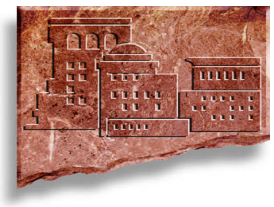
Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management



Mt. Signal / Calexico Farms
(82LV 8ME, LLC)

Economic Impact Analysis (EIA)
Employment (Jobs) Impact Analysis (JIA)
Fiscal Impact Analysis (FIA)

Completed for:

Final Report of Findings
March 3, 2012

73-845 Highway 111, Suite 202 ■ Palm Desert, CA 92260
Office: (760) 346-8820 ■ Mobile: (760) 272-9136 ■ Fax: (760) 346-8887
michael@dmgeconomics.com ■ www.dmgeconomics.com

Development Management Group, Inc.

economic development ■ fiscal & economic analysis ■ development management

March 3, 2012

Sean Moore, Planning Manager
County of Imperial Planning & Development Services Department
801 Main Street
El Centro, CA 92243

RE: FINAL REPORT OF FINDINGS ECONOMIC/EMPLOYMENT (JOBS)/FISCAL IMPACT ANALYSIS: MT SIGNAL/CALEXICO FARMS SOLAR ENERGY (82LV 8ME, LLC) PROPOSED PROJECT IMPERIAL COUNTY, CA

Dear Mr. Moore:

On behalf of Development Management Group, Inc. we are honored to provide you with our independent analysis of the economic, employment and fiscal impacts of the proposed Mt. Signal/Calexico Farms (82LV 8ME, LLC) Solar Energy Project 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 600MW solar energy generation facility over approximately 3,811 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 Mt. Signal/Calexico Farms Solar Energy Project we have calculated that the economic impact to the Imperial County region will be approximately $1.01 billion 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 Mt. Signal/Calexico Farms Solar Energy Project, most of the subject property is currently used for agriculture purposes (farming of various grass-type crops). We have determined that the Mt. Signal/Calexico Farms Solar Energy Project will the equivalent to 300 construction jobs for three (3) years and 30 full time equivalent permanent jobs. By comparison the current use of the site has approximately 18 permanent jobs. When comparing both the direct and indirect permanent employment of agriculture versus utility (energy) production, the proposed use will generate a total of 118.83 permanent jobs while the current use creates 32.41 permanent jobs.

We conclude that the proposed use of the site for solar energy production will generate about three and one-half as many total (direct and indirect) permanent jobs as the current use. This is in addition to the 300 construction jobs that are projected to last through the first three years (the construction period).

73-845 Highway 111, Suite 202 ■ Palm Desert, CA 92260
Office: (760) 346-8820 ■ Mobile: (760) 272-9136 ■ Fax: (760) 346-8887
michael@dmgeconomics.com ■ www.dmgeconomics.com

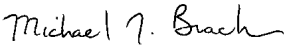
Finally, a ***Fiscal Impact Analysis*** calculates the amount of revenue a governmental agency is expected to receive and calculates the projected costs they will incur to provide appropriate services to both the project and the additional population/employment generated as a result of such. A comparative 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 Mt. Signal/Calexico Farms Solar Energy Project will generate approximately $60.23 million in gross local (county) tax revenue over the thirty (30) year life of the project. This is derived from an estimated $26.48 million in sales tax revenue and $33.75 in property tax revenue. The County is expected to net $8.95 million of the $33.75 million in property tax revenue (allowing for pass-through and the Education Revenue Augmentation Fund (ERAF). Thus the County itself is expected to realize about $35.43 million in revenue over the thirty (30) year life of the project.

It is projected that it will cost the County about $14.44 million to provide appropriate services to the project and related employment thus generating a projected economic surplus (or benefit) to the County of Imperial of about $20.99 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 Fiscal Impact Analysis (FIA), Employment Impact Analysis (EIA) and Jobs Impact Analysis (JIA) for a proposed solar energy generation facility to be constructed within the County of Imperial, California. The project is scheduled to produce 600 MW of power. For purposes of this analysis 82LV 8ME, LLC (legal entity proposing the project) and Mt. Signal/Calexico Farms Solar Energy Project (common and known name of the project) are used interchangeably.

This Employment Impact Analysis assumes all calculations in 2011-12 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 (the length of the proposed land use entitlements have not been provided, though the power purchase agreements are expected to be at least 25 years in length).

2. Contact Information for the County of Imperial, California

Sean Moore, Planning Manager
County of Imperial Planning & Development Services Department
801 Main Street
El Centro, CA 92243
(760) 482-4236
Seanmoore@co.imperial.ca.us

3. Contact Information for Mt. Signal / Calexico Farms Solar

Thomas Buttgenbach
82LV 8ME, LLC
10100 Santa Monica Blvd., Suite 300
Los Angeles, CA 90067
(213) 281-9771
tom@8minutenergy.com

4. Contact Information for Development Management Group, Inc.

Michael Bracken, Managing Partner
Development Management Group, Inc.
73-845 Highway 111, .Suite 202
Palm Desert, CA 92260
(760) 346-8820 / (760) 346-8887 (fax)
Michael@dmgeconomics.com

5. Statement of Contents:

This Employment Impact Analysis will provide the following categories of information:

1. Introduction/Purpose
2. Contact Information for the County of Imperial, CA
3. Contact Information for Mt. Signal/Calexico Farms Solar Energy Project)
4. Contact Information for Development Management Group, Inc.
5. Statement of Contents
6. Statement of Independence
7. Scope and References of Analysis
8. Qualifications of Consultant
9. Description of Economic Multipliers
10. Need for Renewable Energy Generation
11. Host Region and Location of Project
12. Description of Analyses Contained
13. Economic Impact Analysis (EIA)
14. Employment/Jobs Impact Analysis (JIA)
15. Fiscal Impact Analysis (FIA)
16. Recommendations Regarding Fiscal Impacts and Mitigation
17. Certification
18. Exhibit A: Construction/Operational Economic Impact Analysis
19. Exhibit B: Projected Governmental Revenues
20. Exhibit C: Property Tax Generation by Parcel

21. Exhibit D: Consolidated Imperial Valley Taxing Organization Benefit Chart
22. Exhibit E: Impact of Agriculture in Imperial Valley
23. Exhibit F: Impact of Agriculture on Project Site (Based on Industry Averages of All Ag)
24. Exhibit G: Projected Impact of Agriculture on Project Site (Based on Known Crops Grown)
25. Exhibit H: Projected Employment Impacts of Site Development for Solar Energy Production
26. Exhibit I: Projected Costs for County to Provide General Government Services to Population
27. Exhibit J: Projected Costs for County to Provide General Government Services to Project
28. Exhibit K: Consolidated Revenue Versus Expenses of Mt. Signal/Calexico Farms Solar Project to the County
29. Exhibit L: Aerial Map Depicting Subject Parcels
30. Exhibit M: Site Pictures and Typical Solar Equipment Examples

6. Statement of Independence

The County of Imperial has provided a joint contractual obligation with Development Management Group, Inc. regarding independence of conclusions regarding economic impacts. Therefore, the County of Imperial and its employees (including those associated directly working on the entitlement process for the Mt. Signal/Calexico Farms Solar Energy Project (82LV 8ME, LLC) have not 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 Industrial Relations
2. California Economic Strategy Panel (RIMS II)
3. California Employment Development Department
4. California Energy Commission
5. California Independent System Operator
6. California Public Utilities Commission
7. California State Board of Equalization
8. California State Department of Finance

9. Confidential Sources (Unnamed Active Farmers)
10. County of Imperial, California
11. County of Kern, California
12. County of Riverside, California
13. County of San Bernardino, California
14. Imperial County Farm Bureau
15. Imperial Irrigation District
16. Implan Group, Inc.
17. Nielsen/Claritas, Inc.
18. Regional Analysis & Information Data Sharing (Raidsonline.com)
19. 82LV 8ME, LLC
20. The Hoyt Report
21. United States Bureau of Economic Analysis
22. United States Census Bureau (American Community Survey)
23. United States Department of Labor
24. 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 nine (9) years, 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

California law currently requires 20% of all electricity to come from renewable sources by 2013 and 25% by 2016. Additionally, 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 175,014 (2011 Nielsen/Claritas Company). The California Employment Development Department (EDD) shows as of August, 2011 (September 16, 2011 data release) that the unemployment rate for Imperial County is 32.4% with 78,800 available in the workforce, 53,300 employed and 25,500 currently unemployed.

