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January 8, 2009

Ms. Cathy Bechtel
Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
P.O. Box 12008
Riverside, CA 92502-2208

Mr. Tay Dam
Federal Highway Administration
650 Capitol Mall, Suite 4-100
Sacramento, CA 95814-4708

Re: Comments on the Mid County Parkway Environmental Impact Report/Environmental Impact Statement

Dear Ms. Bechtel and Mr. Dam:

This comment letter is written on behalf of Twin Creeks LLC (a subsidiary of Watermarke Properties, Inc.) ("Owner") which has initiated the entitlement process for a proposed project ("Twin Creeks" or the "Project") on 697.7 acres of property located east of Interstate 15 and on the north and south sides of Cajalco Road within the sphere of influence of the City of Corona ("City"). See attached Exhibits A (Depiction) and B (Assessor Parcel Numbers). An annexation application for Twin Creeks has been filed with the City and a draft Western Riverside Multi Species Habitat Conservation Plan ("MSHCP") consistency document has been submitted to the City and the Riverside Conservation Authority ("RCA") for review. A portion of the locally preferred Mid County Parkway ("MCP") alignment alternative, as identified in the MCP Environmental Impact Report/Environmental Impact Statement ("EIR/EIS"), passes through the middle of the Project.

In an effort to identify potential constraints on development of the Project, comply with provisions of the MSHCP and identify a likely development footprint, Owner has conducted numerous biological studies on the property within the past two years including vegetation analysis, plant surveys, covered species surveys, riparian/riverine analysis, and a jurisdictional delineation. Owner has also had a number of meetings with the Riverside County Transportation Commission ("RCTC") and the Riverside County Transportation Department to determine the likely alignment and grading areas for the widened and realigned Cajalco Road and the MCP. As a result of this process, Owner has identified areas of proposed private development, areas of conservation and areas within which the MSHCP covered roadways of Cajalco Road and the MCP will be located. We have reviewed the MCP EIR/EIS to determine whether there are any inconsistencies or disagreements regarding the assumptions and findings contained in the MCP EIR/EIS with the work that has been performed for the Project. Based on this analysis, we provide the following comments.

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1. We understand that RCTC has identified alternative 9 TWS DV as the locally preferred alternative. The grading and development footprint for this alternative, as it passes through the Owner's property, is generally consistent with the footprint utilized in the Project materials to identify the location of the MCP. There were minor refinements in the Twin Creek materials to better align the MCP, Estelle Mountain Road, and the assumed future location of a widened and realigned Cajalco Road. It does not appear that these minor variations result in any additional impacts and that such variations are of such minor consequence, they can easily be addressed during the final design stage.

2. We understand that there has been some question concerning whether or not a widened and realigned Cajalco Road and the MCP are both considered covered activities under the MSHCP. It appears from our reading of the MCP EIR/EIS that both are considered covered activities. However, we would like some clarification regarding language contained in section 2.6.3 of the EIR/EIS regarding Cajalco Road. In the last paragraph of that section, it states that "the County of Riverside and RCTC agree that in the event that County road improvements to Cajalco Road precede construction of the MCP project in the area described above in section 7.2.3 of the MSHCP (south of Lake Mathews), any existing improvements at the time the MCP project is complete would be subject to the design considerations identified in the MSHCP. Specifically, when the MCP is constructed, any portions of the existing or future improved Cajalco Road south of Lake Mathews from Gavilan Road 5.5 kilometers (3.4 miles) west, that are not needed to provide for local access will be removed and restored to a natural state, consistent with the conditions in section 7.2.3. of the MSCHP."

While the section of Cajalco Road potentially subject to removal is not located within the Twin Creeks boundaries, it still raises the question of whether such removal is consistent with language contained in other sections of the EIR/EIS. In particular, section 1.2.2.5 of the EIR/EIS, beginning on page 1-26, discusses modal interrelationships and system linkages and beginning on page 1-30 discusses related transportation projects to the MCP. Among the related projects discussed is the Cajalco Road Improvements which are addressed beginning on page 1-35. The EIR/EIS states that "while it is anticipated that much of the future travel demand on Cajalco Road would be met by the MCP project, there would be a continued need for Cajalco Road to provide local access and circulation for existing and planned residential uses in the vicinity of Lake Mathews and Mead Valley. For Cajalco Road to function safely and effectively in the short-term and long-term, safety, capacity, and operational improvements are being planned by the County of Riverside." In addition, we have heard that a portion of Cajalco Road east of our Project and south of Lake Mathews will may be part of the MCP. Please clarify this.

It would seem from this discussion that Cajalco Road improvements, including widening and realignment, and the MCP are both covered activities under the MSHCP. Please confirm your agreement with this conclusion.

