



**STATE OF THE COUNTY ADDRESS**  
**WALLY LEIMGRUBER**  
**CHAIRMAN, BOARD OF SUPERVISORS**  
**JANUARY 6, 2009**

Good evening and thank you for this opportunity to address you on the State of Imperial County for 2009. I especially wish to thank the Imperial Valley Joint Chambers of Commerce for organizing tonight's event and thanks also to the many sponsors who have made this possible. Let me also thank my fellow Supervisors for their confidence in electing me today as Chairman of the Imperial County Board of Supervisors for 2009. I look forward to leading our board in what promises to be an interesting year. I'll have to confess though, that part of me feels a bit like Daniel being pitched in the lion's den. You may remember that Daniel had a little help in getting out of his predicament, and I'll be calling on assistance from that same Source, and from all of you, in the coming months.

As you may also recall, in 2007 Imperial County observed its 100<sup>th</sup> birthday which culminated with the Centennial Banquet here in this very room. Over 600 people from around the world gathered to celebrate the astonishing miracle represented by the settling, development and formation of Imperial County. From its beginning at the turn of the last century, this region was transformed from a parched desert wasteland into an agricultural paradise. During the centennial, we rejoiced together about the achievements of the past, and looked forward toward what was to come. As we embark now on our second century, we will speak of the challenges this last year have brought, the measures we are taking to meet those challenges, and the brighter future we must dedicate ourselves to.

Did I mention that 2008 has been a tough year? We have seen our nation and the entire world rocked by financial scandals, meltdowns and bailouts. The robust economic outlook of even two years ago has become a distant memory as we now struggle to prevent the current recession from becoming an even deeper crisis. As we have sadly observed, the impacts of the global downturn are being felt here as well. Like it or not, our county is part of the great State of California. Our local government revenues, and thus our ability to provide vital services, are directly tied to the State's ability to keep its fiscal house in order. Sacramento's performance in this area has been deeply disappointing, and that is putting it mildly. The current projections for the state budget deficit are approaching \$25 Billion, with no clear solution in sight.

At the county budget level, at least for now, things are more stable. Due to prudent planning and judicious belt-tightening, we have a balanced budget. I personally want to thank, and I believe we all owe a debt of gratitude to County CEO Ralph Cordova and his team for keeping us on the financial straight and narrow. However, we will need to remain vigilant as decreasing revenue projections and state budget cutbacks will continue to potentially affect us. Other troubling aspects of the economic picture are having local impacts. Over 1600 homes, amounting to 3.3% of our housing stock are in various stages of foreclosure. Home values have taken a hit also, and we project that by mid-2009 assessed valuation of existing properties in our county will have decreased by about \$1 Billion. Sales tax revenues declined by 6.7% in the most recent quarter and local unemployment rates, always troubling number, have started to creep back up and now stand at 23.4%.

So, now that I've given you the doom and gloom, and covered all of the things that have gone wrong, let's talk about what we're doing right – and there is a lot to talk about.

2008 was a tremendous year for Imperial County's transportation infrastructure. During the year, we were awarded \$50 million from the 2006 Proposition 1(b) infrastructure bonds for full funding of the third and final phase of the Brawley Bypass. We also broke ground last summer to begin construction on the second phase of this important project. If all goes well, we can expect completion in 2011.

In the November election, we made history by approving a 40 year renewal of Measure D, the local transportation funding measure, by a margin of 83.6%. Imperial County now holds a record among other counties for this kind of measure. With the passage of this important measure, Imperial County and its cities will be able to maintain local streets and roads, augment popular dial-a-ride and senior transit programs, and compete for special pots of state and federal money that is reserved to match funds from local agencies that have passed their own sales tax transportation tax measures. Give yourselves a big pat on the back for working to get this passed, especially tonight's sponsors, the Joint Chambers, who stepped up to lead the campaign that produced this amazing vote of support.

Many of us were disappointed last October when the federal GSA held a meeting in Calexico to announce that they would downsize the proposed \$330 million expansion of the downtown Calexico port of entry. They proposed to cut \$55 million from the project, and that meant that instead of 10 new lanes going northbound, we would only get 6 new lanes. Instead of having 8

southbound lanes, they were only going to build 3 lanes. The port, under their proposal, would only go to the east bank of the New River instead of undergrounding the New River, as they have done in Mexicali, and building the extra facilities on top of the present river. The GSA said that the \$330 million price tag was just too expensive for this project. The County, IVAG, and the City of Calexico immediately approached Congressman Filner and Senator Boxer for help in restoring the original proposal. We asked that they at least continue to do the environmental clearances on the complete project, by adding the New River portion as a separate phase of the total project. Doing this will give us time to seek other Federal money to complete the entire project as originally envisioned. Last month the Administrator of the GSA sent a letter to Supervisor Carrillo stating that they would continue to seek environmental clearance for the entire facility. We are now asking the Congress to look at this project when they decide where to spend economic stimulus money.

