

**Proposal for Modifications to an Authorized
Water Resources Development Project
Pursuant to the Water Resources Reform
and Development Act of 2014**

Submitted to:
U.S. Army Corps of Engineers
441 G Street NW.
Washington, DC 20314-1000

Submitted By:
City of South El Monte
1415 Santa Anita Ave.
So El Monte, CA 91733



November 30, 2014



November 30, 2014

U.S. Army Corps of Engineers
441 G Street NW.
Washington, DC 20314-1000
Attention: Lisa Kiefel, Civil Engineer
Corps of Engineers Civil Work (CECW)



Dear Ms. Kiefel,

The City of South El Monte, California, is submitting this proposal pursuant to section 7001 of the Water Resources Reform and Development Act of 2014 (Public Law 113-121). This proposal constitutes a Proposed Modifications to an Authorized Water Resources Development Projects for inclusion in the U.S. Army Corps of Engineers (USACE) Annual Report.

The City has prepared this proposal in accordance with WRRDA proposal guidelines as published in the August 5, 2014 Federal Register. If there are any questions please feel free to contact the City representative, Anthony Ybarra, City Manager.

Thank you for this opportunity to present our case for modification of the Whittier Narrows Flood Control Basin project, located in the City of South El Monte, California.

Sincerely,

Luis Aguiñaga
Mayor

City of South El Monte
1415 Santa Anita Ave.
So El Monte, CA 91733
Attention: Anthony R. Ybarra, City Manager
TYbarra@soelmonte.org
626 579-6540

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Executive Summary

The City of South El Monte (City), California, is submitting a proposal for modifications to an authorized water resources development projects pursuant to section 7001 the Water Resources Reform and Development Act of 2014 (Public Law 113-121). The City requests that the US Congress modify the **Whittier Narrows Dam Flood Control Project by terminating and removing the existing Federal government’s flood control easement** and releasing any real property interest and associated development authority over the subject Site. Consistent with WRRDA reform measures of Section 6002, this easement asset does not align with Corps mission, does not consider the negative economic impacts on the community, and is not being maximized consistent with nongovernmental industry standards for this commercial property.

The City has suffered devastating effects and declining revenues of the recent national recession from which the city has not recovered. Drastic actions have been taken, reserve funds depleted - a 25% decline in sales tax revenue – staff was reduced and the City still suffers a 10% unemployment rate. It is therefore critical for the City to pursue economic development and recoup the loss of jobs and sales tax (40% of total revenues) by pursuing development of its retail base.

The City has planned the commercial development of its only vacant 21-acre privately-owned site via its General Plan for at least 14 years (Site). The Site is located partially within a 100-year flood zone inside the federally owned 1,500-acre Whittier Narrows Dam Flood Control Project basin representing only 1% of the total area. In 1955 the federal government acquired by condemnation a flood control easement which is administered by the US Army Corps of Engineers (USACE). The easement grants the right to flood the Site and approve any development. The City has been in discussions with the USACE Los Angeles District office regarding development approval of the Site since 2009. The proposed development concept was informally accepted at the District Office staff level, and the City was told that there were “no fatal flaws.” However, the South Pacific Division office in San Francisco subsequently denied approval to move forward without any formal reason. From the City’s perspective, the Corps has been unreasonably bureaucratic, erratic, and less than

transparent during this process. The primary purpose and benefits are as follows:

- The proposed development will meet the requirements for floodplain development
- The development is consistent with City, regional, and State land use/transportation/sustainability goals
- The USACE allows other commercial and public uses in the basin – including 2 million visitors to the Whittier Narrows Recreation Area each year – and there are many homes and businesses within walking distance of the Site
- The easement was acquired because it was needed in connection with the Whittier Narrows Dam, but the Site is located 10,200 feet upstream from the Dam, which calls into question whether the Site is needed in connection with flood control operations
- If needed, there are other flood retention substitute sites within the same basin
- The Project will include better and formal flood emergency plans by private owners than existing informal and unmanned conditions
- The Site is located adjacent to a planned transit station – and would be integrated with TOD
- A closer in regional retail shopping center would reduce trips, VMT's and related negative emissions
- The federal government would forgo \$189 to \$377 million in various federal taxes over 20 year period
- The project would produce 789 direct and direct construction jobs and \$51 million in wages
- The project will produce 1,955 permanent jobs if fully developed
- The Project will produce \$38 million in annual local, state, and federal tax revenue
- There is no viable alternative and the project is supported by the community and others
- Refusal of development approval is an issue of Environmental Justice and fairness since the City is 98% minority and 19% of households are at the poverty level.

1.0 Name of Sponsor

Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non-Federal share of the proposed feasibility study or modification.

The non-Federal sponsor is the City of South El Monte, California (an incorporated municipality) located at 1415 Santa Anita Avenue, South El Monte, California 91733. The Sponsor representative is Mr. Anthony R. Ybarra, City Manager - TYbarra@soelmonte.org 626 579-6540.

2.0 Authorized Project to be Modified

State if this proposal is for a modification to an authorized USACE project and if a modification, specify the authorized project.

This is a proposal for a modification to an authorized USACE project, specifically the Whittier Narrows Dam Flood Control Project.

2.1 Project Modification

The City of South El Monte (City) has endeavored to strengthen its economic base and enhance its tax base in order to maintain its ability to provide basic services to its residents. The City has planned and programmed the commercial development of a 21.17-acre vacant privately-owned site via its General Plan for at least 14 years. The subject Site herein is referred to as the (Santa Anita Development Site or Development Site) is located in the City of South El Monte, California.

The Site is located within the 1,500-acre Whittier Narrows Dam Flood Control Project (WNDFCP) basin. The Project is a flood control and water conservation project and dam structure owned by the federal government and operated by the USACE, Los Angeles District (see Exhibit-1). The relationship between the WNDFCP and the subject commercial Development Site is a **flood**

control easement owned by the federal government and administered by USACE. *The subject Site area represents only 1% of the 1,500 acre flood control basin.* The Development Site is partially located in a 50-year flood zone and 100-year flood zone. The easement grants the United States Army Corps of Engineers (USACE or Corps) the right to inundate and flood the Development Site in the event of a major flood event and approval authority over any development. The City has been in discussions with the Los Angeles District Office of the USACE with regard to gaining development approval of the Site for many years - and has gained informal acceptance at the staff level that the project can be safely developed. However, the San Francisco USACE Division offices has denied approval to move forward.

This Proposal specifically requests that the US Congress modify the **Whittier Narrows Dam Flood Control Project** located in the City of South El Monte, California, by terminating and removing the existing Federal government's flood control easement over the subject Development Site (see Attachment A - Easement Document) and releasing all real property interest and any associated rights, authorities, and controls with regard to construction and development of the subject Development Site.

In addition, the following associated requests are also made:

- Require USACE to grant permission for the City to extend a new west frontage paved entry drive over its perimeter property along the Development Site. This access must be of sufficient size to provide vehicular, bikeway and pedestrian access (in and out) to the subject Site to serve both the commercial project and if developed, the proposed adjacent Metro Gold Line transit station as well. This access will in no way interfere with operation of the WNDFCP. There will also be no cost to USACE with regard to this roadway improvement.
- The City Sponsor understands that if the easement is terminated, the federal government and the USACE would no longer have any real property interest in the subject Site and so the Project will not be required to obtain a 33 USC (Section 408) permit. The City therefore requests exemption from obtaining such a permit– if this is not the case.

2.2 Description of the Subject Site

The subject Site over which the USACE maintains the subject flowage easement is a vacant 21.17-acre privately owned property (LA County parcel #8119-005-908) located on Santa Anita Ave. in the City of South El Monte, California (see Exhibit -1). The Site represents about 1% of the total 1,500 acre flood control basin area. The map also shows that the federal government owns a sliver of land along Santa Anita Ave. on the north side of the subject Site. For this reason, this modification is also requesting that the USACE grant permission to extend a new west frontage paved entry drive over said sliver of land. The roadway improvement cost would be borne by private developers. This access must be of sufficient size to provide vehicular, bikeway and pedestrian access (in and out) to the subject Site to serve both the Development Site and a proposed adjacent Metro Gold Line transit station as well (if developed). At present there are many such roadways within the 1,500 acre basin area.

Exhibit (1) Santa Anita Ave. Development Site (in red outline) –LA County Parcel #8119-005-908



Preliminary Study: Concept Retail MXD Center Site

City of South El Monte • Madrid Consulting Group LLC • Metcalfe Associates

2.3 Legislative District

The Site is also located with the 38th congressional District currently occupied by Representative Linda Sanchez.

Exhibit (2) USACE Easement Area over the 21.17- Acre Santa Anita Development Site (Yellow-Lined Area)





Exhibit (3) Whittier Narrows Dam Area – Regional Location

This map shows the regional and local location of the USACE Whittier Narrows Basin Project area shown in black line.

