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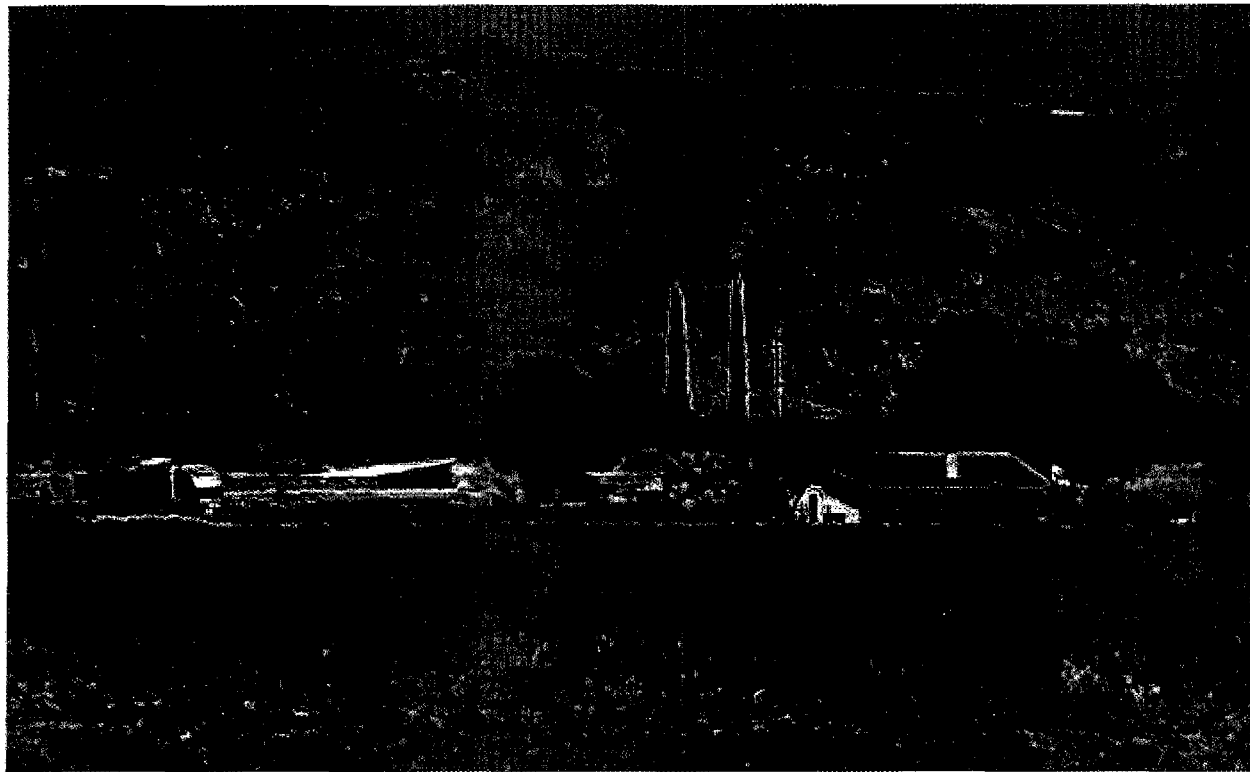
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# MORENO VALLEY: Economist weighs in on World Logistics Center



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In other business, the council is to consider establishing a committee to increase Moreno Valley Unified School District's graduation rate, which is 69 percent, according to a city report. Council members repeatedly have discussed working with the school district to better prepare students for employment after graduation.

If approved, the four-year committee would mentor students and provide work and life skills. Schools superintendent Judy White would be the committee chairwoman. She and Owings would select at least four committee members. Moreno Valley residency would not be required for participation, the city report states.

Follow Lora Hines on Twitter: @LoraHines and online at <http://blog.pe.com/moreno-valley/>

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/FILE PHOTO

A view of a home, just off of Theodore Street in Moreno Valley, where developer Iddo Benzeevi wants to build the proposed World Logistics Center.

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BY LORA HINES | February 25, 2013; 09:13 PM | Comments ()

Moreno Valley residents on Monday, Feb. 25, were told that the 41.6 million square-foot warehouse center that the city wants to develop could generate more than \$2.4 billion annually and create more than 22,500 permanent jobs.

Related

WEBLINK MORENO VALLEY BLOG: Tweets from the forum

The figures were released during a forum that city officials hosted to release information about the draft environmental impact report for the project, known as the proposed World Logistics Center. More than 100 opponents and supporters gathered to learn more about the project, to be built by developer Iddo Benzeevi.

The forum, which lasted less than two hours, ended after Jordan Levine of Beacon Economics presented the proposed warehouse center's job and economic estimates.

Levine said the project could cost as much as \$3.5 billion to construct. Employee wages could be \$42,000 to \$60,000 annually, he said.

Some people who attended expressed disappointment that they couldn't ask questions. They called the presentation a commercial for the city.

"It was just a propaganda piece for the city," said resident Eddy Sone, a retired banker. "I thought there would be questions and answers. This whole project is going to be nothing but traffic."

Others complimented Moreno Valley Mayor Tom Owings for holding the forum and said they supported the project because of the jobs it would bring. Owings moderated the forum, which also included presentations by Barry Foster, the city's community and economic development director, and Michael Brandman, of consulting group FirstCarbon Solutions.

Benzeevi attended the forum but didn't address the crowd.

The project's environmental impact report, released earlier this month, states what critics have suspected: the project probably will create more traffic, affect air quality and pose long-term health-care risks.

City officials and Benzeevi, who has said the environmental impacts will be addressed, have publicly advocated for the project for more than a year.

The project would be the nation's largest master-planned warehouse complex and equivalent to more than 700 regulation football fields, city officials have said.



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No one addressed the proposed project's impacts described in the report. Foster reiterated the city's commitment to developing warehouse and health care jobs.

Brandman described the state's environmental laws and the process officials must follow before they can approve the proposed project.

"There is a lot more to come," he said. "There will be a lot more public involvement."

Residents, along with federal, state and local agencies, municipalities and organizations, have until April 8 to submit comments about the draft environmental impact report. Officials will examine the comments before submitting a final environmental impact report for approval.

Also contributing to this report: Staff writer David Danelski, ddanelski@pe.com

Follow Lora Hines on Twitter: @LoraHines and online at <http://blog.pe.com/moreno-valley/>

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# MORENO VALLEY: Charter city committee could be created



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The Moreno Valley City Council's agenda for Tuesday, Feb. 26, includes topics such as establishing committees to improve city graduation rates and exploring becoming a charter city.

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BY LORA HINES | STAFF WRITER | February 25, 2013; 03:53 PM | Comments (0)

The Moreno Valley City Council on Tuesday, Feb. 26, is to follow through on plans to determine whether to become a charter city.

The council is set to vote on whether to establish a charter exploratory subcommittee and appoint two council members to it. Mayor Tom Owings and Councilman Richard Stewart have expressed interest in serving on such a subcommittee.

Charter cities have "home rule" over municipal affairs, which trumps state rules governing the same topics. There are about 120 charter cities among California's 480 municipalities, including 14 in Riverside and San Bernardino counties. The rest, including Moreno Valley, are general law cities.

An elected charter commission or the City Council would draft a charter, according to the League of California Cities, which is made up of city officials throughout the state. A majority of voters would then have to ratify a charter before it could be adopted.

Residents critical of Moreno Valley becoming a charter city say they believe officials would create a charter that would allow for gifts of public funds to developers and business owners, plus make zoning and land-use provisions more favorable to development.

Owings announced plans in January for Moreno Valley to consider becoming a charter city. The council then discussed the issue at a day-long study session earlier this month.

The council on Tuesday also is set to consider extending a 45-day moratorium to prevent a rush for developers to get projects entitled before a proposed east side development strategy, known as the Highway 60 overlay, is approved. However, the city has yet to hire a consultant to prepare an overlay study, according to a staff report.

Last month, council members approved \$50,000 to hire a consultant to prepare an overlay study. So far, the city has not received any proposals from 18 firms contacted to possibly provide the service.

The moratorium could be extended as long as 10 months and 15 days, a city report states.

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**WEBLINK MORENO VALLEY:** Sierra Club rebuked for delaying development (Jan. 23, 2013)

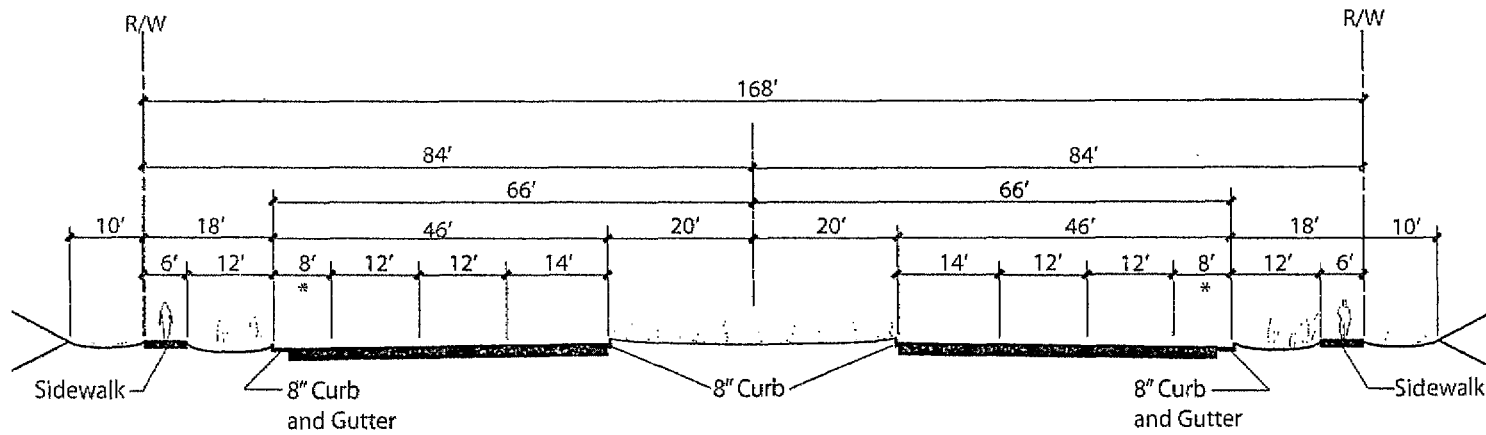
**WEBLINK MORENO VALLEY:** City council approves hiring overlay consultant (Jan. 10, 2013)

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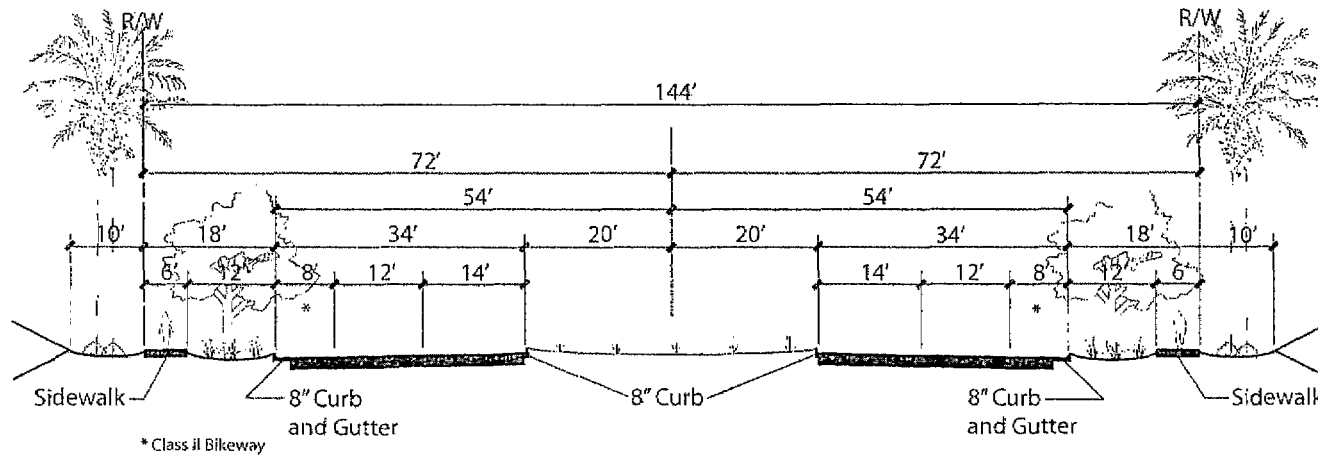
Exhibit 3-4a Street A (Theodore Street)



\* Class II Bikeway

Street "A" (Theodore Street) Six Lane

Exhibit 3-4b Street A (Theodore Street)



\* Class II Bikeway

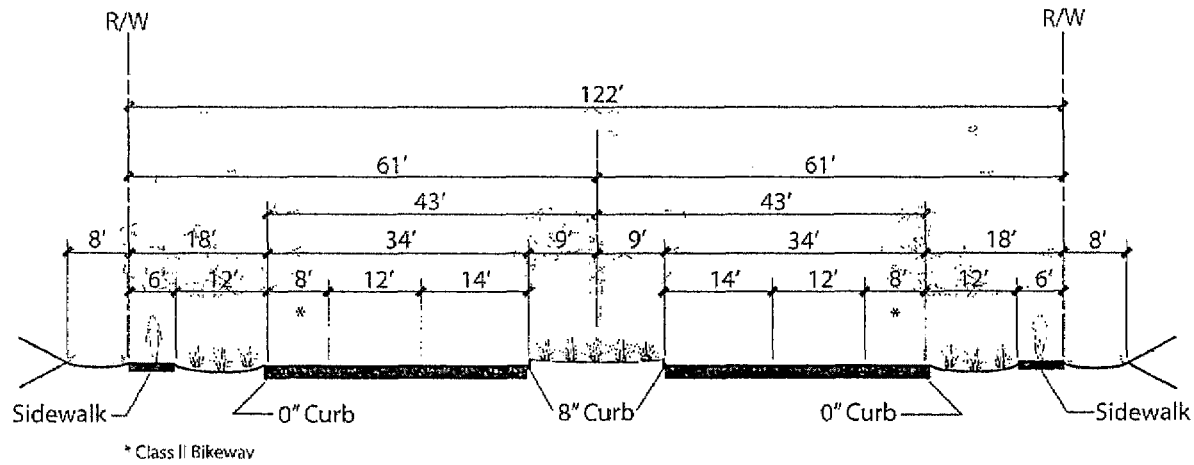
Street "A" (Theodore Street) Four Lane



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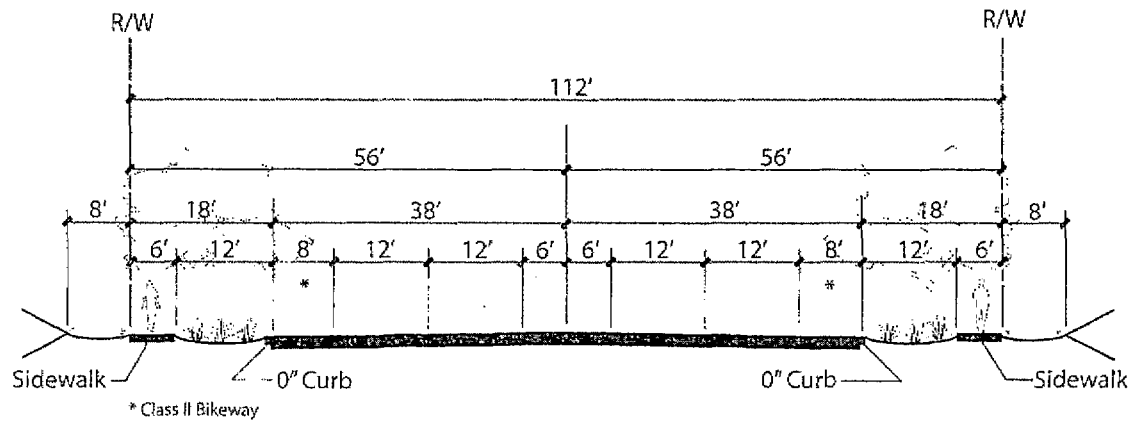
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Exhibit 3-5 Street B (Eucalyptus Avenue)



Street "B" (Eucalyptus Avenue)

Exhibit 3-6 Street C, D, E



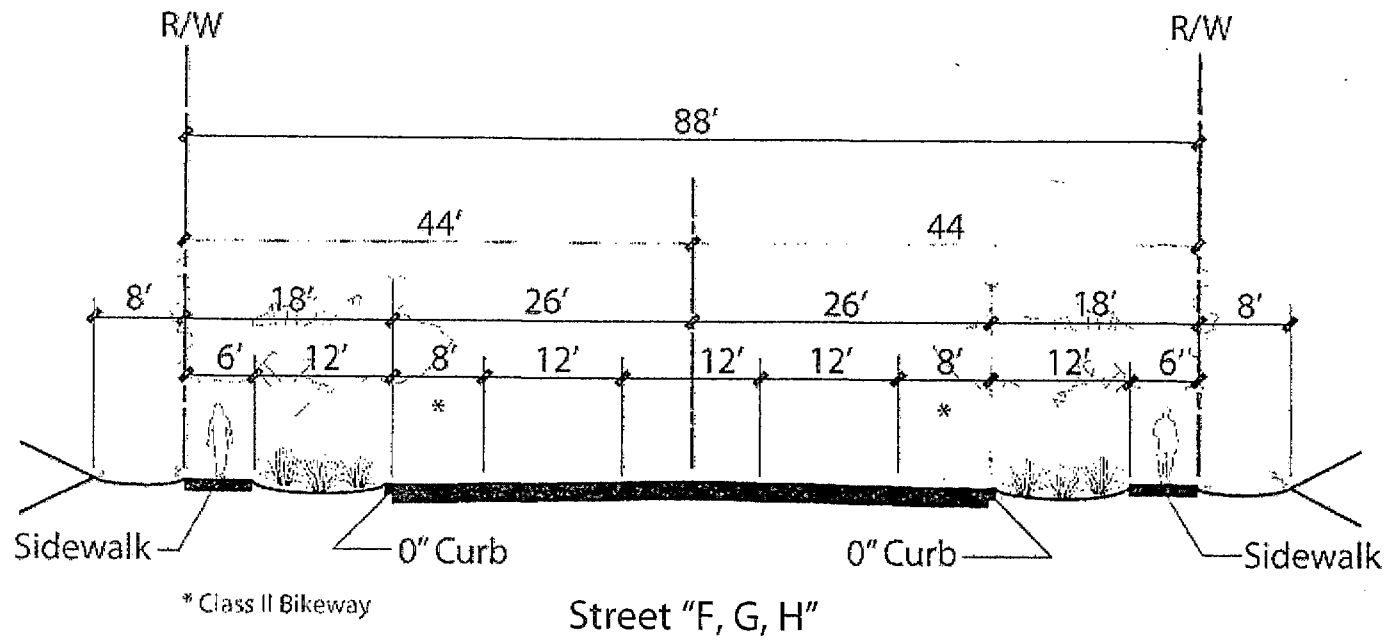
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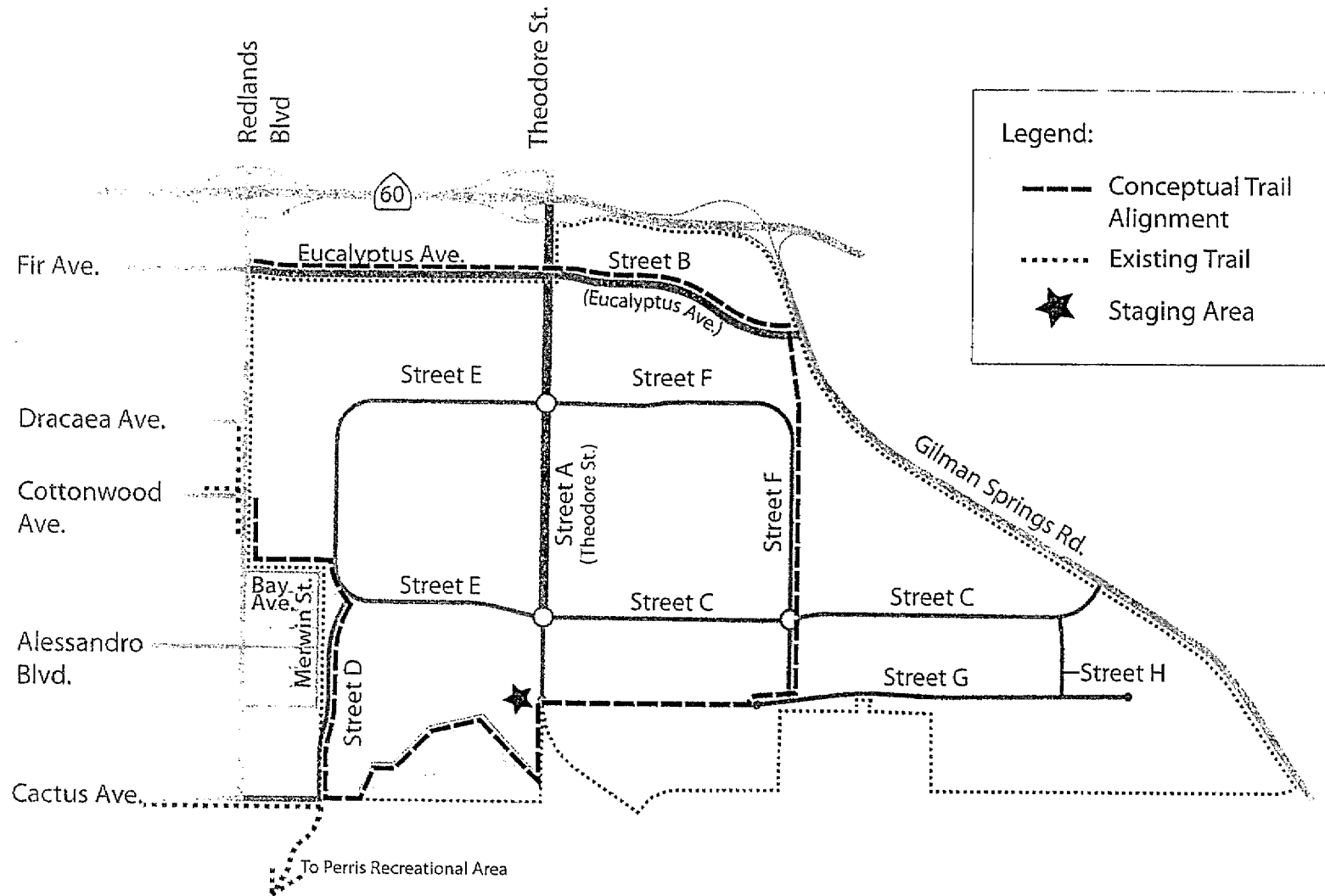
Exhibit 3-7 Street F, G, H






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Exhibit 3-14 Multi-Use Trail Plan



