfactory arrangements shall be made to ensure the perpetual use of this mitigation land for active agricultural purposes such as conveyance to an agricultural land conservancy.\* AR 4716

~~All restaurants and food or beverage stores shall provide an electrical hookup for refrigeration units on delivery trucks. Trucks incapable of utilizing the electrical hookup for powering refrigeration units shall be prohibited from accessing the site. All leasing documents shall include these requirements and provide that violation of those provisions will constitute a material breach of the lease that will result in the termination of the lease. Because of the fact that these terms of the lease are designed to benefit the public, the public shall be considered to be a third party beneficiary with standing to enforce the requirements of the lease.\* AR 4717~~

- Install high pressure injectors on diesel construction equipment.\* AR 4718

Install catalytic converters on gasoline-powered equipment.\* AR 4718

~~Minimize construction worker trips by requiring carpooling and providing for lunch onsite.\* AR 4718~~

Require each user to establish a carpool/vanpool program.\* AR 4718

~~Implement parking cash-out program for non-driving employees.\* AR 4719~~

~~Implement a compressed workweek schedule.\* AR 4719~~

- Provide electrical vehicle ("EV") and compressed natural gas ("CNG") vehicles in vehicle fleets.\* AR 4719

~~Install EV charging facilities for a minimum of 10% of all parking spaces.\* AR 4719~~

Provide preferential parking locations for EVs and CNG vehicles.\* AR 4719

Utilize electrical equipment for landscape maintenance.\* AR 4719

Utilize only CARB certified equipment for construction activities.\* AR 4719

~~Provide subsidies or incentives to employees who use public transit or carpooling including preferential parking.\* AR 4719~~

~~Plant shade trees in parking lots to provide minimum 50% cover to reduce evaporative emissions from parked vehicles.\* AR 4719~~

**Deleted: THRESHOLD FOR DETERMINING SIGNIFICANCE**  
*For the purposes of this EIR, a significant impact would occur if implementation of*  
*General Plan Alternatives 1, 2, or 3 would:*  
• *Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use;*  
• *Conflict with existing zoning for agricultural use, or a Williamson Act contract;*  
or  
• *Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use.* (General Plan FEIR P 5.8-7)  
• *Purchasing conservation easements on existing agricultural land to ensure that the land is never converted to urban uses.* (General Plan FEIR P 5.8-8)

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Utilize electric yard trucks.\* AR 4719

All buildings shall be constructed to LEED ~~Platinum~~ standards.\* AR 4719

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The Project shall meet SmartWay 1.25 ratings.\* AR 4719

The project shall use only freight companies that meet SmartWay 1.25 ratings.\* AR 4719

Extend grading period sufficiently to reduce air quality impacts below a level of significance. AR 4719

~~Provide double glazing for all residents adjacent to or immediately across the street from the project. AR 4720~~

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~~Provide temporary noise barriers during project construction. AR 4720~~

~~Trucks should be prohibited from using entrances and exits after the hours of 7:00 p.m. and on Sundays. AR 4720~~

~~No generators shall be allowed.\* AR 4720~~

The Project shall be required to construct renewable energy sources sufficient to provide 100% of all electrical usage for the entire Project. AR4721

~~The Project shall be required to construct renewable energy sources sufficient to offset the equivalent of 100% of all greenhouse gas emissions from mobile sources (internal combustion engines) for the entire Project. AR 4722~~

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The Project shall be prohibited from installing any air conditioning in any space where the electrical demand is not totally offset by the production of electricity from renewable resources. AR 4722

~~A project design mitigation measure limiting the building height to 25 feet would preserve the present scenic vista from the highway AR 4801~~

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~~As such a mitigation measure reducing the height of the structure to preserve some of the scenic vistas should be imposed. AR4809~~

A feasible mitigation measure worthy of consideration would be for the intended warehouse tenant Sketchers Corporation to commit to operating the facility with trucks equipped only with the latest air pollution abatement technology including diesel soot filters. A simple contract condition in the Sketchers trucking agreements could implement such a program thereby mitigating the project health burdens imposed on the community. AR4801

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Add a mitigation measure to assure that the site lighting is compatible with "Dark Sky" specifications. AR4801

Add mitigation measures requiring a percentage of the business's personal or contracted vehicle fleet (diesel trucks), operating to and from the site, to be low or zero emission vehicles. All diesel trucks delivering to the site shall include soot filters or the latest technological equipment available. AR4801

~~Additionally, require the installation of photovoltaic solar panels over the massive roof area of the facility to offset fuels use to generate electricity. AR4801~~

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~~the SCAQMD recommends that MM AQ-I 3 is enhanced so that it specifies the conditions for approval of the General Plan Amendment, Change of Zone, Tentative Parcel Map and Plot Plan to preclude the establishment of residential and sensitive receptors of at least 500 feet from the property linear AR 4886~~

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~~Therefore, in addition to MM AQ-I through AQ-I 0, SCAQMD staff recommends that the lead agency consider requiring the measures below to further mitigate PM10 emissions:~~

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- ~~• Alternative fueled off-road equipment or giving additional points in the job~~
- ~~• bidding process to contractors who commit to using alternative fueled off-road~~
- ~~• equipment.~~
- ~~• All streets shall be swept at least once a day using SCAQMD Rule 1186 certified~~
- ~~• street sweepers or roadway washing trucks if visible soil materials are carried to~~
- ~~• adjacent streets (recommend water sweepers with reclaimed water);~~
- ~~• Configure construction parking to minimize traffic interference;~~
- ~~• Provide temporary traffic controls such as a flag person, during all phases of~~
- ~~• construction to maintain smooth traffic flow.~~
- ~~• Provide dedicated turn lanes for movement of construction trucks and equipment~~
- ~~• on- and off-site.~~
- ~~• Schedule construction activities that affect traffic flow on the arterial system to~~
- ~~• off-peak hour to the extent practicable;~~
- ~~• Reroute construction trucks away from congested streets and sensitive receptor~~
- ~~• areas;~~
- ~~• Improve traffic flow by signal synchronization~~

AR 4887

SCAQMD staff recommends modifying existing mitigation measures as follows.

MMAQ-2 All diesel powered construction equipment in use shall requires control equipment that meets, at a minimum Tier III emission requirements. In the event Tier III equipment is not available, diesel powered construction equipment in use shall require emissions control equipment with minimum of Tier II diesel standards.

~~MMA 4 During project construction, the developer shall require all contractors to turn off all construction equipment and delivery vehicles when not in use or prohibit idling in excess of 5 minutes. AR 4888~~

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The SCAQMD recommends the lead agency consider the following additional mitigation measures to reduce diesel emissions which contribute to the projects overall impact:

- ~~Re-route truck traffic by adding direct off-ramps for the truck traffic or by restricting truck traffic on certain sensitive routes;~~
- Restrict operation to "clean" trucks, such as a 2007 or newer model year or 2010 compliant vehicle;
- ~~Use "clean" street sweepers compliant with SCAQMD Rule 1186.1;~~

~~Require or provide incentives to use CARB certified particulate traps that meet level 3 requirements; AR 4888~~

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There should also be a clause that will insure that residents who buy these homes that are within close proximity to the Logistic Centers/warehouses are made aware of the health risks associated to the diesel sources that are in close proximity to their homes. AR 4905

~~Require all Heavy duty Diesel Delivery Vehicles to Reduce Black Carbon Emissions: AR 4935~~

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Require All Mobile Cargo Handling Equipment to Comply With the Emissions Standards for Port Equipment: AR 4935

~~The project should create incentives for early compliance with all regulatory reduction measures so that black carbon can be reduced as rapidly as possible. AR 4935~~

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~~Designing buildings for passive heating and cooling, and Natural Light, including building orientation, proper orientation and placement of windows, overhangs, skylights, etc. AR 4947~~

~~Reducing the use of pavement and impermeable surfaces. AR 4947~~

~~Installing solar water heating systems to generate all of the Project's hot water requirements. AR 4949~~

~~Create a car sharing program within the planned community. AR 4950~~

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~~Create a light vehicle network, such as a neighborhood electric vehicle (NEV) system. AR 4950~~

## Discussion Topics (in random order)

### CITY

1. Signage at truck driveways on Eucalyptus between Redlands and Theodore directing use of Theodore
2. Physical barriers to trucks on westbound Eucalyptus after HFCP Phase 3 opening
3. Work with Cal-Trans for placement of freeway signs on SR60 directing HFCP trucks to Theodore
4. Eliminate "Truck route" designation on Ironwood between Moreno Beach Drive and Theodore Street
5. Code Compliance and enforcement efforts for Commercial properties established
6. "Dark Sky" lighting guidelines considered for City lighting policy
7. AB811 (City finance of alternative energy installations)
8. Climate Action Plan prepared by City
9. Regional development impact fee to fund SR60 mainline improvements
10. Send a staff person to 6/12/09 AB811 conference

### HIGHLAND FAIRVIEW

1. Provide information on trucks for Skechers distributors – distribution %, out-of-state trips % of total
2. Restrict distribution trucks entering Skechers facility to highest enforceable AQ standards and Smart Way 1.25 trucks as feasible
3. Tier II/Tier III modifications to construction equipment
4. Carpooling incentives
5. Preferred parking for alternative fuel vehicles
6. Additional plug-in stations for electric vehicles
7. Upgrade Skechers fleet to use electric, CNG, clean diesel trucks
8. Added on-site solar to provide more than office demand based upon level of assistance from MV Utility.
9. Electric/propane yard goats
10. Attorney's fees
11. Disclosure to prospective residents of nearby logistics uses
12. Ag easement/contribution
13. Electric equipment for landscape maintenance
14. Keep Sierra Club informed of planning efforts for Moreno Highlands property
15. Restrict diesel-powered portable generators during construction
16. Use low-energy exterior lighting
17. Solar water heaters

### SIERRA CLUB

1. Provide Agricultural Preserve contact information

CITY ITEM 1

Signage at truck driveways on Eucalyptus between Redlands and Theodore directing use of Theodore

CITY ITEM 2

Physical barriers to trucks on westbound Eucalyptus after HFCP Phase 3 opening

*Upon Phase 3 of the project, all vehicles over 10,000 pounds entering or exiting Phase 1 or Phase 2 facilities shall continue to utilize the Theodore Street entrances and exits to SR 60 unless the traffic study required prior to Phase 3 identifies compelling evidence that the failure to allow large vehicles to utilize the Redlands Ave. entrances and exits to SR 60 will cause the Theodore St. entrances and exits to SR 60 to exceed Level of Service standards of the City and that mitigation is unavailable to reduce impacts to acceptable levels and that allowing the use of Redlands Ave. will not result in any decrease in the Level of Service for Redlands Ave. for either links or intersections.*

*The applicant shall be responsible for constructing physical constraints on the project site itself, or within the right of way for Eucalyptus St. if approved by the City, installation of no right turn for trucks signs at Phase 1 and 2 project exits and shall pay for the installation of informational signs on SR 60 advising trucks to utilize Theodore street exits. City will be responsible for acquiring approval from Cal-Trans to post the SR-60 informational signs. City Code Enforcement will make reasonable efforts to enforce the no right turn requirements.*

CITY ITEM 3

Work with Cal-Trans for placement of freeway signs on SR60 directing HFCP trucks to Theodore

*Within 30 days of the execution of this agreement, the City shall submit a formal request to Caltrans for the construction of a sign or signs to be installed along the SR60 freeway directing all HFCP project traffic to the Theodore Street exit. The location, size, design and text of said sign(s) shall comply with all applicable Caltrans standards.*

CITY ITEM 4

Eliminate "Truck route" designation on Ironwood between Moreno Beach Drive and Theodore Street

*Within 30 days of the execution of this agreement, the City Manager, or designee, shall initiate the process to delete the "truck route" designation on Ironwood Avenue between Moreno Beach Drive and Theodore Street. IT IS UNDERSTOOD*

*THE PUBLIC HEARING AND LEGISLATIVE PROCESS OF  
THE CITY COUNCIL WILL DETERMINE THE FINAL OUTCOME*

CITY ITEM 5

Code compliance and enforcement efforts for commercial properties established

[Input needed from City]

WORK PLAN

FINES TO COVER COSTS

CITY ITEM 6

"Dark Sky" lighting guidelines considered for City lighting policy

*Within 30 days of the execution of this agreement, the City Manager, or designee, shall initiate an amendment to the Municipal Code to consider adoption of the standards of the International Dark Sky Association regarding exterior lighting.'*

★ NEED TO ADJUST PERHAPS TO  
RURAL / HILLSIDE AREAS —

CITY ITEM 7

AB811 (City finance of alternative energy installations)

*Within 30 days of the execution of this agreement, the City Manager, or designee, shall initiate the process to consider implementation of the provisions of AB811 regarding City financing the installation of alternative energy facilities.*

CITY ITEM 8

Climate Action Plan prepared by City

*Within 30 days of the execution of this agreement, the City Manager, or designee, shall initiate the process to consider an amendment to the General Plan to add a "climate action plan."*

CITY ITEM 9

Regional development impact fee to fund SR60 mainline improvements

[City lacks authority to initiate a regional impact fee for  
Caltrans facilities]

CITY ITEM 10

1. Send a staff person to 6/12/09 AB811 conference

[Done]

HIGHLAND FAIRVIEW ITEM 1

Provide information on trucks for Skechers distributors – distribution %, out-of-state trips % of total

[Done]

HIGHLAND FAIRVIEW ITEM 2

Restrict distribution trucks entering Skechers facility to highest enforceable AQ standards and Smart Way 1.25 trucks as feasible

[To be discussed]

### HIGHLAND FAIRVIEW ITEM 3

Average Tier II modifications to construction equipment

*All off-road equipment with a horsepower rating of 25 hp or greater used during construction of the HFCP project shall meet a minimum Tier II rating, and 75% of said equipment shall meet a minimum Tier III rating. The percentage calculations shall be based upon the total count of the off-road equipment used.*

HIGHLAND FAIRVIEW ITEM 4

Carpooling incentives

[To be discussed]

## HIGHLAND FAIRVIEW ITEM 5

### Preferred parking for alternative fuel vehicles

*Prior to the occupancy of each building phase, parking stalls reserved for alternative fuel vehicles shall be provided. The plot plan for each building phase shall designate the number and location of all such stalls. After building occupancy, an annual review of building tenants shall be conducted by the property owner to determine the level of use of such vehicles and the demand for such reserved spaces. Spaces located closest to building entries shall be converted from general parking to alternative fuel vehicle parking to meet or exceed the demand.*

## HIGHLAND FAIRVIEW ITEM 6

Additional plug-in stations for electric vehicles

*Prior to the occupancy of each building phase, plug-in stations (parking stalls) for electric vehicles shall be provided. The plot plan for each building phase shall designate the number and location of all such stalls. After building occupancy, an annual review of building tenants shall be conducted by the property owner to determine the level of use of such vehicles and the demand for such reserved plug-in stations. Additional plug-in stations shall be provided to meet or exceed the demand.*

## HIGHLAND FAIRVIEW ITEM 7

Added on-site solar to provide more than office demand based upon level of assistance from MV Utility.

[To be discussed]

HIGHLAND FAIRVIEW ITEM 8

Electric/propane “yard goats”

*No diesel-powered “yard goats” shall be permitted.*

HIGHLAND FAIRVIEW ITEM 9

Attorney's fees

[To be discussed]

## HIGHLAND FAIRVIEW ITEM 10

Disclosure to prospective residents of HF developments about nearby logistics project

*Draft Disclosure for New Residential buyers on Land owned by Highland Fairview*

*Buyer acknowledges that the property which Buyer is purchasing is located in the vicinity of the Highland Fairview Corporate Park project. See the attached map. In addition to commercial and office uses, there are or may be distribution warehouses for national and regional companies located within the project. As a result of these uses, there will be automobile and truck traffic, which may operate on a 24/7 basis for pickup and deliveries of products from the various buildings within the project. There may also be increased diesel fumes, noise and lights as a result of the operation of these facilities. For a complete environmental assessment of the Highland Fairview Corporate Park project, please review the Environmental Impact Report (EIR) for the project. Copies of the EIR are available from the City of Moreno Valley or from the sales/leasing staff at (project name).*

HIGHLAND FAIRVIEW ITEM 11

Agricultural easement

[To be discussed]

HIGHLAND FAIRVIEW ITEM 12

Restrict diesel-powered portable generators during construction

[To be discussed]

HIGHLAND FAIRVIEW ITEM 13

Optimize energy efficiency of exterior lighting (LED)

[To be discussed]

HIGHLAND FAIRVIEW ITEM 14

Solar water heaters

[To be discussed]

SIERRA CLUB ITEM

Provide Agricultural Preserve contact information

[To be discussed]

### **Porous Pavement:**

Use of porous pavements can offer benefits to reducing urban runoff and improving water quality. There is much published information regarding the use of porous pavement and most of this information, including that produced by the EPA-Urban Watershed Management Research, agrees on two basic criteria in consideration of its use:

- 1) The use of Porous Pavement is not suitable for heavy or high traffic areas.
- 2) Underlying soils must be sufficiently permeable and subgrade cannot be overly compacted.

Highland Fairview Corporate Park (HFCP) gave serious consideration, in the development of Parcel 1 (Skechers), to the use of permeable pavement as one of its design features to reduce runoff and address water quality. While the final design was unable to incorporate permeable pavement into the project, it did lead to incorporating design features that not only reduce urban runoff and improved water quality, it also achieves the goal of infiltrating runoff into the subsurface.

Early in design it was concluded that soil characteristics, compaction requirements and traffic impacts limited the practical use of permeable pavement. Permeable pavement contains little or no sand, creating the voids between the aggregate that make it permeable. The pavement relies upon a binder to hold the aggregate together, but without sand to fill the voids its strength is compromised, when compared to traditional pavement mixes. Its appearance has been compared to Rice Krispies treats. The weaker pavement combined with the heavy axle loads and high traffic areas of the truck yards and drive aisles, prohibit the use of permeable pavement. This limited our consideration of its use to the automobile parking and drive aisle areas.

The geotechnical studies found the site soil is comprised of silt, silty sand, and inter-bedded clay layers. This soil type along with the 95% relative compaction requirements make it nearly impermeable and would simply trap the runoff below the permeable pavement, saturating the base and subgrade, leading to pavement failure. Consideration was given to the use of a subdrain system to convey this water away from the base and subgrade and into the storm drain system. The concept addressed the saturation issue but was counter to the objectives of allowing enough time for runoff to infiltrate and remove pollutants. Use of permeable pavement in the auto parking and drive aisles was no longer a consideration.

The constraints and design effort led us in the direction of incorporating combined detention and water quality basins to address runoff and water quality. As design progressed, the water quality component of the combined basins changed from extended detention to infiltration. The benefit of infiltration basins not only enhanced the water quality treatment, but also ensured some degree of runoff recharge into the subsurface.

Parcel 1(Skechers) has 4 acres of combined detention and water quality basins along the north and south perimeters of the proposed parking and truck yard areas. These basins are designed as infiltration basins and intercept all the runoff from the parcel, which totals 82.6 acres. The basins are approximately 8 ft deep, the lower 2 feet of depth in these

basins have no outlet and will percolate into the soil. Select well draining material will be incorporated in the bottom of the basins during grading, to a minimum depth of 3 feet, to meet percolation requirements as conditioned by the city with the project approval.

The bottom 2 ft of these basins occupy an area of 2 acres, this equates to 4 acre-ft of volume that will percolate back into the soil. If you spread 4 acre-ft over the entire 82.6 acre site (Parcel 1) it would equate to one-half inch of water over the entire parcel area. It's conceivable this amount of percolation is similar to what is experienced in the undeveloped condition of the site, since the site has an existing slope of 2.5%. At a 2.5% slope and with a silty sand soil type, not much water would accumulate before it would find a way to runoff to the south.

The upper 6 ft of these basins serve as detention and will drain the accumulated runoff from high intensity storms over an extended period at a regulated rate. Detaining water over this extended period also allows additional time for percolation that the site is not experiencing in its current condition. In addition, the release of this detained water occurs immediately south of the project onto native soil where it works its way across undeveloped open area and in unlined drainage channels, for a distance of nearly 4 miles. This preserves the opportunity for runoff to infiltrate.

Parcel 1 totals 82.6 acres and includes the 1.8 million sf building with a footprint of 41.6 acres; truck drive aisles and loading areas total 18.1 acres; automobile parking areas total 6.8 acres; and landscaped open space areas total 16.1 acres. The landscaped open space areas are nearly 20% of the total site area, providing respectable opportunities for runoff mitigation and infiltration.

February 12, 2008

Jon Glazer  
Vice President of Strategic Planning  
Highland Fairview  
14225 Corporate Way  
Moreno Valley, CA 92553

RE: Proposed Solar Project near Sketchers Project

Dear Jon,

Thanks for contacting me regarding your proposed solar project near the Sketcher's Project located south of SR60 and east of Redlands Blvd. in Moreno Valley. As a condition for this development, the City of Moreno Valley's Electric Utility (MVU) will be providing electric service to the project.

When we met to discuss the proposed solar element of the project, Highland Fairview was interested in how MVU would value the energy generated in excess of on-site requirements (solar generated power delivered to the MVU grid). You stated that Highland Fairview was currently in the design phase of the project and you needed feedback from MVU in order to make some decisions regarding your project.

