



High Desert Report

An economic overview of the High Desert region affiliated with The Bradco Companies, a commercial real estate group



I wish to welcome our current, future, and long standing subscribers and sponsors of the 54th Edition of the Bradco High Desert Report, the first and only economic overview of the

High Desert region, covering the northern portion of San Bernardino County and the Inland Empire.

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As a part of our history, in late 1992, when a friend of mine, Ms. Cele Underwood, then an Associate with the Keith Companies, a company with which we shared office space, suggested that, with all the development, bus tours and seminars in Southern California, we create a newsletter. Having no knowledge of how to do a newsletter, I contacted my long-time friend and mentor, Dr. Alfred Gobar, then Chairman of Alfred Gobar & Associates (Brea/Anaheim, California).

With Dr. Gobar's continued encouragement to take a leading role within the High Desert region, we moved forward with the first ever newsletter to cover the High Desert region, the Cities of Adelanto, Apple Valley, Barstow, Hesperia, and Victorville; the first one to properly portray the High Desert's economy and its great assets.

Since then, Dr. Gobar has continually supplied some of the greatest articles to the Bradco High Desert Report since its inception in May of 1993. He has contributed articles all the way through our 52nd Edition, but due to a recent 7 year battle with cancer, was unable to prepare an article in his normal and professional manner.

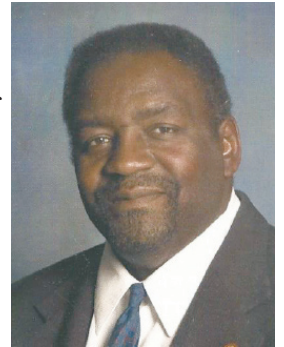
Dr. Gobar is in his 7th year of battling cancer and doing quite well. When the doctors told him that they thought he would lose a substantial amount of weight, they forgot that Dr. Gobar is 1 of the most unique people I have ever met and, undoubtedly, one of the most unique people that they have ever met. He has actually gained 14 pounds, looks great, and still has a great sense of humor.

He recently spoke (6 months ago) at Lambda Alpha, the Orange County Chapter, which I am the only commer-

cial broker ever inducted, and I am very humbled to be a part of this great honorary society for the advanced and land economics.

We also had a delay in this edition with the recent addition of a new member of our family, Mr. Parker Sinibaldi, Ms. Kaitlin Alpert's son. Parker was born on December 9, 2014, and Ms. Alpert has just been able to return to work to assist us on the Bradco High Desert Report and many of the other endeavors that we have. In the meantime we were blessed with the addition of Ms. Tailor Titus, who joined our firm on a temporary basis and has now become a full-time member of our family.

On a sad note, on January 6, 2015, we lost a dear friend of the High Desert and, most importantly, Victor Valley Community College District. His name was Mr. Willie Pringle.



Willie Pringle

From the early days when I moved to the High Desert in mid-1988, Willie Pringle was always a gentlemen who was "bigger than life."

I knew him and the many roles that he held throughout the region, all based on education, with a deep and long-founded love for his college, Victor Valley Community College District.

Willie had a life-long service record in the community and continued to stay active in service-leadership roles.

He served as a member of the Board of Trustees for Victor Elementary School District from 1994-2009. In addition to

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How does the Inland Empire Film Commission make it so easy?

By Sheri Davis - Director

The High Desert still remains the number one desert location for the Film Industry in California. Why you ask? It is really a simple answer – terrific light, diversity of locations (from a mountain community to the vast sand dunes at Dumont) as well as experienced crew and service providers. Also, the film industry gets ease of permitting with the Inland Empire Film Commission which serves as the One Stop Permit Agency for the County of San Bernardino, the United States Forest Service and the Bureau of Land Management. How does the Film Commission make it so easy? They have some very important partners whose support is key to successful filming in the High Desert. The Barstow Bureau of Land Management leadership and staff deserve a medal for their excellence in assisting filming. This office is exemplary and should be the role model for other BLM field offices. County Supervisor Lovingood from the First District and Supervisor Rutherford from the Third District are very supportive partners to the film commission and are great proponents of filming in their districts.

Filming Update For 2014

Feature Films: 11 feature films selected locations from El Mirage Dry Lake to the Dumont Dunes. The pattern of studio features shooting out of state for most of their production continued through 2014 as they secure incentives, both in other states and other nations.

Some of the smaller films shot were “Nothing Like Romance” shot in Oro Grande, “The Executer,” shot in Yermo, and “Zeroville,” shot at the Barstow Drive-in. We are very hopeful that the new incentive bill AB1839 that passed allowing \$330 million a year for five (5) years to be used as an incentive to keep filming in California. This renewal and revision of the State Film Incentive program bumps the 20% incentive to 25% for films shooting outside the 30-mile zone around Hollywood (more details below). Hopefully, this will encourage production to come to the High Desert.

Reality Television: Reality TV still enjoys filming in the High Desert region with 14 shows such as “Top Gear,” Jay Leno’s untitled new show, “Masterchef,” “Sand Master,” “Die Trying: Gates of Hell,” “Storage Wars,” and “IQ Challenge,” to name just a few of the shows.

Commercials: 56 commercials selected locations in the High Desert. The dry lakes in the county still attract the largest numbers of commercials with El Mirage Dry Lake leading with 17 commercials. Here are a few commercials that did NOT involve the automobile industry: GE, Icon Health, Water Future, 7 Jeans, Megane-ichiba sunglasses. Other dry lakes like Soggy, Silurian, Lucerne, Rabbit and Coyote also attracted their fair share of commercials like Blacklist Olympics, Golden Girls, Pokémon

Master Recruiter, USA Network Series Promo for “Dig,” American Eagle and California Lottery. Then, of course, we had many of the car agencies return for that special desert look...Subaru, Lamborghini, BMW, Mercedes Benz, Hyundai, and Dodge Viper, among many other products. The locations ranged from communities like Yermo to Baker, from Barstow to Wrightwood, from Lucerne Valley to Trona. Watch for these commercials and enjoy your locations being introduced to the world.

Still Photography: Still photographers still consider the High Desert lighting and diversity to be perfect for their requirements. 62 still photography shoots for both national and international products like Gala Paris, Macy’s, Prestige Magazine, Nissan Frontier, Lexus, Top Gear Clothing, American Eagle, Show Me Your Mumu, ESPN Magazine, Engelbert Strauss Workwear, Arch Motorcycles, W Magazine, Urban Outfitters and Grip (a German TV car magazine) are some the highlights.

Music Videos: The region enjoyed a huge increase in music videos over the previous year. There were 35 music videos shot throughout the High Desert. Have you ever wondered about all of the music videos that you have seen and thought look like your area. Well, here are just a few for your viewing pleasure – just go to the URLs below and enjoy a

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THE BRADCO HIGH DESERT REPORT

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How does the Inland Empire Film Commission make it so easy?

Continued

music video shot in your region.

- Anjali's "We turn up" which shot at Dumont Dunes
<http://youtu.be/qP24ZHEFEts>
- J LO's "First Love" shot at El Mirage Dry Lake
<http://youtu.be/BfgoiYu9EUE>
- The Voice's Matt McAndrew shot "Wasted Love" in Helendale
<http://youtu.be/4rrOkJ3la5M>
- Ziggy Marley's "I Don't Want to Live on Mars" shot in Yermo and Coyote Dry Lake
<http://youtu.be/zvtQZvU2upU>
- Anastacia's "Stupid little things" found the right location at El Mirage Dry Lake
<http://youtu.be/x67trYfuzV0>
- Papa Roach's "Face Everything And Rise" shot in the Community of Trona
<http://youtu.be/g9z4DWB7Iy8>

Student Production: 19 film school projects discovered the High Desert region. Some of the larger film schools that used our region were Chapman University, University of California Irvine, New York Film Academy, Art Center College of Design, Loyola Marymount University and Columbia College.

Documentaries, Short films, Web Series: 51 other productions selected varied locations in the High Desert such as a market in Trona, the Barstow Hospital, as well as various locations in Newberry Springs and Daggett. However, 38 of the productions were shot on land managed by the Barstow Bureau of Land Management which includes El Mirage Dry Lake, Johnson Valley and the Dumont Dunes.

King of the Hammers: Each year a film crew comes out to record the actions at one of the biggest desert racing events in the Nation called "King of the Hammers." This is a 5-day event that always selects Johnson Valley, is filled with races, vehicle rock climbing, etc., and has an audience of over 25,000 people attending. We want to thank the Barstow Bureau of Land Management

for their support of this important race to Lucerne Valley and the desert region.

Johnson Valley Update

Tony Perry, a reporter with the Los Angeles Times, in an article on May 9, 2014, reported on the final decision for the use of Johnson Valley by the U.S. Marines and the OHV community.

"After nearly a decade-long dispute between the Marine Corps and off-road vehicle enthusiasts over a rocky patch of desert west of the base at Twentynine Palms has ended in a compromise brokered by Congress. Neither side got everything they wanted in the tussle over the nearly 200,000 acres of forbidding Johnson Valley -- a place of rugged beauty that off-roaders say is virtually without peer for their sport. The Marines say the same about their training needs.

As included in the 2014 defense bill signed by President Obama, approximately 43,000 acres of Johnson Valley will be for recreational use only, 79,000 acres will be for the Marine Corps, and 53,000 acres will be shared between the off-roaders and the Marines."

The Inland Empire Film Commission is not certain at this time how these decisions will impact filming.

California Tax Incentive Update

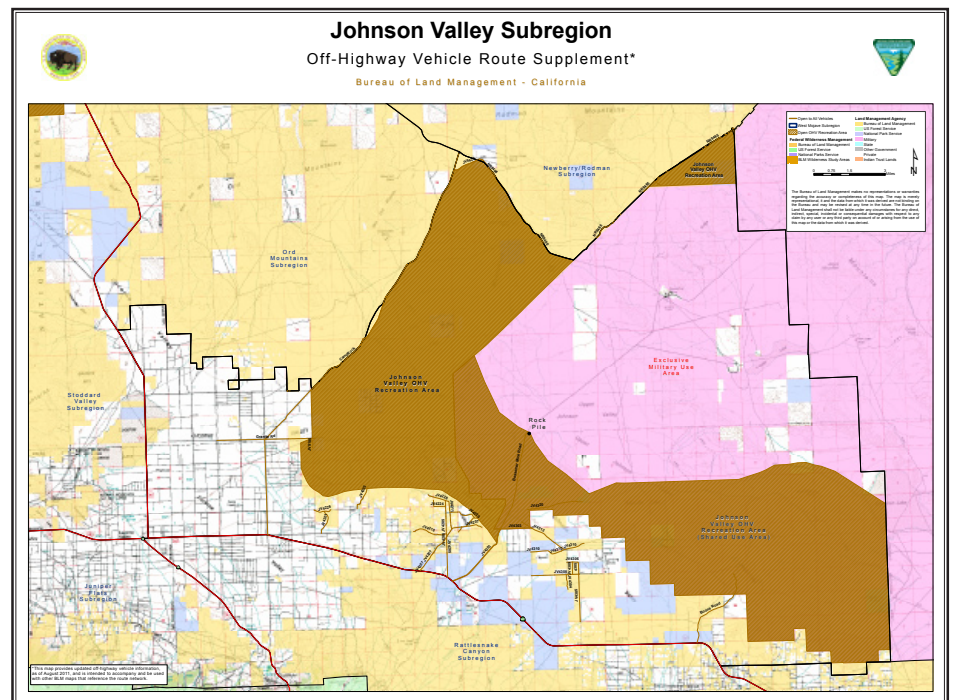
California Film and Television Tax Incentive Expanded and Extended 20-25% Credit

The California Film & Television Job Retention and Promotion Act, signed by Governor Brown in September, 2014, expands and improves California's Film and TV incentives. The California Film Commission is currently developing regulations and other procedures to administer the newly expanded film and TV tax credit program.

Key Changes from Prior Program

- Increases tax credit program funding to \$330 million per fiscal year; extended for 5 years
- Expands eligibility to big-budget feature films, 1-hr TV series (for any distribution outlet) and TV pilots
- Eliminates budget caps for studio and independent films
- Replaces current lottery with a ranking system based on jobs and other criteria
- Provides for multiple allocation periods throughout the year

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High Desert Report

An economic overview

How does the Inland Empire Film Commission make it so easy?

Continued

Additional 5% Credit Uplift (Maximum credit = 25%)

- Filming outside the Los Angeles zone + 5%
- Music scoring/music tracking recording expenditures + 5%
- Visual effects expenditures + 5%

Eligible Productions

- Feature Films: \$1 million minimum budget; while there is no maximum budget cap, credit allocation applies only to the first \$100 million in qualified expenditures
- Movies-of-the-Week and Miniseries: \$500,000 minimum budget
- New Television Series for any distribution outlet: \$1 million minimum budget per episode (at least 40 minutes per episode, scripted only)
- TV Pilots: \$1 million minimum budget
- Television Series, without regard to episode length, that filmed their prior season outside California; \$1 million minimum budget
- Independent Films: \$1 million minimum budget; while there is no budget cap, credits apply only to the first \$10 million of qualified expenditures (only independent projects may sell their tax credits)

New Selection Criteria

Productions will be ranked from highest to lowest based upon a jobs ratio and other criteria against "like" projects (TV ranked against TV, indie projects against indie, etc.). The CA Film Commission will award tax credits to those productions in each category with the highest ranking. The new program provides four separate funding "pots" for these categories: TV series and TV pilots / independent projects / non-indie feature films / and relocating TV series.

Key Dates

Final Lottery – Original tax credit program eligibility – APRIL 2015

- Productions may not begin principal photography before July 1, 2015

New Program: First application period - May 2015 (TV only) / Summer 2015 (feature films)

- Projects selected by new ranking system
- Productions may not begin principal photography before July 1, 2015

Courtesy of the California Film Commission

High Desert Film Alliance

The High Desert Film Alliance, which is active and meets monthly in the region, has new Co-Chairs – Joshua and Tiffany Addante. With this new leadership, they

are looking into expanding their internet exposure in hopes of being available to assist more productions as they come into the region. The alliance has also changed their monthly meetings to the 2nd Thursday of each month at 6:30 p.m. at the Marriot Courtyard in Hesperia. If you are interested in attending to find out more about the alliance, or if you are a film professional living in the High Desert and would like to network with other professionals, please feel free to come. Please RSVP to info@filminlandempire.com so we can save you a seat. Menu will be available for those of you who would enjoy dining during the meeting.



The Inland Empire Film Commission wants to take this opportunity to thank Phyllis Overall for her years as Chairman of the High Desert Film Alliance. Her dedication and energy for film production in the High Desert is unequalled and she will be missed.

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Transportation Improvements Continue in the High Desert

By: Joy Sepulveda—Public Information Officer, Caltrans



Since 2012, Caltrans has been actively working to improve the transportation infrastructure in the High Desert. The growth of the region, as well as the resulting congestion has made improvements a priority for the department. Commuters and tourists are using the routes and arterials more and more in their travels. In fact, more than one million vehicles travel through the Devore Interchange each week, which makes it the most significant chokepoint on Interstate 15 (I-15) in San Bernardino County with traffic queues extending south for five miles during the late afternoon/evening rush hour.

While no major projects were completed in 2014, two projects continued full steam to deliver significant changes to the transportation system. In addition, two projects are planned for State Route 58 (SR-58) west of Barstow to provide enhanced connectivity from the High Desert to the Kern County line.

Devore Interchange Project

The I-15/I-215 Devore Interchange Project, which began in November 2012, will add a truck by-pass lane, add an additional lane in each direction, bring the interchange up to operational standards, as well as address the arterial highways network deficiencies—specifically the reconnection of Route 66 (Cajon Boulevard).

To date, the project has achieved several major milestones and is 50% complete. The milestones include:

- Opening of the new southbound I-15 Kenwood Avenue on and off-ramps
- Opening of the new Devore Road Bridge
- Opening of the new I-15 inside lanes south of the I-15/I-215 interchange
- Completion of 10 of 30 walls

- Completion/under construction 10 of 17 bridges

With so much work happening at once, the Devore Interchange Project team is committed to providing superior communication. To that end, communication and collaboration with emergency responders continues and is considered a high priority. Additionally, construction zone staging is designed to provide access to emergency responders (particularly fire services and CHP). The project team is also committed to providing safe access to motorists traveling through the project area.

Currently, the project is estimated to be complete in late 2016.

I-15 Cajon Pass Pavement Rehabilitation Project

The I-15 Cajon Pass Pavement Rehabilitation Project began last spring. As a strictly pavement rehabilitation project, it will resurface and restore the pavement between Kenwood Avenue and the Hesperia Overhead, which will provide approximately a 40 year life to the pavement through the Cajon Pass.

So far the project has replaced the pavement in 13 lane miles on I-15, as well as reconstructed 33 miles of shoulders. Most significant is the completion of the northbound and southbound lanes from SR-138 to Oak Hill.

The project currently has another 28 lane miles to replace and 15 miles of shoulder to reconstruct. It is estimated to be complete in late 2015.

As with the Devore Interchange Project, communication is key for the Cajon Pass Project team. In addition to communicating with emergency responders, information is also shared utilizing many formats.

SR-58 Hinkley Expressway Project

Caltrans plans to widen and realign a

portion of State Route 58 (SR-58) from a two-lane conventional highway to a four-lane expressway extending from approximately 2.4 miles west of Hidden River Road to approximately 0.7 mile east of Lenwood Road, near the unincorporated community of Hinkley in San Bernardino County.

