

## **CALIFORNIA LESA MODEL**

**World Logistics Center Specific Plan  
Southwest Corner of Highway 60 & Gilman Springs Road  
Moreno Valley, Riverside County, CA 92555**

### **REAL PROPERTY CONSULTATION ASSIGNMENT**

**As of December 20, 2013**

**Prepared For:**

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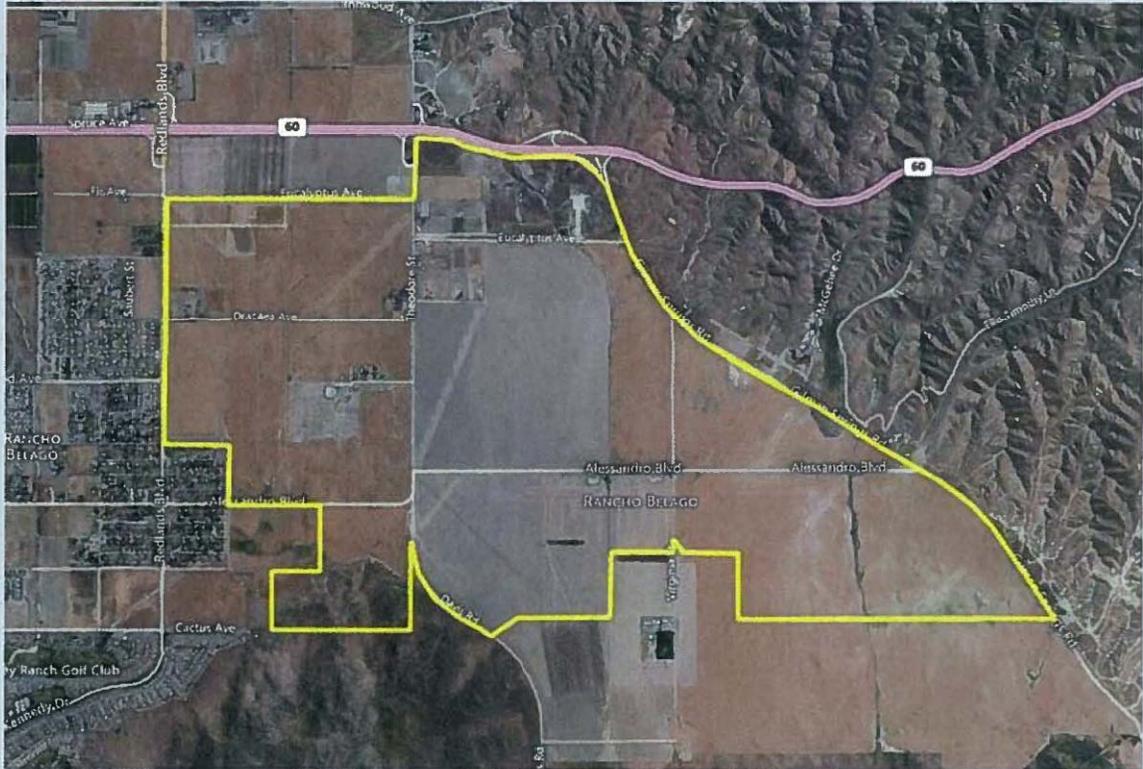
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**World Logistics Center Specific Plan**  
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# Introduction

## EXECUTIVE SUMMARY

The project area used in this analysis is the proposed World Logistics Center Specific Plan. The project area is 2,610.00 gross acres comprising farmland of local importance, unique farmland, open space, and other land. This report is presented to estimate the potential impacts of converting the agricultural land within the project area to a different use. These impacts are measured using a California LESA Model. The model is presented in accordance with the guidelines of the California Department of Conservation and California Environmental Quality Act.

## LESA MODEL<sup>1</sup>

Land Evaluation and Site Assessment (LESA) is a term used to define an approach for rating the relative quality of land resources based upon specific measurable features. The formulation of a California Agricultural LESA Model is the result of Senate Bill 850 (Chapter 812 /1993), which charges the Resources Agency, in consultation with the Governor's Office of Planning and Research, with developing an amendment to Appendix G of the California Environmental Quality Act (CEQA) Guidelines concerning agricultural lands. Such an amendment is intended "to provide lead agencies with an optional methodology to ensure that significant effects on the environment of agricultural land conversions are quantitatively and consistently considered in the environmental review process" (Public Resources Code Section 21095).

The California Agricultural LESA Model is composed of six different factors. Two Land Evaluation factors are based upon measures of soil resource quality. Four Site Assessment factors provide measures of a given project's size, water resource availability, surrounding agricultural lands, and surrounding protected resource lands. For a given project, each of these factors is separately rated on a 100 point scale. The factors are then weighted relative to one another and combined, resulting in a single numeric score for a given project, with a maximum attainable score of 100 points. It is this project score that becomes the basis for making a determination of a project's potential significance, based upon a range of established scoring thresholds.

## SCOPE OF WORK

This LESA Model has been prepared in accordance with our interpretation of California Department of Conservation's LESA instructions, the California Environmental Quality Act guidelines, as well as the Code of Professional Ethics of the Appraisal Institute.

Cushman & Wakefield Western, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all consultation reports. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature. For this assignment, Quality Control Oversight was provided by D. Matt Marschall, MAI, ARA, FRICS. In addition to a qualitative assessment of the consultation report, D. Matt Marschall, MAI, ARA, FRICS is a signatory to the consultation report and concurs in the final LESA score estimate(s) set forth herein.

The scope of this real property consultation assignment is to perform a California LESA Model on the project area to determine potential impacts to agricultural resources. This required collecting primary and secondary data relevant to the project. Explanations for each of the scoring aspects in the model are explained in the following

<sup>1</sup> [http://www.conservation.ca.gov/dlrp/Pages/qh\\_les\\_a.aspx](http://www.conservation.ca.gov/dlrp/Pages/qh_les_a.aspx)

pages along with how the subject project was scored. The LESA worksheets are presented in the Addenda of the report.

