

LEGISLATIVE ACTION COMMITTEE

www.CoronaAdvocacy.biz/about.html

The Greater Corona Valley Chamber of Commerce
904 East Sixth Street, Corona 92879
(951) 737-3350

Friday, April 1, 2011
8:00am

Presiding: Cynthia Schneider, 2010 LAC Chair
American Security Bank

2011 Strategic Initiatives

Healthcare Reform Impacts | Local, State and Federal Government Regulations and Reform
Business Attraction and Retention

Call to Order and Roll Call

Chair Report

- **Recent Action** **INFORMATION**
 - *Corona Valley Chamber Takes Action On Proposed Laws Impacting Business*
 - *Chamber, Riverside County Transportation Commission Work To Seek Regional Transportation Solutions*
 - *Infrastructure Finance and Innovation Act Loan Request*
 - *SCA 6 (Emmerson) Revised Biennial Session*
 - *SB 378 (Dutton) Employment: Alternative Workweek Schedules*
 - *Oppose Higher Taxes On Alcohol*
 - *AB 318 (Skinner) Corporation Taxes Reporting Requirements*
 - *AB 153 (Skinner) Internet Sales Tax*
 - *AB 29 (Perez) Office of Economic Development*
 - *AB 32 (Lara) Entrepreneurship: Economic Gardening*
 - *AB 135 (Hagman) State Air Resources Board: Membership: Small Business Owner*
 - *AB 10 (Alejo) Minimum Wage: Annual Adjustment*

President & CEO Report

- I-15 Economic Forecast - April 21, 2011

LAC Meeting Agenda Items

1. **March 2011 LAC Minutes** **ACTION**
2. **California High-Speed Rail Update** **INFORMATION**
3. **Legislative Report #4** **ACTION**
 - *SB 469 (Vargas – D) Land Use: Development Project Review: Superstores*
 - *AB 21 (Nestande – R) State Budget: Key Liabilities*
 - *AB 271 (Nestande – R) Appeals: Class Actions*

Announcements

Adjourn

March 2011 LAC Minutes

LEGISLATIVE ACTION COMMITTEE

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The Greater Corona Valley Chamber of Commerce
904 East Sixth Street, Corona 92879
(951) 737-3350

Friday, March 4, 2011
8:00am

Presiding: Cynthia Schneider, 2010 LAC Chair
American Security Bank

MEETING MINUTES

2011 Strategic Initiatives

Healthcare Reform Impacts / Local, State and Federal Government Regulations and Reform
Business Attraction and Retention

Call to Order and Roll Call

Chair Schneider called the meeting to order at 8:00am.

Chair	Cynthia Schneider	American Security Bank	X
	Rachel Rola	As You Like It Event Design/Catering	X
	Chris Miller	Thomas Miller Mortuary	X
	Sandy Klein	Re/Max All Stars	X
	Chad Miller	Plas-Tech Sealing Tech	
	Ann Poloko	Financial Investors Group	X
	Mark Krakower	Kraktronix Laser Craft	
	Kathy Walker	Realtors Association (T.I.G.A.R.)	X
	Stephen Rezner	Miguel's Restaurants	X
	S.R. "Al" Lopez	Western Municipal Water District	X
	Kevan Metcalfe	Corona Regional Medical Center	
	Patti Arlt	MWD	X
	Evita Tapia	Senator Bill Emmerson's Office	X
	Stephanie Benvenuto	Assemblymember Jeff Miller's Office	X
	Karen Spiegel	City of Corona	X
	Danielle Soto	AQMD	
	Todd Warden	AQMD	
	Aaron Hake	RCTC	
	John Standiford	RCTC	X
Chamber Chair	Kerry Pendergast	Greater Corona Valley Chamber	
Chamber CEO	Bobby Spiegel	Greater Corona Valley Chamber	X
Chamber Staff	Shaun Lumachi	Greater Corona Valley Chamber	X
	Denea Breitenbucher	Greater Corona Valley Chamber	X

LAC Meeting Agenda Items

1. February 2011 LAC Minutes

ACTION

The LAC voted unanimously to approve the January 2011 LAC meeting minutes as submitted.

2. Redevelopment Agency Elimination Briefing UPDATE

Dave Willmon of the League of California Cities briefed the LAC on the budget negotiations and the proposal to eliminate redevelopment agencies in California.

3. 91 Freeway Federal Loan Request ACTION

John Standiford, Deputy Executive Director of Riverside County Transportation Commission (RCTC) briefed the LAC on the RCTC Transportation Infrastructure Finance and Innovation Act (TIFIA) loan request for the SR-91 Project.

The LAC voted unanimously to support the RCTC effort to secure the loan.

4. Legislative Report #3

The LAC voted unanimously to approve the following positions:

- *SUPPORT AB 135 (Hagman – R) State Air Resources Board: Small Business Owner Member*
- *OPPOSE AB 153 (Skinner – D) Internet Sales Tax*
- *OPPOSE AB 318 (Skinner – D) Corporation Taxes Reporting Requirements*
- *SUPPORT SB 378 (Dutton – R) Flexible Work Week*
- *WATCH AB 77 (Gorell – R) Governmental Reorganization: Tax Functions*
- *SUPPORT AB 10 (Alejo – D) Minimum Wage Adjustments*
- *SUPPORT AB 83 (Jeffries – R) Environment: CEQA Exemption: Recycled Water Pipeline*
- *SUPPORT 1099 Reporting Mandate Provision in the Health Care Law*
- *OPPOSE National Labor Relations Board Proposal: Right to Unionize*

Adjourn

Chair Schneider adjourned the meeting at 9:20am.

Recent Action

Corona Valley Chamber Takes Action On Proposed Laws Impacting Business

Each month, the Greater Corona Valley Chamber of Commerce Legislative Action Committee reviews and takes positions on issues impacting the regional business community. Each of the proposed laws have a potential impact on job creation and retention. The Chamber is positioned to represent the interests of Corona businesses on these issues so that the economic vitality of our community is protected.

“Our job is to fight for business so businesses can create and retain jobs,” stated Cynthia Schneider, Chair of the Corona Valley Chamber’s Legislative Action Committee. “We continually track the most important issues impacting our business community and assure you that it is our intention to be certain leaders in Sacramento understand what is important to our business community so our point of view is considered before any new law is approved,” continued Schneider.

Below is a list of several proposed laws being tracked by the Chamber:

**AB 135 (Hagman – R) State Air Resources Board: Small Business Owner Member
Corona Valley Chamber Position: SUPPORT**

The California Environmental Protection Agency the State Air Resources Board is responsible for control of emissions from motor vehicles and is designated the air pollution control agency for all purposes set forth in federal law. AB 135 would require one appointed member of the state board to be a current owner of a small business, who has worked for, owned, or worked for and owned, that small business for at least 10 years. The change would last until January 1, 2017.

Why AB 135 is important to you

It is essential for small business owners to be represented on the Air Resources Board because the regulations the board impose directly affect small business's costs and day to day practices. If we are serious about the impact of regulations on jobs, why not include someone who has created jobs.

**AB 153 (Skinner – D) Internet Sales Tax
Corona Valley Chamber Position: OPPOSE**

AB 153 would require online-only out-of-state retailers to collect state sales taxes for purchases sold in California. AB 153 would redefine a retailer engaged in business in this state as (1) any retailer entering into agreements for a commission or other consideration, (2) who directly or indirectly refers potential purchasers, whether by an Internet-based link or an Internet Web site, or otherwise, to the retailer, and (3) provided the total cumulative sales price from all sales by the retailer to purchasers in this state that are referred pursuant to these agreements is in excess of \$10,000 within the preceding 12 months.

Why AB 153 is important to you

The Greater Corona Valley Chamber opposed similar legislation last year that was eventually vetoed by the Governor. The Chamber is concerned that retailers will cut contracts with online advertisers in California ultimately eliminating an important source of revenue, which income tax is paid on, for many online entrepreneurs and other California-based organizations.

**AB 318 (Skinner – D) Corporation Taxes Reporting Requirements
Corona Valley Chamber Position: OPPOSE**

AB 318 would require that after January 1, 2011 the Franchise Tax Board must compile information on any tax credits reported by a company who is a publically traded and by June 30, 2013 and each year thereafter the information must be published on a state web site.

Why AB 318 is important to you

AB 318 unfairly targets public companies by taking advantage of current law to exploit companies by placing additional reporting mandates and burdens upon them.

SB 378 (Dutton – R) Flexible Work Week

Corona Valley Chamber Position: SUPPORT

SB 378 would allow employers (optional for those with 5 or fewer employees) to establish an alternative workweek schedule that allows an employee to work up to 10 hours a day, 40 hours a week. Currently, employees must approve by a secret ballot election of at least 2/3 of the affected employees in a readily identifiable work unit is required for adoption of an alternative workweek schedule.

Why SB 378 is important to you

As the law stands today, individual employees do not have the right to seek and arrange individual flexible schedules with their employers. SB 378 will provide individual workers much needed flexibility to permit four-day workweeks for workers desiring to find a balance between work and personal lives.

Log on to www.CoronaAdvocacy.biz for more information.

Chamber, Riverside County Transportation Commission Work To Seek Regional Transportation Solutions

The Greater Corona Valley Chamber of Commerce is proud of its partnership with the Riverside County Transportation Commission (RCTC) in support of transportation improvement plans that relieve congestion on our freeways, streets and roads, and ensure future mobility within the Corona valley region.

One of our top priorities is the planned improvements to SR-91 from the Orange County line to Interstate 15. On a daily basis, the main stretch of SR-91 handles more than 280,000 vehicle trips per day including commuters, tourists, contractors, businessmen and trucks and it's not uncommon to see traffic back up until the late evening due to drivers returning to their homes in Riverside County.