2.4 Context and Surrounds of Subject Site

2.4.1 Site Context

The Santa Anita Development Site is situated along State Route (SR) 60 Freeway in a highly developed urban area with extensive adjacent recreational, residential, educational, and commercial uses. The Site is located within the San Gabriel Valley with a 2008 population of 1.8 million which is projected to grow by 15%, to 2.1 million, by 2035. For this reason alone, local governments within the San Gabriel Valley must keep up with growth by encouraging economic development and generating new tax revenue to maintain pace with this growing population.

2.4.2 Proposed Light Rail Transit Station

The Site is also situated *adjacent to the proposed* Los Angeles Metro Gold Line SR 60 Eastside Santa Anita transit station. The proposed SR 60 transit line is one of two Alternative routes presently undergoing environmental review (DEIS). The proposed Santa Anita transit station site is also located within the 100-year flood zone. The environmental impacts reports and extensive engineering analysis and consultation with the USACE concluded that the transit station and parking can be safely developed within this floodplain. The station would attract almost 800,000 riders per year adjacent to the subject commercial Site. The DEIS concluded that there were no impacts that could not be mitigated for this transit station site. The station would be elevated above the 100-year flood level as would the proposed commercial development. *Therefore, the same environmental impact conclusions would be reached for development of the proposed commercial project.*

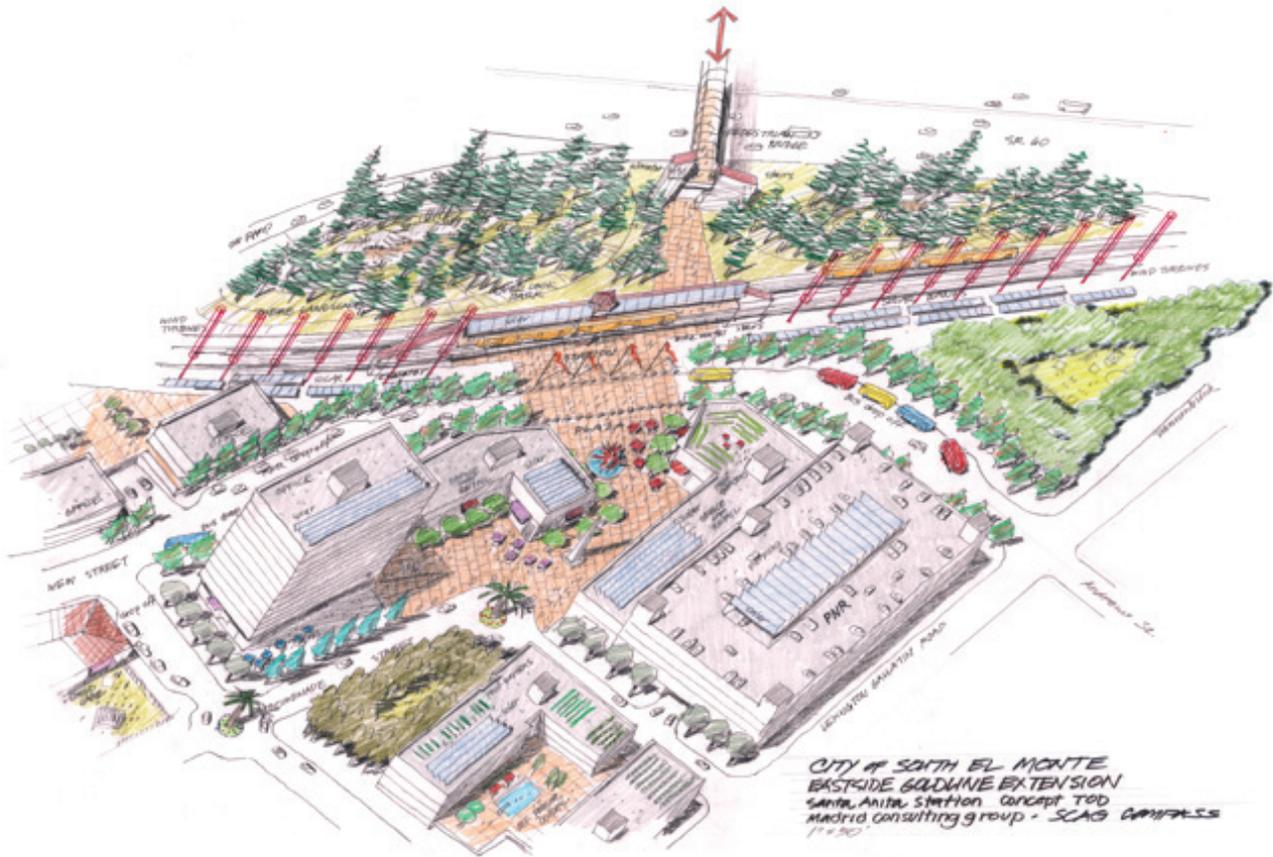


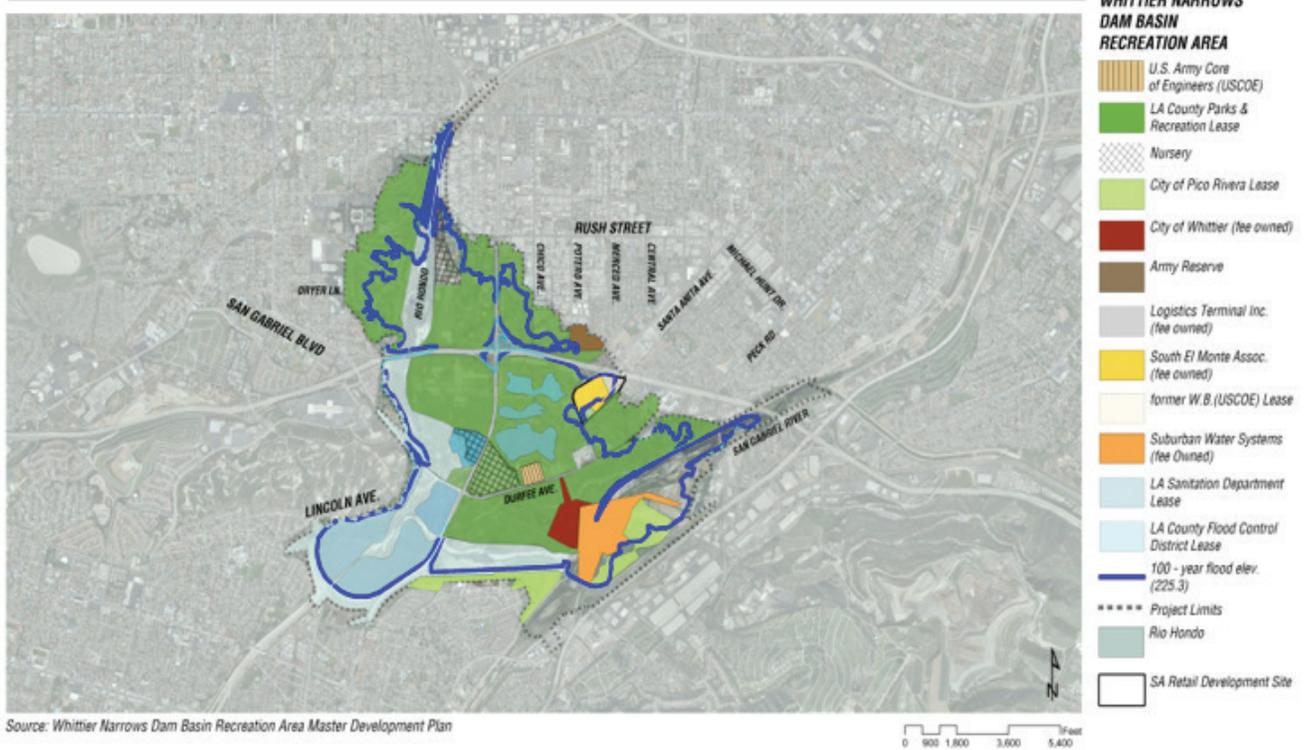
Exhibit (4) Rendering of the Proposed Metro Gold Line Santa Anita Transit Station.

2.4.3 Existing Uses within Same Flood Plain Basin

The subject Site is located within the 1,500 acre Whittier Narrows flood control basin where various uses are permitted by the USACE. For example, within the flood basin, the USACE allows Los Angeles (LA) County to operate extensive recreational uses that attract over 2 million visitors annually. In addition, the USACE also allows the LA County Sheriff's Department to operate a training center and fueling station with underground storage tanks adjacent to the subject Site. The Corps also allows dozens of operating oil wells within the Whittier dam's

inundation area. The Los Angeles District Corps also operates their Baseyard office facility closer and at a lower elevation relative to the dam than the subject commercial development Site as well as a allowing a private trucking facility to operate. These existing uses therefore reinforce the City’s contention that permission should be granted to allow the subject Site to be developed. Exhibit (4) shows the various ownerships and leaseholds within the same flood basin that the subject Site is located.