The project will include construction of two interchanges on the widened and realigned portion of SR-58; one at Hinkley Road and the other at Lenwood Road. All entrance ramps (westbound and eastbound) will have two lanes at the local road and will transition to a single lane prior to merging onto the expressway. All exit ramps will have three-way stops at the exit ramp intersections with the local road. Americans with Disabilities Act (ADA) compliant curb ramps will be included.

The project includes access to non-motorized transportation modes (e.g., pedestrian/bikes/equestrian) by providing six foot wide sidewalks, as well as standard eight foot shoulders across the two overcrossing bridges at Lenwood and Hinkley Roads. A short length of the existing SR-58 at the east end of the project is proposed to be realigned to tie in to the Lenwood Road westbound entrance and exit ramps. The widened and realigned expressway is planned to be on a fill section (elevated sections of a roadway). All locations with large vertical surfaces (i.e., retaining walls and bridge structures) will include aesthetic/architectural treatment to prevent graffiti.

The project was awarded to Skanska and is expected to begin construction in June 2015.

SR-58 Kramer Junction Project

This project proposes to widen the roadway to accommodate four lanes of expressway on SR-58 in the County of San Bernardino near the Kern County line to

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Most High Desert Home Values Trending Up

By Bob Dutton, Assessor-Recorder-County Clerk, San Bernardino County

As the newly elected Assessor for San Bernardino County, I am very interested in monitoring and taking action to stimulate economic development in the region. One of the key indicators of the regional growth is the value of the various property types within the County.

Over the last several years, dating back to 2008, there have been some very dramatic changes in assessed property value. Before we discuss property value, it is important to distinguish the difference between market and assessed property value.

Market value: The lowest price a seller would be willing to receive while at the same time the highest price a buyer would be willing to accept on an open and competitive market.

Assessed value: Value utilized by the Assessor as the basis for taxation of property. In California this is constrained by Proposition 13 enacted in 1978.

In the 2007-2008 timeframe, properties within San Bernardino County reached a peak point. However, with the down turn in the economy and the resulting recession, many properties had a dramatic reduction in value. Properties located in the High Desert area followed this same pattern. This region includes the incorporated cities of Adelanto, Apple Valley, Barstow, Hesperia, and Victorville, as well as the unincorporated areas of Lucerne Valley, Pinon Hills/Phelan, Wrightwood, Helendale, Hinkley, Yermo/Daggett and Newberry Springs.

When looking at the difference in all High Desert secured property from the peak in 2008 until the low in 2012, there was an overall decrease of 35% in assessed value. The majority of the reduction was felt within residential property with a decrease of 48.5%. This accounts for 93% (by number of properties) of all property. Commercial, industrial and agricultural property remained relatively the same during this time frame with only slight fluctuation in the assessed value.

To understand the current trend, we can look at what has occurred in assessed value over the last three years, 2012 through 2014. As shown in Figure 1 (Residential Average Assessed Value), all of the incorporated cities except Barstow have experienced positive growth in assessed value for residential properties:

- Adelanto: 14.41%
- Apple Valley: 11.50%
- Barstow: (4.93%)
- Hesperia: 11.80%
- Victorville: 12.67%

Of the unincorporated areas, some of the residential properties have realized slight growth and others have declined in assessed value:

- Lucerne Valley: 1.41%
- Pinon Hills/Phelan: 6.89%
- Wrightwood: 6.82%
- Helendale: 4.81%
- Hinkley: (47.75%)
- Yermo/Daggett: (5.29%)
- Newberry Springs: (5.18%)

For commercial properties (e.g., stores) in the incorporated cities, there is minimal growth, with the majority realizing a decline in average assessed value as shown in Figure 2 (Commercial Average Assessed Value):

- Adelanto: (6.99%)
- Apple Valley: (2.32%)
- Barstow: (2.73%)
- Hesperia: 5.27%
- Victorville: 3.21%

Similarly, the unincorporated areas have predominately

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Transportation Improvements...

Continued

7.5 miles east of US Highway 395. This project involves the realignment of the roadway and will provide for a grade separation for the railroad crossing. The project will construct new pavement and widen the median, as well as improve geometrics to accommodate the Surface Transportation Assistance Act (STAA) trucks.

The purpose of the project is to accommodate increased volumes of oversized vehicles. The project will reduce traffic congestion, improve traffic safety, reduce accident rates, improve operational efficiency by separating slow-moving vehicles, improve reliability of goods movement, reduce people/goods movement conflicts and extend the life of the pavement.

The project is currently in the environmental document phase and is estimated to be advertised for bid in December 2016.

The four projects mentioned above will greatly transform the transportation infrastructure of the High Desert. Caltrans is proud to be able to deliver quality projects that will enhance the lives of the traveling public.



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Most High Desert Home Values Trending Up

Continued

seen a decrease in the commercial assessed average value:

- Lucerne Valley: 6.46%
- Pinon Hills/Phelan: (0.22%)
- Wrightwood: (1.17%)
- Helendale: (18.63%)
- Hinkley: (33.41%)
- Yermo/Daggett: (0.43%)
- Newberry Springs: 1.71%

The last area of interest is the industrial properties (e.g., warehouses, manufacturing, etc.). As shown in Figure 3 (Industrial Average Assessed Value, the values for the incorporated cities have stayed primarily the same or had a slight decrease:

- Adelanto: 6.76%
- Apple Valley: (0.06%)
- Barstow: 3.64%
- Hesperia: 4.62%
- Victorville: (3.45%)

These trends are also seen in the unincorporated areas as well:

- Lucerne Valley: (1.51%)
- Pinon Hills/Phelan: (4.01%)
- Wrightwood: 2.47%
- Helendale: (13.22%)
- Hinkley: (4.90%)
- Yermo/Daggett: (8.02%)
- Newberry Springs: (5.35%)

In summary the outlook for residential property has been positive and shows strong growth, but we are still lagging in commercial and industrial properties. I have a strong interest in working toward economic growth in the High Desert region, as well as throughout all of San Bernardino County. If we can stimulate development in the commercial and industrial properties, it will in turn create additional jobs and provide for even stronger future growth for the residential property values.

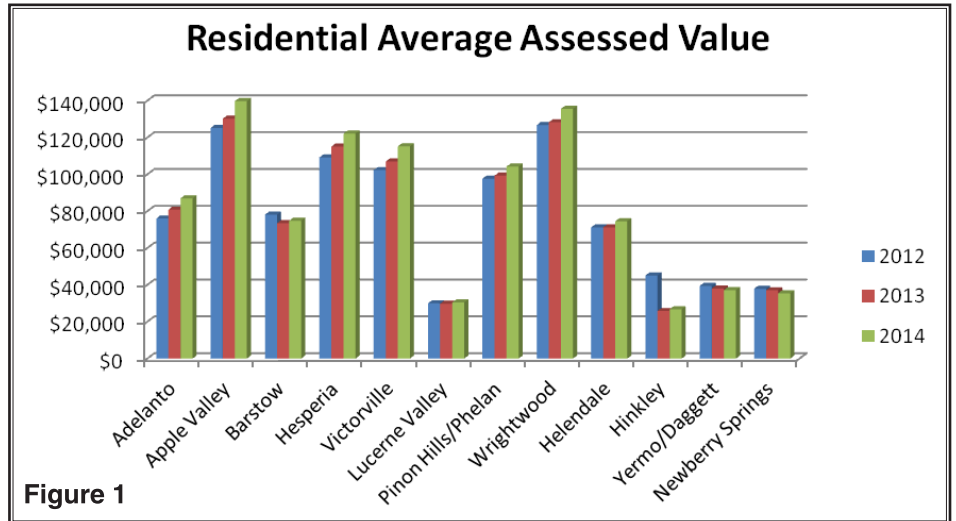


Figure 1

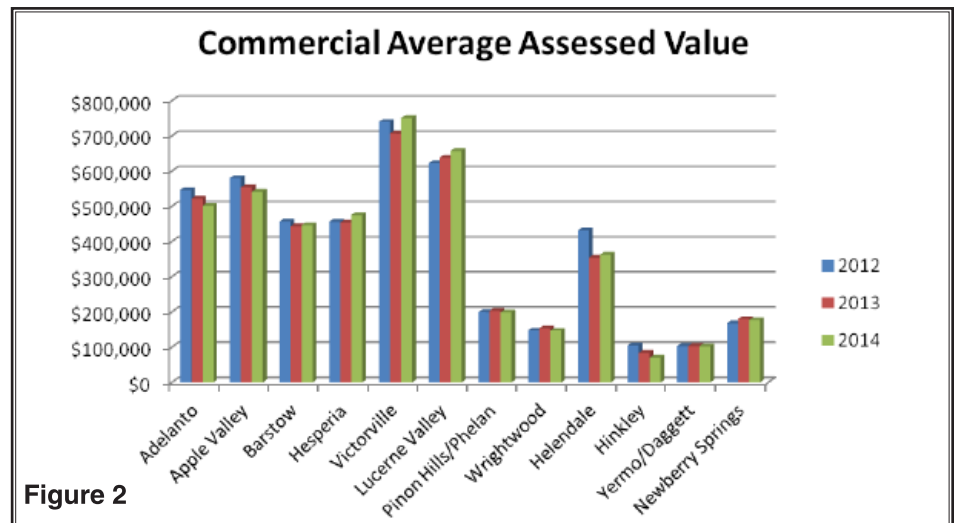


Figure 2

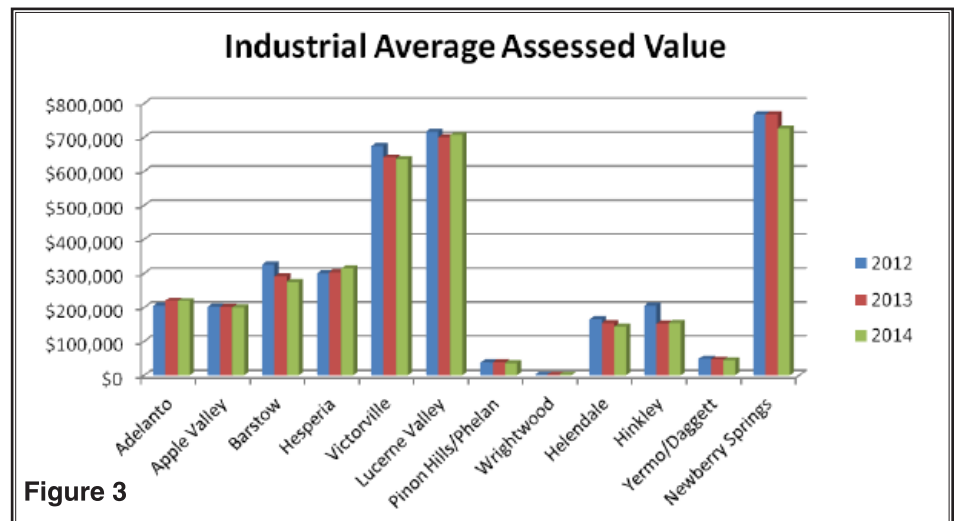


Figure 3



Hesperia's Tapestry Master-Planned Community Will Be a Jewel of the High Desert

By the Tapestry Development Team



Tapestry

Nearly 25 years after first being set into the plans at the founding of the City of Hesperia, a master-planned community is finally going to be a reality. The former Rancho Las Flores Specific Plan is now the Tapestry master-planned community. The project is being developed by Terra Verde Group, which has a successful history of building master-planned communities in Southern California and throughout the United States.

Even though the property is already entitled for over 15,000 homes and is part of the City's General Plan, the project will face additional review due to updates in its plans. In the next few months, Tapestry will go before the Hesperia Planning Commission and City Council for approval of a new Environmental Impact Report (EIR), Specific Plan, and Phase I Tentative Tract Map. The project team has already held several public meetings and informational sessions and expects to do more in the lead-up to approval.

The Tapestry master-planned community is located at the heart of what Hesperia Mayor Eric Schmidt and others dub

the "Mojave River Basin". The project lies north of the 138 and 173 Highways, east of Arrowhead Lake Rd, south of Rancho Road, and extends west to the Hesperia city limits, about 2 miles short of Summit Valley Rd. When it is built out, in the next few decades, the Tapestry community will feature 19,311 homes located on 9,365.5 acres, 4,000 acres (42%) of which will be preserved for open space and conservation.

Tapestry will be a very high quality community that will enhance the quality of life in Hesperia. It is our hope that as this project moves forward, Hesperia residents will come to see it as an asset to the community as they enjoy the open space and parks that will be an essential part of life in Tapestry.

Designed for Quality Living

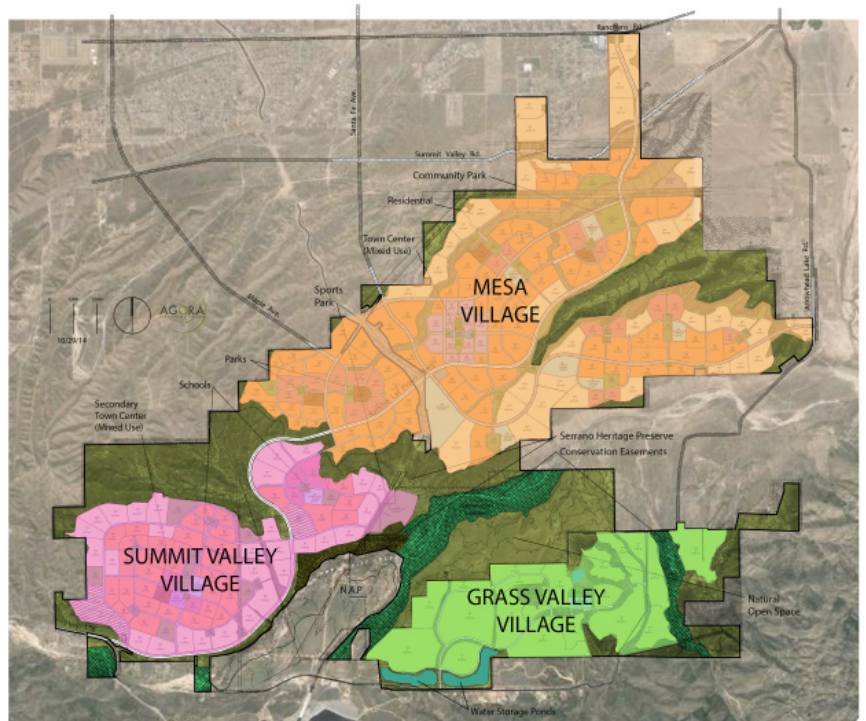
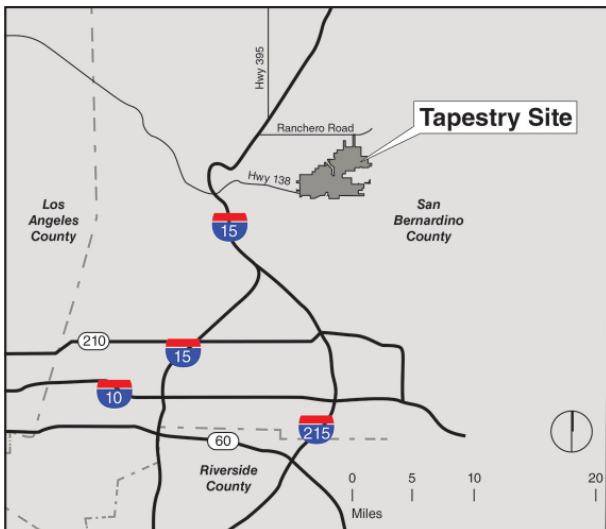
Tapestry will provide a premier living experience by promoting upscale architectural design and a special emphasis on quality living. The goal is to appeal to younger families looking to purchase

their first homes. Tapestry will be built with active families in mind. Walkability is a major feature of the Tapestry Specific Plan, with 161 miles of trails and paths built throughout the community.

In addition to walkability, parks and open space will be a major component of living in this community. Not only will there be a mix of neighborhood and pocket parks placed throughout each neighborhood, but a major sports park is planned in the 6th phase of development. Utilizing their experience in providing excellent amenities in master-planned communities throughout the United States, the development team plans to include recreational opportunities for all the residents of Tapestry.

At the center of the project will be a premier town center to feature upscale restaurants, retail, grocery stores and other amenities. The Tapestry town center will exist not only as a benefit to

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Hesperia's Tapestry Master-Planned Community Will Be a Jewel of the High Desert

Continued

Tapestry, but will be built as a destination center for the entire Mojave River Basin.

Respecting and Protecting the Local Environment

One hallmark of life in Hesperia is living in a beautiful natural environment, and Tapestry will be designed to pro-

xeriscaping, recycled water will be used for irrigation purposes throughout the project to help reduce water consumption. Every home within Tapestry will be required to provide rooftop solar capability, making it the first community of its kind in the High Desert to achieve the level of sustainability that is so important for future generations.

Enough Water for 20 Years

In 2011, the city approved an Urban Water Management Plan (UWMP) that detailed the city's water needs, uses, and supply & demand, including its estimated population growth and water needs for the next 25 years. A Water Supply Assessment was prepared in 2014 for the Tapestry project,

by the same team who compiled that 2011 UWMP, which demonstrated water availability exists today for nearly 20 years. Tapestry will build all of the water supply and storage systems and give these improvements to the City.

