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Preliminary Proposed Economic Impact Findings and Recommendations from the May 12, 2022, Meeting for Discussion and Consideration by the Lithium Valley Commission

During the May 12, 2022, workshop on economic impacts the Lithium Valley Commission was provided panel presentations and had discussions that included or reflected specific findings, proposed actions, and potential recommendations for the Lithium Valley Commission to consider. The following are preliminary proposed findings and recommendations resulting from the May 12, 2022, workshop for Lithium Valley Commission consideration, refinement, and discussion.

Preliminary Findings:

- A. Successful Community Benefits Agreements include the following structures: Clear commitments in a governing document, ongoing monitoring and enforcement mechanisms, community oversight and accountability, forum for collaborative problem-solving, and permanence/durability.
- B. Community coalition is essential to ensure the local community benefits from lithium extraction and industrial growth, including economic and environmental benefits.
- C. Community-based organizations play a critical role in cultivating community capacity to participate in and lead decision-making processes that meet community needs and maximize community strengths.
- D. A project of the Institute for Health Promotion Research at University of Texas Health, [Salud America!](#), provides the following statistics:
 - a. Five-year estimates for 2015-2019 indicate about 24 percent of people in Imperial County live in households with income below the federal poverty level. For comparison, this percentage is about 13 percent for California and about 13 percent for the United States.
 - b. A person would have to work nearly 85 hours per week at the average wage to afford the average-priced 2-bedroom home in Imperial County. For comparison, the corresponding number of hours statewide is about 63.
 - c. In Imperial County, there are about 24 primary care physicians per 100,000 people. For comparison, there are about 80 primary care physicians per 100,000 people in California and about 77 in the United States.
- E. In March 2022, Imperial County unemployment rate was 12.3 percent, more than two times higher than the statewide unemployment rate, which was 4.9 percent.

- F. More than 87 percent of students in the Calipatria Unified School District come from socio-economically disadvantaged families. More than 30 percent of the students are English learners, with Spanish as their primary language.
- G. Imperial County Gross Domestic Product is projected to significantly increase with the expansion of geothermal energy production and the development of mineral extraction facilities.
- H. In February 2022, the Imperial County Board of Supervisors unanimously approved the Lithium Valley Economic Opportunity Investment Plan (Plan). The Plan, as described in prior Lithium Valley Commission meetings, articulates the local, statewide, and national benefits of this endeavor, and prescribes specific activities the county believes to be necessary to best capitalize on those benefits.
- I. Imperial County has partnered with Southern California Association of Governments to begin the process of establishing an Enhanced Infrastructure Finance District. An Enhanced Infrastructure Financing District uses incremental property tax revenues to fund eligible infrastructure projects specified in the District's Infrastructure Financing Plan, such as transportation infrastructure, economic development, and climate adaptation.
- J. A census tract that is a disadvantaged community, as defined by SB 535 (De León, Chapter 830, Statutes of 2012), is eligible to become a Community Revitalization and Investment Area and receive funding for infrastructure, housing, and other purposes specified in California Government Code Section 62002.
- K. Four companies engaged in lithium extraction activities have engaged with San Diego State University (SDSU) on economic and workforce planning: EnergySource Minerals, Controlled Thermal Resources, Berkshire Hathaway Energy Renewables, and TerraLithium.
- L. SDSU is bringing new investment, faculty, and laboratories to Imperial County, California. SDSU has a history of working with communities in Imperial County to develop partnerships, bring in faculty, build laboratories, and build housing for students.
- M. The Southern California Energy Innovation Network has helped many entrepreneurs grow their companies, attracting millions in capital investment and creating hundreds of jobs across San Diego County, Riverside County, San Bernardino County, and Imperial County.

Preliminary Recommendations:

The recommendations noted from the Economic Impacts Workshop are consistent with recommendations previously identified during prior workshops. Any differences in similar recommendations noted previously will be reconciled when developing the final report due to the legislature October 1, 2022.

1. The state should require that project approvals for geothermal, lithium-related industrial development and ancillary industrial development include community benefits agreements that reflect community-driven decision-making, democratic participation and equity. Terms in the community benefits agreements should include, but not be limited to the following:
 - a. Local hire commitments
 - b. Training commitments for residents
 - c. Technical assistance and funding for community residents to participate in community benefits discussions
 - d. Ongoing community oversight and accountability jointly overseen by local community representatives to make sure that the benefits are actually delivered to the local community. Community benefits agreements should be designed to advance equity, community ownership, community-driven decision-making, and participatory budgeting.
2. Federal, state, and local investments should place a priority on increasing local educational and employment opportunities, technology access, and utilization of local training centers. Examples include partnerships and funding for local course work and learning experiences aligned to industry across grade levels, internships/work-based learning experiences for students and staff, career technical education expansion, post-secondary college, and career programs with a direct connection to the industry, and adult education and alternative programs for entry level positions.
3. The legislature should allocate funding to increase access to and availability of local housing, health and safety services, and public transportation services in Calipatria, Niland, and other front-line and neighboring communities to create a foundation for economic growth and local thriving communities.
4. The Legislature should require each California Environmental Quality Act (CEQA) lead agency to provide dedicated funding to do the type of outreach that is needed for robust and effective public participation reflecting feedback from the local community.