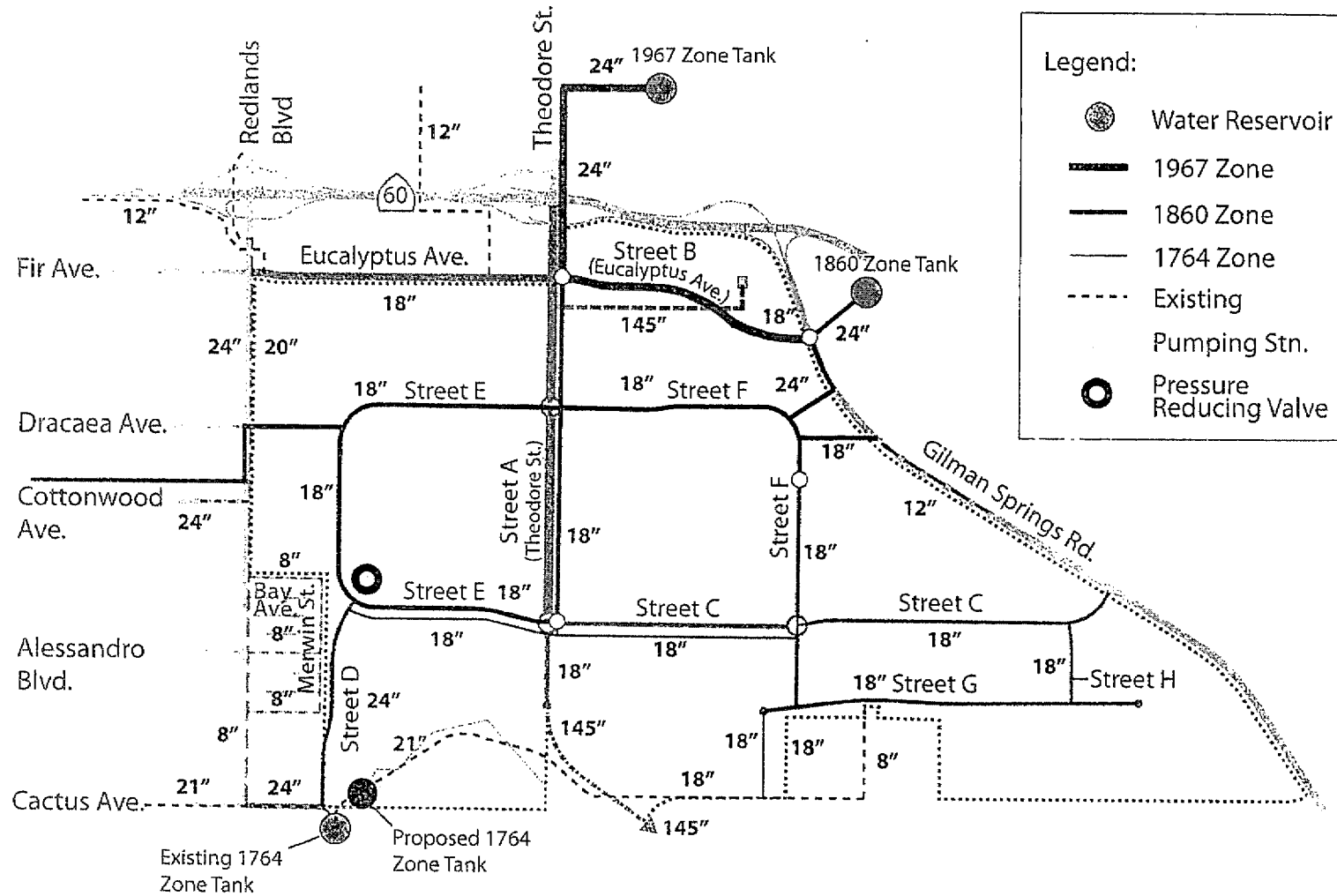
**Legend:**

-  Conceptual Trail Alignment
-  Existing Trail
-  Staging Area



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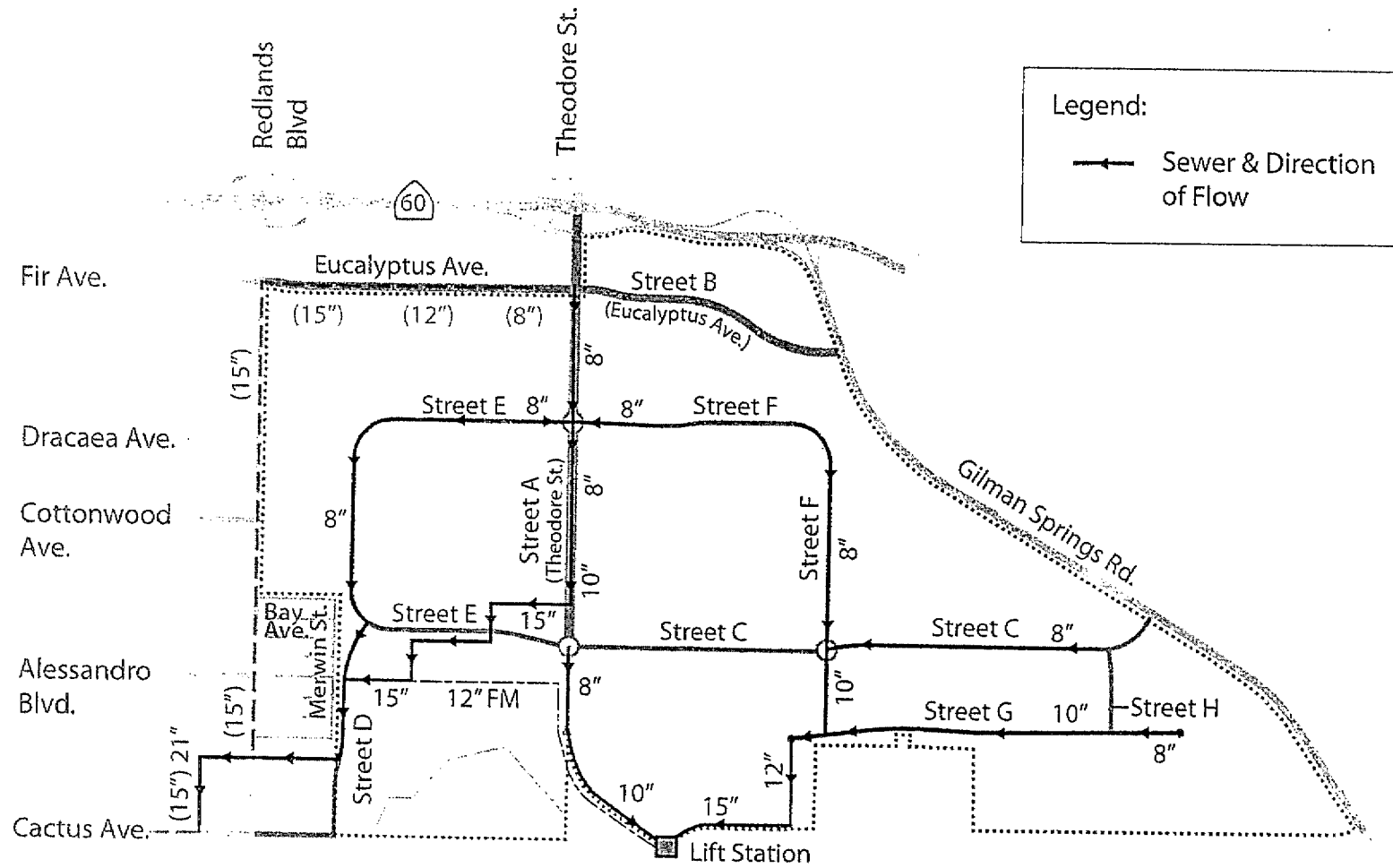
Exhibit 3-16 Water Facilities Master Plan



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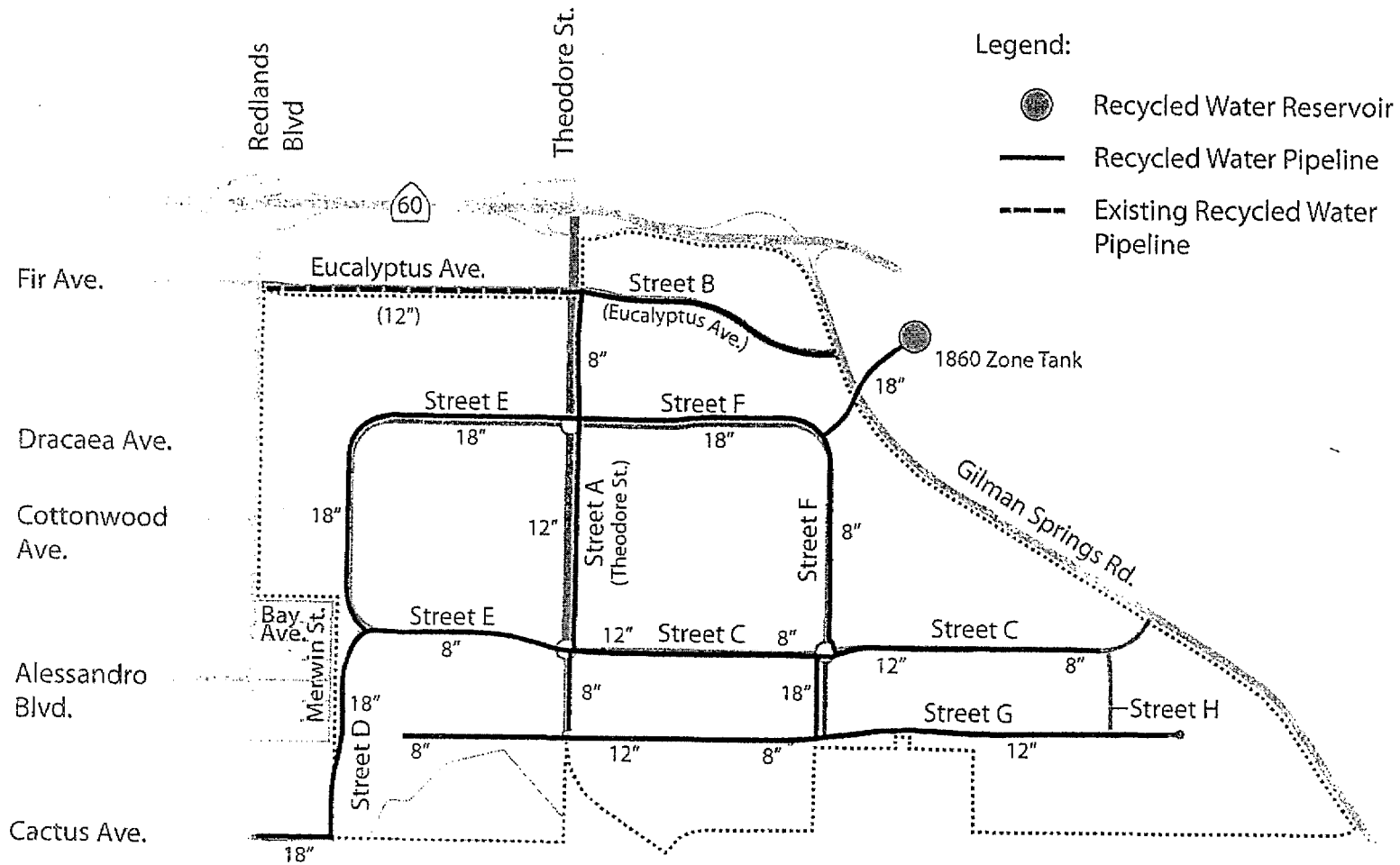


Exhibit 3-17 Wastewater Service Plan



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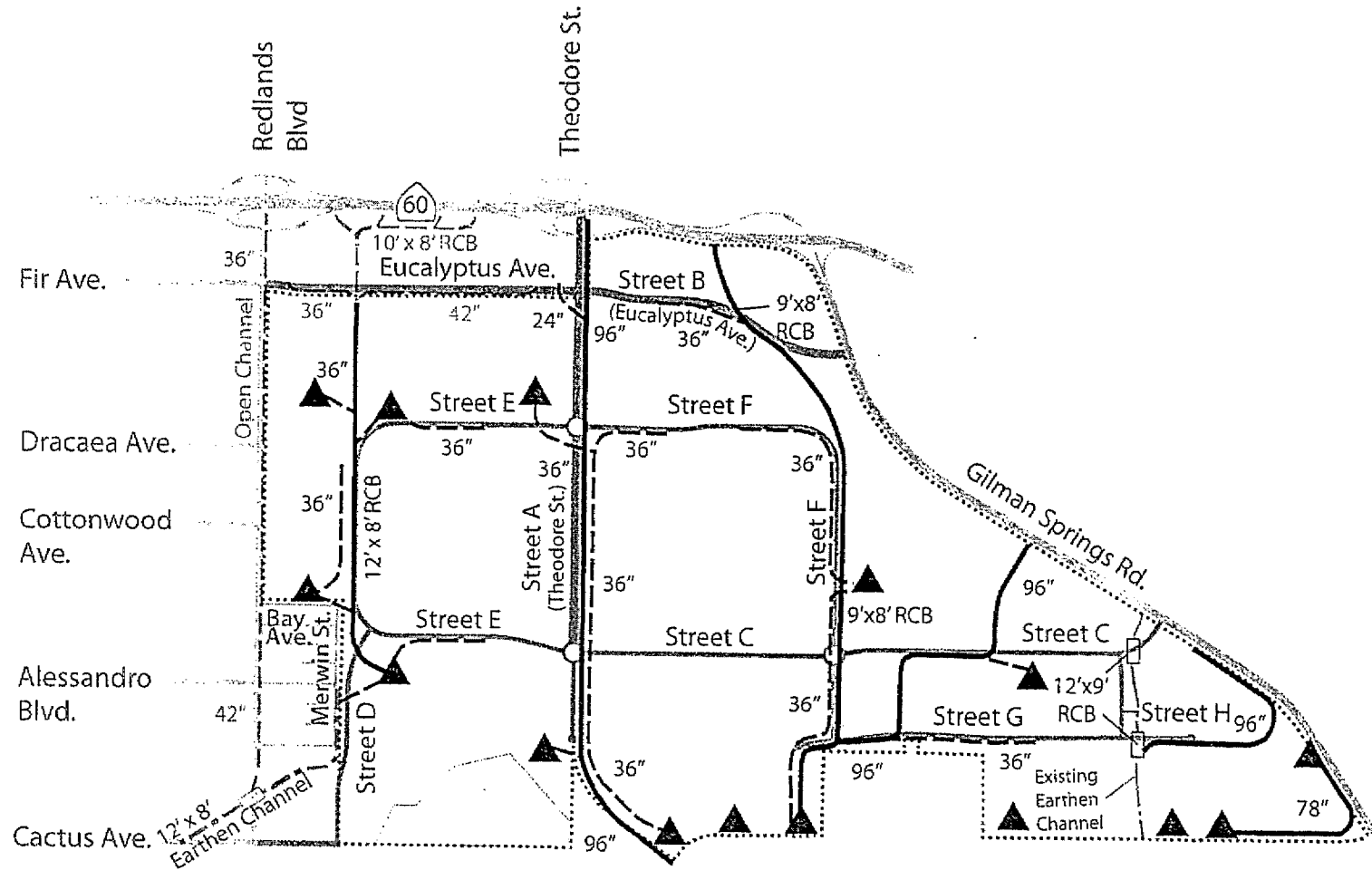
Exhibit 3-18 Recycled Water Plan



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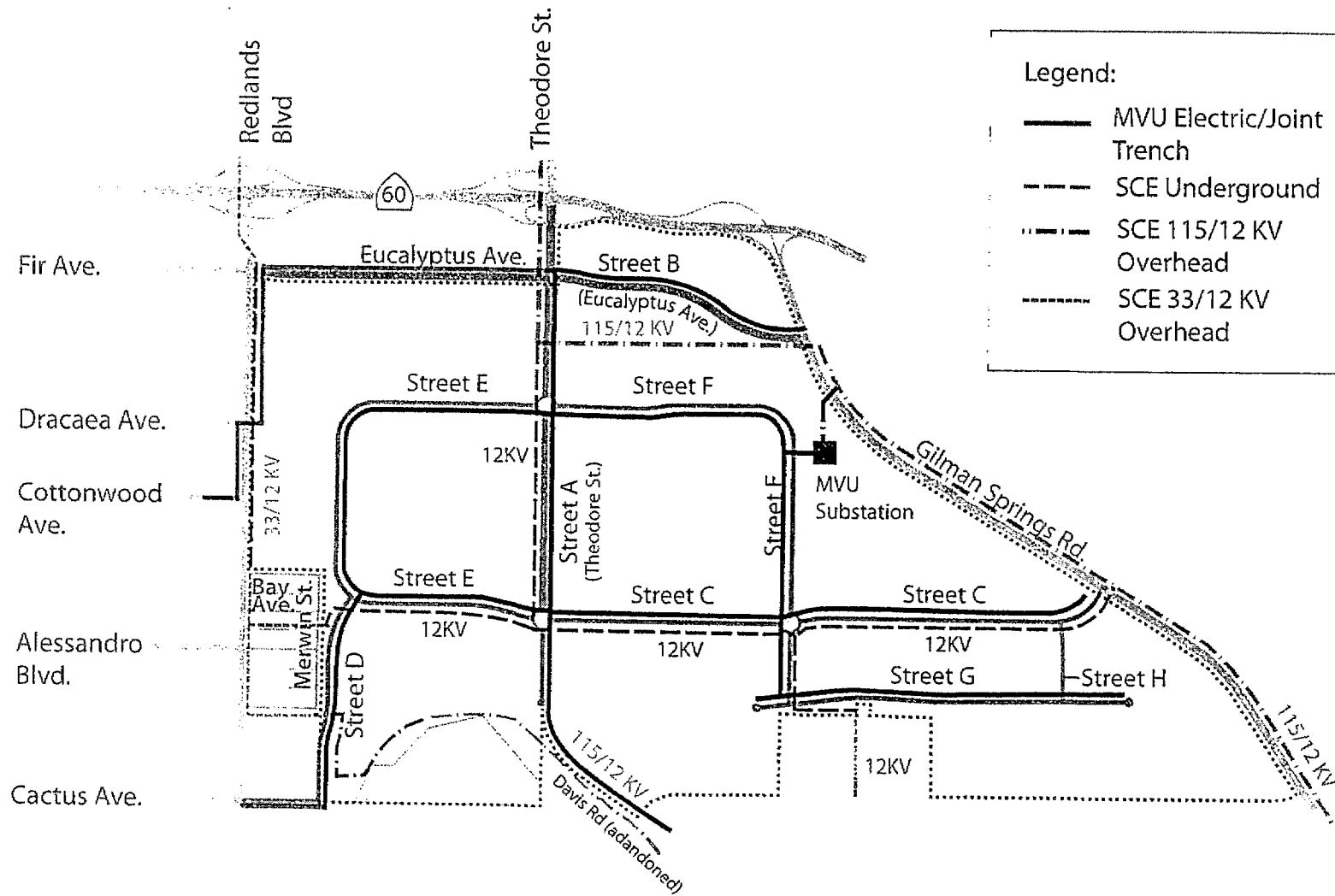
Exhibit 3-19 Storm Drain Plan



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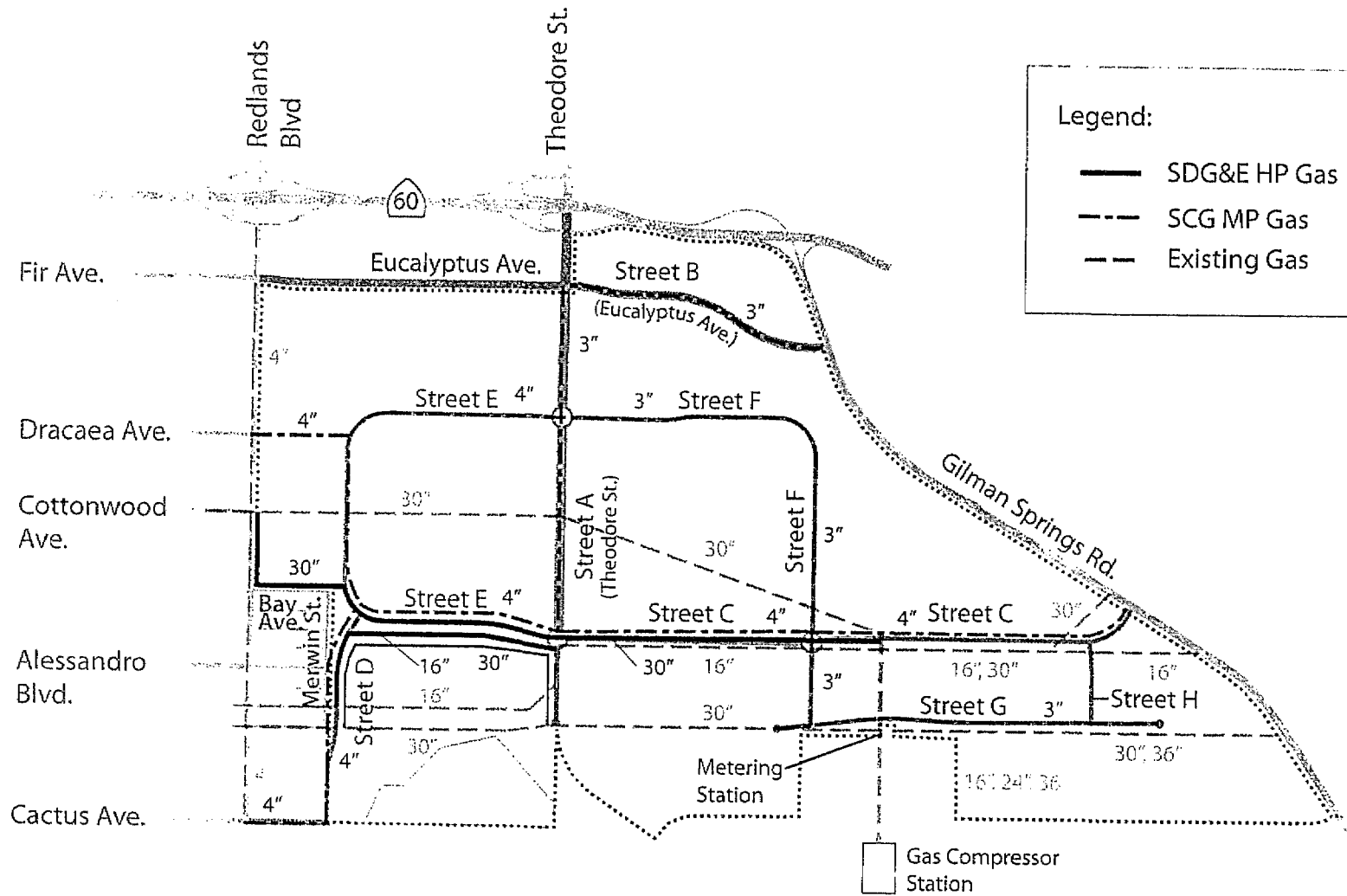
Exhibit 3-20 Electrical Utility Plan



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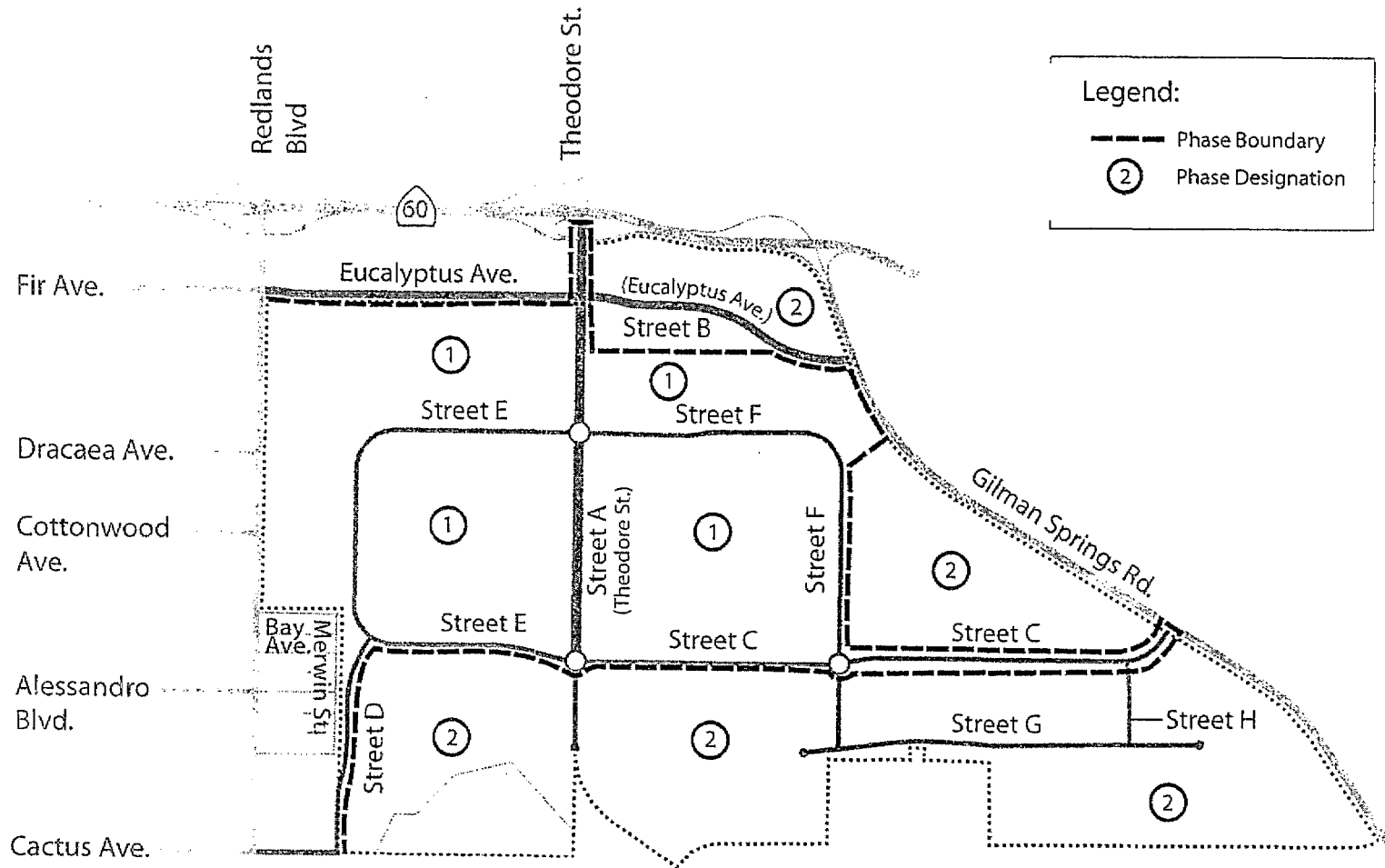
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Exhibit 3-21 Gas Utility Plan



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Exhibit 8-1 Phasing Plan



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Julia Descoteaux  
Associate Planner  
P. O. Box 8805  
Moreno Valley, CA 92552

Re: Notice of Preparation of Draft Environmental Impact Report (DEIR) for the First Inland Logistics Center II (Plot Plan PA12-0023)

Dear Ms Descoteaux,

The Sierra Club appreciates this opportunity to give a few thoughts on another Moreno Valley warehouse. There will be several links and attachments, which will be part of this letter. We will expect these to be printed in full in the Draft EIR/Final EIR to allow the public and decision makers the opportunity to read them. I have been asking for more than one year that all of these documents be also done in Spanish. Based on the 2010 census Moreno Valley has 55% Latino population with about 25% speaking a foreign language.

