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1 Gregory L. Miles, #005263
Shawn E. Nelson, #019228
2 DAVIS MILES PLLC
P.O. Box 15070
3 Mesa, Arizona 85211-3070
(480) 733-6800
4 (480) 733-3748 (facsimile)
5 *Attorneys for the Vlachos Parties*

6 Francis J. Slavin, #002972
FRANCIS J. SLAVIN, P.C.
7 2198 East Camelback Road, Suite 285
Phoenix, Arizona 85016
8 (602) 381-8700
(602) 381-1920 (facsimile)
9 Email: service @fjslegal.com
10 *Attorneys for Circle G Development, Barney Farms,
William Lyon Homes and Meridian Crossing Partners*

11 Ralph W. Pew, #005744
12 PEW & LAKE PLC
1744 S. Val Vista Drive, Suite 217
13 Mesa, Arizona 85204-7366
14 (480) 461-4670
(480) 461-4676 (facsimile)
15 *Attorneys for Property Reserve Inc. and Fulton Homes*

Arizona Corporation Commission
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OCT 14 2009

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**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

18 IN THE MATTER OF THE APPLICATION OF
19 SALT RIVER PROJECT AGRICULTURAL
20 IMPROVEMENT AND POWER DISTRICT, IN
CONFORMANCE WITH THE REQUIREMENTS
21 OF ARIZONA REVISED STATUTES, SECTIONS
40-360, et seq., FOR A CERTIFICATE OF
22 ENVIRONMENTAL COMPATIBILITY
AUTHORIZING CONSTRUCTION OF A 230 kV
23 DOUBLE-CIRCUIT TRANSMISSION LINE
ORIGINATING AT THE PLANNED AND
24 PERMITTED ABEL SUBSTATION, NEAR JUDD
AND ATTAWAY ROADS IN PINAL COUNTY,
25 TO THE PLANNED AND PERMITTED RS-17
SUBSTATION, ADJACENT TO THE EXISTING
26 MOODY SUBSTATION, LOCATED NEAR
PECOS AND RECKER ROADS, IN THE TOWN
27 OF GILBERT, MARICOPA COUNTY, ARIZONA,

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

Case No. 148

**SUMMARY OF DIRECT TESTIMONY
OF WITNESSES ON BEHALF OF THE
VLACHOS PARTIES**

1 AND INCLUDING A NEW 230/69 kV
2 SUBSTATION NEAR THE INTERSECTION OF
3 COMBS AND MERIDIAN ROADS, IN OR
4 ADJACENT TO THE TOWN OF QUEEN CREEK,
5 ARIZONA.

6 **SUMMARY OF EXPECTED DIRECT TESTIMONY**
7 **AND LIST OF WITNESSES OF LARGE AREA LAND OWNERS - -**
8 **V&P NURSERY, CIRCLE G DEVELOPMENT, BARNEY FARMS,**
9 **PROPERTY RESERVE, INC., FULTON HOMES, WILLIAM LYON HOMES**
10 **AND MERIDIAN CROSSING PARTNERS**

11 The Vlachos Parties hereby respectfully submit the following summaries of the
12 anticipated direct examination testimony of the witnesses they may call at the next
13 scheduled session of the hearing, beginning October 19, 2009. Said owners further
14 provide their list of exhibits that may be used at the hearing. Copies of the list of exhibits
15 will be provided to all parties and to the Committee. The owners reserve the right to
16 delete any listed exhibit or to timely add additional exhibits to its list.

17 **WITNESS**

18 **1. DEMETRIOS VLACHOS**

19 Demetrios Vlachos is the owner of V&P Nurseries, Inc., a wholesale nursery located on 240
20 acres of real property also owned by Mr. Vlachos. The nursery is bounded by Germann Road on
21 the north, Crismon Road on the west, Ryan Road to the south and the eastern boundary is located
22 approximately ¼ mile west of Signal Butte Road. Vlachos' business on the site employs over 180
23 people, as well as serving a number of local retail and construction businesses as a supplier of plant
24 nursery products.