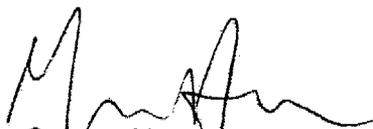
Please consider this memorandum as a starting point for discussions concerning the purchase of energy from a solar resource located near the subject project. We have incorporated the information you have provided so far (conceptual energy production model). Please be advised that the numbers presented here are for discussion only, and that further contractual documents will be required if Highland Fairview is interested in developing the project, including approval by the City Council for the City of Moreno Valley.

These numbers are not based upon any actual design of a system, as Highland Fairview has not provided MVU with any maps, plans, or drawings depicting the proposed solar arrangement.

We have based our analysis upon a 20 year window, and using the information provided by you, a system of 770 kW (AC). For purposes of discussion only,

MVU values the solar energy generated at approximately \$100,000 per calendar year. Alternatively, MVU would consider a value of 90% of the Day Ahead Index for CAISO SP15 as published in Platts Energy Trader.

Sincerely,

A handwritten signature in black ink, appearing to read "George Hanson", written in a cursive style.

George Hanson  
Electric Utility Manager

Cc: Mark Anderson, P.E., Highland Fairview  
Chris Vogt, City of Moreno Valley  
Mike McDonald, McDonald Partners



CITY COUNCIL  
MORENO VALLEY  
RECEIVED

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## MEMORANDUM

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*R. Stewart*  
To: Mayor and City Council  
From: *J* John C. Terell, Planning Official  
Date: May 22, 2009  
Subject: Highland Fairview Corporate Park – Modifications to Conditions of Approval

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On May 14, 2009, Highland Fairview Properties submitted applications requesting modifications to various conditions of approval for the Highland Fairview Corporate Park (Skechers). The requested changes involve two components of the project – medians and multi-use trails that would require a general plan amendment. The requested changes also affect over 50 conditions of approval in five general categories for two related projects – the tentative map and plot plan for the Corporate Park. The general categories and conditions of approval are identified in the attached letter from Highland Fairview. This letter was previously delivered to the City Council by Highland Fairview in April.

The request has been distributed by the Planning Division to project review staff in the various departments and divisions affected by the proposal. An internal project review staff committee meeting is set for next Tuesday to review the proposal. An initial response to the proposal will be provided to Highland Fairview within a few days after that meeting.

Attachment: April 14, 2009, Letter from Highland Fairview

Cc: Kyle Kollar, Community Development Director  
Rick Hartmann, Deputy City Manager  
Mark Gross, Senior Planner



**HIGHLAND FAIRVIEW**

14225 Corporate Way  
Moreno Valley, CA 92553  
Tel: 951.867.5300

April 14, 2009

Mayor Richard Stewart and  
Members of the City Council  
City of Moreno Valley  
14177 Frederick Avenue  
Moreno Valley, CA 92552

**SUBJECT:** Modification to Conditions of Approval  
Highland Fairview Corporate Park

Dear Mayor Stewart and Council Members:

Highland Fairview respectfully requests the City Council to consider the following conditions of approval imposed on the Highland Fairview Corporate Park project. As we brought up in the public hearing, these conditions are either unsuitable for the nature of this project or require unwarranted exactions that fail to meet the nexus requirement of the law. We request that the Council conduct its hearing on this matter at the earliest available opportunity in order to avoid any additional delays to the project.

**1. SR60 Landscaping**

Existing Condition: Condition of Approval P14 on Tentative Parcel Map TPM 35629 (Resolution 2009-10) requires the preparation and processing of plans for the installation of landscaping and irrigation within the SR60 right-of-way adjacent to the project site in compliance with the SR60 Design Manual.

Requested Action: Highland Fairview requests the removal of this condition.

Justification: This condition has been inconsistently applied throughout the city and has been shown to be unproductive in many instances, ineffective in most cases, and arbitrary. Installation of such landscaping will only detract from the extensive landscaping designed for the project and will likely not be maintained by Caltrans. In some areas along the freeway some sparse landscaping has been installed but is very poorly maintained. In other areas, no landscaping has been installed. Currently, the freeway frontage is a mixture of areas of sparse, struggling landscape, and areas of barren, unmaintained land. Clearly, there has been no consistent application of the SR60 Design Manual criteria. To apply this requirement to the HFCP project is unreasonable.

No project along the SR60 frontage includes a landscape treatment as extensive as that proposed with the HFCP project. Millions of dollars in landscaping and irrigation improvements are proposed to be installed along the freeway boundary, the sole purpose of which is to enhance the appearance of the project site as viewed from the freeway. The requirement to add additional basic landscaping within the freeway right-of-way will only detract from the project landscaping.

Mayor Richard Stewart and  
Members of the City Council  
April 14, 2009  
Page 2

There is no assurance that Caltrans will allow landscaping to be installed within its right-of-way and no indication that they will maintain it. In fact, Caltrans staff has indicated informally that they will not allow such improvements nor will they commit to any maintenance whatsoever.

## 2. **Eucalyptus Avenue Median**

Existing Conditions: Several conditions require the installation of a new median within the future right-of-way of Eucalyptus Avenue.

Requested Action: Modify the applicable conditions to allow for the option to install a median along Eucalyptus Avenue.

Justification: Prior to the HFCP project, the previous Circulation Element of the General Plan did not require a median in Eucalyptus Avenue. The option of adding a median was raised by Highland Fairview as a way to enhance the street scene adjacent to the project site. The reason the median was articulated in the project plans is to enable staff to consider the issues involved before an option is selected. The median is not a requirement of the City. There is no traffic-related need for the median, nor is it required for other sections of the Eucalyptus Avenue throughout the City. Therefore, the installation of the median should be an option on the part of the project applicant.

## 3. **Multi-Use Trails**

Existing Condition: Several conditions imposed on the TPM and the Plot Plan require the dedication and improvement of multi-use trails on the project site.

Requested Action: Delete and/or modify all conditions requiring dedication and improvement of multi-use trails on the project site. Modify all related conditions to require that: 1) the necessary land be allocated for potential future multi-use trails, 2) site grading be designed to accommodate the future multi-use trails, 3) the multi-use trail areas be landscaped and maintained in a manner consistent with immediately adjacent areas until such time as the City decides to construct the multi-use trails, and 4) the on-going maintenance of the multi-use trails, if built, be borne by the City for the benefit of the public and not by the property owner or the local property owners' association.

Justification: There is a complete lack of nexus between the project and the City's requirement to dedicate and improve multi-use trails on the project site. The project creates absolutely no demand for these trails, therefore there is no nexus. The trails can be accommodated in the project design but the impacted land (or appropriate easements) should be acquired by the City, the trails should be constructed by the City and the trails should be maintained by the City. There should be a sunset clause in the condition such that if the City does not acquire the impacted land or easements within five years of the recordation of the Final Map for the project, the City's option to acquire the land or easements will expire.

Mayor Richard Stewart and  
Members of the City Council  
April 14, 2009  
Page 3

**4. Deferral of Development Impact Fees**

Existing Conditions: The project is conditioned to pay massive development impact fees, amounting to nearly 15 million dollars.

Requested Action: Modify related conditions to defer payment of all applicable development impact fees to Certificate of Occupancy.

Justification: Development impact fees constitute a substantial financial hardship for all new construction projects. Collection of these fees at the point of building occupancy is the most equitable point in the process. It is at the point of occupancy when the building or project begins having an impact on the local infrastructure. It is at that point when the various development impact fees should be collected.

**5. Dedication and Improvement of Public Improvements**

Existing Conditions: The project approval contains dozens of conditions requiring the dedication and improvement of public facilities (streets, parkways, trails, etc.) far in excess of the demand which the project creates for such facilities.

Requested Action: Modify all related conditions to only require a fair-share contribution by the project for the dedication and improvement of all public infrastructures. Improvement credits and Reimbursement Agreements should be entered into between the City and the project for any amount the project contributes in excess of its pro-rata share for such improvements.

Justification: These conditions fail to meet the requirement for a direct nexus between the project and any required public improvements. Such conditions impose an unjust and unequal burden on some projects while benefiting the city and others unfairly at the expense of one taxpayer.

Attached is a listing of the conditions which we believe are related to each of the changes requested above. Other conditions may be impacted as a result of our detailed discussions with staff.

We look forward to discussing these issues with staff and with the City Council at the earliest possible opportunity. If questions arise during the City's review of this request, please do not hesitate to contact me directly.

Sincerely,



Iddo Benzevi  
President and CEO

# Requested Changes to Resolution 2009-10 (TPM 35629)

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## 1) SR 60 Landscaping

- a) Delete Condition P14

## 2) Eucalyptus Avenue Median

- a) Modify Condition P20 to add "Construction of raised, planted median is optional. Subdivider may choose to install painted median."
- b) Modify Condition LD70(a)(i) to insert "(optional)" after the words "raised landscape median."
- c) Modify Condition SD-2 to insert "(optional)" after the word "median."
- d) Modify Condition SD-6 to insert "if installed by the Subdivider" after the words "median landscape" in the first sentence.
- e) Modify Condition SD-10 to insert "(optional)" after the word "median."
- f) Delete Condition SD-12 requiring installation of median landscaping.
- g) Modify Condition TE19 to insert "optional" following the word "median" in the second and fourth bullets.

## 3) Multi-Use Trails

- a) Modify Condition LD68(b) to add: "Said multi-use trail easement shall be labeled 'future,' and is contingent upon City acquisition of said easement from the landowner."
- b) Modify Condition LD68(c) to add, "The City will maintain all multi-use trails."
- c) Modify Condition LD70(a)(viii) to add, "The future trail area shall be designed and graded with the project and shall be landscaped consistent with adjacent land. The City may acquire an easement for a multi-use trail from the property owner and construct and maintain a multi-use trail."
- d) Modify Condition LD91 to add "(optional)" after the words "multi-use trail."
- e) The entire set of Conditions of Approval from Parks and Community Services Department needs to be re-written to differentiate between bike trails and multi-use trails. Future multi-use trails will be graded with the project. Easements for the multi-use trails will be acquired from the landowner by the City. The City shall be responsible for the construction and the maintenance of the multi-use trails.

## 4) Deferral of Development Impact Fees

- a) Modify Condition P23 to replace "building permits" with "Certificate of Occupancy."

## 5) Dedication and Improvement of Public Infrastructure

- a) Modify Condition LD2 to add, "All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements."
- b) Modify Condition LD4 to add, "All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a

- credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
- c) Modify Condition LD27 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - d) Modify Condition LD46 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - e) Modify Condition LD65 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - f) Modify Condition LD66 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - g) Modify Condition LD68 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - h) Modify Condition LD70 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - i) Modify Condition LD78 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - j) Modify Condition LD90 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - k) Modify Condition LD91 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - l) Modify Condition LD93 to add, “All dedications and improvements to public

infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements."

- m) Modify Condition TE17 to add, "All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements."
- n) Modify Condition TE18 to add, "All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements."
- o) Modify the Parks and Community Services Department conditions to add paragraph (u) as follows, "All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project's fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements."

# Requested Changes to Resolution 2009-11 (Plot Plan - PA07-0091)

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## 1) SR 60 Landscaping

- a) Delete Condition P10

## 2) Eucalyptus Avenue Median

- a) Modify Condition SD-2 to insert “(optional)” after the word “median.”
- b) Modify Condition SD-3 to insert “(optional)” after the word “median.”
- c) Modify Condition SD-7 to insert “if installed by the Subdivider” after the words “median landscape” in the first sentence.
- d) Modify Condition SD-10 to insert “(optional)” after the word “median.”
- e) Delete Condition SD-12 requiring installation of median landscaping.
- f) Modify Condition TE20 to insert “optional” following the word “median” in the second and fourth bullets.

## 3) Multi-Use Trails

- a) The entire set of Conditions of Approval from Parks and Community Services Department needs to be re-written to differentiate between bike trails and multi-use trails. Future multi-use trails will be graded with the project. Easements for the multi-use trails will be acquired from the landowner by the City. The City shall be responsible for the construction and the maintenance of the multi-use trails.

## 4) Deferral of Development Impact Fees

- a) Modify Condition P19 to replace “building permits” with “Certificate of Occupancy.”

## 5) Dedication and Improvements of Public Infrastructure

- a) Modify Condition P80 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
- b) Modify Condition PD81 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
- c) Modify Condition PD82 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
- d) Modify Condition PD83 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure

- dedications and/or improvements.”
- e) Modify Condition PD84 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - f) Modify Condition PD85 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - g) Modify Condition LD43 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - h) Modify Condition LD44 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - i) Modify Condition LD66 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - j) Modify Condition TE3 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - k) Modify Condition TE11 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - l) Modify Condition TE12 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - m) Modify Condition TE13 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - n) Modify Condition TE14 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure

- dedications and/or improvements.”
- o) Modify Condition TE15 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - p) Modify Condition TE18 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - q) Modify Condition TE19 to add, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”
  - r) Modify the Parks and Community Services Department conditions to add paragraph (u) as follows, “All dedications and improvements to public infrastructure shall be on a fair-share basis. The value of required dedications and/or improvements beyond the project’s fair-share obligation shall be established as a credit against which the Subdivider may draw to offset other public infrastructure dedications and/or improvements.”

## Richard Stewart

---

**From:** Robin Hastings  
**Sent:** Thursday, February 12, 2009 2:16 PM  
**To:** CRW315@aol.com; Bonnie Flickinger; Jesse Molina; Richard Stewart; William Batey  
**Cc:** Bob Gutierrez  
**Subject:** RE: Council Vote on Sketchers Project

Charles:

I have long considered you a friend and a true leader in this community but must respectfully disagree with your assumption and share with you my feelings on this matter. I hope that you will consider our long friendship and what I thought was mutual respect as you consider my comments.

First, let me clarify that you are combining two separate warehouses; the 1.5 million square foot Planning Commission approved warehouse at Iris and Heacock a week after they denied the 1.8 million square foot warehouse between Redlands and Theodore along the 60 freeway. There was a general plan amendment contained in both warehouse proposals which speaks to the consistency issue you deem hogwash and is a matter of public record.

I am truly sorry that you believe it is okay to place a 1.5 million square foot warehouse in the middle of Moreno Valley (with no freeway access) at Iris and Heacock, across the street from two schools, a church and surrounded by residential homes because it is a different developer. Do not speak to me of health, safety and welfare of our residents when you have lost your objectivity to the point that you have total disregard for the health impact on **those** residents AND school children. Where was the concern for the air quality, truck traffic and health impacts for this project? Not one person spoke during this public hearing! How do you equate that with the total outcry that occurred on the east end where it is open space? Do the residents on Iris and Heacock, who will have a much higher impact, have less value than those who are miles away from the project on the east end? It was these facts that determined my vote not the personal vendetta which drives your opposition!

The fact that you would turn away jobs, millions in economic benefit and property tax revenue when the City will lose another \$2.5 million in property tax in 2009 speaks more to your personal grudge than on the issues before us. The fact that the residents supported this zone change 3-1 in favor also demonstrates your detachment from the community. The change of zone on the east end, which was from business park/industrial to light industrial, simply addresses the building size. The General Plan amendment moved and **expanded** a recreational trail. This site has direct freeway access, is not close to any schools, churches and is miles away from residential neighborhoods. Let me reiterate that we did not approve placing it in a residential neighborhood surrounded by families and school children that would require diesel trucks to drive miles through the city!!!

Your support of the untouchable General Plan fails to address the 9 General Plan amendments in two years that occurred on **your** watch -- not mine! Does this mean you were "disregarding their desire, as indicated in the current general plan, to have a sensible, well planned and controlled growth structure for the city."?! Of course not! You were making decisions based on what you felt were in the best interests of the City as a whole.

The issue of Rancho Belago, which also occurred on **your** watch -- not mine -- has absolutely nothing to do with this discussion and only demonstrates how much your opposition of that has colored your perception of the decisions that had to be made.

It would appear that your day of reckoning occurred on November 7 because of your lack of perception as to the real issues the city is facing. I hope that our friendship and long history will withstand these diametrically opposed positions but will honor whatever decision you make in that regard.

Sincerely,

Robin

2/17/2009

MV00233583

---

**From:** CRW315@aol.com [mailto:CRW315@aol.com]  
**Sent:** Thu 2/12/2009 9:21 AM  
**To:** Bonnie Flickinger; Jesse Molina; Robin Hastings; Richard Stewart; William Batey  
**Cc:** Bob Gutierrez  
**Subject:** Council Vote on Sketchers Project

Your unanimous vote of the Sketchers project on Tuesday February 10, 2009 certainly upheld my assumption of such a vote being a foregone conclusion.

The conversation about voting for "consistency" was much hog-wash. The area of Iris and Heacock St is properly zoned and allows 50,000 sq ft warehouses in our current general plan not 1.8 million sq ft warehousing.

It appears that it is council pay back time for favors received and or favors promised. It is now time to rename "Rancho Belago" to read "Rancho Benzieeve/Stephensville".

I believe each of you will have a day of reckoning for your total disregard for the health, safety and welfare of the citizens of this city as well as disregarding their desire, as indicated in the current general plan, to have a sensible, well planned and controlled growth structure for the city.

Once again, in my opinion, you have succumbed to the rich and famous.

Charles White

---

The year's hottest artists on the red carpet at the Grammy Awards. **AOL Music takes you there.**

2/17/2009

MV00233584

## Suggested Trucking Mitigation

*Long Haul Trucks account for 55.12% of all delivery trips. Forty-five SmartWay carriers carry 63% of all long haul trips. 203 non-SmartWay carriers account for 37% of all long haul trips. Ten non-SmartWay carriers<sup>1</sup>, with an average of three or more trips per month, account for 40.67% of all non-SmartWay long haul trips.*

1. The operator of the primary facilities (buildings of 400,000 s.f. or more) shall become SmartWay Partner.
2. The operator of the primary facilities (buildings of 400,000 s.f. or more) shall incorporate requirements or incentives sufficient to achieve at least 20% per year (as a percentage of previous percentage, not total trips) increase in percentage of long haul trips carried by SmartWay carriers until it reaches a minimum of 90% of all long haul trips carried by SmartWay 1.0 or greater carriers. Results, including backup data shall be reported to the Planning Department semi-annually.

*Consolidators account for 31.43% of all delivery trips. Fourteen SmartWay consolidators, with an average of three or more trips per month, account for 55.49% of all consolidator trips. Thirty-five consolidators account for the remaining 44.51% of consolidator trips. Eleven consolidator carriers<sup>2</sup> account for 86.28% of all consolidator non-SmartWay trips.*

3. The operator of the primary facilities (buildings of 400,000 s.f. or more) shall incorporate requirements or incentives sufficient to achieve a 15% per year (as a percentage of previous percentage, not total trips) increase in percentage of consolidator trips carried by SmartWay carriers until it reaches a minimum of 85% of all consolidator trips carried by SmartWay 1.0 or greater carriers. Results, including backup data shall be reported to the Planning Department semi-annually.

*Local deliveries account for only 12.07% of all delivery trips. Of these, 30.7% are carried by SmartWay carriers. None of the Skechers trucks are SmartWay. These Skechers trucks account for 65% of all non-SmartWay local delivery trips.*

4. By the end of the year 2012 Skechers shall modify its truck fleet so that all vehicles conform to 2010 air quality standards or better. Results, including backup data shall be reported to the Planning Department semi-annually.

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<sup>1</sup> Cedar Rapid Steel Transport, Allstate World Cargo, Roadway, Interstate, AF & G, Precision Transport Line, Aeronet, Simplified Express, Purolater (Western Canada), Global Link Express

<sup>2</sup> NRT, Gale Triangle, Barthco Transportation Svcs, JB Hunt Backhaul, Meridian IQ, Special Dispatch Of California, Hot Services, Skechers Truck-CFX, Quicksilver, International Logistics Trasp, Eagle Global Logistics, City Fashion Express(CFX)

TEL: 951.413.3000  
FAX: 951.413.3750  
WWW.MORENO-VALLEY.CA.US



CITY COUNCIL  
MORENO VALLEY 14177 FREDERICK STREET  
P. O. BOX 88005  
MORENO VALLEY, CA 92552-0805  
RECEIVED  
10 MAY 13 AM 8:49

May 11, 2010

Iddo Benzeevi, President  
Highland Fairview  
14225 Corporate Way  
Moreno Valley, CA 92553

**RE: SLPP Grant Funds for Eucalyptus Avenue and Various Funding Methods**

Dear Mr. Benzeevi,

On April 27, 2010 the City Council reviewed four options that could be considered to address the SLPP Grant for Eucalyptus Avenue and various funding methods. After some public discussion you appeared before the City Council and indicated you will proceed with the subject project in accordance with Option One (attached).