OWNERSHIP & OUTGRANTS



Source: Whittier Narrows Dam Basin Recreation Area Master Development Plan

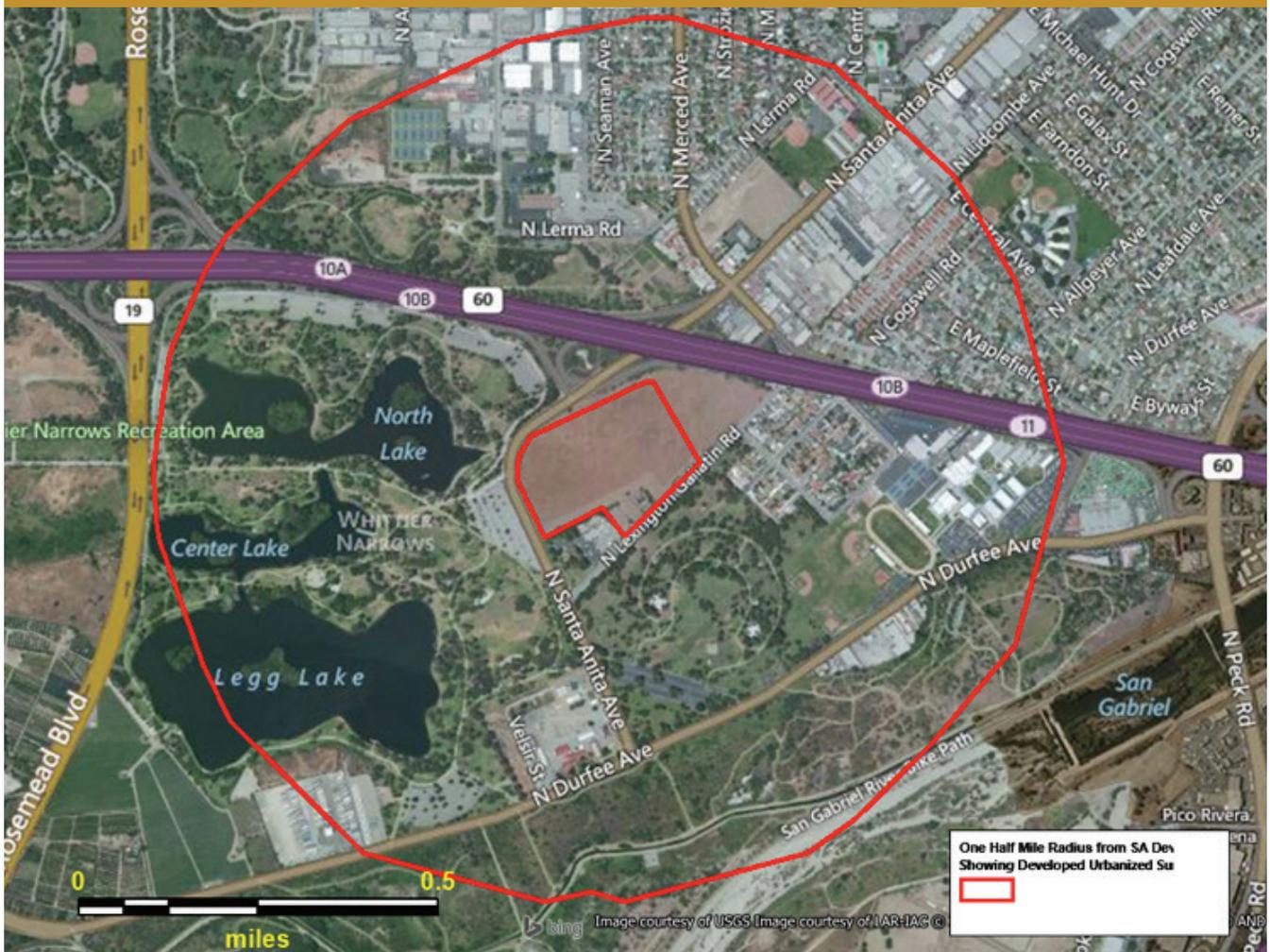
City of South El Monte . Madrid Consulting Group, LLC . Metcalfe Associates 03/28/12

Exhibit (4) Whittier Narrows Dam Basin Recreation Area – Ownership
 This map shows the subject Site (yellow color) as owned by EL Monte Associates at the time of map preparation.

2.4.4 Uses within Half-Mile Walking Distance of the Development Site

Within walking distance (half mile) surrounding the Development Site, there are various activity centers including recreational and park facilities, schools, museums, and shopping districts. The subject Site would anchor the southern end of the commercial corridor along Santa Anita Avenue and its civic core. Moreover, a Metro Gold Line transit station has been proposed adjacent to the subject Site. If the proposed transit station is developed, it will bring at least 730,000 persons per year within the same flood basin. In addition, there is a population of 1,569 or 364 households within walking distance from the Development Site, based on 2014 demographic data. Six percent of these households are at the poverty level and could benefit from the projected new jobs within walking distance. In addition there are 73 businesses within this same area employing 1,054 persons. Also twenty percent (20%) of the total daytime population within this area are students. *The above surrounding populations therefore clearly demonstrate that development of the subject Santa Anita Site is consistent with existing uses and can be safely incorporated into the community.*

Exhibit (5) Half-Mile Radius from Santa Anita Development Site



2.5 History of Whittier Narrows Dam Flood Control Project

The subject Site is located within the Whittier Narrows Dam Basin. The Dam was authorized pursuant to two acts of Congress - the Flood Control Act of 1936 (Public Law 74-738) and the Flood Control Act of August 18, 1941 (PL 77-228). The Basin Dam Project is owned by the Federal government and operated by the USACE. The Project includes a dam and the lands that support the construction, operations, and maintenance of the dam. The property was purchased in 1940 for the Dam Project. Construction of the Whittier Narrows Dam Basin project, including the spillway and outlet works, was completed in 1957 and soon added recreational uses (Whittier Narrows Dam Basin Recreation Area). The Dam is typically dry and no storm has ever come close to filling the 54-foot-high dam since it was completed in 1957.

2.6 Santa Anita Site Flood Easement Purchase

In connection with the Whittier Narrows Dam Basin flood control project, the Federal government purchased a perpetual flowage easement over the subject 21.17-acre Santa Anita Ave. Development site in the amount of \$38,600 *by means of condemnation* in 1955. At the time of purchase, the Site was identified as Tract no. Q-1409 (see Attachment 1). The essential rights conveyed by this flowage easement grant the USACE the authority to overflow, flood, and submerge the subject Santa Anita Ave. Development Site in conjunction with construction, operation, and maintenance of the Whittier Narrows Dam Flood Control Basin Project. The easement also grants the Corps the right to prohibit human habitation and to approve any development within the easement area.

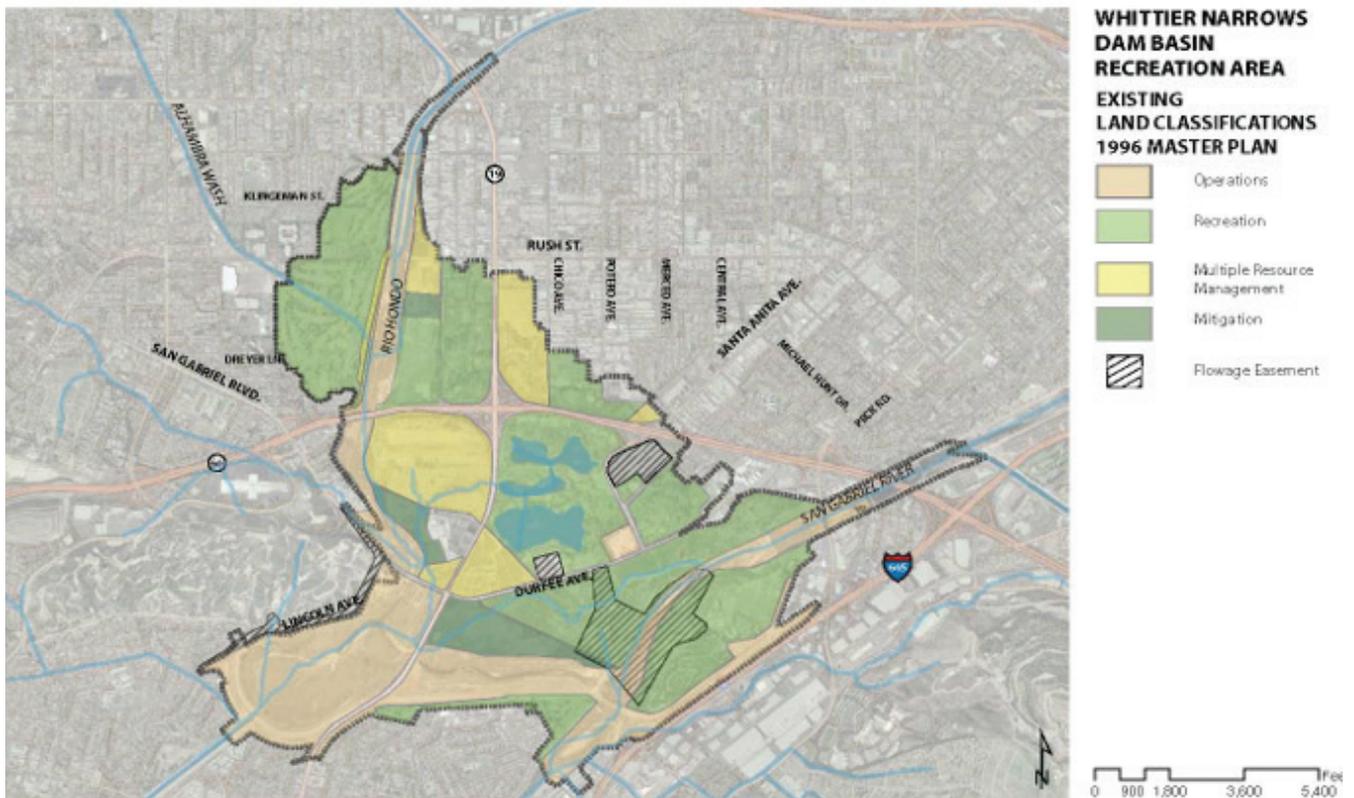
The top of the Whittier Narrows Dam is at an elevation of 239 feet above sea level, and the subject commercial Development Site is an elevation which ranges from approximately 222 to 228 feet above sea level. *If developed, the Site and the finished building floor elevations would be raised to 228.5 feet above sea level which is the maximum Flood Control Pool Elevation. This elevation is also approximately 3.2 feet above the 100-year flood elevation of 225.3.* In addition, no residential uses are to be developed within the Site. The Development

