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The Desert Sun

FRIDAY, JUNE 17, 2011

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County may levy fee on solar firms

Funds would be used to mitigate impact of massive projects

BY K KAUFMANN
The Desert Sun

Just as one of four large solar plants prepares to break ground east of the valley, Riverside County officials are proposing a 2 percent fee to raise millions of dollars for the county.

The franchise fee of 2 percent would apply to gross annual revenues on large-scale solar projects that need county permits. Solar companies, which were surprised by the proposal, warned Thursday that such a fee could derail the region's solar gold rush.

"This is a great place to build solar, great sunshine, lots of land, good workforce," said James Woodruff, vice president for state and local government affairs for First Solar, which is weeks away from final approval for its

550-megawatt Desert Sunlight project near Desert Center. There are other places without such a fee that compete against Riverside County, he said.

The area's much-vaunted solar intensity, considered among the best in the world, will keep companies coming here, fee or no fee, said Michelle DeArmond, chief of staff for Supervisor John J. Benoit.

"Riverside County is the mecca," she said. "They're not going to run, and if they do, there are 10 behind them."

Blythe groundbreaking

Solar Millennium will hold its official groundbreaking for its 1,000-megawatt Blythe solar project at 11 a.m. today about 8 miles west of Blythe.

U.S. Secretary of the Interior Ken Salazar and Gov. Jerry Brown are both expected to speak at the invitation-only event.

The fee has been suggested just as a massive 1,000-megawatt solar plant is set to break ground near Blythe today.

The proposed 2 percent fee was the focus of Thursday's meeting of the

Coachella Valley Economic Partnership's Renewable Energy Roundtable. The meeting ended with a vote for CVEP to send a letter to the county Board of Supervisors opposing the fee. **Please see SOLAR, A2**

Swan lake awash in controversy

Former resident alleging abuse of country club's signature cygnets

BY COLIN ATAGI
The Desert Sun

When you hear about HOAs and their residents fighting, it's usually about paint colors, fees or landscaping.

But at one Rancho Mirage country club, they're pretty serious about their swans.

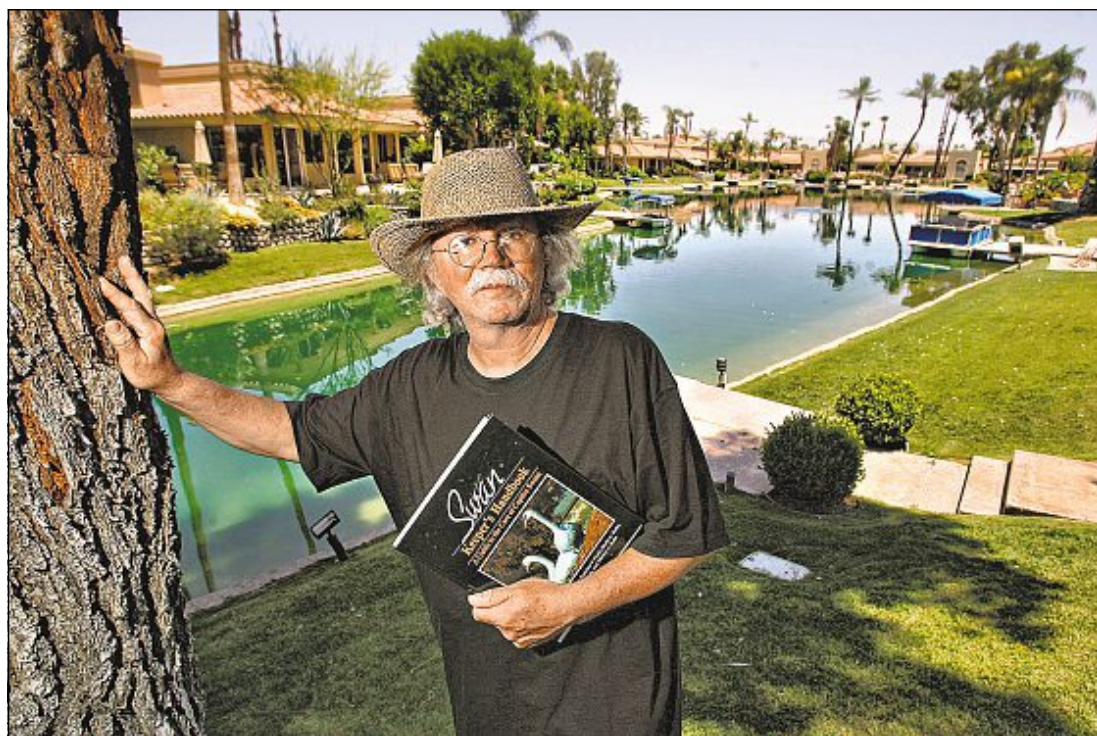
From police reports about alleged thievery to accusations of abuse, the story of Lake Mirage Country Club's romantic waterfowl on the lake is less than serene below the surface.

