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# **Economic and Fiscal Impacts of the Proposed Closure of Chuckawalla Valley State Prison**

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*Prepared for:*  
**City of Blythe**

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The authors are partners with Capitol Matrix Consulting (CMC), a firm that provides consulting services on a wide range of economic, taxation, and state-and-local government budget issues. Together, they have over 80 years of combined experience in economic and public policy analysis.

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## Executive Summary

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This report quantifies the economic impact of the proposed closure of Chuckwalla Valley State Prison (CVSP) on the City of Blythe. We also compare the impacts of CVSP's closure on Blythe to the impacts that the closure of the California Rehabilitation Center (CRC) would have on the City of Norco and surrounding communities. Our main findings are as follows:

- ▶ CVSP houses about 2,000 inmates, is budgeted for 918 staff and will spend about \$157 million in 2023-24. The spending consists of \$125 million in wages (including overtime) and benefits, and \$32 million for operations, maintenance, and equipment.
- ▶ Of the \$157 million in total spending, we estimate that about \$65 million (41 percent) will benefit people and businesses in Blythe, with the rest going to CVSP employees and businesses located outside of the community. Factors behind this estimate include:
  - Data we received from the California State Controller's Office indicates that about one-half of CVSP employees reside in Blythe, with the other half residing in other communities in Southern California and Arizona, mostly more than 80 miles from the prison.
  - Employer contributions for pensions, Social Security, and Medicare, are invested by state and federal agencies, and do not directly impact Blythe.
  - While a significant portion of operations and maintenance expenditures are received by local businesses, much is also spent on purchases of goods and services supplied from outside of Blythe.
- ▶ Even after discounting for spending going outside of the community, the remaining \$65 million has an outsized impact on Blythe.
  - We estimate that the spending directly and indirectly supports 719 jobs and \$61 million in labor income in the community.
  - The jobs supported by CVSP represent 13 percent of total jobs held by Blythe residents. Because of the relatively high wages paid by CVSP, wages supported by CVSP represent 22 percent of total wages in Blythe.
  - Elimination of 13 percent of jobs and 22 percent of wage income will sharply raise the unemployment rate, reduce average household incomes considerably, and put severe pressure on local businesses, which will experience losses of both sales and profits. We would also expect Blythe's poverty rate, which is already double the average for Riverside County, to increase further.
- ▶ The proposed closure will also have major impacts on City government and the Palo Verde school district. The former will suffer a \$2.9 million decline in revenues due to reductions in sales taxes, property taxes, utility user taxes, vehicle license fees, and other taxes, fees and charges. Similarly, we expect the school district to lose \$4.9 million due to reductions in school enrollment caused by the loss of children of CVSP employees, inmates' families residing in the community, and other residents experiencing job losses due to the proposed closure.
- ▶ In terms of impacts on surrounding communities, closure of CVSP would have much more severe impacts than the closure of CRC. This is because, while CVSP accounts for over one-fifth of personal income in Blythe, CRC expenditures account for only 1 percent of personal income in its surrounding communities. Also, in contrast to CVSP, CRC is located on land that is highly valued for economic development. Hence any loss in economic stimulus from the shutdown of CRC will likely be quickly offset by the redevelopment of the land.

## Introduction

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On December 6, 2022 the California Department of Corrections and Rehabilitation (CDCR) announced a proposal to close Chuckwalla Valley State Prison (CVSP) by March of 2025<sup>1</sup>. Chuckwalla is located near Blythe, California. The proposed closure is part of a larger effort by the CDCR to reduce the number of prisons the state operates at a time when the state's prison population is being reduced.

The City of Blythe objects to the choice of Chuckwalla as among the least cost-effective prisons to close. Specifically the City notes that there is a much stronger case to close the California Rehabilitation Center (CRC) located in the City of Norco. Interestingly, the County of Riverside<sup>2</sup>, in which both prisons are located, and the City of Norco<sup>3</sup> are on record as opposing the closure of Chuckwalla and supporting instead the closure of CRC. The comparison below is a summary of the City of Blythe's reasoning.

CHUCKAWALLA, BLYTHE		CRC, NORCO
		
Year Built:	1988	1928
Built as:	Prison	Resort Hotel
Rehabilitative Programs Offered:	24	20
Per Capital Cost to Operate:	\$52,000	\$62,000
Capital Improvement Needs:	\$430 Million	\$1.1 Billion
Investments Made:	Continuous	None since 2012
Redevelopment opportunities	No	Yes

Source: <https://www.cityofblythe.ca.gov/DocumentCenter/View/1943/Save-Chuck-Outlook-Presentation-?bidId=>

CVSP is located in an isolated desert area 25 miles west of Blythe, three hours east of Los Angeles and adjacent to Ironwood State Prison, with which it shares substantial infrastructure. It houses around 2,000 inmates and is proposed to employ 918 full-time staff in 2023-24.