It is our mutual goal that you receive the grant funds to assist with the construction of the subject project. However, the concept of building a grant project in the manner of Option One is something the City has not done. In order for us both to understand our various roles in this unique process we need direction from the California Transportation Commission (CTC). We are therefore requesting that you receive written approval of your process from them that will allow you to build this project and receive the grant funds. Not only do we need to know that CTC approves of your role, but we need to know what is expected of the City in order for us to receive the grant funds and ultimately provide them to you and your project. Since this is your process, you will have to advise CTC to tell us what our role is in light of your concept. For your information City staff has contacted CTC for a name and address of the person you should contact. Her name and address information is:

Bimla Rhinehart  
Executive Director  
California Transportation Commission  
1120 N Street, Room 2231 (MS-52)  
Sacramento, CA 95814

We will await the requested process from CTC before we can be reasonably certain CTC will approve of the City passing on the grant funds to you for the project. Until we receive the requested direction from CTC, the City will not be able to assist you with the SLLP Grant.

Please feel free to contact me if you have any questions.

Sincerely,

William L. Bopf  
Interim City Manager

c: Mayor Flickinger and Members of the City Council  
Rick Hartmann, Interim Assistant City Manager  
Robert L. Hansen, City Attorney  
Chris A. Vogt, P.E., Public Works Director/City Engineer

Enclosure: Option One

CITY MANAGER'S OFFICE

MV00233658

TEL: 951.413.3000

FAX: 951.413.3750

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CITY COUNCIL  
MORENO VALLEY  
RECEIVED

10 APR 15 AM 8:18



14177 FREDERICK STREET  
P. O. BOX 88005  
MORENO VALLEY, CA 92552-0805

April 14, 2010

Iddo Benzeevi, President  
Highland Fairview  
14225 Corporate Way  
Moreno Valley, CA 92553

**RE: SLPP Grant Funds for the Eucalyptus Avenue Street Improvements**

Dear Mr. Benzeevi,

I received your letter on April 12, 2010, which states your opposition to the City's street construction oversight and surety amounts. It is not the City's intent or objective to impede the construction of the Eucalyptus Avenue street improvements and the Highland Fairview Corporate Park (i.e., Skechers) project. The City is compelled by law to insure future public improvements are constructed to their standards and if for some reason the construction does not go well, have a means by which the City can assume ownership of the work and complete the improvements as approved by the City.

It is the City's position that the SLPP Grant requires a local agency (i.e., the City of Moreno Valley) to manage the construction of the street improvements to be eligible for SLPP Grant funds. It is also our opinion that the street improvements must comply with the Public Contract Code. However, in the spirit of cooperation, if Highland Fairview has a differing opinion and wishes to serve as the contractor and construct the street improvements itself, the City Council may approve that process.

In order to work with you to solve this circumstance as you desire, I have attached an amendment to Option One for City Council to consider. As you can see the City Council may wish to add the Eucalyptus Avenue Improvements to its Capital Improvement Plan. The City may also determine that the project could be funded by approximately 60% of your DIF payments, the SLPP Grant\* and other developer payments. The other impediment to your proceeding on your own is the surety that will serve as a guarantee that the project will be completed. You may accomplish this requirement by a cash deposit of some agreed upon amount in an Escrow account. By the time you start the road project you may have completed your Rough Grading and you could use that redeemed deposit as part of what may be an agreed upon surety.

If the above process is satisfactory to you, and City Council approves, you could proceed as outlined. Please be advised that we still believe the following:

1. The State may not approve you as the contractor. If they do, fine.
2. The State may require that you pay prevailing wages. If they do not, and still honor the grant, fine.

CITY MANAGER'S OFFICE

MV00233684

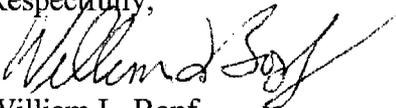
Mr. Iddo Benzeevi, Highland Fairview  
April 14, 2010  
Page 2

3. We will require acceptable surety for the public improvement (source: State Map Act and Municipal Code).

Please advise if this alternative is acceptable to you and I will submit it to the City Council as another option to my report for the April 27, 2010 Council meeting.

Please feel free to contact me if you have other comments and/or questions.

Respectfully,



William L. Bopf  
Interim City Manager

c: Mayor Flickinger and Members of the City Council  
Rick Hartman, Interim Assistant City Manager  
Robert L. Hansen, Interim City Attorney  
Chris A. Vogt, P.E., Public Works Director/City Engineer

Enclosure: Option One - Amended

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\* Required by the SLPP Grant, some funds must be from Developer Fees and it must be a funded project on the City's CIP

**OPTION ONE – Amended**

(Note: Amendments are ~~in highlighted, underlined, italic type.~~)

**Highland Fairview to Construct Eucalyptus Avenue**

Goal: Funding and Constructing the Eucalyptus Avenue Improvements for the Highland Fairview Corporate Park/Skechers project

Requirement(s): A) City permits required (including inspections)

Funding Method(s): Highland Fairview to fully fund the project – approximately \$6.3 million; and therefore, Highland Fairview may not be eligible for SLPP grant funds.

Results:

- A) Highland Fairview administers the construction project – may be the most expeditious means to construct the street improvements (i.e., California Contract Code/prevaling wage issues may not apply)
- B) Highland Fairview can construct underground utilities and street improvements as one operation
- C) The street improvements would be constructed to City standards
- D) Eucalyptus Avenue would be dedicated to the City upon completion
- E) Highland Fairview may be eligible for DIF Reimbursement per City Council adopted policy

Obstacles:

- A) Requires Highland Fairview to fund the project
- B) ~~Requires Highland Fairview to pay its DIF obligation as required by the SLPP Grant. (Approximately 60 percent of the DIF obligation paid by Highland Fairview will be credited to the street improvements)~~
- C) Highland Fairview may not receive up to \$1 million (based on reimbursement by the State) in SLPP Grant funds

Required City Action:

- ~~A) Amend CIP Plan to include Eucalyptus Avenue improvements as a Funded Project for Fiscal Year 2009-10 – funding source of Highland Fairview DIF obligation and private funds~~
- ~~B) Instruct Staff to review the plans and specifications prepared by Highland Fairview for the Eucalyptus Avenue street improvement project~~
- ~~C) Instruct Staff to collect the necessary surety as required by statute and Municipal Code~~



**HIGHLAND FAIRVIEW**

14225 Corporate Way  
Moreno Valley, CA 92553  
Tel: 951.867.5327 Fax: 951.867.5328

April , 2010

Mr. William L. Bopf  
Interim City Manager  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, California 92552

2010 APR 12 PM 1:34  
CITY MANAGER  
MORENO VALLEY  
RECEIVED

Re: SLPP Grant Funds-Eucalyptus Street

Dear Bill,

I appreciate your efforts to move the Eucalyptus SLPP Grant fund project forward. To reiterate our conversation, Highland Fairview with the cooperation of the city applied for and received approval for a SLPP Grant for the construction of Eucalyptus Street. As a grant, the funds do not have to be repaid and therefore are a direct benefit to the City and its residents. It is not often that the city can receive "free" money and I am sure you share my sentiment that we should do all we can to insure that we secure this opportunity for the benefit of our community.

As part of the Highland Fairview Corporate Park (HFCP), Highland Fairview is mandated by the City's Conditions of Approval to construct Eucalyptus Street which is of course, a public improvement project and the subject of this grant. As the builder, we are therefore required to provide the City with guarantees to secure the construction of the street such as subdivision bonds or other acceptable forms of security to the city.

A concern has been raised by staff pertaining to their worry that in the unlikely event the street construction will not be completed, the city will be left with the task of collecting on the guarantee before they could secure the funds necessary to finish the job, while the "community" is inconvenienced by not having the street fully functioning.

I am somewhat perplexed. I could see the city's concern if we were talking about a major city street which is in constant use and its interruption will be of great public inconvenience. This is certainly not the case here. Eucalyptus is not an improved street nor is it in use and therefore does not currently impact the community. When the street will finally be placed in service , it will have limited use and will initially only service as access to the HFCP project (Skechers building), since there is nothing else in the vicinity today.

Mr. William Bopf

April 9, 2010

Page 2

Therefore, should an interruption occur to the street's construction, the city will not be under any unusual time pressure to accelerate the completion of the street ahead of the normal time it takes to collect on the bonds or guarantees.

Further, The HFCP project would not receive any development or occupancy approvals without the construction of Eucalyptus Street. Therefore the project would be halted and there will be no immediate need for the street. In this unlikely event the city will definitely have plenty of time to collect on the bonds and finish the street without impacting the public.

Additionally, the amount to be guaranteed by Highland Fairview required by the City is in fact substantially higher than the actual estimated construction costs. This is primarily due to the City's unit costs and contingency levels, both of which significantly exceed our construction bid estimates and will provide an extra security cushion to the city.

In any event, if the street construction was interrupted for some reason, the City would be able to use the security we will post (bond or Letter of Credit) to complete the work.

The city will also insure that payments to the contractor will only be made after each phase of work will have been completed further limiting their exposure. If there were a situation that occurred with the street development, the City would have notice immediately. If grant funds were used to reimburse as street development takes place, appropriate documentation would be required in the submittal of the request for reimbursement.

The State and Federal programs offer significant opportunities to facilitate and expedite good projects and we look forward to working with the City to apply the governmental incentives in our community. HFCP is exactly the type of job-producing, economy-growing project that these programs were designed to assist. The City can be a great help in this effort to bring jobs and economic growth to our community.

Bill, especially in these difficult economic times, we should think out of the box and work harder to capture any opportunity we can to improve our community. I appreciate your personal interest and initiative. We remain anxious to work with your office to move our projects forward. I believe the risk to the city is de minimis at best and the benefit is substantial.

Sincerely,



Iddo Benzeevi  
President

March 30, 2010

Sent Via E-Mail  
3/30/10

Ms. Kim Abreau, Senior Vice President  
Bank of America, N.A.  
Commercial Real Estate Banking  
2308 Ponce De Leon Boulevard  
Coral Gables, FL 33134-5408

**SUBJECT: Highland Fairview Corporate Park – Items Needed Prior to Issuance of a Grading Permit**

Dear Ms. Abreau:

Per your request, the City of Moreno Valley is providing this update regarding the items that remain to be addressed prior to the issuance of the grading permit for the Highland Fairview Corporate Park project.

Please be advised that the grading plan has been approved. The items listed below are associated tasks which must be completed before the City can issue the actual grading permit. Some of these items stem from requirements of the City's Municipal Code, some are related to the project's Conditions of Approval and Mitigation Measures and others come from administrative procedures relating to grading permit issuance.

Plans

- 1) Tree Plan to be approved by Planning
- 2) Property Owner Association (POA) Landscape Plans to be approved by Planning

Payment of Fees

- 1) Stevens Kangaroo Rat (SKR) Fee
- 2) Area Drainage Fee
- 3) Grading and Inspection Fee
- 4) Parks Plan Check Fee

Site Surveys (within 30 days of permit issuance)

- 1) Burrowing Owl Survey
- 2) Bird Nesting Survey

Posting of Securities

- 1) Posting of Grading Bond or other security
- 2) Posting of Erosion Control Bond or other security

CITY MANAGER'S OFFICE

MV00233695

Required Documentation - signed by general contractor

- 1) Use of B20 Biodiesel fuel
- 2) Fugitive Dust Control Plan
- 3) Temporary Security Fencing Plan
- 4) Temporary Project Signage
- 5) Waste Management Plan (WMP)

The above list of permit fees and obligations are applicable to the issuance of a Rough Grading Permit. As indicated above, most of these are requirements of the City's Municipal Code. I can only confirm those that are the City's requirements. Several of those listed are required by other Agencies, in that regard, we merely collect their fees on their behalf. I can not speak for them.

Please call me if you have any questions regarding this information.

Sincerely,



William L. Bopf

Interim City Manager

- c: Mayor Flickinger and Members of the City Council  
Robert L. Hansen, City Attorney  
Rick Hartmann, Interim Assistant City Manager  
Kyle Kollar, Community Development Director  
Chris Vogt, Public Works Director/City Engineer  
Ido Benzeevi, Highland Fairview

FYI - INFORMATION

DRAFT  
(On City Letterhead)

March 29, 2010

WYB

Bank of America, N.A.  
Commercial Real Estate Banking  
Coral Gables, Florida 33134  
Attention: Ms. Kim Abreau, Senior Vice President

SUBJECT: Highland Fairview Corporate Park -- Items Needed Prior to Issuance of a Grading Permit

Dear Ms. Abreau:

Per your request, the City of Moreno Valley is providing this update regarding the items that remain to be addressed prior to the issuance of the grading permit for the Highland Fairview Corporate Park project.

Please be advised that the grading plan has been approved. The items listed below are associated tasks which must be completed before the City can issue the actual grading permit. Some of these items stem from requirements of the City's Municipal Code, some are related to the project's Conditions of Approval and Mitigation Measures and others come from administrative procedures relating to grading permit issuance.

Plans

1) Property Owner Association (POA) Landscape Plans to be approved by Planning

Payment of Fees

- 1) Stevens Kangaroo Rat (SKR) Fee
- 2) Area Drainage Fee (ADP) of about \$1,060,970
- 3) Grading and Inspection Fee - Provide funding for T&M drawdown account for inspection and field services
- 4) Parks & Comm. Services - Grading Plan Review Fees \$12,375
- 5) MVU - Redlands and Eucalyptus Backbone Design Fees of \$34,221.85 per Invoice #MVU-HFCP-001

Site Surveys (within 30 days of permit issuance)

- 1) Burrowing Owl Survey
- 2) Bird Nesting Survey

Posting of Securities

- 1) Posting of Grading Bond or other security - \$538,500
- 2) Posting of Erosion Control Bond or other security - \$247,700

Required Documentation - signed by general contractor

- 1) Use of B20 Biodiesel fuel
- 2) Fugitive Dust Control Plan
- 3) Temporary Security Fencing Plan
- 4) Temporary Project Signage
- 5) Waste Management Plan (WMP)

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Please call me if you have any questions regarding this information.

Sincerely,

2010 – 2011 Highland Fairview  
Stewart, Richard

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE

CITY COUNCIL  
MORENO VALLEY  
RECEIVED  
10 AUG 17 AM 9:15

MORENO VALLEY CITIZENS FOR  
LAWFUL GOVERNMENT, an unincorporated  
association,

Petitioner,

vs.

CITY OF MORENO VALLEY,

Respondent,

No. RIC10013884

HIGHLAND FAIRVIEW PROPERTIES, LLC,  
Real Party in Interest,

HF LOGISTICS-SKX T1, LLC,  
Real Party in Interest,

DOES 1 through 100, inclusive,  
Real Parties in Interest.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Proceedings of Monday, August 2, 2010,  
before the Honorable Gloria Connor Trask,  
Judge, Department 1.

COPY

Patricia L. Hanson, CSR 2329  
Riverside Superior Court  
4050 Main Street, Department 1  
Riverside, California 92501

APPEARANCES OF COUNSEL

For Petitioner: JOHNSON & SEDLACK  
By: Kimberly Foy, Esq.  
26785 Camino Seco  
Temecula, California 92590

For Respondent: OFFICE OF THE CITY ATTORNEY  
City of Moreno Valley  
By: Suzanne M. Bryant, Esq.  
14177 Frederick Street  
Post Office Box 88055  
Moreno Valley, California 92552-0805

For Real Parties  
in Interest: COX, CASTLE & NICHOLSON LLP  
Highland Fairview Properties; HF  
Logistics-SKX T1  
By: Kenneth B. Bley, Esq.  
2049 Century Park East, 28th Floor  
Los Angeles, California 90067-3284

1 PROCEEDINGS OF MONDAY, AUGUST 2, 2010

2 \* \* \*

3 THE COURT: All right. Moreno Valley Citizens for  
4 Lawful Government.

5 (Whereupon, a discussion is held off the record.)

6 THE COURT: Okay. We'll do this again.

7 I have read and considered the following documents:

8 Petitioner's notice re an ex parte application for  
9 temporary restraining order and order to show cause re  
10 preliminary injunction; petition for writ of mandate;  
11 memorandum of points and authorities in opposition filed by  
12 Mr. Bley; declaration of John Terell in opposition;  
13 declaration of Kenneth Bley --

14 It is Bley, correct?

15 MR. BLEY: Yes, Your Honor.

16 THE COURT: Declaration of Kenneth Bley in opposition;  
17 declaration of Jane Halstead in opposition; declaration of  
18 Iddo Benzeevi in opposition.

19 I received this morning a memorandum of points and  
20 authorities in reply to the opposition filed by Johnson &  
21 Sedlack, declaration of Kathleen Dale in support of  
22 petitioner's reply, and then Mr. Bley's memorandum of points  
23 and authorities. I just received them a few minutes before  
24 this hearing, and so I did not have an opportunity to fully  
25 study, examine, and research them. And so I skimmed over the  
26 reply and did not read or consider the ones submitted -- the  
27 ones submitted by Mr. Bley as a supplemental to the reply.

28 All right. It is the court's intention to deny the TRO

1 for the following reasons. And that is, first of all, first  
2 and foremost, that the reason for the TRO is that real  
3 parties in interest are proceeding in violation of Government  
4 Code Section 66451.10 in that a building permit cannot be  
5 issued until there is a final map. I don't believe that that  
6 is what the code section stands for. And I'm quoting  
7 directly from Subdivision (a), which says: Notwithstanding  
8 Section 66424, except as is otherwise provided for in this  
9 article, two or more contiguous parcels or units of land  
10 which have been created under the provisions of this  
11 division, or any prior law regulating the division of land,  
12 or a local ordinance enacted pursuant to thereto, or which  
13 were not subject to those provisions at the time of their  
14 creation, shall not be deemed merged by virtue of the fact  
15 that the contiguous parcels or units are held by the same  
16 owner.

17 I don't see that that stands for the proposition that a  
18 building permit can't be issued until -- until there's a  
19 final map merging all of those parcels. It just doesn't seem  
20 to say that.

21 The other code section that then I would say bootstraps  
22 onto 66451 is 66499, which says: No person shall sell,  
23 lease, finance any parcel or parcels or commence construction  
24 of any building for sale, lease, or financing, except --  
25 well, never mind the exception -- for which a final map is  
26 required by the subdivision.

27 So it's that section that says for which a final map is  
28 required. I don't see that in the first instance 66451

1 requires a final map. So that's the starting point.

2 Mr. Bley, any comment?

3 MR. BLEY: I'm sorry, Your Honor?

4 THE COURT: Any comment?

5 MR. BLEY: No.

6 MS. FOY: Your Honor, if I may. The final map was  
7 required by the Conditions of Approval for the project by the  
8 City. It was also required under the Subdivision Map Act.  
9 So the reason that we cited to 66451 is because the City  
10 claimed that the parcels could be merged because they were  
11 owned by the same person. 66451 stands for the opposite,  
12 stating that two or more parcels are not deemed merged by  
13 virtue of that. So that's why we stayed to that.

14 As to 66499.30 it states that no person shall commence  
15 construction of any building for which a final map is  
16 required. A final map was required in this instance by the  
17 Conditions of Approval. So, as such, the final map was  
18 required and construction could not be commenced until the  
19 Map Act was satisfied.

20 THE COURT: But wasn't that the very purpose of the  
21 covenant?

22 MS. FOY: However -- That makes it the purpose of the  
23 covenant; however, since it was underneath -- or since it was  
24 governed by the Map Act, they couldn't take that step.

25 THE COURT: That's circular reasoning, to my mind. So  
26 that just doesn't -- that doesn't work.

27 Mr. Bley, do you want to comment?

28 MR. BLEY: No, Your Honor.

1 THE COURT: All right.

2 Then additionally, just to cover a couple of the other  
3 points, one thing I did want to clear up, and that is whether  
4 or not this is going to be several weeks or several months.  
5 So is the -- is the final map going to be submitted in August  
6 or in October? Because I can see their position, --

7 MR. BLEY: Excuse me.

8 THE COURT: --just hypothetically speaking, if there is  
9 grading and construction going on at the same time that was  
10 not anticipated, if it was anticipated that first there would  
11 be grading, grading would be completed and then construction  
12 would commence, then that's one thing. If you're joining  
13 both of those, there is the potential for increased CEQA  
14 violations.

15 MR. BLEY: Let me respond to Your Honor's question.

16 First, grading ceased on Parcel 1 on July 9th of 2010.  
17 Construction began five days -- six -- five days later, on  
18 July 14th. That's in Mr. Benzeevi's declaration. There is  
19 no overlap.

20 THE COURT: Stop for a minute.

21 When you say on -- Parcel 1?

22 MR. BLEY: Parcel 1.

23 THE COURT: When you refer to Parcel 1, you are  
24 referring to the parcels as though they were merged.

25 MR. BLEY: That's correct. The eleven parcels which are  
26 held together under the covenant to hold and treat them as  
27 though they were merged.

28 THE COURT: So that brings me to another point. To my

1 mind, there are nine parcels -- nine or eight parcels that  
2 comprise that under which the building is going -- or --  
3 yeah, under which the building is going to be, and then the  
4 other two or three or four peripheral things like freeway  
5 access?

6 MR. BLEY: Yes.

7 What happened, Your Honor, is that the City wanted to  
8 have all of the parcels which ultimately will be merged into  
9 Parcel 1 held as one. And one of the exhibits -- I think  
10 it's either A, B, or C -- shows where all of those eleven  
11 parcels are. And as Your Honor has correctly noted, there  
12 are several of them which are between the 60 and the  
13 building. But we're holding all of them together. And the  
14 parcel has been graded entirely.

