



NEWS RELEASE

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CITY OF DIAMOND BAR FILES SECOND LAWSUIT CHALLENGING CITY OF INDUSTRY'S EFFORT TO BUY TRES HERMANOS RANCH TO BUILD MASSIVE SOLAR FACILITY

(Diamond Bar, CA, November 2, 2017) – On November 1, 2017, the City of Diamond Bar filed a SECOND lawsuit in Los Angeles County Superior Court challenging the City of Industry's alleged unlawful attempt to purchase the 2,445-acre Tres Hermanos Ranch for \$41.65 million with the intent of turning it over to a private entity to develop a massive solar facility that will generate tens of millions of dollars for Industry. The City of Chino Hills has also filed a similar lawsuit. Both lawsuits allege that Industry violated the California Environmental Quality Act (CEQA) by attempting to purchase the property and entering into a lease for development of the solar facility without conducting any environmental review. The lawsuits also allege failures by the named defendants to comply with State planning and open meeting laws.

Tres Hermanos Ranch is presently owned by the Successor Agency to Industry's former redevelopment agency. The governing body of the Successor Agency is Industry's City Council and thus, the buyer and the seller are for all purposes represented by the same individuals. Recognizing the potential for such self-dealing, the Redevelopment Dissolution Act created an Oversight Board which is charged with ensuring the Successor Agency sells its property expeditiously and in a manner to maximize value.

On August 24, 2017, the Oversight Board of this Successor Agency met to consider the sale of Tres Hermanos to the City of Industry for \$100 million, based upon an appraisal for the property. After all public comments had been taken, Industry's City Manager, who also sits on the Oversight Board, made a motion to instead sell the property to his own City for \$41.65 million, nearly \$60 million less than Industry's City Council had already approved for the purchase of the property. The motion passed 4-3 with Industry's City Manager casting the deciding vote.

Under CEQA, public agencies are required to analyze and prepare appropriate environmental documents for public review prior to committing themselves to development projects. The lawsuit alleges that the defendants have approved the solar project without first complying with CEQA. The lawsuit also alleges that Industry failed to provide sufficient information regarding its proposed use of the property in order for Diamond Bar to determine whether it is consistent with its General Plan. "It is unfortunate that in this day and age, there are still public agencies that appear to believe they do not have to comply with State laws in the conduct of their business," said Diamond Bar Mayor Jimmy Lin. "We need to protect our community from what appears to be Industry's plans to place a massive solar project within our boundaries," he added.

For some time the cities of Diamond Bar and Chino Hills have worked diligently to find out what the City of Industry has planned for Tres Hermanos Ranch. In May 2016, it appears that Industry entered into a master lease with San Gabriel Valley Water and Power LLC to develop a 450 megawatt solar facility that could potentially cover the entire property. Although its investigation is continuing, Diamond Bar believes that this Master Lease and its four amendments were approved and/or considered in an Industry City Council closed session, which Diamond Bar contends also violated the Brown Act. Just recently the City of Industry placed the approval of the Master Lease and four amendments on its open agenda, apparently in response to a Diamond Bar letter contending prior approvals violated the State's open meeting laws.

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Documents obtained through public records requests clearly demonstrate that Industry and San Gabriel Valley Water and Power have assembled a large team of consultants and lawyers to build a massive solar generating facility. These documents also suggest that Industry and San Gabriel Valley Water and Power have spent over \$12.6 million on the project to date, and likely much more. However, Industry has steadfastly refused to disclose development plans, studies or other information regarding the location, layout or design of any project.

On October 20, 2017, the cities of Diamond Bar and Chino Hills previously filed lawsuits in Sacramento County Superior Court challenging the City of Industry's attempt to purchase the 2,445-acre Tres Hermanos Ranch. Those lawsuits allege the purchase violates the State's Redevelopment Dissolution Act, which was enacted in 2011 and governs the disposal of the Tres Hermanos Ranch.

The Diamond Bar General Plan allows for natural open space, parks, trails, and up to 140 single-family detached homes and 490 attached homes for a total of 630 dwelling units - that is less than one dwelling unit per acre on average.

Tres Hermanos Ranch consists of largely undeveloped land historically used for ranching, farming and cattle grazing. It is located on the eastern edge of Diamond Bar and along both sides of Grand Avenue; approximately 695 acres are located within Diamond Bar and 1,750 acres are located within Chino Hills.

The Oversight Board's unwarranted and unlawful approval of this deeply discounted sales price shifts \$60 million from the taxing entities, which includes Diamond Bar, Chino Hills, local school districts, and other public agencies, to the City of Industry's pockets. Industry's City Manager Paul Phillips admitted as much in voting for the sale stating, "Frankly, there's more cash to put into the [solar] project", characterizing this as the primary "justification" for the low ball price.

Efforts at meaningful dialogue with Industry regarding its development scheme for Tres Hermanos have been met with resistance. "We have no choice but to file this lawsuit to protect the interest of our residents," said Diamond Bar Mayor Jimmy Lin.

For some time and to no avail, the cities of Diamond Bar and Chino Hills have been working diligently to find out what the City of Industry has in store for Tres Hermanos Ranch. In May 2016, Industry entered into a master lease with San Gabriel Valley Water and Power LLC to develop a 450 megawatt solar facility that could potentially cover the entire property. Documents obtained through public records requests clearly demonstrate that Industry and San Gabriel Valley Water and Power have assembled a large team of consultants and lawyers that have been clandestinely planning to build a massive solar generating facility. Documents obtained also suggest that Industry and San Gabriel Valley Water and Power have spent over \$12.6 million on the project to date, and likely much more. However, Industry has steadfastly refused to disclose development plans, studies or other information regarding the location, layout or design of any project.

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Tres Hermanos Ranch consists of largely undeveloped land historically used for ranching, farming and cattle grazing. It is located on the eastern edge of Diamond Bar and along both sides of Grand Avenue; approximately 720 acres are located within Diamond Bar and 1,730 acres are located within Chino Hills.