



CALIFORNIA BUSINESS PROPERTIES ASSOCIATION

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October 3, 2016

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Joseph Byrne, Chairman
Members of the Commission
California Water Commission
P.O. Box 924836
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Sent electronically to WSIPComments@cw.com

Dear Chairman Byrne and Members of the Commission:

California Business Properties Association respectfully submits the following comments on the California Water Commission's (Commission) proposed regulations (September 2, 2016) for Proposition 1, Chapter 8 (The Water Storage Investment Program or "Storage Program").

We appreciate that the Commission has made some significant improvements to the regulations since the January 2016 version, which will be helpful to the Commission as it moves forward. There remains, however, several important issues that need to be addressed by the Commission to maximize the water assets advanced with assistance from Chapter 8 funding. Most importantly, we urge the Commission to re-align its regulations as soon as possible with the specific language in Proposition 1 and the clear intent of both the Legislature and the Governor.

Funding under Chapter 8 provides an exciting new opportunity for California to prepare for the future. The Commission has a similar opportunity through this process to empower and provide important tools for local and regional agencies to creatively develop "public benefits" through a state investment in large and innovative water assets. To carry this out, we encourage the Commission to re-align its regulations without any further delay to provide regulations that will help foster this exciting new opportunity for "public benefits" in California.

We offer the following general comments to assist the Commission in re-aligning the regulations with Proposition 1:

The Commission should acknowledge net public benefits contributed by projects.

The January version of the regulations recognized the importance of net contributions towards public benefits, yet they now seem to be missing from the current version of the regulations. The current draft introduces a new concept to differentiate "existing" from "new" environmental mitigation and compliance obligations, which is inconsistent with Proposition 1. Instead, Proposition 1 calls for projects that "provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter." We encourage the Commission to reinstate this important provision in Water Code section 79753(b) to advance public benefits in a rational manner consistent with Proposition 1.

The draft regulations unnecessarily increase the costs to prepare the applications.

The requirements in the draft regulations and the Technical Reference Document include application requirements that: (1) appear to be overly prescriptive; (2) add cost to prepare the application; and/or (3) require extensive supporting documentation in topic areas that are not a part of the primary evaluation criteria.

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Joseph Byrne, Chairman & Members of the Commission
California Water Commission
October 3, 2016

We encourage the Commission to aggressively pursue its schedule going forward to approve projects in an expeditious manner.

We appreciate the actions taken by the Water Commission expedite the schedule to approve projects under Chapter 8. The time savings coupled with the shortened evaluation period will enable selected projects to become operational sooner and therefore enable the expected benefits to be realized sooner, which is important for the State of California. We support the more aggressive time schedule.

In sum, there is widespread and strong support for the public benefits associated with water storage in California and we urge you to re-align the regulations to advance this important concept. There are several proposed projects that will provide more detailed comments, which we urge you to take very seriously as you review the various comments.

CBPA is the designated legislative advocate for the International Council of Shopping Centers (ICSC), NAIOP of California, the Commercial Real Estate Developers Association (NAIOP), the Building Owners and Managers Association of California (BOMA), the Retail Industry Leaders Association (RILA), the Institute of Real Estate Management (IREM), the Association of Commercial Real Estate – Northern and Southern California (ACRE), the National Association of Real Estate Investment Trusts (NAREIT), AIR Commercial Real Estate Association, the California Association for Local Economic Development (CALED), and the California Downtown Association (CDA). CBPA currently represents over 10,000 members, making it the largest consortium of commercial real estate professionals in California.

Thank you for the opportunity to provide our perspective on the proposed regulations. For the Storage Program to advance these important purposes, we encourage the Commission to move quickly to re-align the current regulations with Proposition 1 and refocus on a clear and more direct path forward for the state to immediately start investing in the “public benefits” of water storage in California. If you have any questions, please call.

Respectfully,



Matthew Hargrove
Sr. Vice President

cc: Rachel Ballanti, Executive Officer
Rex Hime, President & CEO, CBPA