Site is partially located in a 50-year flood zone (area with elevation of 205.9 to 220.3) and partially within the 100-year flood zone (elevation 220.3 to 227.3 feet above sea level). A 100-year base flood is defined as having a one percent chance of being reached or exceeded in any single year – meaning an area could flood 10 times during a 1,000 year period at random times (not necessarily every 100 years).

2.7 Flood Easement Areas within the Basin

The map below shows the USACE flowage easement areas over properties that it does not own (including the subject Site).

Exhibit (6) Existing Land Uses 1996 Whittier Narrows Recreation Area Master Plan.



2.8 Proposed Development and Flood Issues

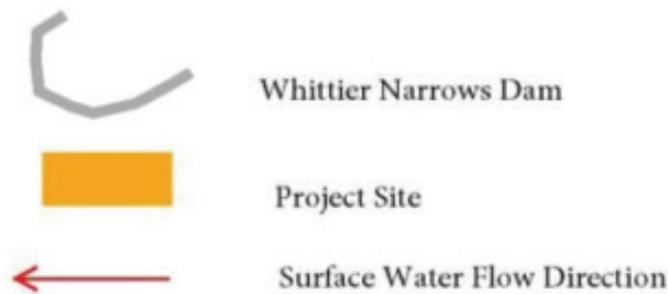
The aerial map below shows the Whittier Narrows Dam in grey color in relation to the development Site in gold color. Since the development Site is located 10,200 feet upstream from the dam, it should not be affected in the event that the existing Whittier Narrows Dam should fail, overflow, or require a rapid water discharge – since this water would travel mostly southward away from the Project Site. The easement states that the property was acquired by condemnation because it was needed in connection with operation of the Whittier Dam - however being located so far upstream from the dam, we cannot see how the easement is really serving any flood control benefit.

Development within a floodplain requires that no human habitation is permitted within the Basin, and existing structures and improvements are either floodable, flood-proofed, or above the base flood (100-year) water surface elevation. **The proposed commercial development must and will meet these requirements.** The proposed commercial development is programmed at elevation 228.5 msl and will not interfere with the management or operation of the Whittier Narrows Dam Project. *Moreover, the proposed development is elevated 3 feet higher than the 100-year flood level of 225 msl.*

This contention by the City that this project can be safely developed is augmented by the fact that the Corps provided guidelines as to site design criteria that if met, could permit such private development – which the City can meet.

In addition, the proposed Development contains design elements which reduce the amount of water that would flow onto the Santa Anita Avenue public street as compared with the present unimproved site conditions.

Exhibit (7) Aerial Map Showing Surface Water Flow Direction.



2.9 Meeting Development Requirements within Flood Plains

Throughout the nation, property has been safely developed within floodplains, essentially by elevating and flood proofing these building improvements. As indicated, the LA Metro DEIS defined the requirements needed for development of the transit station and parking within the same floodplain. The proposed commercial development will meet these same standards as well as those summarized below. In addition, the proposed development will

be situated more than 3 feet above the 100-year flood level. Moreover, the City received a list of the most critical flood zone development requirements from the USACE and submitted preliminary designs that met such requirements.

- *International Existing Building Code (IEBC)*

This is the building code that FEMA follows when reviewing projects. Also even if a project meets minimum flood-resistant design and construction, the IEBC forbids developing or disturbing land in floodways unless it has been clearly shown through accepted engineering practices that the new land development will not cause an increase in the level of the base flood elevation. This method also requires the property to maintain flood insurance.

- *Letter of Map Revision Based on Fill*

This solution depends on FEMA agreeing to amend their maps based on the finish floor elevation of the buildings. This requires a FEMA Elevation certification upon the completion of the project. This method eliminates the need for flood insurance.

- *Clean Water Act (CWA) Section 402*

Through delegated jurisdiction under the federal CWA, the California State Water Resources Control Board (SWRCB) regulates point source discharges to Waters of the U.S. under the National Pollution Discharge Elimination System. Regulated discharges also include diffuse sources of discharge caused by general construction activities covering an area greater than one acre, and storm water discharges in municipal separate storm sewer systems (MS4s) in which runoff is carried through a developed conveyance system to specific discharge locations. The SWRCB issues a construction general permit for protection of water quality from storm water discharges during construction activities which includes a certification upon completion that the finished system will not cause problem for the MS4 systems.

- *Los Angeles County Department of Public Works*
While the project may be within the City of South El Monte, it is surrounded by unincorporated Los Angeles County. The County's Department of Public Works (LACDPW) has jurisdiction over some of the drainage network through the Whittier Narrows area. Coordination with the LACDPW, and an encroachment and/or construction permit therefrom, may be required for construction.
- *National Environmental Protection Act (NEPA)*
NEPA requires federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions. Actions by private developers in California not seeking Federal funds are subject to CEQA (see below) and not NEPA.
- *California Environmental Quality Act (CEQA)*
The CEQA statute codifies a statewide policy of environmental protection. According to CEQA, all state and local agencies must give major consideration to environmental protection in regulating public and private activities. Development of raw land to a commercial/retail center would likely require an EIR.

3.0 Project Purpose

State the project purpose of the proposed modification.

The purpose of the proposed modification is to terminate and remove the easement – to permit development of the site.

3.1 History of Requests for USACE Approval to Develop Subject Site

The City began to engage USACE in discussions about the development of the Site more than five (5) years ago. From the City’s perspective, the Corps has been absurdly bureaucratic, erratic, and less than transparent during this process. The Corps’ ultimate refusal to work with the City to find a mutually acceptable solution has delayed much needed economic development initiatives and endangered the City’s ability to successfully compete for a transit line extension that would provide significant economic benefits to the surrounding area. Below is a timeline of the City’s interactions with the USACE.

In 2009, the City asked the Corps to outline the key requirements necessary to permit development of the subject Site. See Attachment (B) 2009 letter to Lt. Colonel Anthony G. Reed, Deputy Commander and Deputy District Engineer. On July 28, 2011 the City of South EL Monte team including Congresswomen Judy Chu’s office (California District 24) met with representatives of the USACE at their offices in Los Angeles (Attachment C). The USACE meeting participants included Lt. Colonel Sigloff and representatives from its Legal, Asset Management, and Engineering departments. The purpose of the meeting was to follow-up on previous meetings and discussions with the USACE regarding determination of key requirements necessary to develop the Site. In essence, the City was seeking to definitively ascertain whether commercial development could be ultimately approvable. The USACE provided such a list of critical land development conditions (including Policy Guidance Letter No. 32, Use of Corps Reservoir Flowage Easement Lands) to be met as summarized below.