"The overall SR-91 Corridor Improvement Project will result in a \$1.3 billion investment and create more than 16,000 jobs," stated Cynthia Schneider, Chair of the Corona Valley Chamber's Legislative Action Committee. "We are very proud of the work RCTC is doing to bring solutions to our transportation challenges," continued Schneider.

This project is very important to the mobility and economic vitality of our region. The project will give the average commuter 75 more hours per year to spend with family or participating in our economy. Approximately 1 out of 4 vehicles on the existing 91 Express Lanes are HOV 3+ (have 3 or more occupants). This is proof that the 91 Project will create an incentive for ridesharing, further reducing congestion.

Improvements that are being considered include a regular traffic lane in each direction, improved ramps and intersections at major city streets that intersect the freeway in Corona, better connections between I-15 and SR-91 and the extension of the SR-91 Express Lanes which are currently located on the SR-91 in Orange County to I-15. If this alternative is selected, this would mark the first time that toll lanes have been constructed in Riverside County.

RCTC recently applied for a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan request to help bring the final approval of the SR-91 Project to reality. The Corona Valley Chamber is supporting the loan request.

Unemployment in Riverside County stands at 14.4%, the highest of any metropolitan area in the United States. It is estimated that the 91 Project will create 16,200 jobs, including 4,600 jobs directly involved with construction and support of the project. SR-91 links to 6.6 million jobs (45%) of all jobs in California in Riverside, San Bernardino, Orange, and L. A. Counties. The 91 Projects is estimated to permanently increase the area's base taxable sales by 2.3%.

Log on to www.CoronaAdvocacy.biz for more information.



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March 9, 2011

Honorable Ray LaHood
Secretary of Transportation
United States Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Subject: Infrastructure Finance and Innovation Act Loan Request - SR-91 Project

Dear Secretary LaHood:

The Greater Corona Valley Chamber of Commerce is pleased to support the Riverside County Transportation Commission Transportation (RCTC) Transportation Infrastructure Finance and Innovation Act (TIFIA) loan request for the SR-91 Project.

It is a priority of the Chamber to support transportation improvement plans that relieve congestion on freeways, streets and roads, and ensure future mobility within the Corona valley region.

To that end, this project is very important to the mobility and economic vitality of our region. The project will give the average commuter 75 more hours per year to spend with family or participating in our economy. Approximately 1 out of 4 vehicles on the existing 91 Express Lanes are HOV 3+ (have 3 or more occupants). This is proof that the 91 Project will create an incentive for ridesharing, further reducing congestion.

Unemployment in Riverside County stands at 14.4%, the highest of any metropolitan area in the United States. It is estimated that the 91 Project will create 16,200 jobs, including 4,600 jobs directly involved with construction and support of the project. SR-91 links to 6.6 million jobs (45%) of all jobs in California in Riverside, San Bernardino, Orange, and L. A. Counties. The 91 Projects is estimated to permanently increase the area's base taxable sales by 2.3%.

The Chamber urges your support of the RCTC application for the TIFIA loan request.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

United States Senator Dianne Feinstein
United States Senator Barbara Boxer
Congressman Ken Calvert
Council Member Karen Spiegel, City of Corona
Chair Greg Pettis, RCTC

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March 15, 2011

The Honorable Bill Emmerson
State Capitol, Room 4082
Sacramento, CA 95814
Via Fax: 916-327-2187

Subject: SCA 6 (Emmerson) Revised Biennial Session – SUPPORT

Dear Senator Emmerson:

The Greater Corona Valley Chamber of Commerce SUPPORTS your SCA 6, which commences a biennial legislative secession for the State Legislature at noon on the first Monday of December, starting on December 3, 2012.

The Chamber supports creative ideas and ways to find comprehensive solutions to our ever growing state's financial problems and budget deficits. We agree with your comments that the current budget process is dysfunctional and something needs to be done. The Chamber believes SCA 6 may be able to tackle the state's budget problems and allow for even more transparency during oversight hearings on the state budget to ensure that taxpayer dollars are protected and spent wisely.

For these reasons, we SUPPORT your SCA 6.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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CHAMBER OF COMMERCE

March 15, 2011

The Honorable Bob Dutton
California State Senate
State Capitol, Room 305
Sacramento, CA 95814
Via Fax: 916-327-2272

Subject: SB 378 (Dutton) Employment: Alternative Workweek Schedules – SUPPORT

Dear Senator Dutton:

The Greater Corona Valley Chamber of Commerce is pleased to SUPPORT your SB 378, which provides three significant benefits for employers and employees with regard to alternative workweek schedules: (1) flexibility with the implementation of an adopted alternative workweek schedule; (2) confirmation of the number of hours per day that may be included as a part of an alternative workweek schedule; and (3) eliminating the administrative cost and burden on small employers from conducting a secret ballot election.

Pursuant to Labor Code section 511, in order to remain valid, an alternative workweek schedule must be "regularly scheduled." SB 378 defines that term in a reasonable manner to clarify that the combination of days and hours adopted as the alternative workweek schedule through the secret ballot election, such as four, ten-hour days a week, must remain consistent, but the actual days the schedule falls upon does not. For example, if the four, ten-hour days are scheduled Monday through Thursday, but an employee has a sick child at home on Wednesday and would like to switch that workday to Friday, SB 378 would allow the employer to do so without risking the validity of the alternative workweek schedule.

Similarly, if the employer's business fluctuates depending upon the time of the year, SB 378 would allow the employer to adjust the schedule accordingly. Basically, the definition of "regularly scheduled" provided by SB 378, allows employers the flexibility to accommodate unexpected changes in an employee's schedule that require the employee to change his/her schedule with limited notice, as well as to adjust for changing business needs.

Finally, SB 378 exempts small employers with five employees or less from incurring the administrative cost and burden of conducting an election for the adoption of an alternative workweek schedule. Employers with such few employees should be able to negotiate through a written agreement, revocable by either party, the daily/weekly schedule that satisfies the needs of both the employee(s) and the employer.

For these reasons, we are pleased to SUPPORT your SB 378.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:
State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

Senate President pro Tempore Darrell Steinberg
California State Senate
State Capitol, Room 205
Sacramento, CA 95814
Via Fax: 916-323-2263

Assembly Speaker John A. Perez
California State Assembly
State Capitol, Room 219
Sacramento, CA 94249
Via Fax: 916-319-2146

Subject: Oppose Higher Taxes On Alcohol

Dear Senate President Steinberg and Assembly Speaker Perez:

The Greater Corona Valley Chamber of Commerce and the many hospitality industry businesses and employees we represent, and the California Alliance for Hospitality Jobs, we urge you to stand fast against higher taxes on alcohol and protect jobs in California when they are most vulnerable.

The hospitality industry is a vital sector to California's economy. It supplies nearly 1.5 million jobs, and generates over \$52 billion in economic activity. But, it has been one of the hardest hit in this recession. Since May 2008 over 117,200 hospitality jobs have been lost. As the economy slowly starts to recover, the last thing we need is to add more taxes to a struggling industry.

Last month, the Marin Institute, an "alcohol industry watchdog" group, called upon the State Legislature and Governor Jerry Brown to increase excise taxes on beer, wine and distilled spirits by 25 cents per drink, billing it as a way to combat California's record \$28 billion budget deficit. What they don't discuss is the terrible impact of such a tax increase.

A 25 cent per drink increase in alcohol taxes works out to a total 1135% tax increase. Per gallon, the rate of tax goes from \$0.20 to \$2.67 for beer, from \$0.20 to \$6.60 for wine, and from \$3.30 to \$24.63 for spirits. On top of the 117,200 hospitality jobs already lost, this increase would threaten an additional 214,000 jobs in industries ranging from wineries and distilleries to retail stores, hotels, restaurants and bars.

Hospitality workers like truckers, clerks, servers, bartenders and the business owners who employ them generate as much as \$27.13 billion in economic activity for California. A 25 cent per drink tax could seriously dent this tax revenue, again, proving that the answer to California's budget deficit is not more taxes.

In 2010 over 200,000 jobs were directly provided by producers, distributors and retailers. Another 370,000 jobs come from alcohol industry suppliers. Taken together, the combined spending from the industry along with that of industry and supplier employees totals \$83 billion of California's GDP. That too is at risk if alcohol taxes go up.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

The Honorable Nancy Skinner
California State Assembly
State Capitol Building
Sacramento, CA 94249
Via Fax: 916-319-2114

**Subject: AB 318 (Skinner) Corporation Taxes Reporting Requirements –
OPPOSE**

Dear Assembly Member Skinner:

The Greater Corona Valley Chamber of Commerce OPPOSE your AB 318 as it would require that after January 1, 2011 the Franchise Tax Board must compile information on any tax credits reported by a company who is a publically traded and by June 30, 2013 and each year thereafter the information must be published on a state web site.

The Chamber is concerned that AB 318 would unfairly target public companies by taking advantage of current law to exploit companies by placing additional reporting mandates and burdens upon them. Furthermore, it creates more bureaucracies at a time when the State should be looking for ways to eliminate the "red tape" that ultimately hinders business in California from contributing revenue for the State.

For these and other reasons, we must respectfully OPPOSE your AB 318.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

The Honorable Nancy Skinner
California State Assembly
State Capitol Building
Sacramento, CA 94249
Via Fax: 916-319-2114

Subject: AB 153 (Skinner) Internet Sales Tax – OPPOSE

Dear Assembly Member Skinner:

The Greater Corona Valley Chamber of Commerce OPPOSE your AB 153 as it would require online-only out-of-state retailers to collect state sales taxes for purchases sold in California.

The Chamber is concerned that retailers will cut contracts with online advertisers in California, ultimately eliminating an important source of revenue, which as you know, income tax is paid on for many online entrepreneurs and other California-based organizations. While your office has stated that if AB 153 were to be enacted, between \$250 million and \$500 million in revenue would be generate for the state. The Chamber believes that more revenue would be lost if contracts were cut with online advertisers.