This analysis focuses on the potential economic and fiscal impacts that the closure of Chuckwalla would have on the City of Blythe and the Palo Verde Unified School district, which encompasses Blythe and some of the unincorporated area near it. We also provide a comparison of these impacts with the impacts that closing CRC would have on the area surrounding that prison.

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<sup>1</sup> <https://www.cdcr.ca.gov/news/2022/12/06/california-department-of-corrections-and-rehabilitation-announces-the-planned-closure-of-chuckwalla-valley-state-prison/>

<sup>2</sup> <https://www.msn.com/en-us/news/crime/riverside-board-voices-opposition-to-state-s-planned-closure-of-blythe-prison/ar-AA1b0HnC>

<sup>3</sup> <https://www.norco.ca.us/Home/Components/News/News/154/>

## Economic Impacts of CVSP Closure

The starting point for estimating the impact of the potential closure of CVSP on the City of Blythe (and the surrounding area) is our estimate of the size of CVSP's contribution to the current economy. This, in turn, starts with the facility's expenditures.

Figure 1 shows the Personal Services, Operating Expenses and Equipment and Total Spending in the three most recent years, the last two of which are estimates.<sup>4</sup> As the figure shows, CVSP is projected to spend \$156.6 million in the 2023-24 fiscal year. Of this total, \$124.5 million is for personnel services, including \$85 million for wages, \$7.6 million for overtime, and \$31.9 million for benefits, including employer payments for health and dental insurance, as well as contributions for employee pensions, Social Security and Medicare. The remaining \$32 million is expenditures for prison operations and maintenance, including utilities, building maintenance, food, medical supplies, and outside medical care provided under contract by hospitals, clinics, and physicians.

**Figure 1**  
**CVSP Expenditures**  
**Actual, Estimated and Projected**

	2021-22	2022-23	2023-24
<b>Salaries and Wages, Regular/Ongoing Positions</b>	\$75,576,691	\$83,231,836	\$85,080,585
<b>Overtime/Temp Help</b>	12,523,061	7,576,359	7,576,359
<b>Benefits</b>	28,341,259	31,211,938.5	31,905,219
<b>Totals, Personal Services</b>	\$116,441,011	\$122,020,134	\$124,562,163
<b>Operating Expenses and Equipment</b>	\$22,706,557	\$31,221,658	\$32,083,442
<b>Totals, Spending</b>	<b>\$139,147,568</b>	<b>\$153,241,792</b>	<b>\$156,645,605</b>

However, not all of the prison's outlays are spent in Blythe. For example, equipment may be shipped to CVSP from a supplier located anywhere in California or even outside the state, pension contributions go to the California Public Employee Retirement System (CalPERS) and electricity comes from generation facilities far from Blythe. In addition, not all of the employees of CVSP live and spend their salaries primarily in Blythe, but instead many reside in other areas and spend most of their salaries in geographic areas too far from Blythe to impact its economy.

Figure 2 presents our estimate of the portion of CVSP expenditures that occur in or near Blythe and therefore contribute to its total economy. Specifically, we estimate that 42 percent of total CVSP expenditures directly benefit residents and businesses in Blythe. This includes 50 percent of wages paid, 16 percent of benefits paid, and 44 percent of spending on operation, maintenance and equipment. We describe the basis of these estimates below.

<sup>4</sup> Notes to Figure 1:

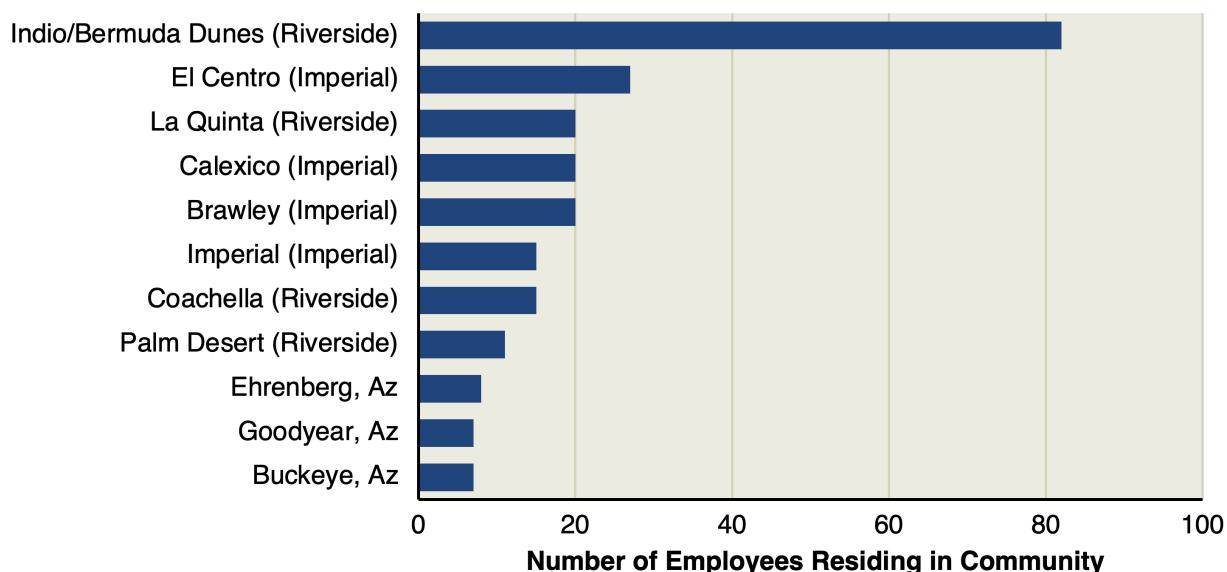
1. Salaries, Wages, Overtime and Temp Help are from the DOF "Salaries and Wages Supplement (7A) for 2023-24.
2. Benefits include employer contributions for OASDI and Medicare, pensions contributions, and employee health and dental premiums.
3. Total Expenditures for 2021-22 are from the CDCR publication, "Supplemental Report of the 2020-2021 Budget Package Annual Performance Measures".
4. Total Expenditures for 2022-23 and 2023-24 are our estimates, assuming total expenditures grow at the same rate as Salaries and Wages over the same period.
5. Operating Expenses and Equipment are calculated by subtracting Totals, Personal Services from Totals, Spending.

**Figure 2**  
**Portion of CSVSP Expenditures Contributing to the Economy of  
 The City of Blythe**

	Total CVSP Spending	Portion Affecting Blythe	
		Amount	Percent
<b>Salaries and Wages</b>	\$85.1	\$42.6	50.0%
<b>Overtime and Temp Help</b>	\$7.6	\$3.8	50.0%
<b>SubTotals</b>	\$92.7	\$46.4	50.0%
<b>Benefits</b>	\$31.9	\$5.2	16.3%
<b>Totals, Personal Services</b>	\$124.6	\$51.6	41.4%
<b>Operating Expenses and Equipment</b>	\$32.1	\$14.0	43.5%
<b>Total Expenditures</b>	<b>\$156.6</b>	<b>\$65.5</b>	<b>41.8%</b>

**Employee Residence.** The State Controller's Office provided us with the zip codes for the residences of the employees of CVSP. This data indicates that approximately 50 percent of employees reside in the City of Blythe and the remainder live in other communities located throughout Southern California and Arizona. As indicated in Figure 3, the main locations of employees living outside of Blythe are: Indio/Bermuda Dunes, La Quinta, and Palm Desert in Riverside County; the cities of El Centro, Calexico, Brawley and Imperial within Imperial County; and Ehrenberg, Goodyear and Buckeye in, Arizona. With the minor exception of Ehrenburg (a small town located just across the Arizona border from Blythe) all of the communities shown in Figure 3 are more than 80 miles away from CVSP. While long-distance commuters may spend some of their earnings on meals, gasoline, transient lodging and other items in Blythe during the periods in which they are working, most of their wages are spent in the communities in which they and their families reside.

**Figure 3**  
**Top Locations of CVSP Employees Living Outside of Blythe**



**Benefits**, we assume no direct benefit to Blythe from employer contributions to pensions, Social Security or Medicare, as these contributions are invested by CalPERS (in the case of pensions) or the U.S. Treasury (in the case of Social Security and Medicare). However, we do assume that a significant portion of employer-paid premiums for health and dental benefits will be spent locally, as CVSP employees living in and around Blythe use dental, pharmaceutical, and many other medical services in the community and the providers of those services receive payment from the employees' health plans.

**Operations, Maintenance and Equipment.** We assume that 44 percent of this spending will benefit the economy of Blythe. CDCR states that it is committed to providing opportunities for local communities to do business with its facilities, and it has a long list of products and services for which it contracts. These include IT consultant services, carpentry, cafeteria services, building and grounds maintenance, automotive supplies, and medical supplies. While the prison maintains a large staff to provide on-site primary care medical services, inmates are periodically sent to private medical clinics, medical specialists and hospitals for tests, specialized care, and surgery.