Improving Mobility for Residents

Traffic has been a concern among residents adjacent to the project. Tapestry, in its planning is designed to help alleviate problems that currently exist. Tapestry will include multiple access points, especially to

the north, that will help reduce congestion by providing millions of dollars in vital road expansions, new signals and other improvements. The developers have been in talks with both the City of Hesperia and Caltrans to find solutions to congestion on Ranchero Rd and Highway 138, respectively.

All of the costs of developing the Tapestry project area will be carried by the project developer. The City of Hesperia is developing a phasing schedule for this work, which will be specifically articulated in the Tapestry Development Agreement between the city and the project developers.

Benefits of Long Term Land Use Planning

The project will be built in 10 phases, with the first phase of approximately 2,300 homes beginning in 2016. Since Tapestry is a master-planned community, it provides the City of Hesperia with an opportunity to plan long-term and create a community that will sustain itself and serve as a catalyst for solutions to regional issues. Individual development projects cannot address traffic, water supply, wastewater treatment or

continued on page 10



tect that special quality of life. Tapestry preserves the Victor Valley's unique desert environment in its plans and design guidelines. Hesperia residents will be able to enjoy thousands of acres of new parks, pedestrian and equestrian trails, paths and open spaces. The project team has also worked with the San Manuel Band of Mission Indians to help preserve areas of importance to Native Americans, and also has plans for an interpretive center to honor the history and culture of this wonderful valley.

Tapestry is a state-of-the-art community. It is implementing energy and water saving techniques that could not be done on a smaller project. Water-wise planting techniques and state-of-the-art xeriscaping will be employed throughout the community. In addition to



Hesperia's Tapestry Master-Planned Community Will Be a Jewel of the High Desert

Continued

other such improvements. They pay their development impact fees, but it is some time before enough fees are accumulated to actually construct improvements.

The Specific Plan process allows other public use issues, such as parks, schools and public safety, to be adequately anticipated and addressed. The parks district can identify their future park and recreation needs and identify specific parcels where these improvements can be constructed and can enter into financing plans for these improvements. The same holds true for schools and public safety. The process also allows the city to exert more direct control over design than it can on individual projects.

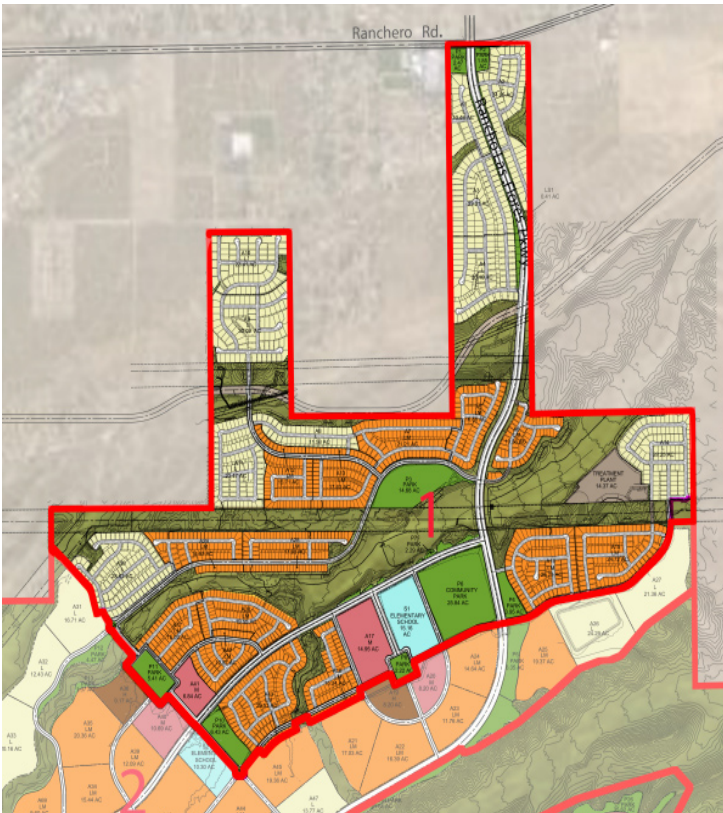
The Tapestry Specific Plan includes plans for two mixed-use town centers, eight elementary schools, two middle schools, and two high schools. The project also includes multiple public

and civic facilities (like a post office, library branch, fire and police station, etc). These vital parts of infrastructure could only be done within the scope of a master-planned community like Tapestry.

Why Now is the Time for Tapestry to Succeed

Why now? Because the market is right for development in the High Desert. Prices in the LA basin and in the areas down the hill have reached levels that put home ownership out of reach for young families. The population continues to grow and the High Desert is the logical place to go to find a high-quality, affordable place to live. We firmly believe that if we can build Tapes-

try, Hesperia will become a preferred location for the continued job growth that is taking place in Southern California and that Tapestry will be a vibrant community for many years to come.





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Momentum is Ours

By Larry Vaupel, Economic Development Agency Administrator,
San Bernardino County

Momentum. Defined by force or speed of movement. Our County is experiencing momentum again. It is a speed of positive movement that will benefit us all. However, the challenge is to ensure this positive economic momentum is broad based, hitting all key aspects of our region from healthcare to education to business.

We have population momentum. According to economist Joel Kotkin, Census Bureau data indicates that, from 2007 to 2011, nearly 35,000 more residents moved from Los Angeles County to the Inland Empire than moved in the other direction. There was also a net movement of more than 9,000 from Orange County and more than 4,000 net migration from San Diego County.

Healthcare is expanding. Loma Linda University Medical Center recently announced plans for a new construction project that will provide a new building to house the International Heart Institute and establish two state-of-the-art centers for imaging, gastrointestinal, and pulmonary services, allowing for expansion of services and ease of access to accommodate the rapidly growing population of the Inland Empire.

Business is growing. The unemployment rate in San Bernardino County dropped from 7.7 percent in November to 7.0 percent in December of last year, according to data released Jan. 23 by the California Employment Development Department (EDD). The county's jobless rate had been one of the highest in the nation during the recession, but it has decreased steadily in recent years. Moreover, to further encourage greater job growth, five companies within the County of San Bernardino were awarded California Competes Tax Credits totaling nearly \$5.5 million for the creation of 1,148 new jobs. The award is

from the Governor's Office of Business and Economic Development (GO-Biz) and approved by the California Competes Tax Credit (CCTC) committee. The California Competes Tax Credit is an income tax credit available to businesses that want to come to California or stay and grow in California. These five local businesses were among the 56 companies statewide chosen by the Governor's office.

Education is meeting demand. Chaffey College was recently awarded nearly \$15 million to create an advanced manufacturing training center at California Steel Industries in Fontana. According to officials, the grant will provide a major economic boost since an expected 3,000 students will be able to benefit from the program over a four-year period, starting mid-2015.

County government is innovating. We recognize that our role is to facilitate investment and fuel the momentum. It is no small task that our County was recognized in 2014 with multiple awards for its innovative programs from the National Association of Counties and the California State Association of Counties.

On Wednesday, April 15, I encourage you to join me at the State of the County where more than 1,000 business, government and community leaders will be on site at the Citizens Business Bank Arena in Ontario. We will share more of what is driving an era of momentum for our region, as well as provide a forum for discussion and collaboration. We invite you to help build the momentum. Tickets are available at www.sbcounty-advantage.com



Science: A Key to Water Management

By Mojave Water Agency

California's ongoing drought is just one factor in a complex equation of a changing water environment. With new state groundwater regulations, as well as stricter conservation measures, developing innovative and cost-effective solutions will require more than funding. It will require solid science data that will create greater consensus to develop long-term solutions.



The Mojave Water Agency's second annual Water Summit turns the focus on "Science: The Key to Managing Water in a Changing World." The event will be held April 8 from 7:30 a.m. to 11:30 a.m. at the Hilton Garden Inn in Victorville. The event is sponsored by the Mojave Water Agency and the Victor Valley Chamber of Commerce.

The half-day program will feature the Governor's top groundwater leader, Gordon Burns, Undersecretary for the California Environmental Protection Agency. Burns was appointed by Brown in December 2011 and has been heavily involved in water policy. He has been a leader on the Sustainable Groundwater Management Act—the Governor's recent landmark groundwater legislation that will provide a framework for local entities to more effectively manage groundwater resources.

The program also will feature presentations demonstrating the use of sound science in developing Urban Water Management Plans that provide critical data for future development. Additionally, the program will explore the role of science in accurately assessing local water supplies and developing new

continued on page 12

Housing the Future: Availability = Affordability

By Carlos Rodriguez, CEO of the BIA
Baldy View Chapter

The Inland Empire has a severe housing shortage, which if left unchecked will continue to negatively impact the economy by limiting housing affordability, job creation and local tax revenues.

On February 5, 2015, National Community Renaissance hosted a Symposium on the Affordability of Housing and published a study entitled "Housing the Future: The Inland Empire as Southern California's Indispensable Geography." Participating in the symposium were local elected officials, representatives from the California Realtors Association, California Apartment Association and the Building Industry Association Southern California, Baldy View Chapter (BIA).

"We need a government that understands that growth is important, that diversity of employment is important, and that housing is important," said Joel Kotkin, researcher and author of the Housing the Future study. "We need to take care of the middle class, and the last place that's going to happen in Southern California is the Inland Empire."

The Inland Empire is home to more than 4 million residents, many of whom chose the area for moderately priced homes. However, that dynamic is quickly changing due to burdensome regulation that deters the development of new residential units. Many middle class families are being priced out of the market due to a drop in new development which has lowered the volume of housing stock below the growing market demand.

"There is a belief that housing is a drain on the local economy. Nothing could be further from the truth," said Carlos Rodriguez, BIA Baldy View Chapter CEO.

Rodriguez cited research from the

National Association of Homebuilders showing that over the course of 15 years, a 100-unit housing project will lead to \$13 million in economic growth and \$4 million in additional tax revenues for the community. Unfortunately, many cities and counties still regard housing as a detriment instead of recognizing it as a critical economic asset.

"Housing is an economic catalyst, and for Southern California, housing in the Inland Empire is critical to the region's economic sustainability," said Steve Pontell, President of the National Community Renaissance. "We (Inland Empire) have long been the place where the middle class could afford to live. As that goes away, so will our employment base."

Rodriguez and Pontell both noted that California is 1 million housing units short of meeting the current population demand. Southern California alone, needs an additional 600,000 homes to meet the growing demand. With limited housing availability comes limited housing affordability.

In 2005, the Victor Valley pulled 6,408 residential permits, which attributed for over 43% of the total permits countywide. In 2014, the Victor Valley's

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Science: A Key to Water Management

Continued

programs for future growth.

The program includes a full buffet breakfast and costs \$10 per person in addition to a processing fee. For more information contact the Mojave Water Agency at 760.946.7000. To register for the Water Summit, click here: <https://www.eventbrite.com/e/high-desert-water-summit-tickets-15715365080>

The Mojave Water Agency manages the region's water resources for the common benefit to assure stability in the sustained use for its citizens. It is one of 29 State Water Contractors entitled to receive State Water Project water when available. The Agency's territory encompasses 4,900 squares miles with a population of 450,000.



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Change to California Revenue and Tax Code

By Brad Golden

Effective January 1, 2015, anyone submitting a document for recording can no longer “hide” its associated transfer tax from the public records by use of a separately attached declaration.



Formerly, Section 11932 of the California Revenue and Taxation Code provided an option permitting that the amount of transfer tax due for a taxable document not be disclosed on public record but, rather, declared in a separate paper attached thereto when presented for recording. Pursuant to Assembly Bill 1888 of 2014 (Chapter 20, Statutes of 2014), effective January 1, 2015, Section 11932 is amended to repeal this option, thereby requiring that all documentary transfer tax declarations thereafter must be included in taxable documents and become part of the public record. Assembly Bill 1888 requires no change in the form or content of the presently used transfer tax declaration.

Assembly Bill 1888 was sponsored by the Appraisal Institute, an association of real estate appraisers, for the purpose of obtaining ready access to transfer tax information and provide much-needed assistance to appraisers. In the past, it was possible to hide this tax amount by simply requesting that the taxes be marked “Filed” thus hiding the transfer tax, and therefore the value of the property declared to the County taxing officials. The Appraisal Institute made contact with every county in the state, and received positive response

continued on page 14

Housing the Future: Availability = Affordability

Continued

271 permits accounted for only 14% of the total activity in the county. Likewise, construction industry jobs countywide declined 42%, with almost 19,000 construction-related jobs lost since 2006. In that same time period, unemployment in the Victor Valley has increased by 54%.

The “Housing the Future” report reveals several enlightening statistics about the Inland Empire’s market potential. The IE has the second highest concentration of children ages 5-14 in the nation and the most significant increase in Bachelor Degrees and College-educated residents in Southern California.

The study also reveals that California has the highest development impact fees per unit in the Nation (approximately \$32,000/unit). That’s twice as high as the next two highest states, Maryland (\$16,000/unit) and Oregon (\$15,000/unit). A shortage in housing stock is also directly related to unemployment rates, home affordability and a broad tax/consumer base. This begs the question: How will we meet the employment and housing needs of the future if housing availability continues to be limited by increased regulation and dwindling incentives?

The BIA suggests that positive policy reform can be made through the San Bernardino Countywide Vision

and Housing Collaborative Element Group. We commend Supervisor Robert Lovingood, the County Board of Supervisors and the San Bernardino County Associated Governments (SANBAG) for leading this timely effort. The goal of the element group is to improve the IE’s business environment and help California families achieve the American Dream of Homeownership.

BIA recently published a Best Recommended Practices Brochure to improve the efficiency in permitting and creating a more business friendly environment at the local municipal level. The brochure outlines five best practices to: 1) Increase Customer Service, 2) Have a Well-Defined Pre-Submittal Program, 3) Improve Information and Communications, 4) Engage Stakeholder in Policy-Making Decisions and 5) Maintain Fees at Reasonable Levels.

For more information and to find links to the “BIA Best Recommended Practices Brochure” and the “Housing the Future” study please, visit www.BIABuild.com

-Carlos Rodriguez serves as CEO of the BIA, Baldy View Chapter, a non-profit trade association advocating to help meet the housing and building needs in Southern California.



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High Desert Report

An economic overview

High Desert Detention Center

By Sheriff John McMahon, County of San Bernardino
Sheriff's Department

The expansion of the San Bernardino County Sheriff's Department's High Desert Detention Center continues in Adelanto, with a current total of 2,074 beds, 1,368 of them newly added. Sitting on seven and a half acres, the hi-tech facility's enlargement has a total price tag of \$150 million, with a proportionately hefty contribution predicted to the tax rolls of Adelanto, Victorville, Hesperia, and other surrounding communities.

At the present time there are 199 employees at HDDC, with a payroll of \$7.5 million. When the facility is fully staffed, however, employees will number approximately 325. Complete build-out and full staffing is expected sometime in the 2016/2017 fiscal year.

Between February of 2014 and January of 2015, the High Desert Detention Center witnessed 14,802 bookings. The average daily inmate population is 918 persons.

HDDC continues to provide a tremendous measure of convenience for both the San Bernardino County Sheriff's Department, and for inmates as well, because the presence of the facility eliminates the need for deputies to travel to Rancho Cucamonga to book inmates with medical conditions. Such technological advancements at HDDC as specially coated walls to reduce the spread of infectious diseases, and an onsite dental facility equipped with two stations and an X-ray suite, make it possible to reduce costs associated with inmate health care, and to drastically cut down on prisoner travel time and deputy man-hours spent in transit. Instead of transporting sick inmates down the hill, deputies are now able to stay in the high desert and get back to

their assigned area to provide proactive patrolling. Inmates with common conditions like high blood pressure or diabetes are now routinely monitored and treated "in house."

Funding for the expansion of HDDC has been provided by state monies designated for the construction associated with enlarging local detention facilities. The expansion was made necessary by AB 109, a law which shifted the responsibility of housing some state prisoners from the state to the county in order to comply with a federal mandate regarding prison overcrowding. Governor Brown signed the bill into law in 2011, a move that quickly became known as "realignment." As a result, sheriff's departments throughout California have been required to house inmates who normally would have been sent to state prisons. Design for HDDC, however, began in April of 2006, shortly after the opening of the original Adelanto Detention Center.

Other technological highpoints in the design of HDDC include a hi-tech video surveillance system and "video visitation," which allows inmates a greater chance to visit with family members without all the intra-facility movement of the past: less inmate movement means a safer detention center. Also, a wide variety of rehabilitative programs and services are available at HDDC, which can now be conducted in classes directly within the housing units, cutting down, again, on inmate movement.

Change to California Revenue and Tax Code

Continued

to the proposed legislation from every county with the exception of one. The bill, carried by Assembly member Phil Ting (D-San Francisco), was passed overwhelmingly in the Assembly and State Senate. The Governor then signed it into law.

While some investors and speculators may be disappointed with this new transparency, it will definitely create better data points for the overall market.

Brad Golden is a Major Accounts Manager for Chicago Title in Southern California. He coordinates commercial and subdivision transactions throughout the region, as well as nationally. He can be reached at brad.golden@ctt.com or 805-218-8879.



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2014 Report County Residents Receiving Aid Distribution by Cities

By Linda Haugan, Assistant Executive Officer, Human Services

County Residents Receiving Aid Distribution By Cities

(Based on data as of January 1, 2014)

This report contains information concerning distribution of CalWORKs (cash benefits), CalFresh (nutrition assistance), and Medi-Cal in the cities and communities in San Bernardino County. The benefit populations refer to persons, not families. The number of persons receiving CalWORKs has remained steady while CalFresh increased 4.2%. Receipt of Medi-Cal increased 20.0%. The increase in Medi-Cal is due to pre-enrollment for the Affordable Care Act, which began October 1, 2013, and the expansion of Medi-Cal.