The Corps stated in a November 4, 2011 letter (Attachment D) signed by the Los Angeles

District Commander Steven B. Sigloch, Jr Lieutenant Colonel, US Army to the City of South El Monte that the Corps “could assent” to commercial development on the subject 21.17-acre private development Site if the following key as well as other typical approval requirements (EIR, etc.) are met:

- The right to flood and submerge the subject 21.17-acre privately owned site in the event of a flood
- No human habitation within the entire Site
- Meeting a finished building/site elevation of at least 228.5’ mean sea level (msl) - which is not necessarily based on a the 100-year inundation level (225.3’ msl) - but rather consideration of possible future Whittier Narrows Dam height modifications (raising the current height to 228’)
- No reduction of the current (volume) capacity with the easement area, and that if excavation and grading within the flowage easement area results in loss of water storage capacity, then substitute flood storage capacity must be provided within the same easement area
- Although not required, the Corps prefers all drainage to operate on basis of gravity - not mechanical.

Subsequently, the City met at the USACE Washington DC Offices of Colonel Toy where he advised the City to prepare various development plans for the Santa Anita property. Such plans were produced and presented to the Los Angeles District USACE office on May 29, 2012. At that meeting, the Colonel requested that his staff meet with the City/team in a proactive manner to advise the City as to what was needed to make an initial assessment with regard to the above key requirements. Subsequent to that meeting Mr. Ned Aranojo (USACE Engineering/Hydrology Section), met with City consultants and provided a list of the technical information that would be required to assess feasibility. The list included topography, volume computations for mitigation, revised concept plans, 3-D plans, off-site drainage design, description of drainage system, and the like.

In June 25, 2012 the City Team met with the USACE staff, Ned Aranojo, Jon Sweeten PE, Hydrology Engineer, and Amanda Waller, hydrology Engineer of Los Angeles River Regulation Section to review several iterations of previously submitted development and grading plans. These individuals verbally confirmed to the City Consultants that the plans did meet the above crucial requirements to build the proposed commercial development. For example, our notes reflect a quote from Mr. Sweeten who stated “*conceptually there’s nothing to say you can’t do it*” and “*we do not foresee any fatal flaws*”. Mr. Araujo stated he would prepare a letter stating these conclusions and request approval from the (Southwest Pacific Division Headquarters) in San Francisco, and also request review from other USACE District Divisions. Later Mr. Araujo reported that their legal department would not permit their positive verbal findings and conclusions to be conveyed in writing.

However, in a subsequent meeting on August 3, 2012, the USACE Los Angeles District officials informed the City that the USACE Division Office in San Francisco would not assent to development on the subject Site. No official specific reason was provided. They also did not respond to the City plans which the Los Angeles USACE Office staff indicated could meet the Corp’s key flood plain development requirements.

3.2 The Purpose of the 2014 WRRDA Section 7001 Modification Request

The subject Development Site is a 21.17-acre privately owned freeway-oriented property that has been vacant and unproductive for about 60 years while under the USACE’s control by means of a flowage easement. The subject site provides no economic benefit to its owner, the City, the community (goods or services), or to any other government entity (fiscal tax revenues). As indicated herein, the City has planned and programed the commercial development of the Site since at least 2000. **The purpose of this modification therefore is to remove the USACE authority and restrictions over such property that has prevented development of this valuable and scarce asset to be placed back into productive and economic use for the benefit of the public.**

Over the years many developers have expressed an interest in developing the Site with a regional-serving commercial/retail development. Such interest however, has been squashed due to the existing development restrictions and reluctance of the USACE to approve any development. The property can be safely developed and not interfere with the Corps mission for the Site by conforming to all non-USACE required regulations and environmental approvals for development within a flood plain. In addition, there are sites within the USACE's 1,500-acre flood control basin that can provide substitute areas comparable to that of the subject Development Site. Moreover, the USACE presently allows a number of recreational, public (including their own offices), and commercial uses within the same flood plain areas *validating the City's contention that development can be safely accommodated.*

Therefore, the only reliable alternative remaining to the City Sponsor is to request the following **2014 WRRDA Section 7001** Modifications to the Whittier Narrows Dam Flood Control Project and associated actions:

- That the US Congress modify the Whittier Narrows Dam Flood Control Project located in the City of South El Monte, California by terminating and removing the existing Federal government's flood control easement over the subject Development Site (see Attachment A - Easement Document) and releasing all real property interest and any associated rights, authorities, and controls with regard to construction and development of the subject Development Site. If approved, require that the USACE expeditiously remove the subject easement.
- Require USACE to grant permission to extend a new west frontage paved entry drive over its perimeter property along the Development Site of sufficient size to provide vehicular, bikeway and pedestrian access (in and out) into the subject Site to serve both the Development Site and if developed, the proposed adjacent Metro Gold Line transit station as well.

- The City Sponsor understands that if the easement is terminated, the federal government and the USACE would no longer have any real property interest in the subject Site and so the Project will not be required to obtain a 33 USC (Section 408) permit. The City therefore requests confirmation that it will be exempt from obtaining such a permit– if this is not the case.

3.3 Meeting Criteria for Inclusion in the Annual Report

The following section presents the 2014 WRRDA Section 7001 Proposal criteria for inclusion in Annual Report that will be reviewed by Secretary of the Army. The Corp’s mission and authorities with regard to the Project Modification Request, is the right to flood and control development on the subject privately-owned Development Site (See Easement Document Attachment A) in connection with the Whittier Narrows Flood Control Basin (WNFCB) project. The subject easement was authorized by a federal government condemnation action of the United States of America. Termination and removal of this flood control easement would constitute a modification to the Whittier Narrows Flood Control Basin project and would require an Act of Congress. This request to modify the WNFCB Project has not been included in any other previous annual report by the USACE. And if authorized, such a request (termination of the easement) could be easily carried out by USACE.

3.4 Possible Alternatives after Removal of the Flood Easement

It is believed by the City that there are a number of alternatives that the USACE may pursue if it feels it must replace the removed flood area equal to 1% of the total flood plain basin. One possible alternative is to replace the 21.17-acre flowage site with a substitute area within the same federally-owned 1,500-acre flood control basin. As shown in various exhibits herein, there are other comparable vacant land areas within the basin where the Corps may transfer or recover the same 21.17-acre water holding capacity. We believe the Corps may replace this area by lowering the elevation (cut and fill process) of a substitute

area within the basin such that it equals the former Santa Anita Ave. Site. The following aerial map shows a potential vacant replacement site (merely a suggestion by the City Sponsor) subject to hydrologic and other engineering analysis by the Corps. The suggested replacement site has already been disturbed and could easily be cleared, the dirt removed and the area then returned to the exact same use only at a lower elevation equal to the required water-holding capacity.

Exhibit (8) Suggested Possible Water Storage Replacement Site



3.5 Proposed Development Concept

3.5.1 Development Site Context

As requested by Colonel Mark Toy in his previous role as Commander of the Los Angeles District, the City prepared various iterations of concept development plans for the subject Santa Anita property and presented these to the Los Angeles District USACE office. The following map shows one iteration of the proposed conceptual retail development project superimposed on an aerial map (white area). The green colored area is the 7-acre site owned by the federal government and managed by the USACE - and proposed location for Gold Line SR 60 Transit Station. Such transit station would be elevated above the 100-year flood zone and meet development requirements to build in a floodplain. It is clear therefore to see how the proposed development is consistent with existing urban uses.

