

**3.9 SOCIOECONOMICS**

The Project would not cause significant adverse impacts related to socioeconomics in the proposed Project area. However, since the proposed Project site is located within the City of San Diego Otay Mesa Development District, it will contribute to the local economy both during the construction and operational phases. Increased net economic benefit for the City would derive from tax revenue collected on expenditures for local products and property taxes.

**3.9.1 Environmental Baseline**

The proposed Larkspur 3 Energy Facility would be completed over a 12-month period and in three designated phases: pre-construction, construction/commissioning and post-construction. Pre-construction activities would occur from July to September 2007, construction/commissioning activities would occur during the 8 month period of October 2007 to May 2008, and post-construction activities would be completed by June 2008.

**3.9.1.1 Workforce**

Available skilled labor in San Diego County has been evaluated by the U.S. Department of Labor, Bureau of Labor Statistics' November 2003 Wage Estimates. The anticipated workforce required for the proposed Project construction is compared to the findings from the November 2003 Wage Estimate evaluation in Table 3.9-1 below. There is no shortage of available skilled labor to meet the Project requirements.

**3.9.1.2 Economy**

The California State Board of Equalization (BOE) has jurisdiction over the valuation of a power-generating facility for property tax purposes, if the power plant produces 50 MW or more. Therefore, the existing Larkspur Energy Facility property value is assessed by the BOE as a nominal 94 MW facility.

The existing Larkspur Energy Facility parcel will be subdivided so that the Project will occupy a separate parcel owned by Larkspur 3 LLC, and that Larkspur 3 parcel property will contain only one nominal 47 MW CTG. The San Diego County Assessors Office has jurisdiction over a power-generating facility producing less than 50 MW. Therefore, the property value of the Project, containing the nominal 47 MW turbine, will be assessed separately under the jurisdiction of the San Diego County Assessor's Office.

While property tax assessed by the County is collected at the City level, it is also distributed at the City level. San Diego County has set the current property tax rate at 1.10488 percent.

**TABLE 3.9-1  
LABOR PERSONNEL REQUIREMENTS**

Months After Notice to Proceed														Total Required by Larkspur 3	County Total Available for Project <sup>1</sup>
Pre-Construction			Construction/ Commissioning								Post- Construction				
	1	2	3	4	5	6	7	8	9	10	11	12			
Discipline															
Iron Workers		2	6	6	6	6	6	6	2				40	1,310	
Concrete Workers				10	10	6	6	4					36	2,470	
Carpenters		2	8	8	8	4	4	2					36	12,460	
Electricians		1	2	2	2	2	10	12	12	12	6	2	63	5,480	
Millwrights							2	2	2	2	1	1	10	10 <sup>2</sup>	
Pipe Fitters						4	9	9	9	9	4		44	4,090	
Laborers	4	6	8	8	8	8	8	8	6	4	2	2	72	7,970	
Equipment Operators	1	2	3	3	3	3	3	3	2	2	1	1	27	3,500	
Teamsters	1	2	2	2	2	2	2	2	2	2	1	1	21	7,800	
Total Workforce	6	15	29	39	39	35	50	48	35	31	15	7	349	45,090	

Notes:

<sup>1</sup> Source: US Department of Labor, Bureau of Labor Statistics' November 2003 Wage Estimates

<sup>2</sup> Official number not released

### 3.9.1.3 Area Demographics

Demographics of the census tract were previously identified in the 2001 AFC. However, census tract information was not available at the time of filing; thus, zip code boundaries were used. The proposed Larkspur 3 Energy Facility, inclusive of both the proposed and alternative laydown areas were researched and found to be within one census tract (#06-07-30-100.15). According to the 2000 Census<sup>®</sup> this tract has a population of 1,062. The breakdown of this population by race is as follows: White alone: 557, Black or African American alone: 6, American Indian and Alaska Native alone: 12, Asian alone: 8, some other race alone: 444, two or more races 35. The average median household income for San Diego County for 1999 was \$47,067. Median household income (in 1999) for the census tract was \$29,167. Although the 2001 AFC reviewed demographics relative to zip codes, using census tract information results in similar findings. Therefore, due to the incremental change, there are no significant impacts or changes in demographics associated with the Project.