Exhibit I ranks the cities with cash benefits as a percentage of the general population. The ranking ranges from a low of 0.7% to a high of 13.6%. Exhibit IA displays this information graphically.

Exhibit II displays the financial value of assistance, which includes CalWORKs, CalFresh, and Medi-Cal, by assistance category and by total for each city. For example, the annual financial value of assistance in the City of San Bernardino is approximately \$750 million. The value of assistance is based on statistics from CalWORKs and CalFresh benefit disbursement and the California Department of Health Care Services.

Exhibit III displays the population receiving aid by program and in total by city.

Exhibit IV compares the receipt of cash benefits in January 2013 to January 2014.

Exhibit V displays the total number of persons receiving CalFresh benefits by city. This information varies from the totals listed in Exhibit III in that it includes persons receiving CalFresh as a result of their eligibility for cash

benefits.

Exhibit VI displays information on unincorporated areas by ZIP code. Some ZIP codes that are shared with other counties are not included. Information on cells with less than 15 persons or amounts less than \$3000 is not included.

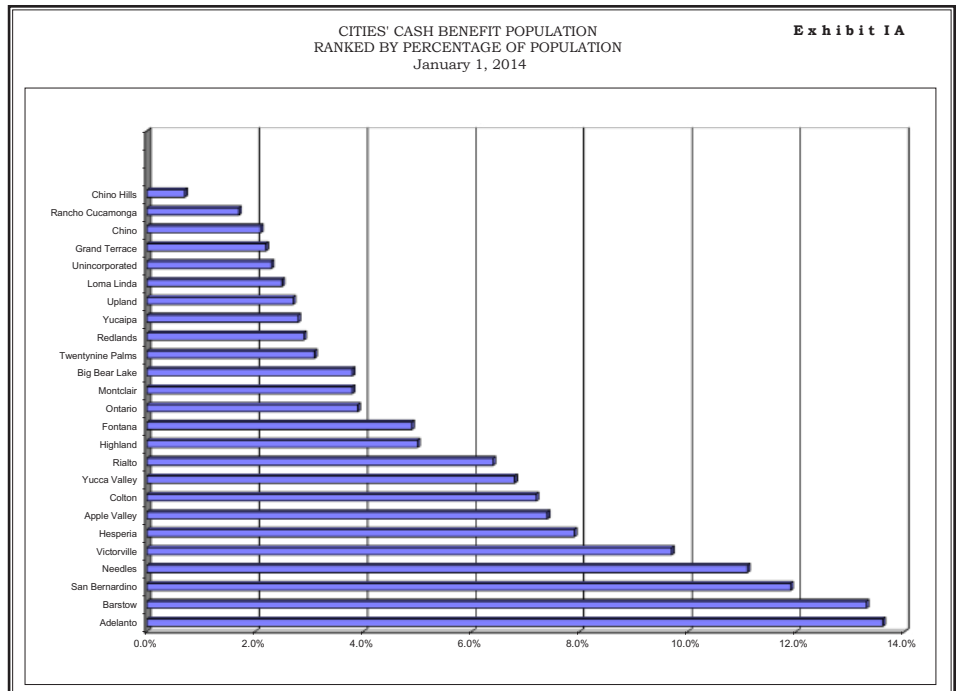
Exhibit VII displays the amount of child-care funds paid to providers in order to assist those participating in approved Welfare to Work activities. The amounts are for the month of January 2014 and are aggregated by location of the family receiving assistance.

Please direct any requests for additional information or questions about this report to: Brian Pickering, at 909.388.0168.

E-mail: bpickering@hss.sbcounty.gov

Graphs continued on page 16.

| EXHIBIT I | |
|--|-----------------------------------|
| CITIES' CASH BENEFIT POPULATION RANKED BY PERCENTAGE OF POPULATION January 1, 2014 | |
| CITY | % OF POPULATION ON CASH AID |
| Adelanto | 13.6% |
| Barstow | 13.3% |
| San Bernardino | 11.9% |
| Needles | 11.1% |
| Victorville | 9.7% |
| Hesperia | 7.9% |
| Apple Valley | 7.4% |
| Colton | 7.2% |
| Yucca Valley | 6.8% |
| Rialto | 6.4% |
| Highland | 5.0% |
| Fontana | 4.9% |
| Ontario | 3.9% |
| Montclair | 3.8% |
| Big Bear Lake | 3.8% |
| Twentynine Palms | 3.1% |
| Redlands | 2.9% |
| Yucaipa | 2.8% |
| Upland | 2.7% |
| Loma Linda | 2.5% |
| Unincorporated | 2.3% |
| Grand Terrace | 2.2% |
| Chino | 2.1% |
| Rancho Cucamonga | 1.7% |
| Chino Hills | 0.7% |



High Desert Report

An economic overview

2014 Report County Residents Receiving Aid Distribution by Cities

Continued

| CITY | CASH BENEFIT | MEDI-CAL | CAL FRESH | TOTAL MONTHLY | ANNUAL |
|------------------------------------|----------------------|--------------------|-------------------|--------------------|----------------------|
| Adelanto | \$ 881,967 | 7,066,980 | 1,667,010 | 9,615,957 | 115,391,484 |
| Apple Valley | 1,041,646 | 9,328,800 | 2,187,280 | 12,557,726 | 150,692,712 |
| Barstow | 631,048 | 4,860,360 | 1,279,021 | 6,770,429 | 81,245,148 |
| Big Bear Lake | 39,941 | 559,360 | 102,823 | 702,124 | 8,425,488 |
| Chino | 348,986 | 6,105,120 | 898,298 | 7,352,404 | 88,228,848 |
| Chino Hills | 99,556 | 2,675,360 | 277,155 | 3,052,071 | 36,624,852 |
| Colton | 779,732 | 8,844,420 | 2,031,250 | 11,655,402 | 139,864,824 |
| Fontana | 1,978,946 | 28,303,800 | 4,899,535 | 35,182,281 | 422,187,372 |
| Grand Terrace | 54,538 | 793,960 | 151,307 | 999,805 | 11,997,660 |
| Hesperia | 1,433,311 | 14,993,240 | 3,403,954 | 19,830,505 | 237,966,060 |
| Highland | 560,444 | 5,910,540 | 1,217,398 | 7,688,382 | 92,260,584 |
| Loma Linda | 112,904 | 1,702,460 | 295,005 | 2,110,369 | 25,324,428 |
| Montclair | 290,729 | 4,757,780 | 707,703 | 5,756,212 | 69,074,544 |
| Needles | 100,277 | 781,080 | 209,307 | 1,090,664 | 13,087,968 |
| Ontario | 1,315,788 | 21,274,080 | 3,719,259 | 26,309,127 | 315,709,524 |
| Rancho Cucamonga | 581,362 | 10,355,520 | 1,772,504 | 12,709,386 | 152,512,632 |
| Redlands | 417,170 | 5,459,280 | 1,199,487 | 7,075,937 | 84,911,244 |
| Rialto | 1,299,272 | 15,191,960 | 3,048,458 | 19,539,690 | 234,476,280 |
| San Bernardino | 5,164,935 | 45,671,100 | 11,055,762 | 61,891,797 | 742,701,564 |
| Twentynine Palms | 165,350 | 1,460,040 | 380,026 | 2,005,416 | 24,064,992 |
| Upland | 406,691 | 5,937,220 | 1,027,184 | 7,371,095 | 88,453,140 |
| Victorville | 2,364,481 | 21,039,020 | 5,136,382 | 28,539,883 | 342,478,596 |
| Yucaipa | 292,329 | 4,232,920 | 820,719 | 5,345,968 | 64,151,616 |
| Yuca Valley | 284,446 | 3,059,000 | 726,440 | 4,069,886 | 48,838,632 |
| Unincorporated | 1,343,116 | 16,511,240 | 3,403,727 | 21,258,083 | 255,096,996 |
| MONTHLY TOTAL | \$ 21,988,965 | 246,874,640 | 51,616,994 | 320,480,599 | 3,845,767,188 |
| Average Monthly Cost Per Recipient | \$ 201.28 | 460.00* | 136.96 | | |

* California Dept. of Health Care Services - May 2014 Medi-Cal Estimate

| CITY | CASH BENEFIT** | ONLY CAL FRESH & MEDI-CAL | ONLY MEDI-CAL | ONLY CALFRESH | TOTAL ON AID | GENERAL POP.** | % OF PEOPLE ON AID |
|------------------|----------------|---------------------------|----------------|---------------|----------------|------------------|--------------------|
| Adelanto | 4,406 | 6,023 | 4934 | 1846 | 17,209 | 32,511 | 52.9% |
| Apple Valley | 5,227 | 7,850 | 7203 | 3096 | 23,376 | 70,755 | 33.0% |
| Barstow | 3,103 | 4,407 | 3056 | 1770 | 12,336 | 23,292 | 53.0% |
| Big Bear Lake | 197 | 395 | 624 | 162 | 1,378 | 5,121 | 26.9% |
| Chino | 1,722 | 3,742 | 7808 | 1471 | 14,743 | 81,747 | 18.0% |
| Chino Hills | 506 | 1,093 | 4217 | 524 | 6,340 | 76,131 | 8.3% |
| Colton | 3,821 | 7,266 | 8130 | 3776 | 23,003 | 53,057 | 43.3% |
| Fontana | 9,901 | 19,346 | 32,823 | 7837 | 69,367 | 202,177 | 34.3% |
| Grand Terrace | 266 | 598 | 862 | 298 | 2,024 | 12,285 | 16.5% |
| Hesperia | 2,253 | 12,628 | 12,713 | 5416 | 38,010 | 91,506 | 41.5% |
| Highland | 2,718 | 4,756 | 5375 | 1638 | 14,487 | 54,033 | 26.8% |
| Loma Linda | 585 | 1,186 | 1930 | 451 | 4,152 | 23,614 | 17.6% |
| Montclair | 1,433 | 2,983 | 5927 | 1002 | 11,345 | 37,374 | 30.4% |
| Needles | 545 | 638 | 515 | 368 | 2,066 | 4,908 | 42.1% |
| Ontario | 6,512 | 15,128 | 24,608 | 6231 | 52,479 | 167,382 | 31.4% |
| Rancho Cucamonga | 2,958 | 6,861 | 12,693 | 3,295 | 25,807 | 172,299 | 15.0% |
| Redlands | 2,051 | 4,273 | 5544 | 2435 | 14,303 | 69,882 | 20.5% |
| Rialto | 6,536 | 11,745 | 14,745 | 4803 | 37,829 | 101,429 | 37.3% |
| San Bernardino | 25,326 | 38,524 | 35,435 | 16,165 | 115,450 | 212,721 | 54.3% |
| Twentynine Palms | 823 | 1,230 | 1,121 | 799 | 3,973 | 26,576 | 15.0% |
| Upland | 2,032 | 4,167 | 6708 | 1638 | 14,545 | 75,147 | 19.4% |
| Victorville | 11,678 | 18,117 | 15,942 | 7,921 | 53,658 | 120,590 | 44.5% |
| Yucaipa | 1,487 | 3,246 | 4,469 | 1,576 | 10,778 | 52,654 | 20.5% |
| Yuca Valley | 1,437 | 2,738 | 2,475 | 1,211 | 7,861 | 21,053 | 37.3% |
| Unincorporated | 6,712 | 12,936 | 16,246 | 5829 | 41,723 | 297,425 | 14.0% |
| TOTAL | 109,245 | 191,876 | 235,563 | 81,558 | 618,242 | 2,085,669 | 29.6% |

* Most Cash Benefit recipients also receive CalFresh and Medi-Cal benefits
** California Dept. of Finance - E-5 City/County Population and Housing Estimates, 1/1/2014

| CITY | January 2014 | | January 2013 | |
|------------------|-------------------|-----------------|-------------------|-----------------|
| | NUMBER OF PERSONS | % OF POPULATION | NUMBER OF PERSONS | % OF POPULATION |
| Adelanto | 4,406 | 13.6% | 4,384 | 14.0% |
| Apple Valley | 5,227 | 7.4% | 5,519 | 7.8% |
| Barstow | 3,103 | 13.3% | 2,882 | 12.4% |
| Big Bear Lake | 197 | 3.8% | 148 | 2.9% |
| Chino | 1,722 | 2.1% | 1,835 | 2.3% |
| Chino Hills | 506 | 0.7% | 504 | 0.7% |
| Colton | 3,821 | 7.2% | 4,077 | 7.7% |
| Fontana | 9,901 | 4.9% | 9,841 | 4.9% |
| Grand Terrace | 266 | 2.2% | 265 | 2.2% |
| Hesperia | 7,253 | 7.9% | 7,085 | 7.8% |
| Highland | 2,718 | 5.0% | 2,912 | 5.4% |
| Loma Linda | 585 | 2.5% | 609 | 2.6% |
| Montclair | 1,433 | 3.8% | 1,461 | 3.9% |
| Needles | 545 | 11.1% | 525 | 10.7% |
| Ontario | 6,512 | 3.9% | 6,954 | 4.2% |
| Rancho Cucamonga | 2,958 | 1.7% | 3,008 | 1.8% |
| Redlands | 2,051 | 2.9% | 2,088 | 3.0% |
| Rialto | 6,536 | 6.4% | 6,584 | 6.5% |
| San Bernardino | 25,326 | 11.9% | 25,182 | 11.8% |
| Twentynine Palms | 823 | 3.1% | 805 | 3.1% |
| Upland | 2,032 | 2.7% | 1,965 | 2.6% |
| Victorville | 11,678 | 9.7% | 11,245 | 9.3% |
| Yucaipa | 1,487 | 2.8% | 1,421 | 2.7% |
| Yuca Valley | 1,437 | 6.8% | 1,353 | 6.4% |
| Unincorporated | 6,712 | 2.3% | 6,404 | 2.2% |
| TOTALS | 109,245 | 5.2% | 109,056 | 5.3% |

| CITY | January 2014 | | January 2013 | |
|------------------|-------------------|-----------------|-------------------|-----------------|
| | NUMBER OF PERSONS | % OF POPULATION | NUMBER OF PERSONS | % OF POPULATION |
| Adelanto | 12,113 | 37.3% | 11,540 | 36.9% |
| Apple Valley | 15,944 | 22.5% | 15,542 | 22.2% |
| Barstow | 9,121 | 39.2% | 8,361 | 36.1% |
| Big Bear Lake | 739 | 14.4% | 636 | 12.4% |
| Chino | 6,796 | 8.3% | 6,714 | 8.4% |
| Chino Hills | 2,078 | 2.7% | 1,996 | 2.6% |
| Colton | 14,672 | 27.7% | 14,355 | 27.1% |
| Fontana | 36,514 | 18.1% | 35,647 | 17.7% |
| Grand Terrace | 1,132 | 9.2% | 1,018 | 8.3% |
| Hesperia | 24,976 | 27.3% | 23,860 | 26.1% |
| Highland | 8,926 | 16.5% | 8,795 | 16.3% |
| Loma Linda | 2,195 | 9.3% | 2,088 | 8.9% |
| Montclair | 5,328 | 14.3% | 5,145 | 13.8% |
| Needles | 1,512 | 31.8% | 1,288 | 26.2% |
| Ontario | 27,374 | 16.4% | 26,733 | 16.0% |
| Rancho Cucamonga | 12,911 | 7.5% | 12,013 | 7.0% |
| Redlands | 8,613 | 12.3% | 8,664 | 12.4% |
| Rialto | 22,714 | 22.4% | 21,148 | 20.9% |
| San Bernardino | 79,038 | 37.2% | 76,542 | 36.0% |
| Twentynine Palms | 2,792 | 10.5% | 2,515 | 9.6% |
| Upland | 7,702 | 10.2% | 7,030 | 9.4% |
| Victorville | 37,182 | 30.8% | 35,102 | 29.2% |
| Yucaipa | 6,184 | 11.7% | 5,512 | 10.5% |
| Yuca Valley | 5,267 | 25.0% | 4,779 | 22.7% |
| Unincorporated | 25,058 | 8.4% | 24,067 | 8.1% |
| TOTALS | 376,881 | 18.1% | 361,090 | 17.4% |

