

SWCLC Southwest California Legislative Council

*A Coalition of
The Temecula Valley, Murrieta, Lake Elsinore Valley and Wildomar Chambers of Commerce*

MEETING AGENDA Monday, February 25, 2013

Ortega Adult School Multipurpose Room (West End)
520 Chaney Street, Lake Elsinore, CA 92530

Presiding: Dennis Frank, Chair

2013 Strategic Initiatives
Budget & Tax Reform / Job Creation and Retention / Healthcare Reform

Call to Order, Roll Call & Introductions:

Chair Report

Agenda Items

1. Approval of January 2013 Meeting Minutes Action
2. Legislative Report #2 Action
 1. [AB 116 \(Bocanegra\) Land use: subdivision maps: expiration dates](#)
 2. [AB 218 \(Dickinson\) Employment applications: criminal history](#)
 3. [AB 223 \(Olsen\) Civil actions: disabled access](#)
 4. [SB 121 \(Evans\) Corporations: political activities: shareholder disclosure](#)
 5. [Lockheed Martin F-35 Lightning II Program](#)
3. [Wine Country Vision 2020](#) **John Kelliher** Information
4. Regional Legislator, Staff and Stakeholder Updates Information

Federal: Senators Feinstein & Boxer. Representatives Calvert & Hunter
State: Governor Brown, Senators Emmerson, Anderson & Roth, Assemblymembers Melendez, Waldron, Jones & Nestande
Local: County, Cities, Utilities, EDC, Healthcare, League of Cities
5. Chamber & Council Member Announcements Information
6. Lunch Sponsor [Lake Elsinore Hotel & Casino](#) Eat There

Adjourn – Next meeting March 18th, 2013

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The Southwest California Legislative Council Thanks Our Partners:

Southwest Riverside Country Association of Realtors
Metropolitan Water District of Southern California
Near-Cal Corporation
Economic Development Corp of Southwest California

Elsinore Valley Municipal Water District
The Gas Company
Abbott Vascular
The Murrieta Temecula Group
Temecula Valley Chamber of Commerce
Murrieta Chamber of Commerce

Lake Elsinore Valley Chamber of Commerce
Wildomar Chamber of Commerce
Southern California Edison
Loma Linda University Medical Center
Southwest Healthcare Systems
Walmart

Please consider adding your business to the list. The SWCLC is fully funded by sponsorships from various private organizations and businesses. The SWCLC exists solely because of the contributions of these proactive organizations and businesses located throughout the region. Without their support the actions of the SWCLC would not be possible.

SWCLC

Southwest California
Legislative Council

Southwest California Legislative Council

**Murrieta Chamber of Commerce
Temecula Valley Chamber of Commerce
Lake Elsinore Chamber of Commerce
Wildomar Chamber of Commerce
Meeting Minutes
January 28, 2013**

Legislative Consultant: Gene Wunderlich

2013 Chair: Dennis Frank

Directors Attendance: Nicole Albrecht, Financial Accounting Services
Steve Amante, Amante & Associates
Alex Braicovich, CR & R, Inc
Glen Daigle, Oakgrove Equities
Jeff George, Superior Quality Construction
Isaac Uzarraga, Rancho Ford Uncoln
Tony Lopicolo, First Citizens Bank
Don Murray, Commerce Bank of Temecula Valley
Shaura Olsen, Walmart
Tommy Thompson, Building Industry Association
Gary Thornhill, Tierra Verde

Directors Absent: Michael Klein, Nigro & Nigro, PC; Karie Reuther, Granite Construction;
Joan Sparkman, Mt. San Jacinto College

Council Guests: Andrew Abeles, Coldwell Banker Residential Brokerage
Brian Ambrose, City of Murrieta
Cindy Azima, Caltrans District 12
Cathy Barraza, City of Lake Elsinore
Jeff Bott, Transportation Corridor Agencies
Danielle Coats, Eastern Municipal Water District
Kenneth Dickson, MVUSD Trustee
Deni Horne, Assemblywoman Melissa Melendez 6th District
Christine Iger, Iger & Associates
Natasha Johnson, City of Lake Elsinore
Karl Kooser, Westminster Title
Tim Johnson, AAGIE
Randon Lane, Southern California Gas Company
David Mazonko, Assemblyman Brian Jones
Jami Mcnees, Temecula Insurance Services
Morris Meyers, Southwest CA Economical Development Corporation
Greg Morrison, Elsinore Valley Municipal Water District
Jolyn Murphy, Congressman Ken Calvert
Gloria Roberts, Caltrans District 12
Yvonne Ruiz, Wine Country Notary
Erin Sasse, League of CA Cities
Maggie Sleeper, Senator Joel Anderson
Tom Stinson, Assemblywoman Marie Waldron 25th District

Barbara Thomas, Keena Thomas Communications
Allison Tilton, Reid & Hellyer APC
Darlene Wetton, Temecula Valley Hospital
Grant Yates, City of Lake Elsinore