### 3.9.2 Environmental Consequences

No significant impacts to socioeconomics will result from the approval of this Amendment. The addition of the Project will not cause an influx of a significant number of construction or operation workers into the local area and will not have an adverse effect on employment, housing, schools, medical services, tax revenues, or fire and police protection. The Project will result in increased revenue from sales taxes due to construction activities as well as operational requirements. Additionally, property tax revenues will be realized after the construction is completed. Overall, the contribution of construction jobs to the local economy, as well as consumption of locally purchased products, would slightly increase net economic benefits to the City.

The following subsections describe potential socioeconomic effects that relate specifically to the construction and operational phases of the Project.

#### 3.9.2.1 *Construction Phase Impacts*

##### 3.9.2.1.1 Construction Workforce

During the construction phase of the Project, a number of temporary jobs will be created. The initial period of the construction phase will require approximately 39 workers. In the fourth month the construction phase personnel requirements will peak at 50 workers (see Table 3.9-1). Because the City of San Diego is located in the County of San Diego, which is an area with a large workforce, construction of the Project is unlikely to result in construction labor shortages. As shown in Table 3.9-1 above, the current available workforce within the County can adequately meet Project demand during construction.

##### 3.9.2.1.2 Fiscal Impact

The estimated total construction cost of the Project is approximately \$56 million. This includes construction cost of the proposed LM6000 gas turbine, black start component, and all auxiliary equipment on site. Of the total construction cost, approximately \$2 million will be paid out as wages and salaries, including benefits, based on 32,700 man-hours at \$60.00 per hour. Approximately \$22.5 million of local products, subject to taxes, will be purchased during the Project construction phase. Therefore, sales tax revenue will begin to be realized immediately when the construction period begins and throughout the construction phase.

The sales tax rate in the City of San Diego is 7.75 percent, distributed as shown in Table 3.9-2. The total tax revenue for the City from the sale of local products for Project construction would be approximately \$168,750.

**TABLE 3.9-2**  
**CITY OF SAN DIEGO SALES TAX DISTRIBUTION**

<b>Rate Distribution</b>	<b>Distribution of Funds</b>
State of California – 6.25%	\$1,406,250
Local City – 0.75%	\$168,750
Transportation Fund – 0.25%	\$56,250
Special Districts – 0.50%	\$112,500
<b>7.75%</b>	<b>\$1,743,750</b>

Source: California Board of Equalization. 2006a; 2006b.

### 3.9.2.2 *Operational Phase Impacts*

#### 3.9.2.2.1 Plant Operation Workforce

Currently, there are typically two on-site employees at the existing Larkspur Energy Facility. Commercial operation of the proposed Project, to begin in May 2008, will require one additional full time employee; salary and benefits cost is expected to be approximately \$111,000. One additional on-site employee would not create a significant net change to the local economy. It is anticipated that the additional on-site employee will be hired from the San Diego County area. There will be no significant impact on local employment.

#### 3.9.2.2.2 Fiscal impact

The Project is expected to bring increased property tax revenue to the City of San Diego. However, the local government will not realize property tax revenue, which reflects the value of the completed facility, until after the construction phase is complete. With the assumption that the total cost of the addition is \$56.0 million, at the current property tax rate of 1.10488 percent, the assessed property tax value of the addition is estimated to be approximately \$587,328 per year.

The Project will have an additional incremental and permanent benefit to the local economy, primarily though local expenditures for maintenance and equipment-related materials purchased during the operational phase of the Project. The anticipated value of operational materials purchased locally by the Project would vary from year to year. However, the average annual expenditure is expected to be approximately \$606,000. Considering the City of San Diego sales tax rate of 7.75 percent, additional sales tax revenue of \$46,965 per year is anticipated.

