# APPENDIX M

## ECONOMIC IMPACT ANALYSIS (EIA)
## EMPLOYMENT/JOBS IMPACT ANALYSIS (JIA)
## FISCAL IMPACT ANALYSIS (FIA)
## STATEMENT OF POTENTIAL FOR URBAN DECAY

# Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management

## Drew Solar, LLC

Imperial County, California Projects

Economic Impact Analysis (EIA)
Employment (Jobs) Impact Analysis (JIA)
Fiscal Impact Analysis (FIA)
Statement of Potential for Urban Decay

Completed for:

**FINAL Report of Findings**
**February 21, 2019**

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Development Management Group, Inc.
economic development ■ fiscal & economic analysis ■ development management

February 21, 2019

Andy Horne, Deputy County Executive Officer
Natural Resources Development
County of Imperial
940 Main St., Suite 208
El Centro, CA 92243

**RE: FINAL REPORT OF FINDINGS ECONOMIC/EMPLOYMENT (JOBS)/FISCAL IMPACT ANALYSIS AND STATEMENT OF POTENTIAL FOR URBAN DECAY: DREW SOLAR, LLC PROPOSED PROJECT IMPERIAL COUNTY, CA**

Dear Mr. Horne:

On behalf of Development Management Group, Inc., I am honored to provide you with our independent analysis of the economic, employment and fiscal impacts of the proposed Drew Solar, LLC in Imperial County, CA. The purpose of this cover letter is to provide you with a brief explanation of each of the three analyses contained in this report and a summary. By review, the proposed project is a 100MW solar energy generation facility over approximately 763 acres.

An ***Economic Impact Analysis*** calculates the predicted impact to a community or region as a result of a project or activity. This includes all known direct (and indirect) expenditures as a result of both construction and operation for the projected life of a facility/project. With respect to the Drew Solar, LLC we have calculated that the economic impact to the Imperial County region will be approximately $109.14 million over the thirty (30) year life of the project (inclusive of both project construction and operations). By comparison, DMG, Inc. calculated the estimated economic impact of the current use of the subject property (field/grass crops and produce) over the same thirty (30) year period to be $80.34 million.

An ***Employment or Jobs Impact Analysis*** calculates not only the total amount of construction and operational jobs but also compares those jobs to those already in existence on the project site. Specific to the Drew Solar, LLC, the subject property has historically been used for hay/grass type crops. We have determined that the Drew Solar, LLC will generate the equivalent of 190 full-time one-year equivalent construction jobs over the first year (construction) and 4 full-time equivalent permanent jobs. By comparison the current use of the site (hay/grass type crops) produces about 5.5 jobs. When comparing both the direct and indirect permanent employment of agriculture versus utility (energy) production, the proposed use will generate a total of 14.36 permanent jobs while the current use creates 9.79 permanent jobs.

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We conclude that the proposed use of the site for solar energy production will generate about 4 or 5 more total (direct and indirect) permanent jobs as the current use. This is in addition to the 190 one-year equivalent FTE construction jobs that are projected during the first year (the construction period).

Finally, a ***Fiscal Impact Analysis*** calculates the amount of revenue a governmental agency is expected to receive and calculates the projected costs they will incur to provide appropriate services to both the project and the additional population/employment generated as a result of such. A comparative model is then produced in order to determine if the project is of economic benefit or cost to the government agency.

Development Management Group, Inc. has calculated that the Drew Solar, LLC will generate approximately $3.36 million in net local (county) tax revenue over the thirty (30) year life of the project. This is derived from an estimated $1.31 million in sales tax revenue and $2.05 in net property tax revenue.

It is projected that it will cost the County about $2.56 million to provide appropriate services to the project and related employment thus generating a projected surplus to the County of Imperial of about $802,000 over the thirty (30) year life of the project (subject to acceptance of the recommendations provided within the report). Note that this amount is based solely on the tax laws that are currently in place and does not include any amounts that may be received by the County under a Public Benefits Agreement or similar arrangement.

A complete report of findings along with a list of sources and detailed calculations are contained within the report that follows. We are prepared to answer any questions you may have about our work and conclusions. I can be reached at (760) 272-9136 or by email at michael@dmgeconomics.com.

Sincerely,

Michael J. Bracken
Managing Partner

## 1. Introduction

Development Management Group, Inc. (DMG) has been retained by the County of Imperial, California to provide an independent Economic Impact Analysis (EIA), Employment/Jobs Impact Analysis (JIA) and Fiscal Impact Analysis (FIA) for a proposed solar energy generation facility to be constructed within the County of Imperial, California. The project is scheduled to produce 100 MW of power. On approximately 763 acres of land.

This Employment Impact Analysis assumes all calculations in 2018-19 dollars as a base year with an appropriate adjustment for future years (see notes in exhibits for assumptions). The expected life of the facility is 30 years which is generally in line with the length of entitlements for these types of projects).

## 2. Contact Information for the County of Imperial, California

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## 3. Contact Information for Drew Solar, LLC

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## 4. Contact Information for Development Management Group, Inc.

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## 5. Statement of Contents:

31. Exhibit M: Projected Costs for County to Provide General Government Services to Population
32. Exhibit N: Projected Costs for County to Provide General Government Services to Project
33. Exhibit O: Consolidated Revenue Versus Expenses of Drew Solar, LLC Project to the County of Imperial
34. Exhibit P: Aerial Map of Proposed Project

## 6. Statement of Independence

The County of Imperial has provided a joint contractual obligation with Development Management Group, Inc. regarding independence of conclusions contained in this report. Therefore, neither project proponent (applicant) nor the County of Imperial (including those associated directly working on the entitlement process for the Drew Solar, LLC) have provided editorial comment or direction regarding the conclusions contained herein.

## 7. Scope and References of Analysis:

Development Management Group, Inc. has utilized information contained from the following sources in completing this analysis:

1. California Department of Conservation
2. California Department of Industrial Relations
3. California Economic Strategy Panel (RIMS II)
4. California Employment Development Department
5. California Energy Commission
6. California Independent System Operator
7. California Public Utilities Commission
8. California State Board of Equalization
9. California State Department of Finance
10. Confidential Sources (Unnamed Active Farmers)
11. County of Imperial, California
12. County of Kern, California
13. County of Riverside, California
14. County of San Bernardino, California

15. Development Management Group, Inc. (Guidance Memorandum Dated 2/22/12)
16. Drew Solar, LLC
17. Environics Analytics
18. Environmental Management Associates
19. Imperial County Farm Bureau
20. Imperial Irrigation District
21. Implan Group, Inc.
22. Regional Analysis & Information Data Sharing (Raidsonline.com)
23. The Hoyt Report
24. United States Bureau of Economic Analysis
25. United States Census Bureau (American Community Survey)
26. United States Department of Labor
27. Western Farm Press

## 8. Qualifications of Consultant

Development Management Group, Incorporated (DMG, Inc.) specializes in services related to economic development and redevelopment. Such services include site selection and analysis, economic development strategic planning and implementation, development management, market/development feasibility, economic analysis, entitlement/permit processing and project financing. DMG has completed over two-hundred (200) Fiscal and Economic Impact Analysis projects for both the private and public sector and serves as a contract economist for the Southern California Association of Governments.

Over the past fifteen (15), DMG, Inc. has assisted over five dozen companies with their site selection and entitlement/permit processing. These companies have created over 2,500 new jobs and invested tens of millions of dollars within the communities they are located. In addition, DMG, Inc. has assisted a number of public agencies and economic development corporations with economic impact analysis, strategic planning, marketing and other business recruitment projects creating the administrative and operational infrastructure to enable them to grow their economies.

The company founder, Michael Bracken, brings over 25 years of local, regional and state government experience in the fields of economic development, redevelopment, housing and sales and use tax administration. Before founding Development Management, Inc., Bracken completed four years as the President and Chief Executive Officer of the Coachella Valley Economic Partnership where he led a regional business recruitment team that generated over $90 million of economic investment for the Palm Springs Region of Southern California.

Bracken holds a Bachelor's Degree in Business Administration and a Master's Degree in Public Administration from The California State University San Bernardino (CSUSB). He co-designed CSUSB's Master's level course titled *Management of Local Economic Development*, which trains economic development professionals in business recruitment and effective use of financial and tax incentives.

He is also a former City Councilman and Vice-Chairman of a Community Redevelopment Agency providing unique and beneficial prospective to local governments.

## 9. Description of Economic Multipliers

There are two types of multipliers that are generally utilized by economists. These include spending multipliers and job creation multipliers. Simply stated, spending multipliers is the calculation of the number of times a dollar is expected to be spent through the regional economy. Economic multipliers differ based on the origination of that particular dollar. For example, labor multipliers are higher than material multipliers as labor dollars are paid directly to personnel and generally spent more locally. Dollars spent on materials (for example, construction materials) are more likely to leave the regional economy as they are used to pay suppliers located elsewhere.

Economists often provides the example of a gold mining town when describing the concept of economic multipliers. Imagine a gold miner with money paying various persons within the town for a place to sleep, equipment to mine, food and entertainment. The recipients of these dollars then utilize the money they received for their own purchases (including a place to sleep, supplies for their businesses, food and entertainment). Economic multipliers are the basis of understanding how a particular business or use will impact a regional economy.

There is disagreement between individual economists and government authorities regarding appropriate economic multipliers. More aggressive economists often argue for higher economic multipliers stating that dollars continually circulate through an economy. Conservative economists believe that multipliers are lower and that the circulation has an ending point (and therefore a new beginning point) in the spending cycle. In an effort to provide the greatest amount of accuracy to an analysis of this nature, Development Management Group, Inc. utilizes the RIMS II model, which most economists consider to be a more conservative estimate of economic multipliers.

The RIMS II model is based on work by the United States Bureau of Economic Analysis. DMG, Inc. is utilizing the latest RIMS II Model (dated 2007/2016). Use is also made of the California Economic Strategy Panel 2009. They published a study titled "Using Multipliers to Measure Economic Impacts". This publication looks at 473 industry types. In this report, earnings have an economic multiplier of between 1.40 (industries related to social assistance) and 7.59 (industries involving water transportation). Most economic multipliers are in the 2.00 to 2.50 range.

Employment multipliers help predict the number of additional jobs that are created elsewhere in the economy for each job of a certain type. For example, if a certain type of job (let's say one involving the retail trade which has a multiplier of 1.6312, for each job directly attached to retail, an additional .6312 (or 6/10) of a job is created elsewhere in the economy). DMG, Inc. applies the use of economic multipliers in the following pages to help present potential economic, employment and fiscal impacts.

## 10. Need for Renewable Energy Generation

As the Renewable Portfolio Standard (RPS) requirements continue to increase, so will investment in the region. California has essentially met the RPS standard of a minimum of 33% (SBX1-2) and is now working toward the implementation of SB350 which increases the RPS standard to 50% by 2030. Most recently (September 2018) California Governor Jerry Brown signed SB 100 into law, which sets the bar for California to generate 100% of energy through renewable sources by the year 2045.

The Imperial Valley Economic Development Corporation (IVEDC) and the County of Imperial sponsored the development of an Economic Development Strategic Plan in 2006. The plan, which has been adopted by IVEDC, the County of Imperial and most of the incorporated communities listed the recruitment of renewable energy generators as one of seven industries in which the region should focus its economic investment attraction efforts.

The plan won a statewide award from the California Association for Local Economic Development in 2007. For purposes of disclosure, Development Management Group, Inc. was the firm that produced the plan under contract with the County of Imperial.

## 11. Host Region, Location and Project Description

The County of Imperial, California (Imperial County) is located in the southeast corner of California. The population of the County is approximately 190,624 (2018 California Department of Finance) The California Employment Development Department (EDD) shows as of December, 2018 that the unemployment rate for Imperial County is 17.3% with 75,400 available in the workforce, 62,400 employed and 13,000 currently unemployed.

Drew Solar, LLC is proposing to construct a 100 MW photovoltaic solar energy generation facility in the Imperial Valley portion of Southern California The project would comprise the development of approximately 763 acres of land in areas that are generally described as portions of unincorporated Imperial County South of Interstate 8 near State Route 98 and Drew Road (about 8-10 miles West of the City of Calexico, California).

By nature, photovoltaic solar energy is only generated during daylight hours. The amount of power produced is variable depending upon certain weather conditions. This said, the following are rough estimates of power generated to give readers some sense of the potential of this project. It is estimated each megawatt (MW) of power will generate sufficient daytime electricity for approximately 325 homes. This means that it is reasonable to assume that the proposed facility will help generate daytime power for approximately 32,500 homes or about 114,000 people (at 3.5 persons per household).

The facility is scheduled to be built over a twelve (12) month period. It is anticipated that about 190 FTE construction jobs will be generated during the one-year construction period.

**The subject parcel numbers are provided below:**

052-170-056
052-170-037
052-170-031
052-170-032
052-170-039
052-170-067

Total Acreage: 762.8 (approximate)

## 12. Description of Analyses Contained and Limitations

Development Management Group, Inc. is presenting three types of analysis. These include an Economic Impact Analysis, an Employment or Jobs Impact Analysis and a Fiscal Impact Analysis. Each serves a distinct purpose in evaluating the overall economics of a project.

An ***Economic Impact Analysis*** is designed to provide calculations regarding the potential overall economic impact of a project for a region. It gives an understanding of the quantity of dollars that will flow through an economy as a result of a project. In the case of a solar energy generation project this includes such items as labor, construction materials, local purchases and operations. Additionally, calculations are presented regarding the amount of money that will be generated for governmental purposes (through taxes and fees). A combination of the two calculations (and associated multipliers) provides a full understanding of the potential economic impact.

An Employment Impact Analysis (or in this case what we term as a ***Jobs Impact Analysis***) provides calculations regarding the number of direct and indirect jobs that are generated as a result of construction and operation of the project. Additionally, it provides a comparison to the direct and indirect jobs that are currently in place as a result of existing land use(s).

Finally, a ***Fiscal Impact Analysis*** provides a financial picture of what it may cost a governmental authority (such as the County of Imperial) to provide essential goods and services to a community as a result of a specific development project and compares it to the revenue stream that is expected as a result of the same project. The consolidation of the two calculations provides a graphical analysis for which to determine if a project is fiscally viable for a governmental agency.