Staff Present: Kim Cousins, Michelle Simon-Lake Elsinore Valley Chamber of Commerce
Alice Sullivan, Laura Turnbow -Temecula Valley Chamber of Commerce
Patrick Ellis- Murrieta Chamber of Commerce

Meeting called to order at: 12:15 by Chairman Dennis Frank

1. Approval of Minutes Action

Directors reviewed the Minutes from the November 22, 2012 meeting. **The motion was made to approve the minutes as written. The motion was seconded and carried by a unanimous vote.**

2. SWCLC 2013 Strategic Initiatives Action

3. SWCLC 2013 Policy Platform Action

4. SWCLC 2013 Operating Procedures Action

5. Legislative Report # 1 Action

5.1 AB 23(Donnelly-R)/AB 124(Morrell-R)/SB 17(Gaines-R)State Responsibility Areas: fire prevention fees
Following discussion, the motion was made to SUPPORT AB 23/AB 124/SB 17. The motion was seconded and carried by a unanimous vote.

5.2 AB42(Perea-D)/SB 30(Calderon-D)Taxation: cancellation of indebtedness: mortgage debt forgiveness
Following discussion, the motion was made to SUPPORT AB42/SB 30. The motion was seconded and carried by a unanimous vote.

5.3 ACR1/AB27(Medina-D)/SB21(Roth-D) University of California: UC Riverside Medical School: funding
Following discussion, the motion was made to SUPPORT ACR1/AB27/SB21. The motion was seconded and carried by a unanimous vote.

5.4 AB25(Campos-D) Employment: social media
Following discussion, the motion was made to SUPPORT AB25. The motion was seconded and carried by a unanimous vote.

5.5 SB 56(Roth-D & Emmerson-R): Local Government Finance
Following discussion, the motion was made to SUPPORT SB 56 . The motion was seconded and carried by a unanimous vote.

5.6 CARS/Riverside & UCR Relocation letter
Following discussion, the motion was made to send a letter of support. The motion was seconded and carried by a unanimous vote.

6. SR74/ I-5 Interchange Information

Presentation made by Gloria Roberts and Cindy Azima from California Department of Transportation. Board will send letters of support. A copy of the handout is attached to the minutes.

7. 241Toll Road Extension / Jeff Bott. Transportation Corridor Agencies Information

Presentation made by Jeff Bott from Transportation Corridor Agencies. Board will be provided with updates on a periodic basis. A copy of the handout is attached to the minutes.

8. Op-ed's on CEQA Reform / Steinberg Support Information

The letter of support from the SW CA Legislative Council was attached to the minutes for the Board Information

Congressman Ken Calvert

Report by Jolyn Murphy- District Director

Jolyn introduced herself as the District Director for Congressman Ken Calvert and thanked the SW CA Legislative Council for including her now that District re-alignment as put Congressman Calvert as our representative after 10 years being out of our area of influence. Congressman Calvert is very supportive of the 241Toll Road Extension. Next 90 days are very critical for sequestration.

Senator Joel Anderson

Report by Maggie Sleeper- District Director

Senator Anderson will be our representative until 2014 until the new Senate Seat is elected in November. A brief update on the balanced budget that was passed that included 40% of the new tax is going to Education with the balance given to Health & Welfare, benefits and State Employee pay.

Assemblyman Brian W. Jones

Report by Danica Mazenko

Danica introduced herself to the Board Members as a new representative for Riverside County. Sign up for newsletter.

Assemblywoman Melissa A. Melendez

Report by Deni Horne

New District 67 carved out of two other Districts as a result of the census. Vice Chair of Public Safety.

Assemblywoman Marie Waldron

Report by Tom Stenson

Escondido, San Marcos to Temecula are rough boundaries for the District. AB124 is a bill she is sponsoring.

City of Lake Elsinore

Report by Grant Yates

Welcome to Lake Elsinore. We appreciate you looking after the interest of the City.

City of Murrieta

Brian Ambrose

A spot bill on Emergency Medical Services is of importance to the City.

Education

Report by Ken Dickson

Gas Company

Report by Randon Lane

The Gas Company will implement an automated meter program by the end of 2013/early 2014.

Eastern Municipal Water District

Report by Danielle Coats

Due to issues in Wildomar, private water companies will be a topic of discussion for each of the water districts to ensure public safety and reliability.

Elsinore Valley Municipal Water District

Report by Greg Morrison

Greg was indicating that we will be hearing more about salt management in the watershed. This area encompasses a 740 sq mile area as part of the San Jacinto Watershed. The Water bond will be an important issue for the council to track.

Air Quality Management District

Report by David Madsen

A new AQMD Air Quality Plan will be represented at a future meeting.

EDC

Report by Morris Meyers

Morris is now the Vice Chair of the Workforce Investment Board which is a Federal Program. He will have someone report out to the Council at a future meeting to update us on the available resources.

League of Cities

Report by Erin Sasse

Erin reported on the work being done on the Public Safety Re-Alignment of \$24 million being allocated to each County...Riverside County will get approximately \$1.5 million and then eventually allocated to the Cities.