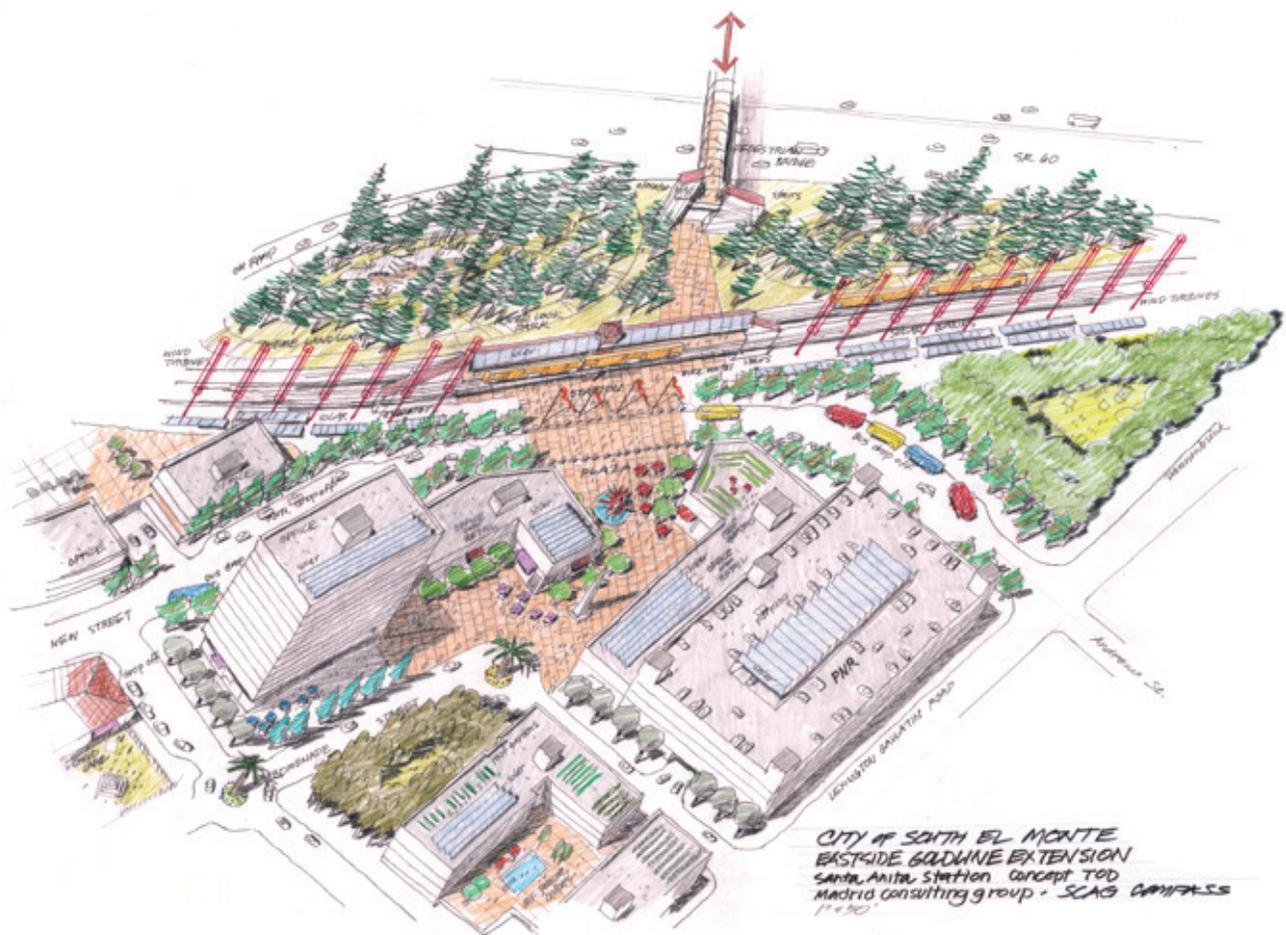


Exhibit (9) Rendering of the Proposed Metro Gold Line Santa Anita Transit Station.

As requested by Colonel Toy of the USACE Washington DC Offices, the City prepared various iterations of concept development plans for the subject Santa Anita property and presented these to the Los Angeles District USACE office. The following map shows one iteration of the proposed conceptual retail development project superimposed on an aerial map (white area). The green colored area is the 7-acre site owned by the federal government and managed by USACE - and proposed location for Gold Line SR 60 Transit Station. Such transit station would be elevated above the 100-year flood zone and meet development requirements to build in a floodplain.

It is clear to see how the proposed development is consistent with existing urban uses.

SA RETAIL DEVELOPMENT SITE - Concept Retail MXD Center



Source: Whittier Narrows Dam Basin Recreation Area Master Development Plan

This concept only shows the proposed commercial development and does not include the proposed TOD uses. As previously mentioned, the proposed commercial development is not dependent upon the proposed transit facilities – but can only be enhanced by such facilities.

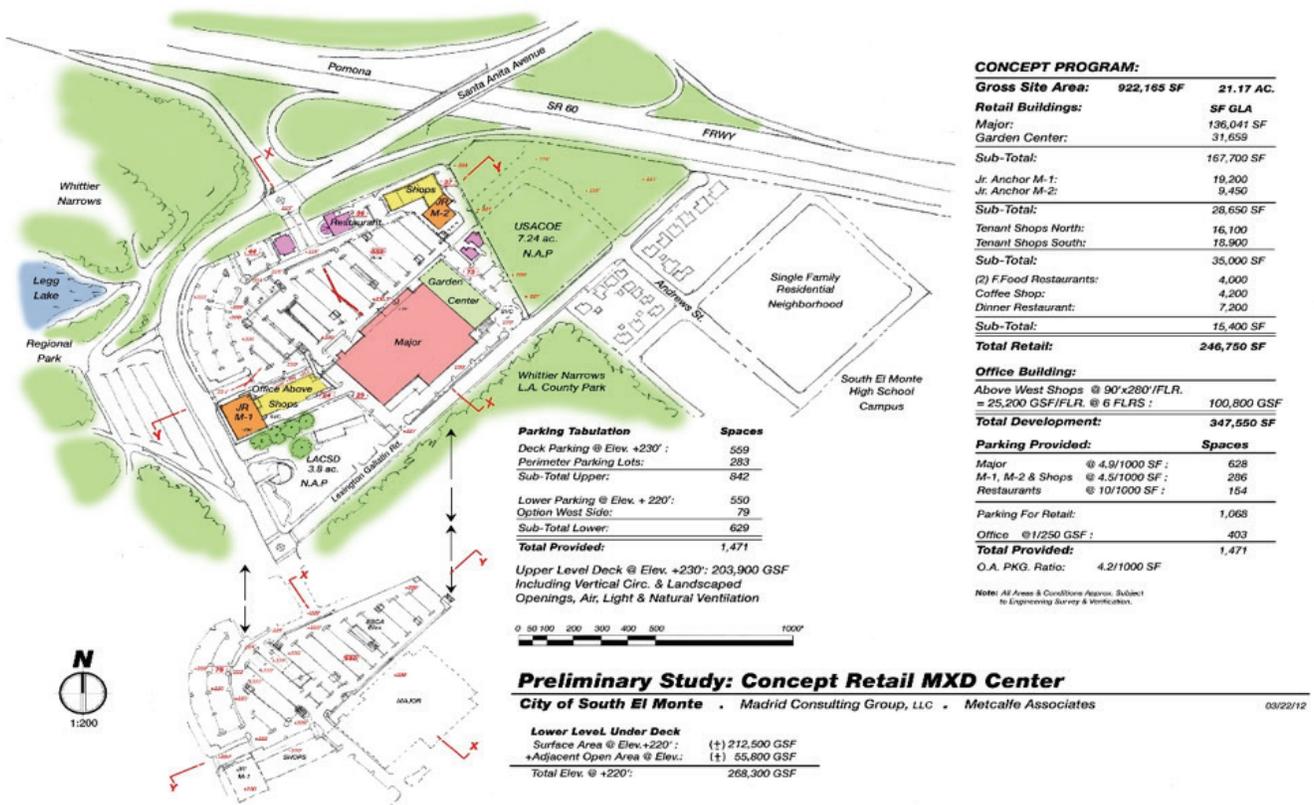


Exhibit (11) Proposed Commercial Development Concept Assuming no Transit Station.

4.0 Cost Estimate

Provide an estimate, to the extent practicable, of the total cost of the proposed modification.

Terminating and removing the easement and granting the City permission to extend an access roadway onto the Site over federal property would only involve minimal administrative costs.

5.0 Benefits of the Proposal

Describe, to the extent practicable, the anticipated monetary and non-monetary benefits of the proposal.

5.1 Benefits of Protection to Human Life and Property

5.1.1 Better Flood Control Management Systems

Whittier Narrows Recreational Park (WNRP) is a regional-serving 1,500 acre recreational facility with typical safety considerations normally associated with managing a large public facility. The subject Site is located adjacent to the WNR Park. Because the Los Angeles County Parks Department manages this property under a lease from the Corps, general County safety standards applied to the park would also extend to private property. If the proposed commercial development is allowed to proceed, it would develop a formal evacuation plan and have paid personnel to execute such plan as outlined in Section 5.1.2. In addition, the property owners of this valuable commercial asset would have a major financial incentive to evacuate the property and protect its customers and employees unlike the current unmanned condition.

5.1.2 Flood Event Safety Measures with the Private Development Site

A serious flood event would have been forecasted many days beforehand and precautionary measures would be in place. Moreover, the potential rate of rise within the Basin pool would be slow enough that anyone could readily walk to safety by moving to higher ground. However, if a serious flood event should occur, the following general measures to be followed by the owners of the proposed commercial development:

- If a serious storm occurred that required evacuation, the property/security maintenance staff would execute formal evacuation plans.
- In addition to evacuation orders, a water sensor located below the lower level parking garage would detect that water was filling faster than it could be discharged to the County's existing 90-inch diameter storm drain and would send an alarm to the property maintenance staff to evacuate all vehicles and people and bar further entry to the site.
- Once the vault below the lower level parking is filled and all of the cars have been removed (voluntarily or towed), the lower parking level completed at an elevation of 216 would fill and store water which would either drain or be retained based on the flow capacity of the drainage pipe(s).
- Water would flow into the adjacent bioswale area as it begins to rise above the 216 foot lower level elevation. This process would occur first through openings in the curb face, and then over the curb. The amount of storage capacity would increase as water rises to a level which is at least equal to the existing storage capacity as the existing vacant site.
- If the drainage system does not allow the site to drain, a wall along the western side of the bio-swale area will act as a spillway controlling the amount of water that flows across Santa Anita Avenue. This drainage design would allow less water to flow onto Santa Anita Avenue than under the present condition.