Furthermore, California has had trouble enforcing compliance with tax law in an Internet age for some time, and since the state is not willing to directly force payment of the taxes by targeting individuals or switching to an origin-based tax, they would rather ask Internet businesses to do it for them. We believe the State should hold consumers liable for their share or for the "use tax." Now is not the time to enact a "new" tax on retailers that already provide million dollars in revenue to our state.

For these and other reasons, we must respectfully OPPOSE your AB 153.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

Assembly Speaker John A. Perez
California State Assembly
State Capitol, Room 219
Sacramento, CA 94249
Via Fax: 916-319-2146

Subject: AB 29 (Perez) Office of Economic Development – SUPPORT

Dear Assembly Speaker Perez:

The Greater Corona Valley Chamber of Commerce SUPPORTS your AB 29 which creates the Office of Economic Development and the California Business Investment Services Program for the purpose of serving employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion.

AB 29 is an important legislative proposal that would also make changes relating to the development of a biennial Economic Development Strategic Plan. The Chamber believes more needs to be done in California in order to promote the state's significance in the global marketplace and key location to direct access of growing markets and technology centers in Mexico, Latin America, Japan, China and Southeast Asia. We understand that the new office would be administered by a director appointed by the Governor, subject to confirmation by the Senate and the Chamber is willing and ready to help play a role in the selection when AB 29 passes in the legislature and is signed by the Governor.

For these reasons, we SUPPORT your AB 29.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

The Honorable Ricardo Lara
California State Assembly
State Capitol, Room 2179
Sacramento, CA 94249
Via Fax: 916-319-2150

Subject: AB 32 (Lara) Entrepreneurship: Economic Gardening – SUPPORT

Dear Assembly Member Lara:

The Greater Corona Valley Chamber of Commerce SUPPORTS your AB 32, which states the intention of the Legislature to enact legislation that supports entrepreneurship as a form of economic development and job creation and which would provide assessment of communities regarding their assets, skills, and needs, and identify opportunities for agencies to remove barriers to make citing, zoning, and licensing easier for small businesses.

The Chamber understands that AB 32 may be considered a "spot" bill while your office continues to work to better the economy in California. As you may know, the State continues to run into significant barriers when trying to retain and attract business in California. We believe the language in AB 32 should focus on important priorities such as job creation and retaining current businesses throughout California while helping the small business community expand ways to create more entrepreneurs in our state.

For these reasons, we SUPPORT your AB 32.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
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March 15, 2011

The Honorable Curt Hagman
California State Assembly
State Capitol, Room 4130
Sacramento, CA 94249
Via Fax: 916-319-2160

**Subject: AB 135 (Hagman) State Air Resources Board: Membership: Small
Business Owner – SUPPORT**

Dear Assembly Member Hagman:

The Greater Corona Valley Chamber of Commerce SUPPORTS your AB 135, which would give small business owners a voice on the California Air Resources Board (CARB).

As you know, AB135 would create a requirement for one member of the state's Air Resources Board to be a current owner of a small business and have experience with a small business for ten years. The current make-up of the board represents the concern for environmental protection yet a large constituency that works with CARB is underrepresented; those they regulate. In light of hard economic times and California's continued commitment to clean air and green business practices it is essential that small business owners be included in important discussions and decisions made by CARB.

For these reasons, we SUPPORT your AB 135.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
California Chamber of Commerce 916-325-1272



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March 15, 2011

The Honorable Luis A. Alejo
California State Assembly
State Capitol Building
Sacramento, CA 94249
Via Fax: 916-319-2128

Subject: AB 10 (Alejo) Minimum Wage: Annual Adjustment – OPPOSE

Dear Assembly Member Alejo:

The Greater Corona Valley Chamber of Commerce must respectfully OPPOSE AB 10 (Alejo), which increases the cost of doing business for employers in California by raising the state minimum wage to \$8.50 per hour in January 2012, and then automatically indexes the wage rate upwards ever year thereafter according to the annual percentage of inflation.

Given the current financial strain employers are under in this state due to the recession, employers cannot take the hit of this increased minimum wage. California is already lagging the rest of the nation in recovering from this recession, and is anticipated to continue to lag until at least 2012. This increase in minimum wage could set California back even further. Although a \$0.50 increase may sound minimal in theory, the realistic impact is significant. For example, a small business, with 10 full-time, hourly employees who are paid minimum wage, will face an annual payroll increase of \$10,400 in January 2012 due to the \$0.50 increase.

An increase in minimum wage would not only increase hourly employees' wages, but salaried employees' compensation as well. In order for employees to qualify as "exempt" under any of the six exemptions in California, they must meet the salary-basis test, which is two times the monthly minimum wage. If AB 10 is implemented, that amount in January 2012 will rise from an annual salary of at least \$33,280 to \$35,360, which is an increased cost to employers of \$2,080 per exempt employee. This cost will also continue to increase for employers each year due to the proposed annual indexing.

This is the wrong time for California to be increasing the minimum wage. For these reasons, we must OPPOSE your AB 10.

Sincerely,

Bobby Spiegel
President and CEO
The Greater Corona Valley Chamber of
Commerce

Cynthia Schneider
Chair, Legislative Action Committee
The Greater Corona Valley Chamber of
Commerce

CC:

State Senator Bill Emmerson 916-327-2187
Assembly Member Jeff Miller 916-319-2171
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California High-Speed Train Project

Los Angeles to San Diego via the Inland Empire Section

Taking you from Los Angeles to San Diego in 78 minutes



Introduction

California's High-Speed Train is proposed for travel between major metropolitan areas of California. This fast, safe and reliable system would run from Los Angeles, Orange County and San Diego in the south to the San Francisco Bay Area and Sacramento in the north.

Where Will It Go Between Los Angeles and San Diego?

The proposed alignment for the Los Angeles to San Diego via the Inland Empire Section (LA-SD) will go from Los Angeles Union Station to San Diego through the San Gabriel Valley and Inland Empire in 78 minutes and will generally travel in or immediately adjacent to existing railroad and highway rights-of-way. A series of alternatives through the LA-SD Section are currently being considered. Generally, the alignments travel east from Los Angeles Union Station to Ontario Airport, San Bernardino and Riverside, then south along the I-215 or I-15 corridors to San Diego. A number of intermediate station locations are being explored, including El Monte, West Covina, Pomona, Industry, Ontario Airport, San Bernardino, Riverside, Corona, Murrieta, Escondido, University City, Lindbergh Airfield and Downtown San Diego. Travel times from Los Angeles to Ontario Airport and Riverside will be 25 and 33 minutes, respectively. Travel time between Riverside and San Diego will be 48 minutes.

Investing In California's Future

In the November 2008 election, California voters decided there should be public investment in a statewide high-speed train project by approving Proposition 1A, a \$9.95 billion bond measure. Proposition 1A will provide \$9 billion for building the high-speed train system and \$950 million for improvements to other transit services that connect to high-speed train service.

The Southern California Inland Corridor Group



Active since 2008, the Southern California Inland Corridor Group (So Cal ICG) has assisted the Authority with the local review and development of the LA-SD Section. The So Cal ICG is a formal partnership between the Authority, the lead transportation agencies and the Metropolitan Planning Organizations of this region. It includes: Southern California Association of Governments (SCAG), San Diego Association of Governments (SANDAG), San Bernardino Associated Governments (SANBAG), Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (Metro), the San Diego County Regional Airport Authority (SDCRAA) and Caltrans.



Everyone Benefits

The benefits of high-speed rail are significant and widespread. Highlights include:

- **Protect the Environment** – Early estimates show that high-speed trains will reduce greenhouse gas emissions by 12 billion pounds per year, equivalent to removing 1.4 million cars off the road annually.
- **Enhance the Economy** – The high-speed train will create nearly 600,000 construction-related jobs and is expected to generate up to 450,000 permanent jobs statewide once completed.
- **Better Connections** – Provides a safer, time and cost-efficient alternative to automobiles and will help relieve overcrowding at major airports.
- **Improve City Streets** – Locally, many existing at-grade railroad street crossings will be separated from vehicle traffic.
- **Reduce Traffic** – The statewide system has the potential to remove nearly 70 million auto trips per year.

California High Speed Train System's Impact on the Inland Empire, 2030



John E. Husing, Ph.D.

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High Speed Train System: Inland Empire Impact

John E. Husing, Ph.D.

Executive Summary

What will be the impact on the Inland Empire if California's High Speed Train system is built? This is an important question as Proposition 1A that would start the funding of the system will be on the November 2008 ballot. The answer can be framed by looking at a variety of questions:

- **What are the direct cost savings that will result to consumers and businesses in the Inland Empire from High Speed Trains?**

The direct cost savings to consumers and businesses can be viewed as having two parts. One is the difference in cost between the cost of traveling by car or High Speed Train between various destinations. This includes the cost of fuel (*set at \$3.75 per gallon*), wear and tear on the vehicle (*66% of fuel cost*) and parking (*\$7.50*). The other is the value of time savings from getting between destinations at reliable high speeds. Here, the time cost was measured using the \$19.33 per hour average pay for jobs in the Inland Empire.¹ Examples of results:

- **Commute from Ontario to Los Angeles:** In 2008, round trip rail cost would be \$23 per day including parking. Round trip automobile and time cost with the California average of 1.4 passengers at 65 mph with \$3.75 gasoline would be \$27 per day. The \$4 per day lower costs by High Speed Train, for 50 weeks a year, five days a week would be an **annual savings of \$900**. If it is a solo driver at 40 mph in traffic with \$3.75 gasoline, the automobile and time cost would be \$49 per day. The \$26 per day lower cost by High Speed Train, for 50 weeks a year, five days a week would be an **annual savings of \$6,400**.
- **Commute from Murrieta to San Diego:** In 2008, round trip rail cost would be \$28 per day including parking. Round trip automobile and time cost with California average of 1.4 passengers at 65 mph with \$3.75 gasoline would be \$45 per day. The \$17 per day lower costs by High Speed Train, for 50 weeks a year, five days a week would be an **annual savings of \$4,300**. If it is a solo driver at 45 mph in traffic with \$3.75 gasoline, the automobile and time cost would be \$74 per day. The \$46 per day lower cost by High Speed Train, for 50 weeks a year, five days a week would be an **annual savings of \$11,500**.
- **Trip from Riverside to San Francisco:** One way rail cost would be \$72. One way automobile and time cost with California average of 1.4 passengers at 65 mph with \$3.75 gasoline would be \$159 per trip. There would be a High Speed Train cost **savings of \$87 per trip**. If it is a solo driver at 55 mph in traffic with \$4.00 gasoline, the automobile and time cost would be \$218 per trip. There would be a High Speed Train cost **savings of \$146 per trip**. Note an "anytime" Southwest Airlines flight to Ontario-Oakland costs \$124 plus there would be \$18 extra cost for a solo drive to the airport from Riverside or \$13 per passenger for the California average of 1.4 people per automobile trip.

