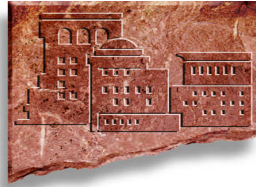


Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management



Iris Solar Farm
(Inclusive of Ferrell, Iris, Lyons and Rockwood)
(85JP 8ME, LLC)
Imperial County, California Projects

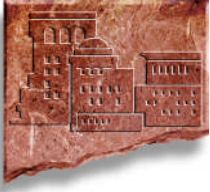
Economic Impact Analysis (EIA)
Employment (Jobs) Impact Analysis (JIA)
Fiscal Impact Analysis (FIA)
Statement of Potential for Urban Decay

Completed for:



DRAFT Report of Findings
September 3, 2014





Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management

September 3, 2014

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

RE: DRAFT REPORT OF FINDINGS ECONOMIC/EMPLOYMENT (JOBS)/FISCAL IMPACT ANALYSIS AND STATEMENT OF POTENTIAL FOR URBAN DECAY: IRIS SOLAR FARM (85JP 8ME, LLC / 8MINUTENERGY 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 Iris Solar Farm 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 360MW solar energy generation facility over approximately 1,422 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 Iris Solar Farm we have calculated that the economic impact to the Imperial County region will be approximately \$944.06 million dollars over the thirty (30) year life of the project (inclusive of both project construction and operations).

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 Iris Solar Farm, the subject property has historically been used for hay/grass type crops. We have determined that the Iris Solar Farm will generate the equivalent of 876 full-time one-year equivalent construction jobs over the first two year and 24 full-time equivalent permanent jobs. By comparison the current use of the site (row crops-277 acres, hay/grass type crops-1,145 acres) produces about fourteen (14) jobs. When comparing both the direct and indirect permanent employment of agriculture versus utility (energy) production, the proposed use will generate a total of 93.2 permanent jobs while the current use creates 25.21 permanent jobs.

We conclude that the proposed use of the site for solar energy production will generate about 68 more total (direct and indirect) permanent jobs as the current use. This is in addition to the 876 one-year equivalent FTE construction jobs that are projected during the first two years (the construction period).

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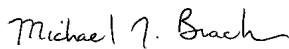
Finally, a ***Fiscal Impact Analysis*** calculates the amount of revenue a governmental agency is expected to receive and calculates the projected costs they will incur to provide appropriate services to both the project and the additional population/employment generated as a result of such. A comparative 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 Iris Solar Farm will generate approximately \$23.57 million in net local (county) tax revenue over the thirty (30) year life of the project. This is derived from an estimated \$15.96 million in sales tax revenue and \$7.61 in net property tax revenue.

It is projected that it will cost the County about \$15.67 million to provide appropriate services to the project and related employment thus generating a projected surplus to the County of Imperial of about \$7.90 million 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 360 MW of power. For purposes of this analysis Iris Solar Farm (common and known name of the project) shall be used to describe the project, though it is recognized that 85JP 8ME, LLC is the legal entity that has made development application to the County of Imperial. Note that this is a combined analysis of what are commonly referred to as the Iris, Ferrell, Rockwood and Lyons Solar Farm Projects.

This Employment Impact Analysis assumes all calculations in 2013-14 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

Andy Horne, Deputy County Executive Officer
Natural Resources Development
County of Imperial
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El Centro, CA 92243
760.482.4727 (office)
andyhorne@co.imperial.ca.us

3. Contact Information for Iris Solar Farm

Mr. Thomas Buttgenbach, Manager
85JP 8ME, LLC
c/o 8minutenergy Renewables LLC
5455 Wilshire Blvd, Suite 2010
Los Angeles, CA 90036

4. Contact Information for Development Management Group, Inc.

Michael Bracken, Managing Partner
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Palm Desert, CA 92260
(760) 346-8820 / (760) 346-8887 (fax)
michael@dmgeconomics.com

5. Statement of Contents:

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2. Contact Information for the County of Imperial, CA
3. Contact Information for 85JP 8ME, LLC (Iris Solar Farm)
4. Contact Information for Development Management Group, Inc.
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9. Description of Economic Multipliers
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13. Economic Impact Analysis (EIA)
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18. Certification
19. Exhibit A: Construction/Operational Economic Impact
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22. Exhibit D: Consolidated County of Imperial Taxing Organization Benefit Chart
23. Exhibit E: Local Taxing Jurisdiction Tax Allocation Estimates

24. Exhibit F: Impact of Agriculture in Imperial Valley
25. Exhibit G: Projected Employment Impacts Project Site (Based on County Averages)
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28. Exhibit I: Projected Employment Impacts on Project Site for Solar Energy Production
29. Exhibit J: Projected Costs for County to Provide General Government Services to Population
30. Exhibit K: Projected Costs for County to Provide General Government Services to Project
31. Exhibit L: Consolidated Revenue Versus Expenses of Iris Solar Farm project to the County of Imperial
32. Exhibit M: Site Parcel 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) or the County of Imperial (including those associated directly working on the entitlement process for the Iris Solar Farm) 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. Environmental Management Associates
17. Imperial County Farm Bureau
18. Imperial Irrigation District
19. Implan Group, Inc.
20. Nielsen/Claritas, Inc.
21. Regional Analysis & Information Data Sharing (Raidsonline.com)
22. Iris Solar Farm (85JP 8ME, LLC & 8minutenergy Renewables LLC)
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 one-hundred (100) 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 ten (10), DMG, Inc. has assisted over four dozen companies with their site selection and entitlement/permit processing. These companies have created over 2,500 new jobs and invested over \$100 million 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 20 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.

Dr. John Husing, an economist based in Redlands, CA 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 significant 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 a joint effort between the United States Bureau of Economic Analysis and 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

Governor Edmund G. Brown Jr. signed Bill X1-2 which codified the requirement that all retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020.

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 180,666 (2014 Nielsen/Claritas Company). The California Employment Development Department (EDD) shows as of July, 2014 that the unemployment rate for Imperial County is 24.7% with 80,600 available in the workforce, 60,600 employed and 19,800 currently unemployed.

Iris Solar Farm is proposing to construct a 360 MW photovoltaic solar energy generation facility in the Imperial Valley portion of Southern California. The project would comprise the development of approximately 1,422 acres of land in areas that are generally described as portions of unincorporated Imperial County South of Interstate 8, North of State Route 98 bound by Brockman and Weed (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 117,000 homes or about 409,500 people (at 3.5 persons per household).

The facility is scheduled to be built over a one year period, though for purposes of analysis and annual estimates, Development Management Group, Inc. has scheduled the project to be built over two (2) consecutive years, therefore it is analyzed as a single project rather than a multi-year, multi-phase project. It is anticipated that about 876 FTE construction jobs will be generated during each of the first two years (the construction period).

The subject parcel numbers are provided below:

052-180-042

059-050-001

052-180-040

052-180-048

052-180-064

059-050-002

059-050-003

059-120-001

052-180-053

052-180-058

Total Acreage: 1,422 (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. Iris Solar Farm has stated that their intention (if market conditions (demand and financing) prevail, is to build their project in (essentially) a single phase over four consecutive quarters. For purposes of analysis, DMG, Inc. has scheduled the project evenly over a two (2) year construction period. That said, it is understood that they are 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

Iris Solar Farm is anticipated to cost approximately \$1.067 billion (this includes the construction of 360 MW of production capacity). 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 a 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 1,752 full time equivalent jobs lasting one-year. In total, about \$180 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 2.0840. This means that for each dollar spent on labor to construct

the facility it is anticipated that an additional \$1.084 is spent within the economy as that dollar circulates. In total, it is projected that the economic impact of construction labor will be about \$375.12 million.

Additionally, \$737.0 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 \$36.85 million dollars being spent within the region on materials during the construction period. In applying an economic multiplier of 2.46 for construction material purchases, the overall economic impact of material purchases within the region is anticipated to be about \$90.65 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 \$38.98 million on the regional economy.

At build-out there the solar facility will employ a projected full time equivalent of 24 persons. Over the life of the facility, operational labor is estimated to have a \$287.75 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 \$48.77 million in direct land lease payments and an economic multiplier of 3.1043, the value (economic impact) to the region is about \$151.39 million over the life of the project.