82LV 8ME, LLC is proposing to construct a 600 MW photovoltaic solar energy generation facility in the Imperial Valley portion of Southern California The project would comprise the development of approximately 3,811 acres of currently underdeveloped land in areas that are generally described as portions of unincorporated Imperial County approximately 6 miles West of the City of Calexico, California. (Exhibit L provides an aerial parcel map identifying the approximate location).

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 195,000 homes or about 682,500 people (at 3.5 persons per household).

The facility will have a three (3) year construction period. It is anticipated that about 300 full time equivalent jobs will be generated each year of the three year construction period.

The subject parcel numbers are provided below:

052-210-001	052-180-043
052-210-002	052-180-044
052-210-015	052-180-022
	052-180-050
052-190-011	052-180-051
052-210-037	
052-210-038	052-210-013
052-210-039	052-210-036
052-210-018	059-130-001
	059-130-002
059-110-006	059-130-004
059-110-008	059-130-005
059-130-003	052-210-016
059-110-003	052-190-012
059-110-007	052-210-034
	052-210-035

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. 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.
2. 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.
3. 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.
4. 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.
5. 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 the County of Imperial or any other person or entity to utilize the analysis 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

82LV 8ME LLC's project is anticipated to cost in excess of $1.5 billion (this includes the construction of 600 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. Solar Energy Facility (farm itself including the equipment and labor)
2. Site Work (clearing & grubbing, grading and fencing)
3. Project Substation (for which to "collect" the energy and prepare it for transmission)
4. Interconnection Facilities (to take the power and "load" it onto power transmission lines)
5. Interior Roads & Landscaping
6. Operations Facilities

In terms of construction, the project is expected to generate about 300 full time equivalent jobs lasting the three-year construction timeframe. In total, about $300 million is projected in construction labor. 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 $625.2 million.

Additionally, $1.221 billion 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 $61.05 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 $150.183 million over the same period.

Long term operational impacts will take the form of operational labor, facility security and maintenance. First, relative to materials for maintenance, it is anticipated that at full operation about $600,000 annually will be spent. This can include such items as water trucks for cleaning of panels, maintenance to fencing and security and actual replacement solar equipment. Of this, it is estimated that 10% of this will come from local sources.

At build-out there the solar facility will employ a projected full time equivalent of 30 persons. Additionally, it is 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.

It is calculated that the construction and operation of the Mt. Signal/Calexico Farms Solar Energy project will have an overall economic impact to the Imperial Valley Region of about ***$1.01 billion*** 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 Mt. Signal/Calexico Farms Solar Energy project will have approximately ***$1.01 billion in economic impact to the regional economy*** over the thirty (30) year life of the project.

Governmental Revenues

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

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

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

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

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

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

(B) Space conditioning.

(C) Production of electricity.

(D) Process heat.

(E) Solar mechanical energy.

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

(d) (1) (A) The Legislature finds and declares that the definition of spare parts in this paragraph is declarative of the intent of the Legislature, in prior statutory enactments of this section that excluded active solar energy systems from the term "newly constructed," as used in the California Constitution, thereby creating a tax appraisal exclusion.

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

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

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

(e) (1) Notwithstanding any other law, for purposes of this section, "the construction or addition of any active solar energy system" includes the construction of an active solar energy system incorporated by the owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. The exclusion from "newly constructed" provided by this subdivision applies to the initial purchaser who purchased the new building from the owner-builder, but only if the owner-builder did not receive an exclusion under this section for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to the owner-builder, as described in subdivision (d) of Section 75.12. The assessor shall administer this subdivision in the following manner:

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

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

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

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

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

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

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

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

(h) This section shall remain in effect only until January 1, 2017, 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 $993,837 per year (not including annual increases) of property taxes at build-out. This includes $140,937 in property (land based) taxes paid in year 1. Additionally, the non-solar property improvements will generate approximately $852,900 annually in property tax. 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 $8.95 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 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 literally 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, 82LV 8ME, LLC or anyone else that would be installing them on real property would be a Construction Contractor and the "retailer" of the product. This means that 82LV 8ME, LLC would be responsible for reporting and paying of sales and use tax to the State of California. A section under Regulation 1521 deals directly with Construction Contractors that are also the manufacturer of the product. Simply stated, there are various methods for which 82LV 8ME, LLC to determine the retail price or value of the product. Such

methods are described in detail on Page 3 of Regulation 1521 (Measure of Tax: Determining Cost Price).

Sales and Use Tax applies to fixtures utilized in the construction process. The law provides the option for a Construction Contractor to obtain a "Sales Tax Jobsite Sub-Permit" that allows the reporting of sales and use taxes at the jobsite itself (rather than where the fixtures were purchased). Essentially this means that the County of Imperial (under the Jobsite Sub-Permit) would receive the maximum financial benefit of a project such as the one proposed by 82LV 8ME, LLC. Publication 28 Exhibits A and B provide greater detail as to both the qualification and application to obtain a "Jobsite Sub-Permit".

Essentially, at such time as construction commences, 82LV 8ME, LLC would simply file for a "Sales Tax Jobsite Sub-Permit for Construction Contractors (Exhibit A of Publication 28). Sales Tax will then be reported to the Board of Equalization and paid by 82LV 8ME, LLC. Since the Sub-Permit will be specific to the job site, the County of Imperial will receive the maximum amount of sales tax as the local entity. Below are some excerpts from Regulation 1521 reporting of sales and use tax for photovoltaic (PV):

Regulation 1521

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

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

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

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

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

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

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

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

(If neither of these sections fall within the general operating framework of 82LV 8ME, LLC, the Regulation goes further into other tests that can be applied to determine the sales price (which is applicable to sales and use tax).

Sales Tax/Point of Sale Conclusions:

1. PV is fixtures under Sales and Use Tax Law.
2. The Construction Contractor is the retailer of fixtures.
3. The retailer (Construction Contractor) is responsible for reporting and paying sales and use tax to the State of California
4. Where the Construction Contractor (retailer) is also the manufacturer, there are various methods of determining the sale price.
5. It is important that the contract between the Construction Contractor and 82LV 8ME, LLC clearly separate labor, materials and fixtures.

6. The Construction Contractor can apply for and receive a Job Site Sub-Permit from the State Board of Equalization, thus allowing the maximum financial benefit (sales and use taxes) to be allocated to the County of Imperial.

Sales and Use Tax Designated for the County of Imperial:

In total, the County of Imperial would receive a total of 2.5% of the cost or value of tangible personal property sold within the County. More specifically, the County will receive 2.5% of the cost or value of the photovoltaic panels installed on projects within its jurisdiction. Keep in mind that the sales tax rate in Imperial County is 7.75%. 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% locally approved Transportation Funding (Imperial County known as Measure D) (1/3 of which is available directly to the County of Imperial for 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".

In terms of application to the Mt. Signal/Calexico Farms Solar Energy project, 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 $30,575,000 in sales tax over the construction period (Years 1-3). 82LV 8ME, LLC has not indicated in the information provided to Development Management Group, Inc. that this in their intent, though 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 $60.23 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 $151.26 million over the thirty (30) year life of the project.

14. Employment (Jobs) Impact Analysis (Exhibits E-H)

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 1Q2011 it was estimated that 11.13% of the overall workforce was directly employed in agriculture (6,035 workers out of 54,200 that were employed). The mean hourly wage of all employees engaged in agriculture was reported to be $9.86. With a 30% benefit allowance, the estimated total average wage is about $12.82 per hour. Additional information regarding the agriculture industry is scheduled as part of Exhibit E.