This report does have certain limitations, which are disclosed below:

1. Drew Solar, LLC has stated that their intention (if market conditions (demand and financing) prevail, is to build their project in (essentially) a single phase over twelve (12) months. That said, it is understood that they may be seeking a Conditional Use Permit (CUP) that would allow a number of years to complete build-out.
2. DMG, Inc. does not provide an analysis of a highest and best use of the subject property. Our analysis is limited to analyzing the current use and projected use.
3. DMG, Inc. does not provide civil engineering services or construction cost estimation. Therefore, to the extent that we recommend public improvement mitigation, we are able to provide a potential formula for use by a qualified civil or traffic engineer but not the calculations itself.
4. DMG, Inc. endeavors to utilize as much third-party data as possible, but as with any projection, certain assumptions must be made for which to provide appropriate calculations and conclusions.
5. DMG, Inc. recognizes that some of the data provided directly by the project proponent is considered proprietary in nature. This said, it is not completely possible to protect all such information in relation to completing this analysis without utilizing some of the specific numbers and calculations.

6. DMG, Inc. has copyrighted each and every page of this report. The purpose of the Copyright is to protect our analysis and report structure as it is considered intellectual property of DMG, Inc. This said, the County of Imperial does have unlimited use of this report (in Final Report status) for which to analyze the project, print/publish for public comment and make public policy decisions. Any use by any other person or entity of this analysis and/or system without the express written and/or licensed permission of Development Management Group, Inc. is prohibited.

## 13. Economic Impact Analysis (Exhibits A thru D)

### Construction and Operation

Drew Solar, LLC is anticipated to cost approximately $80.6 million (this includes the construction of 100 MW of production capacity, not including any (potential) battery storage). The costs are generally split into short term (construction) and long term (operational) impacts.

The construction phase of the project is scheduled to include the following types of expenditures:

1. Site Acquisition
2. Engineering
3. Project Management (including Overhead and Profit to an EPC)
4. Solar Energy Facility (farm itself including the equipment and labor)
5. Site Work (clearing & grubbing, grading and fencing)
6. Project Substation (for which to "collect" the energy and prepare it for transmission)
7. Interconnection Facilities (to take the power and "load" it onto power transmission lines)
8. Interior Roads & Landscaping
9. Operations Facilities

In terms of construction, the project is expected to generate about 190 full time equivalent jobs lasting about twelve (12) months. In total, about $20.1 million is projected in direct and indirect construction labor (this is exclusive of engineering, overhead, management and other professional hours scheduled through the EPC (EPC is an industry term meaning Engineering, Procurement & Construction). The economic multiplier for construction labor is 1.3223. This means that for each dollar spent on labor to

construct the facility it is anticipated that an additional 32 cents is spent within the economy as that dollar circulates. In total, it is projected that the economic impact of construction labor will be about $26.64 million.

Additionally, $60.45 million in material purchases are anticipated to construct the solar energy generation project and support facilities. Obviously only a small portion of the material purchases will come from within the Imperial Valley as such items as support beams (mounting posts) and the solar panels themselves are manufactured outside the region. DMG, Inc. has explored what materials may come directly from Imperial Valley vendors and we have determined that such items as aggregate and cement/concrete will likely come from within the region. Thus, for purposes of calculating the potential impact of the development of the project, we are estimating that 5% of the overall materials purchased may come from within the region. This would equate to about $3.02 million dollars being spent within the region on materials during the construction period. In applying an economic multiplier of 1.44 for construction material purchases, the overall economic impact of material purchases within the region is anticipated to be about $4.36 million over the same period.

Long term operational impacts will take the form of operational labor, facility security and maintenance. Information from the developer suggests some additional local material purchases to be made as part of the operation of the facility. It is estimated that the economic impact of material purchases (during the thirty (30) year life of the facility will have an economic impact of about $3.83 million on the regional economy.

At build-out there the solar facility will employ a projected full time equivalent of 4 persons. Over the life of the facility, operational labor is estimated to have a $35.38 million economic impact on the regional economy. It is also anticipated that there will be some additional contract services required for the operation and maintenance of the facility. Exhibit A provides the scheduled calculations along with scheduled and multipliers.

Finally, as the project developer is scheduled to lease the subject property, there is value to the lease payment dollars circulating through the economy. Considering about $28.6 million in direct land lease payments and an economic multiplier of 1.36, the value (economic impact) to the region is about $38.93 million over the life of the project.

It is calculated that the construction and operation of Drew Solar, LLC project will have an overall economic impact to the Imperial Valley Region of about ***$446.98 million*** over the thirty (30) year period of construction and operation.

## Conclusion Regarding Economic Impact to the Imperial Valley Region

Development Management Group, Inc. projects that the Drew Solar, LLC project will have approximately ***$109.14 million in economic impact to the regional economy*** over the thirty (30) year life of the project.

## Governmental Revenues

The Drew Solar, LLC will provide certain and specific tax revenues to the County of Imperial and other region-based taxing organizations. By way of background, California Law provides a property tax exemption for qualified solar energy systems. Below is the verbiage from the California Revenue and Taxation Code, section 73.

73. (a) Pursuant to the authority granted to the Legislature pursuant to paragraph (1) of subdivision (c) of Section 2 of Article XIII A of the California Constitution, the term "newly constructed," as used in subdivision (a) of Section 2 of Article XIIIA of the California Constitution, does not include the construction or addition of any active solar energy system, as defined in subdivision (b).

(b) (1) "Active solar energy system" means a system that uses solar devices, which are thermally isolated from living space or any other area where the energy is used, to provide for the collection, storage, or distribution of solar energy.

(2) "Active solar energy system" does not include solar swimming pool heaters or hot tub heaters.

(3) Active solar energy systems may be used for any of the following:

(A) Domestic, recreational, therapeutic, or service water heating.

(B) Space conditioning.

(C) Production of electricity.

(D) Process heat.

(E) Solar mechanical energy.

(c) For purposes of this section, "occupy or use" has the same meaning as defined in Section 75.12.

(d) (1) (A) The Legislature finds and declares that the definition of spare parts in this paragraph is

declarative of the intent of the Legislature, in prior statutory enactments of this section that excluded active solar energy systems from the term "newly constructed," as used in the California Constitution, thereby creating a tax appraisal exclusion.

(B) An active solar energy system that uses solar energy in the production of electricity includes storage devices, power conditioning equipment, transfer equipment, and parts related to the functioning of those items. In general, the use of solar energy in the production of electricity involves the transformation of sunlight into electricity through the use of devices such as solar cells or other solar collecting equipment. However, an active solar energy system used in the production of electricity includes only equipment used up to, but not including, the stage of conveyance or use of the electricity. For the purpose of this paragraph, the term "parts" includes spare parts that are owned by the owner of, or the maintenance contractor for, an active solar energy system that uses solar energy in the production of electricity and which spare parts were specifically purchased, designed, or fabricated by or for that owner or maintenance contractor for installation in an active solar energy system that uses solar energy in the production of electricity, thereby including those parts in the tax appraisal exclusion created by this section.

(2) An active solar energy system that uses solar energy in the production of electricity also includes pipes and ducts that are used exclusively to carry energy derived from solar energy. Pipes and ducts that are used to carry both energy derived from solar energy and from energy derived from other sources are active solar energy system property only to the extent of 75 percent of their full cash value.

(3) An active solar energy system that uses solar energy in the production of electricity does not include auxiliary equipment, such as furnaces and hot water heaters that use a source of power other than solar energy to provide usable energy. An active solar energy system that uses solar energy in the production of electricity does include equipment, such as ducts and hot water tanks, that is utilized by both auxiliary equipment and solar energy equipment, that is, dual use equipment. That equipment is active solar energy system property only to the extent of 75 percent of its full cash value.

(e) (1) Notwithstanding any other law, for purposes of this section, "the construction or addition of any active solar energy system" includes the construction of an active solar energy system incorporated by the owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. The exclusion from "newly constructed" provided by this subdivision applies to the initial purchaser who purchased the new building from the owner-builder, but only if the owner-builder did not receive an exclusion under this section for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to

the owner-builder, as described in subdivision (d) of Section 75.12. The assessor shall administer this subdivision in the following manner:

(A) The initial purchaser of the building shall file a claim with the assessor and provide to the assessor any documents necessary to identify the value attributable to the active solar energy system included in the purchase price of the new building. The claim shall also identify the amount of any rebate for the active solar energy system provided to either the owner-builder or the initial purchaser by the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, an electrical corporation, a local publicly owned electric utility, or any other agency of the State of California.

(B) The assessor shall evaluate the claim and determine the portion of the purchase price that is attributable to the active solar energy system. The assessor shall then reduce the new base year value established as a result of the change in ownership of the new building by an amount equal to the difference between the following two amounts:

(i) That portion of the value of the new building attributable to the active solar energy system.

(ii) The total amount of all rebates, if any, described in subparagraph (A) that were provided to either the owner-builder or the initial purchaser.

(C) The extension of the new construction exclusion to the initial purchaser of a newly constructed new building shall remain in effect only until there is a subsequent change in ownership of the new building.

(2) The State Board of Equalization, in consultation with the California Assessors' Association, shall prescribe the manner, documentation, and form for claiming the new construction exclusion required by this subdivision.

(f) This section applies to property tax lien dates for the 1999 -2000 fiscal year to the 2015-16 fiscal year, inclusive.

(g) The amendments made to this section by the act that added this subdivision apply beginning with the lien date for the 2008-09 fiscal year.

(h) This section shall remain in effect only until January 1, 2017 (since extended to expire December 31, 2024), and as of that date is repealed.

Essentially this means that the actual solar energy generation equipment is exempt from property taxes but there are elements of the project that are subject to property taxes. These include the land itself and non-solar equipment improvements to the land which includes such items as fencing, project substation, interconnection facilities and common service facilities. Such elements are scheduled in Exhibit B of this report.

It is estimated that the project will generate approximately $208,357 in gross property taxes per year (not including annual increases) at build-out (Year 2). This translates to over $7.61 million in gross property taxes over the thirty-year life of the project. Exhibit C provides the estimated property tax benefit to the County of Imperial (net to County of Imperial Property Taxes). Finally, Exhibit D provides a consolidated beneficiary chart to various County of Imperial entities which accounts for the approximately $2.05 million in property taxes that are estimated to be generated by the project from years 1-30.

Exhibit D provides the amount scheduled to be received by County of Imperial beneficiaries (County General Fund, Library and Fire). The Exhibit (D) also reflects that 46% of the funds previously allocated to the County General Fund have been recaptured as part of the Education Revenue Augmentation Fund).

The subject properties also include a number of add-on taxes (or benefit taxes) that were passed by local voters. Such add-on taxes benefit Calexico Unified, McCabe Union and Imperial Community College District (Imperial Valley College). Over the thirty-year life of the project, these add-on property taxes are projected to total about $1.27 million in direct dollars to the above-named organizations. Exhibit E provides a full allocation of all local property taxes by taxing agency.

The second revenue stream comes from Sales Taxes. In the State of California sales tax is applicable when construction materials are purchased by a construction contractor. An example would be a contractor that purchases roofing materials from a roofing supply company. At the time the contractor purchases the materials, he or she pays sales tax on the amount purchased. The point of sale is the place where the purchase was “principally negotiated” which is typically the location of the roofing supply business. The point of sale is important because local jurisdictions receive a portion of the sales tax collected.

In the case of a solar power generation facility that is scheduled to have hundreds of millions of dollars of materials, the point of sale provides substantial financial benefit to the retailer (supplier) of the materials. The following paragraphs provide guidance regarding the applicability of sales tax on solar equipment and the appropriate structure so that the County of Imperial may maximize its ability to receive financial benefit as the designated point of sale.

There are two (2) documents which are worthy of review and understanding relative to how sales and use tax can and should be handled for the Imperial County project. The first is Regulation 1521, which governs Construction Contractors and defines Construction Contracts. The second is Publication 28 entitled "Tax Information for City and County Officials" (relative to Sales and Use Tax). Both documents are available through the California State Board of Equalization.

Regulation 1521 states that photovoltaic panels (PV) are considered fixtures. Further, Drew Solar, LLC or anyone else that would be installing them on real property would be a Construction Contractor and the "retailer" of the product. This means that Drew Solar, LLC would be responsible for reporting and paying of sales and use tax to the State of California. A section under Regulation 1521 deals directly with Construction Contractors that are also the manufacturer of the product. Simply stated, there are various methods for which Drew Solar, LLC to determine the retail price or value of the product. Such methods are described in detail on Page 3 of Regulation 1521 (Measure of Tax: Determining Cost Price).

Sales and Use Tax applies to fixtures utilized in the construction process. The law provides the option for a Construction Contractor to obtain a "Sales Tax Jobsite Sub-Permit" that allows the reporting of sales and use taxes at the jobsite itself (rather than where the fixtures were purchased). Essentially this means that the County of Imperial (under the Jobsite Sub-Permit) would receive the maximum financial benefit of a project such as the one proposed by Drew Solar, LLC. Publication 28 Exhibits A and B provide greater detail as to both the qualification and application to obtain a "Jobsite Sub-Permit".

Essentially, at such time as construction commences, Drew Solar, LLC would simply file for a "Sales Tax Jobsite Sub-Permit for Construction Contractors (Exhibit A of Publication 28). Sales Tax will then be reported to the Board of Equalization and paid by Drew Solar, LLC. Since the Sub-Permit will be specific to the job site, the County of Imperial will receive the maximum amount of sales tax as the local entity. Below are some excerpts from Regulation 1521 reporting of sales and use tax for photovoltaic (PV):

**Regulation 1521**

This regulation describes how Construction Contractors are to report sales and use tax for Construction Contracts. First, Section 13 states, "A contract to furnish and install a solar energy system onto a structure or realty is a construction contract which involves furnishing and installing both materials and fixtures. A solar energy system is defined as any solar collector or other solar energy device that provides for the collection and distribution of solar energy and, where applicable, the storage of solar energy."