| ZIP | Community | Persons | | | | Value | | |
|-------|------------------|---------------|--------------------------|---------------|---------------|---------------|-------------|-----------|
| | | Cash Benefits | Medi-Cal & CalFresh Only | Medi-Cal Only | CalFresh Only | Cash Benefits | Medi-Cal | CalFresh |
| 92242 | Earp | 40 | 62 | 86 | 58 | \$8,757 | \$86,480 | \$19,861 |
| 92252 | Joshua Tree | 471 | 915 | 853 | 376 | \$92,839 | \$1,029,940 | \$237,776 |
| 92256 | Morongo Valley | 137 | 299 | 288 | 138 | \$30,471 | \$333,040 | \$80,397 |
| 92285 | Landers | 120 | 302 | 215 | 128 | \$24,205 | \$293,020 | \$78,866 |
| 92305 | Angelus Oaks | *** | 34 | 27 | *** | *** | \$28,060 | \$7,451 |
| 92309 | Baker | 34 | 80 | 170 | 19 | \$6,183 | \$130,640 | \$17,632 |
| 92310 | Fort Irwin | *** | 23 | 28 | 53 | *** | \$23,460 | \$9,635 |
| 92314 | Big Bear City | 324 | 616 | 942 | 314 | \$65,709 | \$865,720 | \$161,111 |
| 92316 | Bloomington | 1668 | 3545 | 5352 | 1208 | \$333,991 | \$4,859,900 | \$843,610 |
| 92317 | Blue Jay | 27 | 85 | 99 | 23 | \$5,696 | \$97,060 | \$19,129 |
| 92318 | Byrn Mawr | 15 | 28 | 26 | *** | \$3,273 | \$31,740 | \$6,359 |
| 92321 | Cedar Glen | 38 | 72 | 115 | 27 | \$7,570 | \$103,500 | \$17,579 |
| 92322 | Cedarpines Park | 32 | 54 | 60 | 35 | \$6,412 | \$67,160 | \$17,118 |
| 92325 | Crestline | 354 | 651 | 616 | 379 | \$69,906 | \$745,660 | \$187,252 |
| 92327 | Daggett | 74 | 69 | 36 | 41 | \$15,969 | \$82,340 | \$24,704 |
| 92339 | Forest Falls | 23 | 40 | 55 | 28 | \$4,754 | \$4,280 | \$11,512 |
| 92342 | Helendale | 174 | 344 | 320 | 182 | \$35,423 | \$385,480 | \$91,793 |
| 92347 | Hinkley | 68 | 94 | 127 | 43 | \$13,086 | \$132,940 | \$28,283 |
| 92352 | Lake Arrowhead | 99 | 272 | 515 | 113 | \$21,658 | \$407,560 | \$64,293 |
| 92356 | Lucerne Valley | 450 | 763 | 708 | 371 | \$91,529 | \$883,660 | \$223,959 |
| 92358 | Lytte Creek | 28 | 54 | 61 | 31 | \$6,095 | \$65,780 | \$15,364 |
| 92359 | Mentone | 288 | 651 | 795 | 266 | \$58,109 | \$797,640 | \$156,446 |
| 92365 | Newberry Springs | 139 | 228 | 262 | 116 | \$28,767 | \$289,340 | \$71,260 |
| 92368 | Oro Grande | 108 | 131 | 148 | 60 | \$22,426 | \$178,020 | \$41,931 |

| ZIP | Community | Persons | | | | Value | | |
|-------|-----------------|---------------|--------------------------|---------------|---------------|---------------|-------------|-----------|
| | | Cash Benefits | Medi-Cal & CalFresh Only | Medi-Cal Only | CalFresh Only | Cash Benefits | Medi-Cal | CalFresh |
| 92371 | Phelan | 783 | 1354 | 1584 | 644 | \$149,648 | \$1,711,660 | \$367,236 |
| 92372 | Pinion Hills | 182 | 402 | 457 | 190 | \$36,916 | \$478,860 | \$100,138 |
| 92378 | Rim Forest | *** | 24 | 46 | 19 | *** | \$32,200 | \$10,457 |
| 92382 | Running Springs | 155 | 302 | 379 | 176 | \$31,253 | \$384,560 | \$83,280 |
| 92386 | Sugarcreek | 125 | 181 | 169 | 112 | \$20,763 | \$218,500 | \$54,851 |
| 92391 | Twin Peaks | 59 | 128 | 236 | 53 | \$11,528 | \$194,580 | \$32,766 |
| 92397 | Whitwood | 87 | 165 | 194 | 107 | \$17,263 | \$205,160 | \$47,251 |
| 92398 | Yermo | 118 | 152 | 81 | 70 | \$22,839 | \$161,460 | \$45,909 |
| 93562 | Trona | 105 | 155 | 86 | 75 | \$23,091 | \$159,160 | \$47,118 |

Graphs continued on page 17

Are Nonprofits and Businesses Similar?

By Debbie A. Cannon, VP/COO, Academy for Grassroots Organizations

At a recent Chamber of Commerce networking event, I was introducing myself and my role at Academy for Grassroots Organizations when asked “How Are Nonprofits Like Small Businesses?”

Prior to joining the nonprofit sector, I was a small business owner, so I found this a very intriguing question. The networking event did not provide adequate time to address this thought-provoking question, so I would like to attempt to in this article.

Let me begin by taking a moment to define a nonprofit. The Free Online Dictionary defines a nonprofit as: “A corporation or an association that conducts business for the benefit of the general public without shareholders and without a profit motive. Nonprofit organizations include churches, soup kitchens, charities, political associations, business leagues, fraternities, sororities, sports leagues, colleges and universities, hospitals, museums, television stations, symphonies, and public interest law firms.”

Similar to for-profit corporations, nonprofit corporations must file a statement of corporate purpose with the Secretary of State and pay a fee, create articles of incorporation, conduct regular meetings, and fulfill other obligations to achieve and maintain corporate status according to state law.

Although both entities are corporations there indeed are a few key differences. A major point of distinction is in the basic question “Why does each exist?”

For-profit companies are generally established to generate income for entrepreneurs, employees and shareholders. They offer market-driven products and services in exchange for sales revenue. Profits are distributed to the appropriate shareholders.

Nonprofit organizations are generally established to serve the general pub-

lic without a profit motive and without shareholders.

One significant difference between nonprofit and for-profit organizations is how they are funded. While for-profit companies sell products and services in the community to generate income for distribution to entrepreneurs, shareholders, the business and their employees, nonprofits generate their income to support humanitarian causes.

Nonprofits generate their income from direct appeals to individuals, corporations and donors and entities that support the underlying cause.

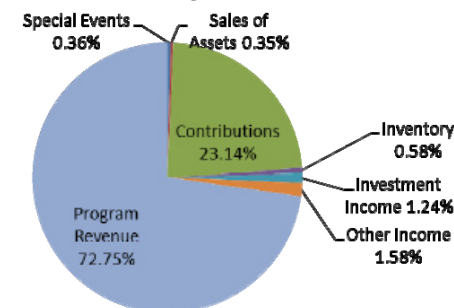
Nonprofit organizations “re-invest” all of their income into programs and services aimed at meeting under-met community needs such as food, water, shelter, education, workforce development, health, arts and culture that are pillars of a healthy community. Unlike for-profit businesses nonprofits cannot distribute corporate income to stakeholders. The funds acquired by nonprofit corporations must stay within the corporate accounts to pay for reasonable salaries, expenses, and the activities of the corporation/nonprofit.

An inaccurate belief sometimes held about nonprofits is that they rely solely on charity or donations for income. In fact, the Cal-Nonprofits recent Causes Count survey of 72,478 California nonprofits

reveals that, in fact, nonprofits in the Inland Empire generate 72.75% of their income from program revenues. The diagram below shows the overall revenue mix of the nonprofit sector. For the complete report visit <http://www.calnonprofits.org/causes-count>

Inland Empire Nonprofits –Breakdown of Revenue Sources

Similar to for-profits, nonprofits actively look for ways to diversify their funding and secure long term financial sustain-



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2014 Report County Residents Receiving Aid Distribution by Cities

Continued

| VALUE OF CHILD CARE BY COMMUNITY OF RECIPIENT January 1, 2014 | | EXHIBIT VII |
|---|---------------------------------|-------------|
| COMMUNITY | CHILD CARE PAID IN JANUARY 2014 | |
| Adelanto | \$39,328 | |
| Apple Valley | \$73,789 | |
| Barstow | \$41,193 | |
| Bloomington | \$17,792 | |
| Chino | \$34,689 | |
| Chino Hills | \$5,536 | |
| Colton | \$47,738 | |
| Fontana | \$143,654 | |
| Grand Terrace | \$15,923 | |
| Hesperia | \$136,353 | |
| Highland | \$46,527 | |
| Joshua Tree | \$6,616 | |
| Loma Linda | \$7,565 | |
| Montclair | \$13,388 | |
| Ontario | \$75,688 | |
| Phelan | \$11,510 | |
| Rancho Cucamonga | \$62,112 | |
| Redlands | \$31,633 | |
| Rialto | \$106,164 | |
| San Bernardino | \$303,056 | |
| Twenty-nine Palms | \$7,935 | |
| Upland | \$28,740 | |
| Victorville | \$188,184 | |
| Yucaipa | \$13,905 | |
| Yucca Valley | \$14,760 | |
| Communities < \$3000 | \$35,188 | |
| TOTAL | \$1,508,966 | |

MDAQMD's Highest Honor Awarded to Local Companies

The Mojave Desert Air Quality Management District, the local air district which regulates air quality in the High Desert portion of San Bernardino County & the Palo Verde Valley of Riverside County, is more than 20,000-plus square miles and structured in a manner which allows policy on air quality issues to be developed and debated by those who are most affected by it: regulated industry and the High Desert community. Thus, the MDAQMD employs a common-sense, inclusive approach to the development of its air quality management programs. The District's mission is to attain and maintain a healthful environment while supporting strong and sustainable economic growth.

MDAQMD staff works in a proactive manner with those impacted by regulatory mandates to find the most prudent and non-punitive course of action and to resolve conflicts to the maximum extent possible. As a result, local industry has more flexibility in meeting environmental mandates than their counterparts in neighboring air districts and even some nearby states.

One example of how the MDAQMD partners with local businesses to help them meet and exceed state and federal emission mandates is its annual presentation of the Exemplar Awards. The Exemplars recognize High Desert entities that demonstrate an exceptional commitment to clean air through the development of voluntary activities/projects that reduce or prevent air pollution within the MDAQMD's jurisdiction.

In fall of 2014, a family-owned material recovery facility and the Victor Valley's municipal wastewater treatment plant were recognized by the Governing Board of the MDAQMD, as the District

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Are Nonprofits and Businesses Similar?

Continued

ty. One such opportunity presented itself in the spring of 2014. In 2014 The Community Foundation Serving the Counties of Riverside and San Bernardino, in coordination with the County of San Bernardino, launched a 24-hour fundraising web-a-thon benefitting nonprofit organizations called Give BIG San Bernardino. The goal was set to engage 150 countywide nonprofits and raise \$300,000 online in 24 hours. Training to increase their skills in the use of social media, marketing, and donor cultivation to prepare for the big day were provided.

The business community provided support through \$41,000 in sponsorships. On May 8, 2014, by working together, businesses and 251 county nonprofits successfully raised \$548,214 in 24 hours. Victor Valley and Barstow nonprofits raised 5.76% of the total dollars. For information about the participating nonprofits and 2014 Give BIG San Bernardino statistics visit <http://givebigsb-county.razoo.com>

The success of Give BIG is one example that highlights how businesses and nonprofits working together can accomplish new and innovative solutions to the pursuit of our shared vision of healthy and vibrant communities.

I am excited and inspired to explore ways to develop more opportunities like Give BIG for nonprofits and for-profits businesses to find innovative ways to work together for the good of our community. I invite you to attend one of our monthly networking meetings the 1st Thursday of each month to learn more about nonprofits. Email me at Debbie@AcademyGO.com for details.

Stronger nonprofits and stronger businesses are integral to long term success of our communities.

Nonprofits and their employees purchase goods and services that boost local economies. This helps local businesses grow, hire additional employees, and prosper. Plus, nonprofits themselves contribute to sales tax revenues as they expend dollars.

Nonprofits, in addition, purchase numerous goods and services, including things such as real estate, rental property, utilities, insurance, office supplies and equipment, financial services and printing, to name a few.

I am confident that working together we can accomplish great things. No doubt there are subtle similarities and differences in both sectors, yet, in the end, there are more similarities than differences.

In response to the original question "How Are Nonprofits and Businesses Similar?" I offer the following quote from the San Bernardino Countywide Vision description of Our Job: "Our job is to create a county in which those who reside and invest can prosper and achieve well-being."

There is much work to be done to accomplish Our Job. Let us begin together!

Debbie A. Cannon is a VP/COO of Academy for Grassroots Organizations, a nonprofit management support organization dedicated to improving the quality of life in our region by supporting and strengthening the social service sector. Further information may be found at www.AcademyGO.com.



IEEP Working to Put Inland Empire on California Leaders' Radar

By Paul Granillo

The year that recently came to an end will be remembered as one where the Inland Empire was certainly on the agendas of more people than when the year started.

As the largest economic development agency in San Bernardino and Riverside counties, one of our major goals has been and still is raising the region's profile. To too many of the people in the coastal regions of the state, and in some political locations, California starts at the Pacific Ocean and ends 50 miles inland.

The Inland Empire Economic Partnership worked hard in 2014 to teach the rest of the state that we do not live in "those cities east of Los Angeles," that the inland Empire is its own region with its own identity. More importantly, it has a distinct set of economic and social needs.

That message can be delivered with strong effect on November 12 and 13 when the California Economic Summit comes inland for the first time. The event, put on by the California Forward and the California Stewardship Network, assembles leaders from across the state to discuss economic prosperity for everyone in the state, and it will be held in Ontario this year. Previous summits have been in Santa Clara, Sacramento and Los Angeles.

As Co-chair of the Steering Committee for the Summit, I advocated for an Inland Empire venue. California may be famous for its beaches, lush vineyards and Silicon Valley, but it is made up of millions of working people. This year's Summit will be among these people, among us.

However, this is just one small piece of the puzzle. To enhance the quality of life, we at the IEEP have worked hard

MDAQM's Highest Honor Awarded to Local Companies

Continued

presented its Exemplar Awards to Advance Disposal Company and the Victor Valley Wastewater Reclamation Authority for implementing innovative, energy-saving projects which are revolutionizing the waste disposal process while significantly reducing air pollution emissions.

Advance Disposal was recognized for recently doubling the size of its Hesperia Material Recovery Facility and replacing higher-emitting loading and conveyor equipment with state-of-the art, fuel-efficient equipment, while working to meet the demands of the upcoming 75% state mandated landfill diversion rate set to commence in 2020. As a result, the newly retooled MRF is now able to process the same amount of material in half the time, with a 50% decrease in fuel emissions, since equipment such as loaders, excavators and skidsters previously required to transfer material during the additional processing time are no longer necessary. A tunnel system designed for trucks entering the MRF has helped further reduce fuel emissions and cut in half the time it takes to load landfill-bound idling transfer trucks by loading directly from the floor into the top of the haulers. Advance Disposal also recently added a CNG-fueled refuse truck to its fleet, along with a propane-operated forklift.

VVWRA was awarded the Exemplar for partnering with Anaergia Services LLC of Carlsbad to retrofit a decommissioned anaerobic digester for the purpose of tripling its sludge and waste co-digesting capacity, and using the resulting biogas as fuel to generate electricity and

offset natural gas usage at its Victorville plant. As a result, two combined heat and power engines have been equipped with lean-burn technology and are now operating on digester biogas, supplemented by natural gas. The new engines have replaced two of four existing internal combustion engines, which have resulted in an overall reduction of the facility's nitrogen oxide, volatile organic compound and greenhouse gas emissions. The two remaining combined heat and power engines will run on 100% biogas and be used for backup purposes only. VVWRA also modified its formerly high energy-use UV treatment system to run on a single channel, which has reduced emissions from this source by 60% and further decreased energy demand. The Omnivore™ project – which was commissioned in January of 2014 – is a developing technology and is the first of its kind in North America. As a result of its introduction, VVWRA is currently producing 1.4 MW of electricity onsite and is expected to be 100% energy neutral by the start of 2015.

To find out how doing business within the MDAQMD could be good for your business, call 760.245.1661 or visit us online at www.mdaqmd.ca.gov today!




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IEEP Working To Put Inland Empire On California Leaders' Radar

Continued

in the past year building relations with elected officials in Los Angeles, Sacramento and Washington, D.C.

We believe, as we have for several years, that there are policies that predominate in California which do not consider the economic interests of the Inland Empire. No one in the area is in favor of more pollution or willing to tolerate dangerous levels of emissions. But a one-sided policy that apparently does not consider the economic survival of millions of Inland residents is a severe problem for us. It is, however, one we now feel we can counter because we now have a place at the table.

Last April I led a delegation of Inland Empire business leaders to Washington and secured what we assumed would be a five-minute talk with U.S. Senator Dianne Feinstein. Instead, California's senior senator gave our delegation 35 minutes. The result: an increased awareness on the part of one of the state's leaders on the needs of the Inland Empire.

Another aspect of political leadership is our efforts to bring the area's entire Congressional delegation together for an Inland Empire Caucus. Our organization does not take political sides because we recognize that the region has needs that really have nothing to do with party affiliation.

Our region has seen its economy rebound from the pummeling it took during the Great Recession. There are about 1.3 million people collecting regular paychecks in the Inland Empire right now, almost as many as eight years ago when the economic struggles began.

But, as some have said, keeping the peace is often harder than waging the war. A lot of work still needs to be done. For one thing, cities such as Victorville, Hesperia and Barstow still have unemployment rates that are higher than that of the nation, state and the overall In-

land region.

For another, we have to ensure that economic opportunities continue to happen and that the next generation of jobs is a good one. The IEEP is working with the leaders of Cal State San Bernardino and UC Riverside to help secure new funding that support the schools' ongoing efforts to reduce the time it takes to earn a degree and to make it easier to transfer from a community college. Less than one in five people in the Inland Empire have college degrees, and an undereducated workforce is one of the things that discourages next-generation investment in the region.

We are also working with educators and health care groups to make it easier to train a next generation of health care workers, a profession that is expected to be in demand in the coming years.

All told, we have almost returned from a long journey. There is still a distance to travel, but we are going to continue to fight for a better life for all our residents.