25 In Siting Case No. 148, Mr. Vlachos will present testimony that he maintains his position
26 that the Rittenhouse corridor is the most direct, least disruptive and least costly route for the
27 transmission line. He will also present testimony that if the Rittenhouse route is not accepted, the

1 Vlachos' Parties will not oppose SRP's preferred route along the south side of Ryan Rd. as an
2 alternative route. He will also express opposition to location of the transmission line along
3 Germann Rd., and opposition to a north side Ryan Rd. alignment, as both of these routes will cause
4 substantial impact on his business and property.
5

6 Mr. Vlachos will explain that the disruptions arising from the Germann or north side Ryan
7 Rd. alignments include a significant disruption to the operation of his business and its profitability.
8 The current viability of his business and the location of various buildings on the nursery property
9 will significantly increase the costs of any condemnation award which would be required by the
10 choice of either of these routes. Further, Mr. Vlachos has incurred significant time and expense in
11 securing not only a contiguous set of parcels on which to conduct his nursery, but also water rights
12 specific to his property and type of business, which water rights are directly connected to the size
13 and location of his real property. Any taking from his property could result in the loss of a portion
14 of his water allotment, which water allotment he relies upon to create and maintain the inventory of
15 his business. Such a loss could directly affect his ability to perform on supply obligations to current
16 and future customers. Further, Mr. Vlachos has invested significant time and expense developing a
17 large capacity irrigation well on his property just south of Germann Rd., which well could be
18 affected by a transmission line along the Germann Rd. corridor.
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21 Mr. Vlachos' testimony will also include his position that Germann Rd. is a main arterial
22 route for access to numerous commercial businesses, including his own, and that an alignment
23 along Germann Rd. will severely curtail access to and development of these businesses. Further, it
24 is his position that all of the airport safety issues created by a Germann Rd. alignment, affect not
25 only the airport's commercial viability, but also the safety of all properties in proximity to the
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1 airport and its flight radius. For these reasons, Mr. Vlachos will strongly oppose any Germann Rd.
2 or north side Ryan Rd. alignment.

3
4 **2. JASON BARNEY**

5 Jason Barney is appointed spokesperson for Circle G Development, Barney Farms
6 and Meridian Crossing Partners.

7 **A. Circle G Development**

8 Circle G Development owns a 50-acre, small lot industrial subdivision to be
9 developed on the west side of Sossaman Road just north of Rittenhouse Road and the
10 Union Pacific Railroad tracks. The property is zoned for heavy industrial uses. Circle
11 G's project has recently obtained preliminary plat approval from the City of Mesa. Circle
12 G prefers that the high voltage transmission lines ("HVTL") be located between
13 Rittenhouse Road and the Union Pacific Railroad tracks so as to lessen the impact on
14 Circle G's industrial subdivision.

15 **B. Barney Farms**

16 Newell Barney owns the 720 acres of primarily undeveloped land bordered
17 by Germann Road on the north, Meridian Road on the east, Queen Creek Road on the
18 south and extending ¼ to ½ mile west of Signal Butte Road. The property is known as
19 Barney Farms. Newell Barney has owned this land for approximately 65 years. Newell
20 Barney is a third generation Arizonan. Jason Barney, his cousin, has been given the task
21 of preparing a development master plan and obtaining entitlements of the property. The
22 Town of Queen Creek's current general plan designates Barney Farms for employment
23 uses. The Barneys plan to develop a mixed-use community consisting of commercial,
24 employment, and residential uses. Barney Farms is currently processing a major general
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1 plan amendment with the Town of Queen Creek that includes residential development
2 along Meridian Road between Queen Creek and Germann.

3 Meridian Road is planned to be a 6-lane regional arterial road. Germann
4 Road is classified as a major arterial road. Barney Farms enjoys 1.25 miles of frontage on
5 Germann Road and 1.0 mile of frontage on Meridian Road. Placing the SRP power lines
6 on the Meridian/Germann alignment would create a 2.25 mile impact on key arterial
7 frontage. Barney Farms development master plan shows residential uses along the
8 Meridian Road frontage and light industrial/business park uses along Germann and Signal
9 Butte Roads.

10
11 Barney Farms' industrial/business park will consist of high tech and other
12 high value job employers. These users will command amenitized sites with high visibility
13 and a well developed major arterial street system. Close proximity to well planned
14 residential communities will be a key attraction to major employers.

15 Barney Farms will be competing for high value job employers with
16 industrial/business park properties lying north, east and west of Williams Gateway.
17 Having an unobstructed marketing window along Germann Road will be vital to the future
18 success of Barney Farms industrial/business park property development. Visibility from
19 key arterial roadways is the primary marketing window source.

20 Barney Farms, one of the largest owners of the future employment base in
21 the Town of Queen Creek, believes strongly that the success of its development will be
22 challenged by the location of HVTL along its Germann and Meridian Road frontages.
23 Rather, an interior location along Ryan and then south on Signal Butte will lessen the
24 negative impact of the HVTL on the development and marketing of the industrial/business
25

1 park by preserving the critical arterial visibility window. This will in turn contribute to
2 the overall success of an amenitized employment development.

3 The intersection of Signal Butte and Germann Roads will be developed with
4 commercial uses and will be the major access into the Barney Farms employment
5 community. Barney Farms again strongly believes that an alignment along Germann
6 Road then turning south at Signal Butte would have a substantial negative impact on the
7 marketability of their properties. This intersection is a key gateway not only into Barney
8 Farms but also the Town of Queen Creek.