What are the potential efficiency gains to consumers and businesses in the Inland Empire from High Speed Train?

- As indicated, individual users of the High Speed Train system, as well as businesses needing to get their staff to customers or their clients to them, will gain the benefits of the lower costs, less time and higher reliability compared to moving along congested freeways. In addition,

¹ Occupational Wage Survey, CA Employment Development Department, 1st Quarter 2008 weighted average of \$40,204 or \$19.33 per hour.

the LA-Ontario International Airport station will be the only dual use facility involving a major airport on the High Speed Train system. As many Inland Empire travelers will opt to use the rail system rather than the airlines for trips to Northern California, it will extend the time before in-tra-state trips cause that facility to reach capacity. Meanwhile, the High Speed Train system would cause San Diego based travelers to find LA-Ontario International Airport to be a viable option to the heavily constrained San Diego International Airport. Their demand added to that of Inland Empire travelers should cause the range of inter-state flights from the inland airport to expand, a major goal of local leaders.

- **What will High Speed Train do to create more jobs, wages & salaries, economic output and local governmental revenues in the Inland Empire?**

Extending economic impact work conducted by Cambridge Systematics to look specifically at the Inland Empire reveals that, compared to a No Project Alternative, the Inland Empire region would:

- Gain 19,226 additional jobs that would otherwise not exist by 2030.
 - Add \$711.9 million in additional constant 2008 dollar wages & salaries by 2030 and each year thereafter.
 - See \$2.15 billion in added constant dollar economic output by 2030 and each year thereafter.
 - Have \$101.6 million in added indirect taxes to local governments by 2030 and each year thereafter.
- **What new business and economic activities will be generated in the Inland Empire from High Speed Train? What will High Speed Train do to create more jobs in the Inland Empire?**

The 19,200 additional jobs and \$711.9 million in added payroll created by having the High Speed Train system by 2030 and thereafter would be divided between:

- The highest number of jobs would be in the lower paying service (10,400) and retail sectors (2,700) with respective average 2008 average pay of \$33,324 and \$29,929.²
 - Gains in five relatively good paying sectors would rank next: transportation, communications and utilities (1,900; \$40,023), financial activity (1,800; \$51,894), wholesale trade (1,100; \$50,922), manufacturing (900; \$45,648), and government (600; \$52,986).
 - Weak job would occur in the low paying farming sector (200; \$26,269)
 - The mining sector (\$67,895) and construction (\$48,943) sectors would remain essentially unchanged.
- **What other potential quality of life benefits will result from High Speed Train in the Inland Empire and who is likely to benefit?**

The principle quality of life benefit will be to simulate transit orient housing and business nodes around the Inland Empire's stations. The effect will be focused in Ontario and Riverside which

² Quarterly Census of Employment & Wages, average annual wages by sector, CA Employment Development Department, 2007, scaled up to yield the Occupational Wage Survey, 1st Quarter 2008 weighted average of \$40,204.

are already the largest job centers in the region. The Murrieta station will benefit the Southwestern Riverside area by decreasing the time-distance to that growing area from Orange and Los Angeles counties. This is important as that area has received a huge population increase coming out of San Diego County. However, unlike Orange County and Los Angeles County, that coastal area has not sent many jobs inland. The Murrieta area needs to be “closer” to Orange and Los Angeles, and High Speed Train will help do so.

Finally, given the sudden realization that the long term future of fossil fuels is a question mark, the building of an electrified High Speed Train system would highlight the commitment of California, and by extension, the Inland Empire to being part of a project that could be a metaphor for the future of the state’s economy. The project would likely act as a catalyst causing demand for more such activity by the government, private businesses and the public.

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High Speed Train System: Inland Empire Impact

John E. Husing, Ph.D.

What will be the impact on the Inland Empire if California's High Speed Train system is built? The question is important as on August 26, 2008, California Governor Schwarzenegger signed Assembly Bill 3034 into law. This measure places Proposition 1A, the High-Speed Train Bond Act, on the November 4, 2008 election ballot. If approved, this measure would authorize California to issue \$9.95 billion in bonds, of which \$9.0 billion would go to match federal, private and local funds for a new High Speed Train system eventually running from San Francisco to San Diego via California's Central Valley and the Inland Empire (*see map on cover*).

Inland Empire Included. Initially, the bond issue was to be solely used for the stretch of the High Speed Train system from San Francisco through the Central Valley and L.A.'s Union Station to Anaheim. However, while AB 3034 maintained that route as a priority, it opened the possibility of using funds for the segments that run from Union Station through San Bernardino County (*Ontario*) and Riverside County (*Riverside, Murrieta*) and on to San Diego County. This fact was included in language stating that:

“Upon a finding by the [*California High Speed Rail*] authority that expenditure of bond proceeds for capital costs in corridors other than [*San Francisco to L.A. Union Station to Anaheim*] would advance the construction of the system, ... and would not have an adverse impact on the construction of Phase 1 of the high-speed train project, the authority *may request funding for capital costs, and the Legislature may appropriate funds ...* to be expended for any of the following high-speed train corridors: ... (E) Los Angeles Union Station to Riverside to San Diego.”

While the language indicates that the system from Los Angeles Union Station through San Bernardino and Riverside counties on to San Diego County will not be the first priority of the initial construction, it does open up the possibility that this part of the system may get some funding. For that reason, it is meaningful to look at the ultimate impact that the construction of the system will have on the Inland Empire (*San Bernardino & Riverside counties*).

Types of Impacts. If California's High Speed Train System is built, it will impact the people of the San Bernardino and Riverside Counties (*Inland Empire*) in a wide variety of ways. Individual consumers and businesses would have access to a new rapid way to move around California. This would certainly allow them to save time, which in many cases translates into money. Like any major addition to the region's infrastructure, the inauguration of the High Speed Train system would change the competitive dynamics of the inland area, making it profitable for some sectors to expand, adding both new businesses and increased employment. Those changes would translate into greater output, earnings and local governmental revenue for the Inland Empire's economy.

There would also be quality of life benefits to specific areas of the Inland Empire. Those with proposed stations: Ontario, Riverside and Murrieta, would likely see the creation of transit oriented housing and business nodes. In particular, LA-Ontario Airport would be impacted since it

would become a dual use facility. It would be the site of a High Speed Train stop as well as a major air terminal. In the latter role, the rail system would likely add many years before the airport reaches its maximum air passenger capacity.

To review these issues, this discussion starts with the work of Cambridge Systematics which has looked at the statewide impact of the High Speed Train System from several vantage points including: economic impact; demand for High Speed Train service; ticket prices; and travel times. This report extends or comments on the implications of that organization's work for the Inland Empire. It is organized around answers to a series of questions designed to illustrate the potential economic impact of the High Speed Train System on the Inland Empire.

Savings To Consumers & Businesses

1. What are the direct cost savings that will result to consumers and businesses in the Inland Empire from High Speed Trains?

A High Speed Train system traveling at high speed for most of the length of California would impact individual consumers and businesses by allowing them to move between major locations at rapid speed without using the state's congested freeways. Anyone who has used systems like the TGV in France (*Train à Grande Vitesse* or *Train at High Speed*) has wondered why similar travel has not been possible in the state or the U.S.

For Inland Empire travelers, the High Speed Train option would provide a savings in money and time. With petroleum prices now just under \$4.00 per gallon and expected to go higher in the long term, and parking fees rising in the urban cores, short distance commuters to Los Angeles or San Diego would save money using the High Speed Train system to those locations. Included in their savings is the value of the time they are not spending battling traffic. Long distance travelers generally fly because it is cheaper and quicker than driving from the Inland Empire to San Francisco. The High Speed Train option would be less expensive than either option, especially with aviation fuel also rising in cost.



Inland Empire to Los Angeles

Every day, thousands of Inland Empire residents drive round trip to Los Angeles. Most go there to work. Many go for shopping or entertainment. What would be the cost savings for these trips from each of the three inland High Speed Train terminals? For this analysis, it is assumed that gasoline costs \$3.75 a gallon, for a vehicle averaging 21.9 miles per gallon and with its non-fuel costs equal to 66% of fuel cost, and a \$7.50 downtown parking cost:³

³ Bay Area/California High-Speed Rail Ridership and Revenue Forecasting Study, Cambridge Systematics, p. 2-2

- **Ontario Station.** In 2008, a 74 mile round trip commute from Ontario to Los Angeles would cost **\$29 per day** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$20 per day**.

In addition, the roundtrip drive of 74 miles would take 1.14 hours at 65 miles per hour (*mph*) and 1.85 hours at 40 mph in reasonably heavy traffic. By contrast, the roundtrip High Speed Train trip would take 0.80 hours in either case. The time savings using the train would thus range from 0.34 to 1.05 hours. If a driver considered their time worth the Inland Empire's first quarter 2008 average hourly wage and salary of \$19.33 per hour,⁴ the train trip would save the equivalent of **\$7 per day** compared to driving at 65 mph, up to **\$20 per day** for driving at 40 mph. Those savings would be on top of the cost of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$18 round trip plus \$3 parking or \$21 per day, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$23 per day**. It would be **\$4 per day lower** than the \$27 per day for the faster commute with the 1.4 passengers. It would be **\$26 per day below** the \$49 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$900 to \$6,400**.

