June 27, 2018

RE: Centennial Project

Dear Chairman Louie and Commissioners:

We appreciated the opportunity to present the Centennial project to your Commission and members of the public on June 6, 2018. There were several questions raised during the meeting, and we wanted to briefly address each in this letter in anticipation of returning to your Commission on July 11, 2018.

1. **Centennial Net Zero Program**

   **Net Zero Electricity.** Centennial has proposed a “Net Zero Electricity” commitment as part of its greenhouse gas (GHG) program, which is included in the Development Agreement (DA). The Centennial project includes rooftop solar to generate electricity, and many components that reduce energy demand and reduce GHG. Net Zero Electricity means that GHG resulting from electric power generation will be more than fully offset (to below zero) by the project’s GHG emission reductions.

   **Net Zero Water.** Centennial has proposed a “Net Zero Water” program, which is also required by the project features included in the Specific Plan and the mitigation measures included in the Environmental Impact Report (EIR). There are several elements in this program, which collectively result in the project creating its own water supply rather than using water supplies owned or controlled by other water agencies in the region. Centennial’s water supplies include imported water, an adjudicated amount of groundwater based on the project site, historic agricultural water use, a very comprehensive advanced wastewater treatment program to reuse reclaimed recycled water for outdoor irrigation and other authorized uses, and a water banking program to store ample amounts of water to meet project needs during multi-year drought conditions.

   **Net Zero Newhall.** Newhall proposed a “Net Zero Newhall” program in 2016 that offsets 30 years of anticipated GHG emissions from project activities, including future occupancy of buildings and occupant/employee vehicle use, with a variety of offsite GHG emission reduction measures in Los Angeles county and internationally. This NZN program was proposed by Newhall, and was not mandated by law. The onsite GHG reduction measures
included in the Centennial project are substantially similar to the onsite GHG reduction measures included in Newhall. California’s GHG reduction legal mandates have continued to rapidly evolve since the 2016 NZN, and for example the California “Cap and Trade” program was adopted in 2017, and compliance with the Cap and Trade program was upheld as sufficient mitigation under the California Environmental Quality Act (CEQA) for GHG emissions from fossil fuels for both industrial (refinery) processing and electric power generation. Centennial project residents and employees, like others in the state, will also be required to pay Cap and Trade fees, currently estimated to range from $0.14 to $0.70 per gallon, to reduce GHG from fossil fuel use based on a new law enacted in 2017.

The California Air Resources Board (CARB) also adopted a “Scoping Plan” prescribing new GHG reduction measures for California to achieve both its 2030 statutory (SB 32) objective of reducing GHG from 1990 levels 40% by 2030, and its 2050 Executive Order objective of reducing GHG from 1990 levels 80% by 2050. CARB’s Scoping Plan converts the 80% GHG reduction target to per capita GHG emissions, and establishes 2 tons of GHG per capita as the state’s 2050 goal. The Centennial project GHG emissions meet this aggressive 80% reduction target, at 1.93 tons of GHG per capita.

2. Affordable Housing/Homeless/Senior Housing

The Centennial Specific Plan provides for affordable, homeless, and senior housing. Text revisions to the Specific Plan have also been made to clarify these elements of the housing program. Centennial has committed that 10% of project housing be affordable, with the details of the affordable housing plan to be developed with the County based on evolving needs as described in the DA. Homeless shelters and emergency shelters is a permitted use in the business park and utility areas per the Specific Plan Chapter 2, Land Use Matrix 2-16. Transitional housing is permitted “as of right” pursuant to existing state law, which also prohibits local ordinances that impose different or more costly standards on housing projects intended to serve homeless residents from those that otherwise apply to market rate units. (Government Code Section 65583(a)(5)) Housing targeted for seniors is also included in Village Four of the Specific Plan, but is allowed throughout the project in residential areas and can be configured to meet market demand. Notably, the EIR did not assume age-restricted housing (which has lower impacts than market rate housing for some issues, like lower anticipated populations of K-12 students, and lower commute-related traffic), and is thus conservative in assuming more impacts from future senior residential units. Finally, several Specific Plan text changes have been made to clarify affordable housing requirements as shown in Attachment A, including the 90-day clause in relation to for-sale housing, timing of affordable units and clarification of equity sharing.