However, not all products and services are supplied by medical providers and other businesses in the Blythe community. This is due to such factors as centralized purchasing by CDCR for supplies and, more generally, the greater selection and availability of goods and services that exists in the larger metropolitan areas outside of Blythe. As one example, while the Palo Verde Hospital is an extremely valuable asset to the community of Blythe, it is a rural hospital that does not offer the range of care that can be found in larger metro areas. Thus, inmates with specialized medical needs are likely to be sent to larger hospitals in Riverside County. Also, the prison operates its own water treatment plant, waste water treatment plant, and vehicle maintenance garage, which further reduces the need for contracting with local providers in these areas.

**Impacts.** Despite these "leakages," the remaining \$65 million in spending in Blythe has a substantial impact on the community's economy. In addition to the \$65 million in direct impacts, CVSP expenditures have important multiplier effects. These occur as businesses selling goods and services to the prison and its employees' households hire more workers and purchase more supplies from other local businesses - who in turn hire additional local workers and purchase services and supplies from other firms.

We modeled these multiplier impacts using the IMPLAN input-output model, customized for the Blythe economy. The model takes into account the impacts of spending in one industry (in this case a prison) on sales, income, and employment in various supplying industries in the local region.

Figure 4 summarizes our estimates. It shows the CVSP supports 719 jobs in Blythe, consisting of the 459 residents directly employed by the prison and another 260 jobs associated with businesses that provide goods and services to CVSP and the households of its employees. Wages supported by the prison total \$61 million, consisting of \$46 million to employees of CVSP and another \$15 million related to employees in supplying industries.

**Figure 4**  
**Impact Of CVSP Expenditures on Employment and Wages in Blythe**  
**(dollars in millions)**

	Jobs	Wages
<b>CVSP Employees Living in Blythe</b>	459	\$46.3
<b>Multiplier impacts on local businesses</b>	260	14.5
<b>Total impacts</b>	<b>719</b>	<b>\$60.8</b>

## Fiscal and Economic Impacts of Closing Chuckwalla Valley State Prison

The 719 jobs and \$61 million in wages represent substantial impacts when compared to the overall size of Blythe's economy. As indicated in Figure 5, an average of 5,531 Blythe residents held jobs during the five years from 2017 through 2021 (the most recent period for which data is available).<sup>5</sup>

**Figure 5**

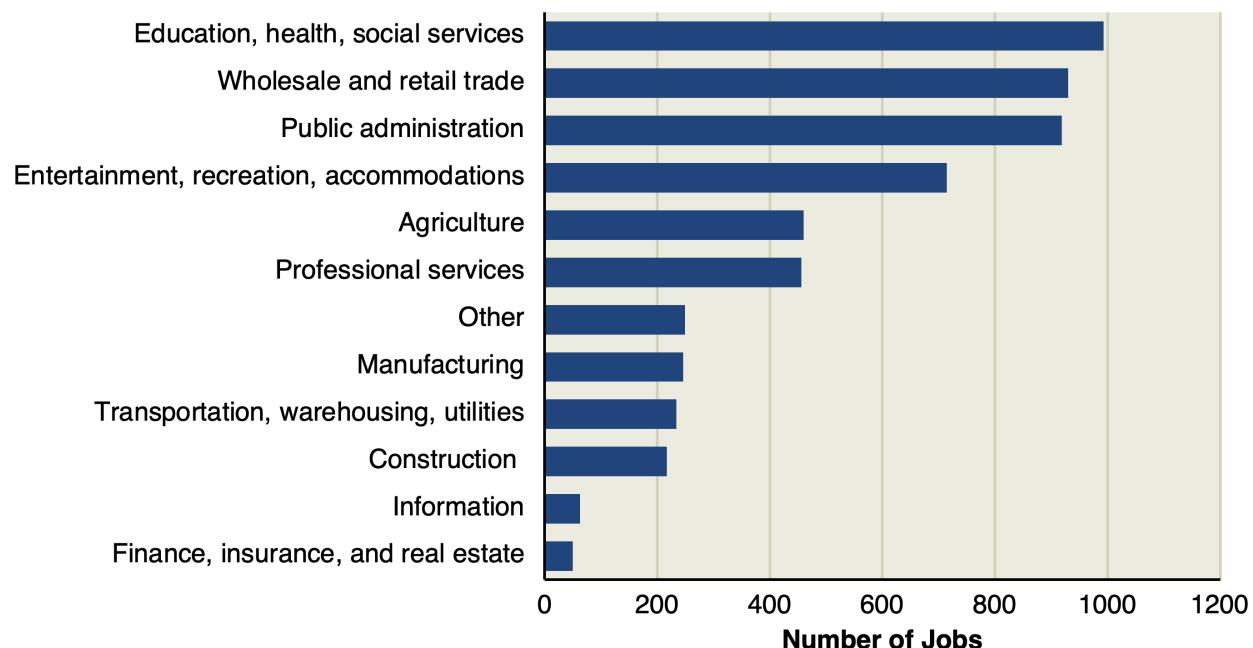
### Population and Economic Data Blythe Compared to Riverside County

