

**Attachment 4  
Budget**

**Table 6 - Project Budget**

**Proposal: Vulcan Pit Flood Control and Aquifer Recharge**

| Budget Category <sup>3.)</sup> |   | (a)   | (b)                        | (c)   | (d)           | (e)                |
|--------------------------------|---|---|----------------------------|---|---------------|--------------------|
|                                |   | Non-State Share <sup>1.)</sup><br>(Funding Match) | Requested<br>Grant Funding | Other State<br>Funds Being<br>Used <sup>2.)</sup> | Total         | % Funding<br>Match |
| (a)                            | Direct Project Administration Costs                         | \$ -  | \$ 115,000                 | \$ 115,000  | \$ 230,000    | 50%                |
| (b)                            | Land Purchase/Easement                                      | \$ 4,500,000                                      | \$ -                       | \$ -  | \$ 4,500,000  | 0%                 |
| (c)                            | Planning/Design/Engineering/<br>Environmental Documentation | \$ -  | \$ 517,000                 | \$ 517,000  | \$ 1,034,000  | 50%                |
| (d)                            | Construction/Implementation                                 | \$ -  | \$ 5,744,000               | \$ 5,744,000                                      | \$ 11,488,000 | 50%                |
| (e)                            | Environmental Compliance/<br>Mitigation/Enhancement         | \$ -  | \$ 115,000                 | \$ 115,000  | \$ 230,000    | 50%                |
| (f)                            | Construction Administration                                 | \$ -  | \$ 403,000                 | \$ 403,000  | \$ 806,000    | 50%                |
| (g)                            | Other Costs   | \$ -  | \$ -                       | \$ -  | \$ -          | 0%                 |
| (h)                            | Construction/Implementation<br>Contingency                  | \$ -  | \$ 575,000                 | \$ 575,000  | \$ 1,150,000  | 50%                |
| (i)                            | Grand Total<br>(Sum row (a) thru (h) for each column)       | \$ 4,500,000                                      | \$ 7,469,000               | \$ 7,469,000                                      | \$ 19,500,000 | 38%                |

**Notes:**

1.) Local Funds

2.) State Revolving Loan Fund

3.) Based on historic City projects.

(a) Estimated at 2% of Total Construction Cost

(b) Based on Vulcan Property Value Calculation, October 2005, see Attachment 4.2

(c) Estimated at 9% of Total Construction Cost

(d) See Attachment 4.1 for detailed Construction Costs

(e) Estimated at 2% of Total Construction Cost

(f) Estimated at 7% of Total Construction Cost

(g) Not Applicable

(h) Estimated at 10% of Total Construction Cost

(i) Sum row (a) thru (h) for each column

**Table 7 - Summary Budget**

**Proposal: Vulcan Pit Flood Control and Aquifer Recharge**

| <b>Individual Project Title</b> |   | <b>Non-State Share<br/>(Funding Match)</b>                                    | <b>Requested Grant<br/>Funding (DWR<br/>Grant Amount)</b>                     | <b>Other State<br/>Funds Being Used</b>                                       | <b>Total</b>  | <b>% Funding<br/>Match</b> |
|---------------------------------|---|---|---|---|---|----------------------------|
|                                 |   | Grand Total<br>(Sum rows (a)<br>through (h) for<br>each column in<br>Table 6) | Grand Total<br>(Sum rows (a)<br>through (h) for<br>each column in<br>Table 6) | Grand Total<br>(Sum rows (a)<br>through (h) for<br>each column in<br>Table 6) | Grand Total<br>(Sum rows (a)<br>through (h) for<br>each column in<br>Table 6) |                            |
| (a)                             | Vulcan Pit Flood Control<br>and Aquifer Recharge                      | \$ 4,500,000  | \$ 7,469,000  | \$ 7,469,000  | \$ 19,500,000   | 38%                        |
| (b)                             | <b>Grand Total<br/>(Sum rows (a) through<br/>(h) for each column)</b> | <b>\$ 4,500,000</b>   | <b>\$ 7,469,000</b>   | <b>\$ 7,469,000</b>   | <b>\$ 19,500,000</b>  | <b>38%</b>                 |