3. Mass Transit Feasibility

A specific question was raised regarding the cost of building a fixed rail system, such as the Metro system, to the Centennial project site – and the relative commuter cost of a Metro extension to commuters in relation to other commute modes such as express commuter bus or traditional single-occupant vehicular use in a gasoline-powered automobile.
The distance between Centennial to the nearest larger cities (Santa Clarita and Lancaster/Palmdale) is approximately 40 miles. Metro’s estimated range of per-mile cost for fixed rail transit systems varies. For example, the per mile cost of the Los Angeles Purple Line Phases 1 and 2 is $800 million per mile, and the West Santa Ana Branch Line (WSAB) is between $640 million to $1 billion per mile (average cost is $835 million per mile, for a surface-rail only route). Extending Metro from Santa Clarita to Centennial requires more significant elevation changes, as well as other constraints, which are inherently difficult and may well result in a more costly rail construction. Using the average WSAB cost for estimation purposes, extending the Metro fixed rail line from Santa Clarita to the Centennial site would cost approximately $33 billion.

At buildout, approximately 3500 commuters are expected to travel between Santa Clarita and Centennial. The capital costs for extending the rail system to the Centennial site, with no inflation or other cost adjustments, is nearly $100 million per rider. Even if federal transit funding is not substantially curtailed as proposed by the current administration, both the total cost and per rider cost of extending rail to the Centennial site are cost-prohibitive and would not qualify for the required billions in funding. This initial cost also does not include the ongoing subsidies, in addition to fares paid by rider, to operate transit lines; most operating subsidies range between $3 to $5 dollars per ride. Rider fares and other revenues cover only about 25% of total transit system costs. Round trip Metrolink fares per rider between Santa Clarita and Downtown Los Angeles (which is approximately the same distance as the Centennial to Santa Clarita distance) is currently $15 per day, although this transit route has far higher ridership levels which help keep individual fares lower. Even assuming zero consumer cost for the $33 billion required to construct this new Metro line, the weekly cost to consumers of this transit mode would be approximately $75 dollars per week.

Express bus commuter services, which avoid the $100 million per rider capital cost of fixed rail systems but include both capital and operating costs, are much less costly: the roundtrip Santa Clarita to DTLA fare is $9 dollars per day, or $54 dollars per week.

Automobile costs vary based on the cost of vehicles, and related vehicular insurance and maintenance activities. Fuel consumption is expected to decrease substantially, based on a much higher future percentage of electric vehicles, as well as California’s required average fuel efficiency standard of 54.5 miles per gallon by 2025. Assuming that fuel costs will rise (e.g., to make the required Cap and Trade payments at the maximum estimated level of $0.73 per gallon) to approximately $5 dollars per gallon, drivers in single-occupancy vehicles meeting the 2025 fuel efficiency average commuting between Centennial and Santa Clarita would spend about $37 dollars per week for fuel.

Although these are all simplified cost estimates, and do not take into account a variety of factors, only vehicular services – bus, shared ridership and carpool arrangements, and single-occupant vehicles – present feasible transportation solutions that are cost-effective for future Centennial residents and employees. There has also been a dramatic decrease in bus ridership in the Los Angeles area, and a dramatic increase in other transportation modes such as on-demand ride services (e.g., Uber/Lyft) for individuals, carpools, and frequent rider service areas; specialty transit services for riders with special needs; new “last mile” and active transportation modes such as electric bicycles and scooters that are either individually owned or maintained by
public or private entities for use by individuals; and a broad range of partnership arrangements such as coordinated routes or voucher systems involving various types of entities such as traditional public transit providers, major employers, and community-based “Transportation Management Authorities” which are discussed in greater detail below.


As a new community, Centennial has the opportunity to establish certain types of “covenants, conditions and restrictions” (CC&Rs) that “run with the land” and are binding obligations for future occupants. To provide a permanent source of funding for transportation, and to monitor and enforce transportation management measures, the Centennial project has proposed – and the EIR requires – the creation of a Transportation Management Authority (TMA). The TMA is funded by Centennial project commercial occupants, and is responsible for implementing transportation measures that are effective in meeting evolving transportation needs within a rapidly-evolving suite of transportation services and technologies. A key objective, and EIR mitigation mandate, is to reduce single-occupancy (SO) automobile use.