Healthcare

Report by Darlene Wetton

Darlene indicated that the Temecula Valley Hospital is 60% complete and scheduled to complete in July with operation occurring in September. There will be 400 new positions created by September in addition to 100 volunteers and approximately 300 physicians on site.

10. Chamber & Council Member Announcements Information

Lake Elsinore Valley Chamber of Commerce

Report by Kim Joseph Cousins

The Lake Elsinore Valley Chamber of Commerce will be hosting their first luncheon of the year at the Diamond club in Lake Elsinore on February 21st at 11:30. Presenter is Gene Wunderlich with SRCAR.

Murrieta Chamber of Commerce

Report by Patrick Ellis

Murrieta Chamber of Commerce office has a new location, located at 25125 Madison Ave., Ste #108. The Murrieta will be hosting an event called Forty under Forty, on February 21st. The event will be held at the Diamond Club in Lake Elsinore at 6:30 P.M.

Temecula Chamber of Commerce

Report by Alice Sullivan

11. Lunch Sponsor Freddy Ray's BBQ Eat There

Motion to Adjourn at 1:35 P.M.

I-5 / ORTEGA HIGHWAY INTERCHANGE IMPROVEMENT PROJECT



BACKGROUND

The Ortega Highway Interchange Improvement Project, initiated by the California Department of Transportation (Caltrans) and the Orange County Transportation Authority (QUA), will improve traffic congestion at the San Diego Freeway (1-5) and Ortega Highway (SR-74) interchange. The City of San Juan Capistrano also played a key role in the project's initiation by preparing the environmental document, from which the City Council approved the selected alternative in January 2009.

In its current state, the 1-5 / Ortega Highway interchange experiences high levels of congestion during morning and evening peak traffic hours. To facilitate better traffic flows and ease these areas of congestion, the project will widen and reconstruct existing on- and off-ramps on the 1-5 freeway and Ortega Highway interchange, reconstruct the Ortega Highway bridge over the freeway, as well as realign Ortega Highway west of the 1-5.

THE PROJECT WILL:

- Construct a new traffic interchange that will replace the existing 1-5 / Ortega Highway interchange
- Reconstruct the existing Ortega Highway bridge over the 1-5
- Widen existing on- and off-ramps
- Construct a new northbound I-5 on-ramp from eastbound Ortega Highway
- Realign Ortega Highway to the west of the 1-5 interchange to curve into Del Obispo instead of continuing straight into Camino Capistrano

PROJECT BENEFITS:

- Provide congestion relief to improve local traffic flow as well as ease regional commutes
- Relieve the existing traffic congestion chokepoint at the 1-5 / Ortega Highway Interchange
- Improve traffic safety and operations at the 1-5 / Ortega Highway interchange
- Eliminate existing geometric deficiencies
- Create consistency with existing and planned local development

CONSTRUCTION SCHEDULE

Start Date: Early 2013
 Completion Date: Spring 2015

CLOSURES

Projected closures of the 1-5 freeway, Ortega Highway and on-and-off-ramps will take place intermittently throughout the duration of the project. Closures will take place at night between the hours of midnight and 7 a.m. Specific closure and detour information will be available on the project website once construction begins.

In addition to the intermittent closures, crews will perform several long-term full closures during construction. These long-term closures include:

- Northbound 1-5 off-ramp to Ortega Highway (3 weeks)
- Southbound 1-5 on-ramp from Ortega Highway (6 weeks)
- Ortega Highway between southbound 1-5 ramps and Del Obispo (3 weeks)
- Ortega Highway between El Camino Real and Del Obispo (4 weeks)

ORTEGA HIGHWAY BRIDGE RECONSTRUCTION

Crews will demolish and reconstruct the Ortega Highway bridge over the 1-5 freeway one half at a time. The bridge will remain open to the traveling public except for intermittent nighttime activities including demolition and falsework construction.

PROJECT FUNDING

State Transportation Improvement Program	\$47,014,000
Corridor Mobility Improvement Act	\$30,926,000
Local	\$4,200,000
County	\$4,074,000

Total- \$86,214,000

Keeping You Moving

 ortegainfo@dot.ca.gov
 ortega.dot.ca.gov
 Ortega Interchange Project
[@OrtegaHighway](https://twitter.com/OrtegaHighway)
 (949) 724-2000

I-5 / ORTEGA HIGHWAY INTERCHANGE IMPROVEMENT PROJECT



I-5 / ORTEGA HIGHWAY INTERCHANGE SUGGESTED DETOUR FROM RIVERSIDE COUNTY

While the 1-5/Ortega Highway Interchange is under construction, there will be intermittent, full closures on the 1-5 freeway, Ortega Highway and on-and off-ramps for the duration of the project. Construction work will take place during the day, but full closures will only take place a night between the hours of midnight and 7 a.m.

In addition to the intermittent nighttime closures, crews will perform several long-term full closures during construction. These long-term closures include:

- Northbound 1-5 off-ramp to Ortega Highway (3 weeks)
- Southbound 1-5 on-ramp from Ortega Highway (6 weeks)
- Ortega Highway between southbound 1-5 ramps and Del Obispo (3 weeks)
- Ortega Highway between ElCamino Real and Del Obispo (4 weeks)



The following detour is suggested as an alternate route for motorists traveling from Riverside County:

- From westbound Ortega Highway, turn right on Antonio Parkway and proceed north. Turn left on Crown Valley Parkway and proceed to access either the northbound or southbound 1-5 freeway.

