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Why does City of Industry want thousands of acres of ranchland in Chino Hills and Diamond Bar? Here's their plan.

By Jason Henry, San Gabriel Valley Tribune

and Steve Scauzillo, San Gabriel Valley Tribune

Friday, May 26, 2017



Despite claiming that no such plans existed, the City of Industry has been working quietly and out of public view on a multimillion-dollar proposal to build a massive solar farm amid more than 2,000 acres of undeveloped rolling hills along the shared borders of Los Angeles, Orange and San Bernardino counties.

Over the past year, the politically [tight-knit](#) manufacturing city of about 200 residents spent more than \$1 million on leases, reimbursements and studies aimed at building an estimated 440-megawatt solar power facility, according to documents obtained by the Southern California News Group.

The previously unreported scope of the potential project — along with the planning activity and taxpayer spending that has taken place — caught off guard the elected officials, nearby homeowners and conservationists who have long monitored proposals for the open space.

As outlined in city documents, the solar farm would be among the biggest in Southern California, an unusually large-scale green energy project in the heart of a developed urban region. The facility could generate enough power to serve nearly a dozen UCLA campuses, or 10 percent of the power consumed by Los Angeles, the nation's second largest city, experts said.

The news of the city's plans have intensified criticism of the manner in which Industry has controlled information about possible future uses of such a large and unique piece of publicly owned land.

“If I was attempting to do what they are doing, I'd be run out on a rail,” said Konradt Bartlam, city manager of Chino Hills, which has jurisdiction over a portion of the potential project's site.

Industry officials said the contract met legal requirements. The city has not yet developed detailed plans to share with the public.

Industry council members are committed to “protecting one of the largest swaths of open space remaining in our region for open and recreation space, as well as pursuing unobtrusive renewable and green energy

opportunities,” City Manager Paul Philips said in a statement Thursday. He said the city is engaged in due diligence and research “to learn what is possible.”

The solar farm proposal is the latest turn in a long battle over control and development of the tract of unspoiled rangeland, canyons and pastures that form a major respite from the surrounding suburban and industrial sprawl of the San Gabriel and Chino valleys and northern Orange County.

It also represents a benchmark in an ongoing political struggle over the future of historic and coveted pieces of land: the 2,450-acre [Tres Hermanos ranch](#), currently controlled by an independent state panel, and a neighboring 3,800 acres of parcels owned by the City of Industry. Both properties lie miles outside Industry’s city limits and partially within the boundaries of Diamond Bar, Chino Hills and unincorporated Orange County near Brea, along the 57 and 60 freeways.

Tres Hermanos, a cattle ranch and one-time private hunting grounds owned for generations by wealthy Los Angeles scions, including the late Los Angeles Times Publisher Harry Chandler, was purchased by Industry’s redevelopment agency in 1978 — before the state shut down such entities and put the land up for sale. Industry leaders have been trying to buy back the ranch so it can be added to the city’s adjacent Tonner Canyon holdings for use in the green energy project, records show.

A state-created panel tasked with selling off Tres Hermanos has delayed a decision on Industry’s [\\$100 million offer](#) because city officials [haven’t disclosed](#) their plans for the property. Panel members have indicated that they could consider other offers.

Philips, Industry’s city manager, said officials hope the state panel will approve their purchase rather than an alternative bid by a housing development [investment group](#) that wants to build 1,881 new tract homes.

“We do not believe the region is best served with a multimillion-dollar housing development that will only further clog our roads and slow down our goods movement,” he said.

A spokeswoman for Industry could not provide details on Philips’ suggestion that the project would include “open and recreation” space. Over the years, Tres Hermanos has served at times as a retreat for Industry’s city leaders and their allies.

Plans for Tres Hermanos

Among the newly obtained city documents is a master ground lease signed in May 2016 with [San Gabriel Valley Water and Power LLC](#), an entity created for the solar project. Industry officials and a company spokesperson have refused to disclose investors in the limited liability corporation.

The ground lease includes the Tonner Canyon land already owned by Industry and states that if the city succeeds in acquiring Tres Hermanos, “then such property shall be added to, and become part of” the property for the project. The lease extends up to 65 years and gives the water and power firm “the right of first refusal” to buy the land if Industry opts to sell.

A separate professional services agreement with the design firm Kimley-Horn, executed last October, clarifies Industry’s intention to put the solar farm on Tres Hermanos rangeland.

“The Client is looking into the feasibility of constructing solar Photovoltaic Generation Facilities on 2,300 acres of undeveloped land, generally located in the hills of Chino Hills and Diamond Bar,” the agreement states. It includes a map outlining the Tres Hermanos borders.

Records related to the land show payments of more than \$1 million on studies and consultants, including to a London-based law firm whose partners billed \$1,200 an hour for 40-hour work weeks.

Michael Gregoryk, vice chair of the state oversight panel charged with disposing of Tres Hermanos, said in an interview that he was unaware of Industry's solar farm plans.

"I guess they can do it, but they have to be the successful bidder," he said. "Our role as an oversight board is to find the highest and best use.

"At least we got some information," he said. "It's kind of too bad that the city wouldn't share it with us. There is an unwillingness from them to share anything with the oversight board."