- **Riverside Station.** In 2008, a 110 mile round trip commute from Riverside to Los Angeles would cost **\$39 per day** at \$3.75 per gallon for a solo driver. If the car had the state average of 1.4 passengers, the cost would be **\$28 per day**.

The roundtrip drive of 110 miles would take 1.69 hours at 65 mph and 2.75 hours at 40 mph in reasonably heavy traffic. The roundtrip High Speed Train trip would take 1.07 hours regardless of freeway traffic. The time savings would range from 0.63 to 1.68 hours. At \$19 per hour, the train trip would save the equivalent of **\$12 per day** compared to driving at 65 mph, up to **\$33 per day** compared to driving at 40 mph. These savings would be on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$22 round trip plus \$3 for parking or \$25 per day, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$28 per day**. It would be **\$12 per day lower** than the \$40 per day for the faster commute with the 1.4 passengers. It would be **\$44 per day below** the \$71 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$3,000 to \$10,900**.

- **Murrieta Station.** In 2008, a 170 mile round trip commute from Murrieta to Los Angeles would cost **\$56 per day** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$40 per day**.

The roundtrip drive of 170 miles would take 2.62 hours at 65 mph and 4.25 at 40 mph in reasonably heavy traffic. The roundtrip High Speed Train trip would take 1.50 hours. The time savings would range from 1.12 to 2.75 hours. At \$19.33 per hour, the train trip would save the equivalent of **\$22 a day** versus driving at 65 mph, up to **\$53 a day** driving at 40 mph. These savings would be on top of the vehicle outlay.

⁴ Occupational Wage Survey, CA Employment Development Department, 1st Quarter 2008 weighted average of \$40,204 or \$19.33 per hour.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$24 round trip plus \$3 parking or \$27 per day, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$30 per day**. Again, it would be **\$32 per day less** than the \$62 per day for the faster commute with the 1.4 passengers as well as **\$79 per day** below the \$109 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$7,900 to \$19,800**.

Inland Empire to San Diego

At \$3.75 a gallon, for a vehicle averaging 21.9 miles per gallon and with non-fuel costs equal to 66% of fuel cost, and a \$7.50 downtown parking cost:

- **Ontario Station.** In 2008, a 228 mile round trip commute from Ontario to San Diego would cost **\$73 per day** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$52 per day**.

The roundtrip drive of 228 miles would take 3.51 hours at 65 mph and 5.07 at 45 mph in reasonably heavy traffic. The roundtrip High Speed Train trip would take 1.90 hours. The time savings would range from 1.61 to 3.17 hours. At the \$19.33 per hour average pay for an Inland Empire worker, the train trip would save the equivalent of **\$31 per day** at a driving speed of 65 mph, up to **\$61 per day** driving at 45 mph. These savings would be on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$52 round trip plus \$3.00 parking or **\$55 per day**, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$913 per day**. It would be **\$22 per day lower** than the \$83 per day for the faster commute with the 1.4 passengers, and **\$73 per day below** the \$134 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$5,500 to \$18,200**.

- **Riverside Station.** In 2008, a 198 mile round trip commute from Riverside to San Diego would cost **\$64 per day** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$46 per day**.



The roundtrip drive of 198 miles would take 3.05 hours at 65 mph and 4.40 at 45 mph in reasonably heavy traffic. The roundtrip High Speed Train trip would take 1.57 hours. The time savings would range from 1.48 to 2.83 hours. At \$19.33 per hour, the train trip would save the equivalent of **\$29 a day** for a 65 mph drive, up to **\$55 per day** at 45 mph. These savings would be on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$48 round trip plus \$3.00 parking or \$51 a day, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train**

cost would be **\$57 per day**. Again, it would be **\$18 per day lower** than the \$74 per day for the faster commute with the 1.4 passengers, and **\$62 per day below** the \$119 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$4,500 to \$15,600**.

- **Murrieta Station.** In 2008, a 124 mile round trip commute from Murrieta to San Diego would cost **\$43 per day** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$31 per day**.

The roundtrip drive of 124 miles would take 1.91 hours at 65 mph and 2.76 at 45 mph in reasonably heavy traffic. The roundtrip High Speed Train trip would take 1.17 hours. The time savings would range from 0.74 to 1.59 hours. At \$19.33 per hour, the train trip would save the equivalent of **\$14 per day** at 65 mph, up to **\$31 per day** at 45 mph. This would be on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$22 round trip plus \$3.00 parking or \$25 per day, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$28 per day**. Again, it would be **\$17 per day lower** than the \$45 per day for the faster commute with the 1.4 passengers, and **\$46 below** the \$74 per day for a slower commute with a solo driver. For a commuter driving five days a week, 50 weeks a year the annual savings would be **\$4,300 to \$11,500**.

Inland Empire To San Francisco

Using \$3.75 per gallon, looking at a one way trip from the Inland Empire to San Francisco, the savings would also be substantial using a High Speed Train. No cost is added for the drive to the nearby train station. It is assumed someone brings the passenger to the station:

- **Ontario Station.** In 2008, a 417 mile one way trip from Ontario to San Francisco would cost **\$119 per trip** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$85 per trip**.

The one way drive of 417 miles would take 6.42 hours at 65 miles mph and 7.58 at 55 mph in reasonably heavy traffic or fog. The High Speed Train trip would take 3.00 hours. The time savings would range from 3.42 to 4.58 hours. At \$19.33 per hour, the train trip would save the equivalent of **\$66 per trip** compared to a drive averaging 65 mph, up to **\$89 per trip** compared to a drive averaging 55 mph. Again, this would be on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$60, applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$66 per trip**. assuming a passenger is dropped at the station. It would be **\$85 per trip less than** the \$151 per day for the faster drive with the 1.4 passengers, and **\$141 per trip below** the \$208 per day for a slower drive with a solo driver. Note: a Southwest Airlines flight “any time” **flight from Ontario to Oakland costs \$124**.

- **Riverside Station.** In 2008, a 437 mile one way trip from Riverside to San Francisco would cost **\$125 per trip** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$89 per trip**.

The one way drive of 437 miles would take 6.72 hours at 65 mph and 7.95 at 55 mph in reasonably heavy traffic or fog. The High Speed Train trip would take 3.12 hours. The time savings would range from 3.60 to 4.83 hours. At \$19.33 per hour, the train trip

would save the equivalent of **\$70 per trip** compared to driving at 65 mph, up to **\$93 per trip** versus driving at 55 mph. These savings are on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$65 , applying the 10.8% inflation rate through first quarter 2008, the **2008 high speed train** cost would be **\$72 per trip**, assuming a passenger is dropped at the station. It would be **\$87 per trip** less than the \$159 per day for the faster drive with the 1.4 passengers, and **\$146 per trip below** the \$218 per day for a slower drive with a solo driver. Note: a Southwest Airlines flight “any time” **flight from Ontario to Oakland costs \$124**. In addition, there would be a cost of a round trip automobile trip to the airport of \$18 for a solo driver or \$13 for a car averaging 1.4 passengers.

- **Murrieta Station.** In 2008, a 466 mile one way trip from Murrieta to San Francisco would cost **\$133 per trip** at \$3.75 per gallon for a solo driver. Even if the car had the state average of 1.4 passengers, the cost would be **\$95 per trip**.

The one way drive of 466 miles would take 7.17 hours at 65 mph and 8.47 at 55 mph in reasonably heavy traffic or fog. The High Speed Train trip would take 3.33 hours. The time savings would range from 3.84 to 5.14 hours. At \$19.33 per hour, the train trip would save the equivalent of **\$74 per trip** versus driving at 65 mph, up to **\$99 per trip** for a drive at 55 mph. These costs are on top of the vehicle outlay.

The 2005 constant dollar cost of High Speed Train cost is estimated at \$68 the **2008 high speed train** cost would be **\$75 per trip**, assuming a passenger is dropped at the station. It would be **\$94 per trip** lower than the \$169 per trip for the faster drive with the 1.4 passengers, and **\$157 per trip** below the \$232 per trip for a slower drive with a solo driver. Note: a **Southwest Airlines flight to Oakland costs \$124**. In addition, there would be a cost of a round trip automobile trip to the airport of \$35 for a solo driver or \$25 for a car averaging 1.4 passengers.

[Travel Efficiency Increase](#)

2. What are the potential efficiency gains to consumers and businesses in the Inland Empire from High Speed Train?

As shown above, commuters or long distance travelers will find a combination of out of pocket costs as well as significant time savings due to the ticket prices of using the High Speed Train system and its speed of movement. Those same advantages will accrue to businesses needing to get their staffs from the Inland Empire to clients along the system. It will also lower the cost and increase the ability of consumers living along the High Speed Train system to access places where they wish to shop or visit.

However, for consumers or businesses who are non-users of the High Speed Train system, one of the hoped for benefits will be less in evidence for the Inland Empire. That is an increase in the mobility of non-system users of the system. This is the case because one implication of Cambridge Systematics’s modeling (*below*) is that the congestion already hampering the ability of people to move between the Inland Empire and the coastal counties will get much worse. Their data indicate that the High Speed Train system will do nothing about this difficulty as it does not fundamentally alter that tendency of more people to live in the inland area while the major job nodes remain in the coastal areas (*see page 15*). If anything, the system has the slight impact of exacerbating this difficulty by stimulating the Orange, Los Angeles and San Diego economies.

LA-Ontario International Airport



LA-Ontario International Airport's situation will be improved by access to High Speed Trains. Currently, the airport is forecasted to reach capacity in 2030 with 30.0 million air passengers and 2.52 million tons of air cargo.⁵ However, with a High Speed Train stop at the site, the facility will serve a dual function as an air travel and a High Speed Train station.