Caltrans will place a changeable message sign on Ortega Highway at Antonio Parkway to share construction activity with motorists.
For weekly email updates about closures and detours, please sign up to be a part of the project database at ortega.dot.ca.gov.



ortegainfo@dot.ca.gov

 ortega.dot.ca.gov
 Ortega Interchange Project
 @OrtegaHighway

" (949) 724-2000



Transportation Corridor Agencies

SR 241 - TESORO EXTENSION

WORKING TO IMPROVE MOBILITY AND CREATE JOBS

In October 2011 engineering and environmental work began on a plan to extend SR 241 from where it now ends at Oso Parkway to the Ortega Highway area to provide an alternative route and improve mobility in a growing part of Orange County.



The State Route 241 Tesoro Extension is an important alternative route to 1-5 providing additional northern access for communities located inland of 1-5 and commuters traveling to Orange County business centers from the Inland Empire via Ortega Highway. Construction of this 5.5 mile extension will create more than 2,000 Orange County jobs and an additional 407 jobs statewide.

The 241 Tesoro Extension will extend the 241 Toll Road from its current terminus at Oso Parkway to Cow Camp Road in the vicinity of Ortega Highway (see map). Extending the 241 Toll Road will provide an alternative route to the heavily traveled 1-5 and local streets.



WHO WILL BENEFIT?

- 241 Toll Road commuters
- San Juan Capistrano, Ladera Ranch and Mission Viejo residents
- Commuters from the Inland Empire traveling to job centers in central and northern Orange County
- Future communities, job centers and businesses in Rancho Mission Viejo (an approved development not reliant on construction of the 241)
- San Clemente residents, upon completion of Avenida La Pata.

ENVIRONMENTAL ASPECTS & PUBLIC INVOLVEMENT

- Environmental analysis of the project area was conducted within the Subsequent Environmental Impact Report (SEIR) in 2006
- According to the SEIR, all environmental impacts are minimal and can be successfully mitigated
- Project design features include construction of four wildlife crossings, native habitat restoration and water quality improvements
- Upon the completion of the technical studies the public will have an opportunity to review the draft environmental document.

WHY BUILD THIS EXTENSION?

- It will improve quality of life in the project area and adjacent communities by reducing traffic congestion on adjacent freeways and provide a congestion-free option for drivers.
- It will provide transportation choices between affordable housing and jobs in Southern California. The project allows for sufficient right of way for future Bus Rapid Transit, rail or high occupancy vehicle lanes.
- It improves the regional transportation network to ensure redundancy, long-term safety, and reliability, as well as improved air quality.

COMPLETING THE SYSTEM: WHAT'S GOING ON?

TCA is committed to continuing its stakeholder outreach program to find a solution that will improve regional mobility.