Mobility 21 Helps Keep California Moving, In More Ways Than One

California is a place that almost literally grew up on the road. The importance of our car culture is in evidence everywhere, and probably nowhere is this as obvious as it is in some of the more remote areas of the region, like the Inland Empire and the High Desert area.

That is one of the reasons I became Chairman of Mobility 21, a nonpartisan partnership of public officials, civic leaders and

the private sector from across Southern California that looks for solutions concerning transportation and its related infrastructure. These are very complex issues that affect everyone, from the small manufacturer trying to ship goods to a global market to the person going to the store for a bottle of milk. Transportation is a huge part of the quality of life equation in Southern California.

Mobility 21 is a group that recognizes that our transportation issues have to be solved with 21st Century solutions. Not enough neighborhoods in the High Desert, or almost anywhere in the Inland Empire, have good job opportunities that are only a few miles away from home. The era when a person can leave his or her great job and drive 10 minutes to a great home is probably over. And few people have public transportation options that create a convenient way to get to work or get almost anywhere.

Much of the debate is traced back to the logistics industry, which plays a significant role in the High Desert's economy. In the Inland Empire, the goods movement industry accounts for more than 10% of all payroll jobs, and puts food on the table for hundreds of thousands of people.

But that industry often finds itself under

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In the Wake of Redevelopment: New Tools and Collaborative Approaches to Economic Development for High Desert Cities

By Larry J. Kosmont, CRE, Pres. & CEO – Kosmont Companies
Brandon Phipps, Project Analyst – Kosmont Companies

As the Redevelopment dissolution process continues for the 14 former Redevelopment Agencies comprising the High Desert Cities region, new partnerships between unlikely members are forming and new tools for regional economic development are being explored.

Redevelopment Dissolution Status in the High Desert Cities:

The 14 former Redevelopment Agencies, now called “Successor Agencies,” located in the High Desert cities region are: Adelanto, Apple Valley, Barstow, Bishop, California City, Hesperia, Lancaster, Needles, Palmdale, Ridgecrest, Tehachapi, Twentynine Palms, Victorville, and Yucca Valley.

During the past three (3) years since the State-mandated redevelopment dissolution process began, many cities, including some of the High Desert cities, still have much to do before their redevelopment wind-down process is complete. The timeline for winding down former RDAs has, for many California cities, been extended. The Department of Finance’s deadline to review and approve Long Range Property Management Plans (PMPs) is now January 1, 2016, per AB 1963, approved in 2014.

Out of the above 14 listed agencies, 6 have received their PMP approval from the State’s Department of Finance (DOF), 4 are still waiting to receive their Finding of Completion (FOC), which is only the first step in the process, and the remaining 4 are somewhere in the middle, working on their PMP, waiting for the DOF’s approval, or working through litigation.

Figure 1 highlights the

status of redevelopment dissolution in High Desert cities:

Individual Successor Agencies within the High Desert region will need to achieve PMP approval prior to the DOF’s new deadline of January 1, 2016, or potentially be exposed to a loss of control as the unwinding process moves forward.

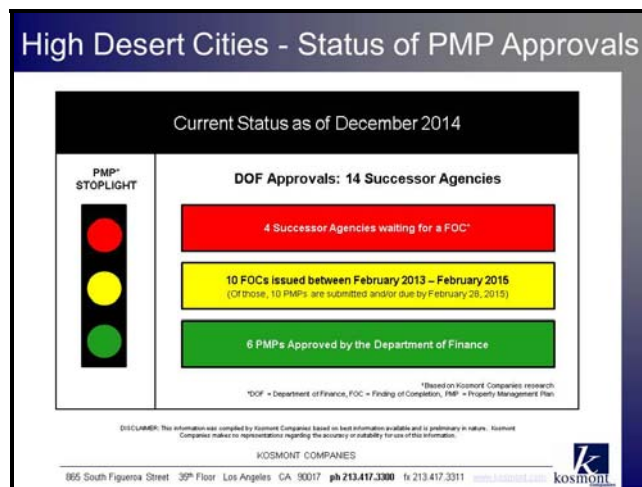
Once these cities complete the wind-down process, they can begin working on new and existing economic development assets and implementing new projects of community-wide significance.

High Desert Obstacles and Opportunities:

The cities of the High Desert Region share reasonably comparable demographics in many categories, as well as fairly compatible regional water, sewer and transportation issues. For years the region was hit hard by the recession and has experienced the impacts of diminishing revenues from falling property values, high foreclosure rates, and an unemployment rate that peaked at approximately 16%. These issues, coupled with the loss of redevelopment funding,

continued on page 22

Figure 1



IEEP Working To Put Inland Empire...

Continued

siege because of an attitude in California that looks at the issues of congestion and automotive emissions and tries to fix the problems by trying to slash the Inland Empire’s economic lifeline.

During my tenure as Chairman of Mobility 21, we addressed those problems from a responsible direction, one that recognizes that people need to make a living and respects the quality of our lives as well. The group’s summit last September, which was attended by more than 1,000 people, included discussions on new infrastructure investments, design-build contracting and more express lanes across Southern California’s freeways, among many other issues.

Many of those issues will be advanced when the Inland Empire Economic Partnership, the largest economic development organization in our area, hosts the Southern California Logistics Summit, which will be held on April 23 at the Fairplex in Pomona. A collaboration with the Drucker School of Management at Claremont Colleges, this is the first time this important event has been held in Los Angeles County, amplifying that these are critical issues to everyone in Southern California.

The IEEP recognizes that transportation is a critical issue. Forums like those established by Mobility 21 ensure that these issues will remain in the forefront of regional discussions and that the solutions will benefit all the communities in Southern California.

Paul Granillo, President and CEO, Inland Empire Economic Partnership



In the Wake of Redevelopment: New Tools and Collaborative Approaches to Economic Development for High Desert Cities

Continued

have created cash flow problems for the area. Although the majority of California cities and counties see redevelopment dissolution as unfavorable to furthering economic development projects, for some regions like the High Desert Cities, there may be a silver lining as follows:

1. Former RDAs are forced into maximizing the value of their properties by preparing them for development opportunities, primarily through a liquidation or re-use strategy.
2. Instead of jurisdictions acting as independent RDAs amidst fierce competition sometimes involving closed “negotiation” meetings, new and collaborative regional solutions such as “Opportunity High Desert” (OHD) have an improved chance of prevailing.
3. A new economic development tool called Enhanced Infrastructure Financing Districts (EIFDs) is now available to communities in the High Desert which, with some refinements, may emerge as a viable economic development tool.

“Opportunity High Desert”— Example of Regional Cooperation:

OHD, the region’s newest economic development marketing entity, which is a result of redevelopment dissolution, is one example of a creative regional solution to High Desert funding issues. OHD promotes cross-jurisdictional collaboration between 5 communities with one singular vision: to market the High Desert cities region to attract and retain business. Apple Valley Town Manager Frank Robinson spoke on OHD and regional collaboration expounding on the fact that: “Wherever a company locates, if they bring jobs to our citizens, we all benefit.”

The communities that consist of “Opportunity High Desert” are: Adelanto, Apple Valley, Barstow, Hesperia and Victorville.

OHD has experienced dramatic growth since its inception. Interested businesses and developers appreciate the value of meeting with an entire business-friendly region as opposed to meeting individually with jurisdictions. As a result of the program’s success, the collaboration is expanding into other areas of government and may grow to include joint public services and other cost-sharing endeavors. OHD serves as an example for other regions in California on how collaborative approaches to regional economic development can be more effective than locally sourced endeavors.

EIFDs: A New Economic Development Tool for High Desert Cities:

This shift in the High Desert Region complements new economic development tools such as Enhanced Infrastructure Financing Districts (SB 628), which return the potential to secure and use tax increment to California cities and counties (so long as school district property tax is not touched) and demonstrate a trend towards creating collaborative and sustainable funding mechanisms that promote cross-jurisdictional cooperation.

Enhanced Infrastructure Financing Districts (EIFDs), through SB 628, were signed into law on September 29, 2014. The new legislation provides legislative bodies such as cities and counties with a potentially powerful tool to assist in the economic development of their communities. Similar to former redevelopment agencies, EIFDs can use tax increment financing (TIF) to fund projects or to pay debt service on outstanding bonds.

Unlike former RDA’s, EIFDs cannot collect tax increment from K-12 School Districts, Community College Districts or County Offices of Education, so the amount of tax increment generated by EIFDs will be relatively less. However, in addition to tax increment financing, EIFDs can draw from numerous funding sources such as Proposition 1 (a water

bond of over \$7.5 billion); cap and trade proceeds through the Greenhouse Gas Reduction Fund (estimated to provide billions of funds annually in the coming years); infrastructure user fees; Vehicle License Fee backfill; and private sector investment, among many other options.

EIFDs can use any powers enumerated under the Polanco Redevelopment Act, which permits EIFDs to engage in brownfield remediation, as well as exercise eminent domain under specific circumstances. With such a broad array of funding sources, EIFDs are permitted to develop or implement a diverse array of projects with “communitywide significance that provides significant benefits to the district or the surrounding community.” Various infrastructure projects may be eligible, including storm water recharge and wastewater treatment, transportation infrastructure, as exemplified by public light rail and Bus Rapid Transit, affordable housing, childcare facilities, construction or retrofit of industrial structures, and open space, just to name a few.

Taking the High Desert Cities’ new collaborative approach to development, EIFDs are one example of a regional economic development tool that exemplifies a creative method of financing that the state has approved since redevelopment dissolution. Victorville’s Southern California Logistics Airport, a long-term economic development engine, is just one project that could potentially receive funding through an EIFD.

Sustainable Economic Development without RDAs; A Bright Future for Cities & Counties:

Although California lost its most powerful economic development tool when Governor Brown and the legislature dissolved redevelopment, new tools such as Enhanced Infrastructure Financing Districts demonstrate that there may be a viable economic development project financing program that would enable cit-

continued on page 23

Keeping the High Desert Moving in the Right Direction

By Tim Watkins, Chief of Legislative and Public Affairs,
San Bernardino Associated Governments



The San Bernardino Associated Governments' (SANBAG) commitment to the High Desert remains strong, as evident by four major transportation improvements that are currently underway. Navigated by the SANBAG Mountain/Desert Committee, a sub-group of the SANBAG Board of Directors, made up of representatives from the municipalities in the Mountain and Desert areas, as well as two County Supervisors, these four projects represent improved mobility, increased access to the region, better goods movement for the economy, and enhanced connectivity of the High Desert.

I-15/Ranchero Road Interchange, Hesperia

After two years of construction, and recovery from a construction-related fire in May of 2014, the Interstate 15 Ranchero Road Interchange, located in Hesperia, has opened to traffic.

This interchange is part of a series of projects for the Hesperia area. The Ranchero Road Underpass (grade separation) to the east, combined with future improvements to Ranchero Road, and this new interchange will offer a much-

needed alternative for area residents, saving commuters time and money from their daily travels.

The afternoon of May 5, 2014, offered the project team a seemingly devastating blow to progress when a construction-related fire engulfed the falsework that was preparing for the concrete pour of the new bridge. Swift response by San Bernardino County Fire, the contractor, and agencies like Caltrans and SANBAG, enabled the team to get traffic flowing on Interstate 15 again in about 24 hours. Good planning and coordination moving forward allowed the team to get back on track to rebuilding the damaged area and, ultimately, delivering this highly anticipated interchange in February, just four months from the original target date of completion.

This \$59 million project adds a new bridge over I-15, provides congestion relief for the interstate and Main Street, improves drainage, and enhances safety.

I-15/I-215 Devore Interchange Project, Cajon Pass

One of the more significant projects for *continued on page 24*

In the Wake of Redevelopment...

Continued

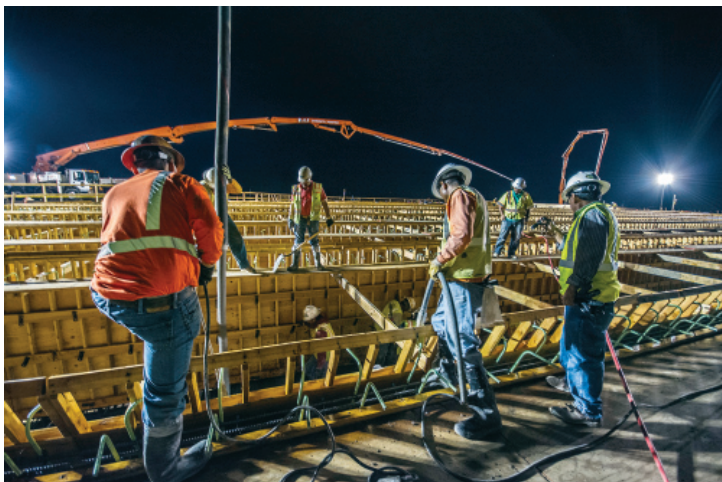
ies and counties to induce new projects that generate jobs and taxes. In addition to EIFDs, there is a variety of recently approved legislation that promotes economic development that reduces carbon footprint impacts and advances environmentally sustainable practices.

Propelled by these recent legislative approvals, the High Desert cities region, much like the rest of California, will soon be moving into a new era of "sustainable" regional economic development, driven by regional collaboration and sustainability, with an emphasis on infrastructure, which is motivated by a collection of creative and progressive new tools and regulations as listed in Figure 2.

As development expands beyond the Inland Empire, High Desert Cities should set their sites on regional collaboration such as the "Opportunity High Desert" initiative, as well as EIFDs, as a way to fund the necessary infrastructure improvements needed to attract private investment that will, in turn, bring new jobs and revenues to the region.



Figure 2



Ranchero Road Interchange Concrete Pour

| Economic Development and Sustainable Public Policy | | |
|---|------|---|
| How does the new Legislation provide Opportunity? | | |
| Economic Development New Revenues and Jobs | EIFD | Sustainable Policy Compliance |
| SB 628 (Beall) Enhanced Infrastructure Financing Districts SB 614 (Wolk) Jurisdictional Changes for Special District/Annexed area for Infrastructure Financing AB 229 (Perez) Infrastructure and Revitalization Financing Districts on Former Military Bases SB 743 (Steinberg) CEQA: Environmental Quality Streamlining for TOD / Infill Dev. AB 850 (Nazarian) Financing Public Capital Facilities: Water Quality AB 1471 (Proposition 1; Rendon) Financing Water Quality, Supply and Infrastructure Improvement: Bond Issuance AB 2660 (Aguar) Infrastructure Financing Act: User Fees and P3s Local & Regional Infrastructure | | AB 32 (Perez) Cap and Trade: Community Development Investment Tax Credits SB 375 (Steinberg) GHG Emissions Reductions: Sustainable Communities Strategy AB 1739 (Dickinson) Groundwater Management: Sustainability Plan & Extraction Reporting SB 1168 (Pavley) Groundwater Sustainability Agency & Plan: High- and Medium-Priority Basins SB 1319 (Pavley) Sustainable Groundwater Management Act SB 535 (De Leon) Greenhouse Gas Reduction Fund: Benefits to Disadvantaged Communities Regional Sustainability |

Keeping the High Desert Moving in the Right Direction

Continued

the future of commuters through the Cajon Pass is the \$324 million Devore Interchange Project that began in June 2013. SANBAG and Caltrans have partnered to deliver this innovative Design-Build Project that will reconfigure the relationship between Interstate 15 and Interstate 215, add additional lanes



I15-215 Devore Interchange Project

between the junction and State Route 138, introduce truck by-pass lanes, and reconnect old Route 66.

The Devore Interchange is one of the worst grade-related bottlenecks in the nation. Severe delays, with up to five mile traffic queues, are common for the more than one million vehicles traveling through the corridor each week. The Devore Interchange Project has been developed to reduce congestion, reduce accidents and improve freeway operation.

For regular updates on the project, please visit the project site at www.devoreinterchangeproject.com; or call the helpline at 855.415.4215.

Lenwood Road Grade Separation, Barstow

Lenwood Road is a major truck traffic connector route between I-15 and State

Route 58 to the north of the Mojave River. SR 58 carries significant levels of truck traffic from central California through to I-15. This project is constructing a grade separated crossing along Lenwood Road over the existing BNSF tracks. These improvements include the widening of Lenwood Road

from two lanes to four lanes between Main Street and Jasper Road.

Lenwood Road currently carries approximately 4,200 vehicles per day, including a high percentage of heavy trucks serving commercial, light industrial and residential developments. The primary objective of this project is to improve operation and safety by ensuring prompt emergency response time to businesses and residents while eliminating the hazards and inefficiencies of trains passing through the flow of vehicular traffic.

As a result, impacts to air quality are reduced by eliminating the volume of idling vehicles. Work is expected to be complete in the summer of 2015.

Yucca Loma Bridge over the Mojave River, Apple Valley

Construction of the Yucca Loma Bridge over the Mojave River, which also includes improvements

on Yates Road, started in January 2014. The bridge will connect Apple Valley on the east side of the river to Victorville on the west side. Ultimately, this corridor will provide easier access to the I-15/LaMesa-Nisqualli Interchange in Victorville that was opened to traffic in 2013.