It is calculated that the construction and operation of Iris Solar Farm project will have an overall economic impact to the Imperial Valley Region of about ***\$944.06 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 Iris Solar Farm project will have approximately ***\$944.06 million in economic impact to the regional economy*** over the thirty (30) year life of the project.

Governmental Revenues

The Iris Solar Farm 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 XIII A 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, 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 \$331,361 per year (not including annual increases) of property taxes at build-out. Exhibit B provides the annual projections for years 1-30. Exhibit C provides the estimated property tax benefit to the County of Imperial. Finally, Exhibit D provides a consolidated beneficiary chart to various County of Imperial entities which accounts for the approximately \$10.62 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 Pioneers Hospital, Brawley Union High School, Westmorland Unified 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 \$1,401,524 dollars. 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, Iris Solar Farm 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 Iris Solar Farm 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 Iris Solar Farm 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 Iris Solar Farm . 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, Iris Solar Farm 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 Iris Solar Farm . 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 Iris Solar Farm , 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 Iris Solar Farm 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 (includes .25% for County Transportation Projects*)
- 2: .50% local health programs
- 3: .50% local public safety funding
- 4: .50%** Measure D Transportation Projects

* .25% local sales tax for County Transportation Projects is an amount that prior to 2004 was combined with the .75% to create a total of 1.00% for the County General Fund. The State Legislature approved a segregation of the previous 1.00% to create a funding mechanism for which the State could borrow against. This action was part of what is known as the “Triple Flip”.

** 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 Iris Solar Farm , 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 \$15.956 million in sales tax over the construction period (Years 1-2). Iris Solar Farm 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 \$28.43 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 2.5114 which mean that the overall economic impact of the tax revenue received by the County of Imperial and other taxing organizations is approximately \$111.48 million over the thirty (30) year life of the project.

14. Employment (Jobs) Impact Analysis (Exhibits F-I)

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 1Q2013 it was estimated that 11.23% of the overall workforce was directly employed in agriculture (6,550 workers out of 58,300 that were employed). The mean hourly wage of all employees engaged in agriculture was reported to be

\$9.73. With a 30% benefit allowance, the estimated total average wage is about \$12.65 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 1,422 acres would look like in terms of employment if it were producing a proportional mix all agriculture and livestock products in line with the 2012 Imperial County Agriculture Crop and Livestock Report.

Exhibit G (utilizing 2012 dollars) shows if the subject property were the “average farm” in the Imperial Valley with 1,422 production acres, it would likely employ 16.47 full-time equivalent employees based on the County average of about 1.16 per 100 acres. The average wage (all inclusive) of \$25,272 would generate about \$416,338 in annual payroll.

The economic multiplier for farming/agriculture wages is 2.5356 (meaning for each labor dollar received, it is expected to circulate 1.5356 additional times in the economy). Therefore the economic impact of the payroll is expected to be about \$1.056 million in the subject year. In terms of overall jobs, the economic multiplier for agriculture jobs is 1.8006 meaning that for each job directly tied to agriculture there is approximately .8006 (or 8/10) 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 29.66 full-time equivalent jobs.

Exhibit H 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 1,145 acres of the land has historically been used for hay/grass crops. About 277 acres has been utilized for a variety of row crops (namely broccoli, cantaloupe, leaf lettuce, romaine, spinach and onion seed. Based on blended employment numbers (shown in Exhibit H and detailed in Exhibit H-1), the project site generates a total of about 14 total direct jobs and a payroll of \$368,368 (year 1).

Applying the appropriate economic multipliers, the total jobs projected within the region as a result of agriculture operations is 25.21 (FTE) with payroll impact of \$934,071. These numbers are higher than those found in Exhibit G, as row crops are more labor intensive than hay/grass crops.

The next model (Exhibit I) 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 876 full-time equivalent jobs generated. This carries a jobs multiplier of 2.2267 multiplier. This means that the construction alone could account for 1,951 total jobs one-year full time equivalent jobs. In terms of the overall impact of the wages paid to construction workers, the construction of the facility could have a \$375.12 million impact on the regional economy during the first two years.

There are two types of permanent jobs associated with the facility, including operational and security jobs. At build-out, the facility will have twenty (20) permanent operational jobs and four (4) full-time equivalent security jobs. The anticipated payroll for the 24 positions at build-out is expected to be about \$1.912 million annually (Year 2 numbers). When calculating multipliers (2.3950 for utility related jobs and 2.3563 for security related jobs) it is expected that the total economic impact on the regional economy from operational/security payroll will be about \$4.57 million. In terms of the impact of the actual jobs (utilizing 4.2710 as a multiplier for utility jobs and 1.9453 as the multiplier for security jobs) it is anticipated that the region will experience 93.2 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

<i>Item</i>	<i>Historic Agriculture Use of Specific Site</i>	<i>Commercial Solar w/o Construction</i>	<i>Commercial Solar w/Construction</i>
Construction FTE*	0	0	1,752
Projected Direct Jobs	14	24.0	24.0
Projected Total Jobs **/**	25.21	46.6	46.6
Projected 20-Year Employment Impact	\$25,098,831	\$141,989,427	\$517,109,382

*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 J-L

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 \$23.57 million in tax revenues over the thirty (30) year life of the project (net of \$7.61 million in property tax revenue and \$15.97 million in sales tax). This figure is a base figure for which to better understand the aggregate fiscal impacts of the proposed Iris Solar Farm 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 J. This was extrapolated from Schedule 8 of the 2013-14 County of Imperial "Actual Estimated" Budget as presented (and adopted) by the County Board of Supervisors on June 24, 2014. Exhibit J shows approximately \$265.46 million for General Government expenditures by the County of Imperial. This equates to approximately \$1,469 per person (based on a population of 180,666).

For purposes of disclosure, it is estimated that about 64% 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 876 construction employees and 12 operational/security employees will generate a total population demand for government services of 3,187.9 persons. This equates to a need for \$4,683,054 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 3.317% per annum. This represents the average Consumer Price Index Adjustment for the last thirty (30) years (1981-2010).

In total, it is estimated it will cost the County of Imperial approximately \$15.67 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 K.

Exhibit L 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 25% 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. Additionally, while the County is generally scheduled to receive approximately 36.6% of the property taxes generated; the State of California has reallocated some 46% of said funds to the Education Revenue Augmentation Fund (ERAF).

Analysis of Exhibit K (single phase calculations) shows that the Iris Solar Farm does produce enough income in years 1-26 (construction years and first twenty-four (24) years of operation to pay for the services needed by the people constructing and operating the facility. In fact by the end of year 26, there is a fiscal surplus of \$7.96 million. Beginning in year 27 annual deficits begin at \$4,834 through year 30 whereas the annual deficit is \$25,367.

When analyzing on a dynamic basis, the total surplus (years 1-30) is \$7.90 million. 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 Iris Solar Farm 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.4th 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 Iris Solar Farm 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 Iris Solar Farm ***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 Iris Solar Farm .

17. Recommendations Regarding Fiscal Impacts and Mitigation(s)

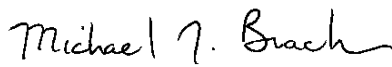
- A. Development Management Group, Inc. recommends that the County of Imperial consider entering into a formal agreement that requires the project developer to provide certified (and independently audited) payroll records at the conclusion of the project to insure that craft hour estimates (provided 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 Iris Solar Farm 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 Iris Solar Farm 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 Iris Solar Farm 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 Iris Solar Farm 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.

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 Iris Solar Farm (85JP 8ME, LLC / 8minutenergy Renewables LLC) 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 (September 3, 2014), then the undersigned reserves the professional privilege to modify the contents and/or conclusions of this report.