## California LESA Model<sup>2</sup>

The Land Evaluation and Site Assessment (LESA) system is a point-based approach that is generally used for rating the relative value of agricultural land resources. In basic terms, a given LESA model is created by defining and measuring two separate sets of factors. The first set, Land Evaluation, includes factors that measure the inherent soil-based qualities of land as they relate to agricultural suitability. The second set, Site Assessment, includes factors that are intended to measure social, economic, and geographic attributes that also contribute to the overall value of agricultural land. While this dual rating approach is common to all LESA models, the individual land evaluation and site assessment factors that are ultimately utilized and measured can vary considerably, and can be selected to meet the local or regional needs and conditions for which a LESA model is being designed to address.

In 1990 the Department of Conservation commissioned a study to investigate land use decisions that affect the conversion of agricultural lands in California. The study, conducted by Jones and Stokes Associates, Inc., was prepared in response to concerns about agricultural land conversion identified in the California Soil Conservation Plan (1) (developed by the ad hoc Soil Conservation Advisory Committee serving the Department of Conservation in 1987). Among these concerns was the belief that there was inadequate information available concerning the socioeconomic and environmental implications of farmland conversions, and that the adequacy of current farmland conversion impact analysis under the California Environmental Quality Act (CEQA) was not fully known. The findings of this study are included in the publication, *The Impacts of Farmland Conversion in California*.

Currently, neither CEQA nor the State CEQA Guidelines contains procedures or specific guidance concerning how agencies should address farmland conversion impacts of projects. The only specific mention of agricultural issues is contained in Appendix G of the State CEQA Guidelines, which states that a project will normally have a significant effect on the environment if it will "convert prime agricultural land to non-agricultural use or impair the agricultural productivity of prime agricultural land".

The *Impacts of Farmland Conversion in California* study contained a conclusion that, due to the lack of guidance about how lead agencies should address the significance of farmland conversion impacts, there are many instances where no impact analysis is even conducted when farmland is converted. A survey of environmental documents sent to the Governor's Office of Planning and Research (OPR) between 1986 and 1988 was performed. The survey showed that among projects that affected at least 100 acres of land and for which agriculture was a project issue, nearly 30 percent received Negative Declarations, and therefore did not receive the environmental impact analysis that would be provided by an Environmental Impact Report (EIR).

Of those projects that involve(d) the conversion of agricultural lands and that require(d) an EIR, the study found a broad range of approaches and levels of detail in describing the environmental setting, performing an impact analysis, and providing alternative mitigation measures. The only agricultural impacts found to be significant in the EIRs were those where the project involved the direct removal of prime agricultural lands from production. The focus on prime farmland conversion in the projects surveyed was deemed to be related to the narrow direction provided in Appendix G of the State CEQA Guidelines.

The formulation of a California LESA Model is the result of Senate Bill 850 (Chapter 812 /1993), which charges the Resources Agency, in consultation with the Governor's Office of Planning and Research, to develop an amendment to Appendix G of the California Environmental Quality Act (CEQA) Guidelines. Such an amendment is intended "to provide lead agencies with an optional methodology to ensure that significant effects on the environment of agricultural land conversions are quantitatively and consistently considered in the environmental

<sup>2</sup> [http://www.conservation.ca.gov/dlrp/Pages/qh\\_leso.aspx](http://www.conservation.ca.gov/dlrp/Pages/qh_leso.aspx)

review process” (Public Resources Code Section 21095). This legislation authorizes the Department of Conservation to develop a California LESA Model, which can in turn be adopted as the required amendment to Appendix G of the CEQA Guidelines.

## LAND EVALUATION

### THE USDA LAND CAPABILITY CLASSIFICATION (LCC) RATING

The LCC indicates the suitability of soils for most kinds of crops. Groupings are made according to the limitations of the soils when used to grow crops, and the risk of damage to soils when they are used in agriculture. Soils are rated from Class I to Class VIII, with soils having the fewest limitations receive the highest rating (Class I). Specific subclasses are also utilized to further characterize soils. An expanded explanation of the LCC is included in most soil surveys. The proportion of project area is multiplied by the LCC point rating to derive the LCC score for each soil mapping unit. The LCC point rating table is presented below:

Numeric Conversions of LCC Units	
LCC	LCC Point Rating
1	100
2e	90
2s/2w	80
3e	70
3s/3w	60
4e	50
4s/4w	40
5	30
6	20
7	10
8	0

The project area is comprised of LCC 1 to 8 soils. The majority of the generally level land is LCC 2 rated soils. These soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices. Analyzing the LCC scores for each of the soil map units with their proportion of the project area gives a LCC total score of 84.0.

### THE STORIE INDEX RATING SCORE

The Storie Index provides a numeric rating (based upon a 100 point scale) of the relative degree of suitability or value of a given soil for intensive agriculture. The rating is based upon soil characteristics only. Four factors that represent the inherent characteristics and qualities of the soil are considered in the index rating. The factors are: profile characteristics, texture of the surface layer, slope, and other factors (e.g., drainage, salinity).

California has revised the original Storie Index rating to a more simplistic form based on six grade classes utilizing ranges from the original storie index ratings. However, the older system is still considered applicable since it is still factored into the revised ratings and is used in this LESA analysis. The proportion of project area is multiplied by the storie index rating to derive the LCC score for each soil mapping unit. Analyzing the Storie Index scores for each of the soil map units with their proportion of the project area gives a Storie Index total score of 79.6.

## SITE ASSESSMENT

### THE PROJECT SIZE RATING

The Project Size Rating relies upon acreage figures that were tabulated under the Land Capability Classification Rating in the Land Evaluation Worksheet. The Project Size rating is based upon identifying acreage figures for three separate groupings of soil classes within the project site, and then determining which grouping generates the highest Project Size Score.

The inclusion of the measure of a project's size in the California Agricultural LESA Models is a recognition of the role that farm size plays in the viability of commercial agricultural operations. In general, larger farming operations can provide greater flexibility in farm management and marketing decisions. Certain economies of scale for equipment and infrastructure can also be more favorable for larger operations. In addition, larger operations tend to have greater impacts upon the local economy through direct employment, as well as impacts upon support industries (e.g., fertilizers, farm equipment, and shipping) and food processing industries.

While the size of a given farming operation may in many cases serve as a direct indicator of the overall economic viability of the operation, The California Agricultural LESA Model does not specifically consider the issue of economic viability. The variables of economic viability for a specific farm include such factors as the financial management and farming skills of the operator, as well as the debt load and interest rates being paid by an individual operator, which are issues that cannot readily be included in a statewide LESA model.