### 3.9.3 Mitigation Measures

The incremental amendment change to the existing Larkspur Energy Facility would not involve substantial changes to the socioeconomics findings and conclusions in the 2001 AFC. No significant impacts to socioeconomics will result from the approval of this Amendment. Therefore, no mitigation measures are recommended.

### 3.9.4 Consistency with LORS

All applicable LORS and their conformance measures are detailed in Table 3.9-3 and summarized in the text below.

#### 3.9.4.1 *Federal*

There are no federal LORS that are considered to be directly applicable to socioeconomic issues for the Project.

#### 3.9.4.2 *State*

California State Planning Law (Government Code Sections 65300-65303.4) requires that each city and county adopt a General Plan. The General Plan should consist of seven mandatory elements to guide planning and development within the jurisdiction.

#### 3.9.4.3 *Local*

The City of San Diego General Plan does not have LORS specifically addressing socioeconomics.

The City of San Diego Community and Economic Development Strategy identifies the current economic conditions, constraints, and opportunities within the City, and establishes action points that support five key issues:

- Regional Economic Prosperity
- Increasing Economic Opportunity
- Implementing “Smart Growth”
- Energy Independence
- Revenue Enhancement

The Project will comply with the Community and Economic Development Strategy by providing additional tax revenue, maintaining the energy supplies in California, and by slightly increasing employment.

In addition, the Project will be subject to community impact fees (e.g., school or transportation impact fees) as part of the building permit process. The Project will comply with this regulation by paying all applicable impact fees as determined by the appropriate governing entity.

**TABLE 3.9-3  
LAWS, ORDINANCES, REGULATIONS, AND STANDARDS**

<b>LORS</b>	<b>Document and Section</b>	<b>Applicability</b>	<b>Section Conformance is Discussed</b>
<b>Federal</b>			
N/A	N/A	N/A	N/A
<b>State</b>			
General Plan	California Government Code, Section 65302	Requires each city/county to implement a General Plan	3.9.4.2
<b>Local</b>			
San Diego Unified School District	N/A	School impact fees on new development in the City	3.9.4.3

**TABLE 3.9-4  
AGENCY CONTACTS**

<b>Agency</b>	<b>Contact</b>	<b>Phone</b>
City of San Diego Planning Department	N/A	(619) 235-5200
San Diego Unified School District	Leigha Cook	(858) 637-6202
San Diego County Treasurer – Tax Collector	Emanuel Castro	1 (877) 829-4732
San Diego Fire Department	Robert Medan – Fire Prevention Inspector	(619) 446-5444

### 3.9.5 References Cited

California Board of Equalization (BOE). 2006a. California City and County Sales and Use Tax Rates Publication 71. Located at: <http://www.boe.ca.gov/pdf/pub71.pdf>

California Board of Equalization (BOE). 2006b. Local and District Taxes. Located at: <http://www.boe.ca.gov/sutax/localdist.htm>

California Energy Commission, 2001. Larkspur Energy Facility Conditions of Certification. Located at: [http://www.energy.ca.gov/sitingcases/peakers/larkspur/documents/01\\_Larkspur\\_SA.PDF](http://www.energy.ca.gov/sitingcases/peakers/larkspur/documents/01_Larkspur_SA.PDF)

The City of San Diego Community and Economic Development Strategy. 2002-2004. Located at: <http://www.sandiego.gov/economic-development/contacts/pdf/cedstrategy.pdf>

The City of San Diego General Plan. May 2006. Located at: <http://www.sandiego.gov/planning/genplan/statusreports.shtml>

U.S. Department of Labor, Bureau of Labor Statistics. November 2003. Wage Estimates. Located at: [www.bls.gov/oes/200/november/oes\\_7320.htm#\(7\)](http://www.bls.gov/oes/200/november/oes_7320.htm#(7))

Wildflower Energy, Application for Certification Pursuant to the 21-Day Emergency Permitting Process Larkspur Energy Facility San Diego, California, March 7, 2001.

### 3.9.6 Conditions of Certification

There were no Socioeconomics conditions within the Larkspur Energy Facility Conditions of Certification (CEC 2001). This Amendment does not require the addition of Socioeconomic conditions.