Many people from within the Inland Empire who would have traveled by air inside of California will instead opt to travel by train, lengthening the time before intra-state travel

causes the facility to reach its air passenger capacity. Importantly, with petroleum reserves and prices now clearly becoming a long term issue for the airlines, the High Speed Train option will very likely be an ever more economical option for travelers to the Bay Area. In addition, given the numerous delays inherent in air travel, the home-to-destination time would likely be the same, if not better, choosing the rail option.

While the High Speed Train system would reduce intra-state flights from LA-Ontario International Airport, it could well serve to increase the number of inter-state flights from the facility, a desirable goal for the Inland Empire. This is the case because High Speed Trains would make the airport an alternative for San Diego-based travelers who currently only have easy access to heavily constrained San Diego International Airport. Their demand for long distance flights, added to that of the Inland Empire, could increase the range of such activity at LA Ontario International Airport.

Stimulating New Business & Economic Activity

3. What will High Speed Train do to create more jobs, wages & salaries, economic output and local governmental revenues in the Inland Empire?

To determine the effects of High Speed Train activity on the Inland Empire's overall economy, the Cambridge Systematics modeling on the economic impact of the High Speed Train system is used as a basis for discussing the forecast of what it would do to the Inland Empire's economy.

Cambridge Systematics. The source document for any analysis of the system is the economic impact report finalized in July 2007 for the California High Speed Rail Authority by Cambridge Systematics.⁶ This work forecasted the impacts of the system on California as well as its various regions and looked at three options: no project; increase in highway and air terminals but not High Speed Train; and High Speed Train. Importantly, the research considered four regional effects that the High Speed Train System could have:

- Population Growth

⁵Regional Aviation Plan for the 2004 Regional Transportation Plan, Southern California Association of Governments, September 7, 2004

⁶Economic Growth Effects Analysis for the Bay Area to Central Valley Program-Level Environmental Impact Report and Tier 1 Environmental Impact Statement, Cambridge Systematics, July 2007

- Job Growth and the Types of New Jobs
- Acreage of Urban Land Development
- Acreage of Land Development Per Capita and Per Job



These impacts would come about because this major new form of infrastructure should:

- Increase the speed of travel, lower travel costs and boost the safety of the system's users.
- To the extent people are diverted from other transportation modes, it will reduce congestion and save time for the system's non-users.
- Provide a competitive advantage to firms that congregate near the system's stations, especially in high-income service sectors that need to move staff members or clients.
- Increase the efficiency of land use for each new resident or job created in areas where the system is located. This will occur because firms and people will find it in their economic interest to congregate in transit oriented housing and business centers near the system's stations. This will be of particular importance if combined with local land use policies encouraging this form of development.

Analytical Procedure. In evaluating the potential long term impact of the system on the Inland Empire, the manner in which the system will cause these effects within the region must be assessed. The process relies heavily on the conclusions of Cambridge Systematics's research about the inland area and will extend its logic.

2005 Base Year

The analysis begins by looking at population and employment in 2005, and urbanized acreage and the share of the county's total acreage that had been urbanized as of 2002 (*Exhibit 1*). It was estimated that Riverside County's job base was 699,899; it was 779,369 in San Bernardino County. In Riverside County, the 2005 population was 1,724,958 people; it was 1,863,670 in San Bernardino County.

Exhibit 1.-Year 2005 Population, Employment, and Urbanized Densities					
County ⁽¹⁾	2005 Employment	2005 Population	2002 Urban Acres	2002 Share of Urban Acres	2005 Jobs:Population
Los Angeles	5,810,209	10,268,346	763,373	29%	0.57
Orange	2,001,464	2,986,768	273,713	54%	0.67
Riverside	699,899	1,724,958	255,230	6%	0.41
San Bernardino	779,369	1,863,670	237,905	2%	0.42
San Diego	1,895,002	2,936,609	340,837	13%	0.65
Southern California	10,473,953	19,482,742	1,871,058	8%	0.54
Inland Empire	1,479,269	3,588,628	493,135		0.41
Inland Empire of So. CA.	14.1%	18.4%	26.4%		

(1) Breakdown of Southern California's non-San Diego County shares in 2005 based upon 2002 county shares in Cambridge Systematics 2003 study.

Source: Cambridge Systematics, 2007 Final Economic Report, Tables 1.1, 1.2, 2.4 & John Husing, Ph.D.

In 2002, urbanized acres included 255,230 in Riverside County and 237,905 in San Bernardino County. Because of the size of the two counties, very little of their land: 6% and 2% respectively, was urbanized that year.

Looking at the Inland Empire as a whole, its job base of 1,479,269 positions represented 14.1% of Southern California. However, its population of 3,588,628 was 18.4% of Southern California. This raises a key transportation issue. The area experiences heavy commuting and related congestion since it has only 14.1% of Southern California's job base but 18.4% of its population. The difficulty is further seen in that for every person in the Inland Empire, there were 0.41 jobs. The standard is the 0.54 ratio for Southern California and 0.58 for the state. Los Angeles (0.57) was close to the average, San Diego (0.65) and Orange County (0.67) were very job rich.

2005-2030: No Project Alternative

According to the forecasts used in Cambridge Systematics's report, without High Speed Trains, the Inland Empire will add 852,654 jobs to reach 2,331,923 from 2005-2030 (*Exhibit 2*). That would represent 21.8% of jobs created in Southern California. At the same time, the inland area's population will grow by 2,459,260 people to reach 6,047,888. That would represent a 48.5% share of Southern California's new people.

Exhibit 2.-Year 2005 v. 2030, No Project, Population & Employment										
County ⁽¹⁾	No Project Employment				No Project Population				Jobs:Population	
	2005	2030	Change	So. CA Share	2005	2030	Change	So. CA Share	2030	Of Change
Los Angeles	5,810,209	7,166,825	1,356,616	34.7%	10,268,346	11,424,123	1,155,776	22.8%	0.63	1.17
Orange	2,001,464	2,809,432	807,968	20.7%	2,986,768	3,372,784	386,017	7.6%	0.83	2.09
Riverside	699,899	1,138,025	438,126	11.2%	1,724,958	3,069,045	1,344,087	26.5%	0.37	0.33
San Bernardino	779,369	1,193,898	414,528	10.6%	1,863,670	2,978,843	1,115,173	22.0%	0.40	0.37
San Diego	1,895,002	2,783,258	888,256	22.7%	2,936,609	4,005,624	1,069,015	21.1%	0.69	0.83
So. California	11,185,943	15,091,437	3,905,494	100.0%	19,780,351	24,850,419	5,070,068	100.0%	0.61	0.77
Inland Empire	1,479,269	2,331,923	852,654	21.8%	3,588,628	6,047,888	2,459,260	48.5%	0.39	0.35

(1) Breakdown of Southern California's non-San Diego County data in 2030 based upon average of 2020 and 2030 county shares in Cambridge Systematics 2003 study.

Source: Cambridge Systematics, 2007, Table 3.1 & John Husing, Ph.D.

If these forecasts take place, the Inland Empire's jobs:population ratio would fall from 0.41 in 2005 to 0.39 in 2030. At the same time, the overall standard ratio for Southern California will rise from 0.54 to 0.61, a little above the state's 0.58. The somewhat higher standard can be justified in that there will be more non-working people in the region due to the growing number of baby boomer retirees in the population. However, it implies that commuting from the Inland Empire to the coastal counties will grow worse in both volume and share. This is the case since there would be slightly less jobs per person in the inland area, but a larger share needed to be in balance between people and jobs. The commuting difficulty will be offset by speed and cost of High Speed Trains to the extent travelers choose to use that option.

Exhibit 3.-Year 2005 v. 2030, High Speed Train, Population & Employment

County ⁽¹⁾	High Speed Train Employment				High Speed Train Population				Jobs:Population	
	2005	2030	Change	So. CA Share	2005	2030	Change	So. CA Share	2030	Of Change
Los Angeles	5,810,209	7,238,404	1,428,196	35.1%	10,007,779	11,494,341	1,486,562	26.5%	0.63	0.96
Orange	2,001,464	2,832,130	830,666	20.4%	2,910,976	3,389,035	478,059	8.5%	0.84	1.74
Riverside	699,899	1,137,225	437,326	10.7%	1,681,186	3,044,378	1,363,192	24.3%	0.37	0.32
San Bernardino	779,369	1,213,923	434,554	10.7%	1,816,378	3,022,790	1,206,412	21.5%	0.40	0.36
San Diego	1,895,002	2,837,183	942,181	23.1%	3,066,423	4,132,577	1,066,154	19.0%	0.69	0.88
So. California	11,185,943	15,258,866	4,072,923	100.0%	19,482,742	25,083,121	5,600,379	100.0%	0.61	0.73
Inland Empire	1,479,269	2,351,149	871,880	21.4%	3,497,564	6,067,168	2,569,604	45.9%	0.39	0.34

(1) Breakdown of Southern California's non-San Diego County data in 2030 based upon average of 2020 and 2030 county shares in Cambridge Systematics 2003 study.

Source: Cambridge Systematics Table 4.1 & John Husing, Ph.D.

Note, that in this period:

- 2.09 jobs are added for every person added by Orange County.
- 1.17 jobs are added for every extra person in Los Angeles County.
- 0.83 extra jobs are added for each additional person for San Diego County.

As a result, all three coastal counties are forecasted to move deeper into job surplus compared to the Southern California average (0.61): Orange County (0.83), San Diego County (0.69) and Los Angeles (0.63). The coastal freeway routes from the Inland Empire (0.39) to these counties will be under ever greater stress.

