FINAL APPLICATION FOR LICENSE
OF MAJOR UNCONSTRUCTED PROJECT

EXHIBIT E
ENVIRONMENTAL REPORT

Section 5 – Report on Socio-Economic Impacts

LAKE ELSINORE
ADVANCED PUMPED STORAGE PROJECT
FEDERAL ENERGY REGULATORY COMMISSION
PROJECT NUMBER 14227

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Table of Contents

List of Tables

Exhibit E – Section 5

5.0. REPORT ON SOCIO-ECONOMIC IMPACTS

5.1. INTRODUCTION

As required under 18 CFR 4.41(f)(5): "The applicant must provide a report which identifies and quantifies the impacts of constructing and operating the proposed project on employment, population, housing, personal income, local governmental services, local tax revenues and other factors within the towns and counties in the vicinity of the proposed project." The environmental report must include the information outlined below. To facilitate review, the related section or sections of this exhibit wherein that information is, in part, addressed, is identified in *italics*.

- Description of the socio-economic impact area (*Subsection 5.2.1*);
- Description of employment, population and personal income trends in the impact area (*Subsection 5.2.2*);
- Evaluation of the impact of any substantial in-migration of people on the impact area's governmental facilities and services, such as police, fire, health and educational facilities and programs (*Subsection 5.2.3*);
- On-site manpower requirements and payroll during and after project construction, including a projection of total on-site employment and construction payroll provided by month (*Subsection 5.2.4*);
- Numbers of project construction personnel who: (A) Currently reside within the impact area; (B) Would commute daily to the construction site from places situated outside the impact area; and (C) Would relocate on a temporary basis within the impact area (*Subsection 5.2.5*);
- Determination of whether the existing supply of available housing within the impact area is sufficient to meet the needs of the additional population (*Subsection 5.2.6*);
- Numbers and types of residences and business establishments that would be displaced by the proposed project, procedures to be utilized to acquire these properties, and types and amounts of relocation assistance payments that would be paid to the affected property owners and businesses (*Subsection 5.2.7*); and
- Fiscal impact analysis evaluating the incremental local government expenditures in relation to the incremental local government revenues that would result from the construction of the proposed project. Incremental expenditures may include, but are not be limited to, school operating costs, road maintenance and repair, public safety, and public utility costs (*Subsection 5.2.8*).

In the derivation of this section, extensive consultation has occurred between the Applicant and other Federal, State, and local governmental entities with jurisdiction over the general project area or special expertise regarding the proposed project's potential socio-economic impacts.

That consultation has included, but was not limited to, discussions with representatives of or transmittal of project documentation to the United States Department of Agriculture – United States Forest Service, the Southern California Association of Governments, the County of Riverside, and the City of Lake Elsinore.

5.2. 36 CFR 4.41(f)(5) REQUIREMENTS

The following material is presented in response to the informational requirements outlined in 18 CFR 4.41(f)(5) and is provided in a format consistent with those requirements.

5.2.1. Description of the Socio-Economic Impact Area

Three distinct geographic areas have been identified as the basis for identifying the socio-economic characteristics of the proposed project. Those areas provide an overall hierarchy against which the project's socio-economic impacts can be evaluated and include the State of California, the County of Riverside, and the City of Lake Elsinore. Although the project extends into northern San Diego County, the area impacted is lightly populated and the socio-economic impacts on the project on that area and within that region would likely be minimal. Each of the three selected socio-economic impact areas is individually described below.

- **State of California**. A brief evaluation of the State provides a comparison between the socio-economic characteristics of the other subordinate geographic areas. California consists of approximately 1,990 square miles (99,813,950 acres), making it the third largest state in the country. With a population of nearly 35 million people as of January 2001, the State contains about 12.2 percent of all United States residents and accounts for about 13.4 percent of the nation's gross domestic product. California's gross domestic product ($1.359 trillion) ranked the State's economy as the fifth largest in the world in 2001, falling behind only the United States ($10.171 trillion), Japan ($4.245 trillion), Germany ($1.874 trillion), and the United Kingdom ($1.406 trillion).[1]

  California is "[o]ften referred to as an ecological island, separated by high mountains from the rest of the continent, California's diversity is the product of the state's variability of landforms, climate, and soil types. This physical complexity has fostered development of an array of specialized habitat types and has been the principal driver in the evolution of a highly distinctive flora and fauna. Along with this rich biota, the state supports a $1.2 trillion economy, the world's seventh largest, and an ever increasing flood of humanity."[2]

  Over a 15-year period beginning in 1985, the State's total energy consumption increased by about 21 percent while the State's economy, expressed as Gross State Product (GSP), has grown at a rate of 57 percent. As a result, the amount of energy used to create one dollar of GSP has steadily followed a downward trend. In other words, the State's economy has become more energy efficient. A major reason for the declining energy trend relative to GSP is that California's economy has shifted over the past two decades

[1]/ California Department of Finance, Miscellaneous Economic Data, Top Countries Ranked by its Gross Domestic Product, 2001.

[2]/ Stein, Bruce A., States of the Union: Ranking America's Biodiversity, NatureServe, August 2002, p. 7.

from one in which manufacturing industries were dominant to one which is increasingly becoming services oriented. Services-oriented industries generally consume less energy per GSP than manufacturing industries.[3]

- **Riverside County**. The County of Riverside is one of six counties within the jurisdiction of the Southern California Association of Governments (SCAG). The SCAG region includes the Counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura. Because the SCAG region encompasses the totality of several counties located well beyond the area of the project's potential influence and because the SCAG area combines both Riverside and San Bernardino Counties as one metropolitan statistical area (MSA), the SCAG region was not considered as an appropriate socio-economic impact area. Socio-economic data for the Counties of Riverside and San Bernardino, as generated by SCAG, is often consolidated such that it is not possible to separate data and trends within that two-county area.

  Riverside County is the fourth largest county in California, with more than 7,300 square miles (4,612,740 acres) of land, stretching nearly 200 miles from east to west. With a population of nearly 1.6 million as of January 2001, the County contains about 4.6 percent of all State residents. The County has been identified as one of the fastest growing counties in California, with most of the growth and associated development is occurring in the western portion of the County.

  The westerly portions of Riverside and San Bernardino Counties comprise what is commonly referred to as the "Inland Empire" and represent one of the fastest growing regions in the State. Riverside and San Bernardino Counties have shown the healthiest economic growth in the SCAG region. While the average unemployment rate increased to 5.6 percent in 2002, up from 5.0 percent in 2001, this performance is still better than that of the other counties in the region. After gaining 40,700 payroll jobs in 2001, the two counties together added another 23,600 jobs in 2002. Services and trade added 8,800 and 2,800 jobs, respectively. Construction, finance, insurance, and real estate showed job increases. As indicated by SCAG: "A rapidly growing population continues to provide the momentum for significant growth in the Inland Empire."[4]

  As further indicated by SCAG: "During 2001, Southern California's population grew by approximately 350,000 to a total of over 17 million people. The rate of the region's population growth was a little faster than that of the state. Within the region, Riverside County had the fastest growth rate of 3.8 percent while Los Angeles County had the largest population increase of 170,000. The region's population increase of 350,000 in 2001 was higher than the average annual increase for any decade since 1950 and well above the average annual increase of approximately 190,000 during the 1990s. The geographic distribution of population growth within the region has changed significantly

[3]/ *Op Cit*., Environmental Protection Indicators for California, p. 16.

[4]/ Southern California Association of Governments, Regional Economic Forecast for Southern California, 2003-2004, November 2002, p. 10.

since 1950. Over the years, the Inland Empire has consistently increased its share of the region's total population growth. From 1950 to 1960, the Inland Empire attracted less than 13 percent of the region's growth. However, during the 1980s and 1990s, the population increase in the Inland Empire accounted for approximately 34 percent of the region's growth. Since 1980, the Inland Empire has been the fastest growing area in California."[5]

With regards to the Inland Empire, as indicated by the Los Angeles County Economic Development Department: "After seeing economic growth forge ahead during difficult economic times in 2001-02, the two-county area should see continued gains in 2003 and 2004. The area has been leading the state in new homebuilding and should easily maintain this position in 2003. In addition, the area's manufacturing sector took only a glancing blow from the recession."[6]

- **City of Lake Elsinore**. The "County of Riverside Comprehensive General Plan" has divided the County into twelve separate land-use planning areas (LUPAs). The proposed project predominately lies within the "Southwest Territory Planning Area" (STPA). The STPA consists of the incorporated (i.e., Cities of Lake Elsinore, Murrieta, and Temecula) and unincorporated (i.e., Alberhill, Wildomar, Lakeland Village) areas.

  The County has initiated a comprehensive update of its current general plan. As part of that planning effort, the existing LUPAs will be revised and the County will likely be divided (for planning purposes) into nineteen area plan boundaries. With the exception of those facility components extending into San Diego County and those located within the National Forest, all of the project's proposed facilities would then be located within the boundaries of the "Elsinore Area Plan." Because the County has elected to modify or now seeks to modify the geographical area in which the proposed project is predominately located, the STPA was not considered a viable socio-economic impact area. Similarly, pending adoption of the revised general plan, the "Elsinore Planning Area" may be subject to further changes and refinements. As a result, that County proposed planning area was not considered a viable socio-economic impact area.

  A significant portion of the proposed hydropower project exists within the City of Lake Elsinore and its adopted sphere of influence (SOI). It is likely those areas would experience the greatest potential socio-economic impacts. As a result, the City has been selected as the third socio-economic impact area.

A profile of economic characteristics, comparing the State, the County of Riverside, and the City of Lake Elsinore, are presented in Table E. 5-1 (Profile of Selected Economic Characteristics: 2000). As indicated therein, the County lags behind the State and the City lacks behind the

[5]/ Chang, Ping, The State of the Region 2002 – Measuring Progress in the 21st Century, Southern California Association of Governments, December 2002, p. 9.

[6]/ Keyser, Jack, *et al*., 2003-2004 Economic Forecast and Industry Outlook for California & the Los Angeles Five-County Area Including the National & International Setting, Los Angeles County Economic Development Corporation, Economic Information & Research Department, February 2003, p. 33.

County in many economic indicators. This is particularly evident with regards to median household income, median family income, and percentage of population below poverty levels.

5.2.2. Description of Employment, Population, and Personal Income Trends

The three socio-economic impact areas (i.e., State of California, County of Riverside, City of Lake Elsinore) are separately described below.[7]

5.2.2.1. State of California.

According to 2000 census data, California had the largest population increase in the United States, increasing by 13.6 percent or almost four million people, over 1990 census data. California's 33.9 million residents make it the most populous state in the country, accounting for 12 percent of the nation's total population. In 2000, California had 217.2 people per square mile (173 percent higher than the national average of 79.6), up from 191 people per square mile in 1990.[8] Statistical data comparing the State of California and the County of Riverside is presented in Table E. 5-2 (California and Riverside County Statistics).

Although the State's population continues to grow, more people left California in the last half of the 1990's than moved in from other states. More than 1.4 million people in the United States migrated to California from 1995 to 2000, while 2.2 million left. Only New York State, which lost 874,000 more residents to other states that it took in, had a bigger net decline than California, which lost about 755,000 residents through net migration. A June 2003 report from the California Department of Finance noted that "a greater number of persons annually leave California for other states than enter California from another state" and that this "outward migration trend" has been consistent.[9]

While all of the State's regions are growing, the sources of population growth or differ between the regions. Over time, a population grows or declines through births, deaths, and migration. Demographers define natural increase as the difference between the number of births and the number of deaths, and they disaggregate migration into international and domestic migration. Table E. 5-3 (Components of Population Change: 1990-1999) presents the components of change in the State's regions. As indicated therein, contrary to State-wide trends, the Inland Empire experienced the largest net domestic migration anywhere in the State.

Table E. 5-1. Profile of Selected Economic Characteristics

Subject	State of California		County of Riverside		City of Lake Elsinore	
	Number	%	Number	%	Number	%
EMPLOYMENT STATUS						

[7]/ Any inconsistencies in the information cited is based on the derivation of information from a variety of sources. Sources can differ with regards to their assumptions, calendar dates, geographic areas, and methodologies.

[8]/ United States Census Bureau, Table 1 (Land Area, Population, and Density for States and Counties: 1990), 1990 Census.

[9]/ California Department of Finance, California Current Population Survey Report, March 2002 Data, Demographic Research Unit, June 2003, p. 18.