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Exhibit B

Governmental Revenues: (Years 1-30)

Iris Solar Farm (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)	\$368,500,000	\$368,500,000								
Based 1% Local Sales Tax (includes .25% local transportation)	\$3,685,000	\$3,685,000								
Public Health Allocation of Sales Tax .50%	\$1,842,500	\$1,842,500								
Public Safety Allocation of Sales Tax .50%	\$1,842,500	\$1,842,500								
Transportation-Regional Measure D Sales Tax (.50%) 33% to County	\$608,025	\$608,025								
Total Sales Taxes Collected by State for Benefit of County	\$7,978,025	\$7,978,025								
Property Taxes (During Construction and Operation)										
Base Land Assessed Valuation	\$3,911,600	\$7,823,200	\$7,979,664	\$8,139,257	\$8,302,042	\$8,468,083	\$8,637,445	\$8,810,194	\$8,986,398	\$9,166,126
Sub-Station (Non-Solar) Assessed Valuation	\$21,400,000	\$42,800,000	\$43,228,000	\$43,660,280	\$44,096,883	\$44,537,852	\$44,983,230	\$45,433,062	\$45,887,393	\$46,346,267
Improvements (Non-Solar) Assessed Valuation	\$15,950,000	\$31,900,000	\$32,219,000	\$32,541,190	\$32,866,602	\$33,195,268	\$33,527,221	\$33,862,493	\$34,201,118	\$34,543,129
Assessed Valuation of Improvements	\$37,350,000	\$74,700,000	\$75,447,000	\$76,201,470	\$76,963,485	\$77,733,120	\$78,510,451	\$79,295,555	\$80,088,511	\$80,889,396
Total Estimated Assessed Valuation	\$41,261,600	\$82,523,200	\$83,426,664	\$84,340,727	\$85,265,527	\$86,201,203	\$87,147,896	\$88,105,749	\$89,074,909	\$90,055,522
Projected Annual Amount of Property Taxes Paid to County	\$412,616	\$825,232	\$834,267	\$843,407	\$852,655	\$862,012	\$871,479	\$881,057	\$890,749	\$900,555
	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)										
Base Land Assessed Valuation	\$9,349,448	\$9,536,437	\$9,727,166	\$9,921,709	\$10,120,143	\$10,322,546	\$10,528,997	\$10,739,577	\$10,954,369	\$11,173,456
Sub-Station (Non-Solar) Assessed Valuation	\$46,809,730	\$47,277,827	\$47,750,605	\$48,228,111	\$48,710,392	\$49,197,496	\$49,689,471	\$50,186,366	\$50,688,230	\$51,195,112
Improvements (Non-Solar) Assessed Valuation	\$34,888,560	\$35,237,446	\$35,589,820	\$35,945,718	\$36,305,176	\$36,668,227	\$37,034,910	\$37,405,259	\$37,779,311	\$38,157,104
Assessed Valuation of Improvements	\$81,698,290	\$82,515,273	\$83,340,425	\$84,173,830	\$85,015,568	\$85,865,724	\$86,724,381	\$87,591,625	\$88,467,541	\$89,352,216
Total Estimated Assessed Valuation	\$91,047,738	\$92,051,710	\$93,067,591	\$94,095,539	\$95,135,711	\$96,188,270	\$97,253,378	\$98,331,202	\$99,421,910	\$100,525,672
Projected Annual Amount of Property Taxes Paid to County	\$910,477	\$920,517	\$930,676	\$940,955	\$951,357	\$961,883	\$972,534	\$983,312	\$994,219	\$1,005,257
	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)										
Base Land Assessed Valuation	\$11,396,925	\$11,624,864	\$11,857,361	\$12,094,508	\$12,336,398	\$12,583,126	\$12,834,789	\$13,091,485	\$13,353,314	\$13,620,381
Sub-Station (Non-Solar) Assessed Valuation	\$51,707,063	\$52,224,134	\$52,746,375	\$53,273,839	\$53,806,577	\$54,344,643	\$54,888,089	\$55,436,970	\$55,991,340	\$56,551,253
Improvements (Non-Solar) Assessed Valuation	\$38,538,676	\$38,924,062	\$39,313,303	\$39,706,436	\$40,103,500	\$40,504,535	\$40,909,581	\$41,318,676	\$41,731,863	\$42,149,182
Assessed Valuation of Improvements	\$90,245,739	\$91,148,196	\$92,059,678	\$92,980,275	\$93,910,077	\$94,849,178	\$95,797,670	\$96,755,647	\$97,723,203	\$98,700,435
Total Estimated Assessed Valuation	\$101,642,664	\$102,773,060	\$103,917,039	\$105,074,783	\$106,246,476	\$107,432,305	\$108,632,459	\$109,847,131	\$111,076,517	\$112,320,816
Projected Annual Amount of Property Taxes Paid to County	\$1,016,427	\$1,027,731	\$1,039,170	\$1,050,748	\$1,062,465	\$1,074,323	\$1,086,325	\$1,098,471	\$1,110,765	\$1,123,208
Total Projected Sales Taxes to the County of Imperial	\$15,956,050									
Total Projected Gross Property Taxes to County	\$28,434,850									
Total Projected Gross Income to the County of Imperial	\$44,390,900									
Notes:										
1. Construction based on 24 months total for aggregate of the five (5) phases (360 MW facility)										
2. Iris Ranch projected to leased (>35 years) 1,422.4 acres at average land value of \$5,500 per acre (est.)										
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												
Iris Solar Farm: 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%)		\$3,911,600	\$7,823,200	\$7,979,664	\$8,139,257	\$8,302,042	\$8,468,083	\$8,637,445	\$8,810,194	\$8,986,398	\$9,166,126	
Non-Solar Improvments		\$37,350,000	\$74,700,000	\$75,447,000	\$76,201,470	\$76,963,485	\$77,733,120	\$78,510,451	\$79,295,555	\$80,088,511	\$80,889,396	
Total		\$41,261,600	\$82,523,200	\$83,426,664	\$84,340,727	\$85,265,527	\$86,201,203	\$87,147,896	\$88,105,749	\$89,074,909	\$90,055,522	
Base Level Property Tax Estimate		\$412,616	\$825,232	\$834,267	\$843,407	\$852,655	\$862,012	\$871,479	\$881,057	\$890,749	\$900,555	\$8,174,030
County of Imperial-General Fund	0.36610413	\$151,060	\$302,121	\$305,428	\$308,775	\$312,161	\$315,586	\$319,052	\$322,559	\$326,107	\$329,697	\$2,992,546
County General Fund- Net of ERAF	0.19769623	\$81,573	\$163,145	\$164,931	\$166,738	\$168,567	\$170,417	\$172,288	\$174,182	\$176,098	\$178,036	\$1,615,975
County Library	0.01382196	\$5,703	\$11,406	\$11,531	\$11,658	\$11,785	\$11,915	\$12,046	\$12,178	\$12,312	\$12,447	\$112,981
Fire Protection	0.05619778	\$23,188	\$46,376	\$46,884	\$47,398	\$47,917	\$48,443	\$48,975	\$49,513	\$50,058	\$50,609	\$459,362
Total County Property Tax Income (Net)		\$110,464	\$220,928	\$223,347	\$225,794	\$228,269	\$230,774	\$233,309	\$235,873	\$238,468	\$241,093	\$2,188,318
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%)		\$9,349,448	\$9,536,437	\$9,727,166	\$9,921,709	\$10,120,143	\$10,322,546	\$10,528,997	\$10,739,577	\$10,954,369	\$11,173,456	
Non-Solar Improvments		\$81,698,290	\$82,515,273	\$83,340,425	\$84,173,830	\$85,015,568	\$85,865,724	\$86,724,381	\$87,591,625	\$88,467,541	\$89,352,216	
Total		\$91,047,738	\$92,051,710	\$93,067,591	\$94,095,539	\$95,135,711	\$96,188,270	\$97,253,378	\$98,331,202	\$99,421,910	\$100,525,672	
Base Level Property Tax Estimate		\$910,477	\$920,517	\$930,676	\$940,955	\$951,357	\$961,883	\$972,534	\$983,312	\$994,219	\$1,005,257	\$9,571,187
County of Imperial-General Fund	0.36610413	\$333,330	\$337,005	\$340,724	\$344,488	\$348,296	\$352,149	\$356,049	\$359,995	\$363,988	\$368,029	\$3,504,051
County General Fund- Net of ERAF	0.19769623	\$179,998	\$181,983	\$183,991	\$186,023	\$188,080	\$190,161	\$192,266	\$194,397	\$196,553	\$198,735	\$1,892,188
County Library	0.01382196	\$12,585	\$12,723	\$12,864	\$13,006	\$13,150	\$13,295	\$13,442	\$13,591	\$13,742	\$13,895	\$132,293
Fire Protection	0.05619778	\$51,167	\$51,731	\$52,302	\$52,880	\$53,464	\$54,056	\$54,654	\$55,260	\$55,873	\$56,493	\$537,879
Total County Property Tax Income (Net)		\$243,749	\$246,437	\$249,157	\$251,909	\$254,693	\$257,511	\$260,363	\$263,248	\$266,168	\$269,123	\$2,562,360
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%)		\$11,396,925	\$11,624,864	\$11,857,361	\$12,094,508	\$12,336,398	\$12,583,126	\$12,834,789	\$13,091,485	\$13,353,314	\$13,620,381	
Non-Solar Improvments		\$90,245,739	\$91,148,196	\$92,059,678	\$92,980,275	\$93,910,077	\$94,849,178	\$95,797,670	\$96,755,647	\$97,723,203	\$98,700,435	
Total		\$101,642,664	\$102,773,060	\$103,917,039	\$105,074,783	\$106,246,476	\$107,432,305	\$108,632,459	\$109,847,131	\$111,076,517	\$112,320,816	
Base Level Property Tax Estimate		\$1,016,427	\$1,027,731	\$1,039,170	\$1,050,748	\$1,062,465	\$1,074,323	\$1,086,325	\$1,098,471	\$1,110,765	\$1,123,208	\$10,689,632