We received word in October that Skywest Airlines intended to drop service to the Imperial Airport in January. Once again we sought assistance from our Congressional representatives, and once again we were rewarded with favorable news. Just last week we got word from Washington that Skywest will be ordered to continue to serve the airport, since we qualify as an "essential service" airport. The FAA also instructed Skywest to seek input from the community as they develop their flight schedules to better accommodate business travelers to and from this airport.

In the meantime, we continue to plan for a new airport that will be capable of handling the pent up demand to move cargo in and out of the Imperial Valley. Of three sites that the consultants deemed suitable for a new airport, all three fall in my fifth district. It now looks as though the one site that could actually get built within our lifetimes is the existing Holtville airstrip. Congressman Filner has already contacted BLM and FAA on our behalf to look into acquiring more land for a longer runway, and clearing some military airspace for civilian use. If both of these obstacles can be cleared, we might be well on our way towards creating a new cargo and international commercial airport here in the County.

Another area where we continue to move forward, although at a pace that most of us believe is still too slow, involves the restoration of the Salton Sea. Last year legislation to create a new state governing body to oversee state spending on the Salton Sea restoration was killed in the Senate due to cost concerns. During the final month of the legislative session, Senator Ducheny was able to resurrect an earlier bill that had become stalled in the Assembly that would allocate

additional money to begin some of the habitat restoration projects that have already been approved by the state and the Salton Sea Authority. This bill was signed by the governor and will enable us to access some of the \$30 million that Senator Boxer was able to get authorized in an earlier Water Resources Development Act. Senator Ducheny plans to introduce a new bill to provide the governance structure that the state requires to spend money on the Sea's restoration. She is currently gathering signatures from other Senators and Assemblymembers as co-authors to help ensure passage during the upcoming legislative session. Likewise, we will be calling on local agencies, organizations and citizens for support of this critical legislation. Again, we are not moving forward as fast as most of us would like, BUT we are moving forward, and that is better than not moving at all.

Every winter, our County becomes the host to tens of thousands of off road vehicle enthusiasts both in the Imperial Sand Dunes Recreation Area, and on our western deserts. These visitors spend money in our stores and gas stations and generally help boost our local economies. Despite predictions that visitation might drop this year due to the economy and high gas prices, this season is bringing similar numbers of recreationists to our county. In past years, we assisted the BLM by having our Sheriff's Department sell the federal dunes user passes and the Sheriff was reimbursed for this activity. When that activity became too burdensome for the county, we cancelled our contract with the BLM and this year, the only involvement of the County at the dunes is to enforce laws and maintain a safe environment for our visitors. We are fortunate to have been able to have most of our costs of enforcement in the dunes reimbursed out of state Off Highway Fund grant monies that we receive each year.

The county has expressed concern over BLM's plans to cease trash collection from the dunes starting in February. We are concerned that duners who are used to having their trash collected from the dumpsters that BLM formerly provided in the dunes will simply leave their trash bags where the dumpsters used to be, or they will drop their trash bags off at the first fast food place or gas station they come across as they head back to their homes in the cities. We have sent a letter to the BLM state office and plan meetings with them this month in an effort to find a solution to this issue before it becomes a major problem.

I've already alluded to the proposed legislation that Senator Ducheny will soon introduce to deal with the state involvement in Salton Sea restoration. Our County legislative agenda will also include a measure to ensure that the newly approved Sunrise Powerlink transmission line

will not carry energy from any new fossil fuel plants in Mexico, and we have had assurances from SDG&E that they will support us in our efforts to gain this legislative assurance.

We will also work to correct legislation passed last year that would totally exempt large utility scale solar power plants from paying most property taxes. We want to come up with legislation similar to what we proposed for the geothermal industry that will provide property tax incentives for companies that develop projects in our county, but we need to make sure that they are paying enough to compensate for the services that county must provide.

There will also be legislation next year that will make IVAG a state-recognized County Transportation Commission. IVAG, SCAG and CalTrans have been working on getting language together that will accomplish this. This will make IVAG on a par with each of the 5 other counties that make up the SCAG region, as they are already set up as County Transportation Commissions. It is the hope of the county and the cities which belong to IVAG to become an independent agency with its own offices and staff and not just an adjunct to county government. As the community continues to grow, the importance of IVAG will continue to grow, and we have reached a point where we need a fulltime dedicated staff to manage the transportation future of the county.

We also hear a lot about the proposed economic stimulus legislation that is being proposed in both Sacramento and Washington. The county and all of the cities have been compiling lists of infrastructure projects that have most of the permits and/or environmental clearances that could put people to work immediately if they were to get funded by either the federal or state governments. We are sharing these lists with our Congressional representatives, CalTrans, and our state legislators and encouraging them to work to get as many local projects as possible funded in any legislation that gets passed.