The First Inland Logistics Center II warehouse is smaller than many the City has recently approved, but will still have negative impacts in several areas. The Project is less than five miles from SR 60 and the Sierra Club will expect you to analyze the cumulative impacts of this project with all others that have been approved, or in the planning process or it is foreseeable that the project will be go through planning. This specifically means that you include the World Logistic Center (WLC) and the West Ridge Commerce Center and the ProLogis Eucalyptus Industrial Park as wells as all those projects in southwest Moreno Valley, within the March Air Reserve Base area and the Cities of Perris and eastern Riverside. They will all impact SR-60 as they head east through the badlands. This project just adds to this cumulative impact to our road system and the DEIR will be inadequate unless it includes all of these projects not only in traffic, but air quality, Green House Gas and many other areas that should be addressed in this project's environmental documents. The City has a practice of selecting a distance for traffic studies, which if it does not include another project like the WLC then there is no addressing their combined traffic or other impacts. The City needs to study

the distances from all warehouses and other land uses so it looks like a series of Venn Diagrams. Therefore if you study traffic within five miles of this project, you must also study the overlap from five miles of the WLC as well as all others. As I have mentioned on previous warehouse projects the City needs to read the Court's Statement of Decision (see additional attachments) from the Villages of Lakeview litigation and learn that five miles is not nearly enough distance to sturdy cumulative traffic impacts as well as related impacts like air quality.

The diesel trucks, which AQMD (see additional attachments) has been trying to educate the City of Moreno Valley about their cumulative lethal toxic emissions, need to be regulated either through conditions of approval or incentives.

The Press-Enterprise article about this explains much of our concerns about our City not paying attention to AQMD, which is only trying to protect our health.

<http://www.pe.com/local-news/topics/topics-environment-headlines/20121221-moreno-valley-air-district-raps-warehouse-plans.ece> as does their Editorial which follows:

<http://www.pe.com/opinion/editorials-headlines/20130106-editorial-restrict-air-pollution-from-moreno-valley-warehouses.ece>

The Sierra Club expects the recommendations (see additional attachments) expressed by AQMD on the last four warehouse projects to be implemented on the First Inland Logistic Center II warehouse project. Perhaps if the City will not do this for the health of the area residents, they will in order to not jeopardize billions of dollars in federal funding for highways and other infrastructure as mentioned in the following article on new EPA soot standards:

<http://www.pe.com/local-news/topics/topics-environment-headlines/20121214-region-tougher-pollution-standard-set-for-deadly-soot.ece>

AQMD explained in their letters on other Moreno Valley warehouse projects that they were willing to sit down and work with the City's staff to make their recommendations a reality as has been done in other jurisdictions. The Sierra Club looks forward to the City following-up on their offer.

The Sierra club will expect you to include Biological Resources in the Draft EIR. You have the smooth tarplant, a special status plant as well good habitat for Burrowing Owls, a California Species of Special



Concern. You mention raptor foraging is available on site and you also mentioned that a California horned lark, a California Species of Special Concern, was observed on site. Our valley is known throughout the United States as well as parts of the world as a place, which is home to over twenty species raptors at various times of the year. The City's approval of these projects is cumulatively having a significant impact on their foraging opportunities.

Agricultural Resources are being diminished by this project. Farmlands of Local importance cannot just be written off without some mitigation. It goes together with raptor foraging. If you mitigate one, you would probably mitigate the other. No Local Farm Land = No Local Food. When we eliminate lands good for local food/grazing we are increasing Global warming and Green House Gas (GHG) as we increasingly need to import food into our area, which in some cases could have been grown locally. The cumulative impacts to the loss of Agricultural Resources needs to be addressed in the DEIR and its impact on GHG/Global warming.

The Sierra Club believes this warehouse project and all other warehouse projects must include an analysis of Hazards and Hazardous Materials in the Draft EIR because of the toxic diesel emissions. The Initial Study mentions that the proposed project has no potential to emit hazardous emissions "within one-quarter mile of an existing school." It doesn't say that it will not emit hazardous emissions to the workers or the nearby residents. Reread the above link to the article on EPA's new soot standards. This pollution affects asthma and strokes and the research links the fine particles to depression and slow thinking. "It causes about 5,000 premature deaths per year in Southern California alone, according to the state Air Resources Board." The Draft EIR needs to explain how the project will affect the warehouse workers who will be breathing in toxic diesel emissions their entire work day.

Both Planning Commissioners have committed recently that the design of warehouses coming before them are lacking. This project fits the mold of what has usually come before. The proponents of

this project would be wise to upgrade the design and materials and landscaping they plan to present to the City's decision makers.

The email in which this letter is attached will have other attachments that are part of the Sierra Club's comments on this NOP for the First Inland Logistic Center II warehouse project. We look forward to reading the Draft EIR for this project and hope what we have written above will be reflected in the document. Please keep us notified of all future meetings, reports and environmental documents for this project by sending the information to the address below my name.

Thank you,

George Hague  
Sierra Club  
Moreno Valley Group  
Conservation Chair

26711 Ironwood Ave  
Moreno Valley, CA 92555

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: (714) 546-9035

**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  
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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  
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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

Cindy Miller

**From:** Cindy Miller  
**Sent:** Tuesday, May 14, 2013 9:04 AM  
**To:** 'towings123@gmail.com'; Tom Owings  
**Cc:** Jane Halstead; Juliene Clay; Ewa Lopez; Kathy Gross  
**Subject:** FW: Document Request - FPPC Files: Donors - Whitney, James  
**Attachments:** Form 461 - 01 14 13.pdf; Form 461 - 6/30-12.pdf; Form 461 - 10 25 2012 2 pages.pdf; Form 461 - 10-4-12.pdf; Jernigan James Form 461.pdf

Hard copies printed and placed on your desk

**From:** Ewa Lopez  
**Sent:** Tuesday, May 14, 2013 8:01 AM  
**To:** Thomas Owings  
**Cc:** Jane Halstead; Kathy Gross; Cindy Miller; Juliene Clay  
**Subject:** Document Request - FPPC Files: Donors - Whitney, James

Are enclosed.

I will email the remaining files soon.

Thank you,  
Ewa Lopez, CMC  
Deputy City Clerk  
City Clerk's Office  
City of Moreno Valley  
P.O. Box 88005  
14177 Frederick Street  
Moreno Valley, CA 92552

e: [ewal@moval.org](mailto:ewal@moval.org)  
w: [www.moreno-valley.ca.us](http://www.moreno-valley.ca.us)



**From:** Cindy Miller  
**Sent:** Monday, May 13, 2013 2:58 PM  
**To:** Jane Halstead  
**Cc:** Juliene Clay; Ewa Lopez; Kathy Gross  
**Subject:** Mayor - Document Request

Mayor Owings requested the following:

- 2012 Economic Development Plan
- World Logistics Center
  - when WLC has been presented to City Council (may have been under a different name)
  - rezoning of the property
- FPPC donors for 2007, 2008, 2012 (including Jerry Stephens and Iddo Benzeevi)

**Cindy Miller**

---

**From:** Cindy Miller  
**Sent:** Tuesday, May 14, 2013 9:03 AM  
**To:** Tom Owings; towings123@gmail.com  
**Cc:** Jane Halstead; Juliene Clay; Ewa Lopez; Kathy Gross  
**Subject:** FW: Campaign Contributions: Donors - Fairview, Stephens, Palm Desert  
**Attachments:** 12 31 10.pdf; 12 31 11.pdf; Form 461 01-14-13.pdf; Form 461 6-30-12.pdf; Form 461 10 25 2012 Stephens.pdf; Form 461 10-4-12 Stephens Jerome.pdf; Form 461 12-31-08.pdf; Form 461 12-31-10.pdf; Form 497 10-16-10.pdf

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

3  
3

Hard copies printed and placed on your desk

4  
2

**From:** Ewa Lopez  
**Sent:** Tuesday, May 14, 2013 8:17 AM  
**To:** Tom Owings  
**Cc:** Cindy Miller; Juliene Clay; Jane Halstead; Kathy Gross  
**Subject:** Campaign Contributions: Donors - Fairview, Stephens, Palm Desert


1  
3  
7

The remaining files are enclosed.

3  
2

Thank you,  
Ewa Lopez, CMC  
Deputy City Clerk  
City Clerk's Office  
City of Moreno Valley  
P.O. Box 88005  
14177 Frederick Street  
Moreno Valley, CA 92552

28

  
e: [ewal@moval.org](mailto:ewal@moval.org)  
w: [www.moreno-valley.ca.us](http://www.moreno-valley.ca.us)



---

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**Sent:** Monday, May 13, 2013 2:58 PM  
**To:** Jane Halstead  
**Cc:** Juliene Clay; Ewa Lopez; Kathy Gross  
**Subject:** Mayor - Document Request

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- rezoning of the property
- FPPC donors for 2007, 2008, 2012 (including Jerry Stephens and Iddo Benzeevi)

Thanks,

Cindy

*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)

# ECONOMIC DEVELOPMENT ACTION PLAN 2013-2016

An updated Economic Development Action Plan has been formulated to capitalize on near-term opportunities in eight geographic areas during a 3-year time frame. The focus of the updated Economic Development Action Plan includes the following goals and objectives in the nine recommended geographic areas:

## **Edgemont**

Pursue the revitalization of the Edgemont area through the adoption of a multi-faceted redevelopment strategy.

- Work towards the upgrading the water system to ensure sufficient water pressure to allow for new development projects in this area.
- Use Neighborhood Stabilization program funding to acquire and land bank foreclosed properties- both single-family and multi-family residential.
- Conduct quarterly Neighborhood Clean-up programs.
- Retain a planning consultant to evaluate land uses to establish the highest and best land use designations for redevelopment efforts.
- Pursue a master developer to assist with the planning for redevelopment in the Edgemont area.

## **TownGate**

Collaborate with the Fritz Duda Company and CW Capital towards stabilizing, upgrading and expanding retail and restaurant development opportunities in the TownGate area including the Moreno Valley Mall and the five shopping centers surrounding the regional mall including TownGate Center, TownGate Plaza, TownGate Crossing, TownGate Promenade and TownGate Square

- Continue to work with CW Capital-the owner of the Moreno Valley Mall in upgrading and attracting new users to the regional mall.
- Facilitate the planning and marketing for a 30,000 S.F. expansion project at the Moreno Valley Mall to include a new restaurant, retail and plaza area next to Harkins Theatres.
- Work with the Fritz Duda Company in the re-occupancy of vacant retail spaces and the overall stabilization of TownGate Center including new uses such as ULTA Beauty, BevMo and Planet Fitness.
- Assist in the processing of development plans for new projects in TownGate shopping centers including 24 Hour Fitness Sport, Miguel's Jr. Mexican Restaurant and Richie's Real American Diner.
- Cooperate with the Fritz Duda Company in pursuing the continued development of a 'Restaurant Row' area in TownGate Promenade.



## **Festival**

Cooperate with the Kodash Company and Miller Family Trust-the ownership of the Festival Center, to explore ways to redevelop or enhance the viability of the Festival Center including rehabilitation efforts and incorporating new appropriate land uses.

- Help facilitate attracting new users and the upgrade of the Festival Center.
- Explore developing a new residential component at the Festival Center.
- Explore possibilities with Moreno Valley Unified School District of developing new education facilities at Festival.
- Pursue an overlay study to consider other uses at Festival including possibly cultural & performing arts facilities, along with developing sports or recreation facilities for use by the community to create a mixed-use development concept.

## **Sunnymead Boulevard**

Work towards the further redevelopment of Sunnymead Boulevard, between Frederick Street to Perris Boulevard.

- Conduct a code compliance effort aimed at enhancing the image of Sunnymead Boulevard.
- Pursue new users and development projects for Sunnymead Boulevard.
- Market mixed-use development opportunities for Sunnymead Boulevard that combine new residential projects with retail and office uses.

## **Centerpointe Business Park**

Work with Ridge Property Trust and USAA Real Estate to expand development and business opportunities aimed at completing the Centerpointe Business Park.

- Assist Ridge Property Trust and Harbor Freight Tools (HFT) in the 507,720 S.F. expansion of HFT's Distribution Center at the NW corner of Cactus and Graham.
- Facilitate efforts for a user to occupy USAA's new 522,774 S.F. Centerpointe Logistics Center at the NW corner of Cactus and Frederick.
- Help advance the development of Ridge Property Trust's approved 607,960 S.F. industrial building at the NW corner of Brodiaea and Graham.
- Facilitate expansion plans for the Serta Mattress facility.
- Work with the owner of the Plaza Del Sol Center in stabilizing the center to provide needed shopping and restaurant opportunities in the Centerpointe Business Park area.

## **South Moreno Valley Industrial Area**

Work with seven developers (Alere Property Group, First Industrial Realty Trust, IDS Real Estate Group, Panattoni Development Co., Sares-REGIS Group, Trammell Crow Company & Western RealCo) on new business attraction and development projects in the South Moreno Valley Industrial Area.

- Work with IDS Real Estate Group in securing a business user for the new 769,320 S.F. Nandina Distribution Center.
- Facilitate the completion of Trammell Crow Company's 1,250,000 S.F. I-215 Logistics Center project, including securing a user.

- Cooperate with First Industrial Realty Trust and Panattoni Development Co. in pursuing the speculative development of two industrial buildings with a total of nearly 2 million S.F.
- Assist Sares-REGIS Group and Western RealCo in build-to-suit opportunities for two approved industrial building projects with a total of more than 3.6 million S.F.
- Work with Alere Property Group, First Industrial Realty Trust and Trammell Crow Co. in the planning and entitlements for several new industrial projects with a proposed 4 million S.F.

### **City Center Medical/Healthcare Corridor**

Cooperate with Riverside County Regional Medical Center (RCRMC), Kaiser Permanente, Moreno Valley College and Highland Fairview to help facilitate the further expansion of the City of Moreno Valley's Medical/Healthcare Corridor on Nason Street & Iris Avenue.

- Assist Riverside County with the implementation of the Master Plan for expanding the Riverside County Regional Medical Center including a new Trauma & Urgent Care, relocated & upgraded Operations Support building and facilities for the new UCR School of Medicine.
- Facilitate plans by Kaiser Permanente to expand the Moreno Valley Community Hospital with an expansion and upgrade of the Emergency Room facilities and development of a planned second tower.
- Cooperate with Moreno Valley College and Riverside Community College District in the development of a proposed 30,000 S.F. allied health sciences facility in the medical-healthcare corridor.
- Support the planning and marketing efforts of Highland Fairview to pursue the creation of a master planned 200-acre healthcare campus to be situated within the medical corridor and between the two existing hospitals-RCRMC and Kaiser's Community Hospital.
- Continue the planning and funding of capital improvement projects that will widen and construct the ultimate improvements on Nason Street from SR 60 to Iris Avenue to provide critical access to the two hospitals and the medical/healthcare corridor.
- The continued development of Medical/Healthcare corridor on Nason Street and Iris Avenue shall be the City's top priority for new medical and healthcare development.
- Undertake a study to determine highest and best land uses for the City-owned 60-acre property at the NW corner of Nason and Alessandro.

### **World Logistics Center at Rancho Belago**

Collaborate with Highland Fairview in the development of the World Logistics Center—a 41.6 million S.F. master planned corporate park proposed to be developed on 2,700 acres in the Rancho Belago area of eastern Moreno Valley.

- Process an Environmental Impact Report and preliminary development plans for the World Logistics Center in eastern Moreno Valley—south of SR 60 and east of Redlands Boulevard to Gilman Springs Road.
- Assist in the drafting of a Specific Plan that will guide the orderly development for of World Logistics Center.
- Cooperate with Highland Fairview in the formulation of a Development Agreement to create a public-private partnership to help facilitate the development of new public infrastructure in eastern

Moreno Valley associated with the World Logistics Center including roads, trails, utilities, storm water protection and fire protection facilities.

- Work with Highland Fairview in branding the World Logistics Center as one of the largest e-commerce focused development projects in the U.S.

### **SR 60 East Corridor**

Pursue new development opportunities along the SR 60 East corridor—from Nason Street to the easterly City limits.

- Prepare an Overlay Study to determine the 'highest and best' land uses along the SR 60 East Corridor.
- Assist property owners and developers in marketing development opportunities along the SR 60 East Corridor.
- Work on opportunities to expand the Moreno Valley Auto Mall.
- Facilitate the stabilization and further development of Stoneridge Towne Centre and Moreno Beach Plaza.

In addition to activities in the eight geographic areas, a series of objectives are being recommended to assist with overall economic development efforts to assist with Business Attraction, Business Retention and Business Expansion including the following:

- Continue to coordinate the Capital Program (CIP) with economic development efforts
- Expand the Development Ombudsman Program to provide a comprehensive range of business support services for developers and businesses
- Restart the Business Visitation Program, including the participation of the Mayor in 1 on 1 visits annually with the Top 50 with the major employers in the community
- Implement new software that will enable business owners, developers, contractors and residents to electronically submit and manage their plans with the City of Moreno Valley
- Utilize the Chambers of Commerce to expand participation in the Small Business Counseling Services provided by the Small Business Development Center (SBDC)
- Work with the Community Investment Corporation in a the development of a business incubator and micro-business loan program
- Pursue the reuse of vacant anchor retail spaces, including the use of the new ED-Retail Anchor Reuse Incentive Program
- Explore revising the scopes of work with the Agreements the Chamber of Commerce to better focus on business retention and expansion activities, including expansion of Shop MoVal, as well as establishing a program to promote more business to business transactions in Moreno Valley
- Utilize the Chambers of Commerce to undertake a survey of the small business community on ways to improve the business climate in Moreno Valley
- Use the Chambers of Commerce to assist with increasing high school graduation rates in the community through the development of mentor programs to link students with business leaders
- Pursue the creation of a Business Support Advisory Council comprised of major employers in Moreno Valley

- Seek ways to promote opportunities for more ties between cultural & performing arts in the community with economic development
- Explore creating an incentive program aimed at attracting development projects with e-commerce or fulfillment center users
- Continue to work with residential developers and the Building Industry Association (BIA) on ways to help facilitate new quality residential development in Moreno Valley

# ECONOMIC DEVELOPMENT ACTION PLAN

2011-2013

## SUMMARY OF INITIAL 15 MONTHS

### JOBS CREATED IN 5 EDAP AREAS

- Distribution/Manufacturing 1,522
  - Office/Healthcare 395
  - Automobile Dealerships 77
  - Retail/Restaurant 567
- Total 2,560

### CONSTRUCTION JOBS CREATED

- 5,736

### Harbor Freight Tools

- Opened new 779,016 S.F. Distribution Center
- Opened 2<sup>nd</sup> DC-691,960 S.F
- Employ 430
- 507,720 S.F. expansion approved

### Centerpointe & South MV Industrial & Logistics Development

- 3.23 million S.F. of Industrial Buildings started construction
- 3 million S.F. planned to start construction
- 10 million S.F. in planning process

### Eastern Moreno Valley Development

- Skechers USA Opens
- WestRidge approved/Negotiations Underway for 850,000 S.F. User
- World Logistics Center Planning Underway (EIR & SP)

### City Center Development

- \$75 million in CIP Projects
- Planning and Marketing for expansion of Medical/Healthcare Corridor
- RCRMC & Kaiser expansions
- Moreno Valley College Expansion
- Moreno Valley Auto Mall Expansion & Upgrade
- LA Fitness Coming to Moreno Beach Plaza

### TownGate

- Opening of New Retail Stores—TJ Maxx, HomeGoods, Rue 21
- Opening of New Restaurants—Buffalo Wild Wings, Five Guys Burgers, Chipotle
- Opening of Round 1

## Barry Foster

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**From:** Barry Foster  
**Sent:** Wednesday, January 09, 2013 9:15 AM  
**To:** Barry Foster  
**Subject:** Potential Users-Logistics/DC's

Potential Users-Logistics/DC's

Harbor Freight Tools 2nd Bldg. (Moreno Valley- Industrial-South MV)

Harbor Freight Tool Expansion (Moreno Valley-Ridge-Centerpointe)

Amazon FC (San Bernardino-Hillwood-Alliance CA/Norton)

Home Depot DFC (Perris-IDI)

Icon Fitness (Beaumont)

Aldi (RFP released January 2013)

World Kitchen (Riverside-Panattoni-Sycamore Canyon)

Ashley Furniture DC

Proctor & Gamble (RFP released January 2013)

Decker Outdoor

Amazon (2nd FC planned-no timetable established)

Georgia Pacific (on hold)

Hyundia Parts DC (RFP)

VF Corporation (on hold)

Woverine Worldwide Corp. (on hold)

Kraft Foods

Hankook Tires

HauteLook On-line (Nordstrom affiliated company)

Best Buy DC (on hold)

Ryder Logistics-Tenant Unknown (Looking at Moreno Valley)

Excel Logistics-Toms Shoes (on hold)

# ECONOMIC DEVELOPMENT ACTION PLAN 2013-2016

An updated Economic Development Action Plan has been formulated to capitalize on near-term opportunities in eight geographic areas during a 3-year time frame. The focus of the updated Economic Development Action Plan includes the following goals and objectives in the eight recommended geographic areas:

## **Edgemont**

Pursue the revitalization of the Edgemont area through the adoption of a multi-faceted redevelopment strategy.

- Work towards the upgrading the water system to ensure sufficient water pressure to allow for new development projects in this area.
- Use Neighborhood Stabilization program funding to acquire and land bank foreclosed properties- both single-family and multi-family residential.
- Conduct quarterly Neighborhood Clean-up programs.
- Retain a planning consultant to evaluate land uses to establish the highest and best land use designations for redevelopment efforts.
- Pursue a master developer to assist with the planning for redevelopment in the Edgemont area.