5.2 Benefit of Improvement to Transportation

As indicated earlier, LA Metro is planning an extension to the existing Metro Gold Line Transits system intended to provide more connections, enhance mobility, and better link communities to the existing regional system – while planning for projected growth in a sustainable manner. Metro’s extensive analysis showed that improved mobility has the potential to boost economic development in the project area and improve social justice by providing better access to employment, educational opportunities, and activity centers. Improved transit connectivity would increase transit ridership, which would also generate environmental benefits through reduced vehicle trips, less roadway congestion, and improved air quality. This project is in the process of environmental review that includes the USACE as a Cooperating agency.

One of four transit stations is the Santa Anita Ave. Station located on the USACE property adjacent to the subject flow easement Site - both within the same flood basin. *An extensive DEIS study presented the methodology as to how the station and parking may be safely developed within this same flood zone. The Site developer would also follow a similar permitting and construction procedure as was presented in the DEIS for the transit station.* The commercial development on the subject Site is planned to be integrated with this proposed transit station. However as indicated before, development of the subject Site is critically needed and can be fully successful even without the transit system.

The proposed commercial development is planned to be integrated with the planned transit station. It will help meet transportation goals of siting new growth around transit stations.

A Coalition of cities including the City of South El Monte initiated a study of potential Metro SR 60 Gold Line Eastside TOD planning strategies for the four SR 60 transit stations. The SR 60 SCAG Compass TOD study was funded in part through grants from the Federal Highway Administration and the Federal Transit Administration through the U.S. Department of Transportation made to the Southern California Association of governments (SCAG).

(Please see the link below to access the entire SCAG study) http://compassblueprint.org/pages/projectdetails.aspx?project=SR60_coalition

The following poster depicts the location and TOD plans of the four SR 60 Gold Line transit stations. The Santa Anita Station is located at the bottom center. Exhibit (13) shows an aerial view of the Santa Anita Station. As is shown the station will be elevated well above the 100-year flood level. In the event of a serious flooding of streets, the elevated transit system will still be able to move people. The proposed development will be interconnected with the transit station.





AERIAL VIEW EAST OF SANTA ANITA AND ACCESS RD FROM SANTA ANITA AVE.

Exhibit (12) Gold Line Santa Anita Transit Station.

5.2.1. SCAG Regional Transportation TOD Goals

The Southern California Association of Governments (“SCAG”) is a regional council of governments (southern portion of California). It has adopted a land use development policy called “Compass Vision” that is driven by four key principles - mobility, livability, prosperity and sustainability - the Compass Vision emphasizes the following strategies to better coordinate land use and transportation decision-making and includes:

- Focusing growth in existing and emerging centers and along major transportation Corridors
- Creating significant areas of mixed-use development and walkable communities
- Targeting growth around existing and planned transit stations

These policies also encourage TOD and offer a variety of transportation choices including auto, transit, bus, and bicycle. The proposed development for the subject Site incorporates these planning principles. The development is focusing growth in an existing urbanized area along the SR 60 freeway and adjacent to a proposed light rail transit station. The uses are planned to include a mix of regional and locally serving retail, offices, and possibly public services.

5.2.2 State Department of Transportation TOD Goals

The subject Site is located along the SR 60 freeway where LA Metro has planned a transit station at the adjacent Site. Caltrans is the State government agency responsible for long-range transportation planning efforts pertaining to the SR 60. Caltrans prepared a Transportation Concept Report (TCR) for the SR 60 in June, 2014 which and presents its vision for a 20-25 year planning horizon. In this report, Caltrans recognized the importance of TODs along existing key transportation corridors. Moreover, the TCR approvingly cites the SR-60 Coalition’s TOD report prepared with funding from SCAG in 2011 (the “SR 60 TOD Report”). This SCAG report provides conceptual plans for development of the subject Site as a TOD project. Specifically, Caltrans recognizes that a mix of residential, employment and shopping opportunities designed for pedestrians, in proximity to a major transit stop, can increase the number of trips made by transit, walking and cycling, thus reducing the number of car trips and improving air quality by reducing exhaust emissions. The City Sponsor therefore seeks to further and implement this TOD concept which is consistent with SCAG and State Caltrans planning goals for the SR 60 and land use development in general.

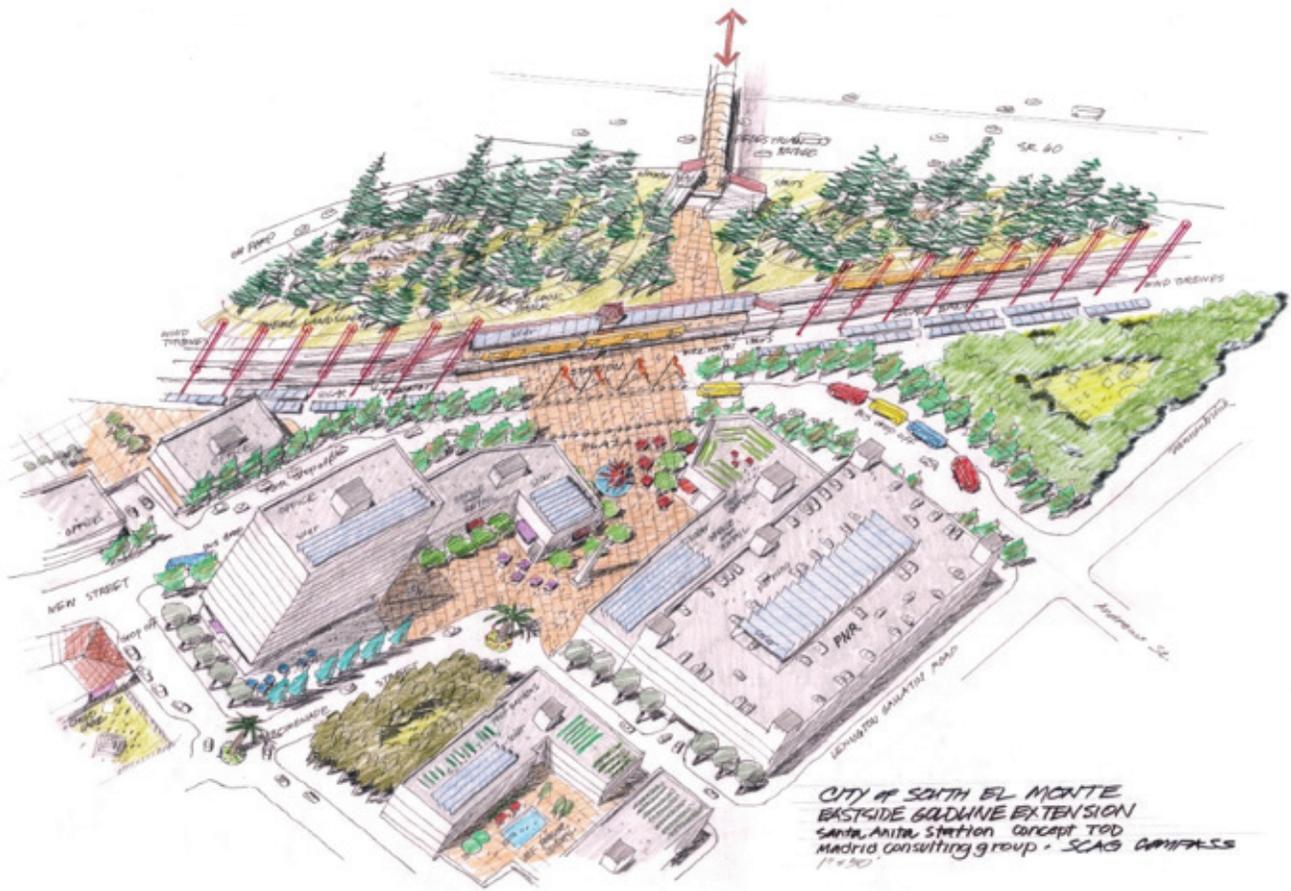


Exhibit (13) Aerial View East of the Conceptual Development – SR 60 Freeway to West.

5.3 Environmental Benefits

5.3.1 Reducing Vehicle Miles Traveled and Greenhouse Gas Emissions

Within a 5-mile radius of the subject Site there is a lack of regional serving retail shopping centers. Research has shown that bringing retail destinations closer to residences will reduce vehicle travel, particularly where the comparable alternatives for the newly introduced store are far away. The project would result in shorter shopping vehicle trips and reduce (VMT's) which will help meet the goals of a state law targeting greenhouse gas emissions from passenger vehicles.

The South El Monte business base attracts many non-residents, however its retail base does not contain the goods and services to take advantage of this daytime employment population. The City therefore suffers from a tremendous retail tax revenue leakage from outside employees. Many of these non-resident employees could combine work and shopping vehicle trips and further reduce VMT's, trips, and associated emissions.