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3. Section 3.17.4.1 of the EIR/EIS describes the potential mitigation area to offset impacts of the MCP on the MSHCP. An area comprising approximately 1500 acres has been identified that is located outside the criteria area of the MSHCP in the Gavilan Hills. We agree with the approach that MCP impacts on criteria area should be offset by setting aside additional lands outside the criteria area of the MSHCP. To require mitigation within existing criteria area would place an unfair burden on private land owners to mitigate for impacts to a covered public road. Please confirm that no private property owners, through which the MCP traverses, will be obligated to mitigate for impacts of the MCP on MSHCP criteria area.

4. Section 3.18.2.2 of the EIR/EIS discussed jurisdictional areas in the MCP study area and indicates that a jurisdictional delineation and assessment report was prepared and verified by the U.S. Army Corps of Engineers ("USACE"). We have reviewed that information as it relates to Twin Creeks and compared the findings to those of the jurisdictional delineation that was prepared for Twin Creeks ("Project Delineation"). We noted several inconsistencies.

In particular, it appears that the delineation prepared for the MCP EIR/EIS ("MCP Delineation") identified several small "non-jurisdictional swales" which we do not believe are jurisdictional since they do not exhibit a defined bed, bank, or channel, nor do they exhibit signs of an ordinary high water mark. We also do not believe that any of these would have a significant physical, biological, and/or chemical nexus to the closest traditionally navigable water pursuant to the June 5, 2007 regulatory guidance issued by both the USACE and the U.S. Environmental Protection Agency based on the U.S. Supreme Court decision in *Rapanos v. the United States*. In addition, the MCP Delineation identified wetlands within a USGS-designated blue-line stream located immediately south of Cajalco Road (designated by Owner as "Drainage 2") which we have identified as non-wetland areas because the majority of Drainage 2 does not support the USACE 3-parameter wetland test as defined in the USACE's *Regional Supplement to the Corps of Engineers Wetland Delineation Manual, Arid West Region ("Arid West Supplement")*. It appears that the MCP Delineation was performed using outdated data forms rather than those consistent with the *Arid West Supplement*. We are assuming that when we submit the Twin Creeks Project Delineation for review to the USACE, a verification by the USACE will take precedence over the verification previously issued for the MCP Delineation. Please confirm this assumption. Please also provide a copy of the USACE verification letter for the MCP Delineation.

5. According to mitigation measure WET-4 on page 3.18-25, RCTC is being conditioned to mitigate permanent impacts to wetlands at a 1.5:1 mitigation to impact ratio and permanent impacts to non-wetland aquatic resources at a 3:1 mitigation impact ratio. The 1.5:1 mitigation ratio for permanent impacts to wetlands is acceptable but we believe a 3:1 mitigation ratio for impacts to non-wetland waters is excessive and should be scaled back to 1:1.

In addition, to the extent mitigation is required from RCTC as a result of construction of the MCP, it should be noted in the EIR/EIS that any available mitigation areas within the boundaries of

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Twin Creeks will be utilized by Twin Creeks for its own mitigation needs and, thus, RCTC must identify property elsewhere to satisfy any of its mitigation obligations.

6. A review of section 2.2.3 and Appendix A of the Natural Environment Study appears to show discrepancies between the riparian/riverine analysis prepared for the Project versus that contained in the MCP EIR/EIS. It appears that this discrepancy is the result of the cursory and preliminary nature of the riparian/riverine analysis performed for the EIR/EIS. We note on page 66 of the Natural Environment Study that it states, "although all of the areas mapped as riparian in the two studies are considered to potentially qualify as riverine/riparian habitat under the MSHCP, some of these areas may be excluded from the MSHCP riverine/riparian category in a future study of the preferred alternative if they are found not to meet the MSHCP riverine/riparian definition." The analysis of riverine/riparian habitat for Twin Creeks included detailed on-the-ground surveys and, thus, is more reliable than the analysis provided in the EIR/EIS. Please confirm that the analysis in the EIR/EIS is preliminary and still requires more in-depth on-the-ground analysis that will likely result in the exclusion of certain areas from such category. We would be happy to make our more detailed studies available to RCTC.

7. We understand that ultimate approval of the locally preferred alternative will require a minor amendment to the MSHCP, preparation of an MSHCP consistency analysis, a DBESP, and additional CEQA and NEPA review and approval and that a final determination and construction may not take place for a number of years. In light of this, we also understand that private development projects, through which the MCP will likely traverse, may move forward in their entitlement and development process provided they account for the likely location of the MCP alignment within their development footprint and work with RCTC to ensure an appropriate and mutually beneficial alignment for the MCP. Please confirm. Please also provide us with a copy of the DBESP and Mitigation Plan as soon as drafts of these documents have been prepared.

Thank you for the opportunity to comment on the MCP EIR/EIS. We look forward to your responses to our comments and further discussion and cooperation as we both move forward with our respective projects.