Development Management Group, Inc. completed two (2) potential comparisons of agriculture use to a potential solar energy production use. The first model (Exhibit F) utilizes the concept of the "average agriculture use" meaning we modeled what the 3811 acre site would look like in terms of employment if it were producing a proportional mix all agriculture and livestock products in line with the 2010 Imperial County Agriculture Crop and Livestock Report. The second model (Exhibit GH) models what the likely employment characteristics are for what the land is currently being utilized for (grass crops).

In the first model (Exhibit F) (utilizing 2010 dollars) if the subject property were the "average farm" in the Imperial Valley with 3811 active acres, it would likely employ 43.32 full-time equivalent employees (about 1.14 per 100 acres). The average wage (all inclusive) of $26,661 would generate about $1,155,068 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 $2,928,790 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 78.01 full-time equivalent jobs.

The second model (Exhibit G) (also in 2010 dollars) projects how many jobs are likely as a result of the specific farming use that is current on-site. Note that industry data regarding actual job counts for such an operation (a micro-economic calculation) is generally not available so DMG, Inc. utilized confidential field research with active farming interests for which to garner appropriate information for which to provide the Exhibit G model).

The project proponent reports (and a site visit by Development Management Group, Inc.) confirm that a portion of the property is currently being utilized to farm various grass-type crops which could include, but not limited to, alfalfa hay, bermudagrass hay and sudangrass hay. Based on these uses, it is estimated that there are approximately 18 full-time equivalent jobs operating the 3,811 acres. At an average fully burdened wage of $26,661 per year, such operations are generating $479,898 in annual payroll. Utilizing the same 2.5357 payroll multiplier, the likely overall impact to the regional economy as a result of wages is $1,216,877. In terms of job impacts, the 18.00 FTE direct translates to about 32.41 total jobs in the economy (applying a 1.8006 economic multiplier to agriculture jobs).

The next model (Exhibit H) 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 three years due to construction of the facility as it is anticipated that there will be 300 full-time equivalent jobs generated. The payroll impacts carry a 2.2267 multiplier. This means that the construction alone could account for 668 total jobs during the first years. In terms of the overall impact of the wages paid to construction workers, the construction of the facility could have a $199.9 million impact on the regional economy during the first year.

(Note that while the project proponent has suggested an overall labor budget of about $100,000,000 per year for three years and 300 jobs, our research indicates that the actual direct payroll will be approximately $30.8 million per year. The project proponent's numbers are not necessarily inaccurate as theirs will include such items as management, project development, engineering, training and contingency. While we show the full budgeted amount within calculations to estimate the total economic impact on the region's economy, the calculations for Exhibit H are the more conservative ones so that the jobs impact comparison to current uses is more accurate).

There are two types of permanent jobs associated with the facility, including operational and security jobs. At build-out, the facility will have 26 permanent operational jobs and four (4) full-time equivalent security jobs. The anticipated payroll for the 30 positions at build-out is expected to be about $1,500,000 annually. 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 $3.11 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 118.83 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 1

Comparison of Employment Impacts from Agriculture and Solar Uses

Item	***Average of All Agriculture-Type Uses***	***Historic Agriculture Use of Specific Site***	***Commercial Solar w/o Construction***	***Commercial Solar w/Construction***
Construction FTE*	0	0	0	300
Projected Direct Jobs	43.32	18.00	30.00	30.00
Projected Total Jobs **/***	78.01	32.41	118.83	118.83
Projected 20-Year Employment Impact	$78,700,792	$32,697,950	$108,862,761	$301,545,400

*Construction FTE is for each of three years of construction

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

*** Projected Total Jobs only include permanent jobs

15. Fiscal Impact Upon the County of Imperial Exhibits I-K

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. By review, it is estimated that the County will receive approximately $35.43 million in tax revenues over the thirty (30) year life of the project (net of $8.95 million in property tax revenue and $26.48 million in sales tax). This figure is a base figure for which to better understand the aggregate fiscal impacts of the proposed Mt. Signal/Calexico Farms Solar Energy 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 I. This was extrapolated from Schedule 8 of the 2011-12 County of Imperial Budget as adopted by the County Board of Supervisors. Exhibit J shows approximately $292.7

million for General Government expenditures by the County of Imperial. This equates to approximately $1,672.52 per person (based on a population of 175,014).

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 (Exhibit J) 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 300 construction employees and 11 operational/security employees will generate a total population demand for government services of 1,117. This equates to a need for $1,867,464 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 $14.439 million over the thirty (30) year life of the project for which to provide General Government Services to the employees and their families/dependents.

Exhibit K is a consolidation of Exhibits B through D and Exhibit J. It 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 2.5% of sales tax that is anticipated to be received along with an allocation of 27% 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 36.2% 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 shows that in the first three years of facility development and operation, there is a significant annual and aggregate surplus. This is directly attributed to the amount of sales tax that can be generated by designating the project site as the "Point of Sale/Point of Use". The project continues to produce an annual revenue surplus based on the non-solar property improvements that are subject to property tax up until Year 28, when it begins to run a small annual deficit (in Year 18 the deficit is about $746. Even with the projected annual deficit in Years 18-30, there is an estimated aggregate surplus in revenues to the County of Imperial of about $20.99 million. This of course is predicated upon the project budgets that were provided to Development Management Group, Inc. being accurate and the project site being permitted by the California State Board of Equalization as the "Point of Sale/Point of Use".

16. <u>Recommendations Regarding Fiscal Impacts and Mitigation(s)</u>

A. Development Management Group, Inc. recommends that the County of Imperial has a qualified civil or traffic engineer calculate a) the average life of regional and surface streets from Interstate 8 south 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 82LV 8ME, LLC should be responsible for as part of a direct mitigation payment to the County of Imperial prior to commencing construction.

B. Development Management Group, Inc. recommends that the County of Imperial require 82LV 8ME, LLC to enter into a specific cost reimbursement agreement for direct police and fire protection services whereas for each call made to the project site for such public safety services that the project is responsible for reimbursing the County of Imperial. Such agreement can be created using a "Contract Cities Service Rate" for both police (Sheriff) and fire protection services.

C. Development Management Group, Inc. recommends that the County of Imperial require 82LV 8ME, LLC to enter into a specific cost reimbursement agreement for direct judicial and prosecutory services whereas if a person(s) are tried in a court of law for potential crimes at the project site, that the project itself is required to reimburse the County for such costs.

D. Development Management Group, Inc. recommends that the County of Imperial require 82LV 8ME, LLC or any other landowner associated with the project sites (parcels) to enter into an agreement whereas the assessed land values shall increase by 2% per annum and non-solar improvements increase by 1% per annum irrespective of the Consumer Price Index or any other factor to insure that the County of Imperial and other regional taxing authorities receive the scheduled revenue contained within this analysis. Such agreement should contain a provision which prohibits said property owner(s) from appealing their assessed value for the duration of the project operation (or 30 years) whichever comes first. Agreement shall be in full compliance with Proposition 13 in all other aspects.

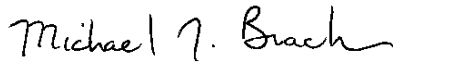
E. Development Management Group, Inc. recommends that the County of Imperial require the project developer through Conditions of Approval, Development Agreement or similar document to designate the project site as the "Point of Sale/Point of Use" in compliance with State Board of Equalization Regulation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

F. 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".

G. 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. Project proponent reports $28.43 million in non-solar improvements for each of three phases for a total of $85.3 million.

17. 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 82LV 8ME, 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 (March 3, 2012), then the undersigned reserves the professional privilege to modify the contents and/or conclusions of this report.