In terms of agricultural productivity, the size of a farming operation can be considered not just from its total acreage, but the acreage of different quality lands that comprise the operation. Lands with higher quality soils lend themselves to greater management and cropping flexibility and have the potential to provide a greater economic return per unit acre. For a given project, instead of relying upon a single acreage figure in the Project Size rating, the project is divided into three acreage groupings based upon the Land Capability Classification ratings that were previously determined in the Land Evaluation analysis. Under the Project Size rating, relatively fewer acres of high quality soils are required to achieve a maximum Project Size score. Alternatively, a maximum score on lesser quality soils could also be derived, provided there is a sufficiently large acreage present. Acreage figures utilized in scoring are the synthesis of interviews that were conducted statewide for growers of a broad range of crops by the California Department of Conservation. In the interviews, growers were queried as to what acreage they felt would be necessary in order for a given parcel to be considered attractive for them to farm.

The USDA LCC continues to be the most widely available source of information on land quality. Project Size under this definition is readily measurable, and utilizes much of the same information needed to score a given project under the Land Evaluation component of the methodology. This approach also complements the LE determination, which, while addressing soil quality, does not account for the total acreage of soils of given qualities within a project.

This approach allows for an accounting of the significance of high quality agricultural land as well as lesser quality agricultural lands, which by virtue of their large area can be considered significant agricultural resources. In this way, no single acreage figure for a specific class of soils (e.g., soils defined as "prime") is necessary. The project size scoring sheet is presented below.

Project Size Scoring					
LCC Class 1 or 2 Soils		LCC Class 3 Soils		LCC Class 4 or lower	
Acres	Score	Acres	Score	Acres	Score
80 or above	100	160 or above	100	320 or above	100
60 to 79	90	120 to 159	90	240 to 319	80
40 to 59	80	80 to 119	80	160 to 239	60
20 to 39	50	60 to 79	70	100 to 159	40
10 to 19	30	40 to 59	60	40 to 99	20
fewer than 10	0	20 to 39	30	fewer than 40	0
		10 to 19	10		
		fewer than 10	0		

Of the three categories in the scoring table, only the one with the highest score is selected for the project size score. As described previously in the LCC section of the model the subject project area is mostly comprised of LCC 2 soils. Since there are over 2,000 acres in this category the project area receives the highest score for this category. Analyzing the project size based on LCC ratings gives a project size score of 100.

## THE WATER RESOURCES AVAILABILITY RATING

The Water Resources Availability Rating is based upon identifying the various water sources that may supply a given property, and then determining whether different restrictions in supply are likely to take place in years that are characterized as being periods of drought and non-drought. The water resource availability scoring sheet is shown below.

Water Resource Availability Scoring							
Option	Non-Drought Years			Drought Years			Water Resource Score
	Restrictions			Restrictions			
	Irrigated Production Feasible	Physical Restictions ?	Economic Restrictions ?	Irrigated Production Feasible	Physical Restictions ?	Economic Restrictions ?	
1	YES	NO	NO	YES	NO	NO	100
2	YES	NO	NO	YES	NO	YES	95
3	YES	NO	YES	YES	NO	YES	90
4	YES	NO	NO	YES	YES	NO	85
5	YES	NO	NO	YES	YES	YES	80
6	YES	YES	NO	YES	YES	NO	75
7	YES	YES	YES	YES	YES	YES	65
8	YES	NO	NO	NO	-	-	50
9	YES	NO	YES	NO	-	-	45
10	YES	YES	NO	NO	-	-	35
11	YES	YES	YES	NO	-	-	30
12	Irrigated production not feasible, but rainfall adequate for dryland production in both drought and non-drought years						25
13	Irrigated production not feasible, but rainfall adequate for dryland production in non-drought years (but not in drought years)						20
14	Neither irrigated nor dryland production feasible						0

The Water Resource Availability factor in the California Agricultural LESA Model was developed in cooperation with Nichols-Berman, a consulting firm under contract with the Department of Conservation. A thorough discussion of the development of this rating is presented by Nichols-Berman in a report to the Department

entitled, *Statewide LESA Methodologies Report - Project Size and Water Resource Availability Factors*. During the development of this factor it became apparent that certain conditions unique to California would need to be represented in this system.

First, it was decided to classify water reliability based upon the effects on agricultural production (such as being forced to change to lower-value crops, putting in ground water pumps, or cutting back on the acreage farmed) rather than the actual type of limitation (such as a limitation on the quantity, frequency, or duration of water delivery). LESA systems have traditionally focused on the latter. However, it was found that the many types of limitations are too varied in California to adequately represent these in the LESA system. In the Statewide LESA system, these effects are referred to as restrictions.

Second, the factor had to include an interrelation with cost. The historical shortages and unreliability of California water use has led to the establishment of various interconnected and dual systems. Probably more than any other state, reliability is related to cost -- a more reliable water supply can sometimes be obtained, but at a greater cost. Therefore, restrictions were classified into two major categories -- physical and economic. These are separated because, generally, a physical restriction is more severe than an economic restriction and this should be reflected in the LESA system.

Third, the factor had to include the effects of the drought cycle in California. During the drought of 1987 to 1992, many agricultural areas of the state experienced water shortages. The impact of these shortages resulted in a number of different actions. Some areas were able to avoid the worst effects of the drought simply by implementing water conservation measures. Other areas were able to obtain additional water supplies, such as by securing water transfers or simply pumping more ground water, but at an increase in the overall price of water. Other options included shifting crops, replanting to higher value crops to offset the increase in water prices, or leaving land fallow. A project site that experiences restrictions during a drought year should not be scored as high as a similar project site that does not.

The easiest way to make determinations of irrigation feasibility and the potential restrictions of water sources is to investigate the cropping history of the project site. For instance, was the water supply to the project site reduced by the local irrigation district during the last drought? If the site has a ground water supply, do area ground water levels sometimes drop to levels that force markedly higher energy costs to pump the water?