9 Barney Farms views any alignment on or near the Barney property to be
10 detrimental to its property values, development potential, and marketability. The Barney
11 Family believes that keeping the lines entirely on Rittenhouse would be the preferable
12 route as it relates to impacts on Barney Farms. However, with respect to and in light of
13 concerns expressed by the Town of Queen Creek and local citizens, it seems apparent that
14 a northern corridor is both likely as well as more agreeable to a majority of the Queen
15 Creek stake holders. Based on that, Barney Farms is not actively promoting a Rittenhouse
16 alignment. Should one of the two proposed northern corridors be favored by the selection
17 process, Barney Farms emphatically supports Salt River Project's preferred alignment
18 along Ryan Road and then south on Signal Butte to Rittenhouse Road due to relatively
19 reduced impacts in comparison to the Meridian to Germann alternative.

21 **C. Meridian Crossing Partners**

22 The Meridian Crossing property consists of approximately 485 acres of land
23 located southwest of the intersection of Riggs Road/Combs Road and Meridian Road.
24 This is the planned location of a future regional commercial and residential master
25 planned community. Meridian Crossing Partners consist of Westcor, Bill Lund, the
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1 Barney Family, and Circle G. Meridian Crossing Partners strongly oppose any alignment
2 of the HVTL along Riggs Road/Combs Road. They further oppose any alignment on
3 Meridian Road intersecting with Rittenhouse, at the northeast corner of their property.
4 Finally, they oppose an alignment on the south side of Rittenhouse east of Meridian Road.
5

6 Meridian Crossing Partners favor the northwest substation site for the RS24
7 substation. Meridian Crossing Partners supports the Town's position that the substation
8 sites should be visibly screened and heavily landscaped to mitigate the impact of the
9 proposed 25-34 acre substation.

10 **3. DAN MCKAY - PROPERTY RESERVE INC.**

11 Dan McKay, an employee of PRI, is expected to testify that he is responsible for the
12 management and long term strategic planning related to the land owned by PRI with
13 frontage on Meridian Road. PRI owns approximately 500 acres on the east side of Meridian
14 Road between Germann and Queen Creek Roads. The property has ½ mile of frontage on
15 Meridian Road between the Ryan Road Alignment and Queen Creek Road. PRI supports
16 the Ryan Road/Signal Butte Alignment.
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19 While the property is currently used for agricultural purposes, PRI's long range plan
20 for the property is development for residential purposes in accordance with Pinal County's
21 Comprehensive Long Range Plan. PRI has worked with Johnson Utility Company to
22 provide water and wastewater services to the property.
23

24 In addition, PRI supports the position that the Ryan Road Alignment is a preferred
25 alternative to Germann Road. PRI also supports the Ryan Road Alignment because the
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1 Ryan Road Alignment is an integral part of the Signal Butte Alignment. Because of the
2 location of the Town of Queen Creek East Park, it is extremely unlikely that a Ryan Road
3 Alignment proceeding east past Signal Butte through the park to Meridian would be
4 acceptable. Consequently, the selection of a Germann alignment is a de facto decision to
5 select Meridian over Signal Butte.
6

7 Further, Meridian Road will be a major transportation corridor and will have more
8 variety and intensity of urban land uses than will Signal Butte. Keeping the Transmission
9 lines off of Meridian will be an aesthetic and development improvement for the Meridian
10 Road Corridor and will encourage the much needed economic development to occur in this
11 area.
12

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14 **4. NORM NICHOLS – PRESIDENT, FULTON HOMES**
15

16 Norm Nichols, the president of Fulton Homes, is expected to testify that Fulton
17 Homes is the owner of a large master-planned community known as Ironwood Crossing.
18 Ironwood Crossing contains approximately 700 acres located between Meridian Road on
19 the west and Ironwood Road on the east and Queen Creek Road on the north and Ocotillo
20 Road on the south. The project contains approximately 700 acres and has land use
21 entitlements, preliminary subdivision plats and final subdivision plats that are substantially
22 complete for approximately 2,100 homes.
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25 Ironwood Crossing has substantial frontage along the Meridian Road alignment
26 between Ocotillo and Queen Creek Roads. The Ironwood Crossing project is already
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1 encumbered by power lines on other portions of the project. Fulton Homes prefers that the
2 transmission lines be located on Signal Butte rather than Meridian Road.

3
4 In addition, Fulton Homes supports the position of the Vlachos Parties, Jason
5 Barney, and representatives of the Meridian Crossing project concerning the transmission
6 line location on Ryan Road and Signal Butte Road.