Michael J. Bracken, Managing Partner
Development Management Group, Inc.
73-845 Highway 111, Suite 202
Palm Desert, CA 92260
(760) 346-8820 / (760) 346-8887 (fax)
(760) 272-9136 (mobile)
Michael@dmgeconomics.com
www.dmgeconomics.com

Exhibit A

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

Mt. Signal / Calexico Farms Solar Energy Project: Imperial County, California

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Short Term Economic Impacts										
Construction Labor	$100,000,000	$100,000,000	$100,000,000							
Economic Multiplier Rate	2.0840	2.0840	2.0840							
Economic Impact of Labor (Annually)	$208,400,000	$208,400,000	$208,400,000							
Construction Materials	$407,666,666	$407,666,666	$407,666,666							
Local Purchase Materials (%)	0.05	0.05	0.05							
Projected Purchase of Materials Locally	$20,383,333	$20,383,333	$20,383,333							
Economic Multiplier Rate	2.46	2.46	2.46							
Local Impact (Annually)	$50,234,725	$50,234,725	$50,234,725							
Long Term Economic Impacts										
Operational Materials (Ongoing)	$300,000	$600,000	$630,000	$661,500	$694,575	$729,304	$765,769	$804,057	$844,260	$886,473
Local Material Purchase (10%)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Projected Local Purchases of Materials	$30,000	$60,000	$63,000	$66,150	$69,458	$72,930	$76,577	$80,406	$84,426	$88,647
Economic Multiplier Rate	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Local Impact of Material Purchases	$73,935	$147,870	$155,264	$163,027	$171,178	$179,737	$188,724	$198,160	$208,068	$218,471
Operational Labor (PV Facility)	$750,000	$1,500,000	$1,575,000	$1,653,750	$1,736,438	$1,823,259	$1,914,422	$2,010,143	$2,110,651	$2,216,183
Economic Multiplier Rate	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395
Economic Impact of Labor (Annually)	$1,796,250	$3,592,500	$3,772,125	$3,960,731	$4,158,768	$4,366,706	$4,585,042	$4,814,294	$5,055,008	$5,307,759
Aggregate of Impacts (Annual)	$260,504,910	$262,375,095	$262,562,113	$4,123,758	$4,329,946	$4,546,443	$4,773,765	$5,012,454	$5,263,076	$5,526,230
Cumulative of Impacts (Cumulative)	$260,504,910	$522,880,005	$785,442,118	$789,565,876	$793,895,822	$798,442,265	$803,216,030	$808,228,484	$813,491,560	$819,017,790
	Year 11	**Year 12**	**Year 13**	**Year 14**	**Year 15**	**Year 16**	**Year 17**	**Year 18**	**Year 19**	**Year 20**
Long Term Economic Impacts										
Operational Materials (Ongoing)	$930,797	$977,337	$1,026,204	$1,077,514	$1,131,389	$1,187,959	$1,247,357	$1,309,725	$1,375,211	$1,443,972
Local Material Purchase (10%)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Projected Local Purchases of Materials	$93,080	$97,734	$102,620	$107,751	$113,139	$118,796	$124,736	$130,972	$137,521	$144,397
Economic Multiplier Rate	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Local Impact of Material Purchases	$229,395	$240,865	$252,908	$265,553	$278,831	$292,772	$307,411	$322,782	$338,921	$355,867
Operational Labor (PV Facility)	$2,326,992	$2,443,342	$2,565,509	$2,693,784	$2,828,474	$2,969,897	$3,118,392	$3,274,312	$3,438,027	$3,609,929
Economic Multiplier Rate	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395
Economic Impact of Labor (Annually)	$5,573,147	$5,851,804	$6,144,394	$6,451,614	$6,774,195	$7,112,904	$7,468,549	$7,841,977	$8,234,076	$8,645,780
Aggregate of Impacts (Annual)	$5,802,542	$6,092,669	$6,397,302	$6,717,167	$7,053,025	$7,405,677	$7,775,961	$8,164,759	$8,572,997	$9,001,646
Cumulative of Impacts (Cumulative)	$824,820,332	$830,913,000	$837,310,302	$844,027,469	$851,080,495	$858,486,172	$866,262,132	$874,426,891	$882,999,887	$892,001,534
	Year 21	**Year 22**	**Year 23**	**Year 24**	**Year 25**	**Year 26**	**Year 27**	**Year 28**	**Year 29**	**Year 30**
Operational Materials (Ongoing)	$1,516,170	$1,591,979	$1,671,578	$1,755,156	$1,842,914	$1,935,060	$2,031,813	$2,133,404	$2,240,074	$2,352,077
Local Material Purchase (10%)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Projected Local Purchases of Materials	$151,617	$159,198	$167,158	$175,516	$184,291	$193,506	$203,181	$213,340	$224,007	$235,208
Economic Multiplier Rate	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46	2.46
Local Impact of Material Purchases	$372,978	$391,627	$411,208	$431,768	$453,357	$476,025	$499,826	$524,817	$551,058	$578,611
Operational Labor (PV Facility)	$3,790,425	$3,979,947	$4,178,944	$4,387,891	$4,607,286	$4,837,650	$5,079,532	$5,333,509	$5,600,184	$5,880,194
Economic Multiplier Rate	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395	2.395
Economic Impact of Labor (Annually)	$9,078,069	$9,531,972	$10,008,571	$10,508,999	$11,034,449	$11,586,172	$12,165,480	$12,773,754	$13,412,442	$14,083,064
Aggregate of Impacts (Annual)	$9,451,046	$9,923,599	$10,419,779	$10,940,768	$11,487,806	$12,062,196	$12,665,306	$13,298,571	$13,963,500	$14,661,675
Cumulative of Impacts (Cumulative)	$901,452,580	$911,376,179	$921,795,958	$932,736,725	$944,224,531	$956,286,728	$968,952,034	$982,250,605	$996,214,105	**$1,010,875,780**

Notes:

Construction based of twelve (12) 50MW Phases over three (3) Years (50 MW per Quarter)

Ongoing Operation and Maintenance Costs used from previous analysis (average $1,000 MW per year in materials) plus scheduled labor

Operational Materials (ongoing) expected to increase by 5% per year beginning in Year 3

Permanent Jobs (30.0 total for full 600MW of production) calculated with 5% increases starting in Year 3

Exhibit B

Governmental Revenues: (Years 1-30)