The club at 72-727 Country Club Drive has had the birds for two decades — it even has a "swan committee" and used to have a "swan abuse hotline." But friction erupted a few years ago, centered around certain aficionados, especially Mark Balzac.

Balzac, 63, a former swan committee member, left the country club a year ago after bird disputes with the board. He still monitors how the swans are treated.

"It really doesn't look good for what they're doing to the swans," he said. "They don't care what happens to

Please see SWANS, A12



AT TOP: Young swans at Lake Mirage Racquet Club in Rancho Mirage. ABOVE: Marc Balzac, a former resident at Lake Mirage Racquet Club in Rancho Mirage, says the swans at the development are not being cared for properly. **PHOTOS BY RICHARD LUI THE DESERT SUN**

STATE BUDGET

Gov. Brown vetoes plan, criticizing 'gimmicks'

Deal on tax extensions widely seen as next move

BY STEVEN HARMON
Contra Costa Times

SACRAMENTO — Setting up a face-off with his own party, Gov. Jerry Brown on Thursday rejected the state budget a day after Democrats approved it on a newly granted majority vote.

It was the first veto of a budget since 1922. And by rebuffing his own party, Brown reinforced his image as above the political fray while affirming his campaign promise to take the state's fiscal problems head-



Brown

on. "That's big, and it sends a powerful message that all of us have to do more. We have to rise to a difficult but higher level," Brown told reporters during a stop in Los Angeles. "And I am confident we're going to get a better budget. Whether I can get the Republicans to vote, that remains to be seen. But I'm certainly going to give them a chance."

The veto shows that Brown is willing to bet he can still work out a deal with four Republicans to sign off on tax increases while delivering on pension roll-backs and a spending cap, analysts said.

"Now that he's vetoed this, the only path to a budget is a bipartisan deal that puts taxes back on the ballot," said Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California. "It's not like Democrats will go back and do an all-cuts budget, so Brown must think he can give Republicans enough of a spending cap and pension reforms to put taxes on the ballot."

Meanwhile, lawmakers are now facing the possibility of losing their pay for every day the budget is not approved. State Controller John Chiang said he is analyzing the budget to see if it passes the definition laid out in Proposition 25, which requires a balanced budget to be presented to the governor.

Democratic leaders insisted they did their job.

"We stand by our work and the work **Please see BUDGET, A12**

Councilman on Ritz: 'I have no conflict in this matter'

City agrees to extend loan deadline for stalled project

BY BLAKE HERZOG
The Desert Sun

Rancho Mirage City Councilman Scott Hines on Thursday for the first time publicly addressed concerns about how his political and private careers intersect.

A government affairs consultant, Hines has faced numerous questions from fellow councilmen and residents



Hines

about contracts he has won or pursued, and the conflicts his actions could create.

Hines, who was representing his Capitis Advisors firm, and the Ritz-Carlton never reached a deal. Hines has not been publicly accused of breaking any state conflict-of-interest laws, but he said, "I have been made aware of some discussion surrounding whether or not I have a conflict of interest, regarding today's vote."

He said he retained former Riverside County District Attorney Grover

Trask, now with municipal law firm Best Best and Krieger, and spoke to City Attorney Steve Quintanilla, as well as a Fair Political Practices Commission advisor.

"All of them emphatically agree that I have no conflict in this matter, and I was advised to fulfill my fiduciary and civic responsibility to vote," Hines added.

Quintanilla said that based on what Hines told him, none of the councilman's actions could be constituted as a conflict of interest.

Please see COUNCIL, A12

INTODAY'S PAPER

Weiner's done — for now

Rep. Anthony Weiner's resignation raised questions about the future of the fallen Democratic star. **A5**

Bridge	D5	Opinion	B5
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Crossword	D4	IN WEEKEND	
Horoscope	D3	Advice	W17
Lottery	B4	Comics	W18-19
Obituaries	B4	TV listings	W20

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Daughter, dad sing same tune

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Lawmakers mock Obama on Libya role

BY DONNA CASSATA
The Associated Press

WASHINGTON — Republicans and Democrats on Thursday derided President Barack Obama's claim that U.S. air attacks against Libya do not constitute hostilities and demanded that the commander in chief seek congressional approval for the 3-month-old military operation.