**Comments:**

(a) - (b) Values from Table 6, Project Budget

**City of Fontana**  
**Vulcan Pit Flood Control and Aquifer Recharge**  
**Preliminary Estimate**

April 14, 2011

| No.                       | Description     | Quantity | Unit | Unit Cost | Amount       |
|---------------------------|-----------------|----------|------|-----------|--------------|
| <b>Recycled Waterline</b> |                 |          |      |           |              |
| 1                         | Mobilization    | 1        | LS   | \$ 25,000 | \$ 25,000    |
| 2                         | SWPPP           | 1        | LS   | \$ 10,000 | \$ 10,000    |
| 3                         | 24" Pipeline    | 17,900   | LF   | \$ 90     | \$ 1,611,000 |
| 4                         | 24" Valves      | 9        | EA   | \$ 2,000  | \$ 17,900    |
| 5                         | Air Valves      | 9        | EA   | \$ 2,000  | \$ 17,900    |
| 6                         | Blow Offs       | 9        | EA   | \$ 1,500  | \$ 13,425    |
| 7                         | Connections     | 1        | EA   | \$ 3,000  | \$ 3,000     |
| 8                         | Aggregate Base  | 4,150    | CY   | \$ 60     | \$ 249,000   |
| 9                         | Pavement        | 8,120    | TONS | \$ 70     | \$ 568,400   |
| 10                        | Traffic Control | 1        | LS   | \$ 50,000 | \$ 50,000    |

**Construction Subtotal: \$ 2,565,625**  
**Construction Contingencies (10%): \$ 256,563**  
**Construction Total: \$ 2,823,000**

|                           |                                |         |    |            |              |
|---------------------------|--------------------------------|---------|----|------------|--------------|
| <b>Basin Improvements</b> |                                |         |    |            |              |
| 1                         | Mobilization                   | 1       | LS | \$ 25,000  | \$ 25,000    |
| 2                         | SWPPP                          | 1       | LS | \$ 10,000  | \$ 10,000    |
| 3                         | Clearing and Grubbing          | 1       | LS | \$ 100,000 | \$ 100,000   |
| 4                         | Earthwork (Placement)          | 440,000 | CY | \$ 4       | \$ 1,760,000 |
| 5                         | Earthwork (Export)             | 100,000 | CY | \$ 8       | \$ 800,000   |
| 6                         | Construct Channel Improvements | 5,200   | LF | \$ 1,000   | \$ 5,200,000 |
| 7                         | Construct Channel Crossings    | 1       | EA | \$ 100,000 | \$ 100,000   |
| 8                         | Construct Inlet Structures     | 1       | EA | \$ 50,000  | \$ 50,000    |
| 9                         | Construct Outlet Structure     | 1       | EA | \$ 20,000  | \$ 20,000    |
| 10                        | Construct Spillway             | 1       | EA | \$ 500,000 | \$ 500,000   |
| 11                        | Landscaping and Irrigation     | 1       | LS | \$ 331,000 | \$ 331,000   |
| 12                        | Traffic Control                | 1       | LS | \$ 25,000  | \$ 25,000    |

**Construction Subtotal: \$ 8,921,000**  
**Construction Contingencies (10%): \$ 892,100**  
**Construction Total: \$ 9,814,000**

**Legal, Administrative, and Engineering (20%): \$ 2,298,000**  
**Land Acquisition<sup>1.)</sup>: \$ 4,500,000**  
**Total: \$ 19,435,000**  
**Rounded Total: \$ 19,500,000**

**Notes:**

Unit costs are based on average bid amounts received in the local area in the past year.

1.) Based on Vulcan Property Value Calculation, October 2005, see Attachment 4.2

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October 31, 2005

**Vulcan Property Value Calculations**

Use and Utility are always the key to value. Due to this Property's poor location and unusual qualities, the value is very difficult to calculate. However, several uses lend themselves to a calculation of value.