QUICK FACTS

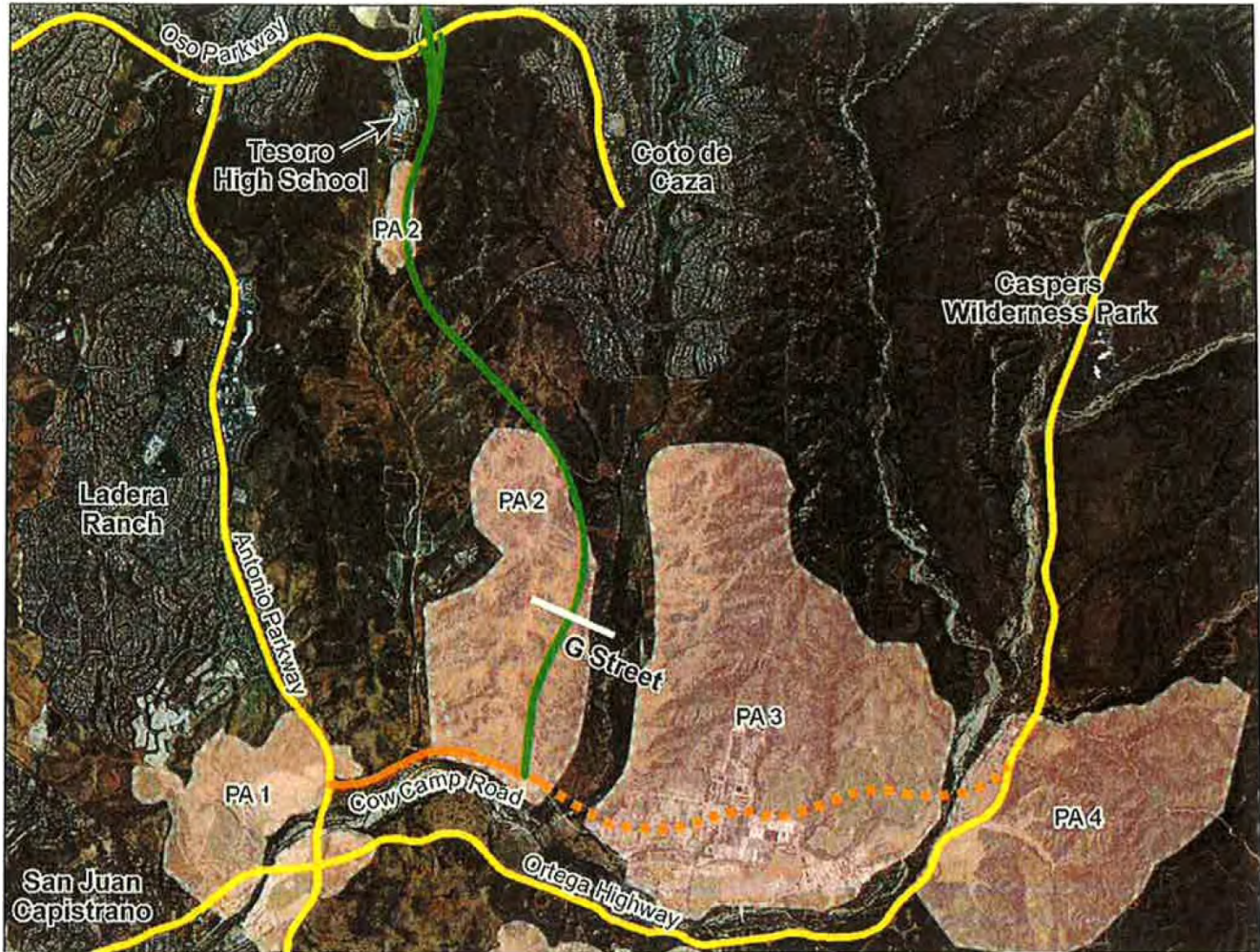
- The 241 Tesoro Extension is approximately 5.5 miles long
- Two lanes W/M be constructed in each direction with a median wide enough for additional lanes or future transit options
- FY12 cost of \$3.9 million for preliminary engineering, environmental and finance work (estimated construction cost \$200 million)
- Construction planned for early 2013
- Project creates more than 2,000 jobs in Orange County

For more information on the project, please visit www.relevetraffic.org or email 241update@tбетollroads.com to receive the latest news and updates.

TESORO EXTENSION – EXTENDING THE 241 TOLL ROAD FROM OSO PARKWAY TO COW CAMP ROAD

The Foothill/Eastern Transportation Corridor Agency Board of Directors approved the location of the southern terminus for the 241 Tesoro Extension shown below January 2012. An important consideration was how the project will work with the roadway circulation system that is planned for the area (see map):

- An interim terminus will be constructed at Cow Camp Road, an arterial that parallels Ortega Highway and will be the major east-west arterial roadway with two to three lanes in each direction and will carry 31,000 trips per day in 2035.
- With the construction of Cow Camp Road, Ortega Highway will become a secondary road with one lane in each direction and will carry approximately 6,000 trips a day in 2035.



Yellow indicates the existing roadway system.

Green indicates the planned 241 Tesoro Extension from Oso Parkway to Cow Camp Road.

Orange indicates a portion of Cow Camp Road to be built by the County and Rancho Mission Viejo. Cow Camp Road will eventually be a 6 lane arterial that will eventually connect into Ortega Highway to the east.

PA represents approved or entitled areas planned for development by the Rancho Mission Viejo Company.

AB 116 (Bocanegra - D) Land use: subdivision maps: expiration dates**Presentation:** Gene Wunderlich**Recommended action:** **SUPPORT****Background:**

The Subdivision Map Act vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency, and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification thereof. The act generally requires a subdivider to file a tentative map or vesting tentative map with the local agency, as specified, and the local agency, in turn, to approve, conditionally approve, or disapprove the map within a specified time period. The act requires an approved tentative map or vesting tentative map to expire 24 months after its approval, or after an additional period of time prescribed by local ordinance, not to exceed 12 months. However, the act extends the expiration date of certain approved tentative maps and vesting tentative maps, as specified.

The Permit Streamlining Act prohibits a local agency, after its approval of a tentative map for a subdivision of single- or multiple-family residential units, from requiring conformance with, or the performance of, any conditions that the local agency could have lawfully imposed as a condition to the previously approved tentative or parcel map, as a condition to the issuance of any building permit or equivalent permit upon approval of that subdivision, during a 5-year period following the recordation of the final map or parcel map for that subdivision. The act also prohibits a local agency from refusing to issue a building permit or equivalent permit for a subdivider's failure to conform with or perform those conditions. However, the act also provides that this 5-year period is a 3-year period for a tentative map extended pursuant to a specified provision of law, and the local agency is not prohibited from levying a fee, or imposing a condition that requires the payment of a fee upon the issuance of a building permit, with respect to the underlying units.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

Summary:

This bill would extend by 24 months the expiration date of any approved tentative map or vesting tentative map that has not expired as of the effective date of this act and will expire prior to January 1, 2016. By adding to the procedures that local agency officials must follow, this bill would impose a state-mandated local program.