[illegible]

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%)		\$9,349,448	\$9,536,437	\$9,727,166	\$9,921,709	\$10,120,143	\$10,322,546	\$10,528,997	\$10,739,577	\$10,954,369	\$11,173,456	
Non-Solar Improvmnts		\$81,698,290	\$82,515,273	\$83,340,425	\$84,173,830	\$85,015,568	\$85,865,724	\$86,724,381	\$87,591,625	\$88,467,541	\$89,352,216	
Total		\$91,047,738	\$92,051,710	\$93,067,591	\$94,095,539	\$95,135,711	\$96,188,270	\$97,253,378	\$98,331,202	\$99,421,910	\$100,525,672	
Base Level Property Tax Estimate		\$910,477	\$920,517	\$930,676	\$940,955	\$951,357	\$961,883	\$972,534	\$983,312	\$994,219	\$1,005,257	\$9,571,187
County of Imperial-General Fund	0.36610413	\$333,330	\$337,005	\$340,724	\$344,488	\$348,296	\$352,149	\$356,049	\$359,995	\$363,988	\$368,029	\$3,504,051
County General Fund- Net of ERAF	0.19769623	\$179,998	\$181,983	\$183,991	\$186,023	\$188,080	\$190,161	\$192,266	\$194,397	\$196,553	\$198,735	\$1,892,188
County Library	0.01382196	\$12,585	\$12,723	\$12,864	\$13,006	\$13,150	\$13,295	\$13,442	\$13,591	\$13,742	\$13,895	\$132,293
Fire Protection	0.05619778	\$51,167	\$51,731	\$52,302	\$52,880	\$53,464	\$54,056	\$54,654	\$55,260	\$55,873	\$56,493	\$537,879
Total County Property Tax Income (Net)		\$243,749	\$246,437	\$249,157	\$251,909	\$254,693	\$257,511	\$260,363	\$263,248	\$266,168	\$269,123	\$2,562,360

Total Net Property Tax to County	\$7,612,463													
						\$28,434,850								
Notes:														
1. Allocations for TRA's 057-002, 057-003, 074-005 90-002														
2. Based on Even Development Principle with 057-002 (48% of Project), 057-003 (20%), 074-005 (32%)														
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
Iris Solar Farm: Imperial County, California

Taxing Entity	Est. Total Property Tax Generation	Approximate % to Taxing Entity	Total Property Taxes
County of Imperial-General Fund (Gross)	\$28,434,850	0.36610413	\$10,410,116
County of Imperial-General Fund (Net)*	\$28,434,850	0.19769623	\$5,621,463
County Library*	\$28,434,850	0.01382195	\$393,025
Fire Protection*	\$28,434,850	0.05619778	\$1,597,975
 Total Net Property Taxes to County	 \$7,612,463		

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 90-002

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

Exhibit E
Local Taxing Jurisdiction Tax Allocation Estimate
Iris Solar Farm (Imperial County, California)

TRA 57-002 (48%)			TRA 57-003			TRA 74-005		
Allocated Base Tax Amount (Exhibit D)	Percentage	Amount	Allocated Base Tax Amount (Exhibit D)	Percentage	Amount	Allocated Base Tax Amount (Exhibit D)	Percentage	Amount
1 County General Fund*	0.3739236	\$5,103,582	1 County General Fund*	0.37392363	\$2,126,492	1 County General Fund*	0.34948774	\$3,180,042
2 Heffernan Hospital	0.04669554	\$637,335	2 Heffernan Hospital	0.04669554	\$265,556	2 County Library	0.01319456	\$120,059
3 Imperial Community College	0.09255141	\$1,263,209	3 Imperial Community College	0.09255144	\$526,337	3 County Fire	0.05364707	\$488,143
4 Calexico Unified	0.39302976	\$5,364,356	4 Calexico Unified	0.39302974	\$2,235,148	4 Heffernan Hospital	0.04364394	\$397,123
5 Children's Institution Tuition	0.00129511	\$17,677	5 Children's Institution Tuition	0.00129512	\$7,365	5 Central Union High	0.18156908	\$1,652,125
6 Physically Handicapped	0.00685513	\$93,564	6 Physically Handicapped	0.00685513	\$38,985	6 Imperial Community College	0.08650316	\$787,105
7 Trainable Severely Mentally Retarded	0.00252574	\$34,473	7 Trainable Severely Mentally Retarded	0.00252573	\$14,364	7 McCabe Union	0.25112643	\$2,285,038
8 Juvenile Hall	0.00042769	\$5,837	8 Juvenile Hall	0.00042771	\$2,432	8 Children's Institution Tuition	0.00121054	\$11,015
9 Aurally Handicapped	0.00332985	\$45,448	9 Aurally Handicapped	0.00332982	\$18,937	9 Physically Handicapped	0.00640705	\$58,299
10 County Superintendent of Schools	0.00497987	\$67,969	10 County Superintendent of Schools	0.00497982	\$28,320	10 Trainable Severely Mentally Retarded	0.00236059	\$21,479
11 Development Center	0.00287099	\$39,185	11 Development Center	0.00287099	\$16,327	11 Juvenile Hall	0.00039973	\$3,637
12 County Library	0.0141172	\$192,682	12 County Library	0.01411722	\$80,284	12 Aurally Handicapped	0.00311224	\$28,319
13 County Fire	0.05739811	\$783,411	13 County Fire	0.05739811	\$326,421	13 County Superintendent of Schools	0.00465447	\$42,352
						14 Development Center	0.0026834	\$24,417
Add-On Allocations (Special Taxes Voter Approved)			Add-On Allocations (Special Taxes Voter Approved)			Add-On Allocations (Special Taxes Voter Approved)		
14 Calexico Unified Bonds	0.0736	\$1,004,546	14 Calexico Unified Bonds	0.0736	\$418,561	15 Central Union High 1993 Bond	0.0429	\$390,354
15 Imperial Community College Bond 2004	0.0256	\$349,407	15 Imperial Community College Bond 2004	0.0256	\$145,586	16 Imperial Community College	0.0256	\$232,938
16 Mosquito Abatement Service Fee	\$4.53/yr/APN	\$544	16 Mosquito Abatement Service Fee	\$4.53/yr/APN	\$408	17 Solid Waste Land Use Fee	\$78/yr/APN	\$7,020
						18 Mosquito Abatement Service Fee	\$4.53/yr/APN	\$408

Projected Total Benefit to Local Taxing Jurisdictions (Combined TRA and Add-On Allocations)

1 County General Fund*	\$10,410,116
2 Heffernan Hospital	\$1,300,014
3 Imperial Community College	\$3,304,584
4 Calexico Unified	\$9,022,612
5 Children's Institution Tuition	\$36,057
6 Physically Handicapped	\$190,847
7 Trainable Severely Mentally Retarded	\$70,316
8 Juvenile Hall	\$11,907
9 Aurally Handicapped	\$92,704
10 County Superintendent of Schools	\$138,641
11 Development Center	\$79,929
12 County Library	\$393,025
13 County Fire	\$1,597,975
14 Central Union High	\$2,042,478
15 McCabe Union	\$2,285,038
Total Estimated Property Taxes*	\$30,976,243

Notes:

- 1 Project is deemed to be 48% within TRA 57-002, 20% in 57-003 and 32% in 74-005: Total Projected Based Level (1%) Property Tax is \$141,459,595
- 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 Iris Solar Farm Complex Project(s)
- 5 Total Base Level Tax Generatoin (Exhibit D): \$ 28,434,850