The first tier of reducing SO use is embedded in the project’s design. Centennial project site has been designed to include walkable destinations – neighborhood retail, park and school uses – to discourage automobile use for these most frequent non-commute trips. As shown in Figure 3-3 of the Specific Plan (Attachment B), the site also includes a network of bike and pedestrian trails to discourage automobile use for residents who work at Centennial, and to discourage automobile use by workers coming to Centennial and using the community’s parks, gyms and restaurants during the day. As discussed further below, the project site will also have high speed WiFi service, which facilitates work-at-home options as well as supporting high quality employment opportunities.

The next tier is making it even easier for people to use a transit mode other than SO use, like partnering with electric bicycle and scooter companies to make it easier to get to and from the project transit centers that provide on-site commuter transit services. The range of commuter transit service options is expected to continue to expand, with on-demand as well as scheduled services using vans or shuttles as well as larger bus vehicles as appropriate for varying ridership levels. Matching riders for carpooling also continues to effective, especially when linked to guaranteed ride home programs for carpoolers with appointments or emergencies that require transportation alternatives. These Centennial transportation measures are also linked to regional transit service providers in Antelope Valley and Los Angeles, with a transportation management program managed by the Centennial TMA in consultation with the County.

The sole mission of TMAs is to implement, monitor and adjust transportation solutions to reduce reliance on private automobile use and encourage active transportation and transit. There are many TMAs successfully operating in California, including several in Los Angeles and Orange Counties (e.g., Burbank, Playa Vista, Glendale, Santa Monica, Woodland Hills, Anaheim, Irvine, etc.). The Centennial TMA is responsible for preparing annual reports, which will be provided to the County as part of the EIR’s Mitigation Monitoring and Enforcement Program. Traffic and transportation information must also be documented with each tentative tract map application, including compliance with all transportation mitigation measures such as the mandated reduction in SO commuters.
TMAs have been effective in assuring the broadest reach of transit and active transportation participation levels, ranging from students to seniors, construction workers to computer coders. TMAs partner with a wide range of transportation service providers to better assure cost-effective services to all members of the community. The annual monitoring, reporting and enforcement requirements for TMAs also provide more effective and flexible transportation solutions than some of the private employer bus service models that are reserved for certain classes of employees working during peak commute hours, or fixed bus route service models that often operate at very low occupancies and correspondingly very high per rider costs during non-peak periods. The TMA will also help support related environmental goals, like monitoring vehicular charger usage patterns to assure that there are adequate charging ratios to meet demand, and by selecting low and zero-emission transit vehicles and service providers that meet required service parameters for applicable onsite transit or offsite transportation needs.

Notwithstanding the range of flexibility provided to the TMA, the EIR includes many specific transportation-related mitigation measures as core mandates that must be met, including for example providing transportation linkages serving commuters to and from the project site from Santa Clarita, Palmdale/Lancaster, and Grapevine/Tejon Mountain Village.

5. **Open Space Management & Enforcement**

The Project includes three categories of “open space,” and authorized uses within each of these categories have been clarified in the FEIR in consultation with the state Department of Fish and Wildlife:

1. **Open Space Preserve:** this 3,865-acre area is located outside the boundary of the Project’s development/impact area, with highly restricted uses. This area must be managed to preserve and enhance biological resource values as mitigation land. These Open Space Preserve lands are contiguous to the Tejon Ranch lands conserved as part of the Tejon Ranch Land Use and Conservation Agreement (Ranchwide Agreement), and like adjacent open space lands are anticipated to be managed by the Tejon Ranch Conservancy pursuant to the requirements of the Ranchwide Agreement, which among other features includes Best Management Practices as part of a Ranchwide Management Plan that is periodically updated as well as reviewed by the wildlife protection agencies.

2. **Undisturbed Green Space:** these 1,204-acre areas are located within the development area boundary of the Project, and includes for example interstitial drainages and other linear features that are not graded as part of the Project. The uses in this area are highly restricted uses like the Open Space Preserve.

3. **Disturbed Green Space:** these 406-acre interstitial areas are also located within the development area, and will be created as part of the grading program of adjacent development area. The public will have access to use trails in this area and well as other uses identified in the Specific Plan.