15 THE COURT: So the entirety, eleven parcels, are graded.

16 MR. BLEY: Yes, Your Honor.

17 THE COURT: Eleven parcels, but eleven parcels are  
18 really Parcel 1.

19 MR. BLEY: They will be once the final map is recorded.

20 That brings me to your second question, Your Honor; and  
21 that is this. Excuse me. All of the conditions which were  
22 imposed at the time the project was approved in February of  
23 2009 have now been satisfied. The final map will be  
24 presented to the city council no later than August 24th. And  
25 it will be approved because, as Your Honor knows, the  
26 approval of a final map is a ministerial map once the  
27 conditions have been satisfied. The building permit for the  
28 entire building will be issued the next day, and construction

1 will then go forward under the building permit for the entire  
2 building. The reason that the October date was put in to the  
3 City's motion was just to leave a little leeway in case  
4 something happened. But come October -- come August 25th HF  
5 is going to have its building permit to allow the entirety of  
6 the building to be constructed.

7 THE COURT: Miss Foy, comments?

8 MS. FOY: If I may backtrack --

9 THE COURT: Certainly.

10 MS. FOY: -- a point. As to the nine parcels being  
11 merged to one, that's the point in the Map Act that requires  
12 the final map to be approved and -- created and approved and  
13 recorded by the city council. The Map Act governs any  
14 mergers of land that involve greater than five lots. So I  
15 can't cite to the code section because I don't have it in  
16 front of me. But as this was nine plots being merged into  
17 one, it's governed under the Map Act. Their city attorney  
18 stated repeatedly it was governed by the Map Act because it  
19 was nine parcels. So I just wanted to make that point.

20 Additionally, as to the all conditions being satisfied  
21 and being approved in August, they have had over a year to  
22 get this final map approved and recorded by the City. They  
23 have not done it. Whether it will be done in August is still  
24 questionable. They say that it will, but we have nothing to  
25 ensure that it will be done. And in fact at one of the city  
26 council meetings they stated that they would have the papers  
27 in by August, but that due to all sorts of administrative  
28 work that needed to be done it could be weeks after that that

1 it could be approved. So we have no proof that it will be  
2 done by August. All we know is it will be done by October,  
3 and any further damage to the environment that could be done  
4 by then would already be completed.

5 MR. BLEY: Your Honor, I will represent to the court  
6 that it is my understanding that all of the conditions have  
7 been satisfied; and there are representatives of HF here if  
8 Your Honor wants to take testimony to that effect.

9 With respect to Miss Foy's comment about the application  
10 of the Subdivision Map Act, I'm afraid she has it completely  
11 backwards. The Map Act applies when you divide land, not  
12 when you treat it as one. We're not claiming they're merged.  
13 They won't be merged until the final map is recorded. We're  
14 just holding them as one parcel.

15 THE COURT: That's my understanding.

16 Anything else we need to talk about, Miss Foy?

17 MS. FOY: Um --

18 THE COURT: Do you disagree with the comments that  
19 grading has ceased and it is the construction that has begun  
20 and there is no overlap -- or overlay?

21 MS. FOY: I don't disagree with that. The declaration  
22 stated that it's been done. So I will accept the declaration  
23 as accurate.

24 I would like to point out to Your Honor that there are  
25 additional environmental as well as other injuries that are  
26 being caused by this.

27 THE COURT: By what?

28 MS. FOY: By them beginning construction of the project

1 prior to the original time that they were given to begin  
2 construction by moving it up those six weeks.

3 THE COURT: That are in your papers? Because all I saw  
4 was the violation -- because they didn't have a final map and  
5 the overlay of -- or the increased potential for changes to  
6 the environment by having both grading and construction going  
7 on at the same time.

8 MS. FOY: Correct, Your Honor.

9 THE COURT: Is there something else?

10 MS. FOY: But in addition to that, by moving  
11 construction up, any particulate matter in the atmosphere  
12 will not be given a chance to disperse. Additionally any  
13 noise injury to the environment has already been done to the  
14 environment.

15 THE COURT: Stop for a minute.

16 The initial CEQA contemplated grading upon completion of  
17 grading construction, true?

18 MS. FOY: Correct. But over a certain timeline.

19 JUSTICE GAUT: Sorry.

20 THE COURT: Off the record.

21 (Whereupon, a discussion is held off the record.)

22 THE COURT: Go ahead. I'm sorry, Miss Foy.

23 Back on the record.

24 Go ahead.

25 MS. FOY: Okay.

26 So that was just regarding those minor air quality  
27 impacts, noise impacts beneath that.

28 In addition by --

1 THE COURT: Stop for a minute.

2 MS. FOY: Yes.

3 THE COURT: You say that it was contemplated that there  
4 would be some sort of time delay from the grading to the  
5 construction?

6 MS. FOY: Not a time delay, Your Honor, but a certain  
7 timeline, a certain time frame that it would have been done  
8 during. That had it been done at a slower pace, there would  
9 have been particulate matter emitted into the atmosphere. So  
10 any extension of that time would allow that matter to  
11 disperse before --

12 THE COURT: Is that in your TRO?

13 MS. FOY: It is not.

14 THE COURT: Then it would not be proper to consider or  
15 expect anyone to be prepared to answer or discuss or rule on  
16 that.

17 MS. FOY: Okay.

18 THE COURT: Is there something else --

19 MS. FOY: Yes, Your Honor.

20 THE COURT: -- in your --

21 MS. FOY: Yes, Your Honor.

22 THE COURT: -- in your papers?

23 MS. FOY: Our papers also discuss the fact that --

24 THE COURT: Could you speak slowly --

25 MS. FOY: Yes.

26 THE COURT: -- for the --

27 MS. FOY: Oh.

28 THE COURT: -- court reporter.

1 MS. FOY: By amending the Conditions of Approval which  
2 were -- by amending to defer -- or to delay that, which the  
3 covenant did and which the building permit and appeal -- or  
4 sorry -- the amendment on the July 13th hearing also did, the  
5 City deferred mitigation as required by CEQA. Many of the  
6 Conditions of Approval were intended to mitigate the  
7 environmental impacts. By deferring that, such mitigation is  
8 not being done.

9 THE COURT: I'm not sure I understand what you're  
10 saying. They said that all the Conditions of Approval have  
11 been complied with.

12 MS. FOY: I have not seen anything to state that other  
13 than what he has stated here today in court.

14 THE COURT: But you're saying they have not? Is that --

15 MS. FOY: I'm saying that the acts of the city council  
16 on July 13th specifically amended the Conditions of Approval  
17 to delay them and allow them not to be complied with.

18 THE COURT: But now Mr. Bley represents that all of the  
19 Conditions of Approval have been complied with.

20 MS. FOY: But --

21 MR. BLEY: That is correct.

22 MS. FOY: But compliance would have been done after the  
23 fact, after the actions were taken by the City after this was  
24 all approved. None of it was done beforehand, as was  
25 required by CEQA.

26 THE COURT: Okay. But a TRO seeks to stop work  
27 today, --

28 MS. FOY: Correct.

1 THE COURT: -- but based upon what? Because now all the  
2 conditions have been complied with.

3 MS. FOY: Okay.

4 One of --

5 THE COURT: So is it not moot at this point?

6 MS. FOY: I don't know the answer to that 'cause I don't  
7 know what conditions they're referring to that have been  
8 complied with. And I would like to --

9 THE COURT: Well, why don't we take a brief recess; and  
10 maybe you can talk with this gentleman who's here to testify  
11 and tell you all the things that have been complied with.

12 MS. FOY: Okay.

13 THE COURT: I'm perfectly happy to accept Mr. Bley's  
14 representation as an officer of the court. But if the  
15 gentleman is here, why don't you spend a few minutes and talk  
16 with him.

17 MR. BLEY: Your Honor, I may be able to save a few  
18 moments.

19 THE COURT: Okay.

20 MR. BLEY: Because the only conditions which were  
21 delayed -- not deferred -- the only conditions that -- I'll  
22 try it again.

23 The only conditions that were delayed were those which  
24 were not in any way affected by the issuance of the limited  
25 purpose building permit. Such things as, for instance --  
26 excuse me -- the compliance with Title 24 energy requirements  
27 which deal with the building itself. Nothing that  
28 affected -- Nothing that was in in any way involved with the

1 work that was authorized by the limited purpose building  
2 permit was deferred. All of those things had to be satisfied  
3 before that permit was issued.

4 THE COURT: Okay.

5 MR. BLEY: So the things we have done since are those  
6 which were necessary to go ahead and record the final map and  
7 have the final building permit issued.

8 THE COURT: Such as paying, what was it, the school fee?

9 MR. BLEY: We paid -- We couldn't even get that  
10 deferred. We paid those \$855,000 in change.

11 THE COURT: I need to take a brief recess anyway.

12 Justice Gaut, I'll see you now.

13 We'll go off the record. And if you want to talk to  
14 that gentleman and see what you need.

15 (A recess is taken.)

16 THE COURT: My apologies for the interruption.

17 We're back on the record.

18 Miss Foy, I think maybe off the record I heard you say  
19 that you would accept counsel's representation that all the  
20 conditions had been satisfied at this point?

21 MS. FOY: Yes, Your Honor.

22 THE COURT: All right.

23 Anything further?

24 MS. FOY: I would like to bring up the fact that none  
25 of -- none of this was decided before the July 13th or even  
26 after that city council hearing. None of it was decided  
27 before the approval of the covenant. And therefore any  
28 actions taken by the City were in violation of CEQA. There

1 would have been an exacerbation of environmental harms. In  
2 addition, the fact that a building plan was not approved  
3 prior to -- to the extending -- or to the giving out of the  
4 building permit could have resulted in duplicative building,  
5 it could have been denied, the building plan. Obviously  
6 those things don't come into play now if they say that that  
7 building plan has now been approved. However, as a matter of  
8 public policy the fact that they did this to defeat the CEQA  
9 suit shouldn't be allowed to basically make it so that the  
10 project wasn't disputed anymore.

11 They violated CEQA blatantly. They violated the Map  
12 Act, though Your Honor disagrees. They filed the Covenants  
13 of Approval. They've acted in utter violation of their own  
14 municipal code by doing this by city council and not by the  
15 planning commission. And the fact that they've just  
16 completed the project to a greater extent --

17 THE COURT: I need to stop you. You are making some  
18 very gross generalities and using words that are -- blatant  
19 violation. You may disagree from a legal standpoint; but  
20 nearly everything that you've said is in -- is -- is  
21 speculative and/or moot. And I don't see any good cause to  
22 grant the TRO.

23 Counsel....

24 MR. BLEY: Nothing further, Your Honor.

25 THE COURT: I know you could say volumes, and I  
26 appreciate your restraint.

27 MR. BLEY: You'll notice the saliva coming out of my  
28 mouth where I've bitten my tongue.

1 I would ask one thing. I'm not sure with whether the  
2 status conference which was originally scheduled for  
3 August 18th -- 16th has been vacated or not. But I would  
4 suggest, Your Honor, that if it hasn't been vacated, it be  
5 continued to the week of September 7th or the week of  
6 September 13th. At that point we should be able to provide  
7 the information to the court showing that the case is  
8 completely moot.

9 THE COURT: Question: Who is this case assigned to?

10 MR. BLEY: Well, that a good question. I think it has  
11 been -- What happened was this. It was originally assigned  
12 to Judge Fisher. Judge Fisher was papered by Mr. Johnson.  
13 It was then assigned to Judge Tranbarger. We had submitted  
14 and then withdrew a paper because we understood he didn't  
15 have much CEQA experience and asked that it be --

16 THE COURT: Stop for a minute.

17 He is not a CEQA judge.

18 MS. FOY: Right.

19 THE COURT: He maintains he is not a CEQA judge. And  
20 not only is he not a CEQA judge, he does not want to have  
21 anything to do with CEQA.

22 MR. BLEY: I thought he had sent it over to you and I  
23 figured it would either -- in fact we asked that if he was  
24 going to be disqualified that it go to either Your Honor or  
25 Judge Waters, we understand, the other two CEQA judges. And  
26 so I guess from an administrative point of view, given that  
27 there really shouldn't be anymore, I'd ask that it --

28 THE COURT: See the steam coming out of her ears?

1 MR. BLEY: My -- My -- My apologies. I know that --  
2 that the reporter's the second most important person in the  
3 court; and I apologize for speeding up.

4 What I would suggest, Your Honor, is that from an  
5 administrative point of view that it remain in this court;  
6 that you set a status conference for, as I said, the week of  
7 the 7th of September or the week of the 13th of September, as  
8 your calendar permits; and at that point it should be moot.

9 THE COURT: No objection, Miss Foy?

10 MS. FOY: No objection, Your Honor. However, I would  
11 still like to request a preliminary injunction hearing on  
12 this matter, at which time we may be able to present greater  
13 law and evidence regarding the Map Act violation as well as  
14 other violations.

15 MR. BLEY: Your Honor, may I suggest then that if an OSC  
16 is granted, be issued, that it be set for the same day as the  
17 status conference?

18 THE COURT: Any objection to that?

19 MS. FOY: No.

20 THE COURT: All right.

21 We'll set a preliminary injunction for September 7.

22 Can you work out a briefing schedule, or do you need me  
23 to do that for your?

24 MR. BLEY: We'll work out a briefing schedule, I'm sure.

25 MS. FOY: Yeah.

26 THE COURT: Thank you.

27 And the case is assigned to Department 1 for all  
28 purposes.

1 MR. BLEY: It will be at 8:30 on the 7th?  
2 THE COURT: Let's make that -- Oh, give me a minute.  
3 No. That will have to be September 10 or 17 because it  
4 should be a Friday. I hear these things on Friday.  
5 MR. BLEY: Either one is fine for me, Your Honor.  
6 MS. FOY: Yeah.  
7 THE COURT: Let's do September 10 at 10:00 o'clock.  
8 MR. BLEY: 10:00 o'clock.  
9 And I'll work out the briefing schedule --  
10 MS. FOY: Right.  
11 MR. BLEY: -- with Miss Foy.  
12 Thank you, Your Honor.  
13 MS. FOY: Thank you, Your Honor.  
14 THE COURT: Thank you.  
15 Court is in recess.  
16 (Proceedings are adjourned.)  
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STATE OF CALIFORNIA )  
                          )    ss.  
COUNTY OF RIVERSIDE )

I, PATRICIA L. HANSON, a Certified Shorthand Reporter,  
Number 2329, do hereby certify:

That on August 2, 2010, in the County of Riverside,  
State of California, I took in shorthand a true and correct  
report of the proceedings had in the above-entitled cause and  
that the foregoing transcript is a true and accurate  
transcription of my shorthand notes, taken as aforesaid.

DATED: Riverside, California, August 3, 2010.

  
Patricia L. Hanson, CSR 2329

FINDING JUSTIFYING CONSIDERATION OF THE NEED FOR A PUBLIC  
IMPROVEMENT AGREEMENT WITHOUT PRIOR AGENDA NOTICE

1. HF LOGISTICS-SKX T1, LLC, ("HF") is the developer of the Skechers building which was previously approved by the City Council.
2. The Skechers building will contain over 1,820,000 sq. ft and provide hundreds of new jobs which constitutes a substantial benefit to the City and its citizens.
3. The commencement of construction for the Skechers building was delayed for almost a year because of litigation challenging the City's entitlements granted by the City Council.
4. HF has already began construction on the project and is ready to begin construction of the off-site sewer improvements in Redlands Boulevard. The improvements are a necessary and critical step in the construction sequencing required in order to meet the project schedule which is vital to Skechers business operations.
5. HF misunderstood the city's intentions as described in a letter dated May 26, 2010, that security would not be required in connection with the Redlands street sewer improvements until the recordation of Parcel map 35629. HF has made its plans to start construction of the sewer improvements accordingly.
6. At 4:02 pm on Thursday, June 17, 2010, after the agenda for the June 22, 2010, City Council had been made available to the public, HF was informed that a public improvement agreement would have to be approved by the City Council and adequate security would have to be provided before construction of the sewer improvements could begin.
7. HF has signed the City's Public Improvement Agreement and has opened escrow accounts for security deposit in favor of the City. Upon city acceptance of the PIA, HF will immediately deposited \$844,500, the full amount of security required by the City, into the escrow account.
8. The combination of the need to not delay the commencement and completion of the Skechers building in order to obtain the benefits associated with Skechers moving its operations to the City, the misunderstanding as to when a public improvement agreement would be needed and security provided and the timing of the communication of the need for the agreement and the security form the basis for the City Council's determination, pursuant to the authority granted to it under Government Code § 54954.2(b)(2), that it should consider HF's request for the Council's approval of the public improvement agreement at its June 22, 2010, session even though the matter did not appear on the posted agenda for the session.

**Proposed Motion:**

Approve and accept Highland Fairview's Covenant to Hold as One Parcel subject to the following conditions:

1. The covenant is amended to state that it is for the issuance of a limited purpose building permit for commencement of construction of the foundation and slab and the poring of wall panels only, which permit shall automatically expire on October 20, 2010, if the final parcel map is not recorded prior to that date;
2. That Highland Fairview agree in writing in the covenant or other recordable agreement to the following terms and conditions prior to issuance of the limited purpose building permit:
  - a. The parcels which are the subject matter of the covenant be owned by the same entity,
  - b. Separate foundation, slab and wall panel building plans be submitted and approved,
  - c. Compliance with all conditions of approval for the issuance of a building permit except recording of the final map,
  - d. Compliance with all requirements for recording the final map except for actual final map approval and recordation, and Public Improvement Agreements and security for same for any public improvements not occurring in the public right-of-way or on public property,
  - e. All Public Improvement Agreements for improvements that will be undertaken in the public right-of-way or on public property pursuant to the limited purpose building permit have been executed and the required security has been posted prior to the time commencement of actual public improvement construction starts,
  - f. The final lot configuration be shown on the map that is being processed,
  - g. The covenant to hold property as one parcel be recorded,
  - h. The holders of all easements across which construction will occur have either abandoned or given written permission for construction across their easements,
  - i. Execution of an encroachment and removal agreement,

- j. The City is only issuing a limited purpose building permit for foundation, slab and the pouring of wall panels only. The erection of any walls is specifically prohibited under this limited permit.
- k. The final parcel map shall be recorded before 12:01 a.m. on October 21, 2010,
- l. The limited purpose building permit shall automatically expire at 12:01 a.m. on October 21, 2010, if the final parcel map has not been recorded,
- m. All construction pursuant to the limited purpose building permit shall cease at 12:01 a.m. on October 21, 2010 if the final parcel map has not been recorded,
- n. It will be solely responsible for removal of any improvements and restoration of the site to its pre-construction condition if ordered by any court,
- o. It and its partners waive any and all recourse against the City which may arise out of this action,
- p. Neither the agreement, nor the time for recordation of the final parcel map will be extended beyond October 20, 2010,
- q. It will defend and indemnify the City for all judgments, costs and legal fees which may be incurred as a result of said agreement or the issuance of a limited purpose building permit for the foundation and slab only, and

## HIGHLAND FAIRVIEW RATIONALE FOR MOTION TO APPROVE LOT TIE COVENANT

Over the years as a member of this City council I have been faced with several occasions in which I voted to take an action against the advice of the City Attorney. One was the denial of the RADOS project; another was to deny the pass through costs on the mobile home park at Nason and Alessandro. In both of those instances we took the action we took as it was in our opinions in the best interests of our citizens and the City as a whole.

Now I am again facing another scenario in which the city Attorney is advising against our approving a "Lot Tie Covenant, or agreement" in order to allow the huge Sketchers building project to continue construction and avoid a work stoppage while they wait for the paperwork to catch up with them.

I have read and re-read the applicable provisions of the Subdivision Map Act, reviewed the opinions and correspondence from all sides, and have concluded that the "spirit of the law" would be met by an ironclad covenant as an interim until the final map can be filed.

It appears that the law is intended to protect potential purchasers of individual lots and the covenant does just that. I don't see any down side nor risk for the city at all, especially considering that the developer will be stipulating to hold harmless and indemnify the City against any potential court action on this issue should such arise.

If we don't take this action then all construction will stop, resulting in hundreds of construction workers being laid off for a few weeks or longer, and the timing of the completion of this important building is slipped, possibly causing havoc with the large shipment of merchandise that is being manufactured now and due to arrive in Moreno valley at about the building's estimated completion date.

After careful review of all the issues I have decided to support our approving the covenant and issuing a LIMITED building permit to allow the concrete work on the foundation and slab, as well as the pouring (only) of the walls, but NOT the raising of the walls or any other "vertical" aspect of the building.

By the time all this is done, the final map should be filed and everything will again be back on a normal track towards completion.

The spirit of the law will be maintained, and no harm, legal or otherwise, will be done.

## LIMITED PURPOSE BUILDING PERMIT ISSUANCE AGREEMENT

This limited purpose building permit issuance agreement (this "Agreement") is made at Moreno Valley, California, as of June 22, 2010, between the CITY OF MORENO VALLEY, a California general law city (the "City"), on the one hand, and HF LOGISTICS-SKX T1, LLC, a Delaware limited liability company ("HF"), on the other hand, with the respect to the following facts:

A. HF is the sole owner of approximately 83 acres located in the City which currently consists of 11 legal lots (the "building site") and which is currently entitled to be improved with a single building containing approximately 1,820,000 sq. ft (the "building") which will be constructed over portions of nine of the existing lots. The building site is shown on Exhibit A.