I. 66.7 Acres of level land @ \$6.00/Sq. Ft. = \$0.00 (Not feasible - No Value).

**Calculations:** (This calculation is based on filling the hole). 66.7 Ac. X 43,560 Sq. Ft. X \$6.00 = \$17,432,712.00 **minus** the cost to fill the hole, calculated as: 49.43 Ac. X 43,560 Sq. Ft. (sq. ft. in an acre) X 80 Ft. (depth) = 172,253,664 Cu. Ft. / 27 Cu. Ft. (cu. ft. in a cu. yd.) = 6,379,765 Cu. Yd. X \$6.00/Cu. Yd. (cost to import dirt) = \$38,278,592.00. After subtracting the cost to fill the hole from the value of the level acreage, the Property has a negative value. We stop our calculations at zero value.

II. 66.7 Acres comprised of 17.27 Acres developable land **plus** 49.43 Acres material recovery facility (MRF) or transfer station (TS) or clean fill acceptance area (LF) = \$74,691,102.00

**Calculations:** 17.27 Acres of level land @ \$6.00/Sq. Ft. = \$4,513,687.00 **plus** 49.43 Acres (recycling or fill area) = 6,379,765 Cu. Yd. (capacity) X \$11.00 per Cu Yd tipping fee = \$70,177,415.00. Combining the value of the level ground with the value of the recycling area yields the startling total value of \$74,691,102.00. As a note, the tipping fees for such materials can run from \$11.00 to \$30.00 per Cubic Yard. The income would not be a lump sum but would be received over a prolonged period of time and if handled correctly, could continue almost indefinitely.

III. Value to IEUA et al: 66.7 Acres comprised of 17.27 Acres level and developable land plus 49.43 Acres water percolation area = \$4,513,687.00

**Calculations:** 17.27 Acres (of level land) @ \$6.00/Sq. Ft. = \$4,513,687.00 plus 49.43 Acres (percolation area) @ \$0.00 per Cu. Yd. (capacity) = \$0.00. Combining the value of the level ground with the value of the percolation area yields a total value of \$4,513,687.00.

Alternatively, using \$3.40 per sq. ft. (the average price for all Fontana industrial land sales the past three years) for the entire Property (66.7 Acres) yields a value of \$9,864,634.00. Using this price per sq. ft. is patently incorrect in today's real estate market, since the rapid run up in real estate prices has not yet appeared on the public records.

The question is: What is the value of the 49.43 Acre hole to the general public when used for water conservation purposes? Ultimately the value of any property is determined by what a willing and able Buyer and a willing and able Seller agree it is.

In my estimation, \$4,500,000.00 is a reasonable price to start with. If Vulcan has any plans to create an recycling or fill area, and the governing authorities give their support, we are probably not going to be successful in our acquisition effort.