Subject	State of California		County of Riverside		City of Lake Elsinore	
	Number	%	Number	%	Number	%
Population 16 years and over	25,598,144	100.0	1,124,807	100.0	19,701	100.0
In labor force	15,977,879	62.4	654,387	58.2	12,268	62.3
Civilian labor force	15,829,202	61.8	651,952	58.0	12,218	62.0
Employed	14,718,928	57.5	602,856	53.6	11,352	57.6
Unemployed	1,110,274	4.3	49,096	4.4	866	4.4
Armed Forces	148,677	0.6	2,435	0.2	50	0.3
Not in labor force	9,618,265	37.5	470,420	41.8	7,433	37.7
OCCUPATION						
Management, prof., and related occupations	5,295,069	36.0	167,739	27.8	2,488	21.9
Service occupations	2,173,874	14.8	105,446	17.5	1,806	15.9
Sales and office occupations	3,939,383	26.8	163,095	27.1	3,300	29.1
Farming, fishing, and forestry occupations	196,695	1.3	9,499	1.6	67	0.6
Const., extraction, and maint. occupations	1,239,160	8.4	70,974	11.8	1,698	15.0
Prod., transp., and material moving occupations	1,874,747	12.7	86,103	14.3	1,993	17.6
INDUSTRY						
Agricult., forestry, fishing and hunting, & mining	282,717	1.9	13,063	2.2	101	0.9
Construction	915,023	6.2	55,751	9.2	1,415	12.5
Manufacturing	1,930,141	13.1	72,837	12.1	1,899	16.7
Wholesale trade	596,309	4.1	21,400	3.5	493	4.3
Retail trade	1,641,243	11.2	76,466	12.7	1,657	14.6
Transportation and warehousing, and utilities	689,387	4.7	31,683	5.3	636	5.6
Information	577,463	3.9	13,956	2.3	244	2.1
Finance, insur., real estate, and rental & leasing	1,1016,916	6.9	34,348	5.7	469	4.1
Prof., scientific, management, administration, and waste management services	1,711,625	11.6	51,577	8.6	836	7.4
Educational, health and social services	2,723,928	18.5	113,407	18.8	1,574	13.9
Arts, entertainment, recreation, accommodations and food services	1,204,211	8.2	59.131	9.8	981	8.6
Other services (except public administration)	761,154	5.2	30,166	5.0	721	6.4
Public administration	668,811	4.5	29,071	4.8	326	2.9
CLASS OF WORKERS						
Private wage and salary workers	11,257,393	76.5	456,252	75.7	9,342	82.3
Government workers	2,158,071	14.7	93,494	15.5	1,183	10.4
Self-employed workers in own not incorp. busin.	1,249,530	8.5	50,874	8.4	803	7.1
Unpaid family workers	53,934	0.4	2,236	0.4	24	0.2
INCOME IN 1999						
Households	11,512,020	100.0	506,781	100.0	8,872	100.0
Less than $10,000	967,089	8.4	43,183	8.5	942	10.6
$10,000 to $14,999	648,780	5.6	32,150	6.3	603	6.8

Subject	State of California		County of Riverside		City of Lake Elsinore	
	Number	%	Number	%	Number	%
$15,000 to $24,999	1,318,246	11.5	67,446	13.3	1,174	132.
$25,000 to $34,999	1,315,085	11.4	62,801	12.4	1,045	11.8
$35,000 to $49,999	1,745,961	15.2	82,700	16.3	1,287	14.5
$50,000 to $74,999	2,202,873	19.1	100,840	19.9	1,934	21.8
$75,000 to $99,999	1,326,569	11.5	56,058	11.1	986	11.1
$100,000 to $149,999	1,192,618	10.4	41,953	8.3	738	8.3
$150,000 to $199,999	385,248	3.3	9,840	1.9	60	0.7
$200,000 or more	409,551	3.6	9.810	1.9	103	1.2
Median household income (dollars)	47,493	-	42,887	-	41,884	-
Families	7,985,489	100.0	375,207	100.0	7,021	100.0
Less than $10,000	457,118	5.7	20,996	5.6	569	8.1
$10,000 to $14,999	365,527	4.6	17,924	4.8	437	6.2
$15,000 to $24,999	834,317	10.4	44,782	11.9	836	11.9
$25,000 to $34,999	873,396	10.9	45,986	12.3	805	11.5
$35,000 to $49,999	1,207,938	15.1	63,764	17.0	1,039	14.8
$50,000 to $74,999	1,615,410	20.2	81,803	21.8	1,656	23.6
$75,000 to $99,999	1,034,671	13.0	48,086	12.8	884	12.6
$100,000 to $149,999	955,377	12.0	35,532	9.5	643	9.2
$150,000 to $199,999	310,407	3.9	8,389	2.2	49	0.7
$200,000 or more	331,328	4.1	7,945	2.1	103	1.5
Median family income (dollars)	53,025	-	48,409	-	47,563	
POVERTY STATUS IN 1999 (below pov. level)						
Families	845,991	10.6	40,073	10.7	1,034	14.7
Families with female householder	350,138	25.0	16,056	27.6	459	38.3
Individuals	4,706,130	14.2	214,084	14.2	4,916	17.0

Source: United States Census Bureau, DP-3 (Profile of Selected Economic Characteristics), Census Summary File 3 (SF3) – Sample Data

Economic conditions are an important determinant of population change in California and those conditions vary substantially between the State's regions. During the first half of the 1990's, the State lost as many as two million people to other states as California endured its worst recession since the great depression. Job-related reasons are commonly cited as the most important factor in migration between states. Table E. 5-4 (Ratio of Population Change in Jobs for California's Regions: 1990-2000) shows the strong relationship between job growth and population growth.

Table E. 5-2: California and Riverside County Statistics

Index	California	Riverside County
Land Area in Square Miles	155,959	7,207
Population	33,871,648	1,545,387
Persons per Square Mile ()	217.2	214.4
2001 Population (Estimate)	34,501,130	1,635,888
Population Percent Change (April 1, 2000-July 1, 2001)	1.9	5.9
Population Net Change (1990-2000)	4,060,221	374,974
Population Percent Change (1990-2000)	13.6	32.0
Population Under 5 Years Old (2000)	2,486,981	121,629
Persons Under 5 Years Old Percent (2000)	7.3	7.9
Population Under 18 Years Old (2000)	9,249,829	468,691
Persons Under 19 Years Old Percent (2000)	27.3	30.3
Population 65 Years Old and Over (2000)	3,595,658	195,964
Persons 65 Years Old and Over Percent (2000)	10.6	12.7
Language Other than English Spoken at Home Age 5+ (2000)	12,401,756	468,833
Language Other than English Spoken at Home Age 5+ Percent (2000)	39.5	32.9
Housing Units (2000)	12,214,549	584,674
Homeownership Rate (2000)	56.9	68.9
Median Value of Owner-Occupied Housing Unit (2000)	$211,500	$146,500
Households (2000)	11,502,870	506,218
Persons per Household (2000)	2.87	2.98
Median Household Money Income (1999)	$47,493	$42,887
Per Capita Money Income (1999)	$22,711	$18,689
Persons below Poverty (1999)	4,706,130	214,084
Persons below Poverty Percent (1999)	14.2	14.2
Civilian Labor Force (1999)	16,585,881	687,847
High School Graduates – Persons Age 25+ (2000)	16,356,157	701,551
High School Graduates – Percentage of Persons Age 25+ (2000)	76.8	75
Bachelor's Degree or Higher – Persons Age 25+ (2000)	5,669,966	155,676
Bachelor's Degree or Higher – Percentage of Persons Age 25+ (2000)	26.6	16.6

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, National Agricultural Statistics Service, National Center for Health Statistics, United States Census Bureau

As indicated in Table E. 5-4 (Ratio of Population Change in Jobs for California's Regions: 1990-2000), regions that had the largest growth rates in jobs also had the largest population growth rates during that same period. Population projections suggest that by 2020 almost 46 million people will call California home.

Baseline data for 2001 shows that the civilian labor force grew by 271,500 individuals over the year, an increase of 1.6 percent, bringing the State's total labor force to over 17 million

persons. The annual average unemployment rate increased by 0.4 percent from 4.9 percent in 2000 to 5.3 percent in 2001.[10] By July 2002, the State's unemployment rate was 6.3 percent. In July 2002, there were 1.1 million unemployed Californians with more than half unemployed due to job loss and a quarter re-entering the labor force after a period of absence.[11]

Table E. 5-3: Components of Population Change
(in thousands)

Region	Births	Deaths	Natural Increase	Net International Migration	Net Domestic Migration
South Coast	2,167	724	1,443	1,233	(1,817)
Bay Area	866	413	452	394	(218)
San Joaquin Valley	533	197	337	157	(25)
Inland Empire	496	189	307	112	152
San Diego	445	170	275	164	(160)
Sacramento Metro	228	106	122	54	89
Central Coast	185	79	106	66	(67)
Far North	127	94	33	21	31
Sierras	15	14	1	1	19
California Total	5,063	1,987	3,076	2,201	(1,996)

Source: Public Policy Institute of California, A State of Diversity – Demographic Trends in California's Regions, in California Counts: Population Trends and Profiles, Volume 3, Number 5, May 2002, p. 7

The State's current industry projections for the period 2000-2010 indicate that total non-farm employment will increase by an estimated 3.2 million jobs or 22.2 percent. A majority of this growth will occur in services, trade, and government industries. Services is the fastest growing industry and is projected to add 1.6 million jobs, an increase of almost 36 percent, with business services accounting for the largest portion of that growth. Projections estimate the trade industry will experience a 20 percent growth, while government is expected to increase by 8 percent during that 10-year period.[12]

The top fifty occupations adding the largest number of jobs will account for over half of all job growth between 2000-2010. Nearly half of all the jobs in the top fifty occupations will require less than one month of on-the-job training, while nearly one-quarter will require at least a bachelor degree. The five occupations adding the greatest number of jobs will be retail sale persons (99,000 jobs), combined food preparation and service workers (90,000 jobs), computer software engineers (80,000 jobs), cashiers (76,000 jobs), and computer support specialists (75,000 jobs). The six occupations with the highest rate of growth will all be computer related.

[10]/ California Employment Development Department, County Snapshot – Riverside 2002, undated.

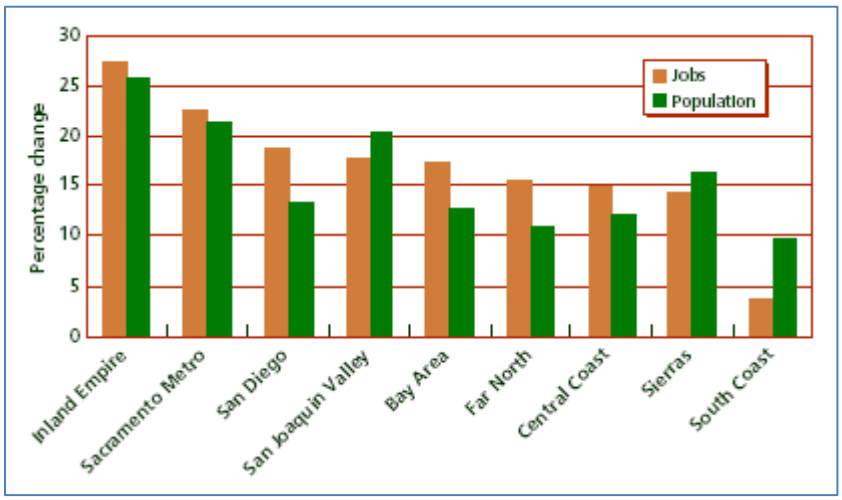
[11]/ California Employment Development Department, A Labor Day Briefing for California, September 2002, pp. 2-3.

[12]/ *Op. Cit*., County Snapshot – Riverside 2002.

Five of these six occupations will nearly double in size during the forecast period. Nearly 40 percent of all new jobs in the fifty largest growing occupations will pay more than $20/hour. A substantial number of these new jobs will pay even higher wages. Nineteen percent will pay more than $30/hour, while seven percent will pay over $40/hour.[13]

Table E. 5-4: Ratio of Population Change in Jobs for California's Regions

1990-2000



Source: Public Policy Institute of California, A State of Diversity – Demographic Trends in California's Regions, in California Counts: Population Trends and Profiles, Volume 3, Number 5, May 2002, p. 8

Despite the State rosy pre-recession projections, California's unemployment rate was 6.7 percent in June 2003. During that month, the number of people unemployed in California was 1,178,000, up by 14,000 compared with June 2002. In a year-over-year comparison (June 2002 to June 2003), non-farm payroll employment in California decreased by 51,300 jobs (a decline of 0.4 percent).[14] As indicated by the SCAG: "Overall, there are no signs that total state employment is about to accelerate."[15] As further indicated by SCAG: "The California economy is tracking the national economy quite closely. As goes the nation, so will go California."[16]

During the past year, California grew at a 1.7 percent rate, adding 591,000 people for the year, to total 35,591,000 on January 1, 2003. This is a slight reduction from the prior year, when the State added 633,000 people and grew 1.8 percent. For the third year, net migration accounts for over half (51 percent) of the State's growth; however, this is a smaller share than in the prior year (53 percent). Revised forecasts, prepared by the California Department of Finance (CDF), are presented in Table E. 5-5 (Forecast of Selected California Economic Indicators).