Mt. Signal / Calexico Farms Solar Energy Project

	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)	$407,666,666	$407,666,666	$407,666,666							
Based 1% Local Sales Tax (includes .25% local transportation)	$4,076,667	$4,076,667	$4,076,667							
Public Health Allocation of Sales Tax .50%	$2,038,333	$2,038,333	$2,038,333							
Public Safety Allocation of Sales Tax .50%	$2,038,333	$2,038,333	$2,038,333							
Transportation-Regional Measure D Sales Tax (.50%) 33% to County	$672,650	$672,650	$672,650							
Total Sales Taxes Collected by Sate for Benefit of County	$8,825,983	$8,825,983	$8,825,983							
Property Taxes (During Construction and Operation)										
Base Projected Land Value Assessed Valuation	$13,546,418	$13,817,346	$14,093,693	$14,375,567	$14,663,078	$14,956,340	$15,255,467	$15,560,576	$15,871,788	$16,189,223
Projected Property Tax Amount	$135,464	$138,173	$140,937	$143,756	$146,631	$149,563	$152,555	$155,606	$158,718	$161,892
Assessed Value (Aggregate of Non-Solar Improvements)	$28,430,000	$56,860,000	$85,290,000	$86,142,900	$87,004,329	$87,874,372	$88,753,116	$89,640,647	$90,537,054	$91,442,424
Total Projected Non Solar Assessed Valuation	$41,976,418	$70,677,346	$99,383,693	$100,518,467	$101,667,407	$102,830,712	$104,008,583	$105,201,223	$106,408,841	$107,631,648
Projected Annual Amount of Property Taxes Paid to County	$419,764	$706,773	$993,837	$1,005,185	$1,016,674	$1,028,307	$1,040,086	$1,052,012	$1,064,088	$1,076,316
	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 Projected Land Value Assessed Valuation	$16,513,008	$16,843,268	$17,180,133	$17,523,736	$17,874,211	$18,231,695	$18,596,329	$18,968,256	$19,347,621	$19,734,573
Projected Property Tax Amount	$165,130	$168,433	$171,801	$175,237	$178,742	$182,317	$185,963	$189,683	$193,476	$197,346
Assessed Value (Aggregate of Non-Solar Improvements)	$92,356,848	$93,280,417	$94,213,221	$95,155,353	$96,106,907	$97,067,976	$98,038,656	$99,019,042	$100,009,233	$101,009,325
Total Projected Non Solar Assessed Valuation	$108,869,856	$110,123,685	$111,393,355	$112,679,089	$113,981,118	$115,299,671	$116,634,985	$117,987,298	$119,356,853	$120,743,898
Projected Annual Amount of Property Taxes Paid to County	$1,088,699	$1,101,237	$1,113,934	$1,126,791	$1,139,811	$1,152,997	$1,166,350	$1,179,873	$1,193,569	$1,207,439
	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 Projected Land Value Assessed Valuation	$20,129,265	$20,531,850	$20,942,487	$21,361,337	$21,788,563	$22,224,335	$22,668,821	$23,122,198	$23,584,642	$24,056,334
Projected Property Tax Amount	$201,293	$205,318	$209,425	$213,613	$217,886	$222,243	$226,688	$231,222	$235,846	$240,563
Assessed Value (Aggregate of Non-Solar Improvements)	$102,019,418	$103,039,612	$104,070,009	$105,110,709	$106,161,816	$107,223,434	$108,295,668	$109,378,625	$110,472,411	$111,577,135
Total Projected Non Solar Assessed Valuation	$122,148,683	$123,571,462	$125,012,495	$126,472,045	$127,950,379	$129,447,768	$130,964,489	$132,500,823	$134,057,053	$135,633,470
Projected Annual Amount of Property Taxes Paid to County	$1,221,487	$1,235,715	$1,250,125	$1,264,720	$1,279,504	$1,294,478	$1,309,645	$1,325,008	$1,340,571	$1,356,335
Total Projected Sales Taxes to the County of Imperial	**$26,477,950**									
Total Projected Gross Property Taxes to County	***$33,751,328***									
Total Projected Income to the County of Imperial	***$60,229,278***									
Notes:										
1. Land Value based on blended cost of both leased land (at current values) and purchased land (at new values) blended value is $3,555 per acre										
2. Non-Solar Improvements based on $85,300,0000 total (O/M, roads, water treatement/storage, fencing, landscaping, transmission and substation infrastructure)										
3. For purposes of schduling taxes, improvements (item 2 above) scheduled over 3 years ($28.43 million each year until full $85.3 million is realized)										
4. Property Taxes on land scheduled to increase by 2% per annum										
5. Property Taxes on non-solar (and non land) improvements scheduled to increase by 1% per annum (per DMG, Inc. Guidance Memorandum dated 2/22/12)										

Exhibit C

County of Imperial Taxing Organization Benefit Chart

Mt Signal / Calexico Farms Solar Project

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%)		$135,464	$138,173	$140,937	$143,755	$146,631	$149,563	$152,554	$155,606	$158,718	$161,892	
Non-Solar Improvments		$284,300	$568,600	$852,900	$861,429	$870,043	$878,744	$887,531	$896,406	$905,371	$914,424	
Total		$419,764	$706,773	$993,837	$1,005,184	$1,016,674	$1,028,307	$1,040,086	$1,052,012	$1,064,088	$1,076,316	$9,403,041
County of Imperial-General Fund	0.36272400	$152,258	$256,364	$360,488	$364,605	$368,772	$372,992	$377,264	$381,590	$385,970	$390,406	$3,410,709
County General Fund- Net of ERAF	0.19587096	$82,220	$138,436	$194,664	$196,886	$199,137	$201,415	$203,723	$206,059	$208,424	$210,819	$1,841,783
County Library	0.01370500	$5,753	$9,686	$13,621	$13,776	$13,934	$14,093	$14,254	$14,418	$14,583	$14,751	$128,869
Fire Protection	0.05567900	$23,372	$39,352	$55,336	$55,968	$56,607	$57,255	$57,911	$58,575	$59,247	$59,928	$523,552
Total County Property Tax Income (Net)		$111,344	$187,475	$263,620	$266,630	$269,678	$272,764	$275,888	$279,051	$282,255	$285,498	$2,494,203

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%)		$165,130	$168,432	$171,801	$175,237	$178,742	$182,317	$185,963	$189,682	$193,476	$197,345	
Non-Solar Improvments		$923,568	$932,804	$942,132	$951,554	$961,069	$970,680	$980,387	$990,190	$1,000,092	$1,010,093	
Total		$1,088,698	$1,101,237	$1,113,933	$1,126,791	$1,139,811	$1,152,996	$1,166,350	$1,179,873	$1,193,568	$1,207,439	$11,470,696
County of Imperial-General Fund	0.36272400	$394,897	$399,445	$404,050	$408,714	$413,437	$418,219	$423,063	$427,968	$432,936	$437,967	$4,160,697
County General Fund- Net of ERAF	0.19587096	$213,244	$215,700	$218,187	$220,706	$223,256	$225,839	$228,454	$231,103	$233,785	$236,502	$2,246,776
County Library	0.01370500	$14,921	$15,092	$15,266	$15,443	$15,621	$15,802	$15,985	$16,170	$16,358	$16,548	$157,206
Fire Protection	0.05567900	$60,618	$61,316	$62,023	$62,739	$63,464	$64,198	$64,941	$65,694	$66,457	$67,229	$638,677
Total County Property Tax Income (Net)		$288,783	$292,108	$295,476	$298,887	$302,341	$305,838	$309,380	$312,967	$316,600	$320,279	$3,042,659

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%)		$201,292	$205,318	$209,425	$213,613	$217,885	$222,243	$226,688	$231,222	$235,846	$240,563	
Non-Solar Improvments		$1,020,194	$1,030,396	$1,040,700	$1,051,107	$1,061,618	$1,072,234	$1,082,957	$1,093,786	$1,104,724	$1,115,771	
Total		$1,221,487	$1,235,714	$1,250,125	$1,264,720	$1,279,504	$1,294,477	$1,309,645	$1,325,008	$1,340,570	$1,356,334	$12,877,584
County of Imperial-General Fund	0.36272400	$443,062	$448,223	$453,450	$458,744	$464,107	$469,538	$475,040	$480,612	$486,257	$491,975	$4,671,009
County General Fund- Net of ERAF	0.19587096	$239,254	$242,041	$244,863	$247,722	$250,618	$253,551	$256,521	$259,531	$262,579	$265,667	$2,522,345
County Library	0.01370500	$16,740	$16,935	$17,133	$17,333	$17,536	$17,741	$17,949	$18,159	$18,373	$18,589	$176,487
Fire Protection	0.05567900	$68,011	$68,803	$69,606	$70,418	$71,241	$72,075	$72,920	$73,775	$74,642	$75,519	$717,011
Total County Property Tax Income (Net)		$324,005	$327,779	$331,602	$335,473	$339,395	$343,367	$347,390	$351,465	$355,593	$359,774	$3,415,843
Total Net Property Tax to County		**$8,952,705**										

Notes:

1. Standard Allocation based on Assessed Amount on Property of $13,546,418 (year 1)
2. Non-Solar Improvements based on Assessed Amount: Yr 1: $28,430,000 Yr 2: $56,860,000 Yr 3: $85,290,000
3. Land is scheduled to increase by 2% per annum
4. Non-solar improvements are scheduled to increase by 1% per annum per DMG, Inc. Guidance Memorandum of 2/22/12 beginning in Year 4

Exhibit D
County of Imperial Taxing Organization Benefit Chart
Consolidated Property Tax Revenues (by allocation) Years 1-30
Mt Signal / Calexico Farms Solar Project

Taxing Entity	Est. Total Property Tax Generation	Approximate % to Taxing Entity	Total Property Taxes
County of Imperial-General Fund (Gross)	$33,751,328	0.362724	$12,242,417
County of Imperial-General Fund (Net)*	$33,751,328	0.19587096	$6,610,905
County Library*	$33,751,328	0.013705	$462,562
Fire Protection*	$33,751,328	0.055679	$1,879,240
Total Net Property Taxes to County	$8,952,707		