	Blythe	Riverside County
<b>Population</b>	17,358	2,473,902
<b>Employment</b>	5,531	1,045,030
<b>Median Household Income</b>	\$49,235	\$75,066
<b>Unemployment Rate</b>	7.8%	7.2%
<b>Percent of Households in Poverty</b>	23.2%	12.0%

These jobs were found in a wide range of industries (see Figure 6), but on the whole were low-paying. This is evidenced by the low median household income in Blythe, which was \$49,235 during the 2017-2021 period, or one-third less than the Riverside County average of \$75,066. Similarly, 23.2 percent of Blythe's households had incomes below the poverty level during the 2017-2021 period, which is nearly double the 12.0 percent average for Riverside County.

**Figure 6**

### Distribution of Jobs Currently Held by Residents of Blythe



<sup>5</sup> Source of jobs, median income and poverty data is the American Community Survey, 5-year sample from 2017 to 2021 (multiple years are needed given the small sample size in Blythe). <https://www.census.gov/programs-surveys/acs>

The 719 jobs directly and indirectly supported by CVSP account for about **13 percent** of total jobs held by Blythe residents and the \$61 million in wages supported by the prison accounts for **22 percent** of total wages in Blythe. The higher percentage of wages relative to jobs reflects both the relatively high wages paid by CVSP and the low wages paid in other sectors of Blythe's economy.

The loss of jobs and income associated with potential closure of CVSP will lead to substantial reductions in business sales and profits, leading to additional business closures, reductions in property values, and significant increases in the rates of unemployment and poverty in Blythe.

## Fiscal Impacts

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The reductions in Blythe's jobs and overall economy described above will have negative impacts on City revenues and services, as well as on the Palo Verde School District, which will be faced with declining enrollment and lower state and federal payments.

### City of Blythe Revenues

The General Fund revenues for the City of Blythe come from over 100 revenue sources. The City projects these revenues to total \$16.0 million in 2023-24.<sup>6</sup> In addition, the city receives revenues from about 80 other taxes, fees, charges and transfers which are dedicated to specific purposes. These revenues are expected to total about \$13.8 million in 2023-34.

Estimated revenues from key revenue sources are highlighted in Figure 7. The sales tax is the leading General Fund source, accounting for about one third of the total. The vehicle license fee, transient occupancy tax, property tax, and utility franchise fees combined make up another third of the total, and a wide variety of other taxes, fees and fund transfers, make up the final third of General Fund receipts. In the "other revenue" category, key sources include charges for water, sewer and sanitation, state allocation of gasoline taxes used for road projects, and various other charges and fees.

**Estimated impact of CVSP closure on Blythe's revenues.** As indicated in the right hand column of Figure 7, we estimate that closure of CVSP would eventually reduce Blythe General Fund revenues by \$1.9 million, or about 12.2 percent of the revenue total. The reduction to other revenues would be about \$1 million or 6.9 percent. Combined revenue losses would be \$2.9 million, or 9.8 percent of total revenues.

These estimates are based on a review of each revenue source to determine its degree of sensitivity to changes in population or income. For example, we expect sales taxes will fall in proportion to the income loss in the local region following CVSP's closure. Property taxes (including the in-lieu vehicle license fees, which are tied to changes in property taxes) will likewise fall in proportion to income, but with a time lag, due to the assessed valuation provisions of Proposition 13 (discussed below).

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<sup>6</sup> Personal communication with City finance staff in which they provided a prepublication of the City's proposed budget, which should be available on line soon after this analysis is published.

**Figure 7**  
**Impact of CVSP Closure On**  
**Revenues of the City of Blythe**  
**(dollars in millions)**

	Current	Reduction if CVSP Closed	
		Amount	Percent
<b>General Fund Revenues</b>			
<b>Sales Taxes</b>	\$5.22	\$1.14	21.8%
<b>Vehicle License Fee</b>	1.69	0.37	21.9%
<b>Transient Occupancy</b>	1.50	0.06	3.7%
<b>Property Taxes</b>	1.29	0.28	21.7%
<b>Utility franchise fees</b>	0.72	0.05	7.4%
<b>Other</b>	5.45	0.04	0.7%
<b>Subtotals</b>	\$16.0	\$1.95	12.2%
<b>Other Revenues</b>			
<b>Charges for Water</b>	\$3.40	\$0.25	7.4%
<b>Water and wastewater treatment charges</b>	2.20	0.16	7.4%
<b>Sanitation fees</b>	1.14	0.08	7.3%
<b>Charges for Sewer</b>	1.05	0.08	7.4%
<b>Sales tax</b>	0.84	0.18	21.4%
<b>Motor vehicle fuel taxes</b>	0.54	0.10	18.6%
<b>Other</b>	4.62	0.11	2.3%
<b>Subtotals</b>	\$13.79	\$0.96	6.9%
<b>Grand Totals</b>	<b>\$29.81</b>	<b>\$2.91</b>	<b>9.8%</b>