Market Analysis - Vulcan

Fontana Industrial Sales Comparables - last three years

| APN #                   | Zone       | Acreage      | Total Price             | Price/AC             | \$/Sq. Ft.      | Sale Date  | Owner  |
|-------------------------|------------|--------------|-------------------------|----------------------|-----------------|------------|--|
| 0232-081-48             | Industrial | 0.07         | \$ 3,000.00             | \$ 43,560.00         | \$ 1,000        | 07/16/2004 | Rosemead Properties - San Gabriel Valley Water Co.   |
| 0232-081-49             | Industrial | 0.06         | \$ 2,500.00             | \$ 40,333.33         | \$ 0.926        | 07/16/2004 | Rosemead Properties - San Gabriel Valley Water Co.   |
| 0232-081-36             | Industrial | 0.14         | \$ 18,500.00            | \$ 128,937.60        | \$ 2,960        | 12/30/2004 | Rosemead Properties - San Gabriel Valley Water Co.   |
| 0232-081-64 & 67        | Industrial | 8.45         | \$ 1,102,500.00         | \$ 130,473.37        | \$ 2,995        | 12/30/2004 | San Gabriel Valley Water Co. - Fontana Water Co.     |
| 0232-081-32             | Industrial | 0.14         | \$ 18,000.00            | \$ 125,452.80        | \$ 2,880        | 05/26/2005 | Rosemead Properties - San Gabriel Valley Water Co.   |
| 0232-081-40             | Industrial | 0.17         | \$ 30,000.00            | \$ 180,248.28        | \$ 4,138        | 05/26/2005 | Rosemead Properties - San Gabriel Valley Water Co.   |
| 0237-091-07             | Industrial | 8.63         | \$ 1,357,000.00         | \$ 157,242.18        | \$ 3,610        | 09/27/2002 | Kouladjian Family Trust / Citrus-Slover S of 10      |
| 0240-101-06 & 07        | Industrial | 16.35        | \$ 2,362,000.00         | \$ 144,464.83        | \$ 3,316        | 12/12/2003 | Orange Heights I / S of 210 near Sierra              |
| 1100-391-18             | Industrial | 6.66         | \$ 972,000.00           | \$ 145,945.95        | \$ 3,350        | 10/01/2003 | MKJ-Cherry BP / NWC Cherry & Foothill                |
| 0239-081-28             | Industrial | 10.00        | \$ 755,000.00           | \$ 75,500.00         | \$ 1,733        | 01/30/2004 | North Fontana Investment Co./15 & Lytle Creek Road   |
| 0239-081-34             | Industrial | 30.30        | \$ 3,250,000.00         | \$ 107,260.73        | \$ 2,462        | 05/17/2004 | North Fontana Investment Co. / 15 & Lytle Creek Road |
| 0240-142-01             | Industrial | 6.05         | \$ 3,000,000.00         | \$ 495,867.77        | \$ 11,384       | 06/02/2005 | Fontana USD / NWC of Foothill & Maple                |
| <b>Totals/Averages:</b> |            | <b>87.02</b> | <b>\$ 12,870,500.00</b> | <b>\$ 147,895.56</b> | <b>\$ 3,395</b> |            |  |

150,000  
20

- Notes:**
1. All Sales Comps are only for Industrial zoned property in Fontana containing not less than 5 acres which closed escrow past 3 years.
  2. Analysis does not reflect current escrows or listings.
  3. Grubb & Ellis reports current market value for poorly located Fontana industrial sites at \$6.00 to \$8.00 per square foot.
  4. Lee & Associates reports current market value for poorly located Fontana industrial sites at \$7.00 to \$9.00 per square foot.

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## Vulcan Property Report

**Seller:** Vulcan Materials Company

**Owner:** CalMat Land Company

**Location:** The subject Property is located west of Tokay Avenue, south of Arrow Highway, east of Lime Avenue, and along the north side of the ATSF railroad line, all located within the County of San Bernardino, partially located within the City of Fontana.

**Size:** 66.7 Acres

**Zone:** OS-R (Open Space – Resources)

**Description:** The subject property is located in a heavy industrial area in the middle of the City of Fontana. Although located almost in the exact center of Fontana, only the 24.85 acres on the east side of the property are included within the Fontana City Limits.

**Neighbors:** a) **Along Tokay Avenue:** The east side of Tokay Avenue is by and large developed as multi-family housing.

b) **Along Arrow Highway:** There is an open field located on the NWC of Arrow & Tokay of which 9 acres was purchased in 2004 by the Fontana Water Company. It is currently owned by the San Gabriel Valley Water Co. Traveling further south along Arrow Highway, one will note a concrete redi-mix plant, a steel company, numerous auto junkyards with used auto parts facilities, and a large metal (scrapped cars) recycling facility.

c) **Along Lime Avenue:** A railroad spur runs along Lime. You will also find a metal recycling facility, several lumber yards, and a wood pallet company.

d) **South side of Railroad tracks:** Area contains older residential subdivisions.