* Includes All-Ons

Exhibit F										
Impact of Agriculture Employment in Imperial County, California										
Iris Solar Farm										
Item	Figure	1Q2013 # Emp	% of Ag Emp							
Total Population in County	180,666									
Total Workforce in County	76,500									
Current Number Employed	58,300									
Estimated Direct Employment in Agriculture	6,550									
Percentage of Total Employed Directly in Agriculture	11.23%									
Hourly Mean (Farm Labor)	\$9.31	6,190	94.50%							
Hourly Mean (Farm Equipment Operators)	\$10.62	160	2.44%							
Hourly Mean (1st Line Supervisors Farm/Ranch/Ag)	\$22.93	150	2.29%							
Hourly Mean (Farm Equipment Mechanics)*	\$19.15	50	0.76%							
Average Mean of Hourly Wages	\$9.73									
Add on for Benefits (30% of Wage)	\$2.92									
Total Estimated Average Wage for Agriculture	\$12.65									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projected Employees	6550	6550	6550	6550	6550	6550	6550	6550	6550	6550
Average (Mean) of Hourly Wage	\$9.73	\$10.02	\$10.32	\$10.63	\$10.95	\$11.28	\$11.62	\$11.97	\$12.33	\$12.70
Add on for Benefits (30% of Wage)	\$2.92	\$3.01	\$3.10	\$3.19	\$3.29	\$3.38	\$3.49	\$3.59	\$3.70	\$3.81
Total Wage	\$12.65	\$13.03	\$13.42	\$13.82	\$14.24	\$14.66	\$15.10	\$15.56	\$16.02	\$16.50
Annualized Average (Mean) Wage with Benefits	\$26,312	\$27,099	\$27,912	\$28,750	\$29,612	\$30,500	\$31,415	\$32,358	\$33,329	\$34,328
Estimated Projected Payroll Agriculture	\$172,343,600	\$177,499,875	\$182,824,872	\$188,309,618	\$193,958,906	\$199,777,673	\$205,771,004	\$211,944,134	\$218,302,458	\$224,851,531
Aggregate of Payroll	\$172,343,600	\$349,843,475	\$532,668,347	\$720,977,965	\$914,936,871	\$1,114,714,544	\$1,320,485,548	\$1,532,429,681	\$1,750,732,139	\$1,975,583,671
RIMS II Impact of Employment (2.5357 Factor)	\$437,011,667	\$450,086,434	\$463,589,027	\$477,496,698	\$491,821,598	\$506,576,246	\$521,773,534	\$537,426,740	\$553,549,542	\$570,156,028
Aggregate of Total Payroll Impact with RIMS II Model	\$437,011,667	\$887,098,100	\$1,350,687,127	\$1,828,183,825	\$2,320,005,423	\$2,826,581,670	\$3,348,355,203	\$3,885,781,943	\$4,439,331,485	\$5,009,487,514
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Projected Employees	6550	6550	6550	6550	6550	6550	6550	6550	6550	6550
Average (Mean) of Hourly Wage	\$13.08	\$13.47	\$13.87	\$14.29	\$14.72	\$15.16	\$15.61	\$16.08	\$16.56	\$17.06
Add on for Benefits (30% of Wage)	\$3.92	\$4.04	\$4.16	\$4.29	\$4.42	\$4.55	\$4.68	\$4.82	\$4.97	\$5.12
Total Wage	\$17.00	\$17.51	\$18.03	\$18.58	\$19.13	\$19.71	\$20.30	\$20.91	\$21.53	\$22.18
Annualized Average (Mean) Wage with Benefits	\$35,358	\$36,419	\$37,512	\$38,637	\$39,796	\$40,990	\$42,220	\$43,486	\$44,791	\$46,135
Estimated Projected Payroll Agriculture	\$231,597,077	\$238,544,990	\$245,701,339	\$253,072,380	\$260,664,551	\$268,484,488	\$276,539,022	\$284,835,193	\$293,380,249	\$302,181,656
Aggregate of Payroll	\$2,207,180,748	\$2,445,725,738	\$2,691,427,077	\$2,944,499,457	\$3,205,164,008	\$3,473,648,495	\$3,750,187,517	\$4,035,022,710	\$4,328,402,959	\$4,630,584,615
RIMS II Impact of Employment (2.5357 Factor)	\$587,260,709	\$604,878,530	\$623,024,886	\$641,715,633	\$660,967,102	\$680,796,115	\$701,219,998	\$722,256,598	\$743,924,296	\$766,242,025
Aggregate of Total Payroll Impact with RIMS II Model	\$5,596,748,223	\$6,201,626,753	\$6,824,651,640	\$7,466,367,272	\$8,127,334,374	\$8,808,130,489	\$9,509,350,488	\$10,231,607,086	\$10,975,531,383	\$11,741,773,408
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										

Iris Solar Farm

[illegible]

Item	Figure	1Q2013 # Emp	% of Ag Emp							
Total Population in County	180,666									
Total Workforce in County	76,500									
Current Number Employed	58,300									
Estimated Direct Employment in Agriculture	6,550									
Percentage of Total Employed Directly in Agriculture	11.23%									
Hourly Mean (Farm Labor)	\$9.31	6,190	94.50%							
Hourly Mean (Farm Equipment Operators)	\$10.62	160	2.44%							
Hourly Mean (1st Line Supervisors Farm/Ranch/Ag)	\$22.93	150	2.29%							
Hourly Mean (Farm Equipment Mechanics)*	\$19.15	50	0.76%							
Average Mean of Hourly Wages	\$9.73									
Add on for Benefits (30% of Wage)	\$2.92									
Total Estimated Average Wage for Agriculture	\$12.65									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projected Employees	6550	6550	6550	6550	6550	6550	6550	6550	6550	6550
Average (Mean) of Hourly Wage	\$9.73	\$10.02	\$10.32	\$10.63	\$10.95	\$11.28	\$11.62	\$11.97	\$12.33	\$12.70
Add on for Benefits (30% of Wage)	\$2.92	\$3.01	\$3.10	\$3.19	\$3.29	\$3.38	\$3.49	\$3.59	\$3.70	\$3.81
Total Wage	\$12.65	\$13.03	\$13.42	\$13.82	\$14.24	\$14.66	\$15.10	\$15.56	\$16.02	\$16.50
Annualized Average (Mean) Wage with Benefits	\$26,312	\$27,099	\$27,912	\$28,750	\$29,612	\$30,500	\$31,415	\$32,358	\$33,329	\$34,328
Estimated Projected Payroll Agriculture	\$172,343,600	\$177,499,875	\$182,824,872	\$188,309,618	\$193,958,906	\$199,777,673	\$205,771,004	\$211,944,134	\$218,302,458	\$224,851,531
Aggregate of Payroll	\$172,343,600	\$349,843,475	\$532,668,347	\$720,977,965	\$914,936,871	\$1,114,714,544	\$1,320,485,548	\$1,532,429,681	\$1,750,732,139	\$1,975,583,671
RIMS II Impact of Employment (2.5357 Factor)	\$437,011,667	\$450,086,434	\$463,589,027	\$477,496,698	\$491,821,598	\$506,576,246	\$521,773,534	\$537,426,740	\$553,549,542	\$570,156,028
Aggregate of Total Payroll Impact with RIMS II Model	\$437,011,667	\$887,098,100	\$1,350,687,127	\$1,828,183,825	\$2,320,005,423	\$2,826,581,670	\$3,348,355,203	\$3,885,781,943	\$4,439,331,485	\$5,009,487,514
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Projected Employees	6550	6550	6550	6550	6550	6550	6550	6550	6550	6550
Average (Mean) of Hourly Wage	\$13.08	\$13.47	\$13.87	\$14.29	\$14.72	\$15.16	\$15.61	\$16.08	\$16.56	\$17.06
Add on for Benefits (30% of Wage)	\$3.92	\$4.04	\$4.16	\$4.29	\$4.42	\$4.55	\$4.68	\$4.82	\$4.97	\$5.12
Total Wage	\$17.00	\$17.51	\$18.03	\$18.58	\$19.13	\$19.71	\$20.30	\$20.91	\$21.53	\$22.18
Annualized Average (Mean) Wage with Benefits	\$35,358	\$36,419	\$37,512	\$38,637	\$39,796	\$40,990	\$42,220	\$43,486	\$44,791	\$46,135
Estimated Projected Payroll Agriculture	\$231,597,077	\$238,544,990	\$245,701,339	\$253,072,380	\$260,664,551	\$268,484,488	\$276,539,022	\$284,835,193	\$293,380,249	\$302,181,656
Aggregate of Payroll	\$2,207,180,748	\$2,445,725,738	\$2,691,427,077	\$2,944,499,457	\$3,205,164,008	\$3,473,648,495	\$3,750,187,517	\$4,035,022,710	\$4,328,402,959	\$4,630,584,615
RIMS II Impact of Employment (2.5357 Factor)	\$587,260,709	\$604,878,530	\$623,024,886	\$641,715,633	\$660,967,102	\$680,796,115	\$701,219,998	\$722,256,598	\$743,924,296	\$766,242,025
Aggregate of Total Payroll Impact with RIMS II Model	\$5,596,748,223	\$6,201,626,753	\$6,824,651,640	\$7,466,367,272	\$8,127,334,374	\$8,808,130,489	\$9,509,350,488	\$10,231,607,086	\$10,975,531,383	\$11,741,773,408
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 1.8006 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 (2010-2029) it is projected that agriculture wages will have a \$11.7 billion impact on the economy of Imperial County										
Sources:										
State Employment Development Department										
United States Census Bureau (2006-2009 American Community Survey)										
RIMS II Economic Impact Model										
Development Management Group, Inc.										
Nielsen/Claritas										