[13]/ *Op. Cit.*, A Labor Day Briefing for California, pp. 7-8.

[14]/ California Employment Development Department, News Release No. 03-34, July 11, 2003.

[15]/ *Op. Cit.*, Regional Economic Forecast for Southern California, 2003-2004, p. 5.

[16]/ *Ibid*.

5.2.2.2. County of Riverside.

Between 1990 and 1998, the growth rate in Riverside and San Bernardino Counties was 15.3 percent or higher, more than double the population growth rate for the United States.[17] Between 1994 and 1999, Riverside County grew by over 96,000 people or approximately seven percent. Within the County, two councils of government (COGs) have been established. The eastern portion of the County is within the Coachella Valley Association of Governments (CVAG). The western portion of the County, which encompasses that portion of the proposed project located within the County of Riverside, is within the Western Riverside Council of Governments (WRCOG).

Table E. 5-5: Forecast of Selected California Economic Indicators

Economic Indicator	2002	Percent Change	Forecast			
			2003	Percent Change	2004	Percent Change
Personal Income ($ billion)	$1,138.7	0.9	$1,173.7	3.1	$1,231.5	4.9
Non-farm Wage & Salary (thousands)	$14,523	-0.7	$14,608	0.6	$14,922	2.1
Mining (thousands)	$ 22	-8.6	$ 21	-4.1	$ 20	-5.0
Construction (thousands)	$ 757	-0.7	$ 765	1.0	$ 787	2.9
Manufacturing (thousands)	$1,738	-7.8	$1,690	-2.7	$1,702	0.7
High Technology (thousands)	$ 442	-12.4	$ 422	-4.4	$ 433	2.5
Transportation/Utilities (thousands)	$ 705	-5.2	$ 706	0.1	$ 722	2.2
Wholesale & Retail Trade (thousands)	$3,348	0.7	$3,419	2.1	$3,539	3.5
Finance Group (thousands)	$ 858	1.7	$ 862	0.5	$ 877	1.8
Services (thousands)	$4,646	-0.2	$4,672	0.6	$4,802	2.8
Government (thousands)	$2,450	2.8	$2,473	0.9	$2,473	0.0
Unemployment Rate	6.7	-	6.6	-	6.4	-
Housing Permits	166	11.5	179	7.8	174	-3.2
Consumer Price Index (1982-84=100)	186.1	2.4	191.5	2.9	196.1	2.4

Notes:
1. Forecast based on data available as of April 2003.

Source: California Department of Finance, California Economic Forecasts

[17]/ Raettig, Terry L., Elmer, Dawn M., and Christensen, Harriet H., Atlas of Social and Economic Conditions and Change in Southern California, General Technical Report PNW-GTR-516, United States Forest Service, September 2001, p. 32.

As indicated in Table E. 5.6 (Regional Population Growth Trends in Riverside County), between 1994 and 1999, the easterly portion grew at a slightly greater pace (i.e., eleven percent) than the westerly portion (i.e., six percent). County unincorporated areas grew by just 1.1 percent, significantly slower than the region or the County as a whole. In comparison, the six-county SCAG region grew by about six percent during that same period. In Riverside County, 2000 census data records the population at 1.5 million, an increase of 32 percent or 375,000 persons over 1990 census data. As of January 1, 2003, the County's population was estimated to be over 1.7 million residents.[18]

Table E. 5-6: Regional Population Growth Trends in Riverside County

Area	1994	1999	% Change
Riverside County	1,376,877	1,473,307	7.0
Cities	992,858	1,084,928	9.4
Unincorporated	384,019	388,379	1.1
WRCOG Area	1,082,996	1,147,629	6.0
Cities	768,272	829,332	7.9
Unincorporated	314,724	318,297	1.1
CVAG Area	293,881	325,678	10.8
Cities	224,586	255,596	13.8
Unincorporated	69,295	70,082	1.1
SCAG Region	15,603,036	16,545,220	6.0
California	31,960,623	33,773,466	5.7

Source: Stanley R. Hoffman Associates, Inc.; SCAG Regional Forecasts; 1998 Regional Transportation Plan, Department of Finance, January 1, 1994-1999.

With regards to continued population growth, Table E. 5-7 (SCAG County Population Projections) outlines the regional six-county SCAG region forecast for the period 2000-2020. Although not a part of the COG, SCAG has also developed projections for San Diego County. As indicated therein, the population of Riverside County will grow by an estimated 1,128,200 individuals in absolute numbers, representing a 66.6 percent increase in the County's population over that period. Of the seven counties that comprise southern California, Riverside is the third second fasting growing in term of percentage increase and third fasting growing in terms of total population increase.

The County's profile of business firms and employment is presented in Table E. 5-8 (Riverside County Business Patterns in 1999), with comparisons to the State's economy. Among the 21

[18]/ California Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2003, with 2000 DRU Benchmark, May 2003, Table 1 (E-4 Population Estimates for Cities, Counties and the State, 2001-2003, with 2000 Census Counts, Demographic Research Unit).

primary economic sectors reported by the Census Bureau in 1999, retail trade accounts for the most establishments (16 percent) and employment (16 percent). Manufacturing firms generated the largest share of payroll (17 percent) and second highest employment (14 percent). Construction, accommodations and food service, and health care and social assistance also ranked high in economic activities.

As indicated, relative to the State's economy, Riverside County had much greater activity in the construction sector, reflecting the high level of residential and commercial building activities within the County, and less activity related to professional and technical services. The County's economic mix has changed in several ways since 1994. Construction has grown sharply with jobs doubling from 21,000 to 44,000 jobs and the sector rising from 8 to 12 percent of the total employment.[19]

Table E. 5-7: SCAG County Population Projections

County	Population Projections					Growth 2000-20	Percent Growth
	2000	2005	2010	2015	2020		
Imperial	149,000	172,000	207,000	241,000	280,000	131,000	87.92
Los Angeles	9,231,600	9,818,200	10,329,500	10,868,900	11,513,400	2,430,900	24.76
Orange	2,859,200	3,005,800	3,105,300	3,165,400	3,244,600	385,400	13.48
Riverside	1,687,800	1,976,900	2,265,300	2,531,700	2,816,000	1,128,200	66.84
San Bernardino	1,772,500	2,005,400	2,239,600	2,512,700	2,830,100	1,057,600	59.67
Ventura	712,700	744,900	804,300	861,600	932,300	219,600	30.81
SCAG Region	16,999,000	18,234,000	19,491,000	20,826,000	22,352,000	5,353,000	31.49
San Diego	2,911,500	3,223,490	3,437,697	NA	3,853,297	941,797	32.35

Source: Southern California Association of Governments, 1998 Regional Transportation Plan, April 1998

Table E. 5-8: Riverside County Business Patterns

Economic Sector	Establishments			Employees			Annual Payroll ($ million)		
	Riverside		State	Riverside		State	Riverside		State
	Number	%	%	Number	%	%	Number	%	%
Construction	3,200	12	8	44,028	12	6	1,383	15	6
Manufacturing	1,475	5	6	49,509	14	15	1,584	17	17

[19]/ Riverside County Transportation Commission, Federal Highway Administration, California Department of Transportation, and County of Riverside, Tier I Draft Environmental Impact Statement/Report for the Hemet to Corona/Lake Elsinore Corridor, August 2002, pp. 3.3-3 and 3.3-4.

Retail Trade	4,217	16	14	59,135	16	12	1,309	14	7
Finance, Insurance	11,173	5	5	9,981	3	5	384	4	8
Prof., Tech. Services	1,967	3	12	10,392	3	8	360	4	11
Health Care, Soc. Asst.	2,692	11	10	42,058	12	10	1,216	13	9
Lodging, Food Service	2,242	9	8	44,618	12	9	561	6	3
All Other Sectors	8,793	34	37	106,637	28	35	3,687	28	39
Total Reported	25,705	100	-	366,358	100	-	9,484	100	-

Source: Riverside County Transportation Commission, Federal Highway Administration, California Department of Transportation, County of Riverside, Tier I Draft Environmental Impact Statement/Report for the Hemet to Corona/Lake Elsinore Corridor, August 2002, Table 3.3B

Both the rate job growth and the number of new employment opportunities within Inland Empire, which includes Riverside County, exceeds that of the region as a whole. As indicated in Table E. 5-9 (Wage and Salary Employment Growth), between 1990 and 2000, a total of 274,900 new jobs were created in Riverside and San Bernardino Counties. Between 2001 and 2001, an additional 39,000 wage and salary jobs were created in the Inland Empire.

Table E. 5-9: Wage and Salary Employment Growth

(in thousands)

County	1990	2000	2001	1990-2000		2000-2001	
				Number	Percent	Number	Percent
Imperial	44.9	50.4	51.6	5.5	12	1.2	2.4
Los Angeles	4,147.1	4,079.8	4,102.1	-67.3	-2	22.3	0.5
Orange	1,178.9	1,396.5	1,425.4	217.6	18	28.9	2.1
Riverside/San Bernardino	735.2	1,010.1	1,049.1	274.9	37	39.0	3.9
Ventura	247.1	294.4	302.5	47.3	19	8.1	2.8
SCAG Region	6,353.2	6,831.2	6,930.7	478.0	8	99.5	1.5
California	12,863.4	14,896.6	15,084.6	2,033.2	16	188.0	1.3

Source: Southern California Association of Governments, The State of the Region– Measuring Progress in the 21st Century

Table E. 5-10 (Employment Forecast by Occupation in Riverside County) presents a forecast of employment trends by occupation for Riverside County to the year 2002. According to information from the CEDD, there is expected to be an increase of 80,100 jobs between 1995 and 2002. The largest increase is anticipated in the professional/ technical and service occupations. While the professional/technical occupations have the second highest annual average wages (i.e., $42,416), the service occupations have the lowest annual average wage (i.e., $16,969).

Data for 2001 showed the civilian labor force for Riverside County to be 750,700 workers, with an unemployment rate of 5.2 percent. This figure is slightly lower than the State's overall rate

of 5.3 percent for the same year. The County's diverse economic base is lead by services, retail trades, and government. The services industry is the largest industry in the County, accounting for 26 percent of the total employment.[20]

According to the California Employment Development Department (CEDD), 93 percent of the job growth between 1990 and 1997 occurred in the "service producing" sector. The fastest growing occupations were in retail trade, health services, and local government. The largest declines were in construction, aerospace manufacturing, and communications and public utilities industries.[21] Industry projections, however, estimate that construction will grow by more than 32 percent between 1999 and 2006, representing an increase of 13,400 jobs.[22]

Table E. 5-10: Employment Forecast by Occupation in Riverside County

CA OES Code[1]	Occupational Title	Annual Averages		Absolute Change	Percent Change	Average Hourly Wage ($)	Annual Average Wage ($)
		1995	2002				
-	Total, All Occupations	338,000	418,100	80,100	23.7	13.61	28,304
100000	Mgrs and Admin Occupations	22,300	27,590	5,290	23.7	25.69	53,445
200000	Professional, Paraprofessional, Technical	64,820	82,830	18,010	27.8	20.39	42,416
400000	Sales and Related Occupations	42,640	49,860	7,220	16.9	11.26	23,417
500000	Clerical, Administrative Support	59,280	68,670	9,390	15.8	11.28	23,456
600000	Service Occupations	63,940	81,920	17,980	28.1	8.16	16,969
700000	Agricultural, Forestry, Fishing	5,800	7,180	1,380	23.8	9.09	18,908
800000	Production, Construction, Operations, Material Handling	79,050	99,830	20,780	26.3	12.42	25,833

Notes:
1. Occupational Employment Statistics, published by the Bureau of Labor Statistics (May 1992).

Source: Stanley R. Hoffman Associates, Inc.; California Employment Development Department; Labor Market Information Division (March 1996 Benchmark Data)

[20]/ *Op. Cit*., County Snapshot – Riverside 2002.

[21]/ The Planning Center, Draft County of Riverside Housing Element Update, September 19, 2001, County of Riverside, p. II-7.

[22]/ *Op. Cit*., County Snapshot – Riverside 2002.

Within the services industry, recent growth is concentrated in personal services, private educational services, and engineering and management services. Industry employment projects for 1999-2006 estimate 31,000 jobs will be added to services over the forecast period. Business services and health services are expected to have the highest gains.[23] In addition, agriculture will continue to remain a significant part of the County's economy. The County currently ranks among the top ten leading agricultural counties in the State, producing a variety of crops (e.g., milk, table grapes, eggs, dates).

Despite the area's promising job prospects, between 1989 and 1995, the Counties of San Bernardino, Imperial, Riverside, San Diego and Orange all had poverty rates well above twice the national rate during that time period. As indicated in Table E. 5-11 (Poverty Estimates – 1989 to 1995), Riverside County's poverty rate was only slightly better that the State as a whole. Between 1989 and 1995, the percentage of people in poverty in Riverside County increased by more than 32 percent, which was greater than the Statewide increase of under 30 percent.