Taxes that are collected statewide and allocated to Blythe based on population will fall in proportion to the decline in population (which includes CVSP inmates) following the prison's closure. In the case of the transient occupancy tax, we assumed that about one-half of the collections would be affected, since a significant portion of hotel business is related to customers that are passing through the community, and thus would be unaffected by the prison closure. Other fees and charges, such as those for water and sanitation services, are likely to fall by less, or not at all due to rate-determination processes that take into account provider costs, including fixed costs that are unaffected by a loss of customers. For many fees and transfers, we assumed that changes in population or income would have no direct impact on revenues.

These estimates represent the *full* revenue adjustment to the prison's closure. We expect that most of the changes would occur relatively quickly, in line with reduced economic activity. However, declines in property taxes and vehicle license fees will likely take several years to have their full effect. This is due to the assessed valuation provisions of Proposition 13, which ties the assessed valuation of homes and business properties to their purchase price, as adjusted in each subsequent year by the lesser of the consumer price index or 2 percent.

For long-term homeowners, a decline in market value will have no immediate impact on assessed value because market prices are currently well above their adjusted base year value. A reduction in the market price of some recently purchased homes may translate immediately into lower property tax bills, due to temporary downward assessments to properties allowed when their market value falls below the adjusted base year value (so-called “Proposition 8 adjustments”). However, the full adjustment for most properties may not occur until the house is sold and re-assessed at a lower market value.

## Palo Verde School Unified District Impacts

The Palo Verde Unified School District encompasses all of Blythe and much of the nearby unincorporated areas. It had 2,809 students enrolled in district schools and 959 in charter schools in 2021-22,<sup>7</sup> although district staff advise that the enrollment was down slightly to 2,743 in 2022-23 (excluding charters). Figure 8 displays the revenues available to the district in 2021-22.<sup>8</sup>

The district has estimated that 116 of its students are from households in which one or both parents are employed at CVSP.<sup>9</sup>

In addition, to the loss of students and associated funding due to the departure of CVSP employees, there would be an enrollment loss associated with the children of those families that leave Blythe due to the job losses that result from the multiplier effect shown on Figure 4 above. Based on the ratio of direct to multiplier-related jobs, we assume that the District would lose an additional 66 students due to this effect.

**Figure 8**  
**Palo Verde Unified School District Revenues 2021-22**

<b>Local Control Funding Formula</b>	\$31,781,575
<b>Federal Revenue</b>	10,328,754
<b>Other State Revenue</b>	6,882,349
<b>Other Local Revenue</b>	\$2,123,280
<b>Total Funding</b>	\$51,115,958
<b>Per-Student (ADA Funding)</b>	\$23,837

Finally, there are about 100 family visits per week to inmates in CVSP<sup>10</sup>. Given the remote location of the prison and the fact that its inmates come from all over the state, it is likely that a significant portion of those visits are made not by families who drive hundreds of miles to visit, but by a few that have relocated to Blythe to be near their incarcerated loved ones. As a conservative estimate of the children of those families, we include an additional 25 students who would leave the Palo Verde district should Blythe close.

Thus, we estimate that the district would lose a total of 207 students if CVSP were to close. Using combined per-student funding of \$23,837 from federal, state, and local sources, we estimate that the loss of 207 students would translate into a funding decline of \$4.9 million.<sup>11</sup> This amount is somewhat higher

<sup>7</sup>Source: <https://www.ed-data.org/district/Riverside/Palo-Verde-Unified>

<sup>8</sup> *ibid.*

<sup>9</sup> This figure is based on the number of student's whose parents have provided the CVSP main telephone number as their work number. Since employees in the prison are not allowed to have their cell phones with them at work, the estimate is likely quite reliable.

<sup>10</sup> Personal conversation between the CVSP Warden and PVUSD staff, reported to us by the latter.

<sup>11</sup> This estimate does not take into account two offsetting factors. First, it does not include inflation adjustments for 2022-23 and 2023-24, which combined are over 10 percent. This is largely offset, however, by the fact that some categorical and federal funds are not directly linked to total ADA.

than the \$3 million preliminary internal estimates made by the district staff, which did not include the impacts of multiplier-related jobs losses in the community.