Disturbed Green Space within the Project’s Open Space areas will also include stormwater management features such as vegetation to help filter stormwater flows, and are anticipated to be managed by the entity responsible for project stormwater management.
Notably, recreational and neighborhood parks, as well as school and sports fields are considered “development” within the within the site, and are not classified as “Open Space” uses.

6. Habitat Connectivity/Wildlife Movement

Habitat connectivity and wildlife movement were among the key ecological values considered as part of the independent scientific evaluation completed as part of the Ranchwide Agreement process undertaken by Agreement signatories including the Sierra Club, Natural Resources Defense Council, Audubon California, Endangered Habitats League, and Planning & Conservation League. Wildlife movement was also extensively evaluated as part of the County’s development of the Antelope Valley Area Plan (AVAP) and the expansion of Sensitive Ecological Areas (SEAs) within Antelope Valley, in the AVAP EIR process, and in the Centennial EIR process, and by the California Department of Fish and Wildlife. There are significant existing barriers to wildlife movement in this location on the western edge of Antelope Valley, including Interstate 5, SR 138, and the California Aqueduct. The development footprint of the Centennial project area (inclusive of outer boundaries as well as interstitial green space areas) is itself prescribed in the Ranchwide Agreement. The development footprint was further reduced by the County in the AVAP and SEA process. As shown in Exhibit 5.7-6 of [DEIR reference to South Coast Missing Linkages Project, Attachment C], the primary wildlife movement corridor for the project area is along the base of the Tehachapi Mountains northwest of most of the project site. The more detailed analysis of wildlife movement within and immediately adjacent to the Project site is included in Figure 3-42 of the [Specific Plan, Attachment D].

7. Grasslands and Grazing

Grazing is an allowed use in the Open Space Preserve Mitigation Lands, and occurs throughout the Tejon Ranch conserved lands, as an integral component of the Ranchwide Management Plan. Grazing has occurred at Tejon since the ranch was initially established in 1843, and has shaped the ecological values present at the Ranch. For example, grazing has helped manage non-native grasses, and allowed persistence of native grasses and forbs. Grazing also reduces wildfire risks by reducing fuel loads. Grazing practices on Tejon lands used as mitigation for wildlife agency permits are also subject to review and approval by the wildlife agencies, and managed grazing has been a required component of such permits. Management grazing practices are designed to protect and preserve existing natural resource values, and can vary based on the nature of the resource being protected or enhanced. For example, some areas of habitat restoration, such as enhancing riparian vegetation or oak woodlands, generally require temporary grazing exclusion until new vegetation becomes more mature.

8. Phasing for Jobs-Housing and Public Facilities

“Phasing” refers to the timing of different components of the Project, along with associated infrastructure and public service improvements. The applicant must submit for County review and approval a Tentative Tract Map (TTM) for each portion of the Project site prior to commencing physical development of that portion of the site. Under state law, each TTM must include all required infrastructure to serve the planned development area, including for example roads, water and wastewater utilities, and electrical, gas and communications
systems. Each TTM is also required to comply with the Centennial Specific Plan, including all required design elements and applicable mitigation requirements. The Specific Plan, EIR, and DA also specify detailed implementation requirements for various public facilities, such as the municipal services building and schools, as further described in Exhibit E-1 to the DA. In addition, as detailed in Attachment A from the Regional Planning Hearing Packet from June 6, 2018, CUP Conditions of Approval, the applicant is required to complete 75% of all items listed in the Centennial Master Phasing Table before a fourth of the project is built.

9. Development Agreement.

A development agreement is an optional and consensual agreement between the County and the applicant. The full text of the DA for Centennial has been completed, and has been included by the County in the agenda package for the July 11 Commission meeting. The DA is primarily focused on public benefits provided by the applicant as part of the entitlement process, including earlier completion of public services such as a fire station, and more detailed funding and other requirements for public facilities such as a municipal services building. The physical improvements described in the DA are onsite, and within the scope of the Centennial EIR.