7
8 **5. CHARLES CALDWELL-WILLIAM LYON HOMES**

9 Mr. Caldwell is the Director of Entitlements of William Lyon Homes. William
10 Lyon Homes is a large diversified homebuilder headquartered in Newport Beach,
11 California. William Lyon Homes builds homes in three states. William Lyon Homes has
12 been building homes in Arizona for over 35 years. It is the owner of Church Farms, an
13 884-acre master plan community consisting of 1,745 single family detached homes and 45
14 acres of commercial that will be located in the Town of Queen Creek. Church Farms
15 extends from Signal Butte Road on the east to approximately a ¼ mile east of Meridian
16 Road and from Queen Creek Wash on the south to Ocotillo Road on the north. Church
17 Farms has about 0.9 miles of frontage on Signal Butte Road, 0.5 miles of frontage on
18 Rittenhouse Road and about 1.9 miles of frontage on both sides of Meridian Road. Its
19 southern property line abuts the proposed northwest RS24 substation site.

20
21 The major gateway and marketing window to Church Farms master plan
22 community is on the Meridian Road corridor. The Meridian Road corridor is planned for
23 a 6-lane regional arterial roadway with a center turn lane and raised, landscaped medians.
24 William Lyon Homes opposes a Meridian Road alignment and supports the Signal Butte
25 preferred alignment. More of Church Farms arterial frontage could be impacted by
26 Meridian Road alignment. A Meridian Road alignment would have a negative impact on
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1 the development and marketing of homes in Church Farms. Since most of the Signal Butte
2 frontage consists of residential neighborhoods, William Lyon Homes prefers that the
3 power lines be placed on the west side of Signal Butte Road.

4
5 William Lyon Homes supports the northwest RS24 substation site which is located
6 next to Church Farms on the south side of Queen Creek Wash. There are substantial
7 riparian areas along Queen Creek Wash which should be preserved. Screening and heavy
8 landscaping of the substation will lessen its negative impact on Church Farms and other
9 surrounding properties.

10 Like Barney Farms, Property Reserve Inc. and Fulton Homes, William Lyon
11 Homes strongly urges the Committee to give great weight to the concerns expressed by
12 the large land owners who will be impacted the most by the alignment of the HVTL.

13 **LIST OF ANTICIPATED EXHIBITS**

14
15 The Vlachos Parties intend to introduce the following exhibits, copies of which
16 will be distributed to the parties by email:

17

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
DV-1	Map depicting the preferred and alternate alignments of the Abel-Moody line overlaid with large land holdings
DV-2	Church Farms Plan of Development
DV-3	Queen Creek Council Agenda, October 15, 2008
DV-4	Queen Creek Council Minutes, July 16, 2008
DV-5	Queen Creek Council Minutes, October 15, 2008
DV-6	Resolution 760-08 Queen Creek Preferred Alignment
DV-7	SRP Task Force Meeting, October 6, 2008
DV-8	SRP Standard Form Easement for 69kv and 500kv power lines

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26 **In addition the Vlachos Parties intend to offer the following exhibits previously prepared and**

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SRP 067
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SRP 087
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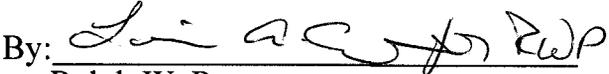
DAVIS MILES PLLC

By: 
Gregory L. Miles
Shawn E. Nelson
P.O. Box 15070
Mesa, Arizona 85211-3070
*Attorneys for V&P Nursery/
Demitrius Vlachos*

FRANCIS J. SLAVIN, P.C.

By: 
Francis J. Slavin
2198 East Camelback Road, Suite 285
Phoenix, Arizona 85016
*Attorneys for Circle G Development,
Barney Farms, William Lyon Homes
and Meridian Crossing Partners*

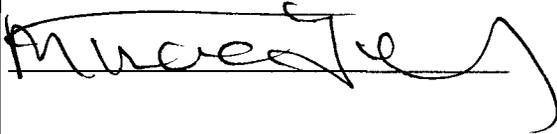
PEW & LAKE PLC

By: 
Ralph W. Pew
1744 S. Val Vista Drive, Suite 217
Mesa, Arizona 85204-7366
*Attorneys for Property Reserve Inc.
and Fulton Homes*

1 Pursuant to A.A.C. R14-3-204, the original
2 and twenty-five (25) copies of the foregoing
3 **Notice** are hand-delivered for filing this 14th
day of October, 2009 to:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington Street
Phoenix, Arizona 85007

7 A copy of the foregoing **Notice** are
8 being e-mailed this same date to
9 all parties of record

10 A handwritten signature in black ink, appearing to read "M. West", is written over a horizontal line.

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