This bill would provide that a tentative map extended pursuant to its provisions is also subject to the truncated 3-year period described above, and that the local agency is not prohibited from levying a fee, or imposing a condition that requires the payment of a fee upon the issuance of a building permit, with respect to the underlying units. By adding to the procedures that local agency officials must follow, this bill would impose a state-mandated local program.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Supporting:

None on file.

Opposing:

None on file.

Status:

Referred to Assembly Committee on Local Government

[AB 218 \(Dickinson-D\) Employment applications: criminal history](#)**Presentation: Gene Wunderlich****Recommended action: **OPPOSE******Background:**

Existing law prohibits both public and private employers from asking an applicant for employment to disclose, either in writing or verbally, any information concerning an arrest or detention that did not result in a conviction.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

According to the bill's author, the Legislature finds and declares that reducing barriers to employment for people who have previously offended, and decreasing unemployment in communities with concentrated numbers of people who have previously offended, are matters of statewide concern. Therefore, this act shall apply to state agencies, all cities and counties, including charter cities and charter counties, and special districts. The Legislature further finds and declares that, consistent with the 2011 Realignment Legislation addressing public safety, increasing employment opportunities for people who have previously offended will reduce recidivism and improve economic stability in our communities.

Summary:

Similar to last year's AB 1655 (Dickinson), a bill **OPPOSED by the SWCLC** and CalChamber, this bill would prohibit a state or local agency from asking an applicant to disclose information regarding a criminal conviction, except as specified, **until after the applicant's qualifications for the position have been determined to meet the requirements for the position**. This bill would include specified findings and declarations of the Legislature in support of this policy.

Because this bill would impose new requirements on local agencies relative to employment application procedures, **it would impose a state-mandated local program**.

This bill would provide that, if the Commission on State Mandates determines that **the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions**.

Supporting:

None on file

Opposing:

None on file.

Status:

Introduced - Pending referral

[AB 223 \(Olsen-R\) Civil actions: disabled access](#)

Presentation: Gene Wunderlich

Recommended action: **SUPPORT**

Background:

Existing law provides, upon being served with a summons and complaint asserting a construction-related accessibility claim, that specified defendants may file a request for a court stay and early evaluation conference in the proceedings, as specified.

Summary:

Last year, the state acted to curb frivolous lawsuits against businesses over disability access in SB 1186 (Steinberg), **a bill supported by the SWCLC** and the subject of a Call to Action. [But a loophole has left cities open to those same nuisance lawsuits.](#)

State Assemblywoman Kristin Olsen (R-Modesto) has introduced legislation giving local governments the same 30 to 60 days to correct any violation of the Americans with Disabilities Act (ADA) before a lawsuit can be filed.

"Local governments were not included in last year's meaningful A.D.A. reform, which now makes them even more vulnerable to frivolous lawsuits," Olsen said.

She noted that one man has filed more than 1,000 claims against businesses and local government agencies alleging that they have failed to comply with A.D.A. requirements, and that Yuba City decided last year to pay \$15,000 to prevent a prolific plaintiff from filing lawsuits in that town.

AB 223 would prohibit people from filing letters with cities demanding money as a condition for avoiding a lawsuit, just as last year's bill did to protect businesses. This bill would permit a local government, as defined, to file a request for a court stay and early evaluation conference pursuant to this provision.

Supporting:

None on file

Opposing:

None on file.

Status:

Referred to Assembly Judiciary Committee

SB 121 (Evans) Corporations: political activities: shareholder disclosure

Presentation: Gene Wunderlich

Recommended action: OPPOSE

Background:

Existing law, the General Corporation Law, provides for the regulation of corporations. Under existing law, the board of directors of a corporation is required, except as specified, to send an annual report to shareholders containing, among other things, a balance sheet as of the end of that fiscal year and an income statement and a statement of cashflows for that fiscal year.

The Political Reform Act of 1974 provides for the regulation of political campaign financing, including the reporting and disclosure of campaign contributions and expenditures. Under the act, elected officers, candidates for elective office, and campaign committees are required to file periodic campaign statements that disclose specified information for specified reporting periods, including the amount of contributions received and the identities of donors.

According to the bill's author, the Legislature finds and declares all of the following:

(a) Corporations make substantial political contributions and expenditures to support and oppose candidates, ballot measures, political parties, and political causes. However, decisions to use corporate funds for political contributions and expenditures are usually made by corporate boards and executives, rather than the shareholders who own the corporations.

(b) Shareholders have a right to know how corporations are spending shareholder funds to make political contributions and expenditures to support or oppose candidates, ballot measures, political parties, and political causes.

(c) Most shareholders have no means by which they may learn of, influence, or object to the political activities of the corporations in which they have invested. Moreover, most shareholders have no means by which they may influence the use of their invested funds to make political contributions or expenditures to support candidates, ballot measures, political parties, or political causes to which the shareholders are opposed.