However, the revenue losses would be spread out over multiple years, due to formulas in place that phase in ADA-related funding reductions over three years. District representatives believe that a \$3 million loss could be handled through the normal attrition of staff, thereby avoiding layoffs. A \$4.9 million reduction would present a greater challenge to the district, but the ultimate impacts will depend on such factors as future state funding. In all cases, however, a \$5 million revenue reduction would require the district to reduce its expenditures and its workforce.

## Comparison of CVSP Versus CRC Closure Impacts

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As noted above, the City of Blythe, the County of Riverside and the City of Norco all agree, for a variety of reasons, that it would make more sense for the state to close the CRC in Norco than to close CVSP. Among these reasons is that the impact of closing CVSP on the City of Blythe, its economy, its school district and its remaining population and workforce would be much more substantial on a percentage basis than would be the impact on Norco and its surrounding areas.

**Figure 9**

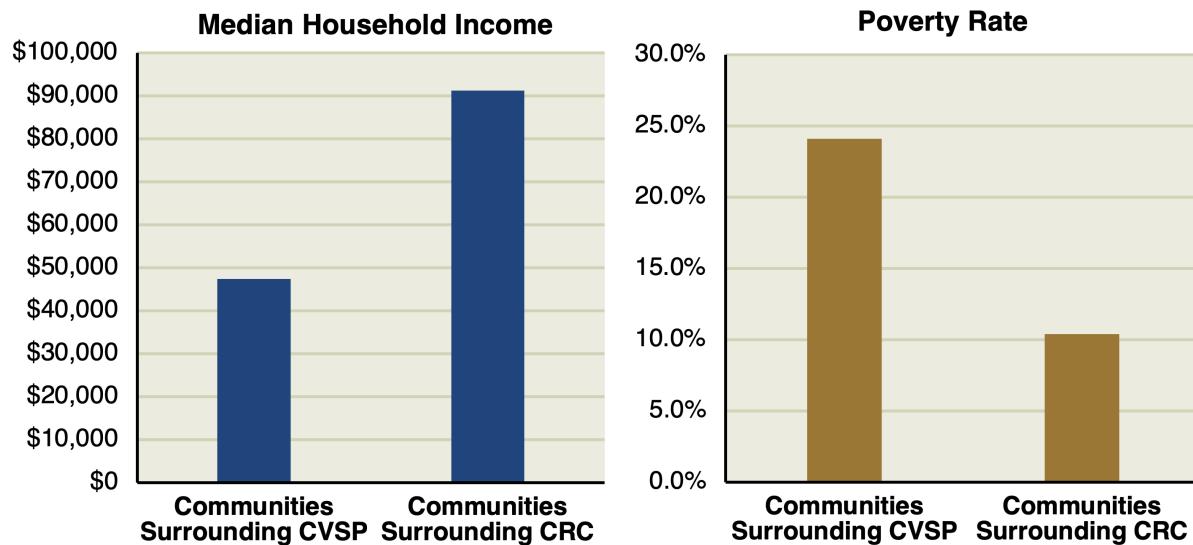
**Key Population and Economic Data for Cities Near Chuckwalla Valley State Prison and Cities Near California Rehabilitation Center**

Cities Close to —	Distance in Miles	Population				Median Household Income	Total Personal Income
		Total	Under 18	18 to 65	Percent in Poverty		
<b>CVSP --</b>							
<b>Blythe, CA</b>	23.0	17,793	3,416	12,686	23.2%	\$49,235	\$334,808,388
<b>Mesa Verde, CA</b>	15.0	918	285	496	32.6%	\$43,365	Included Above
<b>Ripley, CA</b>	24.0	598	239	150	N/A	\$25,864	Included Above
<b>Ehrenberg, AZ</b>	27.0	959	153	566	43.8%	\$31,591	\$20,368,116
<b>Totals/Weighted Averages</b>	<b>22.3</b>	<b>20,268</b>	<b>4,093</b>	<b>13,897</b>	<b>24.1%</b>	<b>\$47,445</b>	<b>\$355,176,504</b>
<b>CRC --</b>							
<b>Norco</b>	1.0	26,077	4,955	17,498	4.6%	\$115,619	\$918,365,266
<b>Corona</b>	7.0	159,743	41,054	102,236	9.0%	\$95,268	\$5,534,846,784
<b>Eastvale</b>	5.0	71,375	21,198	44,467	4.3%	\$141,827	\$2,818,161,296
<b>Home Gardens</b>	8.0	11,203	2,868	6,879	13.1%	\$77,403	\$278,327,332
<b>Mira Loma</b>	7.2	21,850	6,839	15,251	11.0%	\$83,706	1,093,437,370
<b>Riverside</b>	19.6	317,261	77,094	206,537	12.9%	\$76,755	\$9,228,701,044
<b>Totals/Weighted Averages</b>	<b>8.0</b>	<b>607,509</b>	<b>154,008</b>	<b>392,867</b>	<b>10.4%</b>	<b>\$91,198</b>	<b>\$19,871,839,092</b>