B. The building site will become a single parcel, Parcel 1 of Parcel Map 35629 (the "Parcel Map"), upon final approval and recordation of the Parcel Map.

C. HF desires the City to issue a limited purpose building permit allowing HF to begin construction of the building's foundation and slab and to pour and construct, but not erect, walls only prior to the recordation of the Parcel Map and the consolidation of the 11 existing lots into a single legal parcel.

D. HF agrees to assume all risks associated with the issuance of the limited purpose building permit for the construction of the building's foundation and slab and the pouring and construction, but not the erection, of the building's walls (the "limited purpose building permit") and agrees to secure the City with additional commitments to further protect the City included hereinbelow.

E. On June 22, 2010, the City Council authorized the acceptance of the covenant and agreement to hold property as one parcel and to enter into an agreement providing for the issuance of the limited purpose building permit subject to certain terms and conditions included hereinbelow.

### THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Prior to issuance of the limited purpose building permit, HF shall record a covenant and agreement to hold property as one single parcel in the form of Exhibit B.

2. Prior to issuance of the limited purpose building permit, HF shall provide the City with written documentation to the City's satisfaction that all parcels, which are the subject matter of the covenant, are owned by HF.

3. Prior to issuance of the limited purpose building permit, HF shall submit separate foundation, slab, and wall panel building plans to City for approval, which plans must be approved by City prior to issuance of the limited purpose building permit.

4. Prior to issuance of the limited purpose building permit, HF shall comply with all conditions of approval for issuance of a building permit except for the final approval and recording of the Parcel Map, Public Improvement Agreements and security for those improvements occurring solely on private property, and those conditions specifically deferred until issuance of the general building permit as set forth in Exhibit C. The City's Building

Official shall have the discretion to interpret any condition not listed on Exhibit C to determine whether it must be satisfied prior to issuance of the limited purpose building permit.

5. Prior to issuance of the limited purpose building permit, HF shall satisfy all conditions for final approval of the Parcel Map other than those relating to (a) the preparation, approval or recordation of the final Parcel Map, (b) Public Improvement Agreements and security for those improvements occurring solely on private property, and (c) those conditions specifically deferred until issuance of the general building permit as set forth in Exhibit C. HF hereby acknowledges that all such public improvement agreements and the required security for those improvements occurring solely on private property shall be executed and posted prior to final approval of the Parcel Map.

6. Prior to commencement of construction of, and the issuance of any required permits for, public improvements to be constructed in any public right-of-way or on public property, HF shall execute public improvement agreements and provide the required security for any such public improvement. HF hereby acknowledges that all such public improvement agreements and the required security shall be executed and posted prior to final approval of the Parcel Map if not accomplished sooner pursuant to this agreement.

7. Prior to issuance of the limited purpose building permit, HF shall execute an encroachment and removal agreement, in the form of Exhibit D, requiring HF, at its own expense, to remove any improvements constructed in public rights-of way or on public property if the limited purpose building permit expires and the City so requests.

8. Prior to issuance of the limited purpose building permit, HF shall have relocated or removed all easements encumbering the area under the building or have provided the City with written permission from easement holders authorizing HF to build over the easements.

9. HF agrees and acknowledges that the Parcel Map shall receive final approval by the City and be recorded in the Riverside County Recorder's Office before 12:01 a.m. on October 21, 2010.

10. HF agrees and acknowledges that the limited purpose building permit shall automatically expire at 12:01 a.m. on October 21, 2010 if the Parcel Map has not been recorded in the Riverside County Recorder's Office.

11. HF agrees and acknowledges that all construction shall immediately cease by 12:01 a.m. on October 21, 2010, upon expiration of the limited purpose building permit if the final Parcel Map has not been recorded.

12. If the limited purpose building permit expires as a result of the failure to record the final Parcel Map by 12:01 a.m. on October 21, 2010, HF shall be required to obtain a new building permit after the final Parcel Map has been recorded.

13. Neither this Agreement, the limited purpose building permit, nor the time in which to record the final Parcel Map in order to maintain the limited purpose building permit in effect, shall be extended beyond 12:01 a.m. on October 21, 2010.

14. HF shall remove all improvements and construction related materials from the project site, and shall restore the project site to its pre-construction condition, upon the expiration of the limited purpose building permit if ordered to do so by any court.

15. HF hereby expressly waives any claims of vested rights that it might otherwise have if the limited purpose building permit is suspended or terminated regardless of the extent of HF's reliance on its issuance and expressly acknowledges that the limited purpose building permit allows only the construction of the building's foundation and slab and the pouring and construction, but not the erection, of the building's walls.

16. HF hereby expressly waives any rights it might otherwise have for any recourse against the City in any way connected to the issuance of the limited purpose building permit.

17. HF shall defend, indemnify and hold harmless the City and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul the issuance of the limited purpose building permit. In any claim, action or proceeding against the City arising out of this agreement, or for the issuance of the limited purpose building permit, the City shall be entitled to recover from HF the actual expenditures for its attorneys' fees and all costs including, but not limited to, expert witness fees, in addition to any other relief to which it may be entitled.

18. The parties to this Agreement shall act in good faith and shall take all further actions reasonably necessary to effectuate the letter and the spirit of this Agreement.

19. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

20. Any litigation arising out of this Agreement shall be conducted only in the Riverside County Superior Court.

21. This Agreement is entered into solely for the benefit of the parties hereto. Other than the parties hereto, no third party shall be entitled, directly or indirectly, to base any claim, or to have any right arising from, or related to, this Agreement.

22. This Agreement contains the entire agreement and understanding between the parties and supersedes and replaces all prior negotiations or proposed agreements, written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce the execution of this Agreement and acknowledges that this Agreement has not been executed in reliance upon any promise, representation or warranty not contained herein.

23. This Agreement may not be amended except in a writing signed by all the parties hereto.

24. Each individual signing this Agreement represents and warrants that he or she has been authorized to do so by proper action of the party on whose behalf he or she has signed.

25. This Agreement may be signed in one or more counterparts and, when all parties have signed the original or a counterpart, such counterparts, whether originals, facsimiles or e-mail attachments, together shall constitute one original document.

July \_\_, 2010

THE CITY OF MORENO VALLEY (the "City")  
a California general law city

By: \_\_\_\_\_  
Bonnie Flickinger, Mayor

Attest:

\_\_\_\_\_  
Jane Halstead, City Clerk

Approved as to form:

\_\_\_\_\_  
Robert L. Hansen, City Attorney

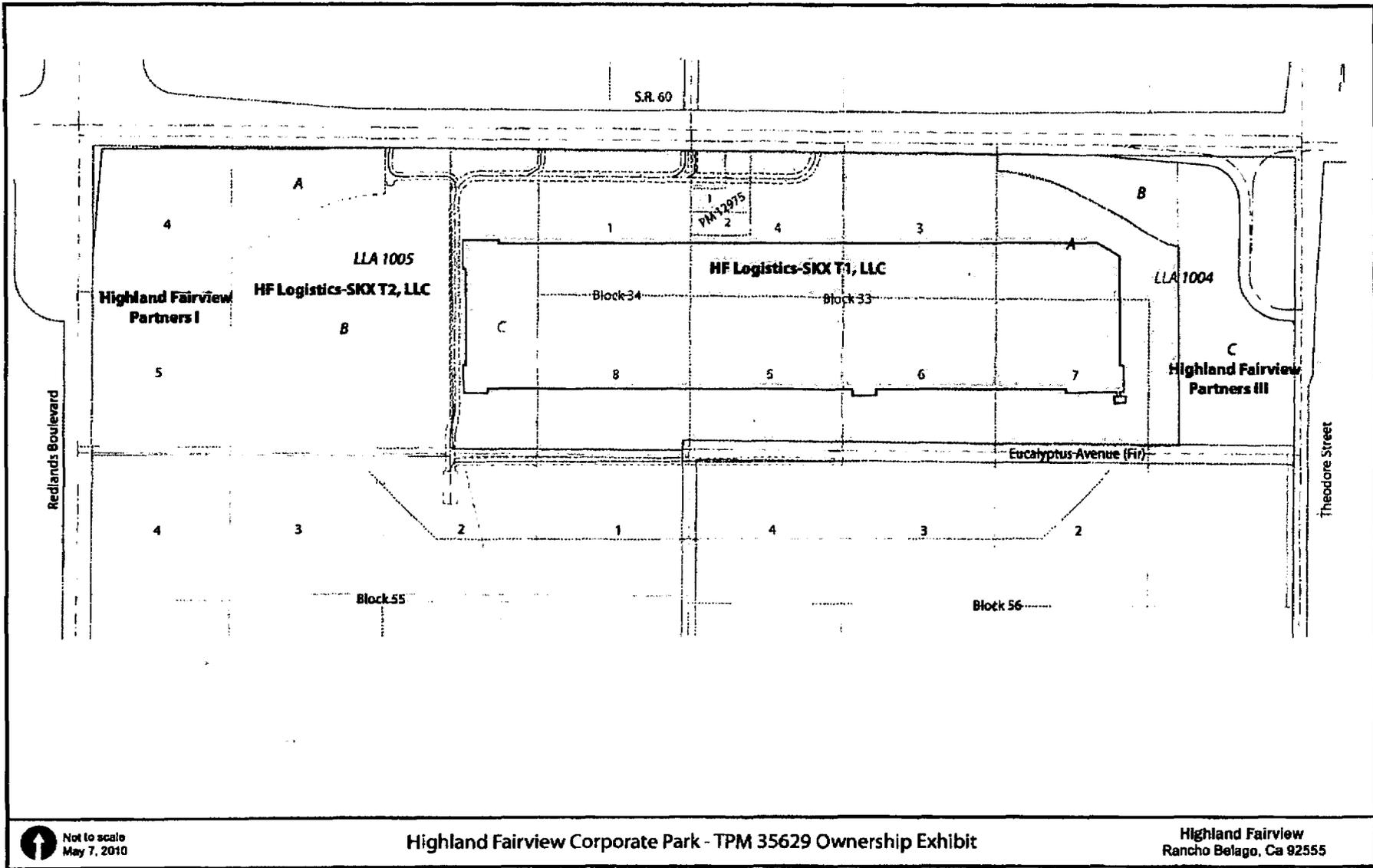
July \_\_, 2010

HF LOGISTICS-SKX T1, LLC ("HF")  
a Delaware limited liability company

By: HF Logistics-SKX, LLC  
a Delaware limited liability company,  
its sole member

By: HF Logistics I, LLC  
a Delaware limited liability company,  
its managing member

By: \_\_\_\_\_  
Iddo Benzeevi, President and Chief  
Executive Officer




 Not to scale  
 May 7, 2010

Highland Fairview Corporate Park - TPM 35629 Ownership Exhibit

Highland Fairview  
 Rancho Belago, Ca 92555

P:\Highland Fairview Corporate Park\Design\VF Work\VFCA Existing-LLA-Ownership

**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

**City of Moreno Valley  
14177 Frederick Street  
PO Box 88005  
Moreno Valley, CA 92552**

---

**SPACE ABOVE THIS LINE FOR RECORDER'S USE  
[EXEMPT FROM RECORDING FEES PURSUANT TO  
GOVERNMENT CODE SECTION 6103]**

**COVENANT AND AGREEMENT TO HOLD PROPERTY AS ONE PARCEL**

The undersigned ("Owner") hereby certifies to the City of Moreno Valley (the "City") that it is the lawful owner of the real property described in **Exhibit "A"** attached hereto (the "Property"), which Property is located in the City, County of Riverside, State of California.

Owner does hereby covenant and agree with the City that the Property shall be held as one parcel and no portion less than the whole thereof will be sold, disposed of, or in any way divided or hypothecated for any purpose whatsoever other than in accordance with the California Subdivision Map Act, any other applicable State law, and the Municipal Code of the City. As a result, the Property will remain as eleven (11) separate legal parcels until released as provided below.

Owner further covenants that Parcel Map No. 35629 covering the Property will be recorded in the office of the Riverside County Recorder no later than October 20, 2010.

This covenant and agreement shall run with the land and shall be binding upon Owner, any future owners or encumbrancers of the Property, and their respective successors, heirs and assigns. This covenant and agreement shall continue in effect until such time that the City releases the Property from the effect hereof by a written and recorded instrument, upon request of Owner and evidence that this covenant and agreement is no longer required by law.

The purpose of this covenant and agreement is to enable Owner to obtain a limited purpose building permit in accordance with that certain Limited Purpose Building Permit Issuance Agreement between the City and the Owner.

***(signature page follows)***

IN WITNESS WHEREOF, Owner has executed this instrument as of the \_\_\_ day of \_\_\_\_\_, 2010.

"OWNER"

HF LOGISTICS-SKX T1, LLC,  
a Delaware limited liability company

By: HF Logistics-SKX, LLC, a Delaware  
limited liability company, its sole member

By: HF Logistics I, LLC, a Delaware  
limited liability company, its managing  
member

By: \_\_\_\_\_  
Iddo Benzeevi, President and  
Chief Executive Officer

ACCEPTED AND AGREED:

CITY OF MORENO VALLEY

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF CALIFORNIA            )  
  )    ss.  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 2010, before me, \_\_\_\_\_, Notary Public, personally  
appeared \_\_\_\_\_, who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to  
me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC

[SEAL]

**EXHIBIT "A".**  
**LEGAL DESCRIPTION**

089402, 000001, 103358257.4

MV00234358

**LEGAL DESCRIPTION**

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

**PARCEL 1:**

THAT CERTAIN PARCEL SHOWN AND DESCRIBED AS "PROPOSED PARCEL C" BEING SET FORTH, DESCRIBED AND CREATED BY THAT CERTAIN LOT LINE ADJUSTMENT NO. 1005 / AND CERTIFICATE OF COMPLIANCE RECORDED MARCH 29, 2010 AS DOCUMENT NO. 2010-0140636 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOTS 2 AND 7, IN BLOCK 34 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11 OF MAPS, PAGE 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF FIR AVENUE, VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY RECORDED MARCH 27, 1962 AS FILE NO. 27882 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING BETWEEN REDLANDS BOULEVARD AND SINCLAIR STREET, AS SAID STREETS ARE SHOWN ON THE MAP OF SAID TRACT, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT 7, BEING ALSO THE CENTERLINE OF FIR AVENUE (VACATED); THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 7 AND THE CENTERLINE OF FIR AVENUE (VACATED) SOUTH 89 DEGREES 33"11' EAST 288.98 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 1280.03 FEET TO THE NORTHERLY LINE OF SAID LOT 2, BEING ALSO THE SOUTHERLY LINE OF GREVILLEA AVENUE (80 FEET WIDE) AS SHOWN ON SAID MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY (NOW THE SOUTHERLY LINE OF STATE HIGHWAY 60); THENCE ALONG THE NORTHERLY LINE OF SAID LOT 2 AND THE SOUTHERLY LINE OF GREVILLEA AVENUE SOUTH 89 DEGREES 33"13' EAST 381.32 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 2; THENCE ALONG THE EASTERLY LINES OF SAID LOT 2 AND SAID LOT 7 SOUTH 00 DEGREES 27"17' WEST 1280.00 FEET TO SAID SOUTHERLY LINE OF LOT 7 AND SAID CENTERLINE OF FIR AVENUE (VACATED); THENCE ALONG SAID SOUTHERLY LINE OF LOT 7 AND SAID CENTERLINE OF FIR AVENUE (VACATED) NORTH 89 DEGREES 33"11' WEST 371.16 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING AN AREA OF 11.056 ACRES, MORE OR LESS.

**PARCEL 2:**

THAT CERTAIN PARCEL SHOWN AND DESCRIBED AS "PROPOSED PARCEL A" BEING SET FORTH, DESCRIBED AND CREATED BY THAT CERTAIN LOT LINE ADJUSTMENT NO. 1004 / AND CERTIFICATE OF COMPLIANCE RECORDED MARCH 29, 2010 AS DOCUMENT NO. 2010-0140637 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOTS 1, 2 AND 8 IN BLOCK 33 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11 OF MAPS, PAGE 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 8; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 8, BEING ALSO THE NORTHERLY LINE OF FIR AVENUE (80 FEET WIDE) SOUTH 89 DEGREES 33'11" EAST 130.38 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF LOT 8 AND SAID NORTHERLY LINE OF FIR AVENUE, NORTH 854.59 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 497.00 FEET, A RADIAL LINE OF SAID CURVE FROM SAID POINT BEARS NORTH 15 DEGREES 41'23" EAST; THENCE ALONG SAID CURVE NORTHWESTERLY 103.15 FEET THROUGH A CENTRAL ANGLE OF 11 DEGREES 53'28"; THENCE TANGENT FROM SAID CURVE NORTH 62 DEGREES 25'09" WEST 49.57 FEET; THENCE NORTH 56 DEGREES 42'31" WEST 120.60 FEET; THENCE NORTH 62 DEGREES 25'09" WEST 222.69 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 800.00 FEET; THENCE ALONG SAID CURVE NORTHWESTERLY 310.88 FEET THROUGH A CENTRAL ANGLE OF 22 DEGREES 15'55"; THENCE TANGENT FROM SAID CURVE NORTH 84 DEGREES 41'04" WEST 47.33 FEET TO THE WESTERLY LINE OF SAID LOT 2; THENCE ALONG THE WESTERLY AND SOUTHERLY LINES OF SAID LOT 2, AND THE WESTERLY LINE OF LOT 8 THE FOLLOWING COURSES: SOUTH 00 DEGREES 27'24" WEST 550.52 FEET; THENCE SOUTH 89 DEGREES 33'12" EAST 660.21 FEET; THENCE SOUTH 00 DEGREES 27'19" WEST 620.01 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 9.396 ACRES, MORE OR LESS.

PARCEL A:

LOTS 1 AND 8 OF BLOCK 34, MAP NO. 1, OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

TOGETHER WITH THAT PORTION OF FIR AVENUE, VACATED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY RECORDED MARCH 27, 1962 AS FILE NO. 27882 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, LYING BETWEEN REDLANDS BOULEVARD, AND SINCLAIR STREET AS SAID STREETS ARE SHOWN ON THE MAP OF SAID TRACT.

ALSO TOGETHER WITH THAT PORTION OF SINCLAIR STREET ADJACENT ON THE EAST, AS REJECTED FOR DEDICATION BY THE CITY OF MORENO VALLEY PURSUANT TO THE TERMS AND PROVISIONS OF A DOCUMENT RECORDED MARCH 31, 2010 AS DOCUMENT NO. 2010-0144493 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

PARCELS 1 AND 2 OF PARCEL MAP 12975, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 72, PAGE 47 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

ALSO TOGETHER WITH THAT PORTION OF SINCLAIR STREET ADJACENT ON THE WEST, AS REJECTED FOR DEDICATION BY THE CITY OF MORENO VALLEY PURSUANT TO THE TERMS AND PROVISIONS OF A DOCUMENT RECORDED MARCH 31, 2010 AS DOCUMENT NO. 2010-0144493 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL C:

LOT 4 IN BLOCK 33 OF MAP NO. 1 OF THE LANDS OF THE BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 4;  
THENCE EASTERLY ON THE NORTHERLY LINE OF SAID LOT 257.00 FEET;  
THENCE AT RIGHT ANGLES SOUTHERLY 398.00 FEET;  
THENCE AT RIGHT ANGLES WESTERLY 257.00 FEET, TO THE WESTERLY LINE OF SAID LOT;  
THENCE NORTHERLY, ON THE WESTERLY LINE OF SAID LOT, 398.00 FEET, TO THE POINT OF BEGINNING.

ALSO TOGETHER WITH THAT PORTION OF SINCLAIR STREET ADJACENT ON THE WEST, AS REJECTED FOR DEDICATION BY THE CITY OF MORENO VALLEY PURSUANT TO THE TERMS AND PROVISIONS OF A DOCUMENT RECORDED MARCH 31, 2010 AS DOCUMENT NO. 2010-0144493 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOTS 3 AND 6 OF BLOCK 33 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE(S) 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

PARCEL E:

LOT 7 IN BLOCK 33, OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT COMPANY, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA.

