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### LOCAL NEWS

# Industry publicly approves massive solar farm it already spent \$14 million on — neighbors complain city has gone ‘too far’



The working cattle ranch, with a reservoir, called Tres Hermanos is located east of Diamond Bar on Grand Avenue. (Photo by Leo Jarzomb/San Gabriel Valley Tribune/SCNG file)

After working behind closed doors for a year, the City of Industry publicly approved agreements Thursday to build a massive solar farm at the intersection of Los Angeles, Orange and San Bernardino counties — on land it does not own yet outside city limits.

Industry has already spent \$14 million on the proposal, according to city officials.

The re-approval of the 450 megawatt solar project at Tres Hermanos ranch came after Diamond Bar and Chino Hills threatened to sue Industry for violating open meeting laws by entering into a multimillion-dollar agreement in closed session in 2016.

By correcting the actions preemptively, Industry could argue such a lawsuit is moot. City Attorney Jamie Casso declined to explain the city's reasoning for the ratification when reached through a city spokeswoman.

“The city does not comment on threatened lawsuits,” Casso said in a statement.

Industry's City Council voted to ratify a lease agreement and four amendments Thursday after less than 10 minutes of discussion. The project allows the developer, La Jolla-based San Gabriel Valley Water and Power, to request loans of up to \$20 million.

Industry increased this cap, initially set at \$5 million, to \$11.5 million and then to \$20 million in the last 1 1/2 years.

Councilman Newell Ruggles abstained from the vote because he said he hasn't been provided with enough information to know if the project is worth the investment. He said he favors the concept.

“They've been working on it for over a year, and they haven't presented the City Council with any information, any plans, any layouts. The only thing they've discussed with us is loans,” Ruggles said. “How can we spend \$20 million in taxpayer money and not know what we're getting ourselves into?”

Industry continues to give millions to San Gabriel Valley Water and Power for work on the project. A Southern California News Group investigation in August found a key figure in the dealings, developer William Barkett, owed more than \$50 million after defaulting on loans for large projects.

Industry City Controller Susan Paragas previously questioned dozens of invoices submitted by the company for being too vague, but on Thursday, she said she is now scrutinizing the billings less because they're now structured as loans.

“Since we’re getting our money back, it’s a little bit different,” she said. “If it was considered our expense, I would be stricter.”

The agreements require the developer to pay back Industry once construction commences. However, if the project falls apart before then, Industry loses everything it has invested.

The amendments approved Thursday seemingly contradict Industry’s repeated assertion that city leaders do not know the scope of the project. The most recent document, approved in June, calls for a “minimum project” of at least 450 megawatts of solar power.

According to solar experts, a 450 megawatt solar farm would take up more than 1,000 acres of the 2,450-acre ranch property.

In August, Industry refused to provide the same details to an oversight board tasked with selling the ranch land. Tres Hermanos is owned by the Successor Agency to Industry’s former redevelopment agency, and was required to be sold as part of the dissolution of redevelopment in 2012.

At first, Industry offered \$100 million to buy back the property. Instead, the city picked it up for less than half that, \$42 million, in exchange for a covenant that would restrict the use of the land to public projects and open space in perpetuity. A solar farm would be considered a public project.

The California Department of Finance stalled the close of the sale last month when it launched a 45-day review of the \$60 million discount.

Diamond Bar and Chino Hills have announced plans to sue Industry, claiming their neighboring city did not follow state law as it worked to develop the solar farm. Attorneys for the two cities say Industry did not complete an environmental review before approving the project and did not get proper approval from the two cities’ planning commissions before moving forward.

In letters sent to Industry on Wednesday, both cities objected to the ratification of the original lease agreement and amendments. Chino Hills City Attorney Mark Hensley urged Industry’s City Council to freeze payments to San Gabriel Valley Water and Power and stop the project from moving forward until it completes the necessary reviews required under the California Environmental Quality Act.

“With respect to public projects — projects undertaken by a public agency — CEQA requires the project sponsors, at the earliest feasible time, to incorporate environmental considerations into project conceptualization, design and planning,” Hensley wrote.

Documents show Industry's plans are "very advanced" and will have a number of "potentially significant impacts" on wildlife, aesthetics and potential historical resources, Hensley wrote.

The solar farm could harm such protected species as the Southwestern Willow Flycatcher (a bird), the Least Bell's Vireo (another bird) and the the Western Pond Turtle, he said. Emails provided in a public records request show Industry officials were concerned burrowing owls would affect solar panel placement.

Diamond Bar's City Attorney David Deberry similarly objected, saying Industry should rescind the lease agreement until it is in compliance with "all applicable legal requirements."

The City Council must recognize they have "gone too far," he wrote.

On Tuesday, Diamond Bar's Planning Commission rejected an application from Industry that asked the commissioners to find the proposed project in compliance with Diamond Bar's general plan, the document that guides all development in the city. The commission rejected the application because it did not provide details about the intended use.

When Diamond Bar asked for more information, Industry City Manager Paul Philips responded that Industry "does not have any more definitive plans for the future use of Tres Hermanos," according to Deberry.

Deberry cited a California Supreme Court decision where the court found West Hollywood should have completed CEQA analysis when it "pre-committed" to a project to build 35 low-income housing units. A public agency that has executed a detailed and definite agreement with a private developer and lent the project political and financial assistance is seen as committing to the project, according to the court's decision.

Following an excerpt from the decision, Deberry argued: "If the City Council assesses the level of commitment Industry has made to the Solar Project in light of the above description, it must recognize it has gone too far."