This is partly because of the many redevelopment options that exist for CRC, which is on highly sought-after land. Even in the absence of any redevelopment, however, the CRC job and income impacts would be minuscule relative to the size of the cities surrounding the Norco prison. The population of communities surrounding CRC is about 30 times larger than the population around CVSP (see Figure 9, above), and communities surrounding CRC have higher median incomes and much lower rates of poverty, as illustrated in Figure 10. The combination of more population and higher household incomes

results in total personal income in communities around CRC being 56 times higher than the communities surrounding Blythe.<sup>12</sup>

**Figure 10**  
**Comparison of Median Household Incomes and Poverty Rates**



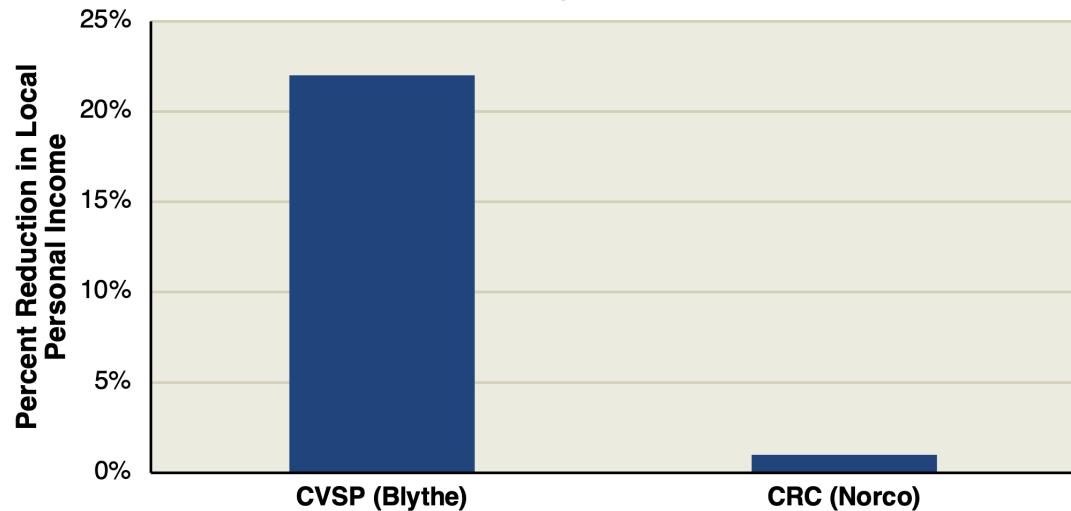
Although CRC is modestly larger than CVSP (with 1,252 authorized positions versus 918 positions for CVSP), the impacts of a CRC closure would still be minuscule in comparison to the vastly larger size of its surrounding economy. As shown in Figure 11, we estimate that closure of CRC would result in a 1 percent reduction in the combined personal income of its adjacent communities, a small fraction of the 22 percent impact that CVSP's closure would have on income in Blythe.<sup>13</sup> Again, this is before considering the offsetting impacts of redevelopment that is likely to quickly follow in Norco.

<sup>12</sup> Total personal income estimates for each city is based on data from the U.S. Census on per-capita income and total population.

<sup>13</sup> Our estimate of CRC impacts followed the same general methodology as described in this document for CVSP. Compared to Blythe, however, we assumed that a higher proportion CRC's expenditures remain within its adjacent communities shown in Figure 9. This reflects the much larger number of local housing and spending options available to employees of CRC in the metropolitan area surrounding the prison.

**Figure 11**

**Impacts of Prison Closures on Surrounding Communities: CVSP Versus CRC**



## Conclusion

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Closing CVSP makes little sense even from the perspective of the CDCR. It would result in the under utilization of shared infrastructure with Ironwood State Prison; it would close the well maintained and newer CVSP while continuing to incur the higher costs of maintenance and repair at the much older CRC. Moreover, the chances of re-using and/or redeveloping the CVSP are uncertain, while CRC sits on real estate prime for redevelopment. But from the perspective of the two local areas, the closure of CVSP would devastate the economy of Blythe and significantly reduce the capacity and funding of both the city government and the school district while the closure of CRC would have only a minor impact on its surrounding communities.