(d) By limiting the extent to which corporate political contributions and expenditures may be regulated, the United States Supreme Court, through its decision in Citizens United v. Federal Election Com'n (2010) 130 S.Ct. 876, has increased the need for greater accountability of corporations to their shareholders with regard to political contributions and expenditures.

(e) The Citizens United decision was handed down in January 2010, but the debate over whether the invested funds of shareholders should be used for political activities without their consent is not a new one. In 1905, President Theodore Roosevelt said, "All contributions by corporations to any political committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes."

(f) It is the intent of the Legislature in enacting this act to inform shareholders and the public with regard to how corporations are spending funds to make political contributions and expenditures benefiting candidates, political parties, and political causes.

Summary:

This bill would require a corporation, as defined, that has shareholders located in this state and that makes a contribution or expenditure, as defined, to, or in support of or in opposition to, a candidate, ballot measure campaign, or a signature-gathering effort on behalf of a ballot measure, political party, or political action committee to issue a report on the political expenditures of the corporation in the previous fiscal year, and **to notify shareholders not less than 24 hours prior to each political contribution** during the fiscal year, by specified means, including posting the report and notification on the corporation's Internet Web site, if any.

This bill would provide for a **civil cause of action for damages by specified shareholders against a corporation for willful or reckless violations of the bill's provisions** and would specify a prevailing shareholder's remedies. The bill would require a corporation to maintain records that include copies of the reports on its political

activities for 5 years, and to make copies of these reports available to the Secretary of State upon request. The bill would also state findings and declarations of the Legislature.

Supporting:

None on file

Opposing:

None on file.

Status:

Referred to Senate Banking and Financial Institutions

Legislative Report Item 5	Action Item
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[Lockheed Martin F-35 Lightning II Program](#)

Presentation: Gene Wunderlich

Recommended action: **SUPPORT**

Background:

According to the [JSF](#): The F-35 Lightning II Program (also known as the Joint Strike Fighter Program) is the Department of Defense's focal point for defining affordable next generation strike aircraft weapon systems for the Navy, Air Force, Marines, and our allies. The F-35 will bring cutting-edge technologies to the battlespace of the future.

The JSFs advanced airframe, autonomic logistics, avionics, propulsion systems, stealth, and firepower will ensure that the F-35 is the most affordable, lethal, supportable and survivable aircraft ever to be used by so many warfighters across the globe.

From [Wikipedia](#): The **Lockheed Martin F-35 Lightning II** is a family of single-seat, single-engine, fifth generation multirole fighters under development to perform ground attack, reconnaissance, and air defense missions with stealth capability. The F-35 has three main models; the F-35A is a conventional takeoff and landing variant, the F-35B is a short take off and vertical-landing variant, and the F-35C is a carrier-based variant.

The F-35 is descended from the X-35, the product of the Joint Strike Fighter (JSF) program. **JSF development is being principally funded by the United States**, with the United Kingdom and other partner governments providing additional funding. The partner nations are either NATO members or close U.S. allies. It is being designed and built by an aerospace industry team led by Lockheed Martin. The F-35 carried out its first flight on 15 December 2006.

The United States plans to buy a total of 2,443 aircraft to provide the bulk of its tactical airpower for the U.S. Air Force, Marine Corps and Navy over the coming decades. The United Kingdom, Italy, Netherlands, Australia, Canada, Norway, Denmark, Turkey, Israel, Singapore and Japan are part of the development program and may equip their air services with the F-35.

Concerns over performance and safety

The Center for Defense Information estimated that the program would be restructured with an additional year of delay and \$5 billion in additional costs. On 5 November 2010, the Block 1 software flew for the first time on BF-4 which included information fusion and initial weapons-release capability. As of the end of 2010, only 15% of the software remains to be written, but this includes the most difficult sections such as data fusion. But in 2011, it was revealed that only 50% of the eight million lines of code had actually been written and that it would take another six years and 110 additional software engineers in order to complete the software for this new schedule. The total estimated lines of code for the entire program (onboard and offboard) had grown from 15 million lines to 24 million lines by 2012.

In January 2011, Defense Secretary Robert Gates expressed the **Pentagon's frustration with the skyrocketing costs** of the F-35 program when he said "The culture of endless money that has taken hold must be replaced by a culture of restraint." Focusing his attention on the troubled F-35B, Gates ordered "a two-year probation", saying it "should be canceled" if corrections are unsuccessful. However, Gates has stated his support for the program.

A report released in 2013 stated that **flaws in the Lightning II's fuel tank and fuel hydraulic systems** have left it even more vulnerable to lightning strikes and other fire sources including enemy fire than previously revealed, especially when operating at lower altitudes. The same report also noted performance degradation of the three variants. The sustained turn rates of the three variants was reduced to 4.6 g for the F-35A, 4.5 g for the F-35B, and 5.0 g for the F-35C. The acceleration performance of all three variants was also downgraded, with the F-35C taking 43 seconds longer than an F-16 to accelerate from Mach 0.8 to Mach 1.2. This was judged by several fighter pilots to be a lower performance level than expected from a fourth generation fighter. The F-35 program office is reconsidering adding the removed safety equipment back in.