## **TownGate**

Collaborate with the Fritz Duda Company and CW Capital towards stabilizing, upgrading and expanding retail and restaurant development opportunities in the TownGate area including the Moreno Valley Mall and the five shopping centers surrounding the regional mall including TownGate Center, TownGate Plaza, TownGate Crossing, TownGate Promenade and TownGate Square

- Continue to work with CW Capital-the owner of the Moreno Valley Mall in upgrading and attracting new users to the regional mall.
- Facilitate the planning and marketing for a 30,000 S.F. expansion project at the Moreno Valley Mall to include a new restaurant, retail and plaza area next to Harkins Theatres.
- Work with the Fritz Duda Company in the re-occupancy of vacant retail spaces and the overall stabilization of TownGate Center including new uses such as ULTA Beauty, BevMo and Planet Fitness.
- Assist in the processing of development plans for new projects in TownGate shopping centers including 24 Hour Fitness Sport, Miguels Jr. Mexican Restaurant and Richie's Real American Diner.
- Cooperate with the Fritz Duda Company in pursuing the continued development of a 'Restaurant Row' area in TownGate Promenade.

## **Festival**

Cooperate with the Kodash Company and Miller Family Trust-the ownership of the Festival Center, to explore ways to redevelop or enhance the viability of the Festival Center including rehabilitation efforts and incorporating new appropriate land uses.

- Help facilitate attracting new users and the upgrade of the Festival Center.
- Explore developing a new residential component at the Festival Center.
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- Evaluate developing sports or recreation facilities at Festival for use by the community to create a mixed-use development concept.

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- Work with Highland Fairview in branding the World Logistics Center as one of the largest e-commerce focused development projects in the U.S.

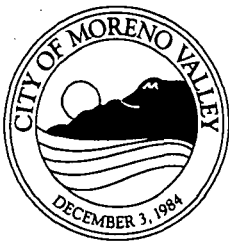
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- Utilize the Chambers of Commerce to undertake a survey of the small business community on ways to improve the business climate in Moreno Valley
- Pursue the creation of a Business Support Advisory Council comprised of major employers in Moreno Valley



APPROVALS	
BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Rest</i>
CITY MANAGER	<i>ms</i>

## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Barry Foster, Community & Economic Development Director

**AGENDA DATE:** May 22, 2012

**TITLE:** PUBLIC HEARING REGARDING THE EXPANSION OF THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT (PA12-0010), CHANGE OF ZONE (PA12-0012) AND SPECIFIC PLAN (PA12-013) FOR THE WORLD LOGISTICS CENTER PROJECT AND A RECOMMENDATION FROM THE CITY COUNCIL TO INCLUDE PROPERTIES NOT OWNED BY OR PARTICIPATING WITH THE PROJECT APPLICANT, HIGHLAND FAIRVIEW PROPERTIES.

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### RECOMMENDED ACTION

Staff recommends that the City Council conduct the Public Hearing and thereafter direct staff to apply one of the alternatives set forth below pertaining to properties not owned by or participating with Highland Fairview Properties in their applications for a general plan amendment, change of zone and specific plan for the World Logistics Center Project.

### BACKGROUND

In April 2011, the City Council adopted a comprehensive Economic Development Action Plan (EDAP) that identified the Moreno Highlands area, generally located east of Redlands Boulevard and south of the Moreno Valley Freeway (Highway 60), as an "area of opportunity for logistics development". The Plan also identified logistics as a prime area of focus and opportunity for the City in an effort to increase employment and revenue to benefit residents and local businesses and support the provision of public services.

On March 19, 2012, Highland Fairview Properties (HFP) submitted General Plan Amendment, Change of Zone and Specific Plan applications to the Planning Division for the proposed World Logistics Center (WLC) Project. The WLC Project is the type of

project envisioned by the adopted City Council EDAP and could further the implementation of the EDAP.

The WLC Project applications include land owned or participating with HFP in the WLC Project and a number of properties not owned by or participating with HFP in the WLC Project or the applications. HFP has also submitted Tentative Parcel Map, Annexation and Development Agreement applications for the same project. All land in the last three applications is owned by or participating with HFP. The General Plan Amendment, Change of Zone, Specific Plan and Tentative Parcel Map were deemed to be complete for processing on April 18, 2012.

The proposed World Logistics Center Specific Plan is a master plan for the development of up to 41.6 million square feet of modern high-cube logistics warehouse distribution facilities on approximately 2,665 acres of land located generally east of Redlands Boulevard, south of the Moreno Valley Freeway (Highway 60) and west of Gilman Springs Road. The General Plan Amendment and Change of Zone, which cover approximately 3,820 acres, also include 1,136 acres of open space and 19 acres of existing public utility facilities located south of the Specific Plan area and north of the City limits. The majority of the Project area is currently covered by the Moreno Highlands Specific Plan, a 3,038 acre master plan approved in 1992 with a mixture of residential, commercial, business park and public/recreation uses.

## **DISCUSSION**

The Municipal Code authorizes an amendment to the General Plan to be initiated by any one of three actions: (1) recommendation of the Planning Commission and City Council concurrence; (2) recommendation of the City Council; or (3) a privately filed application for a specific property or properties submitted by the property owner or owner's authorized agent (MC Section 9.02.040). The Municipal Code similarly authorizes an amendment for a change of zone to be initiated by one of three actions: (1) recommendation of staff or the Planning Commission; (2) recommendation of the City Council; or (3) a privately filed application from a property owner or the owner's authorized agent relating to the owner's property (MC Sections 9.02.050). The Municipal Code does not have explicit provisions to include properties not providing authorization for a Specific Plan or similar type of project (MC Section 9.02.190). For such projects, the practice has been to include only properties providing authorization. Therefore, staff is requesting City Council direction as set forth below.

The majority of Specific Plan area is owned by HFP affiliated companies. Authorization has also been provided by the second largest owner in the Specific Plan area, the Henrietta Lee Trust. In addition, a group of owners in the southwest portion of the Specific Plan area and one owner on Theodore Street have provided authorization for the Project.

The approximate 1,155 acres located outside of the Specific Plan area but within the General Plan Amendment and Change of Zone applications are owned by the California

Department of Fish and Game, San Diego Gas & Electric and the Southern California Gas Company. None of these entities have provided authorization for the Project. Attachment 1 provides a map of the ownership and location of the properties identified above in this paragraph.

Approval of the WLC Project would require the elimination of the Moreno Highlands Specific Plan (MoHi) that covers most of the Project area, including all of the area outside of the proposed WLC Specific Plan. The MoHi plan has been covered by a 20-year development agreement negotiated by the original master developer, that until this year precluded action by the City or any single landowner to revise the area's land use or zoning. To eliminate the MoHi plan, the utility and open space outside the proposed WLC Specific Plan need to be included in the General Plan Amendment and Change of Zone applications to provide alternative land use designations compatible with the current use of the property for utility facilities and open space.

Within the Specific Plan area, there are 18 owners (total of 21 parcels) that have not provided authorization for the Project. The largest landowner of these parcels is the Metropolitan Water District of Southern California (MWD) which owns 132 acres, but only uses 18 acres of the property for its Inland Feeder water transmission system. The remaining 114 acres has been determined as surplus by MWD. These parcels total approximately 294 acres or 11% of the Specific Plan area. The majority of the other parcels (13 total parcels) are located northeast of Theodore Street and Dracaea Avenue; three parcels are northeast of Redlands Boulevard and Dracaea Avenue; three parcels are northwest of Theodore Street and Alessandro Boulevard; and two are northeast of Cactus Avenue and Merwin Street. All of these properties are located outside of the MoHi plan area. Some of the parcels are developed with single family homes and accessory structures. Others have agricultural activities or are vacant. Only seven existing residential units are located within the boundaries of the proposed WLC Specific Plan, with four being owner-occupied and three rental properties.

The non-participating parcels identified in the above paragraph are either located adjacent to the primary truck access route for the proposed WLC Specific Plan (Theodore Street) or are surrounded on three or more sides by participating properties. All but three of the properties are currently zoned for residential uses, which would be incompatible in close proximity or surrounded by the proposed development of logistics uses. Therefore, it would further advance a consistent and comprehensive planning strategy to include these parcels in the General Plan Amendment and Change of Zone applications in order to identify new more appropriate land use designations for consideration in conjunction with the overall WLC Project. Inclusion in the Specific Plan application will allow for greater design consistency in property development and simplify the development review process should properties in and out of the Specific Plan be combined. Any existing structures or uses would become non-conforming with approval of any land use changes and would be allowed to remain in place unless abandoned for an extended period of time (currently one year per the City Municipal Code).

The initial draft of the Specific Plan includes two land use categories – Logistics and Light Logistics. The former category is generally limited to large logistics facilities. The latter category is intended to include properties that are too small to accommodate large logistics facilities. Staff has worked with the applicant to expand the list of permitted uses in the Light Logistics category to include thirteen possible uses for warehouse, storage and similar activities (see attached Exhibit 3). Most of these uses are consistent with the permitted uses in the Moreno Valley Industrial Area Specific Plan in the south part of the City.

## **ALTERNATIVES**

Staff is seeking direction from the City Council as to which of the following options should be followed in processing the WLC Project applications:

1. Include all properties not providing authorization in all three applications. This action is a recommendation by the City Council to include all properties not providing authorization to be included in all three applications. This action would provide for the development of consistent land uses and development regulations for the area east of Redlands Boulevard. If adopted, such land uses and regulations would change and make most existing property improvements non-conforming.
2. Include all properties not providing authorization in the General Plan and Change of Zone applications, but not the Specific Plan application. This action would be a recommendation by the City Council to include all properties not providing authorization to be included in the applications for a General Plan Amendment and Change of Zone. This action would provide for the development of consistent land uses for the area east of Redlands Boulevard, but would allow for non-participating parcels to default to existing City zoning classifications that provide a greater variety of uses which may be incompatible with the logistics focus proposed for the area. If adopted, such land uses and regulations would change and make most existing property improvements non-conforming.
3. Include some of the properties in one or more of the applications. This action is a recommendation by the City council to include certain of the properties not providing authorization to be included in one or more of the applications. This action would not provide for the development of consistent land uses for the area east of Redlands Boulevard. If the Specific Plan is adopted, such inconsistent land uses would affect the current property rights and expectations of non-participating property owners by increasing the level of review and regulation to provide consistency, but would not make existing property improvements non-conforming. This action would also increase the level of review and regulation to provide consistency for development within the Specific Plan.

## **FISCAL IMPACT**

All direct costs associated with the processing of the WLC Project applications shall be borne by HFP.

**NOTIFICATION**

Notice of this Public Hearing was sent to all property owners within the WLC Project area and tracts and properties adjacent to the Project area. Notice of the Hearing was also published in the Press Enterprise on April 27, 2012, and posted in proximity to properties located within the Project area that did not provide authorization for the WLC Project applications.

**ATTACHMENTS/EXHIBITS**

1. Map of Non-Participating Parcels with Owner Names
2. Map of Draft Land Use Plan for Proposed Specific Plan
3. LL "Light Logistics" Permitted Uses

Prepared By:  
John C. Terrell AICP  
Planning Official

Department Head Approval:  
Barry Foster  
Community & Economic Development Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

CITY COUNCIL  
MORENO VALLEY  
RECEIVED

13 APR 24 PM 4: 14

To: Tom Owings  
From: Tom and Teri Chelbana  
Subject: WLC  
Date: April 22, 2013

*Schedule Meeting*

We live at 11620 Pettit Street, between Moreno Beach Dr. and Redlands Blvd. I was born at March Air Force Base in 1948 and my wife, Teri, has lived in Moreno Valley since 1953. We both graduated from Moreno Valley High School and taught many years in the Moreno Valley Unified School District. My father, Frank Chelbana, came here in 1947 and was the mayor of Moreno Valley in 1992 until he passed away from lung cancer while in office.

As residents of Moreno Valley for more than 60 years, we are strongly opposed to the World Logistic Center. The traffic, health, and over-all quality of life will be very negatively impacted with this project. We have been to most meetings, both for and against this big project. We would have to say the little positive impact versus the major negative impact is very clear.

Mr. Iddo Benzeevi has gained control of our city council, you included, by contributing many dollars in campaign donation monies. The World Logistic Center isn't going to make Moreno Valley a better city. This will only be another example of why Moreno Valley has such a negative reputation in the Inland Empire. Let's make Moreno Valley a better place to live, by not approving the WLC.

*Home 951.924.1654*

*10/21/13 Left a message to  
schedule a meeting.  
10/31/13 Haven't received a  
callback.*



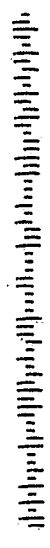
TOM & TERI CHELBANA  
11620 Pettit St  
Moreno Valley, CA 92555



SAN BERNARDINO CA 92555  
POST OFFICE BOX 11620

Tom Owings, Mayor of Moreno Valley  
14177 Frederick St.  
Moreno Valley, CA 92552

92553909699



**Designations in Surrounding Areas**

The surrounding areas have a mix of land use designations, as shown in Table 2.

**Table 2: Onsite and Adjacent Land Use Designations**

Location	Jurisdiction	Current Land Uses	General Plan Land Uses	Zoning Designations
Onsite	City of Moreno Valley	Agriculture/dry farming, rural residential	MHSP	MHSP
North	County and City of Moreno Valley	SR-60, rural residential north of freeway	County W-2, C-P-S, City RR, R1	County W-2, C-P-S, City O, R1
South	County and State of California	Agriculture, San Jacinto Valley Wildlife Area	MHSP and OS (City and County)	MHSP and OS (City and County)
East	Riverside County	Gilman Springs Road, rural residential	RR (City)	W-2, W-2-1 and W-2-20 (County)
West	City of Moreno Valley	Residential, Industrial 1	R2, R3, R5, and LI	R2, R3, R5, and LI
Notes: MHSP = Moreno Highlands Specific Plan      RR = rural residential      W-2 = controlled development area C-P-S = scenic highway commercial      O = office      OS = open space R1 = residential density of one dwelling unit per acre R2 = residential density of two dwelling units per acre R3 = residential density of three dwelling units per acre Source: World Logistics Center EIR Project Description, 2012.				

**1.4.4 - Project Characteristics**

The project covers approximately 3,918 acres and proposes a maximum of 41.4 million sq ft of "high-cube logistics" warehouse distribution uses classified as "Logistics Development" (LD) and 200,000 sq ft (approximately 0.5 percent) of warehousing-related uses classified as "Light Logistics" (LL) on 2,710 acres within the WLC Specific Plan. The lands within the WLC Specific Plan that are designated LL are existing rural lots, some containing residential uses, that may be considered "non-conforming uses" once the WLC Specific Plan is approved. The components of the proposed project are discussed below.

**Project Terms**

The following terms and areas are defined here for the purposes of this analysis,

**World Logistics Center Project:** The term refers to all related development and planning activities currently proposed in the Rancho Belago area of the eastern end of the City of Moreno Valley. The WLC property is generally located south of the SR-60 Freeway, east of Redlands Boulevard, west of Gilman Springs Road, and north of Mystic Lake and the San Jacinto Wildlife Area.

**Project Site or Project Area:** This term refers to the entire 3,918-acre area covered by the EIR encompassed by: (a) the Specific Plan Area (2,710 acres); (b) the CDFG Conservation Buffer Area

Project” scenario. A maximum cancer risk of 100 in a million was noted at the sensitive receptors located within the WLC Specific Plan while a maximum risk of 22 in a million was found within the sensitive receptors located within the residential areas to the west of the WLC Specific Plan across Redlands Boulevard.

Table 60 compares the maximum cancer risks for Scenario 1, “No Project”, Scenario 2, “With Project”, and the project’s incremental impact at three locations: at the maximum individual cancer risk anywhere in the area covered by the dispersion model, at the sensitive receptors located within the boundaries of the WLC Specific Plan, and at the sensitive receptors located in the residential areas to the west of the WLC Specific Plan across Redlands Boulevard. Each scenario quantified cancer risks over the 2012-2081 70-year risk exposure time period; further, the project’s incremental impacts include both construction and operational emissions,

**Table 60: Estimated Cancer Risks for Sensitive Receptors - Without Mitigation**

Receptor Location	Cancer Risk (risk per million) <sup>1</sup>			Significance Threshold	Project Increment Exceeds Threshold?
	Scenario 1 No Project	Scenario 2 With Project <sup>2</sup>	Project Increment <sup>2</sup>		
Maximum Individual Cancer Risk <sup>3</sup>	183.9	190.4	6.5	10	No
Cancer Risk within the Specific Plan <sup>4</sup>	21.0	121.7	100.7	10	Yes
Cancer Risk in Residential Areas Across Redlands Boulevard <sup>5</sup>	25.0	47.2	22.2	10	Yes

Notes:

- 1 70-year lifetime exposures over the 2012 to 2081 time period.
  - 2 Project’s incremental impacts assume unmitigated construction diesel PM emissions
  - 3 The maximum individual cancer risk is located near the intersection of I-10 and SR-60 near the City of Beaumont
  - 4 The maximum impacted sensitive receptor located within the Specific Plan is located near the Intersection of Theodore Street, Street E and Street F
  - 5 The maximum impacted sensitive receptor within the residential areas to the west of the project across Redlands Boulevard is located near the intersection of Redlands Boulevard and Eucalyptus Avenue
- Source: Dispersion modeling conducted by Michael Brandman Associates, see Appendix F, Health Risk Assessment Spreadsheets and AERMOD Output.

As noted from the above table, the project’s incremental cancer risks exceed the SCAQMD’s cancer risk significance threshold of 10 in a million at sensitive receptor locations both within the WLC Specific Plan boundaries (existing residences) as well as within the residential areas located to the west of the WLC Specific Plan across Redlands Boulevard.

Exhibit 20 provides the cancer risk within the immediate vicinity of the project. The location of the maximum incremental cancer risk occurs at the existing sensitive receptors located within the WLC Specific Plan near the intersection of Theodore Street, Street E, and Street F.

**Mitigation Measures**

Mitigation Measures AQ-1, AQ-2, AQ-4, AQ-5, and AQ-6 are required (see Section 1, Executive Summary).

**Level of Significance After Mitigation**

Significant and unavoidable impact.

The 70-year lifetime cancer risks after implementation of mitigation are summarized shown in Table 61 for the project incremental health risk impacts. As shown, cancer risks exceed the threshold of 10 in one million. Despite implementation of mitigation measures impacts remain significant and unavoidable. Exhibit 21 displays the project's cancer risks after mitigation.

**Table 61: Estimated Cancer Risks for Sensitive Receptors - With Mitigation**

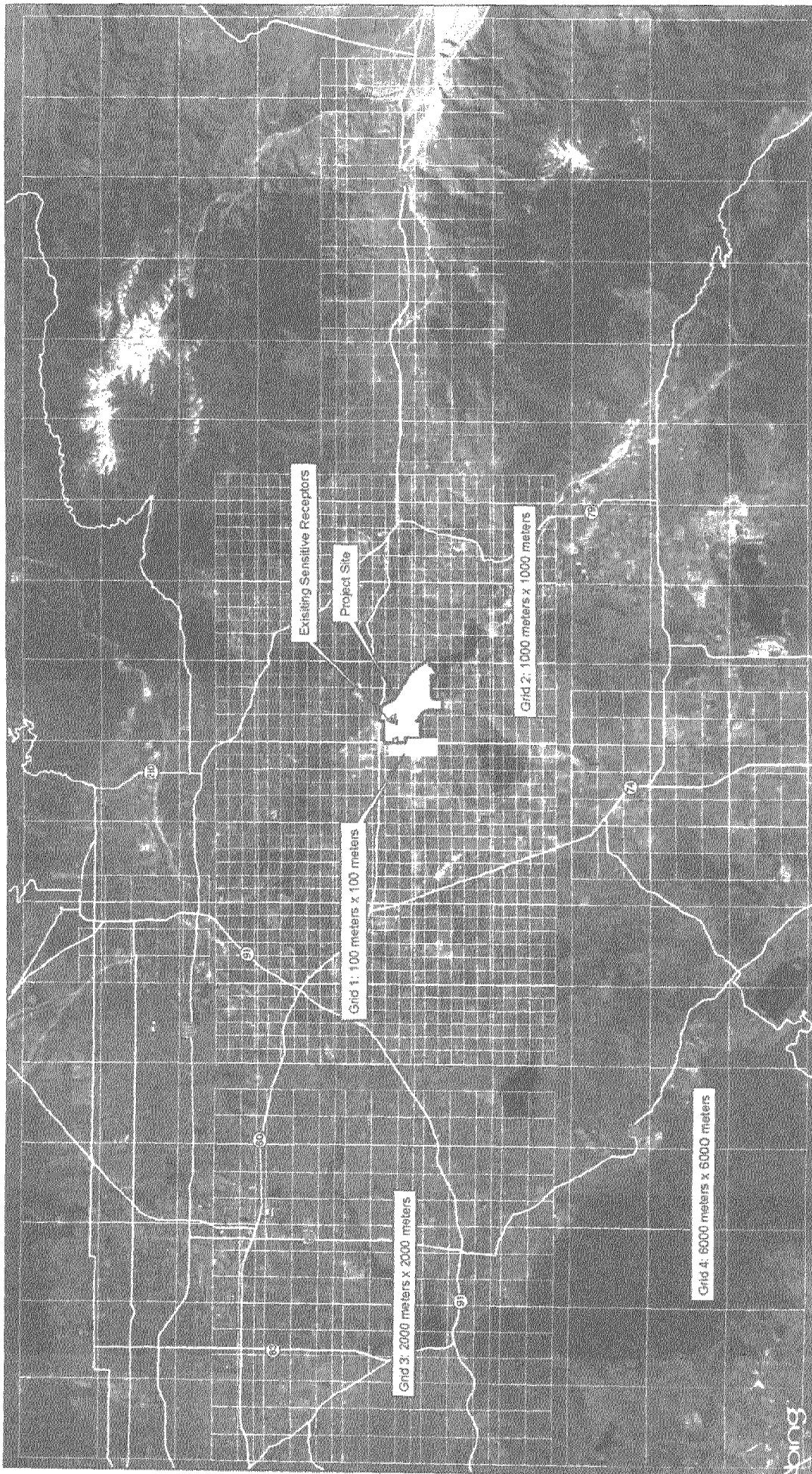
Receptor Location	Cancer Risk (risk per million) <sup>1</sup>				Project Increment Exceeds Threshold?
	Scenario 1: No Project	Scenario 2 With Project <sup>2</sup>	Project Increment <sup>2</sup>	Significance Threshold	
Maximum Individual Cancer Risk <sup>3</sup>	183.9	190.2	6.3	10	No
Cancer Risk within the Specific Plan <sup>4</sup>	21.0	97.8	76.8	10	Yes
Cancer Risk in Residential Areas Across Redlands Boulevard <sup>5</sup>	25.0	45.9	20.9	10	Yes

Notes:  
 1 70-year lifetime exposures over the 2012 to 2081 time period.  
 2 Project's incremental impacts assume unmitigated construction diesel PM emissions  
 3 The maximum individual cancer risk is located near the intersection of I-10 and SR-60 near the City of Beaumont  
 4 The maximum impacted sensitive receptor located within the Specific Plan is located near the Intersection of Theodore Street, Street E and Street F  
 5 The maximum impacted sensitive receptor within the residential areas to the west of the project across Redlands Boulevard is located near the intersection of Redlands Boulevard and Eucalyptus Avenue.  
 Source: Source: Dispersion modeling conducted by Michael Brandman Associates, see Appendix F, Health Risk Assessment Spreadsheets and AERMOD Output.

**A Note on Cancer Risks**

A risk level of 1 in a million implies a likelihood that up to one person, out of one million equally exposed people would contract cancer if exposed continuously (24 hours per day) to the specific concentration over 70 years (an assumed lifetime). This risk would be an excess cancer risk that is in addition to any cancer risk borne by a person not exposed to these air toxics.<sup>10</sup>

<sup>10</sup> Definition of a 1 in a million cancer risk from the US EPA, Technology Transfer Network Air Toxics, Glossary of Key Terms, Website: [www.epa.gov/ttn/atw/natamain/gloss1.html](http://www.epa.gov/ttn/atw/natamain/gloss1.html).



Source: Aesa Construction Company, Michael Brannaman Associates, 2012.