In an escalating constitutional fight, House Speaker John Boehner threatened to withhold money for the mission, pitting a Congress eager to exercise its power of the purse against a dug-in White House. The Ohio Republican signaled that the House could take action as early as next week.

"The accumulated consequence of all this delay, confusion and obfuscation has been a wholesale revolt in Congress against the administration's policy," said Sen. John McCain, the top Republican on the Armed Services Committee who has backed Obama's actions against Libya.

The administration, in a report it reluctantly gave to Congress on Wednesday, said that because the United States is in a supporting role in the NATO-led mission, American forces are not facing the hostilities that would require the president to seek such congressional consent under the War Powers Resolution.

The 1973 law prohibits the military from being involved in actions for more than 60 days without congressional authorization, plus a 30-day extension. The 60-day deadline passed last month with the White House saying it is in compliance with the law. The 90-day mark is Sunday.

In the meantime, Libyan leader Moammar Gadhafi has maintained his grip on power, and the White House says if the mission continues until September, it will cost \$1.1 billion.

Instead of calming lawmakers, the White House report and its claims about no hostilities further inflamed the fierce balance-of-power fight.

"We have got drone attacks under way, we're spending \$10 million a day," Boehner told reporters. "We're part of an effort to drop bombs on Gadhafi's compound. It doesn't pass the straight-face test, in my view, that we're not in the midst of hostilities."

Sen. Jim Webb, D-Va., a combat veteran and member of the Armed Services Committee, scoffed at the notion.

"Spending a billion dollars and dropping bombs on people sounds like hostilities to me," Webb said in an interview.

Sen. Bob Corker, R-Tenn., called the claims "really totally bizarre." Rep. Tom Rooney, R-Fla., said telling Congress and Americans "that this is not a war insults our in-

New diplomacy

Renewed diplomatic efforts to halt Libya's civil war appeared to be gaining momentum Thursday as thunderous NATO airstrikes once again hammered Moammar Gadhafi's stronghold of Tripoli.

Officials in the capital say they are open to international efforts that would bring an end to four months of fighting between forces loyal to the longtime leader and rebels who control the eastern third of the country along with pockets in the west.

But they insist that Gadhafi will not bow to international pressure to push him aside.

"We don't accept anything that may be done against him. He is a red line in our discussions," Prime Minister al-Baghdadi al-Mahmoudi said. Any deal that would partition the country is unacceptable, he added.

Al-Mahmoudi told reporters that the Libyan government has held a number of "preliminary meetings" with officials based in the eastern rebel-held city of Benghazi. He said the talks took place abroad, including in Egypt, Tunisia and Norway, but he did not provide specifics.

One of Gadhafi's sons told an Italian newspaper that while his father would not seek exile, elections under international supervision could offer a way out. A vote could be organized within three months, he said.

The son, Seif al-Islam, told Corriere della Sera that Gadhafi would step aside if he lost, which the son said was unlikely. He acknowledged, however, that "my father's regime as it developed since 1969 is dead."

In Washington, U.S. State Department spokeswoman Victoria Nuland rejected the idea of elections in Libya.

— THE ASSOCIATED PRESS

telligence. I won't stand for it and neither will my constituents."

The White House pushed back, singling out Boehner and saying he has not always demanded that presidents abide by the War Powers Resolution.

White House spokesman Jay Carney said Boehner's views "stand in contrast to the views he expressed in 1999 when he called the War Powers Act 'constitutionally suspect' and warned Congress to 'resist the temptation to take any action that would do further damage to the institution of the presidency.'"

Boehner's spokesman, Brendan Buck, dismissed Carney's reference to a "decade-old statement."

"As speaker, it is Boehner's responsibility to see that the law is followed, whether or not he agrees with it," Buck said.

The White House response has complicated efforts for several Democrats and Republicans urging their colleagues to hold off on any action that could encourage Gadhafi. In a Senate speech, McCain said it would be a mistake for the United States to cut and run from its allies and the mission.

Speaking directly to Republicans, McCain asked, "Is this the time to ride to the rescue of the man who President Reagan called the mad dog of the Middle East?"

McCain said later that he and Senate Foreign Relations Committee Chairman John Kerry, D-Mass., would push ahead with a resolution authorizing the U.S. mission in Libya with conditions. The committee twice postponed meetings to finalize the resolution.