Notes:

1. County General Fund Amounts are Reduced by 46% to Account for ERAF (Education Revenue Augmentation Fund)
2. Approximate percentage of total property taxes available to pay for General County Services is 26.52% of total property taxes
3. Total Property Tax Generation taken from Exhibit B
4. Approximate % to Taxing Entity based on Average of the 5 Tax Rate Area Schedules
5. Schedule of tax revenues to various taxing agencies not available as project proponent has not provided specific parcel by parcel improvements
6. Total of Property Taxes available to County in Exhibit D differs from Exhibit C by $2 due to rounding

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

Exhibit E

Impact of Agriculture Employment in Imperial County, CA

Mt Signal / Calexico Farms Solar Project

Item	Figure	1Q2011 # Emp	% of Ag Emp							
Total Population in County	174,500									
Total Workforce in County	75,100									
Current Number Employed	54,200									
Estimated Direct Employment in Agriculture	6,035									
Percentage of Total Employed Directly in Agriculture	11.13%									
Hourly Mean (Farm Labor)	$9.27	5,300	87.82%							
Hourly Mean (Farm Equipment Operators)	$9.76	370	6.13%							
Hourly Mean (1st Line Supervisors Farm/Ranch/Ag)	$20.17	180	2.98%							
Hourly Mean (Farm Equipment Mechanics)*	$17.03	185	3.07%							
Average Mean of Hourly Wages	$9.86									
Add on for Benefits (30% of Wage)	$2.96									
Total Estimated Average Wage for Agriculture	$12.82									
Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Projected Employees	6035	6035	6035	6035	6035	6035	6035	6035	6035	6035
Average (Mean) of Hourly Wage	$9.86	$10.16	$10.46	$10.77	$11.10	$11.43	$11.77	$12.13	$12.49	$12.87
Add on for Benefits (30% of Wage)	$2.96	$3.05	$3.14	$3.23	$3.33	$3.43	$3.53	$3.64	$3.75	$3.86
Total Wage	$12.82	$13.20	$13.60	$14.01	$14.43	$14.86	$15.31	$15.76	$16.24	$16.72
Annualized Average (Mean) Wage with Benefits	$26,661	$27,461	$28,285	$29,134	$30,008	$30,908	$31,835	$32,790	$33,774	$34,787
Estimated Projected Payroll Agriculture	$160,901,790	$165,728,844	$170,700,709	$175,821,731	$181,096,383	$186,529,274	$192,125,152	$197,888,907	$203,825,574	$209,940,341
Aggregate of Payroll	$160,901,790	$326,630,635	$497,331,344	$673,153,075	$854,249,457	$1,040,778,731	$1,232,903,884	$1,430,792,791	$1,634,618,365	$1,844,558,706
RIMS II Impact of Employment (2.5357 Factor)	$407,998,670	$420,238,630	$432,845,789	$445,831,163	$459,206,097	$472,982,280	$487,171,749	$501,786,901	$516,840,508	$532,345,724
Aggregate of Total Payroll Impact with RIMS II Model	$407,998,670	$828,237,300	$1,261,083,089	$1,706,914,251	$2,166,120,349	$2,639,102,629	$3,126,274,378	$3,628,061,279	$4,144,901,788	$4,677,247,511
Year	**2020**	**2021**	**2020**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Projected Employees	6035	6035	6035	6035	6035	6035	6035	6035	6035	6035
Average (Mean) of Hourly Wage	$13.25	$13.65	$14.06	$14.48	$14.91	$15.36	$15.82	$16.30	$16.79	$17.29
Add on for Benefits (30% of Wage)	$3.98	$4.09	$4.22	$4.34	$4.47	$4.61	$4.75	$4.89	$5.04	$5.19
Total Wage	$17.23	$17.74	$18.28	$18.82	$19.39	$19.97	$20.57	$21.19	$21.82	$22.48
Annualized Average (Mean) Wage with Benefits	$35,831	$36,906	$38,013	$39,153	$40,328	$41,538	$42,784	$44,067	$45,389	$46,751
Estimated Projected Payroll Agriculture	$216,238,552	$222,725,708	$229,407,479	$236,289,704	$243,378,395	$250,679,747	$258,200,139	$265,946,143	$273,924,528	$282,142,263
Aggregate of Payroll	$2,060,797,258	$2,283,522,966	$2,512,930,445	$2,749,220,149	$2,992,598,544	$3,243,278,291	$3,501,478,430	$3,767,424,573	$4,041,349,101	$4,323,491,364
RIMS II Impact of Employment (2.5357 Factor)	$548,316,095	$564,765,578	$581,708,545	$599,159,802	$617,134,596	$635,648,634	$654,718,093	$674,359,636	$694,590,425	$715,428,137
Aggregate of Total Payroll Impact with RIMS II Model	$5,225,563,606	$5,790,329,185	$6,372,037,730	$6,971,197,532	$7,588,332,128	$8,223,980,761	$8,878,698,854	$9,553,058,490	$10,247,648,914	$10,963,077,052

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 $10.9 billion impact on the economy of Imperial County
   By comparison total wages for 2010 were about $2.0 billion with a combined multiplier impact of about $5.0 billion.

Sources:

State Employment Development Department

United States Census Bureau (2006-2009 American Community Survey)

RIMS II Economic Impact Model

Development Management Group, Inc.

Exhibit F

Projected Agriculture Impacts of Subject Site (Mt. Signal / Calexico Farms Solar Project)

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

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Total Acres of Production	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334
Total Direct Employment in Agriculture in County	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035
Projected Employees Per Acre	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140
Projected Employees Per 100 Acres	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Projected Employees Per 3811 Acres	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32
Average Wage Per Employee (Fully Burdened)	$26,661	$27,461	$28,285	$29,133	$30,007	$30,907	$31,835	$32,790	$33,773	$34,787
Projected Payroll for 2010	$1,155,068	$1,189,720	$1,225,412	$1,262,174	$1,300,039	$1,339,040	$1,379,211	$1,420,588	$1,463,205	$1,507,102
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	$2,928,906	$3,016,773	$3,107,276	$3,200,494	$3,296,509	$3,395,404	$3,497,267	$3,602,185	$3,710,250	$3,821,558
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	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01

Year	**2020**	**2012**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Total Acres of Production	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334	529,334
Total Direct Employment in Agriculture in County	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035	6,035
Projected Employees Per Acre	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140	0.01140
Projected Employees Per 100 Acres	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Projected Employees Per 3811 Acres	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.32
Average Wage Per Employee (Fully Burdened)	$35,830	$36,905	$38,012	$39,153	$40,327	$41,537	$42,783	$44,067	$45,389	$46,750
Projected Payroll for 2010	$1,552,315	$1,598,884	$1,646,851	$1,696,256	$1,747,144	$1,799,558	$1,853,545	$1,909,151	$1,966,426	$2,025,419
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	$3,936,204	$4,054,290	$4,175,919	$4,301,197	$4,430,233	$4,563,140	$4,700,034	$4,841,035	$4,986,266	$5,135,854
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	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01	78.01

Total Projected Impact of Payroll (20 Years) w/RIMS II	$78,700,792									
(Projection is Project Site of 3811 Acres Only currently being utilized for Agriculture Purposes)										
Average Projected Annual Direct Jobs from Site	43.32									
Average Projected Annual Jobs w/RIMS II from Site	78.01									

Notes:

- 2010 Figures Used as Base Year
- 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
- United States Census Bureau (2006-2009 American Community Survey)
- RIMS II Economic Impact Model
- Development Management Group, Inc.
- 2010 Imperial County Agriculture Crop and Livestock Report
- Confidential Interviews and Analysis with Industry Experts & Current Farming Professional

Exhibit G

Projected Agriculture Impacts of Subject Site (Mt Signal / Calexico Farms Solar Project)