Regional income levels provide some indication of an area's ability to plan for and provide services to growing populations. Over the past three decades, the economic well-being of California's regions, as measured by income, has diverged. In 1969, the wealthiest region of the State (Bay Area) had a per capita income about 10 percent higher than the State as a whole; whereas, the poorest region (San Joaquin Valley) had a per capita income about 20 percent lower than the State average. By 1999, the gap had grown tremendously, with the Bay Area enjoying a per capita income almost 40 percent higher than the State average and the San Joaquin Valley having a per capita income more than 30 percent below the State average.[24] The Inland Empire, based on a measurement of income, has joined the San Joaquin Valley as one of the poorest regions in the State.

Table E. 5-11: Poverty Estimates – 1989 TO 1995

Area	1989			1995		
	People in Poverty (%)	Lower (%)	Upper (%)	People in Poverty (%)	Lower (%)	Upper (%)
Riverside County	10.8	8.7	12.8	14.3	11.6	17
San Bernardino County	11.6	9.5	13.7	16.5	13.5	19.5
California	12.7	11.9	13.6	16.5	15.5	17.4

Source: United States Bureau of the Census; Small Area Income and Poverty Estimates: State and County Estimates, 1989, 1993, and 1995

As indicated in Table E. 5-12 (Percentage Change in Per Capita Income in California's Regions: 1989-1999), in inflation-adjusted terms, per capita incomes have declined in the Inland Empire

[23]/ *Op. Cit*., County Snapshot – Riverside 2002.

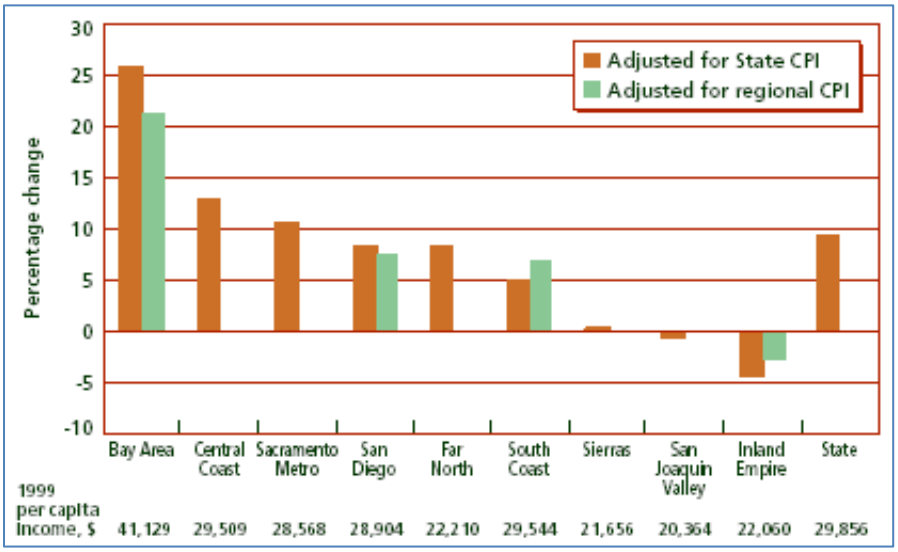
[24]/ Public Policy Institute of California, A State of Diversity – Demographic Trends in California's Regions, in California Counts: Population Trends and Profiles, Volume 3, Number 5, May 2002, pp. 8-9.

and San Joaquin Valley, whereas they have risen dramatically in the Bay Area. As indicated by the Public Policy Institute of California: "That two of California's fastest growing regions (the San Joaquin Valley and the Inland Empire) have such low and declining incomes is troubling. It suggests that those areas have few resources to successfully plan for and provide for population growth than do other regions that are experiencing far less growth."[25]

As depicted in Table E. 5-13 (State of California and County of Riverside Housing Inventory), as of January 2001, the County's housing stock totaled 595,682 units, representing about 4.8 percent of all dwelling units throughout the State. In 2000, a total of 148,540 new units were permitted throughout California, including 105,595 single-family (71.1 percent) and 42,945 multi-family (28.9 percent) units, and 15,410 new units were permitted in Riverside County, including 13,630 single-family (88.4 percent) and 1,780 multi-family (11.6 percent) units. During that year, 10.4 percent of all new units permitted in California were permitted in Riverside County.[26] Between 1990 and 2001, the County's percentage of the State's entire housing inventory increased from 4.3 percent to 4.8 percent.

As indicated by the Los Angeles Economic Development Commission (LAEDC): "While it has not set any records, new homebuilding in the state has held at fairly steady levels. Permits for 164,115 units were issued in 2002, and the forecast for 2003 calls for a 2.7 percent increase to 168,500. The Riverside-San Bernardino area should again lead the state in new homebuilding."[27]

Table E. 5-12: Percentage Change in Per Capita Income in California's Regions



Source: California Department of Finance, California County Profiles – A Companion to the 2001 California Statistical Abstract, Economic Research, February 2002, p. 10.

[25]/ *Ibid*., p. 9.

[26]/ California Department of Finance, California County Profiles – A Companion to the 2001 California Statistical Abstract, Economic Research, February 2002.

[27]/ *Op. Cit*., 2003-2004 Economic Forecast and Industry Outlook for California & the Los Angeles Five-County Area Including the National & International Setting, p. 16.

Table E. 5-13: State of California and County of Riverside Housing Inventory

	State of California		County of Riverside	
	April 1990	January 2001	April 1990	January 2001
Housing Stock	11,182,882	12,309,567	483,847	595,682
Percentage of California	-	-	4.3	4.8
Single Family	6,930,949	NA	312,967	NA
Multiple Family	3,571,993	NA	91,222	NA
Mobile Homes, Trailers, Etc.	679,940	NA	76,658	NA
Vacancy Rate	7.2	5.8	16.9	13.4

Source: California Department of Finance, California County Profiles – A Companion to the 2001 California Statistical Abstract, Economic Research, February 2002

Riverside and San Bernardino Counties account for around two-thirds of the region's single-family home construction. The LAEDC[28] notes: "The western portion of Riverside and San Bernardino counties adjacent to L.A. [Los Angeles] and Orange counties, often referred to as the 'Inland Empire,' offers some of the best opportunities for owning a home in the Greater L.A. metro area. This area will continue to see strong homebuilding activity in 2003 thanks to the relative affordability and proximity to the employment centers of L.A. and Orange counties. . .For 2002, an estimated 66,970 housing unit permits were issued in the Los Angeles five-county area, a 16% increase over 2001. Around 69% of the total was single-family homes and 31% was multi-family units such as apartments and condos. The Riverside-San Bernardino are accounted for 50% of all the permits issued. . .The Riverside-San Bernardino area dominated the single-family construction activity (64% share)."[29]

Through the region, home prices have risen dramatically over the past few years and will likely continue to rise at a more moderate rate in 2003 and 2004. Such price increases are mostly the natural result of supply and demand. Home prices in the Inland Empire were the most affordable in the southern California area. At $184,200, the typical home costs less than half as much as homes in Orange and Ventura Counties. The area's median price also appreciated the least, at 11.6 percent.

As indicated by the LAEDC: "Calculating the monthly mortgage payments on these median prices allows us to estimate the cost of housing in different areas. Assuming a 20% downpayment and a 6% mortgage interest rate, the monthly mortgage payments (calculated from the median home prices) ranged from $2,081 in Orange County and $1,858 in Ventura County to $1,445 in Los Angeles County and just $883 in the Inland Empire. The difference enables employers in the Inland Empire to offer lower wages and still attract quality employees

[28]/ The Los Angeles Economic Development Commission's (LAEDC) planning efforts include a five-county area (excluding Imperial County), while SCAG's planning efforts include a six-county area (including Imperial County).

[29]/ *Ibid*., p. 52-53.

who live nearby."[30] The average cost of a new home in the Riverside County moved over the $200,000 mark in 1999 and is now close to $270,000.[31]

With regards to apartment rents, San Bernardino County ($880/month) and Riverside County ($871/month) are the most affordable areas, on average. The LAEDC notes: "It should be noted that one can easily afford a house in Riverside or San Bernardino counties for the cost of apartment rent in Los Angeles, Orange, and Ventura counties."[32]

In June 2003, home sales in the southern California region reached their highest June sales totals since 1989. A total of 31,369 new and resale houses and condominiums were sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino, and Orange Counties during that month. That was down 0.1 percent from 31,387 for the month before, and up 4.4 percent from 30,038 for June 2002. Last month was the strongest June in the region since 1989 when 32,968 homes were sold. In Riverside County 5,303 homes were sold, an all-time high for any month. In San Bernardino County 3,903 homes were sold, slightly off a record 3,940 for the month before.[33]

As indicated in Table E. 5-14 (Ten Fastest Growing California County Areas), the CDF predicts that the Inland Empire will be the fastest growing urban area in California, both in terms of absolute numbers and percentage increase. The County of Riverside is predicted to add 602,682 new residents between 1999 and 2010, increasing the County's population to over 2.1 million people.

Table E. 5-14: Ten Fastest Growing California County Areas

Rank	Area	1999	2010	Absolute Change	Change (%)	Average Annual Change
-	Inland Empire	3,212,136	4,313,344	1,101,208	34.3	110,121
1	Los Angeles County	9,884,255	10,604,452	720,197	7.3	72,020
2	Riverside County	1,522,855	2,125,537	602,682	39.6	60,268
3	San Diego County	2,911,468	3,441,436	529,968	18.2	52,997
4	San Bernardino County	1,689,281	2,187,807	498,526	29.5	49,853
5	Orange County	2,828,351	3,163,776	335,425	11.9	33,543
6	Santa Clara County	1,736,722	2,021,417	284,695	16.4	28,470
7	Sacramento County	1,209,472	1,436,286	226,814	18.8	22,681
8	Alameda County	1,454,302	1,654,485	200,183	13.8	20,018
9	Fresno County	805,005	953,457	148,452	18.4	14,845
10	Contra Costa County	930,025	1,025,857	95,832	10.3	9,583

[30]/ *Ibid*., p. 53.

[31]/ *Ibid*., p. 34.

[32]/ *Ibid*.

[33]/ Dataquick.

Source: Husing, John, E., City of Lake Elsinore – Demographic, Economic & Quality of Live Data, Economics & Politics, Inc. September 20, 2000

Population growth within the SCAG region has come from the following sources: natural increase (i.e., excess of births over deaths), net domestic migration, and net foreign migration. Since 1990, natural increases have accounted for over 50 percent of the State's population growth. Both types of net migration (i.e., domestic and international) have, however, become important elements in the State's population growth. Since 1970, international in-migration has outpaced net migration from other states.[34]

During the 1990's, the relative contributions among these three sources of population growth changed significantly throughout the region. A defining feature of demographic changes in southern California during the 1990's was the large number (i.e., 1.5 million) of net domestic out-migration, primarily due to 1990 to 1993 recession. During the 1990's natural increase became the largest component of southern California's population growth, partly due to the higher rate of births among the foreign-born population of the region. Riverside County was the only county in the SCAG region where net domestic migration was the largest component of growth.[35]

5.2.2.3. City of Lake Elsinore.[36]

In 1987, a comprehensive land use inventory was undertaken in the City to determine the location and acreage of general land use types. Table E. 5-15 (City of Lake Elsinore 1987 Existing Land Use Distribution) presents the approximate distribution of land uses within the City. As indicated, with the exception of park acreage (e.g., Lake Elsinore), residential land use is the major use within the City Residential uses in the City are primarily composed of single-family detached units. Approximately eight percent of the City's residential development is in multi-family housing.

Table E. 5-15: City of Lake Elsinore Existing Land Use Distribution

Land Use	Acres	Percent of City	Percent of Developed Area
Single-Family Residential	2,867	17	33
Multi-Family Residential	146	1	2
Mobile Home Park	84	1	1
RV Parks	9	0.05	0.1
Commercial	299	2	3

[34]/ Lopez, Elias, Major Demographic Shifts Occurring in California, California Research Bureau, CRB Note, Volume 6, Number 5, October 1999, p. 1.

[35]/ *Op. Cit*., The State of the Region 2002 – Measuring Progress in the 21st Century, p. 9.

[36]/ Socio-economic information concerning Lake Elsinore is derived, in part, from "City of Lake Elsinore – Demographic, Economic & Quality of Life Data" prepared by John E. Husing, Ph.D. in September 2000.

Land Use	Acres	Percent of City	Percent of Developed Area
Industrial/Manufacturing	137	1	2
Public/Institutional	664	4	8
Agriculture/Mining	558	3	5.9
Floodplain	154	1	2
State Park	2,973	17	34
Right-of-Way	787	5	9
Vacant	8,395	49	-
Total	17,083	100	100

Notes:
1. Prior to its conveyance to the City, the area of Lake Elsinore was designated as a State Recreational Area.