In September 2012, the **Pentagon criticized, quite publicly, Lockheed Martin's performance on the F-35 program** and stated that it would not bail out the program again if problems with the plane's systems, particularly the helmet-mounted display, were not resolved. The deputy F-35 program manager said that the government's relationship with the company was the "worst I've ever seen" in many years of working on complex acquisition programs.

Summary:

The **SWCLC has been asked by the JSF to add our voice to others supporting the program as a job creator in California**. Almost from the start the F-35 program has been plagued by cost overruns and difficulty meeting projected schedules pushing the program to nearly twice its projected cost (in today's money) and years beyond its anticipated ready date. Current budget negotiations in DC have placed the program in some jeopardy.

The program has the **support of CalChamber as well as Congressman Ken Calvert**. According to the JSF, currently **in Congressman Ken Calvert's District, the F-35 provides over \$36 million in annual economic impact. In Murrieta alone, there are over 1000 jobs directly and indirectly related to the F-35.**

[Pentagon's Best-Kept Secret: F-35 Fighter Is Progressing Nicely](#) (6/12)

If you pay any attention to media coverage of the F-35 fighter program, then you know the Pentagon's biggest weapons program is "troubled" (to use the favored adjective of reporters). Flight tests are lagging, costs are skyrocketing, and overseas partners are beginning to get cold feet. So the Joint Strike Fighter, as it used to be called, is looking like another black eye for the Pentagon's fouled up acquisition system, right?

Wrong. The reality is that for the third straight year flight tests are ahead of schedule, the cost to build each plane is falling fast, and international partners are so enthused that new customers are getting in line for the F-35 on a regular basis (South Korea will be next). So how come you don't know any of this? The reason you don't know it is that political appointees have decided they can score points with Congress by attacking their own program, and national media always lead with the most sensational information.

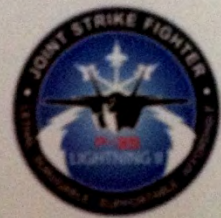
[Costliest Jet, Years in Making, Sees the Enemy: Budget Cuts](#) (11/12)

The F-35 was conceived as the Pentagon's silver bullet in the sky — a state-of-the-art aircraft that could be adapted to three branches of the military, with advances that would easily overcome the defenses of most foes. The radar-evading jets would not only dodge sophisticated anti-aircraft missiles, but they would also give pilots a better picture of enemy threats while enabling allies, who want the planes, too, to fight more closely with American forces.

But the ambitious aircraft instead illustrates how the Pentagon can let huge and complex programs veer out of control and then have a hard time reining them in. The program nearly doubled in cost as Lockheed and the military's own bureaucracy failed to deliver on the most basic promise of a three-in-one jet that would save taxpayers money and be served up speedily.

Footprint in California

Over 27,000 Direct and Indirect Jobs
295 Suppliers
Over \$6 Billion in Economic Impact



Areas with Direct Jobs on the F-35:



= More than 1,000 jobs



= More than 500 jobs



= More than 250 jobs



= Less than 250 jobs

✈ = Lockheed Martin Facility with over 100 employees

🌐 = Testing/ Potential Basing Sites

LOCKHEED MARTIN

[Wine Country Vision 2020](#)

Riverside County's Temecula Valley Wine Country is fast becoming a premier tourist destination in Southern California. Recognized as one of the "jewels" of Riverside County, Temecula Valley Wine Country currently offers more than twenty world-class boutique wineries and features eclectic restaurants, elegant tasting rooms and hundreds of acres of rolling vineyards. With its rural charm and picturesque views amid the rolling hills of Temecula Valley, Riverside's Wine Country is the perfect setting for wine tasting, hosting special events, relaxing recreation and high-quality residential living.

The Wine Country is currently experiencing an unprecedented level of development interest, with more than thirty new projects in process with the County of Riverside. Meeting the challenge of integrating these types of new projects into the existing community has been given a high priority by the County Supervisor for the region, the Honorable Jeff Stone. While a Wine Country zoning ordinance and policies have been in effect since the 1980s, the County of Riverside is now endeavoring to revisit its vision and policies for the region through a comprehensive planning process to develop the Temecula Valley Wine Country Community Plan.

[Wine Country Vision 2020 Survey](#)

In realizing the Wine Country vision, the community has rated the importance of each of these items:

- A. Promoting the community's identity as a wine-producing region of California
- B. Promoting the planned growth of Wine Country where:
 - 1. Agricultural, equestrian and residential lifestyles are protected
 - 2. Crops that are harmful to grape-growing are limited
 - 3. Residential subdivisions are restricted
 - 4. Resort destinations are encouraged
 - 5. Boundary of wine country is redefined
 - 6. Incidental commercial uses, other than wineries, are further restricted
 - 7. Transportation network is enhanced
 - 8. Sidewalks, streetlights & trails are developed
 - 9. Parking requirements are reassessed
 - 10. Road names are changed to promote its heritage
 - 11. Sanitary sewer service is provided
- C. Attracting visitors and tourism to the area.