Exhibit G										
Projected Agriculture Impacts of Subject Site Iris Solar Farm: Imperial County, California)										
Statistical Impact (Based on Industry Average of All Agriculture Across County)										
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Acres of Production	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372
Total Direct Employment in Agriculture in County	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550
Projected Employees Per Acre	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159
Projected Employees Per 100 Acres	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16
Projected Employees Per 1422 Acres	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47
Average Wage Per Employee (Fully Burdened)	\$25,272	\$26,030	\$26,811	\$27,615	\$28,444	\$29,297	\$30,176	\$31,081	\$32,014	\$32,974
Projected Payroll for 2012/13	\$416,338	\$428,828	\$441,693	\$454,944	\$468,592	\$482,650	\$497,130	\$512,043	\$527,405	\$543,227
Projected RIMS II Payroll Factor	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357
Projected Total Impact of Payroll	\$1,055,709	\$1,087,380	\$1,120,001	\$1,153,601	\$1,188,209	\$1,223,856	\$1,260,571	\$1,298,388	\$1,337,340	\$1,377,460
Projected RIMS II Employment Factor	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006
Projected Total Jobs as Result of Ag on Site	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Acres of Production	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372	565,372
Total Direct Employment in Agriculture in County	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550	6,550
Projected Employees Per Acre	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159	0.01159
Projected Employees Per 100 Acres	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.16
Projected Employees Per 80 Acres	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47	16.47
Average Wage Per Employee (Fully Burdened)	\$33,963	\$34,982	\$36,032	\$37,113	\$38,226	\$39,373	\$40,554	\$41,771	\$43,024	\$44,315
Projected Payroll for 2010	\$559,524	\$576,309	\$593,599	\$611,407	\$629,749	\$648,641	\$668,101	\$688,144	\$708,788	\$730,051
Projected RIMS II Payroll Factor	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357
Projected Total Impact of Payroll	\$1,418,784	\$1,461,348	\$1,505,188	\$1,550,344	\$1,596,854	\$1,644,760	\$1,694,102	\$1,744,926	\$1,797,273	\$1,851,192
Projected RIMS II Employment Factor	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006
Projected Total Jobs as Result of Ag on Site	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66	29.66
Total Projected Impact of Payroll (20 Years) w/RIMS II	\$28,367,287									
(Projection is Project Site of 80 Acres conservatively available for use for Agriculture Purposes)										
Average Projected Annual Direct Jobs from Site	16.47									
Average Projected Annual Jobs w/RIMS II from Site	29.66									
Notes:										
2012 Figures Used as Base Year for Crop Production										
1Q2013 Figures Used as Base Year for Employment (Used for 2012)										
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)		2012 Imperial County Agriculture Crop and Livestock Report								
RIMS II Economic Impact Model		Environmental Management Associates Ag History Allegretti Farms (No. 2223)								

Exhibit H										
Projected Agriculture Impacts of Subject Site (Iris Solar Farm: 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	1145	1145	1145	1145	1145	1145	1145	1145	1145	1145
Allowance for Historic Fallowing	229	229	229	229	229	229	229	229	229	229
Estimated Acres Farmed	916	916	916	916	916	916	916	916	916	916
Full Time Employees (Manager/2 Irrigation/2 Labor)	5	5	5	5	5	5	5	5	5	5
Projected Contract FTE	3	3	3	3	3	3	3	3	3	3
Total Employees Row Crops (from Ex H-1)	6	6	6	6	6	6	6	6	6	6
Projected Total Employees for Site	14	14	14	14	14	14	14	14	14	14
Average Wage Per Employee (Fully Burdened)	\$26,312	\$27,101	\$27,914	\$28,752	\$29,614	\$30,503	\$31,418	\$32,360	\$33,331	\$34,331
Projected Payroll for 2010	\$368,368	\$379,419	\$390,802	\$402,526	\$414,601	\$427,039	\$439,851	\$453,046	\$466,638	\$480,637
Projected RIMS II Payroll Factor	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357
Projected Total Impact of Payroll	\$934,071	\$962,093	\$990,956	\$1,020,684	\$1,051,305	\$1,082,844	\$1,115,329	\$1,148,789	\$1,183,253	\$1,218,750
Projected RIMS II Employment Factor	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006
Projected Total Jobs as Result of Ag on Site	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21
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	1145	1145	1145	1145	1145	1145	1145	1145	1145	1145
Allowance for Historic Fallowing	229.0	229	229	229	229	229	229	229	229	229
Estimated Acres Farmed	916	916	916	916	916	916	916	916	916	916
Full Time Employees (Manager/2 Irrigation/2 Labor)	5	5	5	5	5	5	5	5	5	5
Projected Contract FTE	3	3	3	3	3	3	3	3	3	3
Total Employees Row Crops (from Ex H-1)	6	6	6	6	6	6	6	6	6	6
Projected Total Employees for Site	14	14	14	14	14	14	14	14	14	14
Average Wage Per Employee (Fully Burdened)	\$35,361	\$36,422	\$37,515	\$38,640	\$39,799	\$40,993	\$42,223	\$43,490	\$44,794	\$46,138
Projected Payroll for 2010	\$495,056	\$509,907	\$525,205	\$540,961	\$557,190	\$573,905	\$591,123	\$608,856	\$627,122	\$645,936
Projected RIMS II Payroll Factor	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357
Projected Total Impact of Payroll	\$1,255,313	\$1,292,972	\$1,331,762	\$1,371,714	\$1,412,866	\$1,455,252	\$1,498,909	\$1,543,877	\$1,590,193	\$1,637,899
Projected RIMS II Employment Factor	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006
Projected Total Jobs as Result of Ag on Site	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21	25.21
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	1145	1145	1145	1145	1145	1145	1145	1145	1145	1145
Allowance for Historic Fallowing	229	229	229	229	229	229	229	229	229	229
Estimated Acres Farmed	916	916	916	916	916	916	916	916	916	916
Full Time Employees (Manager/2 Irrigation/2 Labor)	5	5	5	5	5	5	5	5	5	5
Projected Contract FTE	3	3	3	3	3	3	3	3	3	3
Total Employees Row Crops (from Ex H-1)	6	6	6	6	6	6	6	6	6	6
Projected Total Employees for Site	14	14	14	14	14	14	14	14	14	14
Average Wage Per Employee (Fully Burdened)	\$47,522.40	\$48,948.07	\$50,416.51	\$51,929.01	\$53,486.88	\$55,091.48	\$56,744.23	\$58,446.56	\$60,199.95	\$62,005.95
Projected Payroll for 2010	\$665,314	\$685,273	\$705,831	\$727,006	\$748,816	\$771,281	\$794,419	\$818,252	\$842,799	\$868,083
Projected RIMS II Payroll Factor	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357	2.5357
Projected Total Impact of Payroll	\$1,687,036	\$1,737,647	\$1,789,776	\$1,843,469	\$1,898,773	\$1,955,737	\$2,014,409	\$2,074,841	\$2,137,086	\$2,201,199
Projected RIMS II Employment Factor	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006	1.8006
Projected Total Jobs as Result of Ag on Site	25.208	25.208	25.208	25.208	25.208	25.208	25.208	25.208	25.208	25.208
Sources:										
State Employment Development Department			Development Management Group, Inc.							
United States Census Bureau (2006-2009 American Community Survey)			Imperial County Agriculture Crop and Livestock Report(s)							
RIMS II Economic Impact Model			Confidential Interviews and Analysis with Industry Experts & Current Farming Professionals							
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 H-1												
Row Crop Calculations (IRIS Solar Farm)												
Crop	Acres	Thinning Man- hours/Acre	Man-hours Thin	Harvesting Man-hours/ Acre	Number of Harvest/ Season	Man-hours Harvest	Total Projected Hours	FTE (2,080 hrs/yr)	Fully Burdened Wage	Total Wages/Crop	Crop Value/Acre	Total Farm Crop Value
Broccoli	136	2	272	4	2	1088	1360.0	0.654	\$ 26,312	\$ 17,204	\$ 7,032	\$ 956,352
Cantaloupe	16.5	2	33	4	2	132	165.0	0.079	\$ 26,312	\$ 2,087	\$ 6,669	\$ 110,039
Leaf Lettuce	16.5	2	33	4	2	132	165.0	0.079	\$ 26,312	\$ 2,087	\$ 7,712	\$ 127,248
Romaine	16.5	2	33	4	2	132	165.0	0.079	\$ 26,312	\$ 2,087	\$ 4,350	\$ 71,775
Spinach	55.5	2	111	4	2	444	555.0	0.267	\$ 26,312	\$ 7,021	\$ 7,139	\$ 396,215
Onion Seed	36	2	72	2	1	72	144.0	0.069	\$ 26,312	\$ 1,822	\$ 4,107	\$ 147,852
Thinning/Harvest Total	277		554			2000	2554.0	1.228	\$ 26,312	\$ 32,308		
Farm Management							10400	5	\$ 26,312	\$ 131,560		
Grand Total			554			2000	12954.0	6.228		\$ 163,868		\$ 1,809,480
Total Projected FTE Jobs for 277 Acres			6.228									
Percentage of Gross Crop Value for Labor:			9.06%									
* Based on 2014 Canal/Gate Reports (County of Imperial Agriculture Commissioners Office)												
** Harvest based on two per season (except for Onion Seed, which is one)												
Farm Management includes farm manager, irrigation specialist, equipment operators and mechanic												
Wage shown is average of all agriculture wages in County												