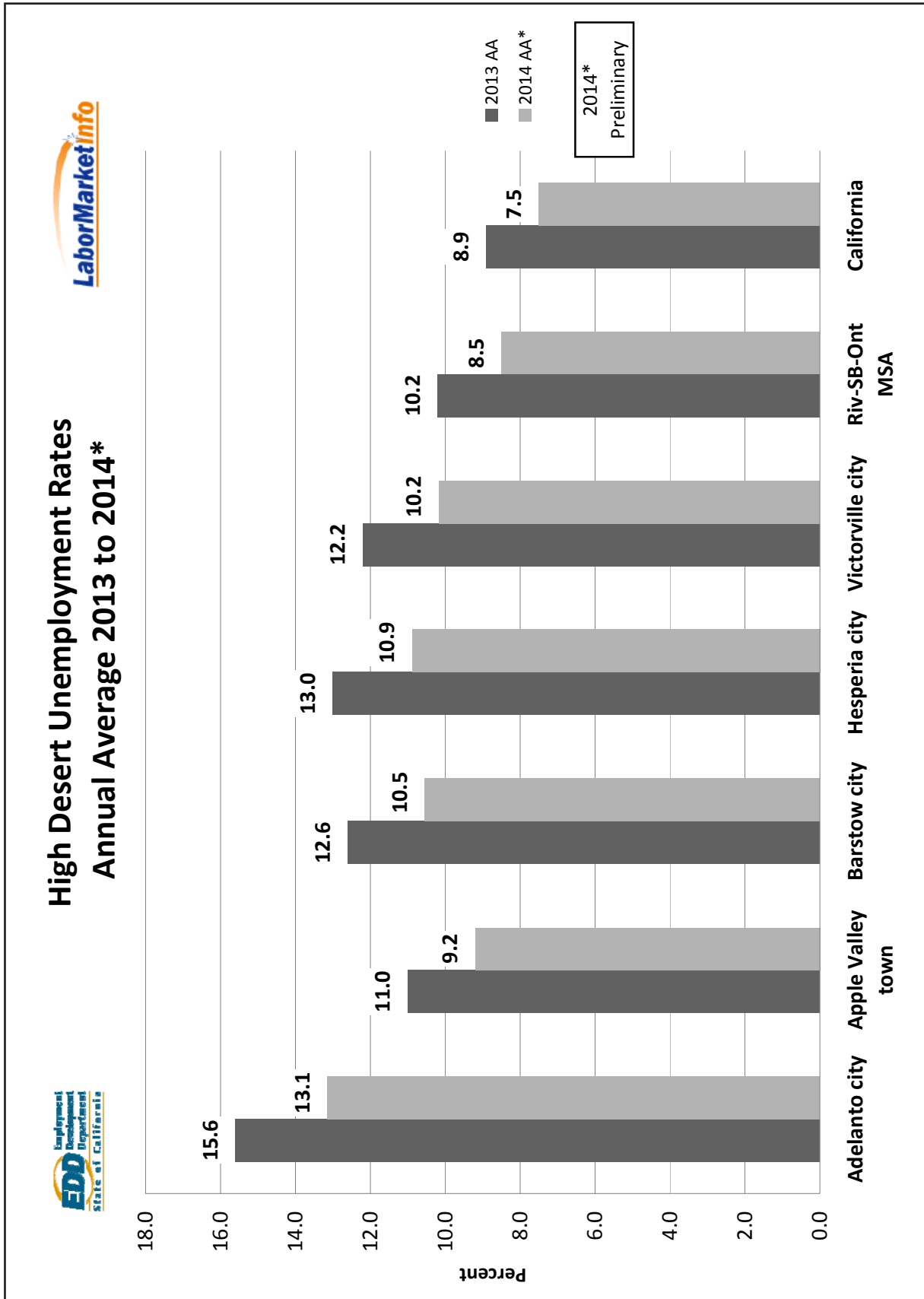
The project team will build the Yucca Loma Bridge, widen Yates Road from two lanes to four lanes, install a new traffic signal at Park Road, and construct new soundwalls on the south side of Yates Road. The new bridge will also feature facilities such as Class II bike lanes, barrier protected sidewalk on the north side, and a barrier protected Class I path on the south side.

The total construction cost is estimated at \$37.3 million. The project received funding from Measure I (the San Bernardino County ½ cent sales tax for transportation improvements), Town of Apple Valley funds, State Local Transportation Partnership Funds and Proposition 1B funds.



Lenwood Road Grad Separation

Employment Development Department, State of California



Comparative Market Analysis: Does CMA Accurately Price Property to Meet Current Market Demands?

By Bob Thompson

We collect our just due when a listed property closes. We want to tell all that our "Marketing Plan" will save the day. But properties fail in droves especially in times where there is an excess of supply over demand. This is part 1 of a multi-part essay to look into the scourge of expiration, cancellation and withdrawal. The concluding paper offers a new method to price and manage listed property that moves the CMA into the background where it belongs.

An unmistakable outbreak of joy occurs all around when a property is listed. The agent is happy. He looks forward to future income as does the broker. The title company looks forward to a new policy and all the other vendors sense higher times ahead. The seller anticipates moving to the next stage of his life, hopefully with the proceeds of a favorable sale. Let us therefore, at least for a time, pass all secondary and collateral questions and consider the main subject of the present question. Will the property actually close and monies be collected? After all, in real estate transactions, money resolves all problems.

The main subject, then, is whether the property is priced to meet the demands of the current market. In attempting to prove the price is correct and worthy, the aware agent utilizes the tried and true comparative market analysis (CMA) due to the absence of any other dependable method for assigning a value to the property. The principle of the system is that the CMA process is accurate and reasonable. This premise is

mainly false. The CMA has evolved into a patchwork method in which the users have limited experience in application and continuously fail to achieve the expected outcome because of known, unknown, and unanticipated independent variables.

Our business is a theatre which exhibits, in full operation, two radically different systems: the one resting on the basis of what we think is happening, and the other which is really taking place. We are experts on the first and painfully aware of the second, while our knowledge of this alternative reality and its workings is shallow indeed. The aware agent has learned that all things: demand, supply, condition, location, fear, and greed are accounted for by the CMA methodology and a little time and luck.

Lamentably, our CMA methodology falls short in times where the market becomes testy for the seller. When the supply side overwhelms the demand side, the Realtor notes that his time on the market (DOM) is increasing and his spirits falling as old man time moves along. The tick tick tick of the clock passing is really the drip drip drip of potential income leaking from his bank account. Worse, the seller, certain that his home is special above all others, insists he have his way and holds his price or offers only a meager discount after much anguish.

Oh so subtly, lurking in the background unknown to the agent, a hidden force is at work. This force

creeps in by a side door and undoes the agent's well thought-out pricing strategy. As the bard says, "It is not in the stars to hold our destiny but in ourselves." We failed to consider the important issue of property symmetry in our original CMA estimates, and now it is one of the forces that will undo our best laid plan. Watch for part 2 in the next issue.

1 This assumes our listing agent has not sold out to the concept of the marketing plan overcoming inaccurate pricing.



Victor Valley Community College Serving the High Desert for 54 years

By Robert Sewell,

Director of Marketing & Public Information Officer / ASB Advisor | Public Relations / ASB

VVC, now in its 54th year, serves an area encompassing roughly 2,200 square miles and is located on a 253 acre campus at the center of the three major communities of the Victor Valley (Apple Valley, Hesperia and Victorville). VVC also features a 13 acre Regional Public Safety Center in Apple Valley. VVC serves a population base of approximately 400,000 people and has over 20 feeder high schools and diploma-granting institutions.

Great strides have been made in the past year to complement our Academic Programs and offerings. In addition to the degrees, Associates in Science and Associate in Arts, offered in 23 different disciplines the Chancellor's office approved, beginning Spring 2015, four new Associate Degrees for Transfer. These degrees (Political Science, English, Geography, and Psychology) provide students guaranteed admission with junior standing to the California State University system.

Nursing students have three new opportunities to affordably obtain their Bachelors of Science from Cal Baptist, Azusa Pacific, and Grand Canyon University. In addition, VVC Students can now take on-campus classes with Park University. The University offers degrees as part of a 2 + 2 program.

Enrollment

For the 2014-2015 academic year, enrollment is approximately 17,000 students, with a Full Time Equivalent Student target of 9,661. A full-time equivalent student is a person taking more than 12 credit units, or three part-time students taking a single 4 credit unit class. As the economy is rebounding and state funding has improved, VVC was able to offer a suc-

cessful full and comprehensive Winter 2015 Intersession, serving 3,217 students who were enrolled in 4,196 classes. Students were/are enrolled in an average of 2.6 classes in both the Fall 2014 and Spring 2015 Semesters, 11,655 students taking 30,535 courses in Fall and 11,515 currently enrolled in 30,336 Spring classes. VVC employs over 800 employees.

During the 2013-14 academic year, VVC conferred more than 1,100 Associate Degrees and Certificates.

Programs that are featured include but are not limited to: Nursing, Liberal Arts, Science and Math, and other Transfer Courses, along with 16 Career Technology Programs such as Computer-Aided Design, Airframe and Power Plant Technology, Fire Technology, Administration of Justice, Digital Animation, Respiratory Technology, Paramedics, and Construction Technologies, etc.

Certificates of Completion were issued in Administration of Justice, Child Medical Assistant, Paralegal Studies, Horticulture, Auto Specialist, Business Administration, Building Inspection, Advanced Business Real Estate, Construction Technology, Firefighter, Public Works, Welding, Restaurant Management, and Pre-School Teaching.

Accreditation

The Accreditation Report was submitted, on time, to the Accrediting Commission for Community and Junior Colleges (ACCJC) on March 13, 2015. There is a high level of confidence that the Accreditation Report is on track, as it includes a balanced budget (as submitted and approved by the Board of Trustees) and solutions, rather

than a plan, that will provide nearly \$1,000,000 in savings in the first year alone.

On March 25, 2015, the college will host a visit by an accrediting team who are charged with the responsibility to validate the information contained in this report. A letter from the Commission will be forthcoming in June 2015.

Campus Updates

A new partnership between the Auto Park at Valley Center and the Victor Valley College Automotive Program is providing semester-long internships for future automotive service technicians. Building an economically viable Victor Valley is not only beneficial to the Auto Park at Valley Center and the residents of the Victor Valley as a whole, but it is also a core principle the organization holds as a goal for the entire community. The pledge of \$50,000 through the VVC Foundation was designed to enhance the efforts of VVC to build a better work force in the region.

Last fall the Board of Trustees approved a Transportation Fee and agreement with Victor Valley Transit Authority, providing VVC students access to public transportation for \$6 a semester.

In 2014, Victor Valley College was awarded one of 40 California Career Pathways Trust grants statewide for its RAMP UP consortium project. This project was the only one funded in the Inland Empire region and within the top 12 funded at the highest level of grant awards. It coordinates the efforts of 5 community colleges, 19 high schools and dozens of employers in establishing and streamlining career preparation

Victor Valley Community College Serving the High Desert for 54 years

Continued

pathways in five industries important to our region. These include: Automotive Repair, Aviation Maintenance, Energy, Healthcare, and Manufacturing. The grant, which connects all education partners with a robust network of immersive teleconference classrooms, was secured by the VVC Foundation.

VVC is also participating in the Inland Empire Regional Training Consortium (IERTC) grant project led by Chaffey College. This project was chosen by the US Department of Labor for funding through its Trade Adjustment Assistance for Community College Career Training (TAACCCT). This project, backed by California Steel, will help Victor Valley College and all Consortium Members to improve its training programs in advancement manufacturing. VVC's participation specifically focuses on improvements to the college welding program and establishing a new machining curriculum. The VVC Foundation worked with Chaffey College to secure this opportunity.

Expanding its relationships with local high schools, VVC embarked on a new partnership with Hesperia High School last fall to offer college courses to high school students as part of their regular school day. This program allows high school students to earn up to 30 units of general education credit before they graduate high school. Studies showing that students who complete their first year of college are far more likely to complete a degree were the impetus for the new partnership. The college has implemented similar partnerships with local charter schools, including Excelsior and Options for Youth.

Student Athlete Success

Under 2014 Coach of the Year Christa

White, the Rams Volleyball Team earned their 7th Foothill Conference Championship. Outside hitter Courtney Klein was named Foothill Conference MVP and 6 Rams players were named to the All-Foothill Conference team.

2014 Coach of the year Dave Hoover guided the Rams Football Team to a perfect 10-0 record as they won the American Mountain Conference Championship and finished as the 25th best team in the nation. Led by 2014 Offensive Player of the Year QB Paul Mroz, the Rams had twelve players named All-Conference.

Veteran's Resource Center

In Spring 2015, Victor Valley College opened a much-needed Veterans Resource Center (VRC), located in the Student Activities Center. In addition to helping veteran students with certifying VA education benefits, the VRC provides counseling services, tutoring, a computer lab, and community workshops.

This could not have been possible without the dedication of the Veterans Services staff, VA student workers, Veterans Club, VVC Foundation, as well as Wal-Mart with its generous grant that helped buy computers and furniture.

Construction

Victor Valley College Main Campus and the Regional Public Safety Training Center are valuable community resources. The college offers relevant programs and services to help students prepare for transfer and address workforce needs through career technical education and basic skills instruction. And over the last six years, Measure JJ Bond dollars have

touched each of these areas. Examples are the newly remodeled Music Building, which opened Fall 2014, the soon-to-open Dr. Prem Reddy Health and Sciences Building, opening Fall 2015, and state-of-the-art Regional Public Safety Training Center in Apple Valley.

Groundbreaking for the new Health and Sciences facility took place on May 16, 2014, and is on schedule to be completed by Summer 2015. The 25,000 square foot building will feature several state-of-the-art labs dedicated to Health Sciences. The project features highly specialized training labs for the Nursing Program that include: an anatomy lab, chemistry lab, digital life and physical science lab, and a simulation and fundamentals lab. The project will be integrated with indoor/outdoor gathering and study spaces for student and faculty interaction to promote a collaborative and technology-driven learning environment.

In the coming year we will turn our attention to the remodel and expansion of our Vocational facilities on the lower campus. Welding, Automotive, Animation, Electronics, as well as additional classroom space, will all see new, expanded or remodeled facilities within the next two years.



Publishers Message

Continued

his elected service on the board, he contributed his time and talent as a board member for Job Opportunities and Benefits (JOB), assisting the disabled; was a member of the Citizens Volunteer Corps, the High Desert Diversity Coalition; the Kiwanis; served on the supervisory committee at Victor Valley Federal Credit Union; and the Desert Valley Charitable Foundation.

Willie worked for decades for the San Bernardino County Fair, served on the Hesperia Truancy Board, and had been a member of the City of Victorville advisory board and planning commission.

He volunteered his time on Thanksgivings and Christmases, serving meals to the homeless with the Salvation Army.

He was recognized by the Daily Press as one of the ten most influential African American men in the High Desert, and was recognized by both the Los Angeles County Alliance of Black School Educators and the National Alliance of Black School Educators for his service as a school board member. Willie currently served as a board member for the Excelsior Charter School.

I was humbled to be appointed as a Trustee to Victor Valley Community College District on February 1, 2011, and was successful in my bid for reelection in November of 2012.

I remember a conversation I had with Mr. Willie Pringle while he was battling the early stages of prostate cancer and the encouragement he gave to continue to move forward for the advancement of education and, most importantly, for Victor Valley Community College District to be the premier educational institution of the High Desert region.

Whenever I called Mr. Pringle, he was always there. The last time I saw him, I was taken aback by the amount of weight he had lost, but he made it an absolute point to not miss any of Victor Valley Community College District's football games this last year when Victor Valley

Community College District went undefeated, set a record, and was one of the top community colleges in the entire nation. The dedication of this football team was a part of their love and admiration for Mr. Willie Pringle, as it was for any of us that knew him.

When I attended his service, I spoke to his wife, Mrs. Mary Pringle, who is also an Associate at Victor Valley Community College District, and I told her that I wanted to dedicate the 54th edition of the Bradco High Desert Report to Mr. Willie Pringle. I hope that you understand that as Publisher of the Bradco High Desert Report, we started to dedicate editions to people whom we have held in the highest esteem over many years in the High Desert region. We have honored Ms. Ira Norris, the Founder and Chairman of Inco Homes, Former Mayor and Co-Founder of the great City of Adelanto, Ms. Mary Scarpa. We now include Mr. Willie Pringle as one of our very special people to whom we dedicate this edition.

While I will write some separate comments where I think the High Desert economy is as it relates to real estate, I do want to make a couple comments relative to the article suppliers who made this edition (although late) as special as any other edition that we have ever done.

I wish to thank our friend Ms. Sheri Davis, Director of the Inland Empire Film Commission, who does such a great job in generating monies to the Inland Empire and High Desert economies for filming.

I wish to also thank Ms. Joy Sepulveda, Public Information Officer, who works with my long-time friend Ms. Terri Kasinga, and their soon-to-be-retired Executive Director Mr. Basem Muallem, of the State of California Department of Transportation (Caltrans) for the information that they have supplied. There is a tremendous amount of work underway by Caltrans, not only in San

Bernardino County but through the entire Inland Empire. If you drive the Inland Empire as much as I do, and even going into Orange County, you really have an appreciation of where some of our gas tax dollars are being spent and how important they are for the Inland Empire growth and, most importantly, for the High Desert to be able to handle the anticipated growth over the next few decades.

I wish to welcome Mr. Bob Dutton, our brand-new Assessor/Recorder/County Clerk for San Bernardino County. I have known Bob Dutton as long as I have known his father, Mr. Ted Dutton, one of my all-time heroes. Bob Dutton is a former Assemblyman, former State Senator, and a very respected business person within the Inland Empire. Mr. Dutton brings to the San Bernardino County Assessor's office a new and refreshing way of thinking. As a current Tax Appeals Commissioner, I look forward to whatever positive changes Mr. Dutton will make. I assure you that he will make changes and they will all be for the benefit of the tax payer.