Source: City of Lake Elsinore

As reported by the 2000 census, the City of Lake Elsinore consists of an area of about 38.78 square miles, of which about 4.97 square miles comprises the lake itself. The population per square mile was reported to be 855.7 individuals. The 2000 census records the City's population as 28,928 persons.

With a January 2001 population of around 30,370 residents, the City of Lake Elsinore is the twelve largest incorporated city in Riverside County. As indicated in Table E. 5-16 (City of Lake Elsinore and County of Riverside Population Changes 1990-2000), from 1990-2000, Lake Elsinore grew from 18,316 to 30,370 residents. That 65.8 percent gain was the ninth fastest rate in the Inland Empire. During that same period, Riverside County was the fastest expanding large county in California, growing 30.1 percent.

Lake Elsinore's 12,054 absolute gain in population was the seventeenth largest among the 48 Inland Empire cities and the second largest among urban cities with populations between 25,000-50,000. The City experienced strong population growth throughout the 1990's with annual rates ranging from 2.5 to 13.4 percent. In all but one year, the City's rate of increase exceeded that of the County as a whole.

Lake Elsinore is located in western Riverside County. The broader subregion, which includes the Cities of Corona, Lake Elsinore, Canyon Lake, Hemet, San Jacinto, Perris, and Moreno Valley, comprises an area with a population base of nearly 300,000 individuals and over 170,000 jobs. Table E. 5-17 (Current and Projected Population and Employment for Cities in Western Riverside County) illustrates the year 2000 and projected year 2025 populations and employment for the incorporated and unincorporated areas of western Riverside County, ad provided by the WRCOG. The growth projections show increases in population ranging

between 8 and 396 percent and increases in employment ranging between 32 and 436 percent. The greatest percentage increase is in the Cities of Lake Elsinore, Perris, and San Jacinto.[37]

Table E. 5-16: CITY OF LAKE ELSINORE AND COUNTY OF RIVERSIDE POPULATION CHANGES 1990-2000

Year	City of Lake Elsinore		County of Riverside	
	Population	Percent Increase	Population	Percent Increase
1990	18,316	-	1,170,413	-
1991	19,244	5.1	1,223,227	4.5
1992	21,819	13.4	1,268,844	3.7
1993	22,366	2.5	1,304,447	2.8
1994	23,666	5.8	1,331,988	2.1
1995	24,565	3.8	1,355,571	1.8
1996	25,616	4.3	1,381,781	1.9
1997	26,674	4.1	1,400,384	1.3
1998	27,766	4.1	1,441,237	2.9
1999	29,297	5.5	1,473,307	2.2
2000	30,370	3.7	1,522,855	3.3
Change 1990-2000	12,054	65.8	352,442	30.1

Source: Husing, John, E., City of Lake Elsinore – Demographic, Economic & Quality of Live Data, Economics & Politics, Inc. September 20, 2000.

As indicated in Table E. 5-18 (Unemployment Rates for California, Riverside County, and the City of Lake Elsinore), at 6.8 percent, the current (June 2003) unemployment rate in the City of Lake Elsinore exceeds that for the County as a whole.

As indicated in Table E. 5-19 (City of Lake Elsinore and County of Riverside Household Income Distribution 1999), the City's average household income was $51,979 and its per capita income was $17,036. Lake Elsinore's income distribution is quite similar to that of Riverside County. The largest percentage of the City's (36.0 percent) and the County's (30.9 percent) families were in the $0-29,999 annual income bracket. The second largest group of City's (25.4 percent) and the County's (27.3 percent) families were in the $45,000-74,999. Only 12.8 percent of City's families and 16.8 percent of the County's families made over $100,000.

Lake Elsinore's families rank in the middle of the income spectrum with regards to other communities within the County. In 1999, the City's 1999 median family income was estimated at $42,425, a little below the $45,421 for Riverside County as a whole. Using this measure, the City ranked twenty-eight among the region's 48 cities.

[37]/ *Op. Cit*., Tier I Draft Environmental Impact Statement/Report for the Hemet to Corona/Lake Elsinore Corridor, pp. 1-4 and 1-5.

Table E. 5-17: Current and Projected Population And Employment

FOR CITIES IN WESTERN RIVERSIDE COUNTY

Areas	Population			Employment		
	2000	2025	Percent Increase	2000	2025	Percent Increase
Banning	23,562	47,328	101	8,387	15,342	83
Beaumont	11,384	56,450	396	4,162	22,291	436
Calimesa	7,139	29,554	314	1,345	5,273	292
Canyon Lake	9,952	10,702	8	1,973	2,875	46
Corona	124,966	156,522	25	45,000	69,905	55
Hemet	58,812	127,899	117	18,344	29,095	59
Lake Elsinore	29,928	81,820	183	7,821	25,562	227
Moreno Valley	142.381	221,343	55	29,860	71,859	141
Murrieta	44,282	96,382	118	7,852	28,205	259
Norco	24,157	30,568	27	9,184	12,140	32
Perris	36,189	109,377	202	11,058	32,300	192
Riverside	255,166	340,328	33	120,915	232,326	92
San Jacinto	23,779	67,115	182	5,968	15,455	159
Temescula	57,716	86,000	49	25,200	46,260	84
Unincorporated	342,568	771,595	125	100,307	192,918	92
Total	1,190,981	2,232,983	87	397,376	801,806	102

Source: Riverside County Transportation Commission, *et al*., Tier I Draft Environmental Impact Statement/ Report for the Hemet to Corona/Lake Elsinore Corridor, August 2002, Table 1.A

Table E. 5-18: Unemployment Rates for California, Riverside County and the City of Lake Elsinore

Area	Labor Force	Employment	Unemployment	Unemployment Rate
California	17,631,000	16,453,000	1,178,000	6.7
Riverside County	816,600	766,900	49,700	6.1
Lake Elsinore	12,480	11,630	850	6.8

Source: California Employment Development Department

Since World War II, southern California has expanded outward along transportation corridors. As land in one area has become saturated and expensive, development has moved to the next place with available space. Today, the aggressive rim of this activity is in the Inland Empire.

For most of the City's history, Lake Elsinore has been a small town whose economic life has been centered around activities at both the lake and the adjoining CNF. The completion of the I-15 Freeway in 1992 and the reduction of residentially zoned land in San Diego and Orange Counties have created conditions that have caused a six-fold increase in the City population in the past two decades.

Table E. 5-19: City of Lake Elsinore and Riverside County Household Income Distribution

Income Range ($)	City of Lake Elsinore		County of Riverside	
	Families	Percent	Families	Percent
0,000-14,999	1,135	11.8	52,658	10.4
15,000-29,999	2,322	24.2	104,084	20.5
30,000-44,999	1,838	19.1	94,359	18.6
45,000-59,999	1,483	15.4	77,467	15.3
60,000-74,999	951	9.9	60,829	12.0
75,000-99,999	642	6.7	32,032	6.3
100,000 and up	1,232	12.8	85,142	16.8
Total	9,602	100.0	506,571	100.0
Median Household Income	$42,425		$45,421	
Total Income (thousands)	$499,117		$311,045,510	
Average Household Income	$51,979		$61,286	
Per Capita Income	$17,036		$21,072	

Source: Husing, John, E., City of Lake Elsinore – Demographic, Economic & Quality of Live Data, Economics & Politics, Inc. September 20, 2000.

Lake Elsinore's situation may be unique in that residential demand is reaching it from two directions. Pressure is coming down the I-15 Freeway as Orange County residents move inland in search of more affordable homes. This migration added over 47,000 people to Corona during the 1990's and that migratin is continuing southward towards Lake Elsinore. Simultaneously, San Diego County's limited supply of residential property has led to home prices affordable to only about 25 percent of its residents. This is encouraging families to migrate northward up the I-15 Freeway. In the 1990's, this phenomenon caused the populations of the adjoining Cities of Temecula and Murrieta to grow by over 50,000 people. In the next decade, these northward and southward trending forces will combine to further fuel housing growth in and around Lake Elsinore.

Between 1990 and 2000, the number of dwelling units in Lake Elsinore increased by 3,158 units to 10,150 units, representing a 66.7 percent increase. This increase included 2,914 new single-family units (92.3 percent), 214 new multi-tenant units (6.8 percent), and 30 new mobile homes (0.9 percent), increasing the share of single-family units from 62.5 to 71.7 percent. During that period, the City went from having the second lowest share of single-family homes to the fourth highest among mid-sized urban (25,000-50,000 population) Inland Empire cities.

Fueling the area's growth is the availability of lower cost housing within the Lake Elsinore area. In the fourth quarter of 1999, Lake Elsinore's median existing home price of $120,135 was from $67,000 to $143,000 less expensive than median home prices in Los Angeles ($280,000), San Diego ($288,000), Ventura ($338,500), or Orange ($347,000) Counties. As indicated in Table E. 5-20 (Annual Home Sale Activities 2001-2002), in 2002, the median price of a single-family home in Riverside County was $189,000. In contrast, within that portion of Lake Elsinore

located in relative proximity to the project site (i.e. Zip Code 92530), the median housing price was only $170,000.

Table E. 5-20: Annual Home Sale Activities

Year	Location	Zip Code	Single-Family Residences			Condominiums		
			Sales Count	Price Median ($1,000)	Price Change	Sales Count	Price Median ($1,000)	Price Change
2001	Riverside County	-	25,964	163	16.1	4,668	147	8.1
	Lake Elsinore	92530	760	145	13.3	32	76	41.1
		92532	75	210	17.0	-	-	-
2002	Riverside County	-	30,151	189	16.0	5,749	170	15.6
	Lake Elsinore	92530	840	170	17.2	30	86	13.9
		92532	141	249	18.3	-	-	-

Source: Dataquick Real Estate News

In January 1999, an estimated 12.9 percent of the City's total housing inventory was assumed to be vacant by the CDF. In January 2000, there were an estimated 3.43 persons for each occupied dwelling unit within the City.

5.2.3. Evaluation of the Impact of any Substantial In-Migration of People on the Impact Area's Governmental Facilities and Services

Migration, inclusive of both in-migration and out-migration, is often the response to a disequilibrium in the supply of or demand for certain goods and services (e.g., jobs, housing). Changes in family socio-demographic characteristics, such as education, family size and structure, health, earnings and employment, can all be related to changes in the derived demand for migration. In a static model, people would find an ideal location, move into their dream home, and then remain in the same place. In reality, people are constantly seeking out new opportunities and ways of improving their current situations. For example, the average male in the United States changes jobs about ten times during his life. In a mobile society, these job changes are often associated with changes in the place of residence. Employment opportunities can, therefore, serve as a determinant of in-migration to and out-migration from a particular geographic area.

As indicated herein, Riverside County has been and is projected to remain one of the fastest growing counties in California. Similarly, between 1990-2000 and between 2000-2001 employment growth in the Inland Empire was the strongest in the six-county SCAG region. Within the County, the construction sector accounts for 12 percent of the region's entire labor force, compared to only six percent within the State as a whole. Between 1995-2002, the United States Bureau of Labor Statistic's occupational employment statistical category that includes "construction" was projected to increase by 20,780 new jobs or nearly 2,600 new construction jobs per year independent of any contribution produced by the proposed project.

With regards to the area's housing costs, Riverside County is one of the most affordable areas, on average, both in terms of rental rates ($871/month) and median existing housing costs ($189,000). Within that portion of Lake Elsinore located in relative proximity to the project site (i.e. Zip Code 92530), the median housing price was even less than the County average at only $170,000. In addition, as of January 1999, an estimated 12.9 percent of the City's total housing inventory was assumed to be vacant.

Due to its relative affordability, the building industry will continue to eye the Inland Empire as the State's leading housing market. Due to these factors, independent of the proposed project, in-migration to Riverside County for jobs and for housing is a major reason for the County's historic and for its projected continued growth.

Based on experience derived from similar federal pumped storage projects (e.g., 600-MW River Mountain Pumped Storage Project, PN 10455), construction-term and operational employment demands for the proposed project can be reasonably determined. For planning purposes, the estimated construction term for the proposed project is assumed to take slightly more than four years. That schedule could, however, be reduced based on a greater allocation of resources. The expected schedule for on-site employment, absent that associated with the proposed transmission alignment, is presented in Table E. 5-21 (Schedule of Construction Manpower Requirements by Year – Total On-Site Labor Force by Trade).