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	3811	3811	3811	3811	3811	3811	3811	3811	3811	3811
Allowance for Historic Fallowing	762.2	762.2	762.2	762.2	762.2	762.2	762.2	762.2	762.2	762.2
Estimated Acres Farmed	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8
Full Time Employees	11	11	11	11	11	11	11	11	11	11
Projected Contract FTE	7	7	7	7	7	7	7	7	7	7
Projected Total Employees for Site	18	18	18	18	18	18	18	18	18	18
Average Wage Per Employee (Fully Burdened)	$26,661	$27,461	$27,461	$27,461	$27,461	$27,461	$27,461	$27,461	$27,461	$27,461
Projected Payroll for 2010	$479,898	$494,295	$509,124	$524,398	$540,129	$556,333	$573,023	$590,214	$607,920	$626,158
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	$1,216,877	$1,253,384	$1,290,985	$1,329,715	$1,369,606	$1,410,694	$1,453,015	$1,496,606	$1,541,504	$1,587,749
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	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41

Year	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Total Site Acres	3811	3811	3811	3811	3811	3811	3811	3811	3811	3811
Allowance for Historic Fallowing	762	762.2	762.2	762.2	762.2	762.2	762.2	762.2	762.2	762.2
Estimated Acres Farmed	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8
Full Time Employees	11	11	11	11	11	11	11	11	11	11
Projected Contract FTE	7	7	7	7	7	7	7	7	7	7
Projected Total Employees for Site	18	18	18	18	18	18	18	18	18	18
Average Wage Per Employee (Fully Burdened)	$28,285	$29,133	$30,007	$30,907	$31,835	$32,790	$33,773	$34,787	$35,830	$36,905
Projected Payroll for 2010	$644,943	$664,291	$684,220	$704,746	$725,889	$747,665	$770,095	$793,198	$816,994	$841,504
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	$1,635,381	$1,684,443	$1,734,976	$1,787,025	$1,840,636	$1,895,855	$1,952,731	$2,011,313	$2,071,652	$2,133,802
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	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41	32.41

Year	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Total Site Acres	3811	3811	3811	3811	3811	3811	3811	3811	3811	3811
Allowance for Historic Fallowing	762	762	762	762	762	762	762	762	762	762
Estimated Acres Farmed	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3048.8	3049
Full Time Employees	11	40	40	40	40	40	40	40	40	5
Projected Contract FTE	7	16	16	16	16	16	16	16	16	2
Projected Total Employees for Site	18	56	56	56	56	56	56	56	56	7
Average Wage Per Employee (Fully Burdened)	$38,012.21	$39,152.58	$40,327.15	$41,536.97	$42,783.08	$44,066.57	$45,388.57	$46,750.22	$48,152.73	$49,597.31
Projected Payroll for 2010	$866,749	$892,751.64	$919,534.19	$947,120.22	$975,533.83	$1,004,799.84	$1,034,943.84	$1,065,992.15	$1,097,971.92	$1,130,911.07
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	$2,197,816	$2,263,750	$2,331,663	$2,401,613	$2,473,661	$2,547,871	$2,624,307	$2,703,036	$2,784,127	$2,867,651
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	32.41	100.83	100.83	100.83	100.83	100.83	100.83	100.83	100.83	12.60

Sources:

State Employment Development Department

United States Census Bureau (2006-2009 American Community Survey)

RIMS II Economic Impact Model

Development Management Group, Inc.

2010 Imperial County Agriculture Crop and Livestock Report

Confidential Interviews and Analysis with Industry Experts & Current Farming Professional

Simplified Calculations:

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

Projected Employment Impacts of Subject Site (Mt Signal / Calexico Farms Solar Project)

(Developed as Commercial Solar Energy Generation Facility)

Year	1	2	3	4	5	6	7	8	9	10
Construction Craft Hours (Annual)	624,000	624000	624000							
Number of FTE (1-Year) Labor Staff (2080 hours)	300	300	300							
Average Craft Pay Per Hour	$33.18	$33.18	$33.18							
Average Craft Benefits Per Hour	$49.39	$49.39	$49.39							
Annualized Wage/Benefit Per Construction Emp.	$102,731	$102,731	$102,731							
Total Construction Wages/Benefits	$30,819,360	$30,819,360	$30,819,360							
Number of Projected Operational Employees	9	18	26	26	26	26	26	26	26	26
Operational Wage (inclusive of 30% benefits)	$450,000	$900,000	$1,300,000	$1,365,000	$1,433,250	$1,504,913	$1,580,158	$1,659,166	$1,742,124	$1,829,231
Number of Projected Security Employees	2	3	4	4	4	4	4	4	4	4
Security Wage (inclusive of 30% benefits)	$100,000	$150,000	$157,500	$165,375	$173,644	$182,326	$191,442	$201,014	$211,065	$221,618
Total All Wages/Benefits	$31,369,360	$1,050,000	$1,457,500	$1,530,375	$1,606,894	$1,687,238	$1,771,600	$1,860,180	$1,953,189	$2,050,849
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	$64,227,546	$64,227,546	$64,227,546	$0	$0	$0	$0	$0	$0	$0
Projected Payroll in Region (Utility Operation) w/Multiplier	$1,077,750	$2,155,500	$3,113,500	$3,269,175	$3,432,634	$3,604,265	$3,784,479	$3,973,703	$4,172,388	$4,381,007
Projected Payroll in Region (Security) w/Multiplier	$235,630	$353,445	$371,117	$389,673	$409,157	$429,615	$451,095	$473,650	$497,333	$522,199
Projected total Jobs (Construction) with Multiplier	668.0100	668.0100	668.0100	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Projected total Jobs (Utility Operation) with Multiplier	38.44	76.88	111.05	111.05	111.05	111.05	111.05	111.05	111.05	111.05
Projected total Jobs (Security) with Multiplier	3.89	5.84	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78
Total Projected Payroll (Complete Project) w/Multipliers	$65,540,926	$66,736,491	$67,712,163	$3,658,848	$3,841,791	$4,033,880	$4,235,574	$4,447,353	$4,669,720	$4,903,206
Total Projected Jobs (Complete Project) w/Multipliers	710.34	750.72	786.84	118.83	118.83	118.83	118.83	118.83	118.83	118.83

Year	11	12	13	14	15	16	17	18	19	20
Number of Projected Operational Employees	26	26	26	26	26	26	26	26	26	26
Operational Wage (inclusive of 30% benefits)	$2,153,391	$2,261,061	$2,374,114	$2,492,820	$2,617,461	$2,748,334	$2,885,750	$3,030,038	$3,181,540	$3,340,617
Number of Projected Security Employees	4	4	4	4	4	4	4	4	4	4
Security Wage (inclusive of 30% benefits)	$232,699	$244,334	$256,551	$269,378	$282,847	$296,990	$311,839	$327,431	$343,803	$360,993
Total All Wages/Benefits	$2,386,091	$2,505,395	$2,630,665	$2,762,198	$2,900,308	$3,045,323	$3,197,590	$3,357,469	$3,525,342	$3,701,610
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	$5,157,372	$5,415,241	$5,686,003	$5,970,303	$6,268,818	$6,582,259	$6,911,372	$7,256,941	$7,619,788	$8,000,777
Projected Payroll in Region (Security) w/Multiplier	$548,309	$575,725	$604,511	$634,736	$666,473	$699,797	$734,787	$771,526	$810,102	$850,608
Projected total Jobs (Utility Operation) with Multiplier	111.05	111.05	111.05	111.05	111.05	111.05	111.05	111.05	111.05	111.05
Projected total Jobs (Security) with Multiplier	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78	7.78
Total Projected Payroll (Complete Project) w/Multipliers	$5,705,681	$5,990,965	$6,290,514	$6,605,039	$6,935,291	$7,282,056	$7,646,159	$8,028,467	$8,429,890	$8,851,385
Total Projected Jobs (Complete Project) w/Multipliers	118.83	118.83	118.83	118.83	118.83	118.83	118.83	118.83	118.83	118.83