A very exciting project, which I have been monitoring for nearly 30 years, is "Tapestry," a master plan community that was originally called Las Flores Ranch in South-East Hesperia. I have said many times that this property is not only the finest property in San Bernardino County for the development of a master plan community, it is one of the most gorgeous pieces of property for the development of a community. The City of Hesperia is lucky that the developers, who have recently acquired it, are in the midst of re-entitling it for nearly 19,300± homes.

They are taking a long-term and very committed position within the High Desert region. I would be remiss in not mentioning the work that Mr. Don Hutchings did while he owned Las Flores Ranch. I would like to personally thank him for all of his work. To entitle

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Publishers Message

Continued

a project of nearly 10,000± acres, and to find the right “timing” to develop it, is a major league task. Mr. Don Hutchings, thanks for what you did, and I hope I live long enough to see the final home built and the commercial center developed for this very exciting project. We anticipate that approval for this project will come during the summer of this year and, hopefully, they will start moving ground within 2 years after its approval.

I wish to welcome Mr. Larry Vaupel, the Economic Development Agency Administrator for San Bernardino County. We have had a long-standing relationship with San Bernardino County, as a member many many years ago of the Workforce Investment Board and also of the Economic Development Commission. I recently met with Larry Vaupel and he will be a great addition, someone who will take a very long-term interest with his employer (5 very committed Supervisors for San Bernardino County). Also a great job to Mr. Greg Devereaux in helping reposition and advance the High Desert region so that we get the appropriate amount of jobs and job opportunities within San Bernardino County.

I wish to thank the Mojave Water Agency, Mr. Kirby Brill, its General Manager, Ms. Yvonne Hester, its Public Information Officer and its 7 member Board of Directors for the information about water and the upcoming water symposium that will be held later this month. I assure each and every one of our readers that we will have a tremendous amount of information from the symposium to add to the 55th edition, and I look forward to adding 4 or 5 pages of content so that property owners, investors, and developers can be assured of a long-term and sustainable water management program that I believe is second to none in the State of California. I congratulate the Board of Directors at the Mojave Water Agency for their great leadership.

We wish to welcome: our friend Mr. Brad Golden from Chicago Title in Cal-

ifornia. I have known the Golden family since 1984 when I met Mr. Ron Golden who was born and raised in Apple Valley and who was involved with a commercial title representative in Southern California; his son Mr. Brad Golden, with many family members located in the High Desert area, including one that is employed at Victor Valley Community College District; Ms. Greta Moon, who sent over information about the new change to the California revenue & tax code and the new law about documentary tax transfer declarations.

In my business as a commercial real estate practitioner, I am constantly attempting to find what the real prices are for transferred property. Mr. Brad Golden’s article answers the question (please see pg. 14).

We re-welcome our County Sheriff, John McMahan, with an update to the High Desert Detention Center. Sheriff John McMahan, keep up the great job.

We are constantly asked about the amount of money spent by the federal government through county government, which is disbursed to residents throughout the High Desert who receive aid through local cities. While this is not a popular issue to discuss, and many would question my wisdom as Publisher of the Bradco High Desert Report about publishing this, it is still an issue that I believe needs to be debated within the High Desert region. It is one that all of our readers should be keenly aware of.

While many of the numbers are rather larger than you see on the graphs on page 15, 16, and 17, we are constantly urging our local officials, state officials and federal officials to help create programs that will help bring people back to work, give them a greater education, and give them the tools to prepare themselves for a workforce.

I hope that those reading this take this data seriously, and I welcome each and every one of your comments to my personal email: Joseph W. Brady, Publisher of the Bradco High Desert Report, at

jbrady@thebradcocompanies.com, so we can put you on a list of people who we can call on when and if meetings are held by our city, county, and state officials.

We always appreciate the great work that Ms. Debbie A. Cannon, and Ms. Vickie Nagel do for the non-profits through their Academy for Grassroots Organizations. It is one of the greatest organizations that I have seen that deals with non-profits and how they can help truly direct monies to an area (every area needs money for non-profits).

We thank our friends at the Inland Empire Economic Partnership (IEEP), under the direction of Mr. Paul Granillo, and their very strong Board of Directors for everything that they do to promote the Inland Empire through the Economic Partnership. We hope the day will arise when all the cities throughout San Bernardino County and the Inland Empire are members of the IEEP.

I still remember when the original organization Inland Empire Economic Council (IEEC) was formed by people such Mr. Ted Dutton, Mr. Steve Pontell, Dr. John Husing, and many other notable individuals throughout the Inland Empire who have always had a passion about economic development and the economic development movement.

One of our keynote speakers for the 13 years that we held the High Desert Leaders Economic Summit, which benefited the Red Cross, was Mr. Larry J. Kosmont, CRE, President and CEO of the Kosmont Companies. Mr. Kosmont’s article, “In The Wake of Redevelopment,” is an excellent discussion about alternative methods of potential financing for projects that we will see in the upcoming years. Mr. Kosmont is a leader in the industry and at one time was the youngest City Manager hired in California. Mr. Kosmont, thank you for all your work.

We truly appreciate the relationship that we have not only with Caltrans, but more importantly, their partner SANBAG

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Legislative Update – April 2015

The 2015 Legislative Session is in full swing and things are starting to get very busy in Sacramento. Once a bill is introduced, that piece of legislation is then referred to one of a number of different policy committees. Here, bills are thoroughly analyzed, debated, and oftentimes killed before getting an opportunity to be presented to the entire California State Assembly. Here is a list of some of the bills that I am working on and where they are in the process:

Assembly Bill 203 – Fire Prevention Fee Due Dates

This legislation extends the period for paying or disputing a fire prevention fee from 30 days to 60 days from the date of assessment. AB 203 was set to be heard in the Assembly Natural Resources Committee on March 23, 2014.

Assembly Bill 410 – Improving Government Transparency

This bill requires a state agency to post on its website any document that is mandated by law to be submitted to a legislative committee so that the public can freely access the information. It has also been included in the Assembly Republican Caucus #MakeGovWork bill package. AB 410 is currently waiting to be referred to a policy committee.

Assembly Bill 809 – Local Tax Measure Ballot Labels

This legislation is sponsored by the Howard Jarvis Taxpayers Association and requires local tax ballot labels to state the amount of the tax to be raised, the rate, and the duration of the tax, to better inform voters about the taxes they are being asked to approve. AB 809 is currently waiting to be referred to a policy committee.

Feel free to email me at Assemblymember.Obernolte@assembly.ca.gov or contact my District Office at 760.244.5277 with any questions or concerns you may have.

Please visit my website for additional updates: www.assembly.ca.gov/obernolte

Publishers Message

Continued

(San Bernardino Associated Governments). Having sat on the new Measure I committee in 2005 (as I remember), San Bernardino County voters passed a nearly \$6 billion± highway improvement bill projected for 30 years. We can truly see the amount of work that SAN-BAG and their partner Caltrans is doing by the I-15/I-215 Interchange and by the I-15 resurfacing.

We have enclosed information that we have received from our friends at the State of California Employment Development Department that show the relationship between unemployment rates and total industry employment in the High Desert region comparing 2009, 2010, 2011, 2012, and 2013. 2014 preliminary numbers are still in the midst of being adjusted and will be for the next few months.

I would be a little unbiased if I didn't compliment my friend and a gentlemen who I enjoy working with, Mr. Robert Sewell, the Director of Marketing and Public Relations at Victor Valley Community College District where I now serve as President of the Board of Trustees. We have a great institution and have recently submitted our updated accreditation, which I strongly suspect will receive a positive response before July 1, 2015. I would like to thank Mr. Robert Sewell, who took over for our long-time friend Mr. William Greulich, who has since retired, and is enjoying playing golf, spending time with his grandchildren and his family. I would like to thank Mr. William Greulich for all that he did at Victor Valley Community College, and for all the wisdom that he showed me in my early years as a Trustee.

I also wish to re-welcome our new President and Superintendent Dr. Roger Wagner, who was also the President and Superintendent at Copper Mountain Community College (Yucca Valley/Joshua Tree/29 Palms). He is doing an excellent job in leading our Board of Trustees and helping to reposition Vic-

tor Valley Community College as one of the premier community colleges in the state.

Lastly, we thank each one of our city partners for their economic update. It was our local cities that urged me early on that we needed a vehicle in order to properly portray the High Desert economy and the work done by each one of the cities, their Mayors, their City Managers, their Economic Development Directors. I thank each one of you for all that you do and look forward to a prosperous 2015.

To keep my opening comments as short as possible, I would like to thank each and every one of our article suppliers, who continually make the Bradco High Desert Report the most unique economic overview of the High Desert, the longest standing publication, and the one with the most subscribers.

While we have transitioned away from publishing our report on a quarterly basis due to the protracted recession (depression), we continually see improvement in the High Desert economy and we look forward to an ever-improving 2015 year.

Lastly and most importantly, if you wish to continue to receive a copy of the Bradco High Desert Report, any statistical reports, op-ed articles that we post to our website for free, please register at our website at www.TheBradcoCompanies.com/register.

I always welcome people's emails to jbrady@thebradcocompanies.com, your phone calls to 760.951.5111 Ext 101 and any comments that you have on how we can continually improve our content and our distribution. Thank you.



City of Adelanto – Progress by Design

By Mike Borja, Sr. Management Analyst
City of Adelanto, Development Services



For 2015, new and exciting development activities in Adelanto are moving forward as planned. The city continues to be focused on putting an end to its sales tax leakage to its neighboring cities, which is the highest leakage in the region. To help do that, continuous infrastructure improvements, either completed or soon to begin, place Adelanto one step closer to laying out the necessary foundation from where the city needs to grow from.

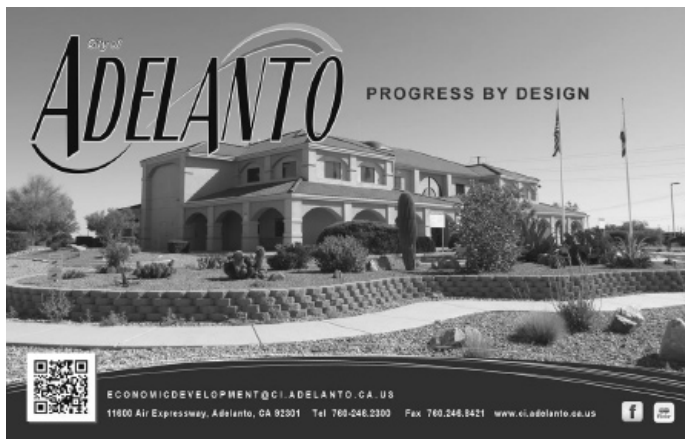
As new development increases, the city's major roadways are crucial to its future growth. US Highway 395, Adelanto's major corridor, has become an inter-regional thoroughfare with increasing demand. Adelanto sees the economic vitality for retail and commercial development with endless opportunities. San Bernardino Associated Governments, SANBAG, the agency that's responsible for cooperative regional planning and furthering of efficient multi-modal transportation systems for the County of San Bernardino, approved a \$483 million expansion project of Highway 395, of which approximately \$53 million will be used in Adelanto to add an additional lane in both directions between Palmdale Road & Bartlett Road, helping to enhance areas along the highway for business attraction. Former Adelanto Mayor Cari Thomas, a dedicated advo-

cate and former member of SANBAG for many years, was instrumental and credited with seeing this project come to the forefront. The project phase is expected to be completed for beneficial use in 2016.

Retailers have now cemented themselves in Adelanto. Family Dollar, ranked 3rd amongst the top 10 retailers by store count in the nation, opened its doors for business and is producing well ahead of expectations. Dollar General, the nation's largest small-box discount store and #1 ranked store count retailer, with more than 11,000 stores and 12 distribution centers in 40 states, is finalizing construction and is anticipating its doors to open in February/March 2015. Both stores rank among the largest retailers of top-quality brands made by America's most-trusted manufacturers.

Adelanto understands its fiscal status and the importance of what development means in these economic times. Although recent statistics show that economic trends are on the rise, the city studies and researches every development project that it receives for its full potential, both short-term and long-term. Most recently, Adelanto City Council approved a development agreement to construct a new 125-acre prison with a 20-year contract to house overflow inmates from L.A. County. The project is estimated to cost \$327 million, with the potential gain of \$1.2 million a year in bed-tax revenue and additional incentives for the City of Adelanto.

For more information on any of these projects, contact the city's Economic Development Team at economicdevelopment@ci.adelanto.ca.us.



Town of Apple Valley City Update

By Orlando Acevedo, Economic
Development Manager



Yucca Loma Bridge began construction in January 2014 and is expected to be completed by September 2015. The \$37 million project will alleviate traffic congestion along east/west regional arterials, including Bear Valley Road, and allow residents to travel to and from Apple Valley, Victorville and Spring Valley Lake with more ease.

The Bridge will benefit bicyclists and pedestrians, as it features a Class II bikeway and barrier-protected sidewalks along the north side of the bridge.

"The bridge construction is on schedule and under budget," said Brad Miller, Town Engineer.

Yucca Loma Bridge will also pave the way for development of The Fountains at Quail Ridge, a planned 33-acre mixed-use commercial center at the northeast corner of Yucca Loma and Apple Valley Roads. Increased traffic counts and nearby median household incomes near \$100,000 offer great opportunities for future tenants.

Apple Valley will launch a comprehensive recruitment program to attract new hotel development thanks, in part, to local students participating in the Inaugural Mayor's Youth Leadership Summit. The students voted to support a hotel recruitment effort from a list of community projects and were invited to pitch their proposal to the Town Council for funding, where it was unanimously supported.

"The students rallied behind this issue because, like so many of our residents and visitors, they see the pent-up consumer demand we have for local overnight accommodations," said Orlando Acevedo, Economic Development Manager. Look for more information to be released soon.

In 2015, Apple Valley will unveil
continued on page 35

Barstow City Update

By Gaither Loewenstein, Economic Development and Planning Manager



After spending much of 2014

completing the city's long-range planning process, including approval of the 2015-2020 General Plan Revision and Master Environmental Impact Report, Barstow is anticipating a significant increase in economic development activity in 2015. Several key macroeconomic trends augur well for Barstow's development in the current year. At the national level, with overall job increases exceeding 250,000 for four straight months and GDP having increased by over 2.5 percent in four of the last five quarters, it is clear that the United States economic recovery is well underway. Economic growth in Barstow has traditionally lagged the national economy by roughly two years; based on this indicator, 2015/16 promises to be an optimal time period for local economic expansion.

Commercial Development Outlook

A number of promising developments suggest that the retail market in Barstow is poised for significant growth in 2015. The long-awaited Montara Place shopping center, anchored by a new Super WalMart store, is scheduled to break ground mid-year, with project completion anticipated in 2016. New leases have been signed in existing shopping centers by national retailers, including Big 5 Sporting Goods and Harbor Freight, reducing the City's inventory of existing available retail space.

The City's hotel occupancy rates improved dramatically over the past several quarters, with occupancy in the vicinity of the Lenwood Road/I-15 interchange now approaching 92 percent. Encouraged by the recent increase in occupancy, Best Western Hotels recently submitted plans for a 60-room property, featuring several executive suites, to be constructed in the

northwest sector of the interchange.

In the same vicinity, taxable restaurant sales have increased by 8.5 percent over the past year. Prompted by this rapid sales growth, restaurants have continued to choose Barstow's Lenwood Road area for expansion. Panera Bread had its "soft" opening in late October 2014 and formal ribbon-cutting ceremony on December 3rd. Development of the adjacent one-acre parcel is in the final stages of site approval, with construction expected to commence in early spring 2015. In January a new Fatburger restaurant opened its doors in a remodeled space formerly occupied by Cold Stone Creamery.

Elsewhere, continuing progress is being made in acquiring lands within the Spanish Trail Specific Plan area (located at I-15 and L Street) from the State Lands Commission and the Bureau of Land Management. Acquisition is anticipated to be finalized in the first half of 2015, and groundbreaking ceremonies for this exciting mixed-use lifestyle center are anticipated to occur shortly thereafter. Strong leads have been developed for a wide range of potential tenants, and rapid construction and occupancy is anticipated once the issue of site assembly has been fully addressed.

Industrial Development Outlook

The newly revised Barstow General Plan identifies a number of sites suitable for industrial development, several of which are likely to experience construction activity within the Plan's 2015-2020 time horizon. A smaller scale version of the aluminum processing facility that was discussed throughout 2014, amounting to approximately 500,000 square feet and generating at least 300 manufacturing jobs, will be submitted for review and approval by mid-2015. Utilities have been extended to the Barstow Industrial Park, making it more readily suitable for development and numerous prospective tenants continue to express interest in this location.

Residential Development Outlook

Negotiations are currently underway to secure an agreement with a builder to construct single-family homes within a 147-lot subdivision on Rimrock Road, and the first phase of this development could break ground by late 2015. A specific plan for Waterman Junction, a master-planned active senior community comprised of up to 579 single-family homes, 469 townhomes and condominiums, and a 228-bed assisted living facility, surrounding an 18-hole golf course, will be submitted for review in March 2015. Although active development of the 315 acre community is not expected to occur in the immediate future, this project is consistent with the city's long-term vision of