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BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES, SECTIONS 40-360 et seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING CONSTRUCTION OF A 230 kV DOUBLE-CIRCUIT TRANSMISSION LINE ORIGINATING AT THE PLANNED AND PERMITTED ABEL SUBSTATION, NEAR JUDD AND ATTAWAY ROADS IN PINAL COUNTY, TO THE PLANNED AND PERMITTED RS-17 SUBSTATION, ADJACENT TO THE EXISTING MOODY SUBSTATION, LOCATED NEAR PECOS AND RECKER ROADS, IN THE TOWN OF GILBERT, MARICOPA COUNTY, ARIZONA, INCLUDING A NEW 230/69 KV SUBSTATION NEAR THE INTERSECTION OF COMBS AND MERIDIAN ROADS, IN OR ADJACENT TO THE TOWN OF QUEEN CREEK, ARIZONA

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AZ CORP COMMISSION DOCKET CONTROL

Docket No. L-00000B-09-0311-00148

Case No. 148

CITY OF MESA

NOTICE OF FILING TESTIMONY SUMMARIES

1 In accordance with the June 17, 2009, Procedural Order in this Docket, the City of Mesa,
2 Arizona ("Mesa") hereby files testimony summaries for the following witnesses:

- 3 • Scot H. Rigby (Revised 9/23/09)
- 4 • Vince Stark

5 In addition to these two witnesses, Mesa intends to have two more witnesses testify on its
6 behalf: Walter L. Fix and Bryan G. Raynes. Mesa filed and distributed testimony summaries for
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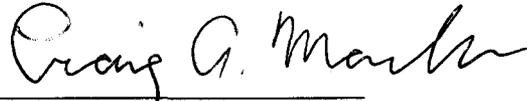
8 Mesa also filed a summary of Mr. Rigby's expected testimony on August 4, 2009. Please
9 substitute the attached revised summary for the August 4, 2009, summary of his expected
10 testimony.

Arizona Corporation Commission
DOCKETED

SEP 24 2009

DOCKETED BY *MM*

1 RESPECTFULLY SUBMITTED on September 24, 2009.

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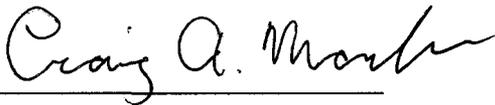
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20 Attorneys for the City of Mesa, Arizona

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22 **Original** and 25 copies **filed**
23 on September 24, 2009, with:

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25 Docket Control
26 Arizona Corporation Commission
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28 Phoenix, Arizona 85007

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30 **Copies** of the foregoing **e-mailed** on
31 September 24, 2009, to all parties of record

32
33 By: 
34

Scot H. Rigby (Revised 9/23/09)

Scot H. Rigby is employed by the City of Mesa in the Office of Economic Development as the Mesa Gateway Area Project Manager. He leads Mesa's efforts in coordinating the economic development of the 32 square-mile Mesa Gateway Area. This includes economic, airport, and infrastructure development as well as strategic planning coordination.

Development along Germann Road comprises a mixture of single family residential development, commercial development as well as substantial amounts of warehouse and industrial development. The Mesa General Plan and existing zoning within this corridor is focused on Business Park, Office, Commercial and both light and heavy industrial development.

Between Hawes and Ellsworth Roads, there are approximately 40 homes on the north side of Germann Road as well as 15-20 larger home sites on the south, or Queen Creek, side of Germann Road. Constructing a large transmission line in the Germann Alignment, would likely elicit strong opposition and concerns by residents about safety, property takings, and impacts on home values and the homeowner's ability to sell or refinance.

There are two existing commercial developments totaling more than 80 acres located at the NW Corner of Ellsworth and Germann running north to Pecos. These combine industrial/office flex space buildings with retail buildings directly fronting Germann Road. Additional retail development has been approved and is pending development.

Moving from west to east along Germann Road, there are three major industrial facilities. The first one is the Chas/Robert Heating & Air conditioning facility. Next, there is a TRW facility. Finally, there is a new CMC Steel plant. Together, these three facilities employ more than 1,000 employees, with plans for additional employees once CMC Steel completes construction.

TRW is also in the process of selling a portion of its facility to two bidders, each of which is a significantly sized aerospace-related industry that anticipates aerospace R&D and manufacturing on the site. At least one of these aerospace companies has identified the TRW facilities and its acreage as critical in its consideration because it anticipates landing, repairing and overhauling rotor craft (helicopters), with repaired aircraft departing from the facility. The location of power lines and poles fronting TRW may discourage this aviation company due to safety concerns associated with landing and departing rotorcraft in close proximity to a large transmission line.