In addition, there are over 2 million visitors to the Whittier Narrows recreation areas adjacent to the subject Site. These 2 million visitors could also *combine shopping and recreational* trips and further reduce VMT's, reduce congestion, and associated emissions.

Also within **walking distance** (a half mile radius) of the Site there is a population of 1,569 or 364 households based on 2014 demographic data. Six percent of these households are at the poverty level and could benefit from the projected new jobs within walking distance. In addition there are 73 businesses within this same area employing 1,054 persons. Also twenty percent (20%) of the total daytime population are students. These population groups could walk or bike to the proposed commercial center and further reduce VMT's and associated environmental impacts.

5.3.2 Environmental Justice

An Environmental Justice impact analysis has not been prepared with regard to the ongoing effects of the subject easement. However, the negative economic impacts to the community and region and issues of social justice negatively effects the welfare of minority and low-income residents. For example, the population of South El Monte is **98% minority** (comprised of 84% Hispanic, 12% Asian, and about 1% African American) and 19% of households are living below the poverty level. The easement impairs the ability of the City to generate public tax revenues to help meet the needs of the public- which is contrary to the intent and spirit of Environmental Justice goals. In addition, the city suffers from a 10% unemployment rate and the Los County rate is 8.2% - well above the national average of 5.8% (October 2014). The construction and permanent jobs produced at this development

could greatly help this economic condition.

5.4 Benefits to the Economy

5.4.1 USACE Economic Goals

Section 6002 of WRRDA discusses assessment of USACE assets that may not be needed for the conduct of Corps mission. One assessment factor to be considered is “the economic impact to existing communities in the vicinity of the property” and the extent to which “the utilization rate is being maximized” consistent with this property type. *Preventing development of this scarce valuable site negative impacts the welfare of the local community and using this valuable vacant site for nothing more than potential flooding absolutely underutilizes this scare resource.*

The cost-benefits of terminating the flood easement are consistent with federal economic objectives such as the USACE National Economic Development policies. For example, these USACE policies promote projects that contribute to “national economic development” and selection of alternative that provides the “greatest net economic benefit”. As detailed herein, the proposed City project provides the positive economic cost/benefits as compared to the easement which provides none.

5.4.2 Federal Tax Revenues Foregone

If the proposed commercial project uses are fully developed as described herein, the estimated development cost would be approximately \$75 million not even including land costs or the TOD-related development. Using MIG Implan input/output economic impact software, it is estimated that the federal government would continue to forgo \$24 million in tax revenue each year if the development is not allowed to proceed. A commercial development of this size would generate about 1,955 direct and indirect permanent jobs and \$126 million in annual labor wages. The City has already received serious developer interest for at least the retail components of the proposed project equal to about half of the proposed development. From a strictly cost/benefit analysis, the City feels removal of the easement is more than justified.

5.4.3 City Economic Development Element of The General Plan

The City has identified development of the subject Site as a goal for meeting crucial economic development goals for at least the last 14 years. The proposed commercial development is consistent with and furthers the City’s adopted economic development goals for the site under the Economic Development Element of the General Plan.

5.4.4 Economic and Fiscal Impacts During Construction

The proposed commercial development will help address the unemployment needs of the City and region, will generate economic development benefits that ripple throughout the region, and will help provide desperately needed fiscal revenues to meet municipal services. The proposed project would help address the high unemployment rate for the City at 10.2% and 8% for Los Angeles County residents, well above the national average. During the construction period, the project will generate 789 direct and indirect jobs and \$51 million in wages. In addition, during construction the project will generate \$9.6 million in local, state, and federal taxes.

5.4.5 Economic Impacts During Operations

As shown below, the proposed project would support 1,955 jobs and over \$127 million in annual wages. Even if only half the project were developed – the benefits would still be enormous.

Operations Period Economic Impacts Summary

| Impact Type | Employment | Labor Income | Total Value Added | Output |
|---------------------|--------------|----------------------|----------------------|----------------------|
| Direct Effect | 1,211 | \$84,506,486 | \$83,896,298 | \$126,529,765 |
| Indirect Effect | 282 | \$17,005,003 | \$25,835,143 | \$38,186,715 |
| Induced Effect | 462 | \$24,776,430 | \$44,400,629 | \$69,537,496 |
| Total Effect | 1,955 | \$126,287,919 | \$154,132,070 | \$234,253,976 |

Source MIG Implan

In addition, the project will also produce combined taxes totaling \$38 million to the various government agencies each year. These major tax revenues to government agencies more than justify the economic costs/benefit of the terminating the subject flowage easement.

5.5 No Viable Alternatives

The subject site has the advantage of freeway access and visibility (required for such retail projects) and there no other such sites available for the proposed development. As indicated, the only city program that provided a tool for land assembly and economic development (California Redevelopment Program) was terminated in 2012. There are no available privately-owned vacant sites comparable to the subject 21.17-acre development site anywhere in the City or vicinity. There are no resources or public mechanisms to assemble such a development site.

6.0 Local Support

Describe if local support exists for the proposal.

The subject Site has been planned and programmed for commercial development since at least 2000. This project was included in the City's General Plan Land Use and Economic Elements. These formal governing land use documents received extensive public input and participation during the plan adoption period.

The commercial project is located adjacent to a proposed Metro Gold Line transit station which has received extensive public input over the last 5 years. The proposed commercial development has been included and discussed publicly as part of the transit oriented development (TOD) planning process for this SR 60 Santa Anita transit station. The proposed Metro Gold Line transit project which includes the Santa Anita Station is undergoing environmental review – which also included extensive public input and support.

A coalition of five San Gabriel Valley (SGV) cities (South El Monte, Montebello, Monterey

Park, Industry, and Rosemead) have worked hard to support the Metro Gold Line transit project – which includes the proposed subject development on the Santa Anita property over which the Corps maintains the flowage easement. This group commissioned a TOD planning study which included extensive community presentations and support.

During the course of the City’s discussions with the USACE in Los Angeles and Washington DC, various elected officials have provided their support for this economic development project, including Congresswomen Linda Sanchez (CA-38) and Congresswomen Judy Chu (CA-27).

The City of South El Monte Chamber of Commerce strongly supports the removal of any barriers to development of the subject Site and confirms the need for economic development for this community (see support letter to Congresswomen Linda Sanchez).

The San Gabriel Valley Economic Partnership is a collaboration of businesses, local government, higher education institutions, and non-profits, with a 100 major private businesses and over 27 government entities represented. This organization also strongly supports the development of the subject Site and the creation of jobs and other economic benefits for the SGV.

An adjacent San Gabriel Valley City, Alhambra strongly supports development of the Site and understands the jobs and other economic benefits that would accrue to the residents and other areas (see attached letter to Congresswomen Linda Sanchez).

The San Gabriel Valley Water Company serves over 48,000 customer in 18 San Gabriel Valley communities also supports the removal of the USACE easement and development of the Site, noting the urgent need for job creation and economic development for its constituent communities (see letter of support).

The City has presented the projected construction jobs to the Orange and Los Angeles County Building Trade Council that could be generated by the Gold Line transit project which includes the proposed development on the subject Santa Anita flood easement Site. The project and potential benefits were favorably received by this major labor group.

The San Gabriel Valley Council of Governments is comprised of 31 cities as well as representation from the Los Angeles County Supervisors office. This major council of governments has formally reviewed and provided support for the SR 60 Gold Line transit project which includes the proposed commercial development on the subject Site.

The SGV Cities of Rosemead and Industry also supports the development of the Site and removal of USACE barriers as demonstrated by its active membership of the SR 60 Transit Coalition which includes development of the Santa Anita Transit station the subject adjacent TOD site.

The Upper San Gabriel Valley Municipal Water District covers approximately 144 square miles and includes all or parts of 17 cities and portions of unincorporated Los Angeles County with more than 950,000 residents. This organization also strongly supports the development of the Site and the pursuit of economic development for the SGV.

The San Gabriel Valley Conservation Corps works to develop and transform disadvantaged youth including providing economic development and employment opportunities such as will be generated by the proposed commercial/retail development (see latter of support).

The Athens Services is a waste collection and recycling business and active member of the community and supporter of economic development. This business prospers from new development and strongly supports the development of the Santa Anita Site.

7.0 Required Share –Not Applicable

State if the non-Federal interest has the financial ability to provide for the required cost share.

The City Sponsor is not requesting a study, hence there is no cost sharing requirement.

8.0 Statements of Support

Submit a letter or statement of support from each associated non-Federal interest.

9.0 Attachments

Attachment A - Flow Easement Document

Attachment B – October 21, 2009 Letter to the USACE from City

Attachment C – December 18, 2009 Letter to the USACE from City

Attachment D – July 29, 2011 Letter from the USACE to City

Attachment E – November 4, 2011 Letter from the USACE to City

Attachment F – Letters of Support for the Modification