Subsection 13 (B) Fixtures: "Photovoltaic (PV) cells, solar panels and solar modules, including both solar thermal panels and solar electric PV panels, are considered fixtures when they are accessory to a building or other structure and do not lose their identity as accessories when installed. Examples of these types of solar panels include, but are not limited to, rack mounted solar panels installed on roofs and solar panels used in free-standing solar arrays." (DMG Analysis: The PV panels are deemed to be Fixtures under Subsection 13 (B))

**1521 (b)(2)(B)(1) In General**

In General, Construction Contractors are retailers of fixtures which they furnish and install in the performance of construction contracts and tax applies to their sales of fixtures.

**1521 (b)(2)(B)(2) Measure of Tax**

(a) In General, if the contract states the sale price at which the fixture is sold, tax applies to that price. If the contract does not state the sale price of the fixture, the sale price shall be deemed to be the cost price of the fixture to the contractor.

(b) Determining Cost Price. If the contractor purchases the fixtures in a completed condition, the cost price is deemed to be the sale price of the fixture to him or her and shall include any manufacturer's excise tax or import duty imposed with respect to the fixture prior to its sale by the contractor.

If the contractor is the manufacturer of the fixture, the cost price is deemed to be the price at which similar fixtures in similar quantities ready for installation are sold by him or her to other contractors.

(If neither of these sections fall within the general operating framework of Drew Solar, LLC, the Regulation goes further into other tests that can be applied to determine the sales price (which is applicable to sales and use tax).

**Sales Tax/Point of Sale Conclusions:**

1. PV is fixtures under Sales and Use Tax Law.
2. The Construction Contractor is the retailer of fixtures.
3. The retailer (Construction Contractor) is responsible for reporting and paying sales and use tax to the State of California
4. Where the Construction Contractor (retailer) is also the manufacturer, there are various methods of determining the sale price.
5. It is important that the contract between the Construction Contractor and Drew Solar, LLC clearly separate labor, materials and fixtures.
6. The Construction Contractor can apply for and receive a Job Site Sub-Permit from the State Board of Equalization, thus allowing the maximum financial benefit (sales and use taxes) to be allocated to the County of Imperial.

**Sales and Use Tax Designated for the County of Imperial:**

In total, the County of Imperial would receive a total of 2.5% of the cost or value of tangible personal property sold within the County. More specifically, the County will receive 2.5% of the cost or value of the photovoltaic panels installed on projects within its jurisdiction. Keep in mind that the sales tax rate in Imperial County is 8.00%. The following is a list of the breakdown of how the County receives 2.5%:

1: 1.00% local sales tax for County General Fund

2: .50% local health programs

3: .50% local public safety funding

4: .50%* Measure D Transportation Projects

* Measure D is a locally approved Transportation Funding in Imperial County. It is represented by a ½ of 1% additional tax placed upon taxable sales originating within the County. About 2/3 of the funds received are placed into a pool that is used for regional transportation projects throughout the region (across the seven cities) while the other 1/3 is available directly to the County of Imperial for transportation projects. Measure D is in addition to the .25% that is included as part of the general 1.00% sales tax listed above.

In terms of application to the Drew Solar, LLC, if the County of Imperial were to require as part of the Conditions of Approval (or similar project governing document) that the site location be designated as the "Point of Sale", the County of Imperial (and region through Measure D) will be the beneficiary of $1.31 million in sales tax over the construction period (Years 1-2). Drew Solar, LLC has indicated in the information provided to Development Management Group, Inc. that this in their intent. It is included in our analysis and will be part of our recommendations.

It is projected that the County of Imperial (and associated regional taxing agencies) will garner approximately $8.92 million in gross revenues (sales and property taxes) over the life of the project (Years 1-30). The accepted multiplier for dollars generated (and spent) by local governments is 1.6618 which mean that the overall economic impact of the tax revenue received by the County of Imperial and other taxing organizations is approximately $14.82 million over the thirty (30) year life of the project.

## 14. Impacts of Agriculture: Imperial County Economy (Economic and Jobs) (Exhibits F-L)

Exhibits F, G and H articulate the economic impacts of agriculture on the Imperial County economy based on the crop history on the site itself. Exhibit F calculates that over the last five years, an average of $912,025 of crops have been produced on the subject site. The crops vary significantly from year to year and include field/grass crops. Next, using the County of Imperial Agriculture Commission Crop Reports, we have calculated that over the last twenty (20) years, crop production (valley wide) has increased by an average of 4.57% per year. This figure (and calculation) is shown on Exhibit G.

Next, the thirty-year projected economic impact of agriculture (on the subject site) is calculated as Exhibit H. Utilizing the four-year site average as the Year 1 figure while applying an average increase of 4.57% annually and the RIMS II economic multiplier of 1.4269, the projected economic impact of agriculture on the subject site on the County economy is estimated to be $80.34 million over a thirty (30) year period.

The next portion of the analysis is to determine the impact on jobs as a result of the potential conversion of the subject property from its current use to solar energy production. Agriculture production has historically been the economic engine that drives the Imperial Valley. As of 3Q2018 it was estimated that 11.23% of the overall workforce was directly employed in agriculture (7,130 workers out of 60,100 that were employed). The mean hourly wage of all employees engaged in agriculture was reported to be $12.46. With a 30% benefit allowance, the estimated total average wage is about $16.20 per hour. Additional information regarding the agriculture industry is scheduled as part of Exhibit F.

Development Management Group, Inc. completed a potential comparison of agriculture use to a potential solar energy production use. The first model (Exhibit G) utilizes the concept of the "average agriculture use" meaning we modeled what the 763 acres would look like in terms of employment if it were producing a proportional mix all agriculture and livestock products in line with the 2017 Imperial County Agriculture Crop and Livestock Report.

Exhibit J (utilizing 2018 dollars) shows if the subject property were the "average farm" in the Imperial Valley with 763 production acres, it would likely employ 10.24 full-time equivalent employees based on the County average of about 1.34 per 100 acres. The average wage (all inclusive) of $33,692 would generate about $345,116 in annual payroll.

The economic multiplier for farming/agriculture wages is 1.5187. Therefore, the economic impact of the payroll is expected to be about $524,128 in the subject year. In terms of overall jobs, the economic multiplier for agriculture jobs is 1.396 meaning that for each job directly tied to agriculture there is approximately .3960 (or 4/10) of a job elsewhere in the economy. Therefore, if the subject site were the "average farm" in the Imperial Valley, we estimate that such farm would generate a total (direct and indirect) of 14.30 full-time equivalent jobs.

Exhibit K provides an analysis of the job and wage creation based on the farming history of the subject property. For purposes of analysis (and based on research) about 763 acres of the land has historically been used for hay/grass crops. The project site generates a total of about 5.5 total direct jobs and a payroll of 185,306 (year 1).

Applying the appropriate economic multipliers, the total jobs projected within the region as a result of agriculture operations is 7.68 (FTE) with payroll impact of $281,424.

The next model (Exhibit L) contemplates the payroll and labor (employment) impacts of the proposed use of the subject site for solar energy generation. The figures are significantly skewed in the first two years due to construction of the facility as it is anticipated that there will be 190 full-time equivalent jobs generated. This carries a jobs multiplier of 1.3223 multiplier. In terms of the overall impact of the wages paid to construction workers, the construction of the facility could have a $26.64 million impact on the regional economy during the first two years.

At build-out, the facility is reported by the project proponent to have four (4) permanent jobs. The anticipated payroll for the 4 positions at build-out is expected to be about $331,000 annually (Year 2 numbers). When calculating multipliers (1.6907 for utility related jobs) it is expected that the total economic impact on the regional economy from operational payroll will be about $559,000. In terms of the impact of the actual jobs (utilizing 2.4487 as a multiplier for utility jobs) it is anticipated that the region will experience 9.79 FTE jobs as a result of the development and operation of the proposed project.

Table 1 below graphically displays the comparisons for all of the exhibits presented and described.

Table 2

Comparison of Employment Impacts from Agriculture and Solar Uses

| ***Item*** | ***Historic Agriculture Use of Specific Site*** | ***Commercial Solar w/o Construction*** | ***Commercial Solar w/Construction*** |
|---|---|---|---|
| Construction FTE* | 0 | 0 | 190 |
| Projected Direct Jobs | 5.5 | 4 | 4 |
| Projected Total Jobs **/*** | 7.68 | 9.79 | 9.79 |
| Projected 20-Year Employment Impact | $7,561,974 | $17,609,952 | $44,254,297 |

*Construction FTE is total one-year equivalent

**Projected total jobs include both direct and indirect jobs based on RIMS II Modeling

*** Projected Total Jobs only include permanent jobs (average number of jobs over 20 years)

## 15. Fiscal Impact Upon the County of Imperial (Single Phase Development) Exhibits M-O

A Fiscal Impact Analysis was completed to determine if the revenues scheduled were sufficient for which to allow the County of Imperial to provide essential goods and services to the project site and the additional population within the County as a result of the construction and/or operation of the solar energy production facility. It is estimated that the County will receive a net of approximately $3.36 million in tax revenues over the thirty (30) year life of the project (net of $2.05 million in property tax revenue and $1.31 million in sales tax). This figure is a base figure for which to better understand the aggregate fiscal impacts of the proposed Drew Solar, LLC project on the County.

There are multiple ways of conducting a Fiscal Impact Analysis. DMG, Inc. has chosen to utilize the following assumptions/methodology:

1. Land in and of itself has very little call for service from the County of Imperial.
2. Persons employed (to construct, operate or secure) at the facility do require various general governmental services.
3. For purposes of evaluating the potential demand by persons for services, it is assumed that each full-time equivalent job (construction, operation or security) shall support an average countywide household size of 3.59 persons (meaning the employee and an additional 2.59 persons).
4. There is insufficient data to determine the level of specific police and fire services that may be required to service the site. A survey of the four counties in Southern California (Imperial, Riverside, San Bernardino and Kern) that do or may host a majority of the commercial solar energy production shows that there is not enough data to determine the number of calls for service for police or fire protection. Additionally, none of the outside counties has solar sites immediately proximal to an international border whereas the neighboring country is experiencing political, economic and public safety instability that may impact the overall security of the project.

To generate a Fiscal Impact Analysis, a schedule of costs for County of Imperial General Government Services was generated as Exhibit M. This was extrapolated from Schedule 8 of the 2018-19 County of Imperial "Actual Estimated" Budget as presented (and adopted) by the County Board of Supervisors on September 18, 2018. Exhibit M shows approximately $368.44 million for General Government expenditures by the County of Imperial. This equates to approximately $1,968 per person (based on a population of 190,624).

For purposes of disclosure, it is estimated that about 66% of the County General Fund comes from outside sources (State and Federal Government) while 34% of the revenues come from within the County (taxes and fees). Development Management Group, Inc. recognizes that the revenue climate (at the State and Federal level) is ever changing and in order to provide a conservative analysis, it is expected that new projects into the County provide sufficient revenue for which to support 100% of the costs (without expectation of additional reimbursement from State or Federal sources).

Utilizing project level data, we have generated a schedule that calculates the estimated costs to provide General Government services as a result of the proposed project. For example, in year 1, it is estimated that the 190 construction employees and 4 operational employees will generate a total population demand for government services of 696.4 persons. This equates to a need for $1,346,125 to be generated in County revenues for which to support this number of people. To adjust for inflation through the life of the project, the annual cost per person to provide General Government Services has been increased by 2.6033% per annum. This represents the average Consumer Price Index Adjustment for the last thirty (30) years (1988-2017).

In total, it is estimated it will cost the County of Imperial approximately $2.56 million over the thirty (30) year life of the project for which to provide General Government Services to the employees and their families/dependents. These calculations are found on Exhibit N.

Exhibit O provides a comparison on a year by year basis of the anticipated revenues to the County of Imperial as a result of the project and compares it to the anticipated expense to provide General Government Services to the employees and their families/dependents. The exhibit accounts for the approximately 2.5% of sales tax that is anticipated to be received along with an allocation of (approximately) 26% of the overall property taxes paid being available to provide General Government Services. It should be noted that a majority of property taxes paid go to taxing agencies other than the County of Imperial.

Analysis of Exhibit O shows that the Drew Solar, LLC will produce enough income in all years (construction and operation) to pay for the services needed by the people constructing and operating the facility. In fact, by the end of Year 30, there is an anticipated surplus of approximately $802,000. Essentially this means that the project does create sufficient local tax revenue (in the form of net to the County of Imperial property tax and sales & use tax) to support the level of services anticipated to be needed by the persons constructing and operating the facility.

## 16. Statement Regarding Urban Decay (as a Result of Drew Solar, LLC Energy Center)

The State CEQA Guidelines discuss and define the parameters for which the consideration of socioeconomic impacts should be included in an environmental evaluation. State CEQA Guidelines Section 15131 states that "economic or social information may be included in an EIR or may be presented in whatever form the agency desires." Section 15131(a) of the Guidelines states that "economic or social effects of a project shall not be treated as significant effects on the environment." An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus on the analysis shall be on the physical changes." State CEQA Guidelines Section 15131(b) also state that "economic or social effects of a project may be used to determine the significance of physical changes caused by the project." One example that has been used by others has been the physical division of a community if rail lines were installed thereby bisecting the community. It is possible that the impacts upon the community could be measured.

In recent years, California Courts have generally defined the term "urban decay" to mean the physical changes that a projects potential socioeconomic impacts could bring to other parts in a community. The case that brought the concept of urban decay to light is Bakersfield Citizens for Local Control v. City of Bakersfield (204) 124 Cal.App.4$^{th}$ 1184 in which the court set aside two EIR's for proposed Wal-Mart projects that would have been located less than five (5) miles from each other. This appears to be the first time the courts used the words "urban decay" rather than "blight". In essence, the courts ruled that the two (2) Wal-Mart projects could result in a chain reaction of store-closures and vacancies as a result of new retail growth that may or may not be supported by other changes in market conditions (i.e., the downtowns would become ghost towns because the Wal-Mart(s) moved the retail business away from the urban center).