There are a number of pending developments along the Germann corridor. The first one is the Williams Trade Zone. This 900-acre development spans from Hawes Road east to Crismon Road and is designed and zoned for companies/industries desiring close airport access and development sites. The ownership has been working with the City of Mesa and the airport on plans that may include "through the fence" access to airport flight lines, which allows aerospace or logistics based companies to drive, park and or repair aircraft off airport property. In addition, 600 of the 900 acres within the development constitutes the only, federally approved Foreign Trade Subzone in the East Valley adjacent to a major commercial airport. This provides significant tax and time advantages for companies importing and exporting value-added goods.

Another development is this 80-acre parcel east of Sossaman Road on Germann Road. This is anticipated to be a 2-3 acre lot industrial Business Park development, which will be marketed to small to medium sized businesses.

A third development is a 55-acre Motion Picture Studio/Soundstage Development, which is early in planning stages. This business has expressed concerns about a possible Germann Road alignment and how it may adversely impact the motion picture studio viability.

Overall, the Mesa Gateway area has been identified as one of the top opportunities for creating a large regional job center and economic engine in the Southeast Valley. The Maricopa Association of Governments has identified the Mesa Gateway area as one of the most important economic job centers in the Metro region and anticipates the creation of more than 100,000 jobs within its boundaries.

The City of Mesa, after the involvement of key external public and private stakeholders, recently approved the Mesa Gateway Strategic Development Plan. The Gateway Strategic Plan establishes a vision for the growth of this unique area and a framework for future economic sustainability.

Gateway Airport has a 3,020 acre footprint, or approximately five square miles. This is equivalent to some of the largest and most active airports operating in the United States. Because of its size and location, Phoenix-Mesa Gateway Airport is the key asset to future development of the Mesa Gateway area.

The first opportunity provided by the Airport is its establishment as the second major airport serving the greater Phoenix metropolitan area. Gateway Airport is the official commercial passenger reliever airport in the Phoenix-Mesa metropolitan area. Gateway Airport is intended to complement rather than compete with Sky Harbor International Airport, 28 miles to the west. Projected passenger volumes range from 2-5 million enplaned passengers by 2030. This will obviously generate a large number of supporting jobs.

Mesa is even more excited about the ancillary operating and development potential in and around the Airport. This development is why the Airport will become a critical economic and fiscal engine for Mesa, Queen Creek, and the surrounding area and region. The City of Mesa is committed to supporting this development by taking the steps necessary to ensure that the Gateway Airport thrives.

Within the Gateway Strategic Plan, one of the most important methods to ensure that the area is developed to match the Plan's goals is related to airport protection and surrounding development. We are establishing the "aviation envelope" that will support the regional interests of airport and airline users. This envelope is envisioned to include land outside of the airport property that will enable support industries that feed off the vibrancy of the airport. Examples include logistics centers that cater to air, ground, and rail transportation of goods. In particular, the area directly south of the airport, including the Germann Road corridor, is crucial to providing sizeable development-ready property for these businesses.

The City is also promoting compatible land uses. A wide range of commercial, recreational, and residential uses can occupy land in close proximity to the airport and its active airspace, so long as these uses and their associated structures do not restrict or hinder the increasing flight activity of the airport.

A transmission Line on Germann Road could interfere with the goals the City has for the Logistics and Commerce District, which is located south of the Airport. The Logistics and Commerce District is focused on nonresidential development, including protecting the airport flight corridors and the inbound and outbound flight testing corridor for Boeing helicopters that

follow the Germann Road and Pecos Road alignments. The Boeing facility, located at 5000 East McDowell Road, is approximately 10 miles north of the airport. At this facility, Boeing manufactures and tests Apache Longbow helicopters for the United States Army and for many foreign militaries. Boeing has choices where it conducts future business and Mesa does not want to see any development that would unnecessarily interfere with the City's ability to compete for future Boeing projects.

There are other ways that a transmission line on Germann Road could interfere with planned development in the area. Another of the primary goals of the District, as defined by the Gateway Strategic Plan, is to "Maximize Potential of Phoenix-Mesa Gateway Airport" by ensuring that the center portion of this area directly under the primary landing approach zone remains free of hazards, thus enabling unrestricted ingress/egress to aircraft takeoffs and departures.

Development in this area must respect and preserve this flight corridor. This area, coupled with the long runways with unimpeded flightlines of the airport, is seen as an excellent location for airport-related uses, particularly those that will support cargo activities both on and off airport. Consequently, any structure, such as a major transmission line, that impedes the currently unimpeded approach and departure flightlines, would impede the expansion of airport activity and directly impact the long term viability of the Logistics and Commerce District.