BY 7:30 AM

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GOOD MORNING!

WHAT YOU NEED TO KNOW IN THE VALLEY AND AROUND THE WORLD BEFORE YOU START YOUR DAY.

1 Solar firms balk over proposed county fee

Solar companies Thursday warned that Riverside County could derail the region's solar plants with a franchise fee. **A1**

2 Country club, former resident feud over swans

A Rancho Mirage country club and a former resident are embroiled in a dispute about the club's lake swans. **A1**

3 Street of cars hit by vandals, authorities say

The windows of 17 parked cars were smashed early Wednesday morning near Toucans Tiki Lounge in Palm Springs. **B3**

4 Windy conditions are blamed for accidents

High winds are blamed for bad conditions that caused accidents on Highway 111 and Highway 86 on Thursday. **B1**

5 Desert Hot Springs to break ground on center

Officials will break ground June 24 on the Desert Hot Springs Community Health and Wellness Center. **B2**

6 Indian Wells prepares for state funds grab

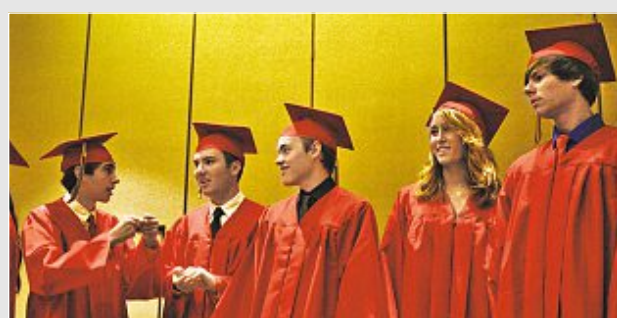
The Indian Wells City Council revised its budget Thursday to include a contingency plan based on a possible state takeover. **B1**

7 Rancho Mirage council approves loan for Ritz

The Rancho Mirage City Council has approved a plan to lend the Ritz-Carlton as much as \$20 million. **A1**

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TOP PHOTO GALLERY



Marywood-Palm Valley School 2011 commencement (29 photos)

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HAPPY MUSINGS

BY SALLY HUSS

*To be loved makes
all the difference
in the world!*



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THIS DAY IN HISTORY

1971: The United States and Japan signed a treaty under which Okinawa would revert from American to Japanese control the following year, with the U.S. allowed to maintain military bases there. President Richard M. Nixon declared a "war" against drug abuse in America in a message to Congress.

BEYOND THE COACHELLA VALLEY

CALIFORNIA

Coastal Commission rejects Malibu mansions project. **A4**

NATION

N.Y. Rep. Anthony Weiner resigns in sexting scandal. **A5**

WORLD

Officials say Philippines under terror alert. **A8**

SOLAR: Companies balk at fee plan

Continued from A1

Details of the fee have yet to be finalized, county officials said.

If approved, the fee could cost First Solar about \$3.5 million a year, and up to \$100 million over the life of the project, Woodruff said.

Those kinds of figures would put off solar developers scouting sites for future projects, he said.

More to the point, they also could put an indefinite hold on projects such as Desert Sunlight, which are expected to provide hundreds of construction jobs and pump millions of dollars into the region's economy.

CVEP officials also see the large-scale solar projects as a catalyst to draw more green businesses to the region as part of its blueprint to diversify the region's economy.

A recent CVEP-sponsored report on the economic impact of Desert Sunlight estimated sales and property taxes and other fees from the project would add about \$24 million to \$29 million to county coffers.

Workers' wages from the project will total about \$200 million over a 26-month construction period, though the report did not estimate how much of that money might flow into the valley's economy.

Fee helps impacts

Riverside County officials counter that the economic benefits of solar development will be short-lived, disappearing once the solar projects are completed. Long-term jobs on projects such as Desert Sunlight will be in the dozens, rather than hundreds.

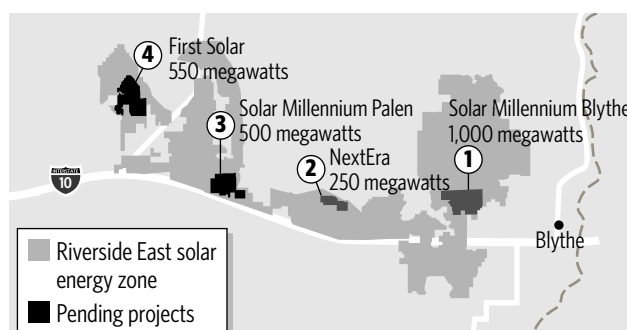
The fee is needed to lessen the long-term effects that large-scale solar development on public land east of the Coachella Valley will have on the county and its residents.