PARCEL F:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 5 OF BLOCK 33 OF MAP NO. 1 OF BEAR VALLEY AND ALESSANDRO DEVELOPMENT CO., IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

ALSO TOGETHER WITH THAT PORTION OF SINCLAIR STREET ADJACENT ON THE WEST, AS REJECTED FOR DEDICATION BY THE CITY OF MORENO VALLEY PURSUANT TO THE TERMS AND PROVISIONS OF A DOCUMENT RECORDED MARCH 31, 2010 AS DOCUMENT NO. 2010-0144493 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

## EXHIBIT "C"

### CONDITIONS OF APPROVAL WHICH NEED NOT BE SATISFIED PRIOR TO THE ISSUANCE OF THE LIMITED PURPOSE BUILDING PERMIT

(all Tentative Parcel Map and Plot Plan conditions are to be satisfied prior to approval and recordation of the Parcel Map and issuance of the building permit allowing vertical construction of the building)

<u>TPM 35629</u>	<u>Plot Plan PA07-0091</u>	<u>Description</u>
P-23, SD-9	P-19, SD-5	DIF <sup>1</sup> , TUMF <sup>2</sup> , MSHCP Fees
B-1	B-1	Building Plans for vert. construction
LD8	LD8	Public Drainage Easements
LD22		Slope Easement
LD69		Reciprocal Access Easements
LD75	LD64	Spreading Basin Easement
LD76	LD65	Off-Site Easements
SD-10	SD-10	Median Landscape Approval
Parks (h)	Parks(h)	Final Trail Plan Approval
	P18	Site Lighting Plan
	P87	Title 24 Plans
	P89	Solar Panels for Phase 1 Office
	S1	Payment of School Fees <sup>3</sup>
	F4, F6-F11, F23	Interim Fire Access Plan

<sup>1</sup> DIF has been deferred until issuance of the Certificate of Occupancy pursuant to City Council Resolution 2009-37.

<sup>2</sup> TUMF has been deferred until issuance of the Certificate of Occupancy pursuant to City Council Resolution 2009-38.

<sup>3</sup> Deferral contingent upon written agreement from the Moreno Valley Unified School District agreeing to this deferral.

## ENCROACHMENT AND REMOVAL AGREEMENT

This encroachment and removal agreement (this "Agreement") is made at Moreno Valley, California, as of June 22, 2010, between the CITY OF MORENO VALLEY, a California general law city (the "City"), on the one hand, and HF LOGISTICS-SKX T1, LLC, a Delaware limited liability company ("HF"), on the other hand, with the respect to the following facts:

A. HF is the sole owner of approximately 83 acres located in the City which currently consists of 11 legal lots and which is currently entitled to be improved with a single building containing approximately 1,820,000 sq. ft (the "building") which will be constructed over portions of nine of the existing lots (the "building site"). The building site is shown on Exhibit A.

B. The building site will become a single parcel, Parcel 1 of Parcel Map 35629 (the "Parcel Map"), upon final approval and recordation of the Parcel Map.

C. HF wishes to begin construction of the building's foundation and slab and to pour and construct, but not erect, walls prior to the recordation of the final Parcel Map and the consolidation of the 11 existing lots into a single legal parcel.

D. On June 22, 2010, the City Council authorized the issuance of a limited purpose building permit for the construction of the building's foundation and slab and the pouring and construction, but not the erection, of the building's walls only (the "limited purpose building permit") prior to the recordation of the final Parcel Map upon the terms set forth in the Limited Purpose Building Permit Issuance Agreement dated June 22, 2010.

E. HF will be required to construct improvements in public rights-of-way or on public property in connection with the construction authorized by the limited purpose building permit.

F. The Limited Purpose Building Permit Issuance Agreement requires that HF agree to remove all improvements constructed in public rights-of-way or on public property in connection with the construction authorized by the limited purpose building permit if the limited purpose building permit expires as a result of the final Parcel Map not being recorded prior to 12:01 a.m. on October 21, 2010. This Agreement is intended to satisfy that requirement.

### THEREFORE, IT IS MUTUALLY AGREED THAT:

1. If the limited purpose building permit expires as a result of the final Parcel Map not being recorded prior by 12:01 a.m. on October 21, 2010, HF shall, upon request by the City, prior to February 21, 2011, and at its sole expense, remove all improvements constructed in public rights-of-way or on public property in connection with the construction authorized by the limited building permit and shall restore the public rights-of-way or public property to their pre-construction conditions.

2. HF hereby expressly waives any rights it might otherwise have for any recourse against the City in any way connected to this Agreement or HF's obligation to remove improvements constructed in public rights-of-way or on public property in connection with the

construction authorized by the limited purpose building permit if the limited purpose building permit expires as a result of the Parcel Map not being recorded by 12:01 a.m. on October 21, 2010.

3. HF shall defend, indemnify and hold harmless the City and its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this Agreement. In any claim, action or proceeding against the City arising out of this Agreement, the City shall be entitled to recover from HF the actual expenditures for its attorneys' fees and all costs including, but not limited to, expert witness fees, in addition to any other relief to which it may be entitled.

4. The parties to this Agreement shall act in good faith and shall take all further actions reasonably necessary to effectuate the letter and the spirit of this Agreement.

5. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

6. Any litigation arising out of this Agreement shall be conducted only in the Riverside County Superior Court.

7. This Agreement is entered into solely for the benefit of the parties hereto. Other than the parties hereto, no third party shall be entitled, directly or indirectly, to base any claim, or to have any right arising from, or related to, this Agreement.

8. This Agreement contains the entire agreement and understanding between the parties and supersedes and replaces all prior negotiations or proposed agreements, written or oral. Each of the parties hereto acknowledges that no other party, nor the agents nor the attorneys for any party, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, to induce the execution of this Agreement and acknowledges that this Agreement has not been executed in reliance upon any promise, representation or warranty not contained herein.

9. This Agreement may not be amended except in a writing signed by all the parties hereto.

10. Each individual signing this Agreement represents and warrants that he or she has been authorized to do so by proper action of the party on whose behalf he or she has signed.

11. This Agreement may be signed in one or more counterparts and, when all parties have signed the original or a counterpart, such counterparts, whether originals, facsimiles or e-mail attachments, together shall constitute one original document.

(Signatures on the next page.)

June \_\_, 2010

THE CITY OF MORENO VALLEY (the "City")  
a California general law city

By: \_\_\_\_\_  
Bonnie Flickinger, Mayor

Attest:

\_\_\_\_\_  
Jane Halstead, City Clerk

Approved as to form:

\_\_\_\_\_  
Robert L. Hansen, City Attorney

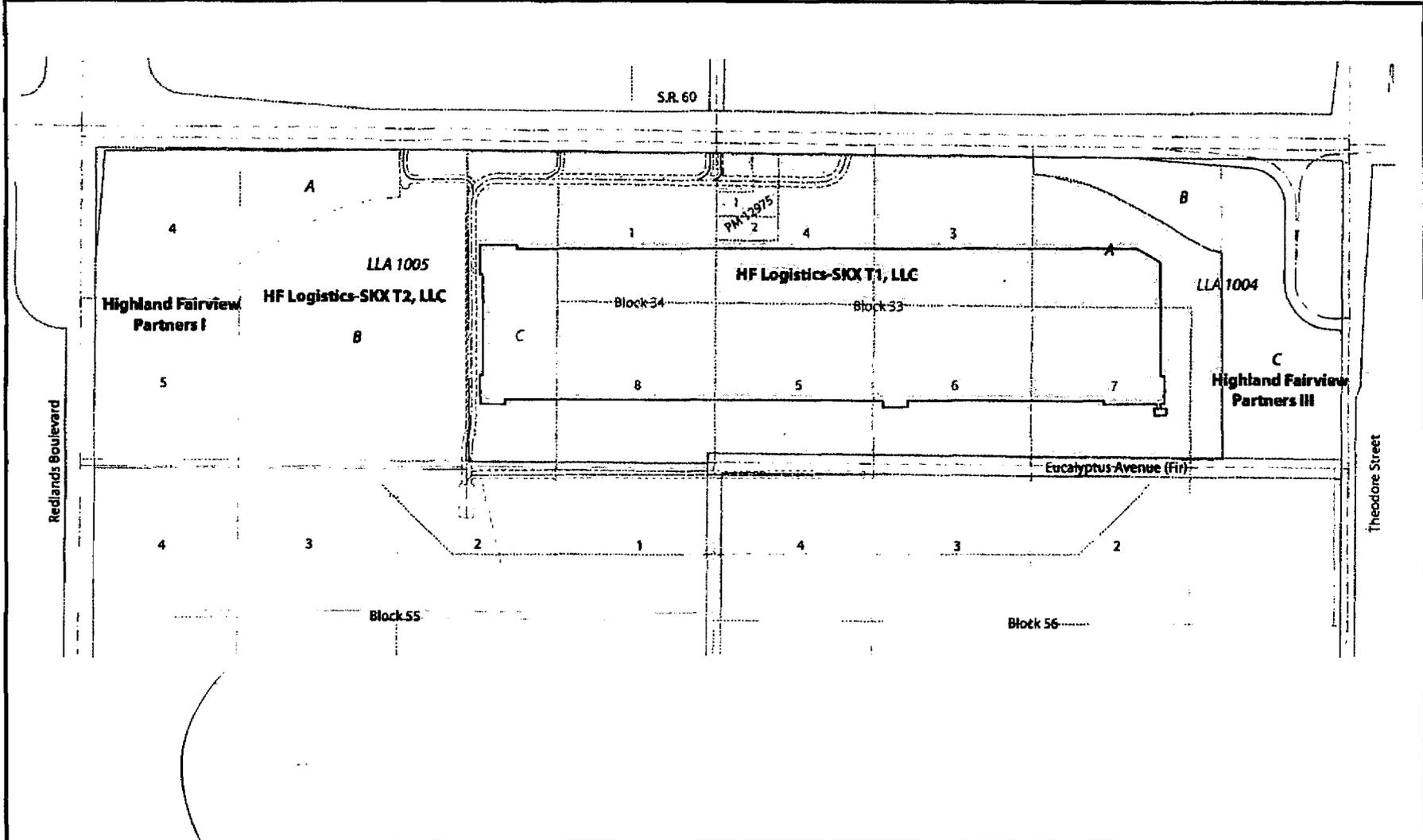
June \_\_, 2010

HF LOGISTICS-SKX T1, LLC ("HF")  
a Delaware limited liability company

By: HF Logistics-SKX, LLC  
a Delaware limited liability company,  
its sole member

By: HF Logistics I, LLC  
a Delaware limited liability company,  
its managing member

By: \_\_\_\_\_  
Iddo Benzeevi, President and Chief  
Executive Officer




 Not to scale  
 May 7, 2010

Highland Fairview Corporate Park - TPM 35629 Ownership Exhibit

Highland Fairview  
 Rancho Belago, Ca 92555

P:\Highland Fairview Corporate Park\Design\VF Work\VF\FCP Existing\LLA\Ownership

Exhibit A



richard stewart &lt;richstew27@gmail.com&gt;

---

## Highland Fairview's Use of a Lot Tie Agreement

1 message

---

**Bley, Kenneth B.** <KBley@coxcastle.com>

Fri, Jun 11, 2010 at 4:14 PM

To: richstew27@gmail.com

Richard, I understand that Highland Fairview wants to start construction of the Skechers building prior to the recordation of the parcel map. Bob Hanson has stated that the Subdivision Map Act prohibits the issuance of a building permit until the map has been recorded.

Government Code sec. 66499.30, part of the Act, states that no person shall commence construction until a parcel map has been recorded. This is probably the section that Bob is thinking of. However, I believe that this section has to be read in conjunction with sec. 66499.34 which allows the City to withhold a building permit for the development of any illegally created parcel. The purpose of the Act's prohibition is to ensure that development doesn't take place on illegally created parcels. That isn't the case here because the existing parcels were legally created.

Highland Fairview has asked to be allowed to record a lot tie covenant which would require it to treat the existing parcels subject to the covenant as one. I believe that this would be a permissible way of proceeding even if though there is a parcel map pending in the City. The effect of a covenant is to deprive the owner of the lots subject to the covenant of the right to claim that they are individually developable. Lot tie covenants are used all the time here in Los Angeles to avoid problems such as fire walls and setbacks between adjoining parcels. I believe that the recordation of such a covenant would allow the City to issue a building permit, allowing Highland Fairview to commence construction, notwithstanding Subdivision Map Act or building code issues.

The City obviously is concerned that nothing related to the construction of the Skechers building adversely affect the City or its citizens. The covenant and the issuance of the building permit will not put the City at risk. Iddo has stated that Highland Fairview is willing to have the issuance of the building permit be conditioned on the parcel map being recorded within 120 days with the City retaining sole discretion to revoke the building permit if that isn't done. Of course, the City also has the authority to revoke a building permit if something is being done in contravention of the permit's terms. I believe that the combination of the two will provide the City with all of the protection that it could possibly want.

I do not believe that Bob's interpretation of the law is unreasonable; I merely disagree with it. There is no case law that I could find which interprets the section and therefore it is subject to reasonable interpretation. Reasonable people can reasonably disagree but issuing the building permit in conjunction with the recordation of a covenant should not violate any law. In this case, it will be up to the City Council to decide which interpretation is acceptable. If the City Council does agree, I have no doubt that the City Council has the right and authority to instruct the City's staff to follow the City Council's directions.

I think that this is clearly a case where the Council has the right to weigh the risks and benefits to the City and to decide where the balance is to be struck. I strongly believe that neither the City Council nor the City's staff will violate the law. In any event, as I've stated above, the issuance of the building permit, in conjunction with the recordation of the covenant, will mean that there is no risk to the City.

Finally, Iddo has also stated that all existing easements on the property will be removed at the same time the covenant is recorded.

Please let me know if you have any questions or if I can provide you with any further information. Ken

---

## HFCP City Council Agenda Items - July 6th and 13th

B.Hixson

6/28/2010

City Council Agenda - July 6, 2010				
No.	Description	Steps	Status/Action	Responsibility
1	Redlands Sewer PIA	1	Add Bond Reduction clause into PIA	City
		2	Provide HF with PIA for signature	City
		3	Sign PIA and return to City by Wednesday 6/30	HF
City Council Agenda - July 13, 2010				
No.	Description	Steps	Status/Action	Responsibility
1	Redlands Electric and Grading PIA	1	Provide City with updated PIA and Engineers Estimate - Past Deadline -	HF
		2	Keep Bond Reduction clause in PIA	N/A
		3	Provide HF with PIA for signature - Past Deadline -	City
		4	Sign PIA and return to City by Wednesday 7/7 - Past Deadline -	HF
		5	Provide City with Security (Escrow Account and Instr., Bond Certificate, LOC, etc.)	HF
		6	Staff Report to be created and entered into City's Computerized Agenda program	Past Deadline
2	Phase 1 PIA (Euc.- St, sewer, water, rec water, Sinclair water, Redlands water, Theodore St., monuments)	1	Provide City with updated PIA and Engineers Estimate - Past Deadline -	HF
		2	Keep Bond Reduction clause in PIA	N/A
		3	Provide HF with PIA for signature - Past Deadline -	City
		4	Sign PIA and return to City by Wednesday 7/7 - Past Deadline -	HF
		5	Provide City with Security (Escrow Account and Instr., Bond Certificate, LOC, etc.)	HF
		6	Staff Report to be created and entered into City's Computerized Agenda program	Past Deadline
3	Phase 2/3 PIA (Parcels 2,3 & 4)	1	Address City Comments on PIA	HF
		2	Review HF responses to comments on PIA	City
		3	Address method for Lien/Deed of Trust for Security - Past Deadline -	City/HF
		4	Provide HF with PIA for signature - Past Deadline -	City
		5	Sign PIA and return to City by Wednesday 7/7 - Past Deadline -	HF
		6	Staff Report to be created and entered into City's Computerized Agenda program	Past Deadline
4	Line F Bond Substitution	1	No PIA Needed since terms of the original agreement are not changing	-----
		2	Provide HF with PIA for signature (Not Applicable)	-----
		3	Sign PIA and return to City by Wednesday 7/7 (Not Applicable)	-----
		4	Provide City with Security (Escrow Account and Instr., Bond Certificate, LOC, etc.)	HF
		5	Staff Report to be created and entered into City's Computerized Agenda program	Past Deadline
5	Moreno Valley Utilities - Line Extension Agreement	1	Review Draft Agreement sent to City	City
		2	Address any comments and sign agreement by Wednesday 7/7 - Past Deadline -	HF
		3	Staff Report to be created and entered into City's Computerized Agenda program	Past Deadline

7/12

MV00234369

**Proposed Motion:**

I move that the City Council amend the action taken on June 22, 2010, approving and accepting Highland Fairview's Covenant to Hold as One Parcel subject to certain conditions. ~~It is proposed that the City Council hereby amend its action taken on June 22, 2010~~ as follows:

1. That this activity is not a "project" under CEQA Guidelines Section 15378, and none of the conditions described in Section 15162 of the CEQA Guidelines have occurred that would warrant a subsequent EIR or an addendum to the EIR. Further, the City Council finds that the absence of any change in the project, the absence of any change in the circumstances under which the project is being undertaken, the absence of any new information which would bring into question the adequacy of the EIR, the fact that all of the project impacts were analyzed in the EIR and the fact that all mitigation measures must be satisfied prior to the building's completion means that there is no need for further environmental review.
  
2. That the terms and conditions are amended to provide that, prior to issuance of a limited purpose building permit for foundation, slab and pouring of wall panels only, Highland Fairview shall comply with all conditions of approval for issuance of a building permit except as follows, which excepted conditions shall be complied with as provided for in applicable City Council Resolutions, Approval and/or Recording of the final Parcel Map, or issuance of the general building permit, whichever is applicable. The excepted conditions are:
  - a. Final approval and recording of the Parcel Map,
  - b. Public Improvement Agreements and security for same for any public improvement occurring solely on private property owned or controlled by Highland Fairview,
  - c. Payment of DIF and TUMF are deferred until issuance of any temporary, conditional or unconditional certificate of occupancy for the Skechers building as provided for in City Council Resolutions 2009-37 and 2009-38,
  - d. Payment of MSHCP fees,
  - e. Approval of Building Plans for vertical construction,
  - f. Public Drainage easements,
  - g. Slope easements,
  - h. Reciprocal Access easements,

- i. Spreading Basin easement,
  - j. Off-site easements,
  - k. Median Landscape Plans approval,
  - l. Final Trail Plan approval,
  - m. Site Lighting Plan,
  - n. Title 24 Plans,
  - o. Solar Panels for Phase 1 Office,
  - p. Payment of School fees, contingent upon Highland Fairview providing the City with written agreement from the Moreno Valley Unified School District for deferral of school fees until issuance of the general building permit, ~~or~~ <sup>per</sup>
  - q. Fire Access Plan.
3. All other terms, conditions and actions pursuant to this matter taken by the City Council on June 22, 2010, shall remain unchanged and in full force and effect.



## MEMORANDUM

---

To: Mayor Bonnie Flickinger and Members of the City Council  
From: William L. Bopf, Interim City Manager  
Date: June 22, 2010  
Subject: Processing Problems – Highland Fairview

---

I am writing this e-mail realizing that it could become public; hence, I will include nothing that I would not repeat in public.

The Staff started processing the Highland Fairview (HF) documents in March 2010 after their long delay. During that time Staff has had to review and revise almost every document they submitted. In spite of this Staff is often criticized by HF. I will not allow this to go unchallenged. If HF publically demeans the Staff I will respond publically. While I am Interim City Manager for the City of Moreno Valley, whether it is for one more day or two more months, I am totally committed to its well-being; that is what a professional City Manager does.

From this point on I will be professionally responsible for all actions of the Staff with respect to HF processing. If they have any complaints they should be directed toward me, and I keep very thorough records.

The reason this e-mail has arisen is in part due to HF quoting Staff out of context, and through their own indecision created a problem for themselves. On Monday, June 21, 2010, HF delivered a Sewer Agreement Surety Agreement that they wanted to have placed on the June 22 Council Agenda. This cannot be accomplished since the Agenda was posted on June 17, 2010. It would be a violation of State Law to take action on an item not included on the posted agenda. However, the City Council can add an item to the agenda by a 4/5 vote if the item arose after the posting of the agenda and there is a good reason to do so (i.e., grant deadline, escrow closing, etc.) Council must make that finding. The total staff has not reviewed the requested item and there is no staff report. Unless Council takes action, the requested item will appear on the July 13, 2010 agenda. HF also delivered on Monday, June 21, 2010, five (5) more documents they wanted to have included on the July 13<sup>th</sup> agenda. Monday was the deadline for the July 13<sup>th</sup> agenda. In all likelihood, a number of those items will not appear on the July 13<sup>th</sup> agenda. There is a way for Council to address HF's documents, but it will require the Council to call a Special Meeting after July 13 or the next meeting will be held in August.

The complexity of the late submitted documents will take at least one working week to review, and if true to form, will require a number of revisions.

I am meeting with Staff to discuss this e-mail, and we will subsequently follow Council's direction within established policies and protocols.

c: Robert Hansen, City Attorney

WLB:cp

**Cindy Miller**

---

**Subject:** FW: Hastings' Time Sensitive Request - Processing Problems - Highland Fairview.doc

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**From:** Hastings, Robin [mailto:RHASTINGS@rcbos.org]  
**Sent:** Tuesday, June 22, 2010 12:05 PM  
**To:** Cindy Miller  
**Subject:** RE: Processing Problems - Highland Fairview.doc

Cindy:

Please print out all of these documents pertaining to the sewer agreement, including the letter from HF, the City Manager's memo and the 5 documents he references as well as the covenant memo we received.

*NOT rec'd - HF only requested a place holder*

Robin Hastings  
Chief of Staff for  
Supervisor Marion Ashley  
4080 Lemon Street, 5th Floor  
Riverside, CA 92506

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**From:** Cathy Parada  
**Sent:** Tuesday, June 22, 2010 10:15 AM  
**To:** City Council  
**Cc:** Bob Hansen; Bill Bopf  
**Subject:** Processing Problems - Highland Fairview.doc

The attached memo is sent to you on behalf of William L. Bopf, Interim City Manager.