Despite all of the challenges we face, and I've discussed a number of them tonight, I always choose to look on the bright side of things. This county is uniquely blessed with abundant and invaluable natural resources. Our agribusiness community has harnessed the benefits of our soil, sunshine and water for the production of ag commodities. But that same sunshine, the earth's heat beneath that soil, along with a little bit of that precious water is now being combined to produce another commodity we can ship to consumers outside the Valley, in the

form of renewable energy. As the state and nation move to a cleaner, greener energy future, a future less dependent on unreliable foreign sources, we are in a position to play a major role in shaping that future. Today Imperial County is the second largest producer of geothermal power in the country, and soon to be number one. New projects like the Ormat Brawley North plant are coming on line and are already contributing dollars and jobs to our county. Solar energy – we’ve got that too. Stirling Energy’s Solar Two facility, when completed, will be the largest solar generator in the world. Infrastructure will play a huge part here also, and with projects like the Sunrise Powerlink and IID’s transmission upgrades, we are well on the road to seeing the promise of these resources fulfilled. Combine this with biofuel and biomass potential, which will fit perfectly with our agricultural base, and we have the makings of a second “Gold Rush”, except this one will be a “Green Rush”, and a lot of the economic benefits will occur right here. The recent IID Summit Blue report points to the potential of up to 8,000 new jobs for Imperial County in the energy sector. Our county must seize this opportunity to assure that these new industries succeed and thrive.

While energy is a big part of our economic future, it will not be the only part. Our strategic geographic location, in the midst of huge population centers and along the border with Mexico assures us that we will continue to develop as a hub of trade and commerce. Among its many accomplishments, the Imperial Valley Economic Development Corporation has recently combined forces with San Diego County and Northern Baja California to implement the MegaRegion Initiative. This will be yet another valuable tool in helping us take advantage of our vast development possibilities.

Some of the other exciting projects being developed here include the Imperial Center which will be located near Heber. It will be a branded wholesale outlet/auction center along with a number of other retail concerns, within a commercial complex. The Outlet Center, convenience market, parking and Outdoor Areas will be constructed on a 77 – acre parcel. The Imperial Center may also contain traditional retail merchandisers. These merchandisers are involved with functions and activities involved in the selling of goods and commodities directly to consumers.

Other plans for continued growth will be met within the Keystone Planning Corridor, an unincorporated area that is located between State routes 86 and 111, north of the City of Imperial and south of the City of Brawley. With its access to state highways on both the west

and east, and its location between two incorporated cities, this predominately undeveloped territory is expected to provide new opportunities for economic growth in the Imperial Valley. Three Specific Plans are associated with the Keystone Planning Corridor: the approved Mesquite Lake Specific Plan industrial park and the proposed new residential communities of 101 Ranch and Rancho Los Lagos. Together, these three specific plans envision the development of a variety of new land uses to accommodate diverse employment and housing opportunities.

The economic development envisioned for the Keystone Planning Corridor cannot occur without the development of appropriate public facilities – in particular, the sewer and water facilities that will be necessary to serve new industries and homes. For this reason, the City of Brawley, City of Imperial and the County of Imperial entered into a Memorandum of Understanding (MOU) to develop wastewater and water treatment facilities for the area within and surrounding the Keystone Planning Specific Plan.

There is also expansion of tribal gaming facilities under review in our county, including the Manzanita project in Calexico. As with all of the above proposals, the county will be looking to insure that potential impacts, positive or negative, to roads, public safety, other services and our communities are properly mitigated.

So, while our view of the recent past and present may be a little cloudy, our vision of the future is crystal clear – bright, with plenty of sunshine.

Before I close, I want to express my gratitude to my two retiring colleagues on the board. I served with Joe Maruca for eight years and with Larry Grogan for the past 4 years. I think this current board has been an exemplary model of local government at its best. In spite of all of the challenges and difficult issues facing this board, our deliberations as a board have always been civil and our differing opinions on particular matters are always treated with respect and decorum. It has truly been a pleasure working with this board, and I expect no less from the two incoming members, Supervisor Michael Kelley and Supervisor Jack Terrazas. I have a tremendous amount of respect and admiration for these gentlemen, having known both of them for many years.

I also want to point out that the other two continuing members of the board will be serving in additional capacities next year. Supervisor Victor Carrillo will be the new Chairman of the

Border Counties Coalition which includes all of the counties along the Mexico/US border from Texas to California. Supervisor Gary Wyatt was just installed as the new President of the California State Association of Counties. He will be representing the interests of all 58 counties as he meets with the Governor and key members of the legislature during this very trying economic climate. I know Gary will represent the counties well and perhaps will bring some special recognition to Imperial County. I fully expect that we will finally see the governor actually pay us a visit here in Imperial County and learn what a truly unique and wonderful place this is. That is certainly something we can look forward to this year, since it is going to be Imperial County and our tremendous potential to produce renewable energy that is going to lead California out of its current economic crisis.

Thank you for coming, and good evening. May God Bless Imperial County and God Bless America.