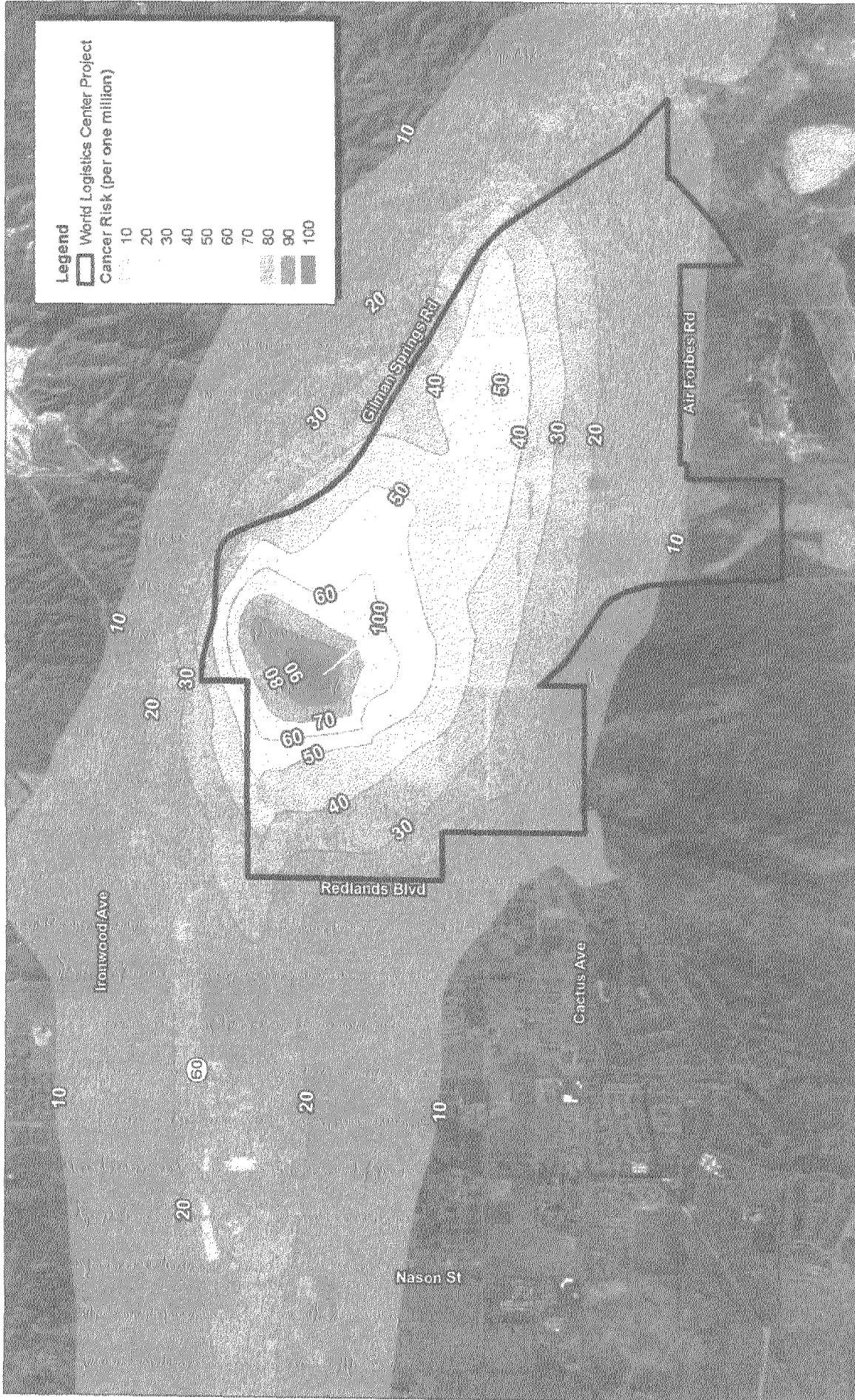


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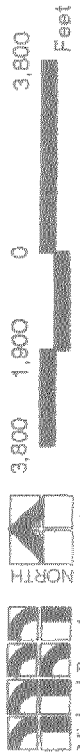
Exhibit 15  
Expanded Health Risk Assessment Network

HIGHLAND FAIRVIEW OPERATING COMPANY - WORLD LOGISTICS CENTER PROJECT  
AIR QUALITY, GREENHOUSE GAS, AND HEALTH RISK ASSESSMENT REPORT

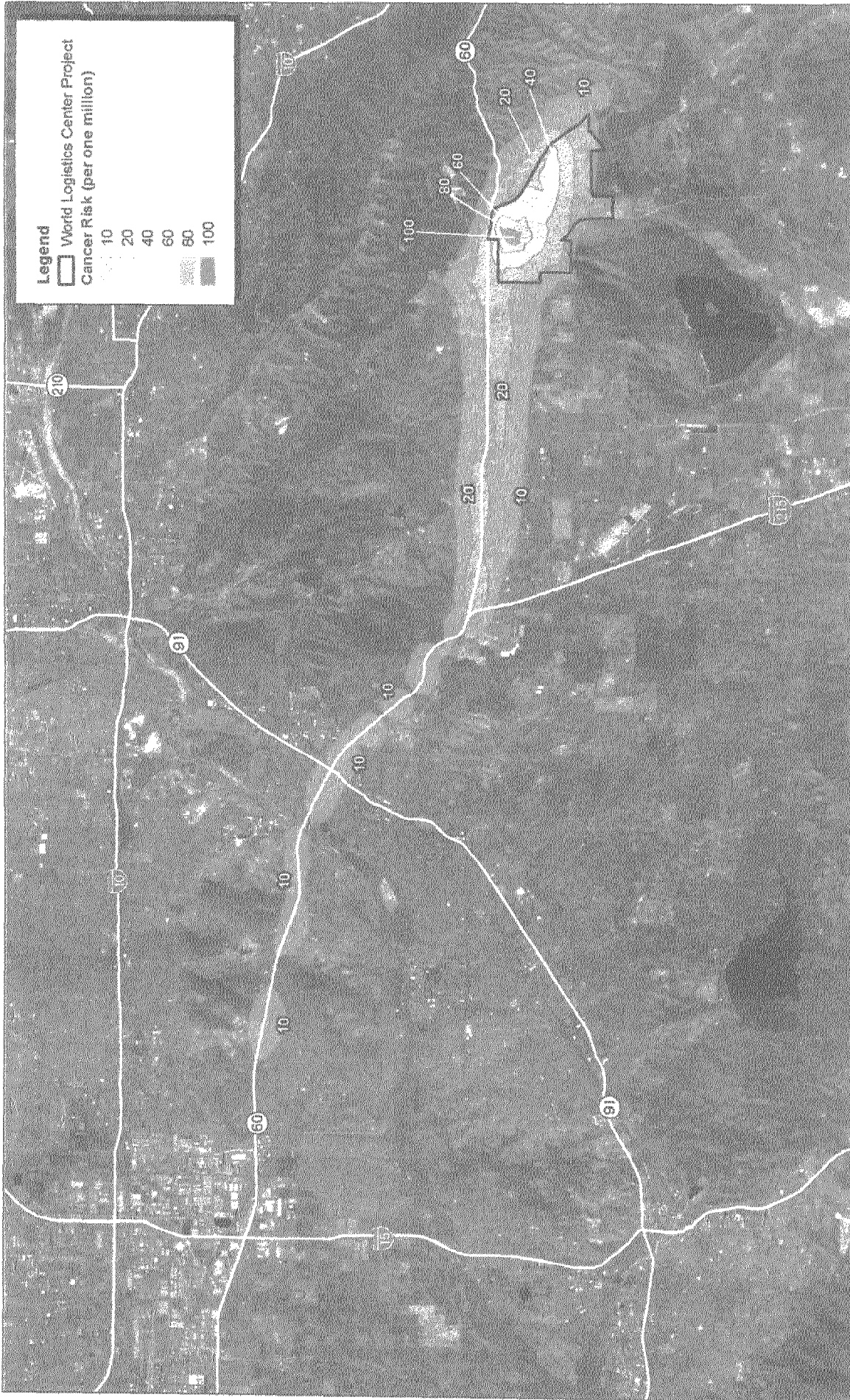




Source: Dispersion modeling conducted by Michael Brandman Associates using the ISC AERMOD View program; ESRI Aerial Imagery 2012.



**Michael Brandman Associates**  
 26100026 • 01/2013 | 20\_incremental\_cancer\_risk.mxd



**Legend**

World Logistics Center Project

Cancer Risk (per one million)

- 10
- 20
- 40
- 60
- 80
- 100

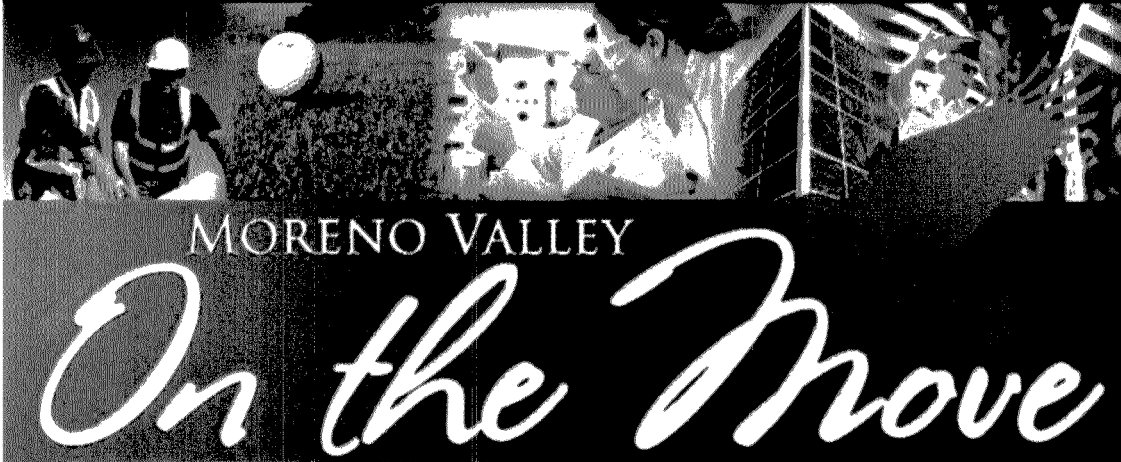
Source: Dispersion modeling conducted by Michael Brandman Associates using the ISC AERMOD View program; ESRI Aerial Imagery 2012.

3 1.5 0 3 Miles

**Michael Brandman Associates**  
 26100026 • 01/2013 | 19\_project\_risk.mxd

**Exhibit 19**  
**Project Incremental Cancer Risk**





MORENO VALLEY

# On the Move



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[RivCoProspector.com](#)

[Small Business](#)

## Quarterly Economic Development News

### Developers Support City's New DIF Schedule

Many members of the development community attended the October 9, 2012 Moreno Valley City Council meeting to lend support for the proposed Development Impact Fee (DIF) rate revisions. The Council-approved new DIF rate schedule had not been updated since 2005. Approved by the City, the new DIF update provides a balance that continues to encourage quality development while providing for the infrastructure needs of a growing City.

The revised rate schedule will be made available on the City's Website at [www.moval.org](http://www.moval.org) by January 15, 2013. For more information, please contact the Land Development Division of the Community & Economic Development Department by calling 951.413.3120.

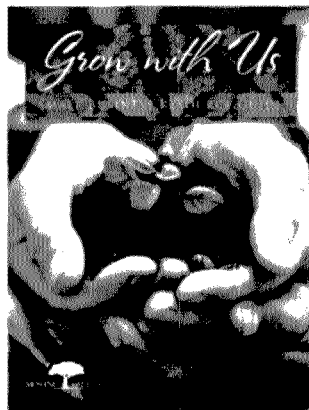
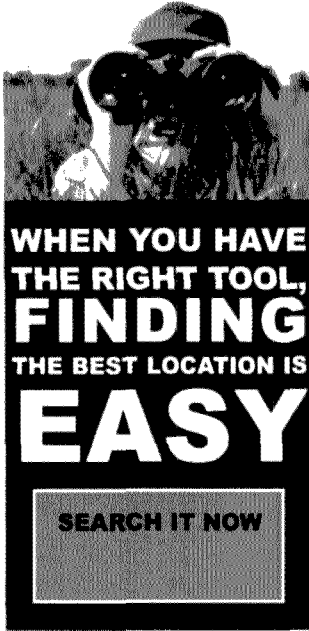
### Moreno Valley's Economic Development Action Plan a Success

After just 18 months of implementation of the Economic Development Action Plan, the City can boast of successes in job growth and project advancement. The Plan outlined a series of steps in April 2011 with the goal of Business Development and Job Creation.



Resource Guide

Shop MoVal



**New Development Project Status Round-up:**

**Industrial Development**

- ✦ Four projects with a total of more than 3.23 million square feet have started construction in the past 15 months.
- ✦ Another 3 million square feet planned to start construction within the next six months;
- ✦ Nearly 10 million square feet of industrial space is in the planning process in the Centerpoint Business Park and South Moreno Valley Industrial area.
- ✦ A Specific Plan and Environmental Impact Report is underway for the World Logistics Center — a proposed 41 million square foot master planned corporate park.

**Job Creation**

Within the Economic Development Action Plan Areas, 2,530 more jobs created in the following business sections:

<b>1487</b> Distribution/Manufacturing	<b>77</b> Automobile Dealership
<b>399</b> Office/Healthcare	<b>567</b> Retail/Restaurant

**Capital Projects**

The City is investing in a variety of major capital improvement projects that are currently between the design-phase or under construction. All the projects will improve traffic flow in the community and advance economic development efforts. Together the capital improvement projects will be supporting 3,916 jobs in FY 2012/13.

More information can be found on the Community & Economic Development Department webpage at [www.moval.org/CEDD](http://www.moval.org/CEDD).

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**Speculative Development is Heating Up in Moreno Valley**

Interest in the Moreno Valley industrial market continues to heat up. Several major industrial development firms are pursuing speculative development projects to take advantage of the significant interest by business users. The following are just two examples of the development activity in Moreno Valley:

- The I-215 Logistics Center under development by



Trammell Crow Company (TCC) has pulled permits for its speculative 1.25 million square foot industrial building in the South Moreno Valley Industrial Area. The TCC project also includes a future 457,000 square foot building.

- USAA Real Estate Company is nearing completion of a 522,374 square foot building project in the Centerpointe Business Park.

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### **New Business Highlight**



The S Bar & Grill has opened as the second restaurant concept in Moreno Valley for the Lim family. Located in Sunnymead Ranch, S Bar & Grill provides an upscale sports bar environment with a casual menu.

The opening of S Bar & Grill is one of several new dining options becoming available to Moreno Valley- with Miguels Jr. and Chipotle coming soon.



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### **Spotlight on Moreno Valley Business**

"Spotlight on Moreno Valley Business" recognizes both large and small, corporate and independent businesses in the community. Most recently, the two businesses below were publicly recognized for their generous commitment to the Moreno Valley community:

#### **Waste Management**

Waste Management is one of North America's leading providers of comprehensive waste management services. Waste Management is also a major developer, operator and owner of waste-to-energy and landfill gas-to-energy facilities in the United States.

With a transfer station right in Moreno Valley, Waste

Management is a leading supplier of compressed natural gas (CNG) for energy efficient vehicles. Company representatives are very active in a number of community organizations and events.

### **Moreno Valley Mall**

Moreno Valley Mall delivers the ultimate shopping experience for Moreno Valley and surrounding communities.



Under new management the Moreno Valley Mall is working on plans to expand the 1.25 million sq. ft. regional mall to the north of Harkins Theatres, featuring new retail and restaurant opportunities.

The Mall features favorite shops for locals along with the national brands sought after by consumers, as well as a popular 16-screen, state-of-the-art theatre. Check out new additions including Round 1 Bowling & Amusement, Rue 21, Shellshock, Boba Express, and the Vanguard Art Gallery.

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World Logistics Center  
Boca, Victoria

MORENO VALLEY  
MVTV-3



Title:  
Length: WLC Draft EIR

CITY OF MORENO VALLEY  
MEDIA & COMMUNICATIONS  
951.413.3053  
WWW.MOVAL.ORG



MORENO VALLEY  
MVTV-3

Title: WLC Draft EIR  
Length:

CITY OF MORENO VALLEY  
MEDIA & COMMUNICATIONS  
951.413.3053  
WWW.MOVAL.ORG

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

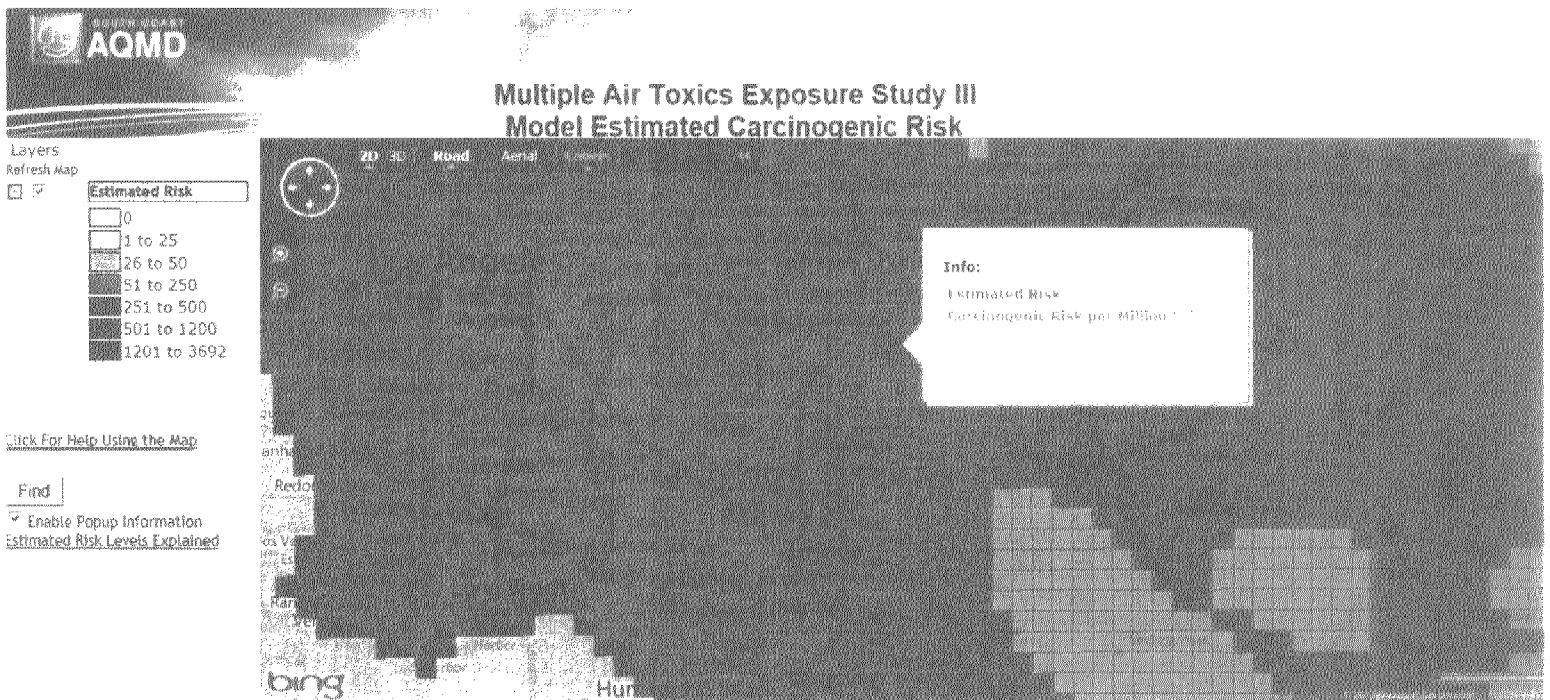
After being fully operational for more than a year the Skechers building is generating much less traffic than was forecast in its TIA or would have been forecast if the City's TIA guidelines had been followed (the original TIA used a different data source). The issue is specific to the logistics portion 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.

Below is the MATES3 graphic from the SCAQMD for their estimate of cancer risks. As for example risks,

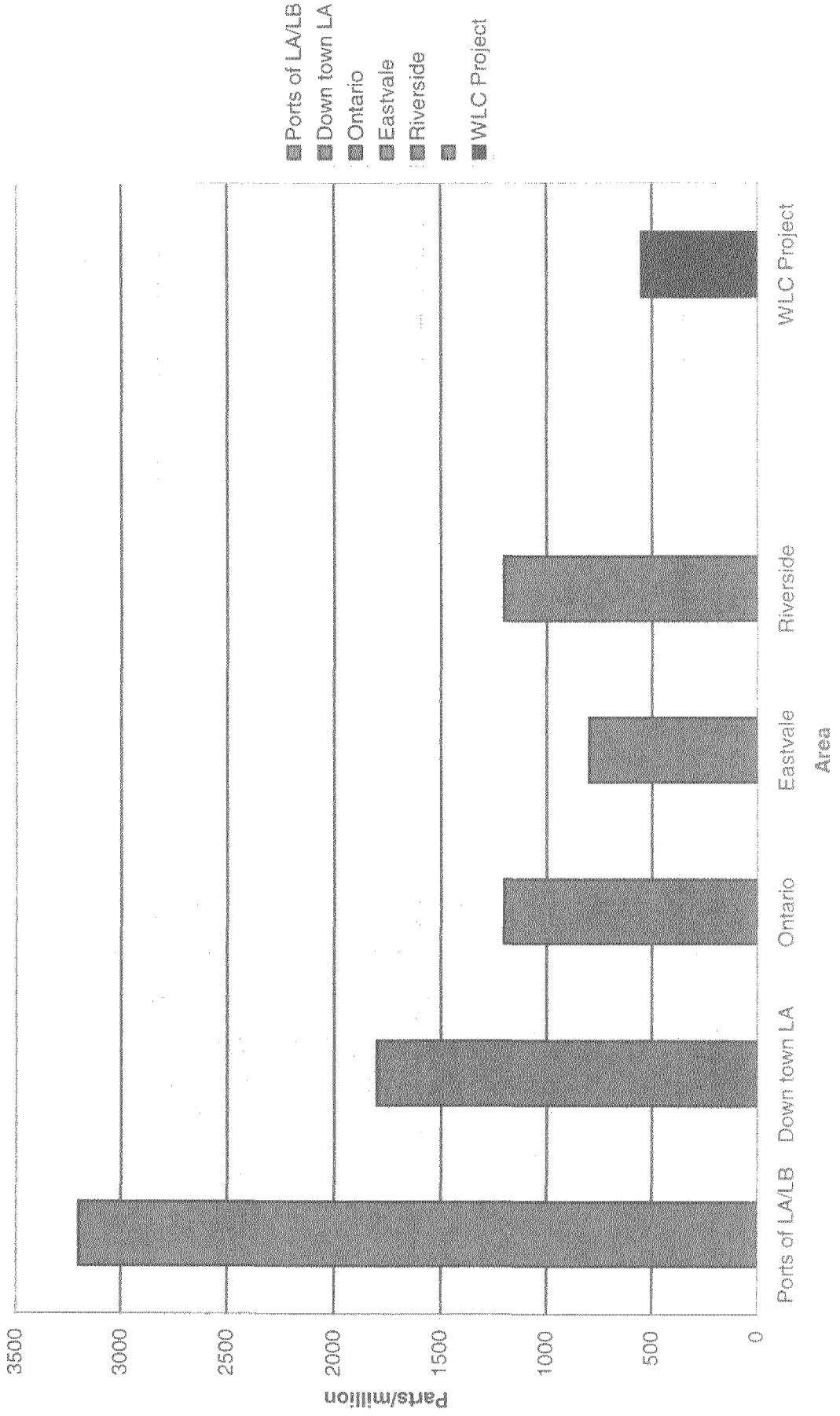
- Ports of LA/LB: 3000-3200 in a million
- Downtown LA: 1600-1800
- Ontario Area: 1000-1200
- Eastvale: 600-800
- Riverside: 1000-1200
- WLC Project Site: 450-550

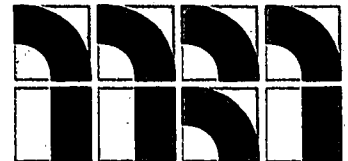
Again, please remember that these estimates are a snapshot of risks based on emissions in 2005 which are assumed to remain constant for the next 70 years. As we know, the ARB and others (e.g., ports) have implemented several control programs that have significantly reduced levels of diesel particulate matter despite increases in traffic in the region. My guess is that if you factor these emission reduction programs and estimate cancer risks over the next 70 years that factor in both emission reductions and increases in traffic volumes, the current estimates of risks would be at least 50 to 60 percent lower than shown in the attachment.