Thanks, cp

*Cathy*

Cathy Parada  
Interim Executive Assistant to the City Manager  
City Manager's Office

6/22/2010

MV00234374

**Cindy Miller**

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**From:** Cathy Parada  
**Sent:** Tuesday, June 22, 2010 10:15 AM  
**To:** City Council  
**Cc:** Bob Hansen; Bill Bopf  
**Subject:** Processing Problems - Highland Fairview.doc  
**Attachments:** Processing Problems - Highland Fairview.doc  
The attached memo is sent to you on behalf of William L. Bopf, Interim City Manager.

Thanks, cp

*Cathy*

Cathy Parada  
Interim Executive Assistant to the City Manager  
City Manager's Office  
[REDACTED]

6/22/2010

MV00234375



## MEMORANDUM

To: Mayor Bonnie Flickinger and Members of the City Council  
From: William L. Bopf, Interim City Manager  
Date: June 22, 2010  
Subject: Processing Problems – Highland Fairview

I am writing this e-mail realizing that it could become public; hence, I will include nothing that I would not repeat in public.

The Staff started processing the Highland Fairview (HF) documents in March 2010 after their long delay. During that time Staff has had to review and revise almost every document they submitted. In spite of this Staff is often criticized by HF. I will not allow this to go unchallenged. If HF publically demeans the Staff I will respond publically. While I am Interim City Manager for the City of Moreno Valley, whether it is for one more day or two more months, I am totally committed to its well-being; that is what a professional City Manager does.

From this point on I will be professionally responsible for all actions of the Staff with respect to HF processing. If they have any complaints they should be directed toward me, and I keep very thorough records.

The reason this e-mail has arisen is in part due to HF quoting Staff out of context, and through their own indecision created a problem for themselves. On Monday, June 21, 2010, HF delivered a Sewer Agreement Surety Agreement that they wanted to have placed on the June 22 Council Agenda. This cannot be accomplished since the Agenda was posted on June 17, 2010. It would be a violation of State Law to take action on an item not included on the posted agenda. However, the City Council can add an item to the agenda by a 4/5 vote if the item arose after the posting of the agenda and there is a good reason to do so (i.e., grant deadline, escrow closing, etc.) Council must make that finding. The total staff has not reviewed the requested item and there is no staff report. Unless Council takes action, the requested item will appear on the July 13, 2010 agenda. HF also delivered on Monday, June 21, 2010, five (5) more documents they wanted to have included on the July 13<sup>th</sup> agenda. Monday was the deadline for the July 13<sup>th</sup> agenda. In all likelihood, a number of those items will not appear on the July 13<sup>th</sup> agenda. There is a way for Council to address HF's documents, but it will require the Council to call a Special Meeting after July 13 or the next meeting will be held in August.

not rec'd  
only request  
place holder  
(cm)

The complexity of the late submitted documents will take at least one working week to review, and if true to form, will require a number of revisions.

I am meeting with Staff to discuss this e-mail, and we will subsequently follow Council's direction within established policies and protocols.

c: Robert Hansen, City Attorney

WLB:cp

RECORDING REQUESTED BY:  
City of Moreno Valley

WHEN RECORDED, RETURN TO:

CITY OF MORENO VALLEY  
City Clerk  
P. O. Box 88005  
Moreno Valley, CA 92552-0805

No recording fee per Government Code, Section 6103

This space for Recorder's use only.

**AGREEMENT FOR PUBLIC IMPROVEMENTS  
FOR REDLANDS SEWER IMPROVEMENTS AND ESCROW INSTRUCTIONS  
PROJECT NO. PA07-0090 (TENTATIVE PARCEL MAP 35629)**

This Agreement, made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and HF Logistics-SKX T1, LLC herein after called Developer, on the date the City signs this agreement.

**WITNESSETH:**

**FIRST:** Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA07-0090 (Tentative Parcel Map 35629) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66262.5, Government Code. The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto, is the sum of FIVE HUNDRED SIXTY THREE THOUSAND AND NO/100 Dollars (\*\*\*\$563,000\*\*\*).

**SECOND:** Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any security guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

**THIRD:** City shall not, nor shall any officer or employee of City, except for its or their sole negligence, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this Agreement prior to the completion and approval thereof, nor shall City or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Developer, his agents or employees, in the performance of the work, and all of said liabilities are assumed by Developer. Developer agrees to protect, defend and hold harmless City and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Developer, his agents and employees, in the performance of this Agreement, or arising out of the use of any patent or patented article in the performance of this Agreement.

**FOURTH:** The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the Improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

MV00234378

**FIFTH:** Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the Improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the security in escrow securing performance of this Agreement.

**SIXTH:** The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

**SEVENTH:** If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. Whereupon, the City Engineer shall unilaterally have the ability to withdraw from escrow all funds necessary to correct the violation(s). The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

**EIGHTH:** Developer agrees prior to the date this Agreement is executed, to deposit into two separate escrow accounts United States currency for 1) the estimated cost of the work and improvements, totaling \$563,000, for the faithful performance of the terms and conditions of this Agreement (First American Title Insurance Company Escrow Number: 445220), and 2) the estimated cost of labor and materials, in the amount of \$281,500, for the payment of labor and materials (First American Title Insurance Company Escrow Number: 445221) as prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. The escrow accounts shall be established at First American Title Insurance Company, 4380 La Jolla Village Drive, Suite 200, San Diego, Ca 92122, Attn: Verna Gregory-Senior Commercial Escrow Officer. Developer agrees to maintain said escrow account(s) with good and sufficient funds or increase the amounts of said escrow account(s), or both, within ten (10) days after being notified by the City Engineer that the amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all required Improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said escrow account(s). Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at anytime during the term of this agreement, subject to approval of the City Engineer and City Attorney. At twenty percent (20%) completion, forty percent (40%) completion, sixty percent (60%) completion, eighty percent (80%) completion, and ninety percent (90%) completion of the public improvements, as measured by the dollar value of said improvements as set forth in the Engineer's Preliminary Estimate of Cost and associated unit costs (Exhibit A) and upon written request by the Developer for a partial reduction of the security, the surety company shall be instructed by the City Engineer in writing to reduce the amount of the account(s). A total of ten (10%) percent of the original amount shall be retained until expiration of the twelve (12) month warranty period pursuant to Government Code Section 66499 to secure required warranty work.

**NINTH:** It is further agreed by and between the parties hereto, including the escrow account(s) securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the funds from escrow. Developer further agrees to maintain the aforesaid funds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

**TENTH:** It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

**ELEVENTH:** Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

**City:**  
City Engineer  
P.O. Box 88005  
14177 Frederick  
Moreno Valley, CA 92552-0805

**Developer:**  
HF LOGISTICS-SKX T1, LLC,  
14225 Corporate Way  
Moreno Valley, California 92553

**IN WITNESS WHEREOF** Contractor has affixed his name, address and seal.

Date approved by the City: \_\_\_\_\_

**HF LOGISTICS-SKX T1, LLC:**  
Developer

BY:   
Signature  
Danette Fenstermacher  
Print/Type Name  
Exec VP + COO  
Title

BY:   
Signature  
Edda Benzeevi  
Print/Type Name  
President + CEO  
Title

**ATTEST:**  
**CITY CLERK**  
**OF THE CITY OF MORENO VALLEY**

By: \_\_\_\_\_  
City Clerk

**CITY OF MORENO VALLEY**

By: \_\_\_\_\_  
Mayor

(SEAL)

**APPROVED AS TO FORM:**  
**CITY ATTORNEY**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Attorney

**NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.**

SIGNATURES OF CONTRACTOR MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY  
ORIGINAL - CITY CLERK; PINK - CONTRACTOR; GREEN - SURETY; BLUE - PROJECT FILE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Riverside

On 6.18.10 before me, LORINNE J. PHILLIPS, NOTARY PUBLIC  
Date Here Insert Name and Title of the Officer

personally appeared IDDO BENZEEVI  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Lorinne J. Phillips  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Agreement for Public Improvement Sewer *Redlands*

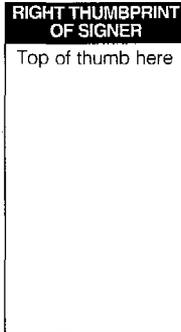
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

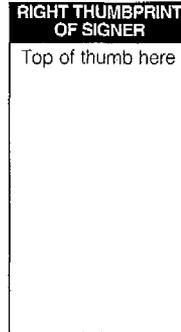
Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_

- Corporate Officer — Title(s): \_\_\_\_\_
- Individual
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

- Corporate Officer — Title(s): \_\_\_\_\_
- Individual
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

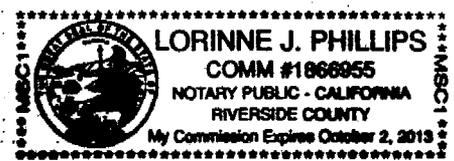
State of California

County of Riverside

On 6-18-10 before me, LORINNE J. PHILLIPS NOTARY PUBLIC  
Date Here Insert Name and Title of the Officer

personally appeared DANETTE FENSTERMACHER  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Lorinne J. Phillips  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Agreement for Public Improvements Redland Sewer

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_

- |   |  |   |  |
|---|--|---|--|
| <input type="checkbox"/> Corporate Officer --- Title(s): _____<br><input type="checkbox"/> Individual<br><input type="checkbox"/> Partner --- <input type="checkbox"/> Limited <input type="checkbox"/> General<br><input type="checkbox"/> Attorney in Fact<br><input type="checkbox"/> Trustee<br><input type="checkbox"/> Guardian or Conservator<br><input type="checkbox"/> Other: _____ | <b>RIGHT THUMBPRINT OF SIGNER</b><br>Top of thumb here<br>_____<br>_____ | <input type="checkbox"/> Corporate Officer --- Title(s): _____<br><input type="checkbox"/> Individual<br><input type="checkbox"/> Partner --- <input type="checkbox"/> Limited <input type="checkbox"/> General<br><input type="checkbox"/> Attorney in Fact<br><input type="checkbox"/> Trustee<br><input type="checkbox"/> Guardian or Conservator<br><input type="checkbox"/> Other: _____ | <b>RIGHT THUMBPRINT OF SIGNER</b><br>Top of thumb here<br>_____<br>_____ |
|---|--|---|--|

Signer Is Representing: \_\_\_\_\_ Signer Is Representing: \_\_\_\_\_

**EXHIBIT "A"  
ENGINEER'S ESTIMATE**

Sheet 1 of 8

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

**PUBLIC PAVEMENT SECTIONS**

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Street Work - Non DIF Non TUMF</b>				
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 1	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	80.00	0
<b>Street Work - DIF</b>				
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 1	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	80.00	0
<b>Street Work - TUMF</b>				
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 1	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	80.00	0
Roadway Excavation	0	C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	33.00	0
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	80.00	0
			<b>SUBTOTAL:</b>	<b>0</b>



EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 3 of 8

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

PUBLIC STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Special Districts</b>				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
Street Lights (9500 lumen)	0	EA.	4,000.00	0
Street Lights (22000 lumen)	0	EA.	5,000.00	0
SPECIAL DISTRICTS SUBTOTAL:				0
<b>Moreno Valley Utilities</b>				
Electrical Utility Infrastructure	0	L.S.	0.00	0
MVU SUBTOTAL:				0
<b>Water Quality Basin</b>				
Landscaping	0	S.F.	6.00	0
Filtration Devices	0	EA.	0	0
Access Ramp PCC	0	S.F.	0	0
Low-Flow Pipe System	0	L.F.	0	0
Headwalls	0	EA.	0	0
Outlets	0	EA.	0	0
Risers	0	EA.	0	0
Forebay PCC	0	S.F.	0	0
Toe of slope protection PCC	0	S.F.	20.00	0
WQB SUBTOTAL:				0
<b>Transportation Engineering</b>				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordination)	0	EA.	272,000.00	0
Traffic Signal Modification	0	L.S.	0	0
Traffic Signal Interconnect (Existing Signals Only)	0	L.F.	30.00	0
TRANSPORTATION SUBTOTAL:				0

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 4 of 8

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

PUBLIC STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Pipe</b>				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	0	L.F.	160.00	0
24" Reinforced Concrete Pipe (DIF Street Name)	0	L.F.	160.00	0
30" Reinforced Concrete Pipe	0	L.F.	180.00	0
36" Reinforced Concrete Pipe	0	L.F.	190.00	0
42" Reinforced Concrete Pipe	0	L.F.	210.00	0
48" Reinforced Concrete Pipe	0	L.F.	250.00	0
54" Reinforced Concrete Pipe	0	L.F.	300.00	0
60" Reinforced Concrete Pipe	0	L.F.	350.00	0
66" Reinforced Concrete Pipe	0	L.F.	375.00	0
72" Reinforced Concrete Pipe	0	L.F.	414.00	0
78" Reinforced Concrete Pipe	0	L.F.	459.00	0
84" Reinforced Concrete Pipe	0	L.F.	505.00	0
90" Reinforced Concrete Pipe	0	L.F.	557.00	0
96" Reinforced Concrete Pipe	0	L.F.	613.00	0
102" Reinforced Concrete Pipe	0	L.F.	671.00	0
108" Reinforced Concrete Pipe	0	L.F.	724.00	0
114" Reinforced Concrete Pipe	0	L.F.	785.00	0
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
8' X 10' Reinforced Concrete Box	0	C.Y.	1200.00	0
8' X 12' Reinforced Concrete Box	0	C.Y.	1400.00	0
2'-72" Reinforced Concrete Pipe	0	L.F.	840.00	0
3'-4' X 2' Reinforced Concrete Pipe	0	L.F.	461.00	0
	0		0.00	0
<b>Manholes</b>				
Manhole No. 1	0	EA.	5000.00	0
Manhole No. 2	0	EA.	7500.00	0
Manhole No. 3	0	EA.	9000.00	0
Manhole No. 4	0	EA.	10000.00	0
	0		0.00	0
<b>Catch Basins</b>				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	0	EA.	5500.00	0
Catch Basin (10')	0	EA.	6700.00	0
Catch Basin (14')	0	EA.	8000.00	0
Catch Basin (21') (Dif St-Perris Blvd)	0	EA.	12500.00	0
Local Depressions	0	EA.	535.00	0
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	EA.	535.00	0
24" X 24" Grate basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	0	EA.	5000.00	0
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 5 of 8

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

PUBLIC STORM DRAIN SYSTEM (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Structures</b>				
Transition Structure	0	EA.	5500.00	0
Junction Structure	0	EA.	6000.00	0
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	0	EA.	5000.00	0
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	0	EA.	3000.00	0
Headwall	0	EA.	5500.00	0
Concrete Collar (Grater than 48")	0	EA.	5000.00	0
Modified Junction Structure	0	EA.	15000.00	0
End Cap	0	EA.	1000.00	0
<b>Drains</b>				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Sidewalk	0	EA.	600.00	0
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
	0			0
<b>Miscellaneous</b>				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
Manhole Shaft	0		6000.00	0
Access Opening	0		15000	0
SUBTOTAL:				0



EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 7 of 8

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

PUBLIC SEWER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Pipes - Sewer System</b>				
4" V.C. Pipe	0	L.F.	25.00	0
6" V.C. Pipe	0	L.F.	40.00	0
8" V.C. Pipe	179	L.F.	55.00	9,845
10" V.C. Pipe	0	L.F.	60.00	0
12" V.C. Pipe	0	L.F.	70.00	0
15" V.C. Pipe	1593	L.F.	80.00	367,440
18" V.C. Pipe	0	L.F.	160.00	0
21" V.C. Pipe	0	L.F.	180.00	0
24" V.C. Pipe	0	L.F.	195.00	0
27" V.C. Pipe	0	L.F.	215.00	0
30" V.C. Pipe	0	L.F.	235.00	0
33" V.C. Pipe	0	L.F.	280.00	0
36" V.C. Pipe	0	L.F.	300.00	0
4" SDR - 35	0	L.F.	25.00	0
6" SDR - 35	0	L.F.	30.00	0
8" SDR - 35	0	L.F.	35.00	0
10" SDR - 35	0	L.F.	45.00	0
12" SDR - 35	0	L.F.	54.00	0
15" SDR - 35	0	L.F.	90.00	0
Concrete Encasement	0	L.F.	20.00	0
	0		0.00	0
<b>Cleans Outs - Sewer System</b>				
Clean-outs	0	EA.	730.00	0
Clean Out Lateral	0	EA.	200.00	0
	0		0.00	0
<b>Manholes - Sewer System</b>				
Standard Manhole 48"	5	EA.	3,140.00	15,700
Standard Manhole 48" Extra Depth	7	EA.	3,500.00	24,500
Standard Manhole 60"	1	EA.	4,500.00	4,500
Shallow Manhole	0	EA.	3,300.00	0
Adjust Manhole to Grade	0	EA.	460.00	0
Tie Into Existing Manhole	0	EA.	2,100.00	0
Rechannell Existing Manhole	0	EA.	1,500.00	0
Join Existing 8" Pipe	0	EA.	1,500.00	0
Join Existing 12" Pipe	0	EA.	2,000.00	0
Pave around MH	1422	S.F.	14.00	19,908
<b>Miscellaneous - Sewer System</b>				
Wyes	0	EA.	90.00	0
TV Sewer	0	L.F.	1.20	0
Trench Paving	0	S.F.	5.00	0
Pavement Replacement	5720	S.F.	3.00	17,160
			<b>SUBTOTAL:</b>	<b>459,053</b>

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 8 of 8

CITY OF MORENO VALLEY  
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION  
BOND COMPUTATION SHEET

PROJECT: City ID#3918 (Redlands SS)

DATE: 06/18/10  
PREPARED BY: Patrick Revere

IMPROVEMENT TYPE:

PAVEMENT SECTION WORK	:	\$0
OFFSITE STREET WORK	:	\$0
SPECIAL DISTRICTS	:	\$0
MORENO VALLEY UTILITIES	:	\$0
WATER QUALITY BASIN	:	\$0
TRANSPORTATION ENGINEERING	:	\$0
STORM DRAIN SYSTEM	:	\$0
WATER SYSTEM	:	\$0
SEWER SYSTEM	:	\$459,053
TRAFFIC IMPROVEMENTS	:	\$10,000
BONDABLE WORK (not plan checked)	:	\$0
TOTAL COST (VALUE) OF IMPROVEMENTS:		\$469,053
+20% CONTINGENCY:		\$93,811
<u>GRAND TOTAL:</u>		\$562,864

BOND AMOUNT:

\$563,000



MV00234390



*First American*  
*Title Insurance Company*  
NATIONAL COMMERCIAL SERVICES

4380 La Jolla Village Drive, Suite 200  
San Diego, CA 92122

## SUPPLEMENTAL ESCROW INSTRUCTIONS

ESCROW NO.: NCS-445220-SD / NCS-445221-SD

DATE: 06/21/2010

First American Title Insurance Company is hereby handed by the undersigned parties, that certain "original" document entitled Agreement for Redlands Sewer Improvement plans. Security Project No. PA07-0090 (Tentative Parcel Map 35629) dated June 8, 2010 executed by and between City of Moreno Valley, ("City") and HF Logistics -SKX-T1,LLC, ("Developer").

First American Title Insurance Company is hereby requested to accept the "Agreement for Redlands Sewer Plans" Security Project No. PA07-0090 (Tentative Parcel Map 35629)" as its escrow instructions and to act as escrow agent for the parties in accordance with the terms and conditions contained in said document.

Each of the parties to this escrow specifically acknowledges that the consummation of this escrow is contingent upon compliance with some or all of the executory terms and provisions of this "Agreement", and that the parties to this "Agreement" are and shall be the sole persons entitled to and authorized to determine whether all of said executory terms and provisions due to be performed prior to the close of escrow have been met or complied with prior to such close. Accordingly, the parties hereby agree that prior to the scheduled close of escrow they shall each deposit with Escrow Holder a **written** instruction or acknowledgement specifying that all the executory terms and provisions of this "Agreement", insofar as the same pertain to each said party respectively and any obligation of escrow holder relative thereto, have been fully met or complied with, or are waived.

Further, each said party shall specifically release Escrow Holder from all liability, if any, which it may have in connection with this escrow because of any party's failure to meet or comply with any such executory term or provision of this "Agreement", prior to close of escrow. Deposit of written instruction or acknowledgement with Escrow Holder shall constitute each said party's specific authorization to close this escrow.

General provisions of First American Title Insurance Company, attached hereto and made a part hereof, are hereby incorporated in said "Agreement". To the extent that the agreement contains any provisions inconsistent with or contrary to the provisions of the General Provisions attached hereto, such "Agreement" shall remain as the agreement of the parties thereto but First American Title Insurance shall be guided by the terms of their General Provisions.

City of Moreno Valley

HF Logistics-SKX-T1, LLC, a California limited liability company

By: \_\_\_\_\_

  
By: Iddo Benzeevi, President and CEO

## Escrow General Provisions

The parties understand and acknowledge:

### 1. SPECIAL DISCLOSURES:

#### A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

#### B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

#### C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed, or fees charged, by third parties. The fees charged by Escrow Holder for services including, but not limited to, wire transfers, overnight delivery/courier services, recording fees, notary fees, etc. may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each markup.