Based on this case and work that DMG, Inc. (and others have completed relative to "urban decay" analysis), it appears that the core question to ask (and answer) are the following:

***Would the construction of the Drew Solar, LLC at the proposed site result in substantial and adverse physical changes to surrounding areas (i.e., will the project cause such a shift in the marketplace that other portions of the community become visually blighted "urban decay"?***

Commercial scale renewable energy projects (by their very nature) are built to generate power at a specific location to export it to another location for use by various consumers (residents and businesses). Each power generation facility is a stand-alone project that is built as a result of a contractual obligation (power purchase agreement) in which a power provider contracts with a power producer.

It can be argued that most (if not all) of the renewable power generation constructed in the Imperial Valley (Imperial County) over the last five years has been a direct result of action by the State of California Legislature commonly known as Renewable Portfolio Standard (RPS). The RPS has essentially created a new market or industry for renewable energy in the State of California.

It would appear as though power production (overall) is increasing faster than the general population which would create a situation on the surface whereby urban decay could be occurring elsewhere as a result of these new projects. This urban decay would be as a result of the new power projects coming on-line replacing other power generation sources.

DMG, Inc. concludes that said power generation facilities that are being replaced as a result of legislative action in California whereby it has been determined that the greater public good is being served by utilizing a larger percentage of renewable power generation sources (solar, wind and geothermal) than more traditional sources (namely coal and nuclear). This means that ***even if*** another non-renewable energy power generation facility in the Imperial Valley were being "put out of business" and the property were to become "visually blighted" that the decision of the legislature (again in which they determined the greater good for California is reached by a greater percentage of energy coming from renewable sources), that urban decay would not have occurred.

Further, the recent decision to close the San Onofre Nuclear Power Plant in North County San Diego means that a greater amount of overall power generation must be developed to replace the power that was being generated by that specific nuclear source.

We have further determined that the development of the Drew Solar, LLC WILL ***NOT*** cause physical blight (urban decay) because the facility is a stand-alone and will have its own contracts based on power purchase demand, meaning that there is not another commercial scale energy facility that will cease to operate as a result of the Drew Solar, LLC.

## 17. Recommendations Regarding Fiscal Impacts and Mitigation(s)

A. Development Management Group, Inc. recommends that the County of Imperial consider entering into a formal agreement that requires the project developer to provide certified (and independently audited) payroll records at the conclusion of the project to insure that craft hour estimates (provided by the developer) are accurate and to the extent that the actual craft hours exceeds the estimated craft hours that the County of Imperial is reimbursed for the cost of services needed to support the construction of the facility. If this is a mitigation measure that the County determines is viable, DMG, Inc. will assist the County in drafting the specific condition of approval appropriate to address this recommendation.

B. Development Management Group, Inc. recommends that the County of Imperial requires the applicant to have a qualified civil or traffic engineer calculate a) the average life of regional and surface streets from Interstate 8 and State Route 98 to the project site(s) b) the potential accelerated impact of street resurfacing based on the construction traffic (equipment and employees) over the first five (5) years of the project c) cost to resurface said streets d) calculate the proportional share for which Drew Solar, LLC should be responsible for as part of a direct mitigation payment to the County of Imperial prior to commencing construction. This recommendation is in the event that project construction will utilize surface streets outside of Interstate 8 and State Route 98.

C. Development Management Group, Inc. recommends that the County of Imperial require Drew Solar, LLC to enter into a specific cost reimbursement agreement for direct police and fire protection services whereas for each call made to the project site for such public safety services that the project is responsible for reimbursing the County of Imperial. Such agreement can be created using a "Contract Cities Service Rate" for both police (Sheriff) and fire protection services.

D. Development Management Group, Inc. recommends that the County of Imperial require Drew Solar, LLC to enter into a specific cost reimbursement agreement for direct judicial and prosecutory services whereas if a person(s) are tried in a court of law for potential crimes at the project site, that the project itself is required to reimburse the County for such costs.

E. Development Management Group, Inc. recommends that the County of Imperial require Drew Solar, LLC or any other landowner associated with the project sites (parcels) to enter into an agreement whereas the assessed land values shall increase by 2% per annum and non-solar improvements increase by 1% per annum irrespective of the Consumer Price Index or any other factor to insure that the County of Imperial and other regional taxing authorities receive the scheduled revenue contained within this analysis. Such agreement should contain a provision which prohibits said property owner(s) from appealing their assessed value for the duration of the project operation (or 30 years) whichever comes first. Agreement shall be in full compliance with Proposition 13 in all other aspects.

F. Development Management Group, Inc. recommends that the County of Imperial require the project developer through Conditions of Approval, Development Agreement or similar document to designate the project site as the "Point of Sale/Point of Use" in compliance with State Board of Equalization Regulation 1521 and file for a "Sales Tax Jobsite Sub-Permit for Construction Contractors" as outlined in State Board of Equalization Publication 28, Exhibit A.

G. Development Management Group, Inc. recommends that the County of Imperial enter into some type of agreement with the project proponent that recognizes the taxable material cost estimates contained in Exhibit A of this report and provides a formal guarantee (bond or otherwise) in order to provide greater certainty of these figures.

H. Development Management Group, Inc. recommends that the County of Imperial condition the project so that if solar energy generation equipment is replaced with new equipment after the original construction period (most likely for purposes of utilizing newer technology) that the project site again designated as the "Point of Sale/Point of Use" as to create an additional local tax funding source for the County of Imperial. This requirement is similar to Item E but extends said condition in such cases as a substantial portion of the solar equipment is "upgraded", "replaced" or “repowered”.

I. Development Management Group, Inc. recommends that the County of Imperial enter into some type of agreement with the project proponent that denotes that their non-solar improvements estimates are both correct and valid and that they (the project proponent) will guarantee that some minimum percentage of their proposed non-solar improvements will actually be placed into service. Information for this recommendation is contained in Exhibit B of this report.

J. Development Management Group, Inc. recommends that the County of Imperial receive a formal statement from the project proponent regarding local job creation specific to the permanent jobs. This will enable policy makers to better compare the job losses from agriculture land conversion to incoming jobs.

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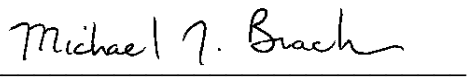
## 18. Certification

I certify that my engagement to prepare this report was not contingent upon developing or reporting predetermined results. The statements of fact contained herein and the substance of this report are based on public records, data provided by the Drew Solar, and other sources as described in the reference section of this report. This report reflects my personal, unbiased professional analyses, opinions and conclusions. If any of the underlying assumptions related to this report change after the date of this report (February 21, 2019), then the undersigned reserves the professional privilege to modify the contents and/or conclusions of this report.



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# Exhibit A

## Construction/Operational Economic Impacts: (Years 1-30)

## Drew Solar, LLC: Imperial County, California

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Short Term Economic Impacts** | | | | | | | | | | |
| Phase Size (MW) | 100 | | | | | | | | | |
| Construction Labor | $20,150,000 | | | | | | | | | |
| Economic Multiplier Rate | 1.3223 | | | | | | | | | |
| Economic Impact of Labor (Annually) | $26,644,345 | | | | | | | | | |
| Construction Materials | $60,450,000 | | | | | | | | | |
| Local Purchase Materials (%) | 0.05 | | | | | | | | | |
| Projected Purchase of Materials Locally | $3,022,500 | | | | | | | | | |
| Economic Multiplier Rate | 1.44 | | | | | | | | | |
| Local Impact (Annually) | $4,358,747 | | | | | | | | | |
| | | | | | | | | | | |
| **Long Term Economic Impacts** | | | | | | | | | | |
| Land Lease Payments | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 |
| Economic Multiplier Rate | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 |
| Local Impact of Land Lease Payments | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 |
| Operational Materials (Ongoing) | $400,000 | $420,000 | $441,000 | $463,050 | $486,203 | $510,513 | $536,038 | $562,840 | $590,982 | $620,531 |
| Local Material Purchase (10%) | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Projected Local Purchases of Materials | $40,000 | $42,000 | $44,100 | $46,305 | $48,620 | $51,051 | $53,604 | $56,284 | $59,098 | $62,053 |
| Economic Multiplier Rate | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 |
| Local Impact of Material Purchases | $57,684 | $60,568 | $63,597 | $66,776 | $70,115 | $73,621 | $77,302 | $81,167 | $85,226 | $89,487 |
| Operational Labor (PV Facility) | $315,000 | $330,750 | $347,288 | $364,652 | $382,884 | $402,029 | $422,130 | $443,237 | $465,398 | $488,668 |
| Economic Multiplier Rate | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 |
| Economic Impact of Labor (Annually) | $532,571 | $559,199 | $587,159 | $616,517 | $647,343 | $679,710 | $713,695 | $749,380 | $786,849 | $826,192 |
| Aggregate of Impacts (Annual) | $32,890,870 | $1,917,290 | $1,948,278 | $1,980,816 | $2,014,981 | $2,050,854 | $2,088,520 | $2,128,070 | $2,169,598 | $2,213,201 |
| Cumulative of Impacts (Cumulative) | $32,890,870 | $34,808,160 | $36,756,438 | $38,737,254 | $40,752,235 | $42,803,089 | $44,891,609 | $47,019,679 | $49,189,277 | $51,402,478 |
| | | | | | | | | | | |
| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| Land Lease Payments | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 |
| Economic Multiplier Rate | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 |
| Local Impact of Land Lease Payments | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 |
| Operational Materials (Ongoing) | $651,558 | $684,136 | $718,343 | $754,260 | $791,973 | $831,571 | $873,150 | $916,807 | $962,648 | $1,010,780 |
| Local Material Purchase (10%) | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Projected Local Purchases of Materials | $65,156 | $68,414 | $71,834 | $75,426 | $79,197 | $83,157 | $87,315 | $91,681 | $96,265 | $101,078 |
| Economic Multiplier Rate | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 |
| Local Impact of Material Purchases | $93,961 | $98,659 | $103,592 | $108,772 | $114,210 | $119,921 | $125,917 | $132,213 | $138,823 | $145,765 |
| Operational Labor (PV Facility) | $513,102 | $538,757 | $565,695 | $593,979 | $623,678 | $654,862 | $687,605 | $721,986 | $758,085 | $795,989 |
| Economic Multiplier Rate | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 |
| Economic Impact of Labor (Annually) | $867,501 | $910,876 | $956,420 | $1,004,241 | $1,054,453 | $1,107,176 | $1,162,535 | $1,220,661 | $1,281,694 | $1,345,779 |
| Aggregate of Impacts (Annual) | $2,258,985 | $2,307,058 | $2,357,535 | $2,410,536 | $2,466,186 | $2,524,620 | $2,585,974 | $2,650,397 | $2,718,041 | $2,789,067 |
| Cumulative of Impacts (Cumulative) | $53,661,463 | $55,968,521 | $58,326,056 | $60,736,592 | $63,202,779 | $65,727,398 | $68,313,372 | $70,963,769 | $73,681,810 | $76,470,876 |
| | | | | | | | | | | |
| | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
| Land Lease Payments | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 | $953,500 |
| Economic Multiplier Rate | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 | 1.3608 |
| Local Impact of Land Lease Payments | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 | $1,297,523 |
| Operational Materials (Ongoing) | $1,061,319 | $1,114,385 | $1,170,104 | $1,228,610 | $1,290,040 | $1,354,542 | $1,422,269 | $1,493,383 | $1,568,052 | $1,646,454 |
| Local Material Purchase (10%) | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Projected Local Purchases of Materials | $106,132 | $111,439 | $117,010 | $122,861 | $129,004 | $135,454 | $142,227 | $149,338 | $156,805 | $164,645 |
| Economic Multiplier Rate | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 |
| Local Impact of Material Purchases | $153,053 | $160,705 | $168,741 | $177,178 | $186,037 | $195,338 | $205,105 | $215,361 | $226,129 | $237,435 |
| Operational Labor (PV Facility) | $835,789 | $877,578 | $921,457 | $967,530 | $1,015,906 | $1,066,702 | $1,120,037 | $1,176,039 | $1,234,841 | $1,296,583 |
| Economic Multiplier Rate | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 | 1.691 |
| Economic Impact of Labor (Annually) | $1,413,068 | $1,483,721 | $1,557,908 | $1,635,803 | $1,717,593 | $1,803,473 | $1,893,646 | $1,988,329 | $2,087,745 | $2,192,132 |
| Aggregate of Impacts (Annual) | $2,863,644 | $2,941,950 | $3,024,171 | $3,110,504 | $3,201,153 | $3,296,334 | $3,396,275 | $3,501,212 | $3,611,397 | $3,727,090 |
| Cumulative of Impacts (Cumulative) | $79,334,520 | $82,276,470 | $85,300,641 | $88,411,145 | $91,612,297 | $94,908,631 | $98,304,906 | $101,806,118 | $105,417,515 | **$109,144,605** |

***Notes:***

Phasing is estimate based on DMG, Inc. research and information by Drew Solar, LLC

Land Lease Payments estimated at stabilized rate (no annual adjustment)

Material Purchases estimated to increase by 5% per annum

Operational Labor estimated to increase by 5% per annum

Multipliers based on RIMS II, Type 1 Categories 6, 7 & 48

# Exhibit B

## Governmental Revenues: (Years 1-30)

## Drew Solar, LLC (Imperial County, California)

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental Revenues | | | | | | | | | | |
| | | | | | | | | | | |
| Construction Phase | | | | | | | | | | |
| Construction Materials (Total Amount) | $60,450,000 | | | | | | | | | |
| Based 1% Local Sales Tax | $604,500 | | | | | | | | | |
| Public Health Allocation of Sales Tax .50% | $302,250 | | | | | | | | | |
| Public Safety Allocation of Sales Tax .50% | $302,250 | | | | | | | | | |
| Transportation-Regional Measure D Sales Tax (.50%) 33% to County | $99,743 | | | | | | | | | |
| Total Sales Taxes Collected by State for Benefit of County | $1,308,743 | | | | | | | | | |
| | | | | | | | | | | |
| Property Taxes (During Construction and Operation) | | | | | | | | | | |
| Current Assessed Valuation | $9,535,000 | $9,725,700 | $9,920,214 | $10,118,618 | $10,320,991 | $10,527,410 | $10,737,959 | $10,952,718 | $11,171,772 | $11,395,208 |
| Sub-Station (Non-Solar) Assessed Valuation | $4,000,000 | $4,040,000 | $4,080,400 | $4,121,204 | $4,162,416 | $4,204,040 | $4,246,081 | $4,288,541 | $4,331,427 | $4,374,741 |
| Improvements (Non-Solar) Assessed Valuation | $7,000,000 | $7,070,000 | $7,140,700 | $7,212,107 | $7,284,228 | $7,357,070 | $7,430,641 | $7,504,947 | $7,579,997 | $7,655,797 |
| Assessed Valuation of Improvements | $11,000,000 | $11,110,000 | $11,221,100 | $11,333,311 | $11,446,644 | $11,561,111 | $11,676,722 | $11,793,489 | $11,911,424 | $12,030,538 |
| Total Estimated Assessed Valuation | $20,535,000 | $20,835,700 | $21,141,314 | $21,451,929 | $21,767,635 | $22,088,521 | $22,414,680 | $22,746,207 | $23,083,196 | $23,425,746 |
| Projected Annual Amount of Property Taxes Paid to County | $205,350 | $208,357 | $211,413 | $214,519 | $217,676 | $220,885 | $224,147 | $227,462 | $230,832 | $234,257 |
| | | | | | | | | | | |
| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| Property Taxes (During Construction and Operation) | | | | | | | | | | |
| Current Assessed Valuation | $11,623,112 | $11,855,574 | $12,092,686 | $12,334,539 | $12,581,230 | $12,832,855 | $13,089,512 | $13,351,302 | $13,618,328 | $13,890,695 |
| Sub-Station (Non-Solar) Assessed Valuation | $4,418,489 | $4,462,673 | $4,507,300 | $4,552,373 | $4,597,897 | $4,643,876 | $4,690,315 | $4,737,218 | $4,784,590 | $4,832,436 |
| Improvements (Non-Solar) Assessed Valuation | $7,732,355 | $7,809,678 | $7,887,775 | $7,966,653 | $8,046,319 | $8,126,783 | $8,208,051 | $8,290,131 | $8,373,032 | $8,456,763 |
| Assessed Valuation of Improvements | $12,150,843 | $12,272,352 | $12,395,075 | $12,519,026 | $12,644,216 | $12,770,659 | $12,898,365 | $13,027,349 | $13,157,622 | $13,289,198 |
| Total Estimated Assessed Valuation | $23,773,955 | $24,127,926 | $24,487,761 | $24,853,565 | $25,225,446 | $25,603,513 | $25,987,877 | $26,378,651 | $26,775,950 | $27,179,893 |
| Projected Annual Amount of Property Taxes Paid to County | $237,740 | $241,279 | $244,878 | $248,536 | $252,254 | $256,035 | $259,879 | $263,787 | $267,760 | $271,799 |
| | | | | | | | | | | |
| | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
| Property Taxes (During Construction and Operation) | | | | | | | | | | |
| Current Assessed Valuation | $14,168,508 | $14,168,508.42 | $14,310,194 | $14,453,295 | $14,597,828 | $14,743,807 | $14,891,245 | $15,040,157 | $15,190,559 | $15,342,464 |
| Sub-Station (Non-Solar) Assessed Valuation | $4,880,760 | $4,929,568 | $4,978,863 | $5,028,652 | $5,078,939 | $5,129,728 | $5,181,025 | $5,232,836 | $5,285,164 | $5,338,016 |
| Improvements (Non-Solar) Assessed Valuation | $8,541,330 | $8,626,744 | $8,713,011 | $8,800,141 | $8,888,143 | $8,977,024 | $9,066,794 | $9,157,462 | $9,249,037 | $9,341,527 |
| Assessed Valuation of Improvements | $13,422,090 | $13,556,311 | $13,691,874 | $13,828,793 | $13,967,081 | $14,106,752 | $14,247,819 | $14,390,298 | $14,534,201 | $14,679,543 |
| Total Estimated Assessed Valuation | $27,590,599 | $27,724,820 | $28,002,068 | $28,282,089 | $28,564,910 | $28,850,559 | $29,139,064 | $29,430,455 | $29,724,759 | $30,022,007 |
| Projected Annual Amount of Property Taxes Paid to County | $275,906 | $277,248 | $280,021 | $282,821 | $285,649 | $288,506 | $291,391 | $294,305 | $297,248 | $300,220 |
| | | | | | | | | | | |
| **Total Projected Sales Taxes to the County of Imperial** | **$1,308,743** | | | | | | | | | |
| **Total Projected Gross Property Taxes to County** | ***$7,612,158*** | | | | | | | | | |
| **Total Projected Gross Income to the County of Imperial** | ***$8,920,900*** | | | | | | | | | |
| | | | | | | | | | | |
| ***Notes:*** | | | | | | | | | | |
| 1. Current Valuation is zero because land is owned by governmental entity (Imperial Irrigation District), Valuation Adjusted to $12,500 Per Acre (10 CAP) | | | | | | | | | | |
| 2. Construction based on 9 months total (100 MW facility) | | | | | | | | | | |
| 3. Non-Solar Improvements (Per Section 73 of R&T Code) include mix of fencing, O&M building, substation and gen-tie | | | | | | | | | | |
| 4. Non-Solar Improvements scheduled to increase in value 1% per year pursuant to DMG, Inc. Guidance Memorandum dated 2/22/12 | | | | | | | | | | |

**Exhibit C**

**County of Imperial Taxing Organization Benefit Chart**

**Drew Solar, LLC: Imperial County, California**

| *Taxing Entity* | *Tax Percentage* | *Year 1* | *Year 2* | *Year 3* | *Year 4* | *Year 5* | *Year 6* | *Year 7* | *Year 8* | *Year 9* | *Year 10* | *Total (Years 1-10)* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Standard Tax Allocation Land (1%)*** | | $9,535,000 | $9,725,700 | $9,920,214 | $10,118,618 | $10,320,991 | $10,527,410 | $10,737,959 | $10,952,718 | $11,171,772 | $11,395,208 | | |
| ***Non-Solar Improvements*** | | $11,000,000 | $11,110,000 | $11,221,100 | $11,333,311 | $11,446,644 | $11,561,111 | $11,676,722 | $11,793,489 | $11,911,424 | $12,030,538 | | |
| ***Total*** | | $20,535,000 | $20,835,700 | $21,141,314 | $21,451,929 | $21,767,635 | $22,088,521 | $22,414,680 | $22,746,207 | $23,083,196 | $23,425,746 | | |
| ***Base Level Property Tax Estimate*** | | $205,350 | $208,357 | $211,413 | $214,519 | $217,676 | $220,885 | $224,147 | $227,462 | $230,832 | $234,257 | $2,194,899 | |
| **County of Imperial-General Fund** | 0.36439363 | $74,828 | $75,924 | $77,038 | $78,169 | $79,320 | $80,489 | $81,678 | $82,886 | $84,114 | $85,362 | $799,807 | $7,694,504 |
| **County General Fund- Net of ERAF** | 0.19677256 | $40,407 | $40,999 | $41,600 | $42,212 | $42,833 | $43,464 | $44,106 | $44,758 | $45,421 | $46,095 | $431,896 | |
| **County Library** | 0.01375738 | $2,825 | $2,866 | $2,908 | $2,951 | $2,995 | $3,039 | $3,084 | $3,129 | $3,176 | $3,223 | $30,196 | |
| **Fire Protection** | 0.05593520 | $11,486 | $11,654 | $11,825 | $11,999 | $12,176 | $12,355 | $12,538 | $12,723 | $12,912 | $13,103 | $122,772 | |
| **Total County Property Tax Income (Net)** | | $54,719 | $55,520 | $56,334 | $57,162 | $58,003 | $58,858 | $59,727 | $60,611 | $61,509 | $62,421 | $584,864 | |

| *Taxing Entity* | *Tax Percentage* | *Year 11* | *Year 12* | *Year 13* | *Year 14* | *Year 15* | *Year 16* | *Year 17* | *Year 18* | *Year 19* | *Year 20* | *Total (Years 11-20)* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Standard Tax Allocation Land (1%)*** | | $11,623,112 | $11,855,574 | $12,092,686 | $12,334,539 | $12,581,230 | $12,832,855 | $13,089,512 | $13,351,302 | $13,618,328 | $13,890,695 | | |
| ***Non-Solar Improvements*** | | $12,150,843 | $12,272,352 | $12,395,075 | $12,519,026 | $12,644,216 | $12,770,659 | $12,898,365 | $13,027,349 | $13,157,622 | $13,289,198 | | |
| ***Total*** | | $23,773,955 | $24,127,926 | $24,487,761 | $24,853,565 | $25,225,446 | $25,603,513 | $25,987,877 | $26,378,651 | $26,775,950 | $27,179,893 | | |
| ***Base Level Property Tax Estimate*** | | $237,740 | $241,279 | $244,878 | $248,536 | $252,254 | $256,035 | $259,879 | $263,787 | $267,760 | $271,799 | $2,543,945 | |
| **County of Imperial-General Fund** | 0.36439363 | $86,631 | $87,921 | $89,232 | $90,565 | $91,920 | $93,298 | $94,698 | $96,122 | $97,570 | $99,042 | $926,997 | |
| **County General Fund- Net of ERAF** | 0.19677256 | $46,781 | $47,477 | $48,185 | $48,905 | $49,637 | $50,381 | $51,137 | $51,906 | $52,688 | $53,483 | $500,579 | |
| **County Library** | 0.01375738 | $3,271 | $3,319 | $3,369 | $3,419 | $3,470 | $3,522 | $3,575 | $3,629 | $3,684 | $3,739 | $34,998 | |
| **Fire Protection** | 0.05593520 | $13,298 | $13,496 | $13,697 | $13,902 | $14,110 | $14,321 | $14,536 | $14,755 | $14,977 | $15,203 | $142,296 | |
| **Total County Property Tax Income (Net)** | | $63,349 | $64,293 | $65,251 | $66,226 | $67,217 | $68,224 | $69,249 | $70,290 | $71,349 | $72,425 | $677,873 | |

| *Taxing Entity* | *Tax Percentage* | *Year 21* | *Year 22* | *Year 23* | *Year 24* | *Year 25* | *Year 26* | *Year 27* | *Year 28* | *Year 29* | *Year 30* | *Total (Years 21-30)* | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Standard Tax Allocation Land (1%)*** | | $14,168,508 | $14,451,879 | $14,740,916 | $15,035,734 | $15,336,449 | $15,643,178 | $15,956,042 | $16,275,163 | $16,600,666 | $16,932,679 | | |
| ***Non-Solar Improvements*** | | $13,422,090 | $13,556,311 | $13,691,874 | $13,828,793 | $13,967,081 | $14,106,752 | $14,247,819 | $14,390,298 | $14,534,201 | $14,679,543 | | |
| ***Total*** | | $27,590,599 | $28,008,190 | $28,432,791 | $28,864,528 | $29,303,530 | $29,749,930 | $30,203,861 | $30,665,460 | $31,134,866 | $31,612,222 | | |
| ***Base Level Property Tax Estimate*** | | $275,906 | $280,082 | $284,328 | $288,645 | $293,035 | $297,499 | $302,039 | $306,655 | $311,349 | $316,122 | $2,955,660 | |
| **County of Imperial-General Fund** | 0.36439363 | $100,538 | $102,060 | $103,607 | $105,181 | $106,780 | $108,407 | $110,061 | $111,743 | $113,453 | $115,193 | $1,077,024 | |
| **County General Fund- Net of ERAF** | 0.19677256 | $54,291 | $55,112 | $55,948 | $56,797 | $57,661 | $58,540 | $59,433 | $60,341 | $61,265 | $62,204 | $581,593 | |
| **County Library** | 0.01375738 | $3,796 | $3,853 | $3,912 | $3,971 | $4,031 | $4,093 | $4,155 | $4,219 | $4,283 | $4,349 | $40,662 | |
| **Fire Protection** | 0.05593520 | $15,433 | $15,666 | $15,904 | $16,145 | $16,391 | $16,641 | $16,895 | $17,153 | $17,415 | $17,682 | $165,325 | |
| **Total County Property Tax Income (Net)** | | $73,519 | $74,632 | $75,763 | $76,914 | $78,084 | $79,273 | $80,483 | $81,713 | $82,964 | $84,236 | $787,580 | |
| | | | | | | | | | | | | | |
| **Total Net Property Tax to County** | **$2,050,317** | | | | | | | | | | | | |

***Notes:***

1. Allocations for TRA's 57-003 & 74-005
2. Based on Even Development Principle with 57-003 (61%) and 74-005 (39%)
3. Base Figures (Standard Tax Allocation for Land and Non-Solar Improvements) are in Projected Property Tax Generation (rather than Assessed Valuation)
4. ERAF reduces net to County (General Fund) by 46% (County nets 54%)
5. Land is scheduled to increase by 2% per annum, Non-solar improvements are scheduled to increase by 1% per annum per DMG, Inc. Guidance Memorandum of 2/22/12 beginning in Year 3

# Exhibit D
# County of Imperial Taxing Organization Benefit Chart
# Consolidated Property Tax Revenues (by allocation) Years 1-30
# Drew Solar, LLC: Imperial County, California

| Taxing Entity | Est. Total Property Tax Generation | Approximate % to Taxing Entity | Total Property Taxes |
|---|---|---|---|
| County of Imperial-General Fund (Gross) | $7,694,504 | 0.36439363 | $2,803,828 |
| County of Imperial-General Fund (Net)* | $7,694,504 | 0.19677256 | $1,514,067 |
| County Library* | $7,694,504 | 0.01375738 | $105,856 |
| Fire Protection* | $7,694,504 | 0.0559352 | $430,394 |
| | | | |
| Total Net Property Taxes to County | $2,050,317 | | |

*Notes:*
1. County General Fund Amounts are Reduced by 46% to Account for ERAF (Education Revenue Augmentation Fund)
2. Total Property Tax Generation taken from Exhibit B
3. Tax Rate Area Schedules 57-003 & 74-005

* Denotes those items that are part of funding available to pay for General County Services

**Exhibit E**
**Local Taxing Jurisdiction Tax Allocation Estimate**
**Drew Solar, LLC (Imperial County, California)**

Local Taxing Jurisdiction Tax Allocation Estimate

| | TRA 57-003 (61%) | Percentage | Amount |
|---|---|---|---|
| | **Allocated Base Tax Amount (Exhibit D)** | 100% | $5,616,988 |
| 1 | County General Fund* | 0.37392363 | $2,100,325 |
| 2 | County Library | 0.01411722 | $79,296 |
| 3 | Fire Protection | 0.05739811 | $322,404 |
| 4 | Heffernan Hospital | 0.04669554 | $262,288 |
| 5 | Imperial Community College | 0.09255144 | $519,860 |
| 6 | Calexico Unified | 0.39302974 | $2,207,643 |
| 7 | Children's Institution Tuition | 0.00129512 | $7,275 |
| 8 | Physically Handicapped | 0.00685513 | $38,505 |
| 9 | Trainable Severely Mentally Retarded | 0.00252573 | $14,187 |
| 10 | Juvenile Hall | 0.00042771 | $2,402 |
| 11 | Aurally Handicapped | 0.00332982 | $18,704 |
| 12 | County Superintendent of Schools | 0.00497982 | $27,972 |
| 13 | Development Center | 0.00287099 | $16,126 |
| | **Add-On Allocations (Special Taxes Voter Approved)** | | |
| 14 | Calexico Unified Bonds | 0.06400 | $252,764 |
| 15 | Calexico USD BD 2016A | 0.05400 | $303,317 |
| 16 | Calexico USD 2017 REF BD | 0.03670 | $206,143 |
| 17 | Imperial Community College Bond 2004 | 0.04500 | $252,764 |

| | TRA 74-005 (31%) | Percentage | Amount |
|---|---|---|---|
| | **Allocated Base Tax Amount (Exhibit D)** | 100% | $2,077,516 |
| 1 | County General Fund* | 0.34948774 | $726,066 |
| 2 | County Library | 0.01319456 | $27,412 |
| 3 | Fire Protection | 0.05364707 | $111,453 |
| 4 | Heffernan Hospital | 0.04364394 | $90,671 |
| 5 | Central Union High | 0.18156908 | $377,213 |
| 6 | Imperial Community College | 0.08650316 | $179,712 |
| 7 | McCabe Union | 0.25112643 | $521,719 |
| 8 | Children's Institution Tuition | 0.00121054 | $2,515 |
| 9 | Physically Handicapped | 0.00640705 | $13,311 |
| 10 | Trainable Severely Mentally Retarded | 0.00236059 | $4,904 |
| 11 | Juvenile Hall | 0.00039973 | $830 |
| 12 | Aurally Handicapped | 0.00311224 | $6,466 |
| 13 | County Superintendent of Schools | 0.00465447 | $9,670 |
| 14 | Development Center | 0.00268340 | $5,575 |
| | **Add-On Allocations (Special Taxes Voter Approved)** | | |
| 15 | CUHSD 1993 Bond & Int | 0.01054 | $21,897 |
| 16 | CUHSD 2016 Bond & Int | 0.02961 | $61,515 |
| 17 | CUHSD 2016 REF BD & Int | 0.01199 | $24,909 |
| 18 | McCabe Union BD 2014 A | 0.0232 | $48,198 |
| 19 | McCabe Union BD 2014 B | 0.0036 | $7,479 |
| 20 | Imperial Community College Bond 2004 | 0.045 | $93,488 |

**Projected Total Benefit to Local Taxing Jurisdictions (Combined TRA)**

| | | |
|---|---|---|
| 1 | County General Fund* | $2,826,391 |
| 2 | County Library | $106,708 |
| 3 | Fire Protection | $433,857 |
| 4 | Heffernan Hospital | $352,959 |
| 5 | Imperial Community College | $699,572 |
| 6 | Calexico Unified | $2,207,643 |
| 7 | Children's Institution Tuition | $9,790 |
| 8 | Physically Handicapped | $51,816 |
| 9 | Trainable Severely Mentally Retarded | $19,091 |
| 10 | Juvenile Hall | $3,233 |
| 11 | Aurally Handicapped | $25,169 |
| 12 | County Superintendent of Schools | $37,641 |
| 13 | Development Center | $21,701 |
| 14 | Central Union High | $377,213 |
| 15 | McCabe Union | $521,719 |
| | ***Total Estimated Property Taxes**** | **$7,694,504** |

***Notes:***

1 Project is deemed to be 61% within TRA 57-003 and 31% within TRA 74-005
2 Tax benefit allocation formula based on equal development distribution principle (project assessed value spread evenly over all parcels)
3 County General Fund allocation is reduced by 46% for Educational Revenue Augmentation Fund Allocation (County is Negative ERAF Jurisdiction and ERAF funds reallocated by State of California directly)
4 Shown in full 30 years, though tax issue/bonds likely expire prior to end of 30-year life of Drew Solar, LLC Project(s)
5 Total Base Level Tax Generation (Exhibit D): $ 7,694,504
* Includes All-Ons

## Exhibit F

## Economic Value to County of Imperial Agriculture of Subject Site Drew Solar, LLC: Imperial County, California)

## Drew Solar, LLC: Imperial County, CA

| # | Crop | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2017 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Acres | Price | Value | Acres | Price | Value | Acres | Price | Value | Acres | Price | Value | Acres | Price | Value |
| 1 | Bermuda Grass | 293 | $1,370.20 | $401,468.60 | 259 | $1,625.66 | $421,046 | 225 | $1,251.21 | $281,522 | 225 | $1,067.12 | $240,102 | 225 | $971.80 | $218,655 |
| 2 | Oats | 0 | $0 | $0 | 160 | $1,264.00 | $202,240 | 0 | $0 | $0 | 0 | $0 | $0 | 0 | | $0 |
| 3 | Bermuda Seed | 0 | $0 | $0 | 150 | $1,675.52 | $251,328 | 150 | $1,454.34 | $218,151 | 230 | $964.69 | $221,879 | 150 | $1,245.44 | $186,816 |
| 4 | Alfalfa | 63 | 1570.58 | $98,946.54 | 177 | $1,799.33 | $318,481 | 143 | $1,198.33 | $171,361 | 291 | $961.60 | $279,826 | 371 | $981.92 | $364,292 |
| 5 | Wheat | 0 | $0 | $0.00 | 0 | $0 | $0 | 160 | $944.70 | $151,152 | 0 | $0 | $0 | 0 | $0 | $0 |
| 6 | Alfalfa Seed | 0 | $0 | $0.00 | 0 | $0 | $0 | 68 | $2,132.45 | $145,007 | 0 | $0 | $0 | 0 | $0 | $0 |
| 7 | Sugar Beets | 160 | 2424.06 | $387,849.60 | 0 | $0 | $0 | 0 | $0 | $0 | 0 | $0 | $0 | 0 | $0 | $0 |
| 8 | Fallow | 246 | $0 | $0 | 16 | $0.00 | $0 | 16 | $0.00 | $0 | 16 | $0 | $0 | 16 | $0 | $0 |
| | Total | 762 | N/A | $888,264.74 | 762 | N/A | $1,193,095 | 762 | N/A | $967,193 | 762 | N/A | $741,806 | 762 | N/A | $769,763 |
| ***Four Year Average Output*** | | | ***$912,025*** | | | | | | | | | | | | | |

Notes:

A Crops shown in split quantities are divided evenly between two (rounding one if odd number)

B Oat price estimated from "Misc. Field Crops" from Year 2014 Crop Report

Source:

A 2014-2017 County of Imperial Agriculture Commission Crop Reports

## Exhibit G

## Calculation of Value Increase Factor for Agriculture Production in Imperial County

## Drew Solar, LLC: Imperial County, CA

| | Total (All) Crops | | Field/Grass Crops | | | | Vegetable Crops | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | Gross Crop Value (in millions of $) | Yr/Yr Increase/ Decrease % | Field/Grass Crop Value (in millions of $) | Field/Grass Crop Acreage (in thousands of acres) | Average Crop/Acre (in millions of $) | Increase/ Decrease % Yr/Yr | Vegetable Crop Value (in millions of $) | Vegetable Crop Acreage (in thousands of acres) | Average Crop/Acre (millions of $ per acre) | Increase/ Decrease % Yr/Yr |
| 1993 | $1,020.00 | N/A | $268.01 | 404.2 | $0.6631 | N/A | $428.55 | 96 | $4.46 | N/A |
| 1994 | $954.53 | -6.42% | $300.94 | 391.03 | $0.7696 | 16.07% | $350.18 | 113.79 | $3.08 | -31.06% |
| 1995 | $1,010.00 | 5.81% | $267.20 | 401.2 | $0.6660 | -13.46% | $477.33 | 100.02 | $4.77 | 55.08% |
| 1996 | $956.52 | -5.30% | $308.75 | 429.76 | $0.7184 | 7.87% | $385.41 | 109.05 | $3.53 | -25.94% |
| 1997 | $1,040.00 | 8.73% | $331.39 | 423.35 | $0.7828 | 8.96% | $416.95 | 107.71 | $3.87 | 9.53% |
| 1998 | $1,080.00 | 3.85% | $284.73 | 416.46 | $0.6837 | -12.66% | $486.18 | 103.62 | $4.69 | 21.21% |
| 1999 | $1,050.00 | -2.78% | $257.34 | 368.52 | $0.6983 | 2.14% | $458.11 | 122.06 | $3.75 | -20.01% |
| 2000 | $919.60 | -12.42% | $257.36 | 389.63 | $0.6605 | -5.41% | $363.10 | 103.55 | $3.51 | -6.57% |
| 2001 | $1,010.00 | 9.83% | $284.90 | 388.1 | $0.7341 | 11.14% | $403.40 | 89.25 | $4.52 | 28.90% |
| 2002 | $1,220.00 | 20.79% | $272.90 | 398.77 | $0.6844 | -6.78% | $556.19 | 90.44 | $6.15 | 36.06% |
| 2003 | $1,070.00 | -12.30% | $244.53 | 376.29 | $0.6498 | -5.04% | $442.93 | 94.6 | $4.68 | -23.87% |
| 2004 | $1,190.00 | 11.21% | $255.30 | 370.02 | $0.6900 | 6.17% | $505.25 | 104.18 | $4.85 | 3.58% |
| 2005 | $1,290.00 | 8.40% | $269.03 | 351.87 | $0.7646 | 10.81% | $571.79 | 100.05 | $5.72 | 17.84% |
| 2006 | $1,370.00 | 6.20% | $298.93 | 361.38 | $0.8272 | 8.19% | $526.65 | 107.28 | $4.91 | -14.10% |
| 2007 | $1,370.00 | 0.00% | $308.75 | 352.16 | $0.8767 | 5.99% | $558.02 | 100.3 | $5.56 | 13.33% |
| 2008 | $1,680.00 | 22.63% | $482.59 | 412.34 | $1.1704 | 33.49% | $675.24 | 116.58 | $5.79 | 4.11% |
| 2009 | $1,450.00 | -13.69% | $312.54 | 353.13 | $0.8851 | -24.38% | $690.31 | 114.01 | $6.05 | 4.54% |
| 2010 | $1,600.00 | 10.34% | $360.14 | 352.76 | $1.0209 | 15.35% | $809.13 | 115.5 | $7.01 | 15.70% |
| 2011 | $1,960.00 | 22.50% | $518.26 | 365.02 | $1.4198 | 39.07% | $903.96 | 109.8 | $8.23 | 17.52% |
| 2012 | $1,950.00 | -0.51% | $587.98 | 396.84 | $1.4817 | 4.36% | $718.22 | 118.9 | $6.04 | -26.63% |
| 2013 | $2,160.00 | 10.77% | $470.46 | 332.73 | $1.4139 | -4.57% | $865.40 | 121.37 | $7.13 | 18.04% |
| 2014 | $1,859.00 | -13.94% | $530.85 | 332.59 | $1.5961 | 12.88% | $723.26 | 122.28 | $5.91 | -17.05% |
| 2015 | $1,925.00 | 3.55% | $422.32 | 349.69 | $1.2077 | -24.33% | $805.02 | 121.28 | $6.64 | 12.22% |
| 2016 | $2,063.00 | 7.17% | $381.18 | 333.76 | $1.1421 | -5.43% | $1,006.34 | 133.59 | $7.53 | 13.49% |
| 2017 | $2,066.00 | 0.15% | $365.85 | 326.67 | $1.1199 | -1.94% | $1,018.76 | 128.77 | $7.91 | 5.02% |
| ***Total Increase*** | | ***84.59%*** | | | | ***78.49%*** | | | | ***110.94%*** |
| ***20-Yr Average Increase*** | | ***4.23%*** | | | | ***3.92%*** | | | | ***5.55%*** |
| ***Forecast Value Increase based on average of total crop value, field/grass crops and vegetable crop:*** | | | | | | **4.57%** | | | | |

Source: 1993-2017 County of Imperial Agriculture Commissioner Crop Reports

| Exhibit H | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Thirty Year Projected Economic Impacts of Agriculture (Site Specific)** | | | | | | | | | | |
| **Drew Solar, LLC: Imperial County, CA** | | | | | | | | | | |
| | | | | | | | | | | |
| **Item** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Year 7** | **Year 8** | **Year 9** | **Year 10** |
| | | | | | | | | | | |
| Projected Agriculture Production | $912,025 | $953,705 | $997,289 | $1,042,865 | $1,090,524 | $1,140,361 | $1,192,475 | $1,246,971 | $1,303,958 | $1,363,549 |
| Economic Multiplier Rate | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 |
| Projected Economic Impact | $1,301,368 | $1,360,841 | $1,423,031 | $1,488,064 | $1,556,069 | $1,627,181 | $1,701,543 | $1,779,304 | $1,860,618 | $1,945,648 |
| | | | | | | | | | | |
| | **Year 11** | **Year 12** | **Year 13** | **Year 14** | **Year 15** | **Year 16** | **Year 17** | **Year 18** | **Year 19** | **Year 20** |
| | | | | | | | | | | |
| Projected Agriculture Production | $1,425,863 | $1,491,025 | $1,559,165 | $1,630,419 | $1,704,929 | $1,782,844 | $1,864,320 | $1,949,519 | $2,038,613 | $2,131,777 |
| Economic Multiplier Rate | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 |
| Projected Economic Impact | $2,034,564 | $2,127,544 | $2,224,772 | $2,326,444 | $2,432,763 | $2,543,940 | $2,660,198 | $2,781,769 | $2,908,896 | $3,041,833 |
| | | | | | | | | | | |
| | **Year 21** | **Year 22** | **Year 23** | **Year 24** | **Year 25** | **Year 26** | **Year 27** | **Year 28** | **Year 29** | **Year 30** |
| | | | | | | | | | | |
| Projected Agriculture Production | $2,229,199 | $2,331,074 | $2,437,604 | $2,549,002 | $2,665,492 | $2,787,305 | $2,914,685 | $3,047,886 | $3,187,174 | $3,332,828 |
| Economic Multiplier Rate | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 | 1.4269 |
| Projected Economic Impact | $3,180,845 | $3,326,209 | $3,478,217 | $3,637,171 | $3,803,390 | $3,977,205 | $4,158,963 | $4,349,028 | $4,547,779 | $4,755,612 |
| | | | | | | | | | | |
| ***Total Estimated Economic Impact*** | ***$80,340,809*** | | | | | | | | | |
| | | | | | | | | | | |
| Annual Increases based on calculation found on Exhibit H (4.57%) | | | | | | | | | | |

**Exhibit I**

**Impact of Agriculture Employment in Imperial County, California**

**Drew Solar, LLC: Imperial County, CA**

| Item | Figure | 3Q18 # Emp | % of Ag Emp | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Population in County | 190,624 | | | | | | | | | |
| Total Workforce in County | 74,500 | | | | | | | | | |
| Current Number Employed | 60,100 | | | | | | | | | |
| Estimated Direct Employment in Agriculture | 7,130 | | | | | | | | | |
| Percentage of Total Employed Directly in Agriculture | 11.86% | | | | | | | | | |
| Hourly Mean (Farm Labor) | $11.84 | 6,340 | 88.92% | | | | | | | |
| Hourly Mean (Farm Equipment Operators) | $12.45 | 210 | 2.95% | | | | | | | |
| Hourly Mean (1st Line Supervisors Farm/Ranch/Ag) | $20.08 | 150 | 2.10% | | | | | | | |
| Hourly Mean (Farm Equipment Mechanics)* | $16.67 | 80 | 1.12% | | | | | | | |
| Average Mean of Hourly Wages | $12.46 | | | | | | | | | |
| Add on for Benefits (30% of Wage) | $3.74 | | | | | | | | | |
| Total Estimated Average Wage for Agriculture | $16.20 | | | | | | | | | |
| **Year** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** |
| Projected Employees | 7,130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 |
| Average (Mean) of Hourly Wage | $12.46 | $12.83 | $13.22 | $13.62 | $14.02 | $14.44 | $14.88 | $15.32 | $15.78 | $16.26 |
| Add on for Benefits (30% of Wage) | $3.74 | $3.85 | $3.97 | $4.08 | $4.21 | $4.33 | $4.46 | $4.60 | $4.74 | $4.88 |
| Total Wage | $16.20 | $16.68 | $17.18 | $17.70 | $18.23 | $18.78 | $19.34 | $19.92 | $20.52 | $21.13 |
| Annualized Average (Mean) Wage with Benefits | $33,692 | $34,703 | $35,744 | $36,816 | $37,920 | $39,058 | $40,230 | $41,437 | $42,680 | $43,960 |
| Estimated Projected Payroll Agriculture | $240,222,819 | $247,429,504 | $254,852,389 | $262,497,961 | $270,372,899 | $278,484,086 | $286,838,609 | $295,443,767 | $304,307,080 | $313,436,293 |
| Aggregate of Payroll | $240,222,819 | $487,652,323 | $742,504,712 | $1,005,002,672 | $1,275,375,572 | $1,553,859,658 | $1,840,698,267 | $2,136,142,034 | $2,440,449,115 | $2,753,885,407 |
| RIMS II Impact of Employment (2.5357 Factor) | $364,826,396 | $375,771,187 | $387,044,323 | $398,655,653 | $410,615,322 | $422,933,782 | $435,621,795 | $448,690,449 | $462,151,163 | $476,015,698 |
| Aggregate of Total Payroll Impact with RIMS II Model | $364,826,396 | $740,597,583 | $1,127,641,906 | $1,526,297,559 | $1,936,912,881 | $2,359,846,663 | $2,795,468,458 | $3,244,158,907 | $3,706,310,070 | $4,182,325,768 |
| **Year** | **2028** | **229** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** | **2037** |
| Projected Employees | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 | 7130 |
| Average (Mean) of Hourly Wage | $16.75 | $17.25 | $17.76 | $18.30 | $18.85 | $19.41 | $19.99 | $20.59 | $21.21 | $21.85 |
| Add on for Benefits (30% of Wage) | $5.02 | $5.17 | $5.33 | $5.49 | $5.65 | $5.82 | $6.00 | $6.18 | $6.36 | $6.55 |
| Total Wage | $21.77 | $22.42 | $23.09 | $23.79 | $24.50 | $25.24 | $25.99 | $26.77 | $27.58 | $28.40 |
| Annualized Average (Mean) Wage with Benefits | $45,279 | $46,637 | $48,037 | $49,478 | $50,962 | $52,491 | $54,066 | $55,687 | $57,358 | $59,079 |
| Estimated Projected Payroll Agriculture | $322,839,381 | $332,524,563 | $342,500,300 | $352,775,309 | $363,358,568 | $374,259,325 | $385,487,105 | $397,051,718 | $408,963,269 | $421,232,168 |
| Aggregate of Payroll | $3,076,724,789 | $3,409,249,351 | $3,751,749,651 | $4,104,524,960 | $4,467,883,528 | $4,842,142,853 | $5,227,629,958 | $5,624,681,676 | $6,033,644,945 | $6,454,877,113 |
| RIMS II Impact of Employment (2.5357 Factor) | $490,296,169 | $505,005,054 | $520,155,205 | $535,759,861 | $551,832,657 | $568,387,637 | $585,439,266 | $603,002,444 | $621,092,517 | $639,725,293 |
| Aggregate of Total Payroll Impact with RIMS II Model | $4,672,621,936 | $5,177,626,990 | $5,697,782,195 | $6,233,542,057 | $6,785,374,714 | $7,353,762,351 | $7,939,201,617 | $8,542,204,061 | $9,163,296,578 | $9,803,021,871 |

**Notes:**

1. Total Projected Employees not anticipated to increase nor decrease over period
2. Average (Mean) of Hourly Wage calculated with 3% annual increase
3. Add on for Benefits (30% of Base Year Wage) calculated with 3% annual increase
4. Based on 2,080 working hours annually
5. RIMS II Model shows that the real economic impact of agriculture payroll is 1.5187 of the actual payroll dollar
6. Aggregate Impact of Total Payroll with RIMS II shows the projected impact across entire regional economy
7. Over a 20 year period (2018-2037) it is projected that agriculture wages will have a $9.87 billion impact on the economy of Imperial County

**Sources:**

State Employment Development Department
Environics Analytics
RIMS II Economic Impact Model
Development Management Group, Inc.

**Exhibit J**

**Projected Agriculture Impacts of Subject Site Drew Solar, LLC: Imperial County, California)**

**Statistical Impact (Based on Industry Average of All Agriculture Across County)**

| **Year** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Acres of Production | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 |
| Total Direct Employment in Agriculture in County | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 |
| Projected Employees Per Acre | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 |
| Projected Employees Per 100 Acres | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 |
| Projected Employees Per 763 Acres | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 |
| Average Wage Per Employee (Fully Burdened) | $33,692 | $34,703 | $35,744 | $36,816 | $37,921 | $39,058 | $40,230 | $41,437 | $42,680 | $43,960 |
| Projected Payroll for 2018/19 | $345,116 | $355,470 | $366,134 | $377,118 | $388,431 | $400,084 | $412,087 | $424,449 | $437,183 | $450,298 |
| Projected RIMS II Payroll Factor | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 |
| Projected Total Impact of Payroll | $524,128 | $539,852 | $556,047 | $572,729 | $589,911 | $607,608 | $625,836 | $644,611 | $663,950 | $683,868 |
| Projected RIMS II Employment Factor | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 |
| Projected Total Jobs as Result of Ag on Site | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 |
| | | | | | | | | | | |
| **Year** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** |
| Total Acres of Production | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 | 531,099 |
| Total Direct Employment in Agriculture in County | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 | 7,130 |
| Projected Employees Per Acre | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 | 0.01342 |
| Projected Employees Per 100 Acres | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 | 1.34 |
| Projected Employees Per 80 Acres | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 | 10.24 |
| Average Wage Per Employee (Fully Burdened) | $45,279 | $46,638 | $48,037 | $49,478 | $50,962 | $52,491 | $54,066 | $55,688 | $57,358 | $59,079 |
| Projected Payroll for 2018/19 | $463,807 | $477,722 | $492,053 | $506,815 | $522,019 | $537,680 | $553,810 | $570,425 | $587,537 | $605,163 |
| Projected RIMS II Payroll Factor | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 |
| Projected Total Impact of Payroll | $704,384 | $725,516 | $747,281 | $769,700 | $792,791 | $816,574 | $841,072 | $866,304 | $892,293 | $919,062 |
| Projected RIMS II Employment Factor | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 |
| Projected Total Jobs as Result of Ag on Site | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 | 14.30 |
| | | | | | | | | | | |
| **Total Projected Impact of Payroll (20 Years) w/RIMS II** | **$14,083,516** | | | | | | | | | |
| | | | | | | | | | | |
| (Projection is Project Site of 746 acres historically (2014-2017) used for Agriculture Purposes) | | | | | | | | | | |
| Average Projected Annual Direct Jobs from Site | 10.24 | | | | | | | | | |
| Average Projected Annual Jobs w/RIMS II from Site | 14.30 | | | | | | | | | |
| | | | | | | | | | | |
| **Notes:** | | | | | | | | | | |
| 2014-2017 Acreage Average Used for Base Year for Crop Production | | | | | | | | | | |
| Crop Production (for this example) Projected Stable | | | | | | | | | | |
| Total Direct Employees Projected Stable | | | | | | | | | | |
| Fully Burdened Wages Projected to Rise by 3% per Annum | | | | | | | | | | |
| | | | | | | | | | | |
| **Sources:** | | | | | | | | | | |
| State Employment Development Department | | Development Management Group, Inc. | | | | | | | | |
| United States Census Bureau (2006-2009 American Community Survey) | | 2014-2017 Imperial County Agriculture Crop and Livestock Reports | | | | | | | | |
| RIMS II Economic Impact Model | | | | | | | | | | |

**Exhibit K**

**Projected Agriculture Impacts of Subject Site (Drew Solar, LLC: Imperial County, California)**

**Based on Site Specific Research**

| Year | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Site Acres-Hay/Grass/Bermuda Crops | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 |
| Allowance for Historic Fallowing | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 |
| Estimated Acres Farmed | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 |
| Full Time Employees (Manager/1 Irrigation/1 Labor) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Projected Contract FTE | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Projected Total Employees for Site | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Average Wage Per Employee (Fully Burdened) | $33,692 | $34,703 | $35,744 | $36,816 | $37,921 | $39,058 | $40,230 | $41,437 | $42,680 | $43,960 |
| Projected Payroll for 2018 | $185,306 | $190,865 | $196,591 | $202,489 | $208,564 | $214,820 | $221,265 | $227,903 | $234,740 | $241,782 |
| Projected RIMS II Payroll Factor | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 |
| Projected Total Impact of Payroll | $281,424 | $289,867 | $298,563 | $307,520 | $316,745 | $326,248 | $336,035 | $346,116 | $356,500 | $367,195 |
| Projected RIMS II Employment Factor | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 |
| Projected Total Jobs as Result of Ag on Site | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |

| Year | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Site Acres-Hay/Grass/Bermuda Crops | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 |
| Allowance for Historic Fallowing | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 | 152.4 |
| Estimated Acres Farmed | 610 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 | 609.6 |
| Full Time Employees (Manager/2 Irrigation/2 Labor) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Projected Contract FTE | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Projected Total Employees for Site | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Average Wage Per Employee (Fully Burdened) | $45,279 | $46,638 | $48,037 | $49,478 | $50,962 | $52,491 | $54,066 | $55,688 | $57,358 | $59,079 |
| Projected Payroll for 2018 | $249,036 | $256,507 | $264,202 | $272,128 | $280,292 | $288,701 | $297,362 | $306,283 | $315,471 | $324,935 |
| Projected RIMS II Payroll Factor | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 |
| Projected Total Impact of Payroll | $378,211 | $389,557 | $401,244 | $413,281 | $425,679 | $438,450 | $451,603 | $465,151 | $479,106 | $493,479 |
| Projected RIMS II Employment Factor | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 |
| Projected Total Jobs as Result of Ag on Site | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |

| Year | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Site Acres-Hay/Grass/Bermuda Crops | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 | 762 |
| Allowance for Historic Fallowing | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 | 152 |
| Estimated Acres Farmed | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 | 610 |
| Full Time Employees (Manager/2 Irrigation/2 Labor) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Projected Contract FTE | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Projected Total Employees for Site | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 |
| Average Wage Per Employee (Fully Burdened) | $60,851 | $62,677 | $64,557 | $66,494 | $68,489 | $70,544 | $72,660 | $74,840 | $77,085 | $79,397 |
| Projected Payroll for 2018 | $334,683 | $344,724 | $355,065 | $365,717 | $376,689 | $387,990 | $399,629 | $411,618 | $423,967 | $436,686 |
| Projected RIMS II Payroll Factor | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 | 1.5187 |
| Projected Total Impact of Payroll | $508,283 | $523,532 | $539,238 | $555,415 | $572,078 | $589,240 | $606,917 | $625,125 | $643,878 | $663,195 |
| Projected RIMS II Employment Factor | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 | 1.396 |
| Projected Total Jobs as Result of Ag on Site | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 | 7.68 |

**Sources:**

| | |
|---|---|
| State Employment Development Department | Development Management Group, Inc. |
| United States Census Bureau | Imperial County Agriculture Crop and Livestock Report(s) |
| RIMS II Economic Impact Model | Confidential Interviews and Analysis with Industry Experts & Current Farming Professionals |
| Environics Analytics | |

**Simplified Calculations (Hay/Grass/Bermuda Crops):**

1 Manager per farm operation

1 FT Irrigation/Crop Specialist per 350 acres (rounding up to highest FT)

1 Contract FTE (Harvesting) Per 466.67 Acres

**Exhibit L**

**Projected Employment Impacts of Subject Site Drew Solar, LLC: Imperial County, California)**

**(Developed as Commercial Solar Energy Generation Facility)**

| **Year** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
|---|---|---|---|---|---|---|---|---|---|---|
| Construction Craft Hours (Annual) | 395486 | | | | | | | | | |
| Number of FTE (1-Year) Labor Staff (2080 hours) | 190 | | | | | | | | | |
| Average Craft Pay Per Hour | $38.43 | | | | | | | | | |
| Average Craft Fully Burdened Payroll Per Hour | $50.95 | | | | | | | | | |
| Annualized Wage/Benefit Per Construction Emp. | $105,976 | | | | | | | | | |
| Total Construction Wages/Benefits | $20,150,000 | | | | | | | | | |
| Number of Projected Operational Employees | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Operational Wage (inclusive of 35% benefits ) | $315,000 | $330,750 | $347,288 | $364,652 | $382,884 | $402,029 | $422,130 | $443,237 | $465,398 | $488,668 |
| Total All Wages/Benefits | $20,465,000 | $330,750 | $347,288 | $364,652 | $382,884 | $402,029 | $422,130 | $443,237 | $465,398 | $488,668 |
| RIMS II Payroll Multiplier Construction Jobs | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 | 1.3223 |
| RIMS II Payroll Multiplier Utility Operation Jobs | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 |
| RIMS II Jobs Multiplier Construction Jobs | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 | 1.3968 |
| RIMS II Jobs Multiplier Utility Operation Jobs | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 |
| Projected Payroll in Region (Construction) w/Multiplier | $26,644,345 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Projected Payroll in Region (Utility Operation) w/Multiplier | $532,571 | $559,199 | $587,159 | $616,517 | $647,343 | $679,710 | $713,695 | $749,380 | $786,849 | $826,192 |
| Projected total Jobs (Construction) with Multiplier | 265.58 | 0.00 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Projected total Jobs (Utility Operation) with Multiplier | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 |
| Total Projected Payroll (Complete Project) w/Multipliers | $27,176,916 | $559,199 | $587,159 | $616,517 | $647,343 | $679,710 | $713,695 | $749,380 | $786,849 | $826,192 |
| Total Projected Jobs (Complete Project) w/Multipliers | 275.38 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 |

| **Year** | **11** | **12** | **13** | **14** | **15** | **16** | **17** | **18** | **19** | **20** |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Projected Operational Employees | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Operational Wage (inclusive of 35% benefits ) | $513,102 | $538,757 | $565,695 | $593,979 | $623,678 | $654,862 | $687,605 | $721,986 | $758,085 | $795,989 |
| RIMS II Payroll Multiplier Utility Operation Jobs | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 | 1.6907 |
| RIMS II Jobs Multiplier Utility Operation Jobs | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 | 2.4487 |
| Projected Payroll in Region (Utility Operation) w/Multiplier | $867,501 | $910,876 | $956,420 | $1,004,241 | $1,054,453 | $1,107,176 | $1,162,535 | $1,220,661 | $1,281,694 | $1,345,779 |
| Projected total Jobs (Utility Operation) with Multiplier | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 |
| Total Projected Payroll (Complete Project) w/Multipliers | $867,501 | $910,876 | $956,420 | $1,004,241 | $1,054,453 | $1,107,176 | $1,162,535 | $1,220,661 | $1,281,694 | $1,345,779 |
| Total Projected Jobs (Complete Project) w/Multipliers | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 | 9.79 |

| | |
|---|---|
| **Total Project Impact of Wages (W/Construction)** | **$44,254,297** |
| **Total Projected Impact of Wages (W/O Construction)** | **$17,609,952** |

**Notes:**

1. Market Wage is based on average of unionized construction trades estimated for 3Q2018 average hourly wage of $38.43 and fully burdened of $50.95
2. All calculations based on full year and show year # rather than actual year
3. Operational Wages based budget figures provided by Drew Solar, LLC and through DMG, Inc. calculations
4. Disclosure: Drew Solar, LLC provided construction labor projections shown in this report

Profit, overhead PLA/Signatory structure, outside engineering and project management not included in calculations

**Sources:**

| | |
|---|---|
| State of California Department of Industrial Relations | Development Management Group, Inc. |
| State Employment Development Department | Drew Solar, LLC |
| RIMS II | United States Department of Labor |

**Exhibit M**
**Projected Costs for County to Provide General Government Services to Population**
**County of Imperial, California**

| # | Department/Unit | Item | 2018-19 Adopted Budget |
|---|---|---|---|
| 1 | Admin | County Pension Bonds-1997 | $5,979,055 |
| 2 | Legislative and Admin | Entire Section | $4,517,179 |
| 3 | Finance | Entire Section | $7,212,666 |
| 4 | County Counsel | Entire Section | $2,472,939 |
| 5 | Personnel | Entire Section | $1,851,124 |
| 6 | Equal Employment Opportunity | Entire Section | $149,920 |
| 7 | Elections | Entire Section | $1,106,874 |
| 8 | Property/Facility Management | Entire Section | $5,308,241 |
| 9 | Other General | Entire Section | $2,377,683 |
| 10 | Recreational Facilities | Entire Section | $2,268,002 |
| | **Public Protection** | | |
| 11 | Judicial | Entire Section | $19,956,766 |
| 12 | Police Protection | Entire Section | $19,561,211 |
| 13 | Detention and Correction | Entire Section | $27,074,961 |
| 14 | Fire Protection | Entire Section | $7,782,884 |
| 15 | Protective Inspection | Entire Section | $5,772,923 |
| 16 | Other Protection | Entire Section | $24,532,518 |
| | **Public Ways & Facilities** | | |
| 17 | Public Ways | Entire Section | $12,015,838 |
| | **Health and Sanitation** | | |
| 18 | Health | Entire Section | $98,650,023 |
| 19 | Sanitation | Entire Section | $2,799,781 |
| | **Public Assistance** | | |
| 20 | Administration-Workforce Development | Entire Section | $2,951,450 |
| 21 | Security-Sheriff | Entire Section | $122,400 |
| 22 | Administration-Social Services | Entire Section | $49,631,603 |
| 23 | Categorical AIDS | Entire Section | $59,754,087 |
| 24 | General Relief | Entire Section | $129,100 |
| 25 | Veterans Services | Entire Section | $258,989 |
| 26 | Other Assistance | See Notes | $923,586 |
| | **Education** | | |
| 27 | Health | Entire Section | $370,975 |
| 28 | Agriculture Education | Entire Section | $426,222 |
| 29 | Library Services | Entire Section | $616,853 |
| 30 | Other Education | Entire Section | $100,420 |
| | **Recreation** | | |
| 31 | Recreation Facilities | Entire Section | $764,643 |
| | **Contingency** | | |
| 32 | Contingency | Entire Section | $1,000,000 |
| | Total of Governmental Expenditures/Responsibilities | | $368,440,916 |
| | **Total Number of Residents of Imperial County (2018 CA Dept. of Finance E-1)** | | 190,624 |
| | **Total Spending Per Resident of Imperial County** | | $1,932.81 |

***Notes:***
Item 14 Net of City of Imperial Fire Contract
Item 26 includes only Imperial County Community Economic Development and Cont. to Others Public Assistance
Based on Schedule 8 of County of Imperial Government Funds Detail of Financing Uses by Function, Activity and Budget Unit
FY 2018-19 Adopted Budget (Adopted September 18, 2018)

**Exhibit N**

**Projected Costs for County of Imperial to Provide General Government Services as Result of Drew Solar, LLC: Imperial County, California**

| Item | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Projected Construction Jobs (FTE) | 190 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Projected Operational Jobs (FTE) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total Jobs (construction & Operational) (FTE) | 194 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Ave. Number of Persons Per Household | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 |
| Estimated Persons Supported by Gen Govt. | 696.46 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 |
| Cost Per Person (General Govt.) | $1,933 | $1,983 | $2,035 | $2,088 | $2,142 | $2,198 | $2,255 | $2,314 | $2,374 | $2,436 |
| Estimated Cost to Provide General County Govt. Services | $1,346,125 | $28,478 | $29,219 | $29,980 | $30,760 | $31,561 | $32,383 | $33,226 | $34,091 | $34,978 |

| Item | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Projected Operational Jobs (FTE) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Ave. Number of Persons Per Household | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 |
| Estimated Persons Supported by Gen Govt. | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 |
| Cost Per Person (General Govt.) | $2,499 | $2,564 | $2,631 | $2,700 | $2,770 | $2,842 | $2,916 | $2,992 | $3,070 | $3,150 |
| Estimated Cost to Provide General County Govt. Services | $35,889 | $36,823 | $37,782 | $38,765 | $39,774 | $40,810 | $41,872 | $42,962 | $44,081 | $45,228 |

| Item | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Projected Operational Jobs (FTE) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Ave. Number of Persons Per Household | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 | 3.59 |
| Estimated Persons Supported by Gen Govt. | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 | 14.36 |
| Cost Per Person (General Govt.) | $3,232 | $3,316 | $3,402 | $3,491 | $3,581 | $3,675 | $3,770 | $3,869 | $3,969 | $4,073 |
| Estimated Cost to Provide General County Govt. Services | $46,406 | $47,614 | $48,853 | $50,125 | $51,430 | $52,769 | $54,142 | $55,552 | $56,998 | $58,482 |

***Total Cost to Provide General Government Services*** ***$2,557,155***

***Notes:***

Cost Per Person for General Government is adjusted by the 30 year average Consumer Price Index of 2.6033 (1988-2017)

**Exhibit O**
**Projected Revenue Versus Expenses: County of Imperial Drew Solar, LLC: Imperial County, California)**
**Years 1-30**

| Item | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected Sales Tax Income | $1,308,743 | | | | | | | | | |
| Projected Property Tax Income (Net) | $54,719 | $55,520 | $56,334 | $57,162 | $58,003 | $58,858 | $59,727 | $60,611 | $61,509 | $62,421 |
| Total Projected Income for General Government Services | $1,363,462 | $55,520 | $56,334 | $57,162 | $58,003 | $58,858 | $59,727 | $60,611 | $61,509 | $62,421 |
| Projected Costs to Provide General Government Services | $1,346,125 | $28,478 | $29,219 | $29,980 | $30,760 | $31,561 | $32,383 | $33,226 | $34,090 | $34,978 |
| Estimated Revenue Surplus (Deficit) (Annual) | $17,337 | $27,042 | $27,115 | $27,182 | $27,243 | $27,297 | $27,344 | $27,385 | $27,419 | $27,443 |
| Aggregate Revenue Surplus (Deficit) | $17,337 | $44,379 | $71,494 | $98,676 | $125,919 | $153,216 | $180,561 | $207,946 | $235,365 | $262,808 |

| Item | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected Property Tax Income (Net) | $63,349 | $64,293 | $65,251 | $66,226 | $67,217 | $68,224 | $69,249 | $70,290 | $71,349 | $72,425 |
| Projected Costs to Provide General Government Services | $35,889 | $36,823 | $37,781 | $38,765 | $39,774 | $40,810 | $41,872 | $42,962 | $44,081 | $45,228 |
| Estimated Revenue Surplus (Deficit) (Annual) | $27,460 | $27,470 | $27,470 | $27,461 | $27,443 | $27,414 | $27,377 | $27,328 | $27,268 | $27,197 |
| Aggregate Revenue Surplus (Deficit) | $290,268 | $317,738 | $345,208 | $372,669 | $400,112 | $427,526 | $454,903 | $482,231 | $509,500 | $536,696 |

| Item | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
|---|---|---|---|---|---|---|---|---|---|---|
| Projected Property Tax Income (Net) | $73,519 | $74,632 | $75,763 | $76,914 | $78,084 | $79,273 | $80,483 | $81,713 | $82,964 | $84,236 |
| Projected Costs to Provide General Government Services | $46,405 | $47,614 | $48,853 | $50,125 | $51,430 | $52,769 | $54,142 | $55,552 | $56,998 | $58,482 |
| Estimated Revenue Surplus (Deficit) (Annual) | $27,114 | $27,018 | $26,910 | $26,789 | $26,654 | $26,504 | $26,341 | $26,161 | $25,966 | $25,754 |
| Aggregate Revenue Surplus (Deficit) | $563,810 | $590,828 | $617,738 | $644,527 | $671,182 | $697,686 | $724,027 | $750,188 | $776,154 | $801,908 |

***Total Revenues over Expenses to Provide General Govt. Services*** ***$801,908***

***Notes:***

Sales Tax Income applicable in Year 1 which represents construction of project

Property Tax available for General Government Services includes General Fund, Library and Fire Protection

| | |
|---|---|
| Local Sales/Use Tax Revenue | $1,308,743 |
| Net to County Property Tax Revenue | $2,050,317 |
| Total Projected Revenue to County (Sales/Use Tax + Property Tax) | $3,359,060 |
| Cost of County Government Services | $2,557,153 |
| Projected Revenue to County over Expenses | $801,907 |

*Note: Difference of $1 due to rounding*

**Exhibit Q**

**Drew Solar, LLC: Imperial Valley, CA Site Parcel Map (Furnished by Applicant)**


Date: 11/1/2017

Legend

- Project Boundary
- Project Electrical Crossing
- IID Distribution Circuit
- Access from SR 98
- Access from County road
- IID Earthen Canal
- IID Concrete Canal
- IID Drain
- IID Operational Spill

**Drew Solar Project Area**

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