10. Civil Space/City

The DA includes many substantial new financial commitments by the applicant to donate land, money, or undertake other obligations to reduce future costs for Centennial community members if they and the County ultimately choose to incorporate a new city on the project site. These include, for example, a significant new municipal services building located in the town center, which has been sized to accommodate the full range of public services normally provided by a city (e.g., building and planning inspectors, health and other social service providers, public administration functions including office and meeting space, etc.). Additional public facilities that will help facilitate any future transition to a city such as sheriff and fire stations, as well as schools and a new library. Because some newer cities in Los Angeles County have had challenges in funding land acquisition and capital costs for these and related types of public facilities required by cities, in the DA Centennial has agreed to provide these civil spaces to facilitate any future decision to incorporate a new city. Incorporation itself does not result in, nor does it authorize, any changes to the project beyond those studied in the EIR and approved by the County.

11. Places of Worship/Non-Profits

Places of worship are authorized uses that do not require discretionary approvals in the “RE” land use areas of the Specific Plan, and there are more than 75 acres devoted to this RE land use designation. Places of worship are also allowed, subject to a conditional use permit approval process to assure compatibility with adjacent uses, in four of the five residential use area designations in the Specific Plan, as well as in the Institutional/Civil use areas designated in the Specific Plan, as more fully described in Table 2-16 (Chapter 2) of the Specific Plan.

The Specific Plan also authorizes non-profits such as the Boys and Girls Club, YMCA/YWCA, social clubs and lodges, and structures for similar non-profits in areas designated for Mixed Use, Commercial, Recreational/Entertainment, Institutional and Civil Use.
These uses are also allowed in three of the five residential use designations, with a Ministerial Review and in parks (e.g., as recreational facilities) with a conditional use permit, as more fully described in Table 2-16 of the Specific Plan.

12. Solid Waste Treatment/Recycling

The Centennial EIR requires diversion (avoiding landfills) for 100% of graded soils, and at least 70% of non-hazardous construction and demolition requirements, which is more stringent than the corresponding diversion requirements established by state law (CalGreen Tier 1). The DA also requires the applicant to designate a 5-10 acre site for a Material Recovery /Household Hazardous Waste Facility, and to fund $4 million to financially support construction of this Facility. The EIR also requires at least 75% of the solid waste generated by future residents and employers at the site to be diverted away from landfills (e.g., through recycling and composting managed at the Material Recovery Facility), which is more stringent than the current 65% diversion rate for Los Angeles County. There are four landfills located within 41 miles of the Project site; these landfills have ample capacity to handle the remaining 25% of the solid waste generated by future operation of the Project.

13. Wastewater Treatment

The Centennial project includes two wastewater treatment facilities as well as all associated wastewater infrastructure. The wastewater treatment plants are equipped with advanced treatment technologies, including reverse osmosis filtration systems, that produce recycled water for use in outdoor irrigation as well as indoor plumbing and cooling in the Project’s business park. Treated wastewater is an important component of the Centennial’s outdoor irrigation and business park water supply, substantially reduces the project’s potable water demand, and is an integral component of the project’s environmental sustainability design measures. Recycled water meets nearly 40% of the total Project water demand at buildout. The wastewater treatment facilities also produces biogas, and include equipment to capture and reuse biogas for electricity production.

14. State Department of Water Resources

The inquiry raised by DWR regarding the adequacy of the wildlife overcrossings for the Project is one of many issues that have been fully addressed with the California Department of Fish and Wildlife, as described in the detailed responses to CDFW included in the FEIR. PDF 7-7 from the EIR requires both County Biologist and DWR approval of any wildlife overcrossing constructed over the existing California Aqueduct located on the Project site.

15. Pacific Crest Trail

The US Pacific Crest Trail (PCT) extends from the Mexican to Canadian border, and currently is routed east of the Tehachapi’s along the Mojave desert floor. One of the many commitments in the Tejon Ranch Land Use and Conservation Agreement is to allow for the realignment of the PCT across Tejon Ranch. The southern segment of the trail will cross the Centennial project site and then continue through Angeles National Forest. Although the location of the PCT and other design details have been agreed upon by the Pacific Crest Trail Association and Tejon Ranch. Actual completion of the trail itself will require extensive
permitting by wildlife and other agencies as well as additional implementation steps, which will be undertaken by the trail’s federal agency sponsor.

16. **Child Care Facility**

The Specific Plan allows for neighborhood-scale small child care facilities for six children or fewer as an authorized use in all residential designation areas, and allows for larger childcare facilities (more than seven children) with a conditional use permit to assure safe and compatible childcare operations in mixed use commercial/residential areas, higher density residential areas, and Civic/Institutional use areas, as set forth in Table 2-16 of the Specific Plan.