They likened it to the 2 percent franchise fees the county has, for decades, charged utilities and cable companies.

Benoit pointed to the visual impact of having multiple solar projects, with their thousands of reflecting mirrors and panels along the Interstate 10 corridor going east to Blythe.

"You're not going to be able to drive east of Indio" without seeing them, he said in a meeting Wednesday with The Desert Sun editorial board.

"Compared to the gross rev-



Riverside East solar zone

APPROVED

SOLAR MILLENNIUM BLYTHE
Capacity: 1,000 megawatts
Area: 7,025 acres
Economic impact: About 600 construction jobs, 1,000 at peak
Construction spending: \$466 million
Status: Approved, road and site preparation has begun

NEXTERA ENERGY GENESIS
Capacity: 250 megawatts
Area: 1,746 acres
Economic impact: About 646 construction jobs, 1,085 at peak
Construction spending: \$179.5 million
Status: Approved, site preparation has begun

SOURCES: BUREAU OF LAND MANAGEMENT, COACHELLA VALLEY ECONOMIC PARTNERSHIP THE DESERT SUN

APPROVAL PENDING

FIRST SOLAR DESERT SUNLIGHT
Capacity: 550 megawatts
Area: 3,912 acres
Economic impact: About 440 construction jobs
Construction spending: \$336 million
Status: Final approval expected by the end of June

SOLAR MILLENNIUM PALEN
Capacity: 500 megawatts
Area: 4,365 acres
Economic impact: About 566 construction jobs, 1,145 at peak
Construction spending: \$248.7 million
Status: Final approval pending

enues of the projects, what does the county get? What do the residents of Riverside County get for the impacts? A 2 percent franchise fee is reasonable."

At least part of the money from the fee would come back to the Coachella Valley for regional projects such as a recreation area for off-road vehicles, Benoit said.

The supervisors are scheduled to vote on the fee at their June 28 meeting. It will likely be proposed as a county policy, not an ordinance, which means the board could pass it with a single vote as opposed to the two votes needed for an ordinance.

Breaking ground

The controversy over the fee comes at a critical point, just as the first projects begin construction in the Riverside East solar zone, a 202,000-acre swathe of public land between Joshua Tree National Park and Blythe.

Oakland-based Solar Millennium breaks ground today on its 1,000-megawatt Blythe solar project, which federal officials have hailed as the largest solar project in the world.

It was the first of four large-scale solar projects the federal government designated for a fast-track approval process that some environmental and Native American groups have criticized as too fast.

Franchise fees

Under California law, counties and cities grant franchises to privately owned utilities that serve the general public in their jurisdictions. Franchise fees are negotiated under long-term contracts that compensate the local and county governments for the utilities' use of roads and other public infrastructure.

The utilities generally pass fees on to consumers.

First Solar and other solar companies argue the franchise fees they pay for transmission right-of-ways are different because they are not using roads and other public infrastructure as the utilities do — to make money from consumers — and cannot pass the cost on to consumers.

SOURCE: California Public Utilities Commission, First Solar

solar project, which at present is the only one in the county.

"This was a one-time agreement," he said. "We are watching and observing what is happening in other areas. We will consider different arrangements for other projects in the future."

Inyo County, which also has large-scale solar plants on public land, is approaching fees for the projects on a case-by-case basis, said Jerry Santillan, assistant county executive officer.

"(It) depends on its location, its size, the impacts associated with job gains, job loss, independent fiscal impact. We do one for each of these (projects) because they stand on their own," he said.

The solar companies and some people at the CVEP roundtable also questioned the county's timing of the fee proposal and the board's vote. "We got our (approval) decision. We needed an easement," Harron said. "We started discussions in November 2010. We went through a series of meetings. We thought it was going to be on the agenda in May."

DeArmond acknowledged questions about timing are legitimate, but noted the board had first directed staff to come up with a policy on fees in February.

"Government moves slowly," she said. "It took them a while to get it formulated, but they're moving forward."

K Kaufmann covers energy and green technology, retail and health care for The Desert Sun. She can be reached at kkaufmann@thedesertsun.com or (760) 778-4622. Follow on Twitter @kkaufmann.

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