Table E. 5-21: Schedule of Construction Manpower Requirements by Year
Total On-Site Labor Force by Trade

Trade	Year					Total
	1	2	3	4	5	
General Labor	145	175	160	175	135	790
Rodman	15	15	15	20	15	80
Carpenter	60	95	75	85	55	370
Teamster	30	45	45	55	15	190
Operating Engineer	70	130	95	110	55	460
Pipe Fitter	5	10	30	30	5	80
Other Mechanical	5	10	30	30	5	80
Electrical	5	10	15	15	125	170
Supervisory and Support	50	45	70	80	25	270
Total Man-Years	385	535	515	585	440	2,460
Percent of Total Employment	15.7	21.7	20.9	23.8	17.9	100.0

Source: The Nevada Hydro Company, Inc.

In total, the proposed hydropower project is projected to generate about 2,460 man-years of construction employment, of which roughly 55 percent will be skilled trades, 30 percent will be general labor, and 15 percent will be supervisory and support staff. Approximately 70 percent of the projected labor demand will occur in Years 2-4, with the peak effort occurring in Year 4. Peak employment at the project site will reach about 600 workers.

In contrast, only about twenty individuals will be required to manage, operate, and maintain the proposed project. The total operational staff includes two management personnel, seven operating staff (i.e., two per shift plus a chief operator), and eleven maintenance personnel.[38] When compared to the approximately 600 workers required during a single peak year to construct the proposed hydropower project, operational impacts would be minimal.

A substantial portion of the County's economy is driven by construction activities and by the construction trades. As a result, a substantial construction labor pool now exists within the general project area. In addition, a large portion of the County's historic growth is attributable to the in-migration of individuals and families who already reside within the larger SCAG region but elect to relocate to Riverside County (and the Inland Empire) based on such factors as comparable housing costs and historic growth in the area's employment opportunities. Based on Statewide averages, an estimated six percent of those new residents are already in the construction industry. In Riverside County, however, an estimated 12 percent of the County's labor force is in the construction industry. Construction unions are active throughout Riverside County and provide employment and training opportunities within each area of specialization.

During the construction period, it can, therefore, be concluded that no significant number of workers would need to in-migrate to the project area merely as a result of the proposed project. The existing area-wide work force is sufficient to accommodate project-related needs. A limited number of specialty construction contractors (e.g., earth boring machine operators and support personnel) may, however, relocate to the general project area from elsewhere within either the general SCAG region or from outside the socio-economic impact areas.

Once operational, overall project-related employment demands will diminish substantially. Of the majority of the twenty individuals required to operate and maintain the project, the associated experience and skill level required for the project's ongoing operations is readily available for the area's existing and projected labor force. In the absence of other comparable pumped storage projects within the southern California area, it is likely that the two management personnel and the chief operator may be recruited from out-of-the-region.

The precise number of individuals in-migrating to the project area cannot be reasonably predicted but would be expected to be so small, particularly in the context of existing domestic and international in-migration into the County, as not be to produce a significant localized impact. In the absence of any significant project-induced in-migration, no measurable impacts on local government facilities and/or services are anticipated to result from the proposed project.

5.2.4. On-Site Manpower Requirements and Payroll during and after Project Construction

On-site, construction-term manpower requirements associated with the proposed project, by year, are summarized in Table E. 5-21 (Schedule of Construction Manpower Requirements by

[38]/ Additional contract and independent labor may be associated with the project's ongoing operations. For example, qualified monitors will be employed to routine determine water quality conditions below the upper reservoir and groundkeepers, arboristics, and horticulturalist will be required to maintain the landscaping associated with the project. Locally available independent firms, consultants, and contractors will be employed to perform these and other related functions.

Year - Total On-Site Labor Force by Trade). As indicated therein, the proposed project is projected to generate about 2,460 man-years of construction employment. In order to calculate estimate payroll for those workers, wage information from the Riverside County Economic Development Agency and from California Employment Development Department was reviewed. Estimates rates for each of the identified trades is presented in Table E. 5-22 (General Wage Assumptions). The wages presented therein are not intended to represent prevailing wages. When union wage scales are provided, those rates are used in lieu of non-union scale.

Table E. 5-22: General Wage Assumptions

Trade	Hourly Wage ($)[1]		
	Low	Medium	High
Construction Phase			
General Labor	8.00	10.00	14.00
Rodman[2]	6.25	12.00	17.50
Carpenter	15.00	20.00	25.00
Teamster[3]	12.00	20.50	33.56
Operating Engineer[4]	24.00	28.50	32.00
Pipe Fitter	13.00	19.44	22.00
Other Mechanical[5]	17.00	28.25	44.16
Electrical[4]	19.94	23.00	31.00
Supervisory and Support[6]	15.00	26.37	35.96
Operational Phase			
Facility Manager[5]	17.00	28.25	44.16
Chief Operator[7]	11.51	20.81	36.82
Operating Engineer	24.00	28.50	32.00
Maintenance[48]	13.27	20.62	34.63

Notes:

1. Except where noted, wages are for Riverside County for individuals with three-years experience with the firm.
2. No information for this trade provided. Wage information is based on "first line supervisors and managers – helpers, labors" for Tulare County.
3. Based on wage survey information for "grader, dozer, and scraper operators" from Monterey Bay counties (i.e., Monterey, San Benito, Santa Cruz).
4. Union rates.
5. Based on wage survey information for "mechanical engineers" from Los Angeles County.
6. Based on wage survey information from San Bernardino County for "construction managers."
7. Based on wage survey information from Los Angeles County for "communications, transportations, utilities operations manager."
8. Based on wage survey information from Los Angeles County for "maintenance repairers – general utility."

Source: California Employment Development Department, 2003 Directory of California Local Area Wages; Riverside County Economic Development Agency, 2002 Occupational Outlook, Labor Market Information Study, 2002

Recognizing that wages will likely increase over time, for planning purposes, wage rates remain constant and the "high" wage rates have been utilized to derive payroll estimates. Those rates are they assigned to the corresponding trade and estimated number of workers, as presented in Table E. 5-21 (Schedule of Construction Manpower Requirements by Year – Total On-Site Labor Force by Trade), in order to derive payroll costs for each trade group. All construction workers are assumed to work a 40-hour week and a 50-week year[39]; no over-time rates are included. In addition, payroll costs for off-site workers have been considered.

As indicated in Table E. 5-23 (Construction Payroll Estimates by Trade by Year), over projected construction period, total estimated payroll costs are projected to be on the order of $126,139,800 (in 2002 dollars) for the proposed hydropower project.[40] Based on the same general assumptions as used to derive estimated construction-term payroll (i.e., 40-hour week and 50-week year), once operational, annual payroll requirements are estimated to be $1,051,820 (in 2002 dollars).

Table E. 5-23: Construction Payroll Estimates By Trade By Year

Trade	Average Hourly Wage	Estimated Payroll by Year ($000)					Total ($000)
		1	2	3	4	5	
General Labor	$14.00	4,060	4,900	4,480	4,900	3,780	22,120
Rodman	$17.50	525	525	525	700	525	2,800
Carpenter	$25.00	3,000	4,750	3,750	4,250	2,750	18,500
Teamster	$33.56	2,013.6	3,020.4	3,020.4	3,691.6	1,007.8	12,753.8
Operating Engineer	$32.00	4,480	8,320	6,080	7,040	3,520	29,440
Pipe Fitter	$22.00	220	440	1,320	1,320	220	3,520
Other Mechanical	$44.16	441.6	883.2	2,649.6	2,649.6	441.6	7,065.6
Electrical	$31.00	310	620	930	930	7,750	10,540
Supervisory and Support	$35.96	3,596	3,236.4	5,034.4	5,735.6	1,798	19,400.4
Total ($000)	-	18,646.2	26,695	27,789.4	31,217	21,692.4	126,139.8

Source: The Nevada Hydro Company, Inc.

[39]/ These assumptions are used for planning purposes only and are not intended to limit, restrict, or otherwise modify the number of hours worked, the benefits to be provided to or derived by, or the wages received by project-related personnel. The wages cited herein are again provided for planning purposes only are not intended to represent prevailing wages or current union wage scales.

[40]/ Construction-term payroll estimates for the project's associated transmission facilities are not, however, included in that estimate since those payroll estimates could vary substantially based on the precise alignment(s) selected.

5.2.5. Numbers of Project Construction Personnel who Currently Reside within the Impact Area, Commute Daily to the Construction Site from Places Situated Outside the Impact Area, and Relocate on a Temporary Basis within the Impact Area

As indicated in Table E. 5-8 (Riverside County Business Patterns in 1999), an estimated 12 percent of the County's workforce was involved in the construction industry. If that percentage is assumed to be constant for both the County and for the City of Lake Elsinore and for both employed and unemployed workers, based on the labor force information presented in Table E. 5-18 (Unemployment Rates for California, Riverside County, and the City of Lake Elsinore), an estimated 97,992 individuals in the County and 1,498 individuals in the City are in the construction industry. Of those, 5,964 construction workers in the County, including 102 construction workers in the City, are currently (June 2003) unemployed.

During the peak project year, only 600 on-site construction workers would be required for the proposed hydropower project. That project-related labor requirement represents only about ten percent of the total number of construction workers currently unemployed within the general project area. As a result, with limited exception, it can be assumed that the project's construction personnel now resides within reasonable commuting distance to the project site and, therefore, would not need to relocate to fill project-related employment opportunities.

The limited exception may relate to certain specialty contractors (e.g., earth boring equipment operators). Although the United States Department of Labor indicates that there were 24,000 horizontal and earth boring machine operators in the United States in 2000 and that the demand for that area of specialization will increase "about as fast as average" between 2000 and 2010,[41] both the equipment and the operator may need to be brought in by the project's general contractor.

This conclusion (i.e., *de minimus* socio-economic impacts associated with potential in-migration of project-related workers) is supported by recent studies conducted by the County of Riverside for comparably sized projects. For example, the Riverside County Transportation Commission, in conjunction with the Federal Highway Administration, California Department of Transportation, and County of Riverside, is currently processing two "Tier I Draft Environmental Impact Statements/Reports" for separate regional transportation improvement projects (i.e., Hemet to Corona/Lake Elsinore Corridor and Winchester to Temecula Corridor). Both projects are major new automotive transportation corridors, extending up to 1,000-feet wide (bandwidth) and extending an unspecified number of miles (estimated to be over twenty miles) through western Riverside County. Neither environmental analysis identifies any in-migration of workers for the construction of those major transportation improvement projects.

[41]/ United States Department of Labor, Outlook Handbook and the Career Guide to Industries, Bulletin 2540, 2002-03 Edition, Bureau of Labor Statistics, 2002.

5.2.6. Determination of whether the Existing Supply of Available Housing within the Impact Area is Sufficient to Meet the Needs of the Additional Population

As indicated by the LAEDC, in 2002, an estimated 66,970 housing unit permits were issued in the Los Angeles five-county area. The Riverside-San Bernardino area accounted for 50 percent of all the permits issued and captured 64 percent of all single-family construction activity. The LAEDC found that new monthly housing costs in the Inland Empire ($883) were substantially below those of Orange County ($2,081), Ventura ($1,858), and Los Angeles ($1,445) Counties.

With regards to apartment rents, San Bernardino County ($880/month) and Riverside County ($871/month) are the most affordable areas with the five-county, on average.

As of January 2001, the County's housing stock totaled 595,682 units. With a vacancy rate of about 13.4 percent, a total of 79,820 dwelling units were available for occupancy at the beginning of 2001. As of 2000, the number of dwelling units in Lake Elsinore totaled 10,150 units. With an occupancy rate of 12.9 percent, a total of 1,310 dwelling units were available for occupancy within the City.

Based on the anticipated limited likelihood of project-induced in-migration, it is clearly evident that the area's existing housing inventory is sufficient to accommodate any potential in-migration that would occur as a result of the proposed project.

5.2.7. Numbers and Types of Residences and Business Establishments that would be Displaced by the Proposed Project, Procedures to be Utilized to Acquire these Properties, and Types and Amounts of Relocation Assistance Payments that would be Paid to the Affected Property Owners and Businesses

5.2.7.1. Numbers and Types of Residences and Businesses Displaced

The potential for project-induced residential and business displacement are separately addressed below. Anticipated impacts are, however, subject to change based on the precise project options and locations selected and independent property and business owner decisions.

- **Residential Displacement**. Presented in Figure E. 5-1 (Parcels along LEAPS Primary Transmission Right-of-Way) is a detailed assessment of all parcels of real property located along the proposed northern and southern transmission alignment. Most of those properties are vacant and uninhabited and, as such, the proposed construction and operation of the proposed transmission alignment will not result in any substantial residential displacement. All affected properties, including both those that are publicly and privately owned, are listed in Table E. 5-24 (Real Properties Located along the LEAPS Primary Transmission Rights-of-Way – San Diego County) and Table E. 5-25 (Real Properties Located along the LEAPS Primary Transmission Rights-of-Way – Riverside County).

  Since the above listing is inclusive of both the proposed northern transmission alignment and southern transmission alignment, and variations thereof, the list of properties should not be seen as indicative of the actual number of properties potentially affected by the proposed project. Similarly, by including this information, it is the Applicant's intent to ensure full disclose and not to suggest that each of the addressed represented constitute

residential properties whose owners or occupants will be displaced by the proposed project.