Sincerely,



William R. Devine

WRD:pmt

EXHIBIT A

Depiction

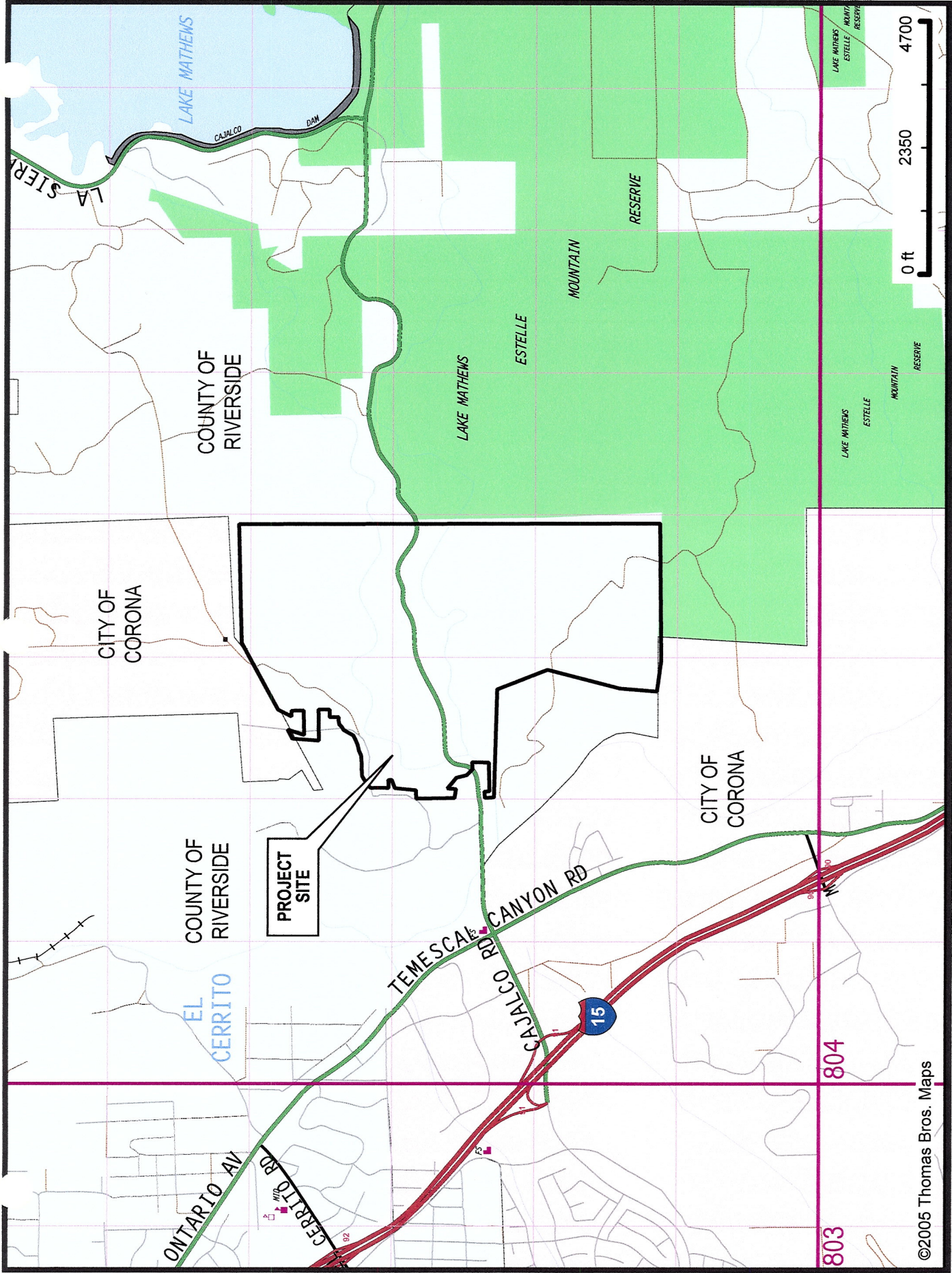


EXHIBIT B

Assessor Parcel Numbers

ASSESSOR'S PARCEL NUMBERS

278-160-010	281-020-016	281-060-017	281-110-004	281-210-005
278-160-011	281-020-020	281-060-018	281-110-006	281-230-008
278-160-012	281-030-007	281-060-020	281-120-008	281-230-014
278-160-013	281-030-011	281-060-024	281-120-009	281-240-005
278-160-014	281-030-013	281-060-025	281-130-005	281-250-009
278-160-015	281-040-002	281-060-027	281-130-009	281-260-004
278-160-016	281-040-003	281-070-019	281-140-022	281-260-007
278-160-031	281-040-009	281-070-023	281-150-028	281-270-008
278-160-037	281-040-011	281-080-022	281-160-004	281-280-001
278-160-040	281-050-004	281-080-024	281-170-007	281-090-008
278-170-001	281-050-006	281-090-002	281-170-008	281-300-003
278-180-007	281-050-007	281-100-005	281-190-013	281-310-004
278-180-028	281-060-001	281-100-028	281-190-029	281-110-015
278-180-029	281-060-002	281-100-040	281-200-004	
278-180-031	281-060-016	281-100-041	281-210-003	