Vince



SCAQMD estimate of cancer risks





Michael Brandman Associates

February 25, 2013

Fresno  
559.497.0310

Irvine  
714.508.4100

Palm Springs  
760.322.8847

Sacramento  
916.447.1100

San Bernardino  
909.884.2255

San Ramon  
925.350.7733

**Subject: Updated Health Risk Assessment for the Skechers Logistics Warehouse in Moreno Valley, California**

The following health risk assessment (HRA) was prepared to provide an update to the HRA originally contained in the Corporate Park Environmental Impact Report (CPEIR) that was published in 2008 of which the Skechers USA warehouse was a major component. This updated assessment makes use of new information available since that time pertaining to actual measured amount of traffic that visits the Skechers warehouse each day as well as new information developed by the California Air Resources Board (CARB) regarding the amount of diesel emissions from large heavy duty trucks.

#### A NOTE ON CANCER RISKS

An HRA is a tool that is used to estimate the risks to human health associated with exposures to toxic air contaminants. These risks are generally expressed as cancer risks to the exposed population. It is important to first provide a context as to how cancer risk estimates are interpreted and estimated. Cancer risks are expressed as a probability since there is no minimum level of risk at which some health impact could potentially occur. Within the context of this HRA, cancer risk is expressed as the probability of an individual developing cancer due to exposures to toxic air contaminants from the operation of the Skechers warehouse out of a population of one million individuals. Thus, an individual calculated to have a cancer risk of 1 in a million implies a likelihood that up to one person out of a population of one million would contract cancer if exposed continuously (24 hours per day) over a lifetime of 70 years (assumed lifetime of the individual). This risk would be an excess the cancer risk that is in addition to any cancer risk borne by the person not related to the emissions from the Skechers operations. For purposes of expressing the significance of cancer risks from a project such as Skechers USA within the context of the California Environmental Quality Act, the South Coast Air Quality Management District (SCAQMD) has established a cancer risk significance threshold of 10 in one million that applies to a specific project such as the Skechers building.

As noted above, cancer risks are estimated assuming an individual is exposed to a source of toxic air contaminants 24 hours per day, 350 days per year over a lifetime of 70 years. It is extremely unlikely that any individual would be exposed under these assumptions given the mobility of individuals in California and the fact that people do not reside at their residence 24 hours per day. However, these assumptions are built into the methods that required to be used in estimating cancer risks and, therefore, provide conservative estimates of cancer risks (in terms of over-estimating cancer risks).

To provide a perspective to the SCAQMD cancer risk significance threshold of 10 in a million, Table 1 provides a sample of risks associated with causes of death or harm in the United States. As noted from this table, the risk of being involved in a motor vehicle accident, for instance, is approximately 1,136 times greater than the SCAQMD's cancer risk significance threshold.

**Table 1: Sample Causes of Death and Harm**

Cause of Death or Harm	Lifetime Risk	Risk (in a million)
Heart disease	1 in 4	250,000
Pneumonia	1 in 57	17,544
Motor vehicle accident	1 in 88	11,364
Criminal homicide	1 in 240	4,167
Accidental electrocution	1 in 4,000	250
Lightening	1 in 39,000	26
Commercial aircraft accident	1 in 40,000	25
SCAQMD Cancer Risk Significance Threshold	10 in 1,000,000	10
Plague	1 in 240,000	4
Anthrax	1 in 730,000	1
Shark attack	1 in 3,700,000	0.3
Source of lifetime risk for cause other than SCAQMD threshold <sup>1</sup>		

**SUMMARY OF THE UPDATED HRA**

Based on the new traffic and emission information, it was determined that the cancer risks from the operation of the Skechers warehouse were found to be less than 1 in a million. This level of cancer risk is less than the cancer risk significance threshold of 10 cancer risks in a population of one million established by the SCAQMD. This result contrasts with the conclusion contained in the CPEIR which showed a maximum cancer risk of 26 in a million from the Skechers operations. However, the cancer risk estimates contained in the CPEIR were based on a trip generation rate (e.g., amount of vehicle traffic) and diesel vehicle emission rates significantly higher than recent actual traffic counts made at the warehouse and diesel emission rates that are now approved for use in estimating diesel truck emissions.

**DISCUSSION**

Within the context of estimating 70-year lifetime cancer risks from the Skechers warehouse, two important pieces of information are necessary – number of daily diesel truck trips generated by the warehouse operations and the rate of diesel emissions from the operation of the warehouse's diesel trucks. Each of these pieces of information is discussed below as a prelude to the estimation of cancer risks from the Corporate Park/Skechers operations.

<sup>1</sup> Covello, V.T. 2005. A Journalist's Guide to Communicating Health Risk Numbers Effectively. Website: [www.phe.gov/emergency/communication/guides/media/documents/hhsmedisreferenceguidefinal.pdf](http://www.phe.gov/emergency/communication/guides/media/documents/hhsmedisreferenceguidefinal.pdf).

**Traffic Volumes**

Recent traffic count data were collected at the Skecher's warehouse in November 2012. These data provided actual hourly operational vehicle counts of automobiles and multi axle trucks entering/leaving the warehouse over a five-day period. Based on these data, the average total number of vehicle trips was found to be 1,021 trips per day for the Skechers operations amounting to a daily trip generation rate of 0.567 trips per thousand square feet and a total of 212 truck trips (two, three, and 4 and greater axle trucks). This compares to a total of 3,059 vehicle trips per day and 1,663 truck trips assumed in the original CPEIR/Skechers for a trip

generation rate of 1.68 daily trips per thousand square feet. Table 2 compares the diesel truck distributions assumed in the CPEIR/Skechers with the recent vehicle count data<sup>2</sup>. Of particulate relevance are the large differences in medium and heavy duty diesel truck trips. These two vehicle classes comprise essentially all of the diesel emissions from the Corporate Park/Skechers warehouse operations. Therefore, from this aspect alone, the original Corporate Park/Skechers HRA overstated the diesel truck volumes from the these two vehicle classes by a factor of 7.9 (1,366/173 = 7.9). This implies that that since diesel emissions are proportional to the number of diesel truck trips and cancer risks are proportional to the amount of diesel emissions, then cancer risks in the Corporate Park/Skechers EIR are overstated by factors of 7 to 8 compared to the actual measured Sketchers operations.

**Table 2: Comparison of Diesel Truck Volumes – Corporate Park EIR and Recent Traffic Counts**

Project	Diesel Truck Class <sup>(1)</sup> (vehicle trips/day)			
	LHDT	MHDT	HHDT	Total
Corporate Park/Skechers EIR	37	314	1,052	1,403
Recent Skechers Traffic Data	14	21	152	188
Ratio of Corporate Park to Recent Data	2.64	14.95	6.92	7.46
(1) The number of measured truck trips per day included both gasoline and diesel fueled vehicles; only the diesel portion of the truck trips were included in this assessment Ratio of medium-heavy and heavy-duty diesel trucks is 7.90  LHDT = light-heavy duty trucks MHDT = medium-heavy duty trucks HHDT = heavy-heavy duty trucks				

**Diesel Emission Factors**

In the Corporate Park/Skechers EIR, the diesel truck emissions were derived from the CARB EMFAC2007 mobile source emission model which was published by the CARB in 2006. In 2011, the CARB released an important update to the EMFAC model known as the EMFAC2011 model that contains updates to mobile source emission factors that account for the adoption of ARB's truck and bus rule. This rule significantly alters the current and future rates of diesel emissions from heavy duty trucks compared to the earlier emission factors. Table 3 compares the 70-year average diesel particulate emission rates assumed in the Corporate Park/Skechers EIR with the current 70-year average diesel particulate matter emission rates based on the updated EMFAC2011 emission model. As noted from this table, the diesel particulate emission factors used in

<sup>2</sup> The truck count data were separated into gasoline-fueled trucks and diesel-fueled trucks; only diesel-fueled trucks were included in this assessment.

the Corporate Park/Skechers EIR are about 3 times higher than the factors using the updated EMFAC2011 emission model.

**Estimates of Cancer Risk**

Updated estimates of cancer risks from the operation of the Corporate Park/Skechers warehouse were made using the actual operational traffic count information and updated diesel emission factors discussed earlier. The resulting risks were then compared to the risks that were estimated in the Corporate Park/Skechers EIR. The maximum cancer risks at any location outside of the Corporate Park fence line using the updated traffic and emission factors was found to be less than 1 in a million (0.9 in one million). This compares to the

maximum cancer risk of 26 in a million estimated in the Corporate Park/Skechers EIR. The estimates of the maximum cancer risks from the Skechers warehouse operations are summarized in Table 4. As noted therein, the maximum cancer risks estimated in the Corporate Park/Skechers EIR is about 29 times higher than the cancer risks based on new traffic and diesel emission data.

**Table 3: Comparison of Diesel Particulate Matter Emission Rates for Diesel Trucks**

CARB Emission Rate Model	Diesel Particulate Travel Emission Factors (grams/mile)			
	LHDT	MHDT	HHDT	Weighted Average <sup>(5)</sup>
EMFAC2007 <sup>(1)</sup>	0.051	0.298	0.218	0.231
EMFAC2011 <sup>(2)</sup>	0.036	0.053	0.083	0.076
Ratio of EMFAC2007 to EMFAC2011	1.42	5.62	2.63	3.04
CARB Emission Rate Model	Diesel Particulate Idle Emission Factors (grams/hour)			
	LHDT	MHDT	HHDT	Weighted Average <sup>(5)</sup>
EMFAC2007 <sup>(3)</sup>	0.793	0.816	0.287	0.419
EMFAC2011 <sup>(4)</sup>	0.257	0.129	0.130	0.140
Ratio of EMFAC2007 to EMFAC2011	3.09	6.33	2.21	2.99
Notes:				
(1) Used in the Corporate Park/Skechers HRA assuming an average over 2010 to 2080 and a vehicle speed of 10 mph				
(2) Assumes an average over 2012 to 2082 and a vehicle speed of 15 mph				
(3) Assumes an average over 2010 to 2080				
(4) Assumes an average over 2012 to 2082				
(5) Average weighted by the number of vehicle trips for each vehicle class				

**Table 4: Comparison of Cancer Risks from the Skechers Warehouse Operations**

Health Risk Assessment	Maximum Cancer Risk (risk per million)
Corporate Park/Skechers EIR	26
Updated Skechers Warehouse	0.9
Ratio of Corporate Park/Skechers to Updated Skechers Warehouse	28.9

As you can see from table 4 above, the cancer risk as asset for the Corporate Park/Skechers EIR indicates a risk that is almost 29 times more than the actual number.

Please feel free to contact me at [REDACTED] or [vmirabella@brandman.com](mailto:vmirabella@brandman.com).

Sincerely,

Vince Mirabella  
Senior Air Quality Scientist  
**Michael Brandman Associates**  
621 E. Carnegie Drive, Suite 100  
San Bernardino, CA. 92408





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

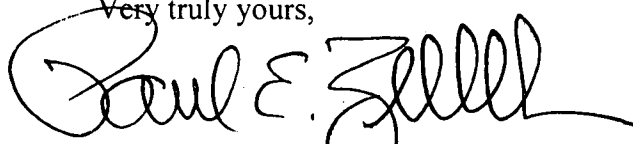
October 22, 2013

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  
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✓ Victoria Baca  
Moreno Valley City Council  
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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  
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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!!!

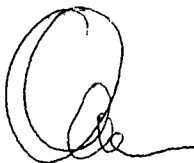
You currently have a key bunch of Department Heads that were hand-picked by Henry to make "things happen" on behalf of Iddo, the Sketchers owner and the Jerry Stephens' political association. Did you know Henry and the corrupt CC checks with "City Hall West" (Iddo's Office at Veterans and Calle San Juan) 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.

MV00232335

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, consisting of a large, stylized letter 'Q' followed by a smaller, less distinct signature.

C: United States Attorney  
Press Enterprise

CITY COUNCIL  
MORENO VALLEY  
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13 JUL 10 PM 5:41

## 5.0 OTHER CEQA TOPICS

Section 15126 of the *CEQA Guidelines* requires that all aspects of a project must be considered when evaluating its impacts on the environment, including planning, acquisition, development, and operation. As part of this analysis, the EIR must also identify (1) significant environmental effects of the proposed WLC project; (2) significant environmental effects that cannot be avoided if the proposed WLC project is implemented; and (3) growth-inducing impacts.

### 5.1 SIGNIFICANT ENVIRONMENTAL EFFECTS WHICH CANNOT BE AVOIDED IF THE PROPOSED WLC PROJECT IS IMPLEMENTED

Table 5.A illustrates the significant unavoidable impacts anticipated to result from the proposed WLC project, even with implementation of the project-specific mitigation measures identified in the Section 4.0 analysis.

**Table 5.A: Significant Environmental Effects Which Cannot Be Avoided**

Topic	Type of Impact	Impact
Aesthetics	Scenic Vistas	No feasible mitigation is available to mitigate for the direct impacts associated with the loss of existing viewsheds in the area.
Aesthetics	Scenic Resources and Scenic Highways	No feasible mitigation is available to mitigate the changes to existing viewsheds from SR-60 and from Gilman Springs Road, both considered local scenic roads by the City. However, with mitigation, these impacts are consistent with relevant General Plan policies regarding views in the General Plan.
Aesthetics	Substantial degradation of the existing visual character or quality of the site and its surroundings	No feasible mitigation is available to mitigate for the direct impacts associated with the substantial change in visual character from agriculture to high cube warehouse uses with building heights of 60 to 80 feet.
Aesthetics	Cumulative Aesthetic Impacts	The cumulative effect of development in the region will continue to result in the modification of existing viewsheds especially along SR-60. Construction of the proposed WLC project, in conjunction with other planned development, would contribute to the obstruction of existing views. There are no available mitigation measures to reduce this cumulative impact to a less than significant level.
Agricultural Resources	Loss of State Designated Farmland	No mechanism for the mitigation of impacts to the loss of 25 acres of Unique Farmland and/or existing agricultural operations has been enacted by either the City of Moreno Valley or the County of Riverside. Therefore, impacts associated with the conversion of State Designated Farmland remain significant and unavoidable.
Agricultural Resources	Conversion to a Non-agricultural Use	No feasible mitigation is available to mitigate for the direct impacts associated with the conversion of existing agricultural operations and loss of locally important farmland. Therefore, impacts associated with the conversion of farmland to a non-agricultural use remain significant and unavoidable.

**World Logistics Center Project  
Draft Environmental Impact Report**

**Table 5.A: Significant Environmental Effects Which Cannot Be Avoided**

Topic	Type of Impact	Impact
<b>Agricultural Resources</b>	Cumulative Loss of Agricultural Resources	The cumulative effect of development in the region will continue to result in the conversion of agricultural lands to non-agricultural uses. Construction of the proposed WLC project, in conjunction with other planned development within the cumulative study area, would contribute to the conversion of agricultural lands to non-agricultural uses. Therefore, cumulative impacts to agricultural resources would remain significant and unavoidable.
<b>Air Quality</b>	Construction Air Pollutant Emissions	Construction activities would result in exceedance of SCAQMD threshold for CO, NO <sub>x</sub> , PM <sub>10</sub> , and PM <sub>2.5</sub> . Even after application of mitigation measures, estimated air pollutant emissions during construction activities would remain significant and unavoidable for NO <sub>x</sub> , PM <sub>10</sub> , and PM <sub>2.5</sub> .
<b>Air Quality</b>	Architectural Coating Emissions	The amount of VOC generated per day during the application of architectural coatings would exceed the SCAQMD VOC threshold. Although the identified mitigation measures would reduce the amount of VOC generated, the SCAQMD threshold would still be exceeded. Impacts would remain significant and unavoidable.
<b>Air Quality</b>	Operational Air Pollutant Emissions	No feasible mitigation is available. Estimated air pollutant emissions during operation of the project will remain significant and unavoidable for ROG, NO <sub>x</sub> , PM <sub>10</sub> , and PM <sub>2.5</sub> .
<b>Air Quality</b>	Consistency with Air Quality Management Plan (AQMP)	The project will produce significant amounts of air pollutants on a daily and cumulative basis, both during construction and operation. Even with implementation of proposed mitigation, emissions will result in exceedances that are not consistent with implementation of the current AQMP.
<b>Air Quality</b>	Cumulative Air Pollutant Emissions	The Basin is in nonattainment for PM <sub>10</sub> and ozone at the present time. Construction of the proposed WLC project, in conjunction with other planned developments within the cumulative study area, would contribute to the existing nonattainment status. Therefore, the proposed WLC project would exacerbate nonattainment of air quality standards within the SCAQMD and contribute to adverse cumulative air quality impacts.
<b>Climate Change</b>	Cumulative greenhouse gas emissions	Project contributions to cumulatively considerable greenhouse gas emissions in excess of recommended SCAQMD standard.
<b>Land Use and Planning</b>	Divide an existing neighborhood (impacts on existing residences)	The site contains seven rural residences that cannot be effectively buffered against the impacts of adjacent warehouse buildings and operations (i.e., air pollution and health risks).
<b>Noise</b>	Operational Impacts to Surrounding Roadways	Residential land uses along a number of local roadways will experience noise levels that are projected to exceed City standards from project-related traffic. Potential noise attenuation improvements may not be physically or economically feasible due to building and roadway constraints.
<b>Noise</b>	Cumulative Noise Levels	Noise from project-related traffic and cumulative development will eventually exceed City noise standards and the project will make a substantial contribution to that cumulative impact.



**Table 5.A: Significant Environmental Effects Which Cannot Be Avoided**

Topic	Type of Impact	Impact
Transportation	Opening Year (2013) with Project Level of Service	If the improvements defined in <b>Mitigation Measures 4.11.6.1A</b> are constructed, then minimum level of service standards would be maintained for the opening year (2013) with-project scenario and study area intersections and impacts would be reduced to a less than significant level. Because improvements to the freeway roadways and infrastructure are under the authority of Caltrans, it is uncertain if improvements to these roadways would be constructed prior to project opening and impacts to these intersections would be significant and unavoidable.
Transportation	Opening Year (2013) Cumulative with Project Level of Service	If the improvements defined in <b>Mitigation Measures 4.11.6.2A</b> are constructed, then minimum level of service standards would be maintained for the opening year (2013) cumulative with-project scenario and study area intersections and impacts would be reduced to a less than significant level. Because improvements to the freeway roadways and infrastructure are under the authority of Caltrans, it is uncertain if improvements to these roadways would be constructed prior to project opening and impacts to these intersections would be significant and unavoidable.
Transportation	Interim Year (2017)	Study area intersections will experience Levels of Service in excess of accepted standards as development occurs through 2017. Because improvements to the freeway roadways and infrastructure are under the authority of Caltrans, it is uncertain if improvements to these roadways would be constructed prior to project opening and impacts to these intersections would be significant and unavoidable.
Transportation	Buildout Year (2023)	Study area intersections will experience Levels of Service in excess of accepted standards as development occurs through 2023. Because improvements to the freeway roadways and infrastructure are under the authority of Caltrans, it is uncertain if improvements to these roadways would be constructed prior to project opening and impacts to these intersections would be significant and unavoidable.
Transportation	Cumulative Traffic Impacts	Construction of the proposed WLC project, in conjunction with other planned developments within the cumulative study area, would contribute to the existing deficient levels of service on the existing roadway network. The improvements identified in <b>Mitigation Measures 4.11.6.1A through 4.11.6.3C</b> would reduce these cumulative impacts at deficient intersections to a less than significant level. However, since the affected freeway ramps and intersections are under the jurisdiction of Caltrans, neither the project proponent nor the City has control over the specific timing of when the improvements would be constructed. It is anticipated that such improvements would not be fully constructed by the opening year (2013) so these cumulative impacts remain significant and unavoidable until such time as the improvements are constructed by Caltrans, WRCOG, and the City of Moreno Valley through the TUMF process.

April 8, 2013

City of Moreno Valley Community and Economic Development Department  
14177 Frederick St.  
Moreno Valley, CA 92553

Gentlemen:

As directed by the Guidelines of the Draft Environment Impact Report for the World Logistics Center, persons wishing to make comments on the DEIR, must submit their comments, in writing, to the City of Moreno Valley Community and Economic Development Department by no later than the conclusion of the 60-day review period, or by 5:30 pm on Monday, April 8, 2013. These pages are to be considered such a written response to the request for comments, and will address comments on the following topics:

- A. Employee Density
- B. Wages
- C. Occupancy of the WLC
- D. Build Out
- E. Residency
- F. Job-Housing Ratio
- G. Trip Generation Rate
- H. Cerrell Effect
- I. Miscellaneous
- J. DEIR

Each of these comments is presented in the corresponding section of this document; i.e. Comment A is presented and discussed in Section A, Comment B in Section B, and so forth. All comments are to be assumed as individual comments, and, as such, each should be considered and answered individually.

This document is our personal opinion on a matter of great importance to Moreno Valley. Any negative comments are not intended as slander or defamation of any person or any organization, but are our opinions of the facts.

Thanking you for the opportunity of commenting the Draft Environment Impact Report for the World Logistics Center to be located in Rancho Belago, Moreno Valley, Ca., we remain,

Sincerely Yours,

Mr. & Mrs. H.W. Wolterbeek  
11521 Slawson Ave.  
Moreno Valley, CA 92557

CC: Emailed to [mvedcommunityforum@moval.org](mailto:mvedcommunityforum@moval.org)

A: **COMMENT: The number of employees/KSF quoted in the DEIR may be overstated by as much as 26%, and further employee/KSF information must be obtained before proceeding with Phase 2 of the WLC.**

A.1. In Appendix O of the DEIR, the *Fiscal & Economic Impact Study of the WLC document*, Table 4-A and Exhibit 3 of Appendix A, David Taussig & Associates (DTA) uses the employment metrics of **.50 employees/KSF** for Logistics (LD/LL) and **2.5 employees/KSF** for Retail. These amounts are given as sourced from the DTA Public Works Database, which, in turn, is said to be confirmed by "*Employment Density Study*" SCAP (2001), and "*Logistics Trends and Specific Industries*," NAIOP Research Foundation (March 2010).

A.1.a. The DTA Public Works Database seems to be a proprietary database, and its contents may not have been published for general research. If this is the case, then DTA must be faulted as using data which cannot be verified by the research of any person(s) wishing to comment of the validity of the information presented in the DEIR of WLC. Lack of access to this database prevented a validation of the assertion that the WLC would support .5 employees per KSF as stated in the DEIR.

A.1.b Table B-1 (Employment Densities (employees per acre) by Anderson Code) found in the SCAP source cited above ("*Employment Density Study*" SCAP (2001)) gives the value of 16.32 employees/acre for the Anderson Code of 1340 (Wholesaling & Warehousing). This, then, is equivalent to **0.37 employees/KSF**, which is 26% less than the .5 employees/KSF used by DTA in its employment metric for the WLC.

A.1.c The NAIOP source cited above ("*Logistic Trends and Specific Industries*") used inventory, employment and square feet per employee as identified through the Energy Information Administration Commercial Buildings Energy Consumption Survey for 1992, 1995, 1999, and 2003 (the most recent year available at the time of the survey).

A.1.c.(1) The NAIOP source qualified its research results by stating "the limitations of this research result from limited data availability for recent time periods and for more specific building types and characteristics." They continue by stating that "the uncertainty of employment projections, especially from the 2008 base year at the start of the recession, is also an important caveat."