If the history of the project site is unavailable (including when the site has recently installed an irrigation system), then use of the history of the general area should be examined. However, it is important to consider that the project site may have different conditions than the rest of the region. For instance, the project site could have a more senior water right than others in the region. Although certain areas of the state had severe restrictions on water deliveries during the last drought, some parcels within these areas had very secure deliveries due to more senior water rights. If this was the case in the region of the project site, the date of water right compared to parcels that received their total allotment during the last drought should be examined. The local irrigation district should have information on water deliveries.

The scoring of water resource availability for a project site should not just reflect the adequacies of water supply in the past -- it should be a prediction of how the water system will perform in the future. For instance, a local jurisdiction might find that the allocation of flows to stream and river systems has been recently increased for environmental reasons, which will decrease the future available surface water supply. In this case, the past history of the site is not an adequate representation of future water supply and water system performance.

The project area has two potential sources of irrigation water including ground water utilizing wells and district water using meters. Economic feasibility of irrigated crop production is analyzed below as Scenarios 1 and 2.

Typical high value crops typically require 1.5 to 3.5 acre-feet per acre for each cropping cycle. The climate in the project area would allow for approximately 1.5 to 2.5 cropping cycles per year.

### ***Scenario 1 – Ground Water***

There are numerous wells located sporadically over the subject project area. Currently the wells are either sealed or no longer have a power source for pump operation. Wells in proximity to the subject project area typically use electricity as a power source. This equates to a rough cost of \$300 to \$350 per acre-foot of water to lift it out of the ground (pumping costs do not include well maintenance and reserves for repairs). However, the ground water quality is poor and would not be able to support production of high value crops needed to produce enough income to cover water costs. A water study provided from a 2012 well test<sup>3</sup> revealed the ground water to be inadequate for most landscaping plants. In fact, the water's Total Dissolved Solids (TDS) level of 980 mg/L exceeds the maximum level that the EMWD has set for sewer water discharge (800 mg/L). Additionally, capital expenditures would have to be spent to bring the irrigation system back to functional operation. Therefore, this would not a feasible source of irrigation water based upon ground water quality and irrigation costs.

As a test of reasonableness, the subject was given the benefit of the doubt in this ground water scenario by analyzing the water score using the maximum irrigated acreage that was under cultivation (in the 1980s). At the height of irrigated production, there were reportedly a maximum of 250 acres used for irrigated alfalfa production, which represented approximately 10 percent of the project area. Water would only be available in non-drought years and would have both physical and economic restraints giving it an option 11 score of 30 for this area. The balance of the subject would be dryland production only in non-drought years giving it an option 13 score of 20 for the remaining acreage or 90 percent. This results in a total blended water score of 21.0, which in the final LESA analysis becomes a weighted score of 3.1. This is in contrast to analyzing the entire subject as dryland farming in non-drought years, which results in a water score of 20 and becomes 3.0 in the final LESA weighted score. Therefore, the difference between the "as is" (i.e., non-irrigated cultivation) and the "past maximum ground water irrigated acreage" scores discussed above is 0.1 in the final score, which would not change the threshold of significance. It is noted that the "past maximum irrigated acreage" analysis does not accurately follow the LESA instructions and it was not used in our final analysis – this was conducted solely for illustrative purposes.

### ***Scenario 2 – District Water***

District water is provided to Moreno Valley by the Eastern Municipal Water District (EMWD), and there are several meters located within the project area. Prices are on a tiered system that is based on consumption. According to the EMWD, costs for agricultural use for this area would range from \$400 to \$900 per acre-foot (not including service charges and new customer fees). Also, capital expenditures would be incurred to convey the water from the meter to the crop. High value crops typically require sprinkler irrigation and capital and labor costs also prohibit viable income. Another option is the use of recycled water; however, according to the EMWD this water is in high demand mostly for landscaping and would not have lower costs if used for agriculture. Also, the majority of this water that is used for agriculture only irrigates fiber, feed, and seed crops. Moreno Valley is known for being a very expensive water area and costs would limit the potential for income on irrigated production.

As a test of reasonableness, the subject was given the benefit of the doubt for this district water scenario by analyzing the water score using the maximum irrigated acreage that was under cultivation for one growing season (2008). There were reportedly 400 acres used for irrigated watermelon production, which represents approximately 15 percent of the project area and was discontinued after one season due to costs. Water would only be available in non-drought years and would have both physical and economic restraints giving it an option

<sup>3</sup> Babcock Laboratories, Inc., Alessandro Blvd. & Virginia B2B2187-01 (Water), 3/2/2012

11 score of 30 for this area. The balance of the subject would be dryland production only in non-drought years giving it an option 13 score of 20 for the remaining acreage or 85 percent. This results in a total blended water score of 21.5, which in the final LESA analysis becomes a weighted score of 3.2. This is in contrast to analyzing the entire subject as dryland farming only in non-drought years, which results in a water score of 20 and becomes 3.0 in the final LESA weighted score. Therefore, the difference between the "as is" (i.e., non-irrigated cultivation) and the "past maximum district water irrigated acreage" scores discussed above is 0.2 in the final score, which would not change the threshold of significance. It is noted that the "past maximum district water irrigated acreage" analysis does not accurately follow the LESA instructions and was not used in our final analysis – this was conducted solely for illustrative purposes.

### ***Project Area Cropping History***

The project area has reportedly not been in irrigated production since 2008. According to the client, approximately 400 acres were subleased and irrigated for watermelon production for one growing season. This portion utilized EMWD potable water from meters and a temporary mobile irrigation system. The sublessee farmer reportedly barely covered his costs at the end of the season and noted water as the most limiting expense. The temporary mobile irrigation system was removed from the district meter and the property was not irrigated since.

Prior to 2008 the project area was not irrigated since 1988 when irrigation was provided by wells. This is as a result of the current water prices and ground water quality issues. The area surrounding the project area known as the Moreno Highlands was once scattered with orchards in the early 1900s. However, at that time irrigation was provided by canal from the San Bernardino Mountains and was subject to cut-off during dry years by prior right holders. This resulted in the land reverting back to dryland production or left fallow. The same is true with EMWD water, as agriculture is the smallest user and would be first for cut-offs in dry years. Consequently, if irrigated crop production were feasible it would likely be employed on the project area.

According to the instructions for the LESA model, irrigated production is only feasible when there is an existing irrigation system on-site that can serve the project, when physical and economic restrictions are not severe enough to halt production, and when it is possible to achieve a viable economic return.