For planning purposes, the Applicant has identified a construction laydown area larger than deemed required for the Santa Rosa powerhouse sites. As a post-project use for the proposed construction marshalling yard, the Applicant now proposed to construe and convey to a local park entity a neighborhood park, inclusive of a variety of recreational facilities. The proposed Santa Rosa powerhouse would be available for joint use by the Lake Elsinore Unified School District (LEUSD), which now operates Butterfield Elementary Visual and Performing Arts Magnet School (16275 Grand Avenue, Lake Elsinore) directly east of that property. In order to facility the design of that proposed park site and physical enhance the relationship between the park and the school, the Applicant has included within the construction laydown area the 12-unit Santa Rosa Mountain Villas (33071-33091 Santa Rosa Drive, Lake Elsinore). The Applicant will acquire that property and demolish the existing residential units.

- **Business Displacement**. No businesses are expected to be displaced from the Proposed Project.

Table E. 5-24: Real Properties Located Along the Project's Rights-of-Way
San Diego County

APN (8 Digit)	Owner's Name	Owners Address	City/ZIP	Acreage
10205106	USA (Camp Pendleton)	Public Agency		1739.66
10113017	Gonzales Roland F Revocable Tr	153 S Cypress St	Orange CA 92866	21.67
10113009	Jensen Roland J Tr & Jensen Helen	1010 E Chestnut Ave	Santa Ana CA 92701	260.35
10153016	USA (CNF)	Public Agency		653.00
10113004	Long Richard W & Margaret J	617 Narcissus Ave	Corona Del Mar CA 92625	80.00
10106013	Guthrie Richard & Georgiana R	43077 Tenaja Rd	Murrieta CA 92562	40.00
10117001	Spain Frank K (DBA)	P O Box 3660	Ft Pierce Fl 34948	320.00
10152001	USA (Camp Pendleton)	Public Agency		49000.00
10106011	**United States of America**	Public Agency		415.05
10111009	Plummer Cowan A & Martha B Family	1421 Hollencrest Dr	West Covina CA 91791	80.00
10153015	USA (CNF)	Public Agency		632.00
10117003	Spain Frank K (DBA)	P O Box 3660	Ft Pierce Fl 34948	527.21
10111017	**Wills Chris A**	725 W La Veta Ave #260	Orange CA 92868	4.61
10117002	Spain Frank K (DBA)	P O Box 3660	Ft Pierce Fl 34948	359.00
10106012	Caraher Paul T Jr & Donna J Trs	2061 Omega Dr	Santa Ana CA 92705	35.85
10115003	Anvarinejad Ahmad	44 Mancera	Rancho Santa Margarita CA 92688	10.00

APN (8 Digit)	Owner's Name	Owners Address	City/ZIP	Acreage
10115001	Gonzales Roland F 02-03-86	153 S Cypress St	Orange CA 92866	70.00
10115008	USA (CNR)	Public Agency		585.43
10113012	Gonzales Roland F Revocable Tru	153 S Cypress St	Orange CA 92866	4.55
10111025	USA (CNR)	Public Agency		380.68
10113008	USA (CNR)l	Public Agency		563.88
10113001	Plummer Cowan A & Martha B Family	1421 Hollencrest Dr	**West Covina CA 91791**	40.00
10115010	W R A (Survivors) Trust	C/O William C Arterberry	40147 Calle Roxanne 92028	159.88

Source: Elsinore Valley Municipal Water District

Table E. 5-25: Real Properties Located Along the Project's Rights-of-Way Riverside County

APN	Owner's Name	Owner's Address	City/Zip	Acreage
391280009	USA 391	Unknown 01-27-94		20
391280010	USA 391	Unknown 01-27-94		20
391280008	Riverside Co Habitat Conservation Agency	600 E Tahquitz Way	Palm Springs CA 92262	20.02
391290004	Riverside Co Habitat Conservation Agency	600 E Tahquitz Way	Palm Springs CA 92262	20.11
391290003	Cordes, Joseph	P O Box 1236	Corona CA 92878	20.14
391290002	Riverside Co Habitat Conservation Agency	600 E Tahquitz Way	Palm Springs CA 92262	20.01
391040005	Riverside County Habitat Conserv Agency	600 E Tahquitz Canyon Way	Palm Springs CA 92262	162.86
391290015	Riverside Co Habitat Conservation Agency	600 E Tahquitz Way	Palm Springs CA 92262	20.01
391290001	State of California	1416 9th Street	Sacramento CA 95818	20.03
391050012	USA BLM	6221 Box Springs Blvd	Riverside CA 92507	20.25
290140026	Starfield Sycamore Inv	14 Corporate Plaza	Newport Beach CA 92660	10.02
290140023	Starfield Sycamore Inv	14 Corporate Plaza	Newport Beach CA 92660	91.86
290150005	USA 290	Unknown		160
391040005	Riverside County Habitat Conserv Agency	600 E Tahquitz Canyon Way	Palm Springs CA 92262	162.86
391050007	12510 Temescal	497 S Country Hill Rd	Anaheim CA 92807	156.76
391050012	USA BLM	6221 Box Springs Blvd	Riverside CA 92507	20.25
391050011	USA BLM	6221 Box Springs Blvd	Riverside CA 92507	20.01
391070016	Indian Truck Trail Dev Co	37859 Oxford	Murrieta CA 92562	10.67
391070018	Indian Truck Trail Dev Co	37859 Oxford	Murrieta CA 92562	3.68
391070001	Mccoy Const Co	23622 Calabasas Road Ste 149	Calabasas CA 91302	2.24

APN	Owner's Name	Owner's Address	City/Zip	Acreage
290140026	Starfield Sycamore Inv	14 Corporate Plaza	Newport Beach CA 92660	10.02
290150005	USA 290	Unknown		160
290150007	USA 290	Unknown		240
290150006	Grace Korean Church At Norwalk	1645 W Valencia Dr	Fullerton CA 92833	80
391200016	Paragon Building Products Inc	2895 Hamner Ave	Norco CA 92860	18.73
390120011	EVMWD	3740 University Ave	Riverside CA 92502	5.8
391200010	Murdock, David H.	10900 Wilshire Blvd 6th Fl	Los Angeles CA 90024	2.09
391200002	State Of Calif	P O Box 231	San Bernardino CA 92403	4.11
391200007	Murdock, David H.	10900 Wilshire Blvd 16th Fl	Los Angeles CA 90024	21.38
391200012	Pacific Clay Products Inc	10900 Wilshire Blvd No 1600	Los Angeles CA 90024	3.19
290170005	USA 290	Unknown		640
391230003	Murdock, David H.	10900 Wilshire Blvd 16th Floor	Los Angeles CA 90024	13.83
391230004	Murdock, David H.	10900 Wilshire Blvd 16th Floor	Los Angeles CA 90024	26.17
391230005	Gateway Business Park	10900 Wilshire Blvd Ste 1600	Los Angeles CA 90024	80
391240001	Pacific Clay Products Inc	10900 Wilshire Blvd No 1600	Los Angeles CA 90024	324.19
290170006	USA 290	Unknown		656.63
391260014	Chen, Jennifer	606 N First St	San Jose CA 95112	125.07
391260001	Pacific Clay Products	10900 Wilshire Blvd No 1600	Los Angeles CA 90024	122.28
391260021	Bayless, Joseph	P O Box 568	Wildomar CA 92595	25
391260022	Bayless, Joseph	P O Box 568	Wildomar CA 92595	18.47
391260023	Bayless, Joseph	P O Box 568	Wildomar CA 92595	18.45
391260012	Koretoff, Daniel	507 De La Fuente	Monterey Park CA 91754	40
391260016	Deetz,Clayton	1514 S D Street	San Bernardino CA 92408	40
391260013	Smith, Jan	Box 597	Helena Mt 59601	40
290170007	USA 290	Unknown		282.83
391270013	USA 391	Unknown		640
391260051	La Laguna Estates	93 Lakeshore	Irvine CA 92604	242.39
391260044	City Of Lake Elsinore	130 S Main Street	Lake Elsinore CA 92530	2.24
391270008	USA 391	Unknown 11-29-95		37.24
387290001	Good Land Inv Iii	2142 Liane Lane	Santa Ana CA 92705	60.78
387290002	Good Land Inv Iii	2142 Liane Lane	Santa Ana CA 92705	62.56
387020019	Good Land Inv Iii	2142 Liane Lane	Santa Ana CA 92705	274.83
387020013	USA 387	Unknown		74.05
387020015	USA 387	Unknown		115.16
387290006	Good Land Inv Iii	2142 Liane Lane	Santa Ana CA 92705	28.62

APN	Owner's Name	Owner's Address	City/Zip	Acreage
387020002	USA 387	US Dept of Interior	Washington DC 21401	4.28
387290008	Good Land Inv Iii	2142 Liane Lane	Santa Ana CA 92705	23.74
387020018	USA 387	Unknown		184.3
387260001	Hasty, Larry	14130 N Main Divide Road	Lake Elsinore CA 92530	20.04
387260004	Wallis	33202 Paseo Blanco	San Juan Capo CA 92675	21.65
387260005	Pritchett, Robert	32333 Ortega Highway	Lake Elsinore CA 92530	20.52
387260007	Baba, Thomas	12 Sudbury Place	Laguna Niguel CA 92677	20.05
387260006	Thorell, Edwin	P O Box 611	Lake Elsinore CA 92531	23.42
386090010	USA 386	Unknown		121.77
386060052	Amen, Jeff	32507 Ortega Hwy	Lake Elsinore CA 92530	0.06
386090011	USA 386	Unknown		139.08
386090012	USA 386	Unknown		360.86
386110015	Usa 386	Unknown		117.63
385030007	Connell, Tracy	1231 Hygeia Ave	Leucadia CA 92024	80
385120010	Usa 385	Unknown 04-18-79		519.070
385120009	USA 385	Unknown 04-18-79		103.03
385120019	USA 385	Unknown 08-07-97		431.61
385120018	USA 385	Unknown 08-07-97		79.06
385120012	USA 385	Unknown 04-18-79		118.65
383020005	EVMWD	P O Box 3000	Lake Elsinore CA 92530	30
385150015	USA 385	Unknown 04-18-79		0
385150012	USA 385	Unknown 04-18-79		476.8
385150014	USA 385	Unknown 04-18-79		251.95
382090005	USA 382	Unknown		641.07
382090003	USA 382	Known		600.84
901110001	USA 901	Unknown		638.66
901110004	USA 901	Unknown		511.02
901170032	Accurate Air International Inc Dbpp	7550 Eads Ave Unit 402	La Jolla CA 92037	74.23
901170037	Hetzner Family Ltd Partnership	20121 Amapola	Orange CA 92669	60.93
901170038	Koskovich, Harvey	38305 Maisel	Murrieta CA 92562	24.58
929020011	Meek, Scott	40551 Corte De Rubi	Murrieta CA 92562	6.59
901170025	USA 901	Us Dept Of The Interior	Washington DC 21401	16.76
929020012	Mathis, Robert	Schneifel Forsthaus No 2	D 54597 Olzheim Germany	5.5
929020013	Short, Delphine	890 Beaumont Ave	Beaumont CA 92223	5.5
929020014	Short, Delphine	890 Beaumont Ave	Beaumont CA 92223	5.5
932300009	Vietnamese American Buddhist Assn	12292 Magnolia Street	Garden Grove CA 92541	19.8
901130005	USA 901	US Dept of Interior	Washington DC 21401	640
901130006	USA 901	US Dept of Interior	Washington DC 21401	544
932300016	Allen, Gary	1070 Serene Dr	Corona CA 92880	26.05

APN	Owner's Name	Owner's Address	City/Zip	Acreage
932300004	Reynolds, David	22830 Hidden Creek Ct	Murrieta CA 92562	19.97
901130008	USA 901	US Dept of Interior	Washington DC 21401	624
901120001	USA 901	US Dept of Interior	Washington DC 21401	323.38
901130019				0
901120007	USA 901	Unknown 04-05-84		31.8
901120008	USA 901	Unknown 10-28-83		45

Source: Elsinore Valley Municipal Water District

5.2.7.2. Procedures to be Utilized to Acquire these Properties

The majority of the project site exists on public lands, primarily those under the jurisdiction of the Forest Service located within the CNF. Under Forest Service procedures, the Applicant would require a SUP providing a 50-year leasehold interest on those public lands required for the project's construction, operations, and maintenance. Established Forest Service procedures will be utilized in the issuance of Federal authorization of those real property interests. Similarly, portions of the project site are located on lands owned and under the jurisdiction of the BLM, Caltrans, the City of Lake Elsinore, and the EVMWD. Each of those entities is public agencies and maintain specific procedures for the conveyance of real property interests.