17. **Medical Care Facility**

The DA requires that prior to or as part of the project’s first Tentative Tract Map, which as described above is required to authorize physical development of the project site, the applicant is required to identify and designate an urgent care/trauma care medical facility as well as methods of incentives to attract a medical provider to serve the new Centennial community. The medical care facility will also increase medical care resources for other residents in Antelope Valley and the Tejon mountain communities.

18. **Local Hire Program**

The DA includes a goal of hiring 10% from local residents, minority-owned, women-owned, and disadvantaged businesses. Centennial will establish or partner with an established job-skills training program, to help achieve these goals. An annual review of the program is required to assure the program’s effectiveness. “Local” is defined in three tiers: Tier 1 includes Lancaster, Palmdale, and the Los Angeles portion of Antelope Valley; Tier 2 includes workers residing on and within 50 miles of Centennial, and Tier 3 includes workers in Los Angeles County.

19. **WiFi Services**

The Specific Plan requires implementation of a Technology Plan, which includes a Wireless Community Master Plan, as well as requirements to assure internet connected homes, businesses, transportation options, and institutional and civic centers. WiFi service will be provided as part of the Wireless Community Master Plan.

20. **Tribal Resources**

Tejon Canyon, in the Kern County portion of the Tehachapis, was the last tribal village on Tejon Ranch. Tribal members lived there into the 1960s, though most had moved to Bakersfield after the 1952 White Wolf earthquake. Residency on Tejon Ranch is still a recent memory for many of the Tejon Ranch tribal members. Tribal members maintain and regularly access their cemetery in Tejon Canyon. Tejon Ranch has provided and will continue to provide tribal resource monitors for Ranch projects, including Mountain Village, the Tejon Commerce Center, Grapevine and Centennial – as well as for smaller projects that involve ground surface disturbance.
The County consulted with the Fernandeño Tataviam Band of Mission Indians (Tataviam Tribe) as well the Tejon Tribe. The Tataviam Tribe responded that they “will provide comments through the Tejon Tribe” and recommended that the Tejon Tribe be the lead tribal consultants for the project.

Tejon Ranch also sponsored and supported the documentation of all of the historic villages that comprised the Sebastian Indian Reserve, which was created by Edward Beale on Tejon Ranch. These village sites are now listed on the California Register of Historic Resources and are awaiting listing on the National Register of Historic Places. These villages will be preserved in perpetuity in conserved lands included in the Ranchwide Agreement.

Finally, the Tejon Tribe recently opened a new public building in the San Joaquin Valley to display their ancestral history, artifacts, the native history of the area.

21. **Valley Fever**

Valley Fever is a medical condition that can occur when soil is disturbed in many areas of southern and central California. The Centennial EIR requires the applicant to maintain a website accessible to residents and employees, including construction employees, regarding Valley Fever causes, symptoms, prevention measures, and treatment options (MM 3-11) and to have Tyvek suits available on request for construction workers (MM 3-2). The Project is also required to comply with all laws and regulations, including worker health and safety protection for workers.

Sincerely:

[Signature]

Greg Medeiros
Vice-President of Community Development
Figure 3-3 Bicycle Network

Not to scale.

NORTH
Source: South Coast Missing Linkages Project: A Linkage Design for the Tehachapi Connection, South Coast Wildlands Project, 2003

Regional Wildlife Movement

Centennial Project

Exhibit 5.7–6

Project Boundary
Wildlife Movement Corridor (Generalized)
Potential Aqueduct Crossing Location
NAP Not A Part

Sierra Madre Mountains

Wheeler Ridge

Comanche Point

Los Padres National Forest

Ventura County

Kern County

Los Angeles County

Mojave

Tejon Hills

Tehachapi Mountains

Castaic Lake

California City

Wheeler Ridge

Comanche Point

Location 1

Location 2

Location 3

Location 4

SR-138

ST 58

ST 14

ST 99

ST 58

Location 4

Location 3

SR-138

Location 1

Location 2

Location 3

Location 4

Source: South Coast Missing Linkages Project: A Linkage Design for the Tehachapi Connection, South Coast Wildlands Project, 2003
Figure 3-42 Open Space and Significant Ecological Areas