A.1.c.(2). According to the research done for the NAIOP study, "the real estate inventory for logistics buildings (including refrigerated warehouses, non-refrigerated warehouses, distribution or shipping centers, self-storage and flex buildings of 50 percent or more

warehouse and storage activities) ranged from 11.4 billion to 10.1 billion square feet for the four available years of survey information between 1992 and 2003. Employment related to this inventory has ranged from 4.5 million to 6.2 million employees for the same years. The ratio of inventory to associated employment averaged 2,059 square feet per employee with no clear trend in direction, and was 2,241 square feet per employee in 2003, the most recent year." This converts to between **0.49 employees/KSF to 0.45 employees/KSF**.

A.1.c.(3). Attempts to verify this information in the NAIOP source document proved fruitless, since online access to the underlying Energy Information Administration Commercial Buildings Energy Consumption Survey for 1992, 1995, 1999, and 2003 database was unavailable. However, specific Tables and Summary Reports were accessible. Included below is a copy of Table 3 (Building Size Inventory and Employment for Logistics Buildings) from *"Logistics Trends and Specific Industries," NAIOP Research Foundation (March 2010)*.

A.1.c.(3).a. Table 3 of the NAIOP study is listed below. Note that this table has building size, inventory size, and number of workers.

**Table 3 of the NAIOP:**

<b>Building Size in Sq.Ft</b>	<b>Inventory in MSF</b>	<b>Number of Workers</b>
1,001-5,000	905	491,362
5,001-10,000	912	493,605
10,001-2,5000	208	961,104
25,001-50,000	1,048	602,526
50,001-100,000	1,494	646,284
100,001-200,000	1,162	454,007
200,001-500,000	1,322	377,733
500,001-1000,000	684	364,879
1000,000+	552	142,317

A.1.c.(3).b. There is also a table (Table B14, Part 2) in the EIA Summary Tables, (Floor space for Non-Mall Buildings, 2003) that included data for 10,078 buildings in the Principal Building Activity of Warehouse and Storage. This EIA Table is discussed in Section A.1.c.(4) below.

A.1.c.(4) Definitive data giving the number of workers per floorspace was not directly available in the EIA Summary Tables, however Table B14, Part 2 (Floorspace for Non-Mall Buildings, 2003) included the following data for 10,078 buildings in the Principal Building Activity of Warehouse and Storage:

**EIA Summary Table B14, Part 2, (Floor space for Non-Mall Buildings, 2003):**

<b>Building Size in Sq.Ft</b>	<b>Warehouse and Storage (MSF)</b>
1,001-5,000	895
5,001-10,000	868
10,001-25,000	2,064
25,001-50,000	1,043
50,001-100,000	1,494
100,001-200,000	1,162
200,001-500,000	1,322
Over 500,000	Q

A.1.c.(4).(a) These Tables allow direct verification that the information of the two tables probably came from the same source. In this case, the NAOIP Table probably came from an Energy Information Summary Table, or directly from the Energy Information Summary Data.

A.1.c.(4).(b). Note that this table does not include an estimate for the number of workers in these buildings, only the size of the building. (Note that the designation "Q" in the EIA table signifies that data was withheld either because the relative standard error was greater than 50%, or that fewer than 20 buildings were sampled.) Furthermore, even though verification of the number of workers in each

category of building, as stated in the NAIOP document, could not be obtained, it is possible that NAIOP had access to data not generally available to online researchers. However, the qualifier, "Q", above shows that for buildings over 500,000 Square Feet, the Energy Department considers its data "unreliable", and should not have been used by the NAIOP study.

A.1.c.(5) Attempts to verify the information regarding the number of employees in Table 3 of the NAIOP study (shown above) were unsuccessful because direct online access to the data for the Energy Information Administration (EIA) Commercial Buildings Energy Consumption Surveys of 1992, 1995, 1999, and 2003 was unavailable. However, the EIA did provide some summary tables online, and Table B1, from the EIA, provided the following data for the Warehouse and Storage Subcategory of Principal Building Activity:

**EIA Summary Table B1 , (Total and Means of Floorspace, Number of Workers, and Hours of Operation for Non-Mall Buildings, 2003):**

<b>Number of Buildings in Thousands</b>	<b>Total Floor Space in Millions Square Feet</b>	<b>Total Number of Workers in Thousands</b>	<b>Mean Square Foot Per Building in Thousands</b>	<b>Mean Square Foot per Worker</b>
597	10,078	4,369	17,000	2,306

A.1.c.(6) The EIA Reports indicate that the Mean Worker/KSF was .43 for buildings supporting warehouse and storage activities.

A.2. In summary, there exist several estimates for the number of warehouse workers per KSF for the Warehouse and Storage category. The DTA uses 0.5 employees/KSF based on its apparently proprietary database. DTA supports this number by referencing "Employment Density Study" SCAP (2001), which states that the number is 0.37 employees/KSF. DTA also states that its number is supported by referencing "Logistics Trends and Specific Industries," NAIOP Research Foundation (March 2010), which maintains that there are 0.45 employees/KSF. There does not appear to be a solid, reliable number for the number of employees per KSF for buildings greater than 500,000 Square Feet, and the number quoted in the DEIR may be overstated by as much as 26%.

- A3. A better determination of employees/KSF must be made to ensure that Moreno Valley managers can properly plan for the safety, security, and welfare of WLC employees, and for Moreno Valley citizens. It is imperative that more data be obtained before Moreno Valley proceeds with Phase 2.

**B: COMMENT: The annual wages/employee stated in the DEIR may be overstated by as much as 26%, and further information must be obtained before proceeding with Phase 2.**

B.1. In Appendix O of the DEIR, the Fiscal & Economic Impact Study of the WLC document, Table 4A states that the average wage of the WLC employees will be **\$42,341**.

B.1.a. The wage assumptions are as follows: 90% of all employees will earn \$41,229 annually, and 10% of all employees (the managers) will earn \$52,346 annually, giving an annual average wage of \$42,341.

B.1.b. Table 4A states that this data was obtained for warehouse and transportation workers from *U.S. Census Bureau, Longitudinal Employer-Household Dynamics Reports (California, 2010) for Riverside-San Bernardino-Ontario Metropolitan Area and Riverside County; confirmed by Bureau of Labor Statistics (May 2010)*.

B.2. Since Appendix O did not provide adequate specificity of the sources from which the data was drawn, it was impossible to verify the wage numbers.

B.2.a. References to the Census Reports and/or Bureau of Labor Statistical documents, just name the document, without providing any information as to the search criteria used for analysis, nor any specific table numbers or report page which may have been utilized. Appendix O did not define either the various labor codes that were used to arrive at the wage numbers, nor the probable number of workers in each of the various labor codes. This information is crucial in determining an accurate estimate of the average wage earned by the employees, as well as in determining the probability those workers will be located in Moreno Valley, and the potential impact on such items as sales tax revenue to Moreno Valley.

B.2.b. Therefore it was necessary to review the entire sourced document and resulted in the conclusion that the Fiscal and Economic Study was either based on erroneous information, or that the study's conclusions were based on an improper data set.

B.2.b.(1). The Census Bureau and the Department of Labor use different codes for the various labor categories. The Census Bureau data base was studied for the Warehouse and Transportation Category Group (Census Bureau codes 48 and 49) for the metropolitan area for Riverside and San Bernardino County in 2010.

B.2.b.(1).(a). The average wage for this category is listed as **\$38,463**.



- B.2.b.(1).(b). Note that this value is lower by approximately 10% from the \$42,341 value in Table 4A of Appendix O.
- B.2.b.(1).(c). The decision to use Category Groups 48-49 in the Census Database is valid since these categories are called "Transportation and Warehouse" within that database and Appendix O, Table 4A states that the Census Data was used for the category group "Warehouse and Transportation."
- B.2.b.(1).(d). The wage number \$42,341 was not reproducible using Census Data for Category Groups 48-49, hence it would appear that DTA did not use these Category Groups. If DTA used other Category Groups for data, it should have specified which Category Groups they were using.
- B.2.b.(2). However, note that the 48-49 Category Groups are, in reality, too broad for application to the WLC, since these categories include, for example, aircraft transportation workers, marine transportation workers, etc. The use of category groups in obtaining results from the Census database is too general. Consequently, it is assumed that DTA used more specific categories to obtain their results.
- B.2.b.(3). In addition, by using various category data, Appendix O should have included an estimate of the number of employees expected to work in the WLC in each category in order to determine a valid estimate of the annual wage.
- B.2.c. To determine a better estimate of the average annual wage for the WLC project, wage information from the 2010 Census (the same database used by DTA) for the metropolitan area of Riverside and San Bernardino County for the Census Code 4931 (the code specifically for warehousing and storage employees) was analyzed. This gave an average wage of \$33,504, approximately 21% lower than that stated in Appendix O.
- B.3. Data was then obtained from the Bureau of Labor Statistics in May 2012 (not May 2010) for the Standard Occupational Classification (SOC) Codes 53-0000 and 43-0000. (The different date of the report is not relevant for the purpose of this wage study since the

wages did not change by 20% between 2010 and 2012). The information was used since the data is more recent and therefore more relevant to Moreno Valley managers.

B.3.a The code 53-0000 was included since this category includes freight and stock material movers. (However, note that while this category group includes truck drivers, it also includes commercial pilots and boat captains.) The code 43-0000 was included since this group includes billing clerks, stock clerks and order clerks. (However, note that this category group also includes postal mail carriers, brokerage clerks and order clerks.)

B.3.b. The annual wage for the code 53-0000 was **\$33,940**. Observe that the wage quoted in this Bureau of Labor Statistics for heavy truck/tractor-trailer truck drivers (category 53-3032) was listed at \$44,610. Further refinement was obtained for category 53-6099 (generic transportation workers with an average annual wage of \$25,870), category 53-5071 (industrial truck and tractor operators with an annual wage of \$32,450), category 53-7061 (laborers and material movers with an annual wage of \$26,030, and category 53-7064 (packers and packagers with an annual wage \$24,080).

B.3.c. Similarly, the annual wage for code 43-0000 was **\$34,130**. Wages for this category were not refined since most of these wages average about \$30,000 to \$34,000, and are not sufficient to raise the average wages to the number quoted in the DEIR.

B.3.d. Note that most of the workers in the 43 and 53 labor standard category group classifications do not earn over \$40,000. It was not possible to duplicate the stated average WLC wages of \$42,341. Again, it must be stated that DTA must define the labor categories used in the WLC report and specifically should refine the data to include probable numbers of each category. If that cannot be done, than the data from the generic category groups 43 and 53 must stand as valid and that the estimate of \$42,340 in Table 4A of the Fiscal Impact Study is wrong.

B.4. The quarterly Publication of the University of California, Riverside, Volume 5, Issue 2, Summer 2012, states that the warehouse industry in the Inland Empire, hired about 114,000 workers in Riverside and San Bernardino counties in 2010. The document continues that most of these workers are Latino, of which half are immigrants. It states that most of these warehouse workers are temporary workers who lack benefits and are paid low wages, without benefits, and work in an unsafe and unhealthy environment.

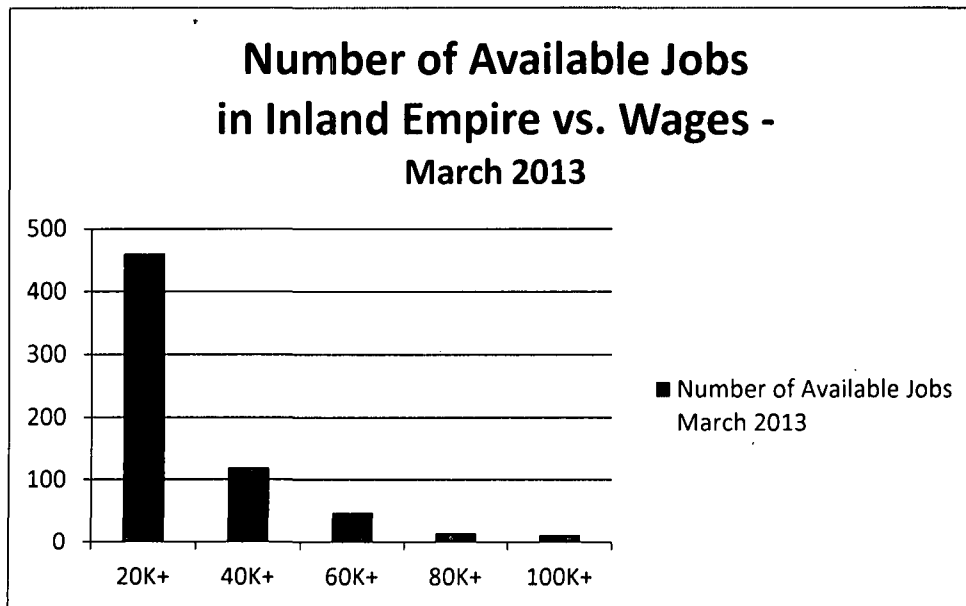
It also states that most of the region's warehouse workers are employed through temporary employments services. This study references information from Allen 2010, and Delara 2009. It further states that the median hourly wages (i.e. half of the workers earn less than this amount) in the Inland Empire range from \$9.11 to \$13.08. This implies an annual wage of **\$17,500 to \$25,000**. The UCR study also stated that

temporary workers are frequently paid less than this (41% of these blue-collar workers are paid less than \$10.50 per hour (Bonacich and DeLara 2009)).

B.5. In an attempt to test the validity of the premise that most workers at WLC will be earning wages of approximately \$20,000, an empirical data test (thought experiment) was performed on March 29, 2013, by the commentator. A data set of actual job openings in the warehouse/storage industry, within a radius of 25 miles of Moreno Valley, was obtained from the *Indeed.com* website.

B.5.a. The obtained data set resulted in 640 job openings with a wage distribution that included a typical wage distribution pattern that one might expect when setting up a warehouse. The data distribution should be considered typical of the WLC wage distribution in current dollars. The following table and chart summarize that data:

Wage Range	Number of Available Jobs March 2013
20K+	461
40K+	120
60K+	48
80K+	16
100K+	13



B.5.a.(1). The weighted average wage was calculated to be \$29,605. Note that the total number of available positions was 658. This is a

sufficiently large statistical sample to be considered a valid forecaster of the anticipated wage pattern of the WLC in current dollars.

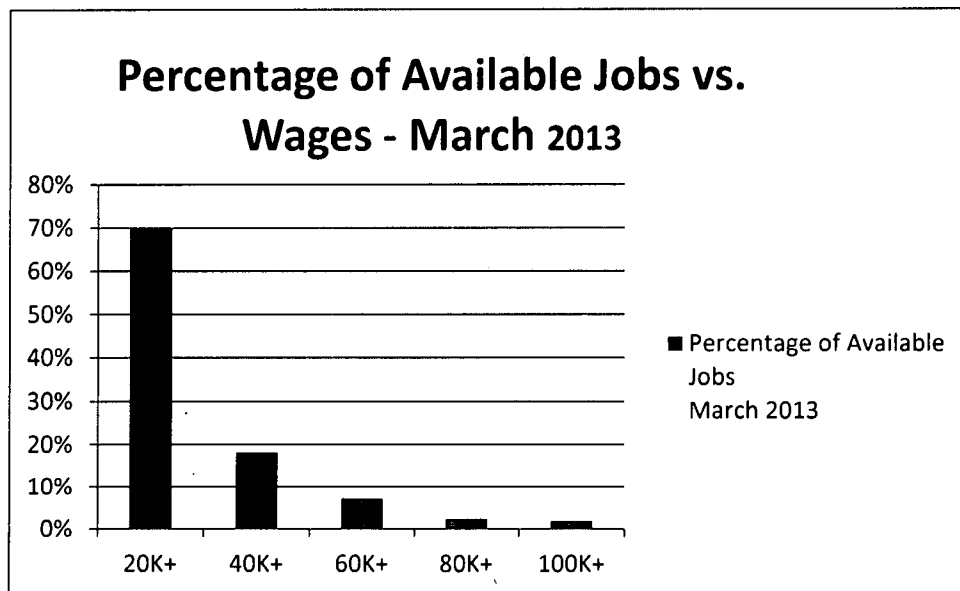
B.5.a.(2). A smaller subset was obtained from openings on that date in Moreno Valley. This is shown in the table below:

Wage Range	Number of Available Jobs March 2013
20K+	23
40K+	10
60K+	6
80K+	0
120K	1

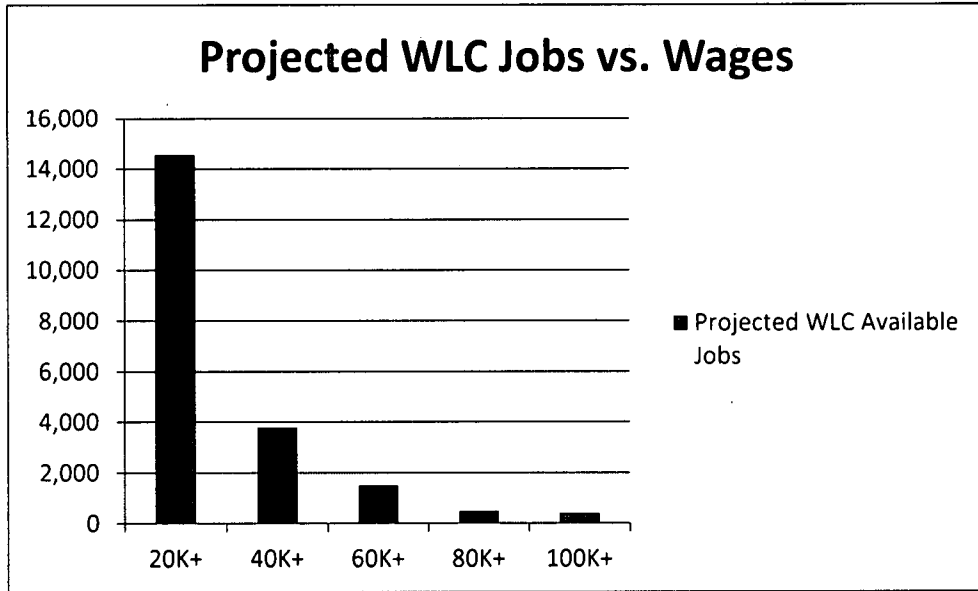
B.5.a.(3). Since it is very probable that most of this data was probably included in the data for openings within 25 miles, this data will not be counted separately, even though this data set has a higher mean wage of \$33,500.

B.5.b. Continuing with the empirical test, the ratio of job numbers versus wages can be applied to the projected WLC employment.

B.5.b.(1). The following chart shows the empirical test percentage data:

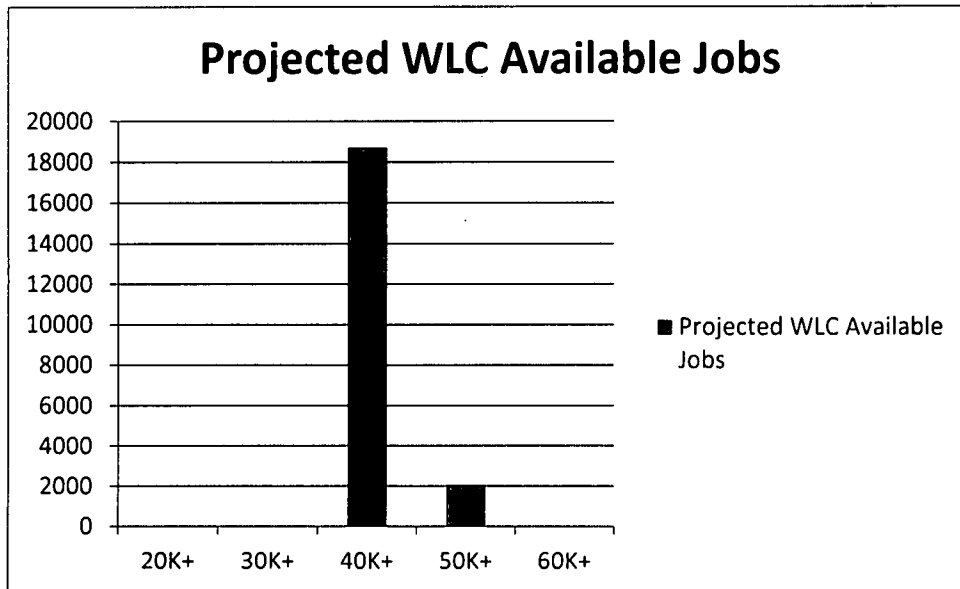


B.5.b.(2). Assuming that there are 20,808 actual jobs available in the WLC, and applying these percentages to the WLC employment projection, we have the following results:



B.5.b.(3). This gives an average projected wage for all WLC employees as **\$39,407**. However the majority of employees would be earning approximately **\$30,000** or less.

B.5.b.(4). The DTA wage breakdown, as taken from *Appendix O of the DEIR, the Fiscal & Economic Impact Study of the WLC document, Table 4A*, is provided in the following chart.



B.6. In conclusion it appears that the wage numbers for WLC workers in 2013 dollars is much less than \$42,341 as presented by Appendix O. Indeed, it appears from this analysis, as

well as from the empirical experiment, and from extrapolation from the UCR study that the annual wages/employee stated in the DEIR may be overstated by as much as 26%.

- B7. In order for Moreno Valley to better understand the true economic impact of the WLC on Moreno Valley, better wage information must be obtained before proceeding to Phase 2.

**C: COMMENT: The DEIR must include realistic projections of occupancy of the WLC over time. The projection must include considerations of fluctuations in the economic conditions of Southern California.**

C.1. The DEIR Fiscal and Economic Impact Study (Appendix O) assumes full occupancy for its validity. This is unrealistic. The following discussion shows that full occupancy of the buildings of Phase 1 will probably not be completed until the ninth year after the first buildings of Phase 1 begin to be occupied. The discussion shows that occupancy of Phase 2 buildings is not needed until the ninth year after the first buildings begin to be occupied. It is imperative that the DEIR include a realistic projection of the probable occupancy over time. This projection must include assumptions of economic conditions of Southern California as they may affect the WLC.

C.1.a. No project as large as the WLC can be fully occupied from day one. This is unrealistic. In addition, the DEIR does not include anticipations of the reasonable effects on the WLC of variations from the probable economic fluctuating conditions for the next 15 years.

C.1.b. Because the DEIR states that the WLC is aimed at Southern California markets, which in turn depend heavily on the health of the rest of the United States, the DEIR must address the potential economic effects of the Southern California economy on the occupancy rate.

C.1.c. It is imperative that the Moreno Valley City Council require that the DEIR be modified to include a realistic determination of the probable occupancy of the WLC buildings over the next 15 years.

C.2. The DEIR states that the WLC in Moreno Valley will consist of 41.6 million square feet of warehouse buildings, of which 41.4 million square feet will be devoted to high cube industrial warehouses. The minimum size of these high cube buildings will be 500,000 square feet.

C.2.a. For lack of further definition of the specific size of individual high cube buildings, the following analysis assumed that the WLC will have 80 tenants of 500,000 square feet and one tenant of 1.6 million square feet. This analysis will only address the occupancy rate of the 500,000 square ft buildings, and will not address the occupancy rate of the 1.6 millions square feet building.

C.2.b. The DEIR states that the First Phase of the build out, consisting of about half of the project, will be completed by 2017. The Second Phase of the build out is scheduled to be completed by 2022.

C.2.b.(1). The city and the owner of the WLC property will need to aggressively market those 80 buildings to tenants who not only can

afford the operational cost of a 500,000 square foot building in Moreno Valley, but also can set up the necessary logistics to make the buildings economically profitable.

C.2.b.(2). Several assumptions were made for a reasonable occupancy profile for the WLC.

C.2.b.(2).(a). The first assumption made was that even though Phase 1 is not completed until 2017, the project can receive the first tenants in 2015.

C.2.b.(2).(b). The second assumption was an equation for the probably occupancy rate of the WLC over time.