Notes:

1. Prevailing Wage is based on average of eight categories of skilled of workers for average hourly wage of $33.18 and fully burdened of $49.39
2. All calculations based on full year and show year # rather than actual year
3. Operational Wages based total budget figures provided by Mt Signal / Calexico Farms Project Developer

Sources:

State of California Department of Industrial Relations	Development Management Group, Inc.
State Employment Development Department	Mt. Signal / Calexico Farms Project Developer
RIMS II Economic Impact Model	United States Department of Labor

Exhibit I
Projected Costs for County to Provide General Government Services to Population
County of Imperial

#	Unit Type	Item	2011-12 Adopted Amount
1	Admin	County Pension Bonds-1997	$5,739,085
2	Legislative and Admin	Entire Section	$5,894,042
3	Finance	Entire Section	$6,356,341
4	County Counsel	Entire Section	$2,092,525
5	Personnel	Entire Section	$1,345,709
6	Equal Employment Opportunity	Entire Section	$116,571
7	Elections	Entire Section	$739,943
8	Property/Facility Management	Entire Section	$6,515,193
9	Other General	Entire Section	$664,449
10	Recreational Facilities	Entire Section	$3,000,000
	Public Protection		
11	Judicial	Entire Section	$17,762,460
12	Police Protection	Entire Section	$16,188,900
13	Detention and Correction	Entire Section	$22,934,644
14	Fire Protection	Entire Section	$6,331,508
15	Protective Inspection	Entire Section	$5,310,767
16	Other Protection	Entire Section	$17,278,806
	Public Ways & Facilities		
17	Public Ways	Entire Section	$17,207,991
	Health and Sanitation		
18	Health and Sanitation	Entire Section	$54,815,293
19	Sanitation	Entire Section	$3,249,073
	Public Assistance		
20	Adminstration-Workforce Development	Entire Section	$4,653,660
21	Security-Sheriff	Entire Section	$159,681
22	Administration-Social Services	Entire Section	$38,330,645
23	Categorical AIDS	Entire Section	$52,203,376
24	General Relief	Entire Section	$103,600
25	Veterans Services	Entire Section	$148,726
26	Other Assistance	See Notes	$782,237
	Education		
27	Health	Entire Section	$171,430
28	Agriculture Education	Entire Section	$423,736
29	Library Services	Entire Section	$421,825
30	Other Education	Entire Section	$1,900
	Recreation		
31	Recreation Facilities	Entire Section	$769,610
	Contingency		
32	Contingency	Entire Section	$1,000,000
	Total of Governmental Expenditures/Responsibilities		$292,713,726
	Total Number of Residents of Imperial County (2011 Census/Demographics)		175,014
	Total Spending Per Resident of Imperial County		$1,672.52

Notes:
Item 26 includes only Imperial County Community Econoic 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 Unity FY 201

Exhibit J

Projected Costs for County of Imperial to Provide General Government Services as Result of Mt. Signal / Calexico Farms Solar Project

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)	300	300	300	0	0	0	0	0	0	0
Number of Projected Operational/Security Jobs (FTE)	11	21	30	30	30	30	30	30	30	30
Total Jobs (construction & Operational) (FTE)	311	321	330	30	30	30	30	30	30	30
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.	1,116.49	1152.39	1184.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7
Cost Per Person (General Govt.)	$1,673	$1,728	$1,785	$1,845	$1,906	$1,969	$2,034	$2,102	$2,172	$2,244
Estimated Cost to Provide General County Govt. Services	$1,867,464	$1,991,446	$2,115,189	$198,668	$205,258	$212,066	$219,101	$226,368	$233,877	$241,635

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)	30	30	30	30	30	30	30	30	30	30
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.	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7
Cost Per Person (General Govt.)	$2,318	$2,395	$2,474	$2,556	$2,641	$2,729	$2,819	$2,913	$3,009	$3,109
Estimated Cost to Provide General County Govt. Services	$249,650	$257,930	$266,486	$275,325	$284,458	$293,893	$303,642	$313,714	$324,119	$334,871

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)	30	30	30	30	30	30	30	30	30	30
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.	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7	107.7
Cost Per Person (General Govt.)	$3,212	$3,319	$3,429	$3,543	$3,660	$3,782	$3,907	$4,037	$4,171	$4,309
Estimated Cost to Provide General County Govt. Services	$345,978	$357,454	$369,311	$381,561	$394,217	$407,294	$420,804	$434,762	$449,183	$464,082

Total Cost to Provide General Government Services ***$14,439,806***

Notes:

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

Exhibit K
Projected Revenue Versus Expenses: County of Imperial (Mt. Signal / Calexico Farms Solar Project)
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	$8,825,983	$8,825,983	$8,825,983							
Projected Property Tax Income (Net)	$111,344	$187,475	$263,620	$266,630	$269,678	$272,764	$275,888	$279,051	$282,255	$285,498
Total Projected Income for General Government Services	$8,937,327	$9,013,458	$9,089,603	$266,630	$269,678	$272,764	$275,888	$279,051	$282,255	$285,498
Projected Costs to Provide General Government Services	$1,867,464	$1,991,446	$2,115,189	$198,668	$205,258	$212,066	$219,100	$226,368	$233,877	$241,634
Estimated Revenue Surplus (Deficit) (Annual)	$7,069,863	$7,022,012	$6,974,414	$67,962	$64,420	$60,698	$56,788	$52,683	$48,378	$43,864
Aggregate Revenue Surplus (Deficit)	$7,069,863	$14,091,875	$21,066,289	$21,134,251	$21,198,671	$21,259,369	$21,316,157	$21,368,839	$21,417,218	$21,461,082

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)	$288,783	$292,108	$295,476	$298,887	$302,341	$305,838	$309,380	$312,967	$316,600	$320,279
Projected Costs to Provide General Government Services	$249,649	$257,930	$266,486	$275,325	$284,458	$293,893	$303,642	$313,713	$324,119	$334,870
Estimated Revenue Surplus (Deficit) (Annual)	$39,134	$34,178	$28,990	$23,562	$17,883	$11,945	$5,738	-$746	-$7,519	-$14,591
Aggregate Revenue Surplus (Deficit)	$21,500,215	$21,534,393	$21,563,383	$21,586,945	$21,604,828	$21,616,773	$21,622,512	$21,621,766	$21,614,246	$21,599,655

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)	$324,005	$327,779	$331,602	$335,473	$339,395	$343,367	$347,390	$351,465	$355,593	$359,774
Projected Costs to Provide General Government Services	$345,978	$357,454	$369,311	$381,561	$394,217	$407,293	$420,803	$434,761	$449,182	$464,082
Estimated Revenue Surplus (Deficit) (Annual)	-$21,973	-$29,675	-$37,709	-$46,088	-$54,822	-$63,926	-$73,413	-$83,296	-$93,589	-$104,308
Aggregate Revenue Surplus (Deficit)	$21,577,682	$21,548,007	$21,510,299	$21,464,211	$21,409,389	$21,345,463	$21,272,049	$21,188,753	$21,095,164	$20,990,856

Total Revenues over Expenses to Provide General Govt. Services ***$20,990,856***

Notes:

Sales Tax Income only applicable in Year 1 which represents construction of project
Property Tax available for General Government Services includes General Fund, Library and Fire Protection

Local Sales/Use Tax Revenue	$26,477,949
Net to County Property Tax Revenue	$8,952,705
Total Projected Revenue to County (Sales/Use Tax + Property Tax)	$35,430,654
Cost of County Government Services	$14,439,798
Projected Revenue to County over Expenses	$20,990,856

Exhibit L


County Hwy S 30
Ferrell Rd
S Clark Rd
Kuhaa Cutoff
98
Image U.S. Geological Survey
© 2011 Google
© 2011 INEGI
© 2010 Google

Exhibit M

Fixed-tilt solar panels

Typical fixed-tilt solar panel rows

Typical single-axis tracking solar panels

Typical single-axis tracking solar panel rows

Typical single-axis tracking solar panel rows