Overall, Gateway Airport is an airport of choice and not of necessity. Consequently it must be able to demonstrate its tremendous assets of long runways, ample development room, both on and off airport, and its long approach and departure flight lines over Germann Road. These assets are of special value to both commercial and business jet service as they weigh choices in whether to use the airport as a base of operation. The communities of Mesa, Queen Creek, Gilbert, Gila River Indian Community, and Phoenix, as well as the state and federal government have invested and will continue to invest millions of dollars in runways, taxiways, terminals, roads, water, wastewater and structures for the single overarching and agreed upon goal of creating one of the largest job centers in the Valley, region and Southwest. We should do nothing to unnecessarily jeopardize these investments.

Mesa could also support either of the Ryan Road alignments. Although they would be somewhat more expensive they still have many advantages over the Germann Road alignments.

1. The route would affect the fewest number of existing residents and businesses. Virtually the entire route is agricultural land.
2. As SRP testified, construction and maintenance of a Ryan Road transmission line would least interfere with residents, businesses, and traffic flows.
3. Either of the Ryan Road alignments would still cost approximately \$2 million less than the corresponding Germann Road alignments.
4. The Ryan Road alignments would not require zig-zagging back and forth over Ryan Road, unlike Germann Road. SRP's conceptual plan for a Germann Road transmission line would require it to cross Germann Road at least five times.
5. Large affected land owners along Ryan Road support the Ryan Road/Signal Butte alignment. In comparison, none of the affected land owners support either of the Germann Road alignments.

Vince Stark

Vincent Stark is the President of CBC, Inc. ("CBC"). CBC is a firm that provides general contracting, construction management and design-build services for commercial and residential clients. CBC has been in business in Arizona for ten years, and eight years before that in Michigan under the name Church Building Contractors.

CBC has entered into an agreement with a private investment group to provide the land and consulting services for the Gateway Studios production studios project. CBC would not be able to proceed with this project if SRP constructs a high-voltage power line along the Germann Road alignment.

CBC plans to develop Gateway Studios on a 55-acre parcel at the intersection of Hawes and Germann Roads. This is just west of the existing Queens Park residential subdivision.

Total investment in Gateway Studios is expected to be \$70 million. Gateway Studios will feature a state-of-the-art production campus incorporating green building design, renewable-energy technology, and an all-around earth-friendly and community-friendly approach to film making. The technology and functionality of the sound stages and production offices will incorporate modern and advanced communications and networking technology that will be engineered for adaptability, for today and well into the future.

CBC expects to develop the 55-acre campus in two phases. Phase one will include four sound stages, from 15,000 sq. ft to 22,000 sq. ft., with clear heights of 35 and 45 feet, along with production and post-production facilities, a combined 67,000 sq. ft. of office space, production storage buildings, an 11,000 sq. ft. auditorium, daycare center, gym and spa, medical services building, large back-lot production areas and street production sets. The adjoined sound stages can expand to up to 45,000 sq. ft. The 11,000 sq. ft. auditorium will host film screenings, casting, lecture and classroom amenities and film production. CBC expects to complete the Phase I complex in late 2012.

Phase II will include four additional sound stages (from 15,000 – 31,000 sq. ft.), production storage facilities and exterior production sets. CBC will announce the time line for Phase II construction at a later date.

Locating next to Phoenix-Mesa Gateway Airport will be an important factor in the Studio's success. Gateway Airport is just one hour by air from Los Angeles. Passengers traveling by private jets from the Los Angeles area could be at the Studio within five minutes of touchdown. Return commutes would be just as efficient.

The State of Arizona currently provides infrastructure incentives that would be available for Gateway Studios. These incentives currently are scheduled to expire on December 31, 2010. CBC believes that there is a very good chance that the incentives will be extended. A bill has been drafted and to be reviewed by the Legislature after Jan. 3rd, 2010. An independent case study is attached to that bill that verifies the incentives have had a significant positive impact. This, along with the promise of our major infrastructure project would surely weigh in the favor of the film industry to at least get the program extended, if not improved. Currently, the program provides annual incentives of up to \$70 million. CBC hopes to qualify for up to \$25 million during the first year of construction, and an additional \$20 million to complete Phase I the following year.

CBC will not be able to obtain financing for Gateway Studios if there is a 230kV transmission line along Germann Road. Electrical interference is a serious concern to filmmakers because of the advanced, very expensive and very sensitive, soundstage equipment that is being used in studios. Fear of any potential interference from a high-voltage power line could deter film makers from leasing space at the campus. There is also great concern that the transmission line could interfere with the numerous satellite feeds that are needed to transfer data to the production companies' home offices.

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