Exhibit I										
Projected Employment Impacts of Subject Site (Iris Solar Farm: 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)	1822231	1822231								
Number of FTE (1-Year) Labor Staff (2080 hours)	876	876								
Average Craft Pay Per Hour	\$33.18	\$33.18								
Average Craft Benefits Per Hour	\$49.39	\$49.39								
Annualized Wage/Benefit Per Construction Emp.	\$102,731	\$102,731								
Total Construction Wages/Benefits	\$89,999,989	\$89,999,989								
Number of Projected Operational Employees	10	20	20	20	20	20	20	20	20	10
Operational Wage (inclusive of 35% benefits)	\$880,164	\$1,760,328	\$1,848,344	\$1,940,762	\$2,037,800	\$2,139,690	\$2,246,674	\$2,359,008	\$2,476,958	\$2,600,806
Number of Projected Security Employees	2	4	4	4	4	4	4	4	4	2
Security Wage (inclusive of 35% benefits)	\$76,086	\$152,172	\$159,781	\$167,770	\$176,158	\$184,966	\$194,214	\$203,925	\$214,121	\$224,827
Total All Wages/Benefits	\$90,956,239	\$91,912,489	\$2,008,125	\$2,108,531	\$2,213,958	\$2,324,656	\$2,440,888	\$2,562,933	\$2,691,080	\$2,825,634
RIMS II Payroll Multiplier Construction Jobs	2.0840	2.0840	2.0840	2.0840	2.0840	2.0840	2.0840	2.0840	2.0840	2.0840
RIMS II Payroll Multiplier Utility Operation Jobs	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950
RIMS II Payroll Multiplier Security Jobs	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563
RIMS II Jobs Multiplier Construction Jobs	2.2267	2.2267	2.2267	2.2267	2.2267	2.2267	2.2267	2.2267	2.2267	2.2267
RIMS II Jobs Multiplier Utility Operation Jobs	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710
RIMS II Jobs Multiplier Security Jobs	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453
Projected Payroll in Region (Construction) w/Multiplier	\$187,559,977	\$187,559,977	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Payroll in Region (Utility Operation) w/Multiplier	\$2,107,993	\$4,215,986	\$4,426,785	\$4,648,124	\$4,880,530	\$5,124,557	\$5,380,785	\$5,649,824	\$5,932,315	\$6,228,931
Projected Payroll in Region (Security) w/Multiplier	\$179,281	\$358,563	\$376,491	\$395,316	\$415,081	\$435,835	\$457,627	\$480,509	\$504,534	\$529,761
Projected total Jobs (Construction) with Multiplier	1950.75	1950.75	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Projected total Jobs (Utility Operation) with Multiplier	42.71	85.42	85.42	85.42	85.42	85.42	85.42	85.42	85.42	42.71
Projected total Jobs (Security) with Multiplier	3.89	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78	3.89
Total Projected Payroll (Complete Project) w/Multipliers	\$189,847,251	\$192,134,526	\$4,803,276	\$5,043,440	\$5,295,612	\$5,560,392	\$5,838,412	\$6,130,332	\$6,436,849	\$6,758,692
Total Projected Jobs (Complete Project) w/Multipliers	1997.35	2043.95	93.20	93.20	93.20	93.20	93.20	93.20	93.20	46.60
Year	11	12	13	14	15	16	17	18	19	20
Number of Projected Operational Employees	20	20	20	20	20	20	20	20	20	24
Operational Wage (inclusive of 35% benefits)	\$2,730,846	\$2,867,389	\$3,010,758	\$3,161,296	\$3,319,361	\$3,485,329	\$3,659,595	\$3,842,575	\$4,034,704	\$4,236,439
Number of Projected Security Employees	4	4	4	4	4	4	4	4	4	2
Security Wage (inclusive of 35% benefits)	\$236,069	\$247,872	\$260,266	\$273,279	\$286,943	\$301,290	\$316,355	\$332,172	\$348,781	\$366,220
Total All Wages/Benefits	\$2,966,915	\$3,115,261	\$3,271,024	\$3,434,575	\$3,606,304	\$3,786,619	\$3,975,950	\$4,174,748	\$4,383,485	\$4,602,659
RIMS II Payroll Multiplier Utility Operation Jobs	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950	2.3950
RIMS II Payroll Multiplier Security Jobs	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563	2.3563
RIMS II Jobs Multiplier Utility Operation Jobs	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710	4.2710
RIMS II Jobs Multiplier Security Jobs	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453	1.9453
Projected Payroll in Region (Utility Operation) w/Multiplier	\$6,540,377	\$6,867,396	\$7,210,766	\$7,571,304	\$7,949,870	\$8,347,363	\$8,764,731	\$9,202,968	\$9,663,116	\$10,146,272
Projected Payroll in Region (Security) w/Multiplier	\$556,249	\$584,061	\$613,264	\$643,927	\$676,124	\$709,930	\$745,426	\$782,698	\$821,833	\$862,924
Projected total Jobs (Utility Operation) with Multiplier	85.42	85.42	85.42	85.42	85.42	85.42	85.42	85.42	85.42	102.50
Projected total Jobs (Security) with Multiplier	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78	3.89
Total Projected Payroll (Complete Project) w/Multipliers	\$7,096,626	\$7,451,457	\$7,824,030	\$8,215,232	\$8,625,993	\$9,057,293	\$9,510,158	\$9,985,666	\$10,484,949	\$11,009,196
Total Projected Jobs (Complete Project) w/Multipliers	93.20	93.20	93.20	93.20	93.20	93.20	93.20	93.20	93.20	106.39
Total Project Impact of Wages (W/Construction)	\$517,109,382									
Total Projected Impact of Wages (W/O Construction)	\$141,989,427									
Notes:										
1. Market Wage is based on average of unionized construction trades estimated for 1Q2013 average hourly wage of \$33.18 and fully burdened of \$49.39 (35% burden)										
2. All calculations based on full year and show year # rather than actual year										
3. Operational Wages based budget figures provided by Iris										
4. Disclosure: Iris provided construction labor projections shown in this report										
Profit, overhead PLA/Signatory structure, outside engineering and project management not included in calculations										
5. Security Job and Wage projections based on DMG, Inc. research (Security Jobs at \$18.29 fully burdened)										
Sources:										
State of California Department of Industrial Relations	Development Management Group, Inc.									
State Employment Development Department	Iris Solar Farm Complex									
RIMS II Economic Impact Model	United States Department of Labor									