#### D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder in an expeditious manner as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party.

### 2. PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

### 3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

### 4. REPORTS

As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

### 5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

### 6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

### 7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

### 8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1<sup>st</sup> (delinquent December 10<sup>th</sup>) and the second installment is due February 1<sup>st</sup> (delinquent April 10<sup>th</sup>). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

### 9. CANCELLATION OF ESCROW

(a) Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the funds held fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

(b) Notwithstanding the foregoing paragraph, Escrow Holder shall have the right to unilaterally terminate any escrow which is subject to the provisions of the Equity Purchaser Law (CA Civil Code Section 1695 et seq.) and may return all documents and funds without any consent by or notice to the buyer.

### 10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in Interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the funds held fees) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY  
ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

## Escrow General Provisions

### 11. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

### 12. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

### 13. INSURANCE POLICIES

In all matters relating to insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

### 14. COPIES OF DOCUMENTS; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. If requested by Escrow Holder, the originals of such documents shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded **MUST** contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

### 15. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

### 16. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. **WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.**

#### A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing.

Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

#### B. State Withholding & Reporting

Under California law (Rev & Tax Code §18662), a buyer may be required to withhold and deliver to the Franchise Tax Board (FTB) an amount equal to 3.33% of the sales price in the case of disposition of California real property interest ("Real Property") by either: 1) a seller who is an individual, trust or estate or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of seller; OR 2) a corporate seller that has no permanent place of business in California immediately after the transfer of title to the Real Property. Buyer may be subject to a penalty (equal to the greater of 10% of the amount required to be withheld or \$500) for failing to withhold and transmit the funds to FTB in the time required by law. Buyer is not required to withhold any amount and will not be subject to penalty for failure to withhold if: a) the sales price of the Real Property does not exceed \$100,000; b) the seller executes a written certificate under penalty of perjury certifying that the seller is a corporation with a permanent place of business in California; OR c) the seller, who is an individual, trust, estate or a corporation without a permanent place of business in California, executes a written certificate under penalty of perjury certifying one of the following: (i) the Real Property was the seller's or decedent's principal residence (as defined in IRC §121); (ii) Real Property being conveyed was last used by the seller as seller's principal residence within the meaning of IRC §121 (even if the seller did not meet the two out of the last five years requirement or one of the special circumstances in IRC §121); (iii) the Real Property is or will be exchanged for property of like-kind (as defined in IRC §1031) and that the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1031; (iv) the Real Property has been compulsorily or involuntarily converted (as defined in IRC §1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC §1033; or (v) the Real Property sale will result in a loss (or net gain not required to be recognized) for California income tax purposes. Seller is subject to penalties for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding laws.

**Contact FTB:** For additional information regarding California withholding, contact the Franchise Tax Board at (toll free) 888-792-4900, by e-mail [nrws@ftb.ca.gov](mailto:nrws@ftb.ca.gov); or visit their website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

#### C. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

#### D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY  
ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

©2005 First American Title Insurance Company  
(7/5/2006)

Page 2 of 2 Pages

Form 1610



**The First American Corporation**  
**First American Title Company**

**Privacy Policy**

**We Are Committed to Safeguarding Customer Information**

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

**Applicability**

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at [www.firstam.com](http://www.firstam.com).

**Types of Information**

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

**Use of Information**

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

**Former Customers**

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

**Confidentiality and Security**

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



**HIGHLAND FAIRVIEW**

14225 Corporate Way  
Moreno Valley, CA 92553  
Tel: 951.867.5300

June 21, 2010

Mayor Flickinger and Members of the City Council  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, California

**SUBJECT:** Highland Fairview Corporate Park – City Council Review of Public Improvement Agreement for Redlands Sewer – Application of Government Code Section 54954.2(b)(2).

Dear Mayor Flickinger and Members of the City Council:

Highland Fairview respectfully requests that the City Council exercise its authority under Government Code Section 54954.2(b)(2) to review and approve a Public Improvement Agreement for Redlands Sewer Improvements related to the Highland Fairview Corporate Park project.

This section of the Government Code permits the City Council to act on items not on its regular agenda when the Council determines that “there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted...” (Attached for reference). Please note a two-thirds vote of the Council is necessary.

The specifics of this request are as follows:

Highland Fairview and City staff have been working diligently to prepare and process the numerous plans, documents, agreements, easements, licenses, etc. that are necessary in order to construct the Highland Fairview Corporate Park project and the Skechers building.

The schedule for the project is extraordinarily tight and every day is critical to allowing Skechers to occupy their building as soon as physically possible.

On June 17, 2010, Highland Fairview was refused an encroachment permit to commence the Redlands sewer improvements without a Public Improvement Agreement (PIA) and security. Due to a miscommunication by both City staff and Highland Fairview, the City

June 21, 2010

Page 2

has decided that a PIA and security would, in fact, be required before an encroachment permit for Redlands Sewer would be issued.

The construction of the Redlands sewer improvements is critical to the overall project schedule and delays in that schedule will be extremely difficult, if not impossible to recover.

There are no issues with the sewer improvement plans, and the proposed PIA and cash security are consistent with established City guidelines and procedures. Two escrows were opened Friday June 18<sup>th</sup> with cash totaling \$844,500 for the security in order to expedite the process. There is no compelling reason that the Council cannot act on the PIA and security at its June 22nd meeting.

Highland Fairview respectfully requests the Council consideration of this request to enable the project to continue moving ahead.

Sincerely,

A handwritten signature in cursive script, reading "Iddo Benzeevi" followed by a stylized flourish.

Iddo Benzeevi  
President

**Cindy Miller**

---

**From:** Chris Fryer [CFryer@highlandfairview.com]  
**Sent:** Monday, June 21, 2010 2:27 PM  
**To:** Bonnie Flickinger  
**Cc:** Richard Stewart; William Batey; Jesse Molina; Robin Hastings; Iddo Benzeevi; Danette Fenstermacher  
**Subject:** City Council Review of Redlands Sewer PIA  
**Importance:** High  
**Attachments:** 2010 06 21 City Council Request Redlands Sewer June 22.pdf

Dear Mayor Flickinger and Members of City Council:

The attached letter is being sent to you at the request of Iddo Benzeevi.

Sincerely,  
Chris Fryer for Iddo Benzeevi

**Chris Fryer | Project Coordinator | Highland Fairview**

14225 Corporate Way | Moreno Valley, CA 92553 | [REDACTED] Email:

CFryer@highlandfairview.com

6/22/2010

MV00234397



**HIGHLAND FAIRVIEW**

14225 Corporate Way  
Moreno Valley, CA 92553

June 21, 2010

Mayor Flickinger and Members of the City Council  
City of Moreno Valley  
14177 Frederick Street  
Moreno Valley, California

**SUBJECT:** Highland Fairview Corporate Park – City Council Review of Public Improvement Agreement for Redlands Sewer – Application of Government Code Section 54954.2(b)(2).

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June 21, 2010  
Page 2

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Highland Fairview respectfully requests the Council consideration of this request to enable the project to continue moving ahead.

Sincerely,

A handwritten signature in cursive script, appearing to read "Iddo Benzeevi".

Iddo Benzeevi  
President

## Excerpt from California Government Code

**54954.2.** (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

**(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.**

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

**(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).**

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

**Bill Bopf**

**From:** Bill Bopf  
**Sent:** Monday, June 21, 2010 10:11 AM  
**To:** Mark Sambito; 'Brian Hixson'  
**Cc:** Iddo Benzeevi; Danette Fenstermacher; Chris Vogt; Wayne Peterson; Chris Fryer; Lissette Plazola  
**Subject:** RE: 2010-06-21b June 22nd and July 13th Council Agendas

the letter regarding the redlands sewer agreement just arrived at the city hall at 9:45 am monday june 21, 2010. the city council agenda for the june 22nd meeting was posted on thursday june 17, 2010. state law prohibits the city from taking action on an item not posted on the agenda without proper public notice. if all the necessary information is available by the end of this day, june 21, 2010 the staff will complete their work so that the item will appear on the july 13th agenda. staff work has to be completed today or the 13th deadline will be missed. if there any problems with the agreement, the 13th date may be missed.  
wlb

**From:** Mark Sambito  
**Sent:** Monday, June 21, 2010 9:27 AM  
**To:** 'Brian Hixson'  
**Cc:** Iddo Benzeevi; Danette Fenstermacher; Chris Vogt; Bill Bopf; Wayne Peterson; Chris Fryer; Lissette Plazola  
**Subject:** 2010-06-21b June 22nd and July 13th Council Agendas

Brian,

Please do not have Chris Fryer deliver the PIA forms to Mr. Bopf. They should all go to the Land Development Division, attention Liz Plazola seeing as she is the person responsible for creating the original colored agreements. Delivering the forms to the City Manager's office or the City Engineer will only add a layer to the processing and could slow the overall timeline. Thank you.

**Mark W. Sambito, P.E.**  
Engineering Division Manager  
City of Moreno Valley  
Land Development Division  
P.O. Box 88005  
Moreno Valley, CA 92552-0805

E: [marksa@moval.org](mailto:marksa@moval.org)  
w: [www.moreno-valley.ca.us](http://www.moreno-valley.ca.us)

**From:** Brian Hixson [<mailto:bhixson@highlandfairview.com>]  
**Sent:** Monday, June 21, 2010 7:39 AM  
**To:** Mark Sambito  
**Cc:** Iddo Benzeevi; Danette Fenstermacher; Chris Vogt; Bill Bopf; Wayne Peterson; Chris Fryer  
**Subject:** 2010-06-21 June 22nd and July 13th Council Agendas  
**Importance:** High

Mark,

6/21/2010

I need your help with the following:

- 1) **June 22<sup>nd</sup> City Council Agenda** – As you know the Redlands Sewer is a critical item in the construction schedule. We have begun this work based upon approval from the City. The recent change in security requirements for the Redlands Sewer, due to the discrepancy in the City letter from Mr. Bopf, dated May 26, 2010; the attached Redlands Sewer PIA must be placed on the City Council Agenda for June 22<sup>nd</sup> in order to continue the construction. (Chris Fryer will bring Bill Bopf, you and Chris Vogt a signed hard copy Monday morning.) We are proposing to post cash security for the Redlands Sewer work in order to expedite the process. We need the City's assistance with resolving this situation by placing the item on the agenda for June 22<sup>nd</sup>. The same PIA we have been working on for the 20% reductions was used. Also I have included an updated Engineers Estimate along with the plan quantity sheet for reference.
  
  - 2) **July 13<sup>th</sup> City Council Agenda** – We need to reserve the following as agenda items for the July 13<sup>th</sup> agenda. We may not need them but we want to cover all options:
    - a) HFCP - Phase 1 Public Improvement Agreement (PIA)
    - b) HFCP - Phase 2/3 PIA (*Lien*)
    - c) Final Parcel Map Recordation 35629
    - d) Redlands Electrical PIA
    - e) Any other item(s) related to Parcel Map Recordation?
- } -NOT RECEIVED  
-ONLY REQUESTED A PLACE HOLDER ON AGENDA
- 3) **Security Form Substitution** – We will be substituting the escrow security for Line E and Redlands Sewer with surety bonds sometime in the near future. I believe this can be done administratively via City Engineer and City Attorney? If for some reason it requires City Council action then I want to be sure we include these on the July 13<sup>th</sup> agenda.

I appreciate all your help!

**Brian Hixson | Vice President of Land Development | Highland Fairview**

3070 Bristol St | Suite 320 | Costa Mesa, CA 92626 | Tel: +1.714.824.8023 | Cell: +1.951.520.5015 | Email:

bhixson@highlandfairview.com

Information from ESET NOD32 Antivirus, version of virus signature database 3832  
(20090206)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

Information from ESET NOD32 Antivirus, version of virus signature database 3832  
(20090206)

The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

6/21/2010

MV00234402

TEL: 951.413.3000  
FAX: 951.413.3750  
WWW.MORENO-VALLEY.CA.US



14177 FREDERICK STREET  
P. O. BOX 88005  
MORENO VALLEY, CA 92552-0805

May 26, 2010

Mr. Iddo Benzeevi  
Highland Fairview Properties, LLC  
14225 Corporate Way  
Moreno Valley CA 92553

Dear Mr. Benzeevi,

In anticipation of the start of the project construction, City staff met to discuss the construction and timing of the Public Improvement Agreements, cost estimates and other supporting documents for the Logistics project (Skechers). The following are the action items resulting from our conversation:

1. The City of Moreno Valley will not require a Public Improvement Agreement (PIA) and corresponding security for the construction of any City-maintained public improvements until the Final Parcel Map is submitted to City Council for approval.
2. The City of Moreno Valley requires the developer to provide both the Faithful Performance (100%) and Material and Labor (50%) security prior to the start of construction of any Flood Control District-maintained storm drain facilities.
3. In regards to the developer using real property as security for the Phase 2 and 3 improvements, Highland Fairview must provide the City with an appraisal and Title Report (as required by City Policy).
4. The value of the property must be a minimum of 2.5 times the estimated costs of the public improvements within Phases 2 and 3. As a cost estimate for the latter phases of the project has not been provided by the developer's engineer, City staff extrapolated the Phase 1 estimate to determine that the approximate costs for the remaining public improvements is about \$2,900,000, therefore the land proposed as security must be valued at a minimum of \$7,250,000.
5. Highland Fairview must provide the City with all securities, Public Improvement Agreement(s) and related Engineer's Cost Estimates and exhibits, title reports and appraisals no later than **June 7<sup>th</sup>** in order to get on the agenda for the July 13<sup>th</sup>

CITY MANAGER'S OFFICE

MV00234403

City Council meeting. If all of the required information is not provided by this date, the item will be re-scheduled for the next available public hearing.

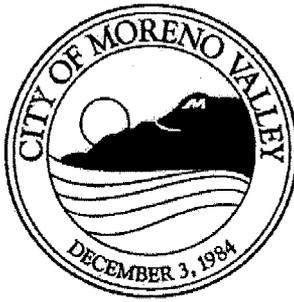
Feel free to contact me if there are questions on the above information.

Sincerely,



William L. Bopf  
Interim City Manager

- c: Mayor Flickinger and Members of the City Council
- Robert L. Hansen, City Attorney
- Rick Hartmann, Interim Assistant City Manager
- Kyle Kollar, Community Development Director
- Chris Vogt, Public Works Director/City Engineer



**CITY OF MORENO VALLEY**  
**Community Development Department**  
**Planning Division**

## MEMORANDUM

---

To: Robert Hansen, City Attorney  
From: Chris Ormsby, AICP, Senior Planner  
Date: July 13, 2010  
Subject: Environmental Determination Regarding Amendment of City Council Action on June 22 Regarding Applicant's Covenant to Hold as one Parcel subject to certain Conditions (City Council Agenda July 13, 2010, Item G.6)

---

The proposed action by City Council is not a "project" as defined in CEQA Guidelines Section 15378. There would be no direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment that would result from the proposed action. The site has already been disturbed and graded under authorized grading permit consistent with the approved conditions of approval. The activity of allowing a limited purpose building permit for foundation, slab, and pouring of wall panels would not result in a physical change to the environment that was not already contemplated by the approval of the "project". All applicable conditions of approval, including excepted conditions, would be required to be complied with prior to the issuance of the general building permit.

The "project" as defined in the CEQA Guidelines is the construction of Highland Fairview's Corporate Park. The first phase of the project consists of the construction of a single building permit containing approximately 1,820,000 sq. ft. which will be used as a logistics facility. The impacts of the entire project, including Phase 1, were carefully analyzed in an EIR certified by the Council as having been prepared in full compliance with CEQA on February 10, 2009. The EIR identified a number of potential mitigation measures which were made conditions of the project's approval.

The only effect of the City Council's approval of issuing the limited purpose building permit is to allow the construction for Phase 1 to begin a month earlier than would otherwise be the case. It is merely an approval of one stage of the previously analyzed project, it is not itself a new project. There is no change in the project, as analyzed in the EIR, and all of the conditions imposed at the time the project was approved in 2009 and as amended in 2010 are still in place and must be satisfied before construction of the building can be completed.

When an EIR has been certified, additional CEQA review is very limited. It is required only if certain conditions exist. They are:

1. There are substantial changes in the project which will require major changes in the EIR because there are new significant environmental impacts or a substantial increase in the severity of previously identified significant impacts.

This condition does not apply because there is no change in the project (only the timing of the start of construction is involved), no new environmental impacts of any kind and no new increase in any environmental impact. The covenant to have the 11 existing lots held as a single parcel has no environmental impact at all because it is consistent with what will happen when Parcel Map 35629 is approved and recorded and the 11 existing lots are merged into the new Parcel 1.

2. There are substantial changes in the circumstances under which the project is undertaken which will require major changes in the EIR because there are new significant environmental impacts or a substantial increase in the severity of previously identified significant environmental impacts.

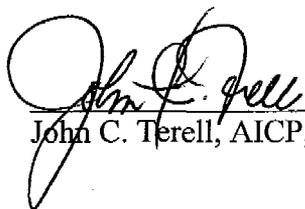
This condition does not apply because there is no change in the circumstances under which the project is being undertaken (no change in air quality, traffic or any other environmental issue which affects the project), no new environmental impacts of any kind and no new increase in any previously identified environmental impact.

3. There is new information of substantial importance which was not, and could not have been, known at the time the EIR was certified which would bring into question the analysis and the mitigation measures set forth in the EIR.

This condition does not apply because no such information has been identified by anyone.

Based on these facts, planning staff recommends the following environmental determination:

This activity is not a "project" under CEQA Guidelines Section 15378, and none of the conditions described in Section 15162 of the CEQA Guidelines have occurred that would warrant a subsequent EIR or an addendum to the EIR. Further, staff finds that the absence of any change in the project, the absence of any change in the circumstances under which the project is being undertaken, the absence of any new information which would bring into question the adequacy of the EIR, the fact that all of the project impacts were analyzed in the EIR and the fact that all mitigation measures must be satisfied prior to the building's completion means that there is no need for further environmental review.



John C. Terrell, AICP, Planning Official

Cindy Miller

Item G-2

**From:** Cathy Parada  
**Sent:** Tuesday, June 22, 2010 9:05 AM  
**To:** City Council  
**Cc:** Bill Bopf  
**Subject:** FW: HF Covenant  
**Attachments:** Proposed Motion for HF Covenant.doc

This e-mail is sent to you on behalf of William L. Bopf, Interim City Manager.

Mayor and Members of the City Council,  
Staff could not recommend the issuance of anymore than a Foundation Only Permit, and even that has risks as the City Attorney advises. The attached resolution provides as much protection as possible if council wishes to assume the risk.

**CONFIDENTIAL**

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**Proposed Motion:**

Approve and accept Highland Fairview's Covenant to Hold as One Parcel subject to the following conditions:

1. The covenant is amended to state that it is for the issuance of a limited purpose building permit for commencement of construction of the foundation and slab only, which permit shall automatically expire on October 20, 2010, if the final parcel map is not recorded prior to that date;
2. That Highland Fairview agree in writing in the covenant or other recordable agreement to the following terms and conditions prior to issuance of the limited purpose building permit:
  - a. The parcels which are the subject matter of the covenant be owned by the same entity,
  - b. Separate foundation and slab only building plans be submitted and approved,
  - c. Compliance with all conditions of approval for the issuance of a building permit except recording of the final map,
  - d. Compliance with all requirements for recording the final map except for actual final map approval and recordation, and Public Improvement Agreements and security for same for any public improvements not occurring in the public right-of-way or on public property,
  - e. All Public Improvement Agreements for improvements that will be undertaken in the public right-of-way or on public property pursuant to the limited purpose building permit have been executed and the required security has been posted,
  - f. The final lot configuration be shown on the map that is being processed,
  - g. The covenant to hold property as one parcel be recorded,
  - h. The holders of all easements across which construction will occur have either abandoned or given written permission for construction across their easements,
  - i. Execution of an encroachment and removal agreement,
  - j. The City is only issuing a limited purpose building permit for foundation and slab construction only,

- k. The final parcel map shall be recorded before 12:01 a.m. on October 21, 2010,
- l. The limited purpose building permit shall automatically expire at 12:01 a.m. on October 21, 2010, if the final parcel map has not been recorded,
- m. All construction pursuant to the limited purpose building permit shall cease at 12:01 a.m. on October 21, 2010 if the final parcel map has not been recorded,
- n. It will be solely responsible for removal of any improvements and restoration of the site to its pre-construction condition if ordered by any court,
- o. Prior to execution of the agreement it will provide adequate security for removal of any improvements and restoration of the site to its pre-construction condition if ordered by any court,
- p. It and its partners waive any and all recourse against the City which may arise out of this action,
- q. Neither the agreement, nor the time for recordation of the final parcel map will be extended beyond October 20, 2010,
- r. It will defend and indemnify the City for all judgments, costs and legal fees which may be incurred as a result of said agreement or the issuance of a limited purpose building permit for the foundation and slab only, and
- s. Any other terms and conditions the City Manager and City Attorney deem necessary to implement the agreement and the purposes of this action.