High Speed Train Forecast: 2005-2030

Next, the modeling looks at what would happen from 2005-2030, assuming that the full High Speed Train system has been built. With the full system in operation by 2030, the Inland Empire would add 871,880 jobs to reach 2,351,149 or 19,200 more than the No-Project alternative (*Exhibit 3*). That would represent 21.4% of jobs created in Southern California. At the same time, the inland area's population will grow by 2,569,604 to reach 6,067,168. That would represent a 45.9% share of Southern California's new people.

If these forecasts take place, the Inland Empire's jobs:population ratio would again drop to 0.39 in 2030. And again, the overall ratio for Southern California will rise from 0.54 to 0.61, with the higher Southern California ratio justified since there will be more non-working people due to the rising share of baby boomer retirees. However, it also implies that even with High Speed Train,

commuting from the Inland Empire to the coastal counties will grow worse in both volume and share. Note, that in this period, High Speed Train means there will be:

- 1.74 instead of 2.09 extra jobs for every person added by Orange County.
- 0.88 instead of 0.83 extra jobs for each extra person for San Diego County.
- 0.96 instead of 1.17 extra jobs for each extra person for Los Angeles County.

Exhibit 4.-Year 2005-2030 Changes, No Project vs. High Speed Train								
	No Project vs. HSR Employment	2030 Shift	Share	No Project vs. HSR Population	2030 Shift	Share	2030 Job:Pop. Chg.	2005-2030 Job:Pop. Chg
Los Angeles	71,580	1.0%	42.8%	70,218	0.6%	88.2%	0.002	-0.213
Orange	22,698	0.8%	13.6%	16,251	0.5%	20.4%	0.003	-0.356
Riverside	(799)	-0.1%	-0.5%	(24,667)	-0.8%	-31.0%	0.003	-0.005
San Bernardino	20,026	1.7%	12.0%	43,947	1.5%	55.2%	0.001	-0.012
San Diego	53,925	1.9%	32.2%	126,953	3.2%	159.5%	-0.008	0.053
So. California	167,429	1.1%	100.0%	232,702	0.9%	292.3%	0.001	-0.043
Inland Empire	19,226	0.8%	11.5%	19,280	0.3%	24.2%	0.002	-0.007

Source: Exhibit 2 & 3

From 2005-2030, with High Speed Trains in place:

- Orange County would go from 0.67 to 0.84 (*not 0.83*) jobs for each resident.
- Los Angeles County would go from 0.57 to the same 0.63 in 2030, without the system.
- San Diego County would go from 0.65 to the same 0.69 in 2030 without the system.

In essence, the system would tend to slightly lower the jobs:population ratio in the inland area (*0.41 to 0.39*), and leave more inland workers commuting to the job rich coastal counties.

[HSR Impact on Inland Empire's Job Base 2005-2030](#)

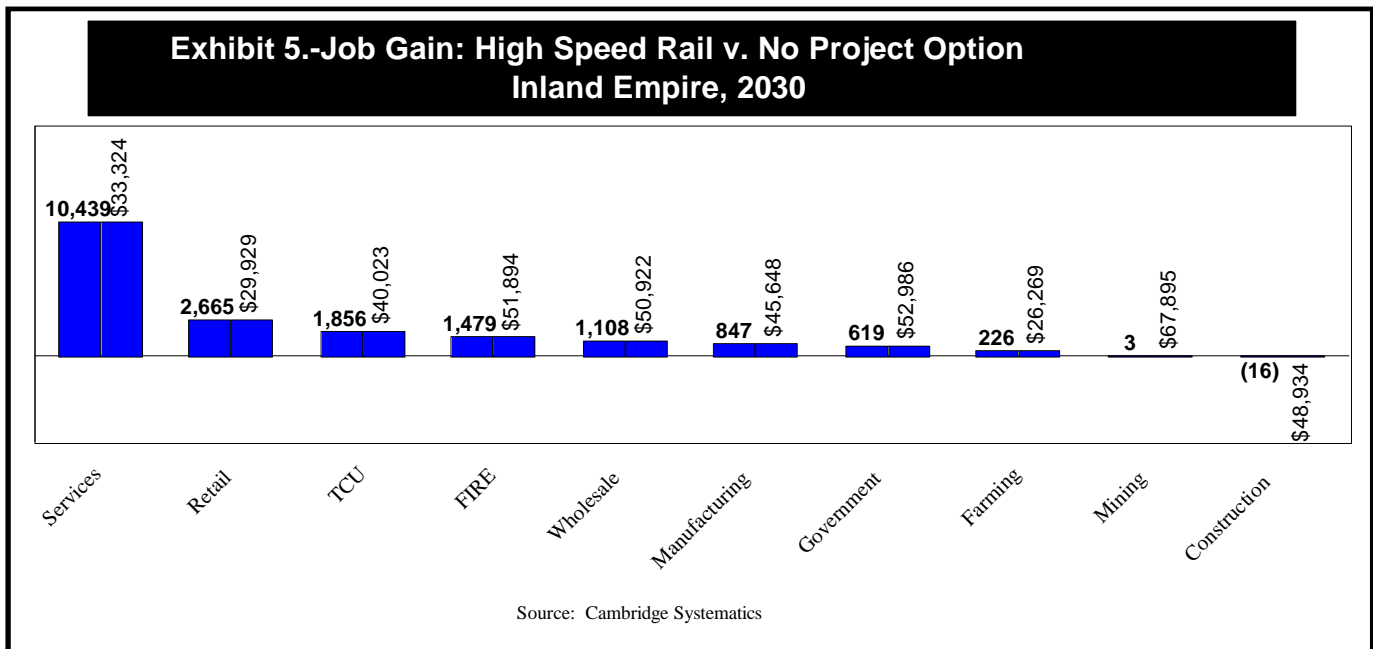
4. What new business and economic activities will be generated in the Inland Empire from High Speed Train? What will High Speed Train do to create more jobs in the Inland Empire?

Compared to the No Project option, the High Speed Train (*HSR*) option would increase the Inland Empire's job base by 2030 from 2,331,900 to 2,351,100, **up 19,200 or a 0.8% shift in growth**. This would be divided between an *increase* of 20,000 jobs in San Bernardino County, but a *decrease* of 800 in Riverside County (*Exhibit 4*). Of the 167,400 additional jobs added in Southern California by the system, the extra 19,200 jobs in the Inland Empire would be an 11.5% share. San Bernardino County would have a 12.0% share of Southern California's gain; Riverside County would lose -0.5% of it.

While the Inland Empire's job base would grow under the High Speed Train option, on a regional basis, the Inland Empire's share of Southern California's jobs would become a little bit worse than under the No Project option, falling from 21.8% to 21.4% of the region's 2030 jobs. Orange County's share would also fall, from 20.7% to 20.4%. The primary beneficiary would be Los Angeles County with its share of the region's job growth rising from 34.7% to 35.1%. San Diego County's share would increase from 22.7% to 23.1%.

For the Inland Empire, from an economic perspective, these findings have several implications:

- There will be 19,200 or 0.8% more jobs by 2030 under the High Speed Train option than under the No Project option.
- Of the 19,200 extra jobs created by the High Speed Train option by 2030 (*Exhibit 5*):
 - The highest number of jobs would be in the lower paying service (10,400) and retail sectors (2,700) with respective average 2008 average pay of \$33,324 and \$29,929.⁷
 - Gains in five relatively good paying sectors would rank next: transportation, communications and utilities (1,900; \$40,023), financial activity (1,500; \$51,894), wholesale trade (1,100; \$50,922), manufacturing (900; \$45,648), and government (600 ; \$52,986).
 - Weak job would occur in the low paying farming sector (200; \$26,269) and no jobs in the high paying mining sector (\$67,895).
 - The construction sector would also remain stagnant (\$48,943).



- Using the estimated average 2008 pay for each of these sectors, the 19,200 extra jobs under the High Speed Train option would increase constant dollar wage and salary earnings in the 2030 inland economy by \$711.9 million and each year thereafter. Their weighted average pay would be \$37,028, 3.7% (-\$3,704) under the \$40,204 for the economy generally. Note: this calculation assumes no increase in real incomes by sector due to high productivity in the various sectors from 2005-2030, as there is no realistic way to measure it.
- In 2030, the estimated Inland Empire employment under the No Project option was 2,331,923. Using the 2008 figure of \$40,204 for mean annual salaries for the full economy, *constant dollar* No Project wages and salaries would total \$93.6 billion in 2030. As indicated, with High Speed Train, the extra 19,226 jobs would generate \$711.9 million in additional income in the Inland Empire, an increase of 0.8%.

⁷ Quarterly Census of Employment & Wages, average annual wages by sector, CA Employment Development Department, 2007, scaled up to yield the Occupational Wage Survey, 1st Quarter 2008 weighted average of \$40,204.

- The ratio of output to earnings in the Inland Empire is 3.026 to 1.00.⁸ An additional \$711.9 million in earnings in 2008 dollars would be associated with an estimated additional output of \$2.15 billion by 2030 and each year thereafter due to High Speed Train.
- At the 3.026 ratio of output to earnings, the \$93.6 billion in total earnings in 2030 would be associated with Inland Empire output of \$283.6 billion in 2030 in the No Project case. The \$2.15 billion in extra output from High Speed Train would represent an increase of 0.8%.
- The ratio of indirect business taxes to output in the Inland Empire is 0.047 to 1.⁹ The extra output of \$2.15 billion from the High Speed Train option would thus generate an additional \$101.6 million in indirect business taxes going to the local governments of the area by 2008 and each year thereafter.