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

#	Department/Unit	Item	2013-14 Actual Estimated
1	Admin	County Pension Bonds-1997	\$5,976,378
2	Legislative and Admin	Entire Section	\$3,273,101
3	Finance	Entire Section	\$6,270,999
4	County Counsel	Entire Section	\$2,496,747
5	Personnel	Entire Section	\$1,554,346
6	Equal Employment Opportunity	Entire Section	\$116,276
7	Elections	Entire Section	\$800,524
8	Property/Facility Management	Entire Section	\$5,289,106
9	Other General	Entire Section	\$640,837
10	Recreational Facilities	Entire Section	\$5,101,308
	Public Protection		
11	Judicial	Entire Section	\$16,487,344
12	Police Protection	Entire Section	\$16,946,324
13	Detention and Correction	Entire Section	\$23,070,016
14	Fire Protection	Entire Section	\$7,504,394
15	Protective Inspection	Entire Section	\$4,553,496
16	Other Protection	Entire Section	\$17,115,716
	Public Ways & Facilities		
17	Public Ways	Entire Section	\$14,868,841
	Health and Sanitation		
18	Health	Entire Section	\$49,396,969
19	Sanitation	Entire Section	\$5,349,967
	Public Assistance		
20	Administration-Workforce Development	Entire Section	\$1,802,283
21	Security-Sheriff	Entire Section	\$206,331
22	Administration-Social Services	Entire Section	\$34,398,336
23	Categorical AIDS	Entire Section	\$39,622,040
24	General Relief	Entire Section	\$98,074
25	Veterans Services	Entire Section	\$204,612
26	Other Assistance	See Notes	\$672,199
	Education		
27	Health	Entire Section	\$177,523
28	Agriculture Education	Entire Section	\$361,322
29	Library Services	Entire Section	\$279,533
30	Other Education	Entire Section	\$25,387
	Recreation		
31	Recreation Facilities	Entire Section	\$730,202
	Contingency		
32	Contingency	Entire Section	\$70,650
Total of Governmental Expenditures/Responsibilities			\$265,461,181
Total Number of Residents of Imperial County (2014 Nielsen Estimate)			180,666
Total Spending Per Resident of Imperial County			\$1,469.35

Notes:

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
FY 2013-14 Actual Estimated (Per June 24, 2014 County of Imperial Budget Document for 2014-15)

Exhibit K

Projected Costs for County of Imperial to Provide General Government Services as Result of Iris Solar Farm: 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)	876	876	0	0	0	0	0	0	0	0
Number of Projected Operational/Security Jobs (FTE)	12	24	24	24	24	24	24	24	24	24
Total Jobs (construction & Operational) (FTE)	888	900	24	24	24	24	24	24	24	24
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.	3,187.92	3231	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16
Cost Per Person (General Govt.)	\$1,469	\$1,518	\$1,568	\$1,620	\$1,674	\$1,729	\$1,787	\$1,846	\$1,907	\$1,970
Estimated Cost to Provide General County Govt. Services	\$4,683,054	\$4,903,775	\$135,105	\$139,586	\$144,216	\$149,000	\$153,942	\$159,049	\$164,324	\$169,775

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/Security Jobs (FTE)	24	24	24	24	24	24	24	24	24	24
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.	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16
Cost Per Person (General Govt.)	\$2,036	\$2,103	\$2,173	\$2,245	\$2,320	\$2,397	\$2,476	\$2,558	\$2,643	\$2,731
Estimated Cost to Provide General County Govt. Services	\$175,406	\$181,225	\$187,236	\$193,446	\$199,863	\$206,493	\$213,342	\$220,418	\$227,730	\$235,283

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/Security Jobs (FTE)	24	24	24	24	24	24	24	24	24	24
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.	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16	86.16
Cost Per Person (General Govt.)	\$2,821	\$2,915	\$3,012	\$3,112	\$3,215	\$3,321	\$3,432	\$3,545	\$3,663	\$3,784
Estimated Cost to Provide General County Govt. Services	\$243,088	\$251,151	\$259,482	\$268,089	\$276,981	\$286,169	\$295,661	\$305,468	\$315,600	\$326,069

Total Cost to Provide General Government Services **\$15,670,027**

Notes:
Cost Per Person for General Government is adjusted by the 30 year average Consumer Price Index of 3.317 (1981-2010)

Exhibit L
Projected Revenue Versus Expenses: County of Imperial Iris Solar Farm: 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	\$7,978,025	\$7,978,025								
Projected Property Tax Income (Net)	\$110,464	\$220,928	\$223,347	\$225,794	\$228,269	\$230,774	\$233,309	\$235,873	\$238,468	\$241,093
Total Projected Income for General Government Services	\$8,088,489	\$8,198,953	\$223,347	\$225,794	\$228,269	\$230,774	\$233,309	\$235,873	\$238,468	\$241,093
Projected Costs to Provide General Government Services	\$4,683,054	\$4,903,775	\$135,105	\$139,586	\$144,216	\$149,000	\$153,942	\$159,048	\$164,324	\$169,775
Estimated Revenue Surplus (Deficit) (Annual)	\$3,405,435	\$3,295,178	\$88,242	\$86,208	\$84,053	\$81,774	\$79,367	\$76,825	\$74,144	\$71,318
Aggregate Revenue Surplus (Deficit)	\$3,405,435	\$6,700,613	\$6,788,855	\$6,875,063	\$6,959,116	\$7,040,890	\$7,120,257	\$7,197,082	\$7,271,226	\$7,342,544
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)	\$243,749	\$246,437	\$249,157	\$251,909	\$254,693	\$257,511	\$260,363	\$263,248	\$266,168	\$269,123
Projected Costs to Provide General Government Services	\$175,406	\$181,224	\$187,235	\$193,446	\$199,863	\$206,492	\$213,341	\$220,418	\$227,729	\$235,283
Estimated Revenue Surplus (Deficit) (Annual)	\$68,343	\$65,213	\$61,922	\$58,463	\$54,830	\$51,019	\$47,022	\$42,830	\$38,439	\$33,840
Aggregate Revenue Surplus (Deficit)	\$7,410,887	\$7,476,100	\$7,538,022	\$7,596,485	\$7,651,315	\$7,702,334	\$7,749,356	\$7,792,186	\$7,830,625	\$7,864,465
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)	\$272,114	\$275,140	\$278,203	\$281,302	\$284,439	\$287,613	\$290,826	\$294,078	\$297,370	\$300,701
Projected Costs to Provide General Government Services	\$243,087	\$251,150	\$259,481	\$268,088	\$276,981	\$286,168	\$295,660	\$305,467	\$315,600	\$326,068
Estimated Revenue Surplus (Deficit) (Annual)	\$29,027	\$23,990	\$18,722	\$13,214	\$7,458	\$1,445	-\$4,834	-\$11,389	-\$18,230	-\$25,367
Aggregate Revenue Surplus (Deficit)	\$7,893,492	\$7,917,481	\$7,936,203	\$7,949,417	\$7,956,875	\$7,958,320	\$7,953,486	\$7,942,096	\$7,923,867	\$7,898,500
Total Revenues over Expenses to Provide General Govt. Services	\$7,898,500									

Notes:

Sales Tax Income applicable in Years 1-2 which represents construction of project
Property Tax available for General Government Services includes General Fund, Library and Fire Protection
Local Sales/Use Tax Revenue \$15,956,050
Net to County Property Tax Revenue \$7,612,463
Total Projected Revenue to County (Sales/Use Tax + Property Tax) \$23,568,513
Cost of County Government Services \$15,670,013
Projected Revenue to County over Expenses \$7,898,500

Exhibit M
Iris Solar Farm Complex: Imperial Valley, CA Site Parcel Map