Multiple experts in solar power, shown maps and aerial video of Tres Hermanos, said the ranch is the most viable space in the hills for the solar panels because it is sun-drenched, flat and less ecologically sensitive after decades of cattle grazing. The rest of the city's property in Tonner Canyon includes steeper terrain that may cast too much shade, they said.

One megawatt of solar power requires about 10,000 square feet — or roughly a quarter of an acre — of space for solar panels, said Rajit Gadh, a professor of UCLA's Henry Samueli School of Engineering and Applied Sciences.

The entire 440-megawatt solar farm would require about 1,100 acres of land, or an area about 2 miles by 1 mile, he said. "That is assuming everything is a tidy fit," Gadh said.

Regional power supply

The estimated output of the proposed solar farm would equal a large chunk of the 2,000 megawatts to 3,000 megawatts of electricity that county officials expect to seek for a new, government-backed power supply network, dubbed Los Angeles Community Choice Energy.

The ambitious program, expected to start in 2018, will offer electricity to cities through an interagency Joint Powers Authority being organized by L.A. County. Projections are that the program, partly intended to encourage development of more green energy, would serve more than 1 million residents and 200,000 businesses.

The Industry project in Tonner Canyon could be a potential supplier, officials said.

"That's a quarter of our total need," said Gary Gero, Los Angeles County's chief sustainability officer. "That's as big as they come."

Gero's office shaped the guidelines for the new energy program. A board of directors, representing member cities, is expected to be formed later this year and decide where to buy power.

Representatives of the Cordoba Corporation, a contractor running Industry's public utility and working on the Tres Hermanos project, met with Gero in March to learn more about the program, Gero said. But Cordoba officials didn't raise the possibility of selling electricity to Community Choice, he said.

Industry began expanding its public utility last year, as activity on the solar project picked up, records show.

Under the terms of the ground lease, Industry would be paid up to \$4 million a year by San Gabriel Valley Water and Power. An update to the lease last June would allow Industry to purchase all of the energy produced.

Even if Industry does not sell to Community Choice, the solar farm could benefit the region.

If the industrial city went 100 percent green with power from the solar farm, it would help the environment and reduce electricity costs, Gero said.

“You would be saving an awful lot and you would be reducing a lot of greenhouse gas emissions,” he said.

Hydroelectric alternative

City documents show that, if the solar project doesn't proceed, Industry officials would consider allowing San Gabriel Valley Water and Power to construct an 89-billion-gallon reservoir and hydroelectric dam. The project would generate between 50 and 75 megawatts and take up more than 2,000 acres of land.

The possibility of a power-generating reservoir in Tonner Canyon has [cropped up repeatedly](#) for decades, ever since Industry first bought Tres Hermanos. Neighboring cities, particularly Brea, have opposed that idea, noting the property is near an earthquake fault.

Brea leaders have warned that flooding from a dam failure could threaten Orange County residents.

“We want to have a seat at the table as to what is going on,” said Bill Gallardo, Brea's city manager. “We are absolutely opposed to anything that puts our residents in harm's way.”

Officials in the dark

City leaders in Diamond Bar, Chino Hills and Brea have largely pieced together what they know about the future of Tres Hermanos from news reports, public records requests and Industry's public meetings.

Orange County Supervisor Shawn Nelson, whose district includes Brea, said Industry hasn't yet shared their plans with county officials. But he said he is generally likes the idea of Industry offsetting its carbon footprint.

In Los Angeles County, representatives of area Supervisor Janice Hahn's office have toured the land. In a statement, Hahn said she hopes the open space will be protected “to the greatest extent possible for the preservation of wildlife sanctuary and the enjoyment of all.”

In Chino Hills, City Manager Bartlam and his staff said they resorted to filing dozens of public records requests with Industry city hall because officials there refused to discuss their plans for the hills. Industry would have to submit plans to Diamond Bar and Chino Hills for any public infrastructure project in Tres Hermanos because current zoning doesn't permit utility projects.

Bartlam said he was surprised to learn from Industry documents that the city has begun work on a draft environmental impact study for the solar project. He said Chino Hills would likely reject such an assessment outright because, like most cities, it oversees environmental review contractors, rather than allowing a project applicant to hire such analysts.

“They have tried to paint this picture of their intent, but by the records they've produced, it is anything but open space,” Bartlam said. “From a public policy standpoint, what they are doing is wrong.”

Industry hasn't held public hearings on the San Gabriel Valley Water and Power ground lease, which was signed last May, and includes one of the first references to a solar farm, records show.

City records aren't clear on when or how city council members agreed to enter into the lease.

When Southern California News Group asked for clarification, City Attorney Jamie Casso pointed to a Feb. 11, 2016 agenda for the City Council. However, the agenda lists only a closed-session discussion about "significant exposure to litigation" related to "two potential cases."

It doesn't mention the nature of the potential litigation, or the parties involved.

Casso declined to elaborate on the legal threat but said he and the city manager were given direction to resolve the matter. He said that complied with the requirements of the state's open government laws.

Kelly Aviles, an attorney who has challenged governmental agencies for their handling of similar closed-door decisions, said a city generally has to be more specific in identifying the nature of the legal threat and the parties involved.

Aviles added that leases of government property normally involve a separate and specific approval by elected officials even if it is related to litigation.

But both Aviles and Terry Francke, general counsel for Californians Aware — a nonprofit group dedicated to government transparency — also said that the statute of limitations would have expired for criminal charges or civil remedies, as more than a year has passed.

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