With regards to the limited number of affected privately owned properties, the Applicant will seek to acquire fee simple or leasehold interests on those lands through voluntary sale or conveyance.

5.2.7.3. Types and Amounts of Relocation Assistance

Persons and businesses displaced as a result of public action may be authorized to receive relocation benefits as a result of those actions. Where applicable, the Applicant will comply with the requirements governing property acquisition, displacement, and relocation as described in Section 7260-7266 of the California Government Code (CGC) and, as applicable, Section 33410-33418 of the California Health and Safety Code (H&SC).

5.2.8. Fiscal Impact Analysis Evaluating the Incremental Local Government Expenditures in Relation to the Incremental Local Government Revenues that would Result from the Construction of the Proposed Project[42]

As indicated in the CEC's "Environmental Performance Report of California's Electric Generation Facilities," commonly identified benefits of electric generating facilities include the following: (1) A reliable and affordable electricity supply supports economic development and helps maintain the State's high standard of living; (2) Electric generating facilities supply electricity for a variety of uses, including lighting, heating, ventilation, and air conditioning, and power for

[42]/ Potential project-related fiscal impacts on educational facilities, police and fire protection services, recreational facilities, solid waste collection and disposal, potable and reclaimed water systems, and wastewater collection and treatment systems are not specifically addressed herein but will be examined as part of the project's subsequent environmental review.

industrial and agricultural motors and is essential for transportation, communication, public safety, and public health, as well as public comfort and convenience; (3) In-State electric generation enhances Statewide electricity supplies and system reliability, and reduces the need for importing electricity over congested transmission lines; (4) Power plant construction projects create approximately ten times more jobs than power plant operations; and (5) The CEC has identified no significant disproportionate environmental justice impacts in any of the power plant projects it has approved since 1998.[43]

As further indicated by the CEC: "The biggest socioeconomic benefit of electric generation facilities comes from the electricity they provide. California has the largest economy of any state in the county and one of the largest economics in the world. Because electricity powers the economy and helps maintain the state's high standard of living, the availability of a reliable and affordable electricity supply is essential to the well being of the state and its citizens."[44]

The following fiscal impact analysis (FIA) estimates the potential economic impacts of the proposed project on the costs and revenues of those governmental units serving the project area. The focus of this analysis is on project-related fiscal upon on local governmental entities and does not address economic impacts on the federal government (e.g., Forest Service).

Although a substantial portion of the proposed project, located on non-public lands, is located within unincorporated areas of Riverside County, those areas are located within the adopted SOI of the City of Lake Elsinore. As such, this FIA focuses on possible economic impacts to that entity. In addition, because short-term (construction) impacts may differ from long-term (operational) impacts, both are separately examined below.

- **Construction Impacts**. As indicated in Table E. 5-21 (Schedule of Construction Manpower Requirements by Year – Total On-Site Labor Force by Trade), the proposed project will generate about 2,460 man-years of construction employment, of which roughly 55 percent will be skilled trades, 30 percent will be general labor and the balance will be clerical and supervisory staff. Approximately 66.4 percent of the person-years are incurred in Years 2, 3, and 4 of the construction period, with the peak effort occurring in Year 4, when about 585 person-years of construction will be required. Peak employment at the site will reach nearly 600 employees.

  Based on information provided by the CEDD, it is likely that there will be a more than adequate labor force available to accommodate project-related demands. According to CEDD information, the County's labor force "will respond to the continued demand for residential, office, and heavy construction projects by adding 13,400 new jobs to payrolls by the year 2006. The majority of new jobs in construction will be in the special trade category (9,100 jobs), which includes plumbing, painting, electrical work, carpentry, and an array of other construction specialties."[45]

[43]/ *Op. Cit*., Environmental Performance Report of California's Electric Generation Facilities, P700-01-001, p. 42.

[44]/ *Op. Cit*., Staff Report: 2003 Environmental Performance Report, p. 121.

[45]/ California Employment Development Department, Riverside County Industry Trends and Outlook, 1999-2006.

Due to a net in-migration trend in the area and the continuous supply of high school graduates entering the labor force, the region can be expected to supply the majority of labor force required for the project' construction. It is unlikely that significant numbers of construction personnel would commute to the project site from areas outside of the regional impact area. Project-induced in-migration is, therefore, not expected to place a significant burden on the region's existing infrastructure.

The EVMWD is a municipal water district that serves various communities in the general project area, including many of the proposed facility sites. In the vicinity of the proposed project, the EVMWD's facilities include water mains and water storage tanks. The project will utilize these facilities as a potable water source. In relation to the total service demands now being accommodated by the EVMWD, the potable water needs of the proposed project are relatively minor and will not require any additional upgrades to the EVMWD's overall regional water supply.

During construction, temporary comfort facilities (e.g., port-a-potties) will be brought onto the project site by the Applicant for use by construction personnel. These facilities are typically leased from and serviced by private sanitation firms operating under contract to individual construction contractors. Wastes from these facilities are collected by vacuum trucks and disposed of off the project site in according with the permit requirements of each provider. No impacts upon any areawide water or wastewater providers are anticipated during the construction period and no impacts on surface or groundwater quality will result therefrom.

The project will result in an increase in traffic on certain roads in the general project area, as workers, equipment, and materials move to and from the construction site. Most workers coming to and departing the construction staging areas will utilize SR-74 and the I-15 Freeway. Similarly, truck traffic to and from the site will use these same routes. Project construction will likely include the construction and operation of an on-site concrete batch plant near the proposed powerhouse and has been designed to optimize the use of excavated material as dam base, thus reducing construction traffic.

According to Caltrans, the current annual average daily traffic on the I-15 Freeway at Main Street is 79,000 vehicles, with 8,300 ADT occurring during the peak-hour. On Ortega Highway, at Grand Avenue, current daily traffic is 8,400 vehicles, with 1,200 vehicles occurring during the peak hour.[46]

Although the underground construction work will be conducted on a three-shift basis, much of the aboveground work will be conducted on a one-shift basis. Roughly half of the workers (i.e., 300 workers in Year 4) will be working the day shift with the remainder split between the two remaining work periods.

- **Operational Impacts**. Once operational, only about twenty individuals will be needed to manage, operate, and maintain the proposed project. Impacts attributable to those

[46]/ California Department of Transportation, Traffic and Vehicle Systems Unit.

employees on local services and systems should be minimal. Construction traffic may, however, be replaced by an unknown number of visitors who will, in accordance with specific stipulations, will be able to tour the proposed hydropower facility. Depending upon the number of visitors and how access to the site is authorized for visitor use, some additional demands could be imposed on local infrastructure, including water supply and waste disposal. These impacts, however, are anticipated to be minimal and can be readily accommodated by existing service systems.

The project will contribute substantially to the revenues of local government directly through the payment of permit fees and increased real and personal property tax and indirectly through increased State taxes and local sales tax revenues, which are partially allocated to the various county and municipal governments. As indicated in Table E. 5-23 (Construction Payroll Estimates by Trade by Year), over the approximately six-year construction period, total estimated construction payroll costs is estimated at $126,139,800 (in 2002 dollars). Once operational, annual payroll requirements are estimated to be $1,051,820 (in 2002 dollars).

The State corporate income tax is based calculated at 8.84 percent of net income. Based on an estimated construction cost of approximately $500 million and an assumed net income of 10 percent (profit over costs), State corporate income tax for the construction phase of the project would total approximately $4,420,000.

Direct contributions to labor income and employment are only part of the total economic impact associated with the proposed project's construction. The proposed project is anticipated to produce "secondary impacts" which, themselves, will generate additional labor income and employment tangential to the project. Indirect impacts relate to the project's purchase of goods and services, generating off-site labor income, employment, profits, and governmental revenues. Induced impacts are generated when additional labor income is spend on personal requirements.

Input-output models provide multiplier effects for several measures of construction activity, including gross output, labor income, and employment. Gross output multipliers range from 2.1 to 2.5 times direct output. That is, for every $1.00 spent on construction activities, the value of total regional activity, including direct construction, increases by $2.10 to $2.50. Labor income multipliers range from 1.8 to 2.2 times direct labor income, while employment multipliers range from 2.1 to 2.6 times direct jobs. Table E. 5-26 (Indirect and Induced Impacts of Construction Expenditures) summarizes the total impact of expenditures on construction in terms of total value of output, labor income, and employment.

Table E. 5-26: Indirect and Induced Impacts of Construction Expenditures

	Output ($ million)	Labor Income ($ million)	Employment (man-years)
Direct Activity	500[1]	126.14[2]	2,460[3]
Multiplier	2.1 –2.5	1.8-2.2	2.1-2.6
Total Activity	1,050-1,250	227.05-277.51	5,166-6,396

	Output ($ million)	Labor Income ($ million)	Employment (man-years)
Indirect and Induced Activity (total minus direct)	550-750	100.91-151.37	2,706-3,936

Notes:
1. Estimated project cost.
2. From Table E. 5-23 (Construction Payroll Estimates by Trade by Year).
3. From Table E. 5-21 (Schedule of Construction Manpower Requirements by Year - Total On-Site Labor Force by Trade).

Source: The Nevada Hydro Company, Inc.

As indicated therein, project-related expenditures, including indirect and induced impacts, will generate a total output of $1.05 to $1.25 billion, of which $227.05 to 277.51 million will be labor income and will generate between 5,166 to 6,396 man-years of employment. This increase in output value and labor income will flow largely to proprietors and workers. A part will accrue to governments in the form of personal and corporate income taxes, sales taxes on household and other purchases, and real property tax. The share of these impact captured within the socio-economic impact region is likely to be substantial.

In addition, by providing the EVMWD with revenues to stabilize water levels in Lake Elsinore and by improving the lake's water quality through the injection of oxygen into returning waters, the project has the potential to improve both recreational and sports fishing opportunities in Lake Elsinore. The USFWS notes:

Fishing continues to be a favorite pastime in the United States. The [United States Fish and Wildlife] Service's 2001 preliminary National Survey of Fishing, Hunting, and Wildlife-Associated Recreation reported that 34 million anglers (16% of the U.S. population) 16 years old and older, spent more than $35 billion annually on trips, equipment, licenses, and other items to support their fishing activities. The average annual expenditure was $1,046 per angler.[47]

As indicated in the Federal Register: "The [United States Fish and Wildlife] Service recognize that fishery resources and aquatic ecosystems are integral components of our heritage and play an important role in the Nation's social, cultural, and economic well-being. Annually, approximately 50 million anglers spend $24 billion directly on tackle, equipment, food and lodging, and other recreational fishing-related expenses. The total economic output (wholesale, retail, manufacturing, and supply of goods and services) stimulated by recreational angler spending exceeded $69 billion in 1991. Those expenditures generated over $2.1 billion in Federal tax revenues, and provided employment for approximately 1.3 million people nation-wide."[48]

[47]/ United States Fish and Wildlife Service, Conserving American's Fisheries, Fisheries Program Vision for the Future, December 2002, p. 17.

[48]/ United States Government Printing Office, Federal Register, Volume 61, Number 107, June 3, 1996.

Citing the American Sportsfishing Association: "It is noted that, on average, an angler spends over $1,200 every year on the sport. Hidden, but none-the-less real, is a multiplying factor that effectively triples what you spend as the initial expenditure ripples through the economy."[49] In 1996, sports fishing created nearly 1.2 million jobs nationwide. Studies show that annual spending by America's 35.2 million adult anglers (16 years old and older) amounts to nearly $37.8 billion. The economic impact of these expenditures totaled nearly $108.5 billion and rippled throughout the economy with effects felt at the local, regional and national levels.[50] Based on these rates, sportsfishing has a multiplier effect of 2.87, that is, for every $1.00 spent by anglers, the value of total regional activity increases by $2.87.

Drawing on studies conducted for Lake Havasu, improved recreational fishing opportunities between 1989 and 2001 resulted in an approximately 212 percent increase in angler use days.[51] If fishermen are not increasingly satisfied, numbers of anglers will not increase and if the quality of the catch is not better, angler interest will wane.[52] Although the economic analysis for Lake Havasu may not be directly applicable (e.g., for every 10% increase in non-resident angler visitation, some 65 jobs could be created, $3.4 million of output generated and $1.1 million of employment income added), the report concluded, from a local economic perspective "[a]ngler tourism pays off."[53]

[49]/ American Sportsfishing Association, Sportsfishing in America – Values of our Traditional Pastime, 2002, p. 5.

[50]/ Maharaj, Vishwanie and Carpenter, Janet E., The 1996 Economic Impact of Sport Fishing in the United States, American Sportsfishing Association, 1997.

[51]/ Anderson, Bernard E., The Socio-Economic Impacts of the Lake Havasu Fisheries Improvement Program, October 30, 2001, p. 5.

[52]/ *Ibid*., p. 7.

[53]/ *Ibid*., p. 32.

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