As stated earlier, the subject does not have an irrigation system in place. As such, there is not an irrigation system on site that can serve the entire project area. Historical data shows that only 200 to 400 acres of the project area were irrigated in the past, which only represents 10 to 15% of the total project area. High local water costs support the conclusion that economic restrictions have already halted irrigated production and it is not possible to achieve a viable economic return on irrigated production. Therefore, irrigated production is not feasible for the subject project area.

The subject does have the capacity for dryland production as shown by its historical use dry farming winter wheat. However, according to City of Moreno Valley documents, annual average precipitation is 9.9 inches. Therefore, dryland production would only be feasible in years of non-drought. Option 13 was selected for the water resource availability, which give the subject project area a score of 20.0.

## **THE SURROUNDING AGRICULTURAL LAND RATING**

Determination of the surrounding agricultural land use rating is based upon the identification of a project's "Zone of Influence" (ZOI), which is defined as that land near a given project, both directly adjoining and within a defined distance away, that is likely to influence, and be influenced by, the agricultural land use of the subject project site. The scoring table is presented below.

### Surrounding Agricultural Land Rating

Percent of Project's Zone of Influence in Agricultural Use	Surrounding Agricultural Land Score
90 to 100%	100 Points
80 to 89	90
75 to 79	80
70 to 74	70
65 to 69	60
60 to 64	50
55 to 59	40
50 to 54	30
45 to 49	20
40 to 44	10
Less than 40	0

The subject project area is surrounded by farmland designated to be Farmland of Local Importance near the north, east and south boundaries. The farmland surrounding the project area was estimated to comprise approximately 1,544.00 acres or 30 percent of the zone of influence. Since surrounding agricultural land is less than 40 percent of the zone of influence gives it a score of 0.

### THE SURROUNDING PROTECTED RESOURCE LAND RATING

The Surrounding Protected Resource Land Rating is essentially an extension of the Surrounding Agricultural Land Rating, and is scored in a similar manner. Protected resource lands are those lands with long-term use restrictions that are compatible with or supportive of agricultural uses of land. Included among them are the following:

- Williamson Act contracted lands
- Publicly owned lands maintained as park, forest, or watershed resources
- Lands with agricultural, wildlife habitat, open space, or other natural resource easements that restrict the conversion of such land to urban or industrial uses.

The scoring table is presented below.

### Surrounding Protected Resource Land Rating

Percent of Project's Zone of Influence Defined as Protected	Surrounding Protected Resource Land Score
90 to 100%	100 Points
80 to 89	90
75 to 79	80
70 to 74	70
65 to 69	60
60 to 64	50
55 to 59	40
50 to 54	30
45 to 49	20
40 to 44	10
Less than 40	0

The subject project area is surrounded by protected resource land near the southerly boundary comprised of open space zoning and Lake Perris State Recreation Area. There is also some state owned land near the northeast corner of the Zone of Influence. These areas were estimated to comprise approximately 1,512.50 acres or 29 percent of the zone of influence. Since surrounding protected resource land is less than 40 percent of the zone of influence gives it a score of 0.

## WEIGHING OF FACTORS AND FINAL LESA SCORING

The California LESA Model is weighted so that 50 percent of the total LESA score of a given project is derived from the Land Evaluation factors, and 50 percent from the Site Assessment factors. Individual factor weights are listed below, with the sum of the factor weights required to equal 100 percent. The percentages are presented below.

<u>Land Evaluation Factors</u>	
Land Capability Classification	25%
Storie Index Rating	25%
<b>Land Evaluation Subtotal</b>	<b>50%</b>
<u>Site Assessment Factors</u>	
Project Size	15%
Water Resource Availability	15%
Surrounding Agricultural Lands	15%
Surrounding Protected Resource Lands	5%
<b>Site Assessment Subtotal</b>	<b>50%</b>
<b>Total LESA Factor Weighting</b>	<b>100%</b>

Each factor is measured separately (each on a 100 point scale) and entered in the appropriate line of the Final LESA Score Sheet. Each factor's score is then multiplied by its respective factor weight, resulting in a weighted factor score. The weighted factor scores are summed, yielding a Total LESA Score (100 points maximum) for a given project. The scoring thresholds are presented below.

### California LESA Model Scoring Thresholds

Total LESA Score	Scoring Decision
0 to 39 Points	Not Considered Significant
40 to 59 Points	Considered Significant <u>only</u> if LE <u>and</u> SA subscores are each <u>greater</u> than or equal to 20 points
60 to 79 Points	Considered Significant <u>unless</u> either LE <u>or</u> SA subscore is <u>less</u> than 20 points
80 to 100 Points	Considered Significant

## CONCLUSION

The subject property has a final LESA score of 58.9, which puts it in the threshold of "Considered Significant only if LE and SA subscores are each greater than or equal to 20 points".

Scoring thresholds are based upon both the total LESA score as well as the component LE and SA subscores. In this manner, the scoring thresholds are dependent upon the attainment of a minimum score for the LE and SA subscores so that a single threshold is not the result of heavily skewed subscores (i.e., a site with a very high LE score, but a very low SA score, or vice versa).

The subject project does not have Site Assessment score greater than or equal to 20 points. This is due mostly to limited surrounding uses in agriculture or protected resources as well as the infeasibility of irrigated production. Therefore, the final decision of the project impact is "Not Considered Significant."