HSR Impact on the Inland Empire's Commuting & Travel Congestion

Another way in which High Speed Train might help an area is by decreasing traffic congestion as some passengers choose to use the system instead of driving. However, for the Inland Empire, there does not appear to be a measurable change in the cost of freeway travel or a lowering of the pollution and other costs of congestion. This is the case as the modeling by Cambridge Systematics shows that the system will not fundamentally alter the deep imbalance between the pace at which the inland area's population growth is expected to occur compared to the speed of its job growth. As a result, in 2005-2030, the increase in population with the High Speed Train system in place of 2.57 million people will not be matched by sufficient change in the local job base to reduce commuting. This will leave more and more commuters jammed on the freeway system trying to reach their jobs in the coastal counties. Those arteries will be so clogged that even though many travelers will divert to the High Speed Train because it is in their economic interest, the modeling predicts no noticeable effect on balance of people and jobs:

- In 2005, the number of jobs for each person in Southern California was 0.54. Using that standard, the fact that the Inland Empire had just 0.41 jobs per person showed up in congested freeways and associated air quality difficulties as large numbers of people and goods moved between the inland area and the coastal counties. By contrast, the ratio was 0.67 in job rich Orange County, 0.65 in San Diego County and 0.57 in Los Angeles County (*Exhibit 1*).
- By 2030, the number of jobs for each Southern California resident will rise to 0.61 with more baby boomer retirees in the population. However, the Inland Empire is forecasted to drop to a 0.39 ratio in both the No Project and High Speed Train options. As there will be more people and goods moving, this implies that freeway congestion will be much worse than in 2005. Note that the 2030 jobs:population ratios under the High Speed Train scenario will be 0.84 in Orange County, 0.69 in San Diego County and 0.63 in Los Angeles County. Those will be the destinations for inland commuters (*Exhibits 2-3*).

Compared to the No Project option, the Inland Empire's 2030 population would increase from 6,047,888 to 6,067,168, up 19,280 people or 0.3%. This would be divided between an *increase* of 43,947 people in San Bernardino County, but a *decline* of -24,667 in Riverside County. The slightly smaller population increase (0.3%) than job increase (0.8%) in the Inland Empire means

⁸ IMPLAN ratio of Inland Empire's output (\$148.7 billion) to earnings (\$49.1 billion) was 3.026 to 1 in 2003.

⁹ IMPLAN ratio of Inland Empire's indirect business taxes (\$7.02 billion) to output (\$148.7 billion) was 0.472 in 2003.

that the High Speed Train option would cause a very slight change in the area's ratio of jobs:population. There would be **0.39 jobs per person with or without High Speed Train in 2030.**

- The High Speed Train system would not have much impact on lower commuting and congestion between the Inland Empire and the coastal counties. There would thus not be a significant impact on delays, wear and tear on drivers or vehicles or reductions in fuel consumption.

Quality of Life

5. What other potential quality of life benefits will result from High Speed Train in the Inland Empire and who is likely to benefit?

A key additional quality of life objective of several local governments in the Inland Empire would be advanced by the building of the High Speed Train system. This would be the development of transit oriented business and housing developments. This is a major feature of the new General Plan awaiting adoption in the city of Ontario. It is also a major consideration in recent decisions in the city of Riverside. In both cases, the communities have begun funding multiuse/transit oriented developments through their redevelopment agencies to begin to put customers, jobs and retail outlets in close proximity to one another.

If the High Speed Train option were to become reality, it would be consistent with where these cities are already heading. Since both are scheduled to have stations, it can be expected that they would undertake the planning to take full advantage of the system, realizing it would be a draw for firms wanting to locate near it. They would tend to be companies needing to move their staffs to customers around the state at high speed or to have customers be able to efficiently access them. The system would clearly promote the long term economies of these two cities, which already have the most jobs and retail sales in the Inland Empire.

Having a High Speed Train station in the Murrieta-Temecula area would also be very important to the Inland Empire. This is the portion of the inland community that has had the greatest difficulty in drawing employers to it because of the market's location at a considerable distance from Orange and Los Angeles counties. Murrieta and Temecula have generally received their population impulse from San Diego County. However, unlike its coastal neighbors to the north, it is sending a lot of people inland, but very few jobs. Here, the High Speed Train system would have the effect of closing the distance-time gap between Murrieta-Temecula and the rest of Southern California. It would thus make it more likely that firms would be comfortable bringing jobs to one of the inland areas with the lowest number of jobs per capita.

Meanwhile, given the sudden realization that the long term future of fossil fuels is a question mark, the building of an electrified High Speed Train system would highlight the commitment of California and, by extension, the Inland Empire to being part of a project that could be a metaphor for the future of the state's economy. The project would likely act as a catalyst causing demand for more such activity by the government, private businesses and the public.

Summary

Should the High Speed Train system be built, it would have several impacts on the Inland Empire. Certainly, users of the system would see their cost decline and speed of travel increase. The region would gain 19,226 additional jobs that would otherwise not exist by 2030. By 2030 and each year thereafter, there will also be \$711.9 million in additional constant 2008 dollar wages & salaries, \$2.15 billion in added constant dollar economic output and \$101.6 million in

added indirect taxes to local governments. The system would stimulate transit oriented housing and business nodes in Ontario and Riverside and would help the Murrieta-Temecula area close the jobs:population gap that has emerged because most inland job creation comes from Los Angeles and Orange counties while its population growth impulse has come from San Diego County, a place not sending it a significant number of jobs. The one issue that the High Speed Train system will not address for the region is reducing freeway congestion for non-users as it will not reduce the jobs:population gap that results in high levels of commuting.

Legislative Report #4

Presentation

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Director of Government Affairs

SB 469 (Vargas – D) Land Use: Development Project Review: Superstores

Recommended Action

Oppose

Summary

1. SB 469 would require an applicant to a local government for a permit to develop a superstore to submit to that local government an economic and community impact analysis report prior to the review of the permit application.

Background

2. The intent of the bill is to allow local government to proactively determine if the development of a superstore would cause adverse impacts on small businesses, traffic congestion, and air quality by requiring that an applicant to develop a superstore submit an economic and community impact analysis report to the appropriate permitting agency prior to the initiation of the review of the permit for approval.
3. SB 469 would apply only to a single tenant retail establishment that exceeds 90,000 square feet gross floor area.
4. It would also apply to a multiple tenant retail establishment that exceeds 90,000 square feet gross floor area, more than 10 percent of the sales floor area is devoted to the sale of nontaxable merchandise, and the multiple tenants share common check stands, a controlling interest, storage areas, warehouses, or distribution facilities.
5. The bill excludes wholesale clubs or other discount retail establishments that primarily sell bulk merchandise and that charge membership dues or otherwise restricts merchandise sales to customers paying a periodic assessment fee.
6. The bill is modeled after Wal-Mart announcing their intention to build 12 stores in San Diego in the next 5 years. The City of San Diego responded with an ordinance that SB 469 is modeled after. The San Diego City Council passed the ordinance and eventually repealed it in February 2011 after Wal-Mart began the process of seeking signatures to bring the issue before the voters.

Arguments in Support

7. According to Senator Vargas: "Small and neighborhood businesses are the backbone of every local economy. The public deserves the right to know what will happen to these businesses before a superstore developer comes into a community and potentially puts these businesses and the entire local economy at risk. While not banning superstores outright, this bill will create the transparency that local communities need to make sure corporations that want to build and operate these giant big-box businesses don't harm existing businesses, jobs, public services and neighborhoods."

Arguments in Opposition

8. According to news reports, critics of the City of San Diego ordinance said that it limited consumer choice of where to shop and unfairly targeted Wal-Mart because it employs non-union labor. According to Wal-Mart: "At a time when the state is facing a massive fiscal crisis, hard-working families are looking to Sacramento to solve our budget woes and create jobs in California."

Recommended Position

Support

Summary

1. AB 21 would require the Governor or Department of Finance, in concurrence with the Governor’s submission of a Budget to the Legislature, to submit a report that includes the following: (1) A list of loans made to the General Fund, their balances and due dates; (2) A list of payments to any special funds or accounts from the General Fund that have been temporarily halted and their due dates; and (3) A list of the state’s key liabilities, including infrastructure, budget, and retirement.

Background

2. AB 21 would also restrict the Governor from using estimated revenues from laws, programs, or executive actions not in effect at the time the budget is submitted to the Legislature.
3. The author believes that this will halt the frequent use of accounting gimmicks and gives the example: the estimated revenue from the sale of the State Compensation Insurance Fund (SCIF) in the 2009-10 Budget was included in the budget yet failed to take place, thereby resulting in an even greater deficit.
4. AB 21 requires the Governor to include in the budget, a section detailing how much revenue will be set aside towards retiring the liabilities (listed above) thus forcing the Legislature to face the true cost of years of borrowing and accounting gimmicks.

Arguments in Support

5. Lawmakers need to make fully-informed decisions when it comes to crafting future budgets and the need to take into account every year the state’s key liabilities as part of the budget discussion.

Supporting

Desert Contractors’ Association

Opposing

None on file.

Recommended Position

Support

Summary

1. AB 271 would allow the defendant in a class action lawsuit the same right the plaintiff has – the right to appeal the all-important decision of whether or not to certify the class and allow the lawsuit to proceed.

Background

2. California is nationally ranked as having one of the worst legal climates in the country.
3. Approximately 67% of senior corporate attorneys report this litigation environment is likely to impact important business decisions, for instance where to locate business.
4. California is also a favored jurisdiction for which to bring class action lawsuits because of the size of the state economy and its pro-consumer laws.
5. Current state law only allows a plaintiff to immediately appeal a denial of class certification once determined by a lower court.
6. Conversely, defendants may not appeal certification until and unless they have tried the case and lost, typically a long and expensive endeavor.
7. Federal law, on the other hand, already allows both parties to immediately appeal a class certification.
8. AB 271 would allow both parties to timely appeal the decision of class certification.
9. This equitable change to state law would align it with federal law (Federal Rule of Civil Procedure 23 (f) allows a defendant to request an appeal).
10. Several states already allow appeal of class certification. These states include: South Carolina, Ohio, Missouri, Texas, Kansas, Alabama, Georgia, and Colorado.

Arguments in Support

11. AB 271 would help California’s economic recovery by “leveling the playing field” in the courts and would bring the same balance to class action litigation that exists in federal courts and many states.

Supporting

Civil Justice Association of California

Opposing

None on file.