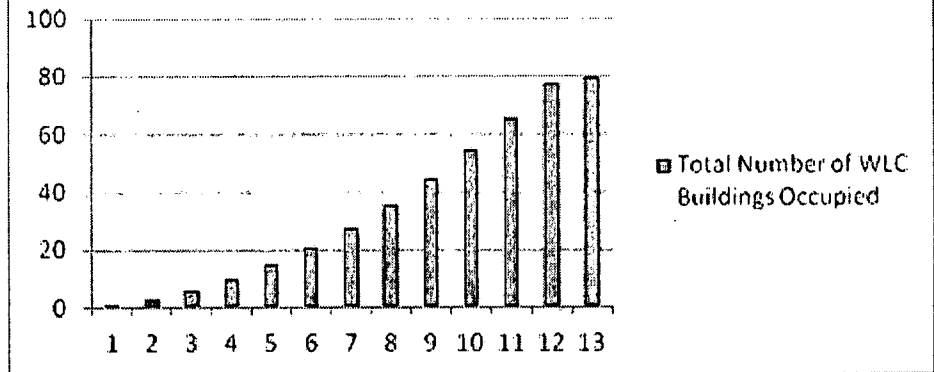
C.2.b.(2).(b).1. Assumptions of quadratic or exponential occupancy curves, for the occupancy rate over time discussion, appear unreasonable. Even a linear occupancy curve, where the number of buildings occupied is equal to 5.5 times the number of years after 2015, is unrealistic, since it is logical that it will be easier to find tenants once the WLC has buildings already occupied. That is to say that it is not logical to assume that the same number of new buildings will be occupied in 2026 as will be newly occupied in 2016.

C.2.b.(2).(b).2. Probably a more realistic assumption is a projection that the warehouse occupancy increases each year at a rate of  $[1+x]$  where  $x$  is 0 for the first year (2015), one for the second year (2016), etc., until full occupancy.

C.2.b.(2).(b).3. The following chart depicts such an occupancy rate.



### Total Number of WLC Buildings Occupied as a Function of Time of Buildout Beginning in 2015



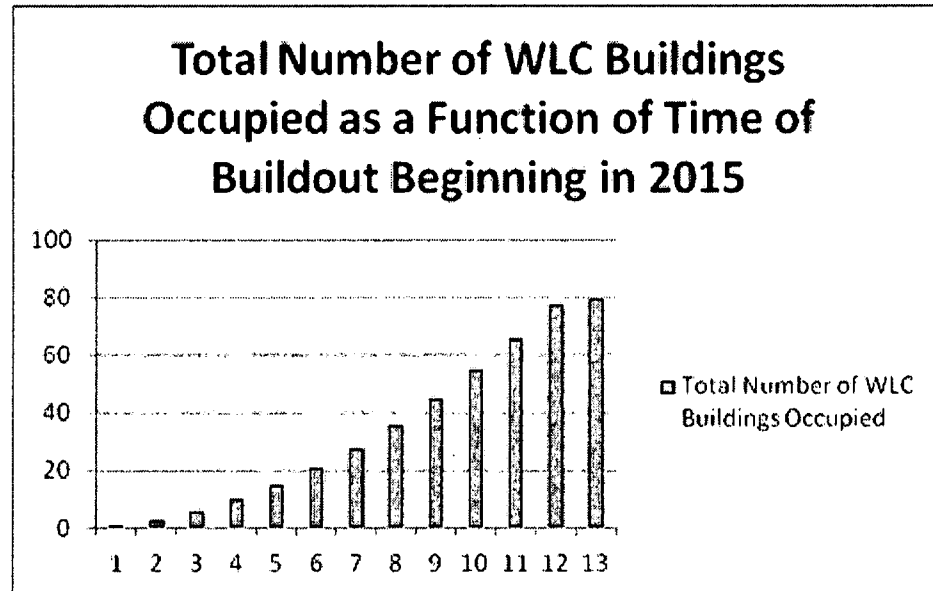
C.2.c. This graph shows the WLC build out as a function of time between 2015 and 2027, where 2015 is year 1, 2016 is year 2, etc.

C.2.c.(1). The graph shows that with this build out, the WLC will, assuming excellent economic conditions, be fully occupied in 2027. Note that this occupancy rate would be significantly affected if the nation's economy goes through one or more recessions. The effect of such recessions is not included in this analysis. The probability is very great that any economic slowdowns could extend the date of full occupancy well into the 2030's. This, therefore, implies that the WLC will probably have empty warehouse buildings well into the 2030's.

C.2.c.(2). The bar graph shows that the WLC will not reach full occupancy of the projected Phase 1 build out (40 buildings) until 2023. Note that in 2020, (year 6 in the above chart), approximately 20 buildings constructed in Phase 1 may be occupied. Or put another way, 20 buildings from Phase 1 may still be empty.

D: **COMMENT: Phase 2 build out does not need to start in 2017. The occupancy rate will be sufficiently low that Phase 2 can be delayed until 2021 or 2022.**

D.1. Comment C (above) discussed the projected occupancy of the WLC as:



D.2. This graph shows the WLC build out as a function of time between 2015 and 2027, where 2015 is year 1, 2016 is year 2, etc.

D.2.a. The graph shows that with this build out, the WLC will be fully occupied in 2027. Note that this occupancy rate would be significantly affected if the nation's economy goes through one or more recessions. The effect of such recessions is not included in this analysis. The probability is very great that any economic slowdowns could extend the date of full occupancy well into the 2030's. This, therefore, implies that the WLC will probably have empty warehouse buildings well into the 2030's.

D.2.b. The bar graph shows that the WLC will not reach full occupancy of the projected Phase 1 build out (40 buildings) until 2023.

D.3. Furthermore, this graph shows that since full occupancy of the projected Phase 1 build out (40 buildings) won't be reached until 2023, buildings from Phase 2 won't be needed until 2024. Therefore the **Phase 2 build out does not need to start in 2017**, but, indeed, can be delayed until 2021, even 2022.

**E. COMMENT: Moreno Valley must make concessions to prospective WLC occupants to induce the hiring of existing Moreno Valley residents, since non-Moreno Valley residents will not relocate to Moreno Valley, and thus will not reduce commuting.**

E.1. According to the DEIR (Page 57, Appendix L, Traffic), "One consequence of the existing imbalance between jobs and housing is that a large majority (70%) of Moreno Valley workers commute to jobs outside the city, and in many cases far outside the city. According to the U.S. Census Bureau, 21.7% of Moreno Valley workers currently commute more than 50 miles one way to work, and another 20.8% drive 25 to 50 miles one way. Nearly four out of five Moreno Valley workers drive to work alone. Since other Inland Empire cities have similar commute characteristics, the resulting transportation pattern is one of heavy westbound flows in the morning and eastbound flows in the evening, overwhelming the freeway system during peak commuting hours. Another consequence is the high cost of commuting both in terms of out-of-pocket expenses and reduced quality of life for the commuters and their families."

E.1.a. The DEIR implies that one consequence of bringing 20,000+ jobs to Moreno Valley is the decrease in commuting distances, thereby alleviating congested freeway traffic patterns.

E.1.b. The *Claremont McKenna College – UCLA Inland Empire Forecast, October 2012*, study states that workers that are more than 50 miles away from the Los Angeles county line are not concerned about employment in Los Angeles; instead they are concerned about jobs within 50 miles of their residence.

E.1.b.(1). It can be inferred from this study that most people will not relocate to another residence (closer to their place of employment) if the job is located within 50 miles from their home. This implies that workers at WLC whose residence is within a reasonable driving range (say 25 to 50 miles) from the WLC will not relocate and will not become Moreno Valley residents. Hence those employees

will not have any direct effect on traffic pattern changes.

E.1.b.(2). The DEIR (Page 21, Appendix O, Fiscal/Economic Impact) states that “because the Center does not involve a residential component, the jobs generated by the Center do not need to support new households as a result of direct or indirect employment.” This can be taken to imply that the DEIR agrees with the fact that most WLC employees will not relocate to Moreno Valley.

E.1.b.(3). It is necessary that Moreno Valley make concessions during discussions with potential occupants of the WLC, to induce those companies to hire Moreno Valley residents. This will help improve the Moreno Valley unemployment rate and help reduce traffic in Riverside County.

E.2. No evidence is given that simply by establishing 20,000+ new jobs in Moreno Valley at the WLC there will be any significant freeway traffic pattern changes due to commuting employees. In fact, the reverse is true, and there is a study (*Claremont McKenna College – UCLA Inland Empire Forecast, October 2012*), which indicates that employees will travel up to 50 miles one way for jobs.

F. **COMMENT: The DEIR needs to state explicitly that even though the WLC may improve the Job-Housing Ratio, it may not improve the job situation for Moreno Valley residents.**

F.1. Many Moreno Valley residents are of the opinion that the WLC will bring jobs to current Moreno Valley residents. While it is possible that some Moreno Valley residents will have jobs at the WLC, it is highly probable that most WLC jobs will go to non residents of Moreno Valley.

F.1.a. The DEIR (Page 21, Appendix O, Fiscal/Economic Impact) states that "at build out, the Center will significantly affect the Jobs-Housing balance". It is true that if Moreno Valley gets more jobs and if no new housing is built, then the ratio of jobs to housing improves from its current value. However, this ratio is deceiving for Moreno Valley residents, many of whom assume that this means that Moreno Valley residents will get the new jobs.

F.1.b. This is validated by the fact that when Sketchers shuttered several places in the Inland Empire in order to relocate to Moreno Valley, the new facility, apparently, hired only one more Moreno Valley resident.

F.1.b.(1). Mayor Stewart is quoted in a Press Enterprise article of February 1, 2012 that "he knows of one Moreno Valley man who was hired for an engineering job".

F.1.b.(2). In the same article, Moreno Valley's Economic Development Director Foster was quoted "that ...the last time I talked to them they said 600 jobs, and said a lot are coming from Ontario."

F.1.b.(3). The article also states that "Foster ... know[s] of no local recruitment events by the company".

F.1.b.(4). As discussed in Section D.1.a.(2) and D.1.a.(2).a., given above, **employees will travel up to 50 miles, one way, for jobs, and the establishment of 20,000+ new jobs in Moreno Valley, in the WLC, does not imply that these new position will be filled by Moreno Valley residents.**

F.2. The DEIR needs to state explicitly that even though the WLC may improve the Job-Housing Ratio, it may not improve the job situation for Moreno Valley residents.

F.2.a. Moreno Valley residents need to be educated on this fact by the Moreno Valley City Council.

F.2.b. While the Moreno Valley City Council cannot force occupants of the WLC to hire Moreno Valley residents, the city needs to make concessions during discussions with potential occupants

that will entice them to hire Moreno Valley residents. As noted above, Sketchers, apparently, did not attempt to hire Moreno Valley residents via recruitment events.

G: **COMMENT:** The Trip Generation Rate Parameter in the WLC is overly pessimistic for Traffic Data, and is questionable for Air Quality Data. The data from the DEIR is suspect and may result in improper mitigation measures. In order to evaluate the actual traffic impact and air quality impact, and thus determine the feasibility of implementing Phase 2, the developer should conduct Air Quality and Traffic Analysis Studies during, and after, build out of Phase 1, and continue while Phase 1 is being occupied.

G.1. A study was performed by Urban Crossroads in response to a request by Moreno Valley on the "NAIOP High Cube Warehouse Trip Generation Study", 2011. This report can be found in Appendix T, Urban Crossroads Peer Review of the NAIOP Study, 2011, of the DEIR. It included an excellent summary of various attempts to determine the trip generation rate (trips/1000 sq ft of warehouse or trips/KSF).

G.1.a. Many studies have determined different values for the parameter "trips/KSF", but only a few have included data for facilities greater than 500,000 square ft.

G.1.b The following table summarizes some of these studies, and provides some of the individual characteristics of the data set in these studies.

Source of Trip Generation Rates	Reference Number (See Bottom of Section)	Daily Trips/KSF	General Comments
2003 Fontana Study	1	1.97	4 Buildings >200,000 SF and 1 Building >500,000 SF**
2005 NAIOP Study	2	1.096	1 Building >200,000 SF and Two Building Totaling 800,000 SF**
2007 NAIOP Study	3	1.11	4 Buildings >500,000 SF and 9 Buildings approximately 300,000 SF**
2008 ITE, 8th Ed.	4	1.44	11 Buildings >500,000 SF and Occupancy Rate and Rail Accommodations Unknown**
2011 SCAQMD Study	5	2.59	2 Sigma Estimate and Not All Buildings in South California**
2011 NAIOP Study	6	0.99	31 Buildings > 500,000 SF**
2012 ITE , 9th Ed.	7	1.68	National Average Not Related to Southern California and Were Not Automated*
*Comment on 2012 ITE			Source: WLC DEIR
** Comment on other entries			Source: Urban Crossroads, 2012

G.2. All the data given in the table above was listed in a study by Urban Crossroads, 2012. In evaluating this data, it becomes clear that there is wide disagreement in the warehouse community regarding the selection of a valid trip generation value. All of the studies prior to 2011 used a very small statistical sample of buildings larger than 500,000 square feet. This is important since it appears to be self evident that buildings of that size have their own unique efficiencies and air quality generation characteristics. It appears that the older studies should be ignored.

G.2.a. The *2011 SCAQMD study* was meant to assess the greater pollution impact of the heavier trucks used by the larger warehouses. The study did include larger warehouses. The study is criticized by the Urban Crossroads study for presenting two sigma trip generation values.

G.2.b. The comment by the DEIR authors consider the *2012 ITE study* invalid for application to the WLC since the *2012 ITE study* included warehouses throughout the country, and because the study included non-automated warehouses. The unstated conclusion here is that the WLC is expected to contain only automated warehouses.

G.2.c. The *2011 NAIOP study* included 31 buildings greater than 500,000 square feet, but no smaller buildings were included. Even though this study seems to be appropriate for the use of traffic analysis for the WLC, the applicability of the *2011 study* to air quality effects cannot be evaluated at this point.

G.3. Consequently, the fact remains as to which value should be used for air quality assessments and traffic analysis.

G.3.a. The DEIR states that "a decision was made to use the *ITE* rate as a "worst-case" scenario for the WLC project, even though the author disagreed with the *ITE* result. Consequently, the value of 1.68 was used to evaluate both traffic impacts and air quality degradation.

G.3.b. The use of the number 1.68 for trip generation, for traffic analysis, appears to be too high. The number .99 from the *2011 NAIOP study* seems to be more relevant to traffic studies in the Inland Empire, since this study included the



traffic impacts on Inland Empire traffic from 31 buildings greater than 500,000 square feet.

- G.3.c. However, the use of the 1.68 parameter in air quality studies may or may not be sufficient. The question seems to be open as to whether the 1.68 value is appropriate or whether the 2.58 value (even though this seems to be a two sigma value) is better for Moreno Valley. Since the .99 value seems to be appropriate for traffic studies, which included heavy trucks, the value of .99 may be proper for air quality. More data is needed.
- G.4. There currently is no data available to help the City Council determine a true cost/benefit analysis based on the fact that some of the "cost" drivers are not just financial, but also social in nature.
  - G.4.a. It is important that the dual "cost" drivers on the environment and the traffic degradation be fully understood because each of these can cause the City, County, and State, to perform costly mitigation measures that are either inadequate or are "overkill".
  - G.4.b. For example, one valid question is whether air filters are measures needed for Moreno Valley schools? Similarly, are all anticipated traffic mitigation efforts really necessary? Each of these components has a cost impact to the City, County, or State.
- G.5. It is recommended that, as a condition for development, the WLC developer obtain and install appropriate traffic monitors at appropriate locations in Moreno Valley and Riverside County, and that the collected data be reviewed and used by proper government agencies to make appropriate decisions relating to traffic scenarios.
- G.6. It is recommended that, as a condition for development, the WLC developer obtain and install appropriate air quality monitors in the Moreno Valley area for use by the SCAQMD for evaluation of air quality degradation due to the WLC project.

**References:**

- 1) *Trip Generation Study (August 2003), Page 1*
- 2) *San Bernardino/Riverside County Warehouse/Distribution Center Trip Generation Study (2005)*
- 3) *Riverside County Warehouse/Distribution Center Vehicle Trip Generation Study (2007)*
- 4) *Trip Generation Manual (8<sup>th</sup> Edition 2008), Page 272*
- 5) *NAIOP High-Cube Warehouse Trip Generation Analysis (2010)*
- 6) *Large Warehouse and Distribution Center Trip Rates (SCAQMD 2011)*
- 7) *Trip Generation Manual (9<sup>th</sup> Edition 2012)*

H. COMMENT: The potential “Cerrell Effect” of the WLC will reduce the ability of Moreno Valley to attract high-paying jobs of the proposed Medical School of the University of California, Riverside, and will galvanize citizens to become politically active.

H.1. According to the 1984 report “*Political Difficulties Facing Waste-to-Energy Conversion Plant Siting*” by Cerrell Associates, Inc., the California Waste Management Board commissioned the consulting firm of Cerrell Associates to define communities that won’t resist siting of LULUs (Locally Undesirable Land Use). This was done to combat the offensiveness displayed by local citizens when a “trash dump site” was to be created in their neighborhood. Since then, the term “LULU” has evolved into an idiom connotating any land usage which the general populous considers as undesirable for the local community. And similarly, the “Cerrell Effect” describes the fact that proponents of some projects face the strong public opposition to these projects.

H.1.a. The Moreno Valley City Council, in conjunction with the WLC, is attempting to change the Moreno Valley Specific Plan to bring a LULU to this city. The added noise, pollution, and traffic which the WLC will bring to Moreno Valley is not in the interest of the citizens of Moreno Valley.

H.1.a.(1). By devoting a large portion of the city to warehouses, the City Council is condemning Moreno Valley to becoming a “lower class city”, where new residents will think twice before relocating, and the current residents will be looking to move “up in the world” to other cities. The City Council is creating a LULU.

H.1.a.(1).(a). Instead of enticing the graduates of the proposed Medical School of the University of California, Riverside Campus, to live and work in Moreno Valley, the City Council is saying that we are more interested in bringing 20,000 low-paying “blue collar” jobs to the city, with no guarantee that any of our local

businesses will see a real increase in long-term revenue.

H.1.a.(1).(b). The city is touting its plans for a large biotechnical research development within its borders. This goal will not come to fruition if the WLC is built. These developments will seek sites in more prestigious locales, like Redlands, Corona, or even Orange County. Instead of helping Moreno Valley grow, the LULU will keep the city a "small, blue-collar, town" with bad air and bad traffic

H.1.a.(2). And while the Moreno City Officials are eyeing the projected \$5 million in excess city revenue as a blessing which could be used to possibly increase city employee wages and benefits, and to build the city infrastructure, (i.e., a beautiful symphony hall or performing arts center, etc.), they are ignoring the fact that long-time residents want a respectful, safe, city, where their families can enjoy the good air and open environment.

H.1.b. Since the WLC will be offering jobs typically associated with low education, Moreno Valley runs the risk of seeing more homeless or poor immigrants coming to the city. This will increase the need of providing assistance in food and shelter for some. Charitable organizations, like the Salvation Army, currently are not getting donations to support the current need, let alone an increase caused by the LULU.

H.2. As the "Cerrell Effect" takes hold, more citizens of Moreno Valley will become vocal. Citizen Interest Groups will increase. More citizens will become politically active, and many will become motivated to seek election on the basis that they do not support the LULU. When the "Cerrell Effect" maximizes, current elected city officials may see their chances of re-election being minimized, and notice a real backlash from the voting public.

- I: COMMENT: If the Moreno Valley City Council elects to proceed with the build of Phase 1 of the WLC,
- a. It is recommended that the Council only approve Phase 1,
  - b. It is recommended that the Moreno Valley City Council not commit to any changes to the Moreno Valley Planning Document that would prevent the City from not continuing with Phase 2,
  - c. It is recommended that there be a data collection period of environmental, traffic, economic, and social data during the build out of Phase 1 and after the completion of Phase 1 for approximately three years,
  - d. It is recommended that another EIR be developed and evaluated in 2020,
  - e. It is recommended that the Moreno Valley City Council then use this second EIR before deciding whether to continue with Phase 2.

- I.1. There are many different values that can be used to estimate the number of truck trips and car trips at the WLC facility. It was observed during recent analysis that even studies from 2011 and 2012 give conflicting information on the expected number of trips/Kilo Square Foot or trips/KSF of warehouse space.

Since this figure is used to estimate the impact on the WLC traffic, as well as on the Moreno Valley air quality, a reasonable man would conclude that additional information is needed for Moreno Valley officials to properly assess the impact of the WLC on both air quality and traffic conditions. Arbitrary use of the number 1.68 will probably result in an overestimate of traffic impact, while its use in estimating air quality is uncertain.

- I.1.a. It is recommended that Moreno Valley require the developer of the WLC to obtain air quality sensors in Moreno Valley and traffic density evaluation sensors at appropriate locations around Moreno Valley beginning in 2013. It is further recommended that these sensors be operated by the developer for various government agencies, or that the developer turn these data sensors over to the appropriate government agencies.

- I.1.b. It is recommended that Moreno Valley and other government agencies collect and evaluate this data beginning in 2013, in order to determine better estimates for trip generations at the WLC during the build out of Phase 1, as well as during the beginning of occupancy of Phase 1 buildings. Since only a few buildings will be occupied in 2017, insufficient trip rate data during occupancy will have been collected by 2017. It is imperative that the data collection period be extended past 2017. Section D3 shows that delays of the build out of Phase 2 until 2021 or 2022 will not materially affect the occupancy of the WLC.
- I.1.c. It is recommended that another EIR be developed in 2020, in order to insure that Moreno Valley has good traffic data and environmental data from Phase 1 of the WLC, before continuing with Phase 2.
- I.2. The DEIR lists the probable number of employees per thousand square feet (KSF) as .5 employees/KSF.
  - I.2.a. The David Taussig & Associates (DTA) study of the fiscal and economic impacts, lists the DTA Public Works database as a basic source for its estimate of .5 employees/KSF at the WLC. This database was inaccessible for online review by this author, and is probably a proprietary database. If the database is not proprietary, this database should be an online database. If the database is online, the DTA document should have indicated the website for that database.
  - I.2.b. Reviews of the reference data sources indicate that the DTA value could not be verified. It is possible that the number may be as low as .37, or as high as .49
    - I.2.b.(1). It appears that a reasonable man might conclude that the attained value in the DTA study in the DEIR cannot be relied upon for estimates of the number of employees in the WLC.
    - I.2.b.(2). It is imperative that employment data must be collected once buildings begin to be occupied, to help insure that Moreno Valley officials can adequately plan for WLC impacts relating to economic, safety, and welfare. The collected data should be included in a subsequent EIR for the WLC.

- I.3. The DEIR is very optimistic in that all presented data in the document is based on a nearly 100 percent occupancy, without regard to the potential economic fluctuations in Southern California. This is unrealistic.

It is imperative that Moreno Valley obtain realistic estimates of the impact of economic fluctuations on the occupancy of the WLC. Recent history has shown that recessions can severely impact the economic health of Southern California, of the Inland Empire, and of Moreno Valley in particular. Even at this date, in 2013, the economic future of the Inland Empire is in question. It is imperative that any future EIR include an estimate of the probable effect on the WLC, and therefore, on Moreno Valley due to economic fluctuations.

- I.4. Phase 1 build out will be completed in 2017. During this phase, about 40 buildings of 500,000 square feet will be built. It is planned that another 40 buildings be built during Phase 2. The planned start date of Phase 2 is 2017; the planned completion date of Phase 2 is 2022.

An estimate was made of the probable occupancy of the 80 buildings of the WLC. This estimate indicated that the 40 buildings of Phase 1 will probably not be occupied until sometime in 2023. This indicates that Phase 2 does not need to be available for occupancy until sometime in 2023. Consequently, a delay of Phase 2 will not materially affect the marketing of Phase 2o buildings.

- I.5. It is recommended that there be a data collection period of environmental, economic, and social data both during the build out of Phase 1, as well as a period of approximately three years after the completion of the build out of Phase 1. It is important that such data be collected during the initial occupancy of the WLC buildings, and be included in the subsequent EIR.
- I.6. It is recommended that another EIR be developed and evaluated in 2020.
- I.7. It is recommended that the Moreno Valley City Council then use this second EIR before deciding whether to proceed with Phase 2.

J. COMMENT: The DEIR was an excellent report. Specifically, the traffic analysis was thorough and well done. The major weakness of the report was that some major conclusions were made on some old or proprietary data.