<b>LESA Conclusions &amp; Scoring Decision</b>		
<b>Model Premise</b>	<b>Date Of Model</b>	<b>Score</b>
Land Evaluation		40.9
Site Assessment		18.0
<b>Final LESA Score</b>	<b>12/11/2013</b>	<b>58.9</b>
<b>Scoring Threshold</b>		
Considered Significant only if LE and SA subscores are each greater than or equal to 20 points		
<b>Final Decision</b>		
<b><i>Not Considered Significant</i></b>		
<i>Compiled by Cushman &amp; Wakefield Western, Inc.</i>		

## ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Consultant(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate consultant. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Consultant assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Consultant nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Consultant shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Consultation Report.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Consultant or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Consultant's best opinions of current market thinking on future income and expenses. The Consultant and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Consultant's task to predict or in any way warrant the conditions of a future real estate market; the Consultant can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Consultants are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against C&W or its affiliates or their respective officers or employees or the Consultants in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Consultant have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this Report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, C&W strongly recommends that the Intended Users obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, C&W makes no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The consultants are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

## CERTIFICATION OF REAL PROPERTY CONSULTATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined final LESA score that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this real property consultation assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- D. Matt Marschall, MAI, ARA, FRICS, Curtis A. Buono, and Mark T. Miller did not make a personal inspection of the property that is the subject of this report. However, the consultants are familiar with the project area and local market.
- We have not performed prior services involving the project area within the three-year period immediately preceding the acceptance of the assignment.
- This real property consultation assignment relied upon water quality test results by Babcock Laboratories, Inc. dated March 2012. The consultants also relied upon a ground water resources study John F. Mann, Jr. dated August 1991 as well as verbal information regarding historical uses.
- As of the date of this report, D. Matt Marschall, MAI, ARA, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Curtis A. Buono, and Mark T. Miller completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



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## ADDENDA CONTENTS

ADDENDUM A: LESA WORK SHEETS  
ADDENDUM B: SOILS ANALYSIS  
ADDENDUM C: PROJECT AREA MAPS

# ADDENDUM A: LESA WORK SHEETS

## LAND EVALUATION:

Land Evaluation Worksheet								
LCC and Storie Index Scores								
Soil Map Unit	Project Acres	Proportion of Project Area	LCC	LCC Rating	LCC Score	Storie Index	Storie Index Score	
AkC	5.29	0.002	2e	90	0.2	77	0.2	
BaG	13.28	0.005	8	0	0.0	5	0.0	
GhC	7.89	0.003	3s	60	0.2	57	0.2	
GyC2	0.30	0.000	2e	90	0.0	81	0.0	
GyD2	4.99	0.002	3e	70	0.1	73	0.1	
HcC	1.80	0.001	2e	90	0.1	86	0.1	
HcD2	6.39	0.002	3e	70	0.2	65	0.2	
MdC	177.75	0.068	3s	60	4.1	58	4.0	
MeD	3.00	0.001	7	10	0.0	29	0.0	
MfA	2.20	0.001	3s	60	0.1	77	0.1	
MID	108.55	0.042	3s	60	2.5	42	1.7	
RdD2	4.29	0.002	4e	50	0.1	54	0.1	
RtF	69.30	0.027	8	0	0.0	0	0.0	
SeA	32.36	0.012	1	100	1.2	86	1.1	
SeC2	904.55	0.347	2e	90	31.2	86	29.8	
SeD2	3.40	0.001	3e	70	0.1	77	0.1	
SgA	134.02	0.051	1	100	5.1	95	4.9	
SgC	1,122.25	0.430	2e	90	38.7	86	37.0	
SmE2	8.39	0.003	4e	50	0.2	41	0.1	
<b>Totals</b>	<b>2,610.00</b>	<b>1.000</b>	<b>LCC Total Score</b>		<b>84.0</b>	<b>Storie Index Total Score</b>		<b>79.6</b>

Compiled by Cushman & Wakefield Western, Inc.

**SITE ASSESSMENT:**

<b>Site Assessment Worksheet 1</b>			
<b>Project Size Score</b>			
<b>Soil Map Unit</b>	<b>LCC Class 1 - 2</b>	<b>LCC Class 3</b>	<b>LCC Class 4 - 8</b>
AkC	5.29	-	-
BaG	-	-	13.28
GhC	-	7.89	-
GyC2	0.30	-	-
GyD2	-	4.99	-
HcC	1.80	-	-
HcD2	-	6.39	-
MdC	-	177.75	-
MeD	-	-	3.00
MfA	-	2.20	-
MID	-	108.55	-
RdD2	-	-	4.29
RtF	-	-	69.30
SeA	32.36	-	-
SeC2	904.55	-	-
SeD2	-	3.40	-
SgA	134.02	-	-
SgC	1,122.25	-	-
SmE2	-	-	8.39
<b>Total Acres</b>	2,200.56	311.17	98.26
<b>Project Size Scores</b>	100.0	100.0	20.0
<b>Highest Project Score</b>		<b>100.0</b>	

*Compiled by Cushman & Wakefield Western, Inc.*

<b>Site Assessment Worksheet 2</b>				
<b>Water Resources Availability</b>				
<b>Project Portion</b>	<b>Water Source</b>	<b>Proportion of Project Area</b>	<b>Water Availability Score</b>	<b>Weighted Availability Score</b>
1	Not Irrigated	1.00	20	20.0
2				
3				
4				
5				
6				
		1.00	<b>Total Score</b>	20.0

*Compiled by Cushman & Wakefield Western, Inc.*

**SITE ASSESSMENT CONTINUED:**

**Site Assessment Worksheet 3**

Zone of Influence					Surrounding Agricultural Land Score	Surrounding Protected Land Score
Total Acres	Acres in Agriculture	Acres of Protected Resource Land	Percent in Agriculture	Percent Protected Resource Land		
5,232.8	1,544.0	1,512.5	30%	29%	0.0	0.0

*Compiled by Cushman & Wakefield Western, Inc.*

**FINAL LESA SCORE:**

**Final LESA Score Sheet**

LE Factors	Factor Score	Factor Weight	Weighted Factor Scores
Land Capability Classification	84.0	0.25	21.0
Storie Index Rating	79.6	0.25	19.9
<b>LE Subtotal</b>		<b>0.5</b>	<b>40.9</b>
SA Factors			
Project Size	100.0	0.15	15.0
Water Resource Availability	20.0	0.15	3.0
Surrounding Agricultural Lands	0.0	0.15	0.0
Surrounding Protected Resource Lands	0.0	0.05	0.0
<b>SA Subtotal</b>		<b>0.5</b>	<b>18.0</b>
<b>Final LESA Score</b>			<b>58.9</b>

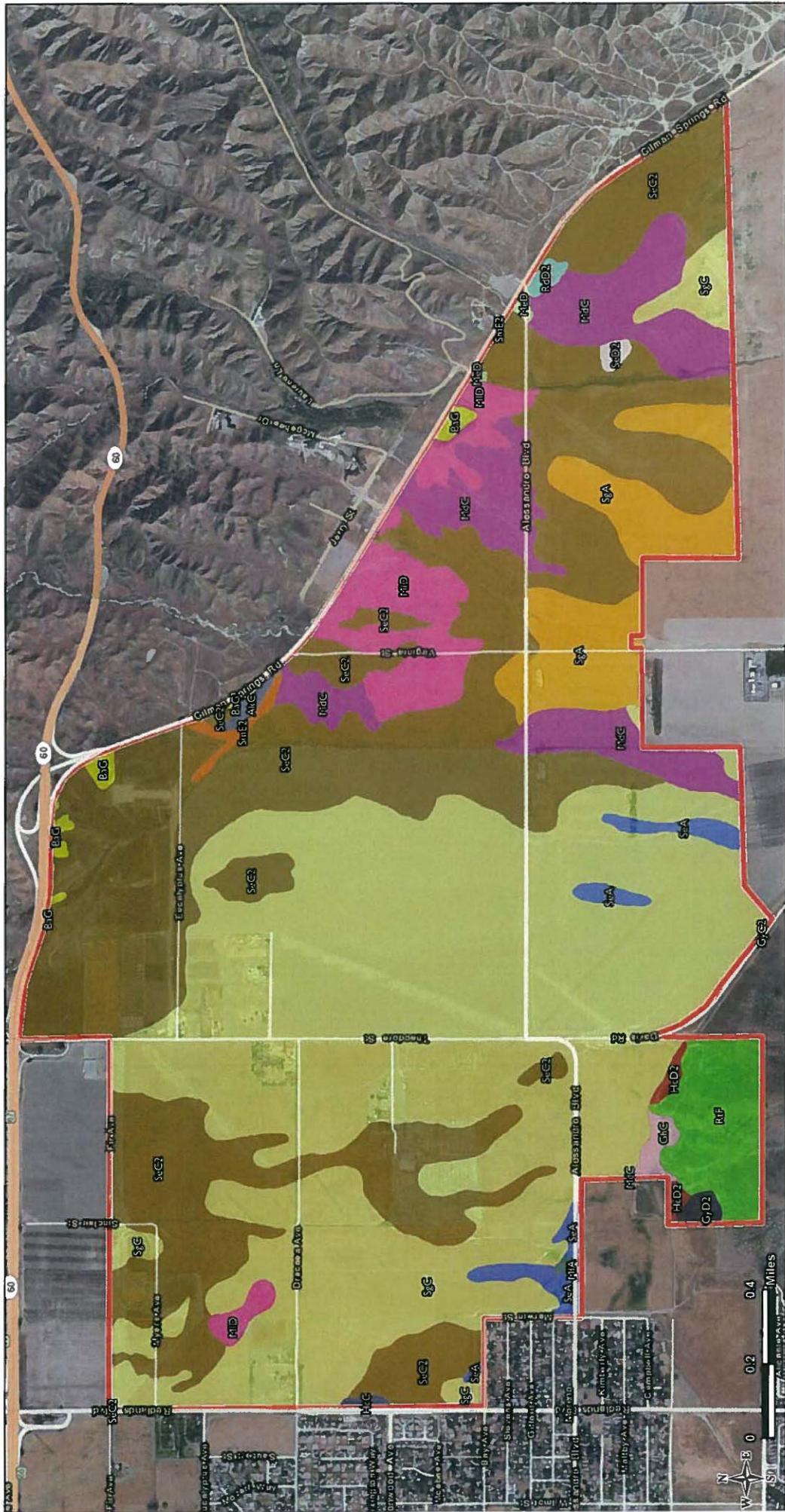
*Compiled by Cushman & Wakefield Western, Inc.*

## ADDENDUM B: SOILS ANALYSIS

Project Area Soils					
Soil Map Unit	Map Unit Name	LCC	Storie Index	Acres in Project Area	Proportion of Project Area
AkC	Arbuckle loam, 2 to 8 percent slopes	2e	77	5.3	0.002
BaG	Badland	8	5	13.3	0.005
GhC	Gorgonio loamy sand, 0 to 8 percent slopes	3s	57	7.9	0.003
GyC2	Greenfield sandy loam, 2 to 8 percent slopes, eroded	2e	81	0.3	0.000
GyD2	Greenfield sandy loam, 8 to 15 percent slopes, eroded	3e	73	5.0	0.002
HcC	Hanford coarse sandy loam, 2 to 8 percent slopes	2e	86	1.8	0.001
HcD2	Hanford coarse sandy loam, 8 to 15 percent slopes, eroded	3e	65	6.4	0.002
MdC	Metz loamy sand, 2 to 8 percent slopes	3s	58	177.8	0.068
MeD	Metz loamy sand, channeled, 0 to 15 percent slopes	7	29	3.0	0.001
MfA	Metz loamy fine sand, 0 to 2 percent slopes	3s	77	2.2	0.001
MID	Metz gravelly sandy loam, 2 to 15 percent slopes	3s	42	108.6	0.042
RdD2	Ramona sandy loam, moderately deep, 8 to 15 percent slopes, eroded	4e	54	4.3	0.002
RtF	Rockland	8	0	69.3	0.027
SeA	San Emigdio fine sandy loam, 0 to 2 percent slopes	1	86	32.4	0.012
SeC2	San Emigdio fine sandy loam, 2 to 8 percent slopes, eroded	2e	86	904.6	0.347
SeD2	San Emigdio fine sandy loam, 8 to 15 percent slopes, eroded	3e	77	3.4	0.001
SgA	San Emigdio loam, 0 to 2 percent slopes	1	95	134.0	0.051
SgC	San Emigdio loam, 2 to 8 percent slopes	2e	86	1,122.3	0.430
SmE2	San Timoteo loam, 8 to 25 percent slopes, eroded	4e	41	8.4	0.003
Totals for Project Area (Based on GIS Estimate)				2,610.0	1.000

Compiled by Cushman & Wakefield Western, Inc.

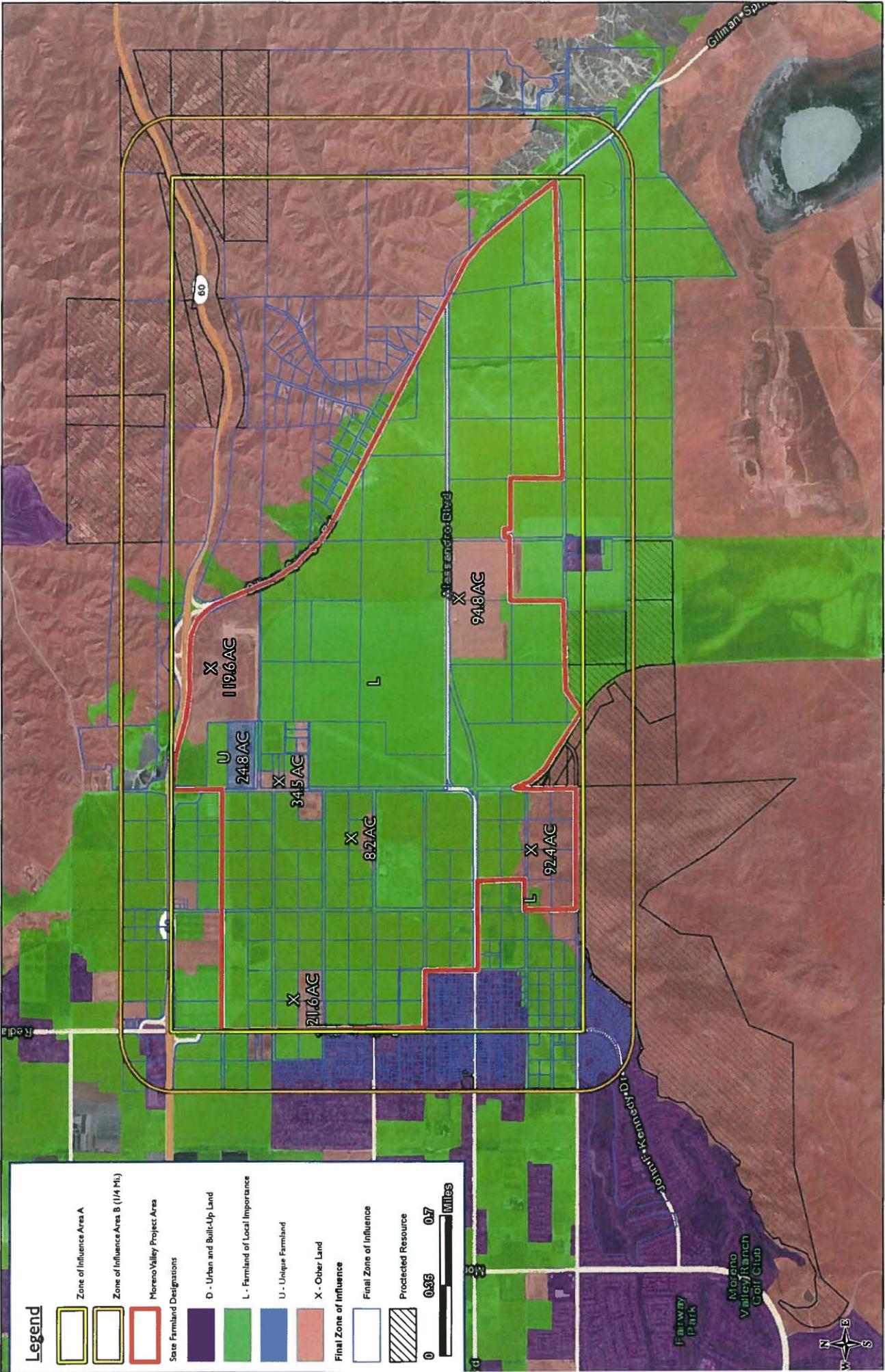
**ADDENDUM C:  
PROJECT AREA MAPS**



**Legend**

- |   |  |   |   |   |  |
|---|--|---|---|---|--|
|  | AMCA Buckle loam, 2 to 8% slopes - 5.3 AC                        |  | MIA Metz loamy fine sand, 0 to 2% slopes - 2.2 AC                         |  | SE2 San Emigdio fine sandy loam, 2 to 8% slopes, eroded - 905.8 AC |
|  | BaG Badland - 13.3 AC  |  | MID Metz gravelly sandy loam, 2 to 15% slopes - 108.7 AC                  |  | SE3 San Emigdio fine sandy loam, 8 to 15% slopes - 3.4 AC          |
|  | GhC Gorgonio loamy sand, 0 to 8% slopes - 7.9 AC                 |  | RdD2 Ramona sandy loam, moderately deep, 8 to 15% slopes, eroded - 4.3 AC |  | SgA San Emigdio loam, 0 to 2% slopes - 134.2 AC                    |
|  | GyC1 Greenfield sandy loam, 2 to 8% slopes, eroded - 3 AC        |  | RfF Rockland - 69.4 AC  |  | SgC San Emigdio loam, 2 to 8% slopes - 1,123.8 AC                  |
|  | GyD2 Greenfield sandy loam, 8 to 15% slopes, eroded - 5 AC       |   | S6A San Emigdio fine sandy loam, 0 to 2% slopes - 32.4 AC                 |  | SE2 San Timoteo loam, 8 to 25% slopes, eroded - 8.4 AC             |
|  | HcC Hanford course sandy loam, 1 to 8% slopes - 1.8 AC           |    |   |   |  |
|  | HcD2 Hanford course sandy loam, 8 to 15% slopes, eroded - 6.4 AC |    |   |   |  |
|  | MiC Metz loamy sand, 2 to 8% slopes - 178 AC                     |    |   |   |  |
|  | MhD Metz sandy loam, channelled, 0 to 15% slopes - 3 AC          |   |   |   |  |

DATA IS FROM SOURCES DEEMED RELIABLE BUT MAY BE SUBJECT TO ERRORS, OMISSIONS, OR MODIFICATIONS. THE INFORMATION HEREIN IS PROVIDED WITHOUT REPRESENTATION OR WARRANTY.



**Legend**

- Zone of Influence Area A
- Zone of Influence Area B (1/4 Mi.)
- Moreno Valley Project Area
- State Farmland Designations
- D - Urban and Built-Up Land
- L - Farmland of Local Importance
- U - Unique Farmland
- X - Other Land
- Final Zone of Influence
- Protected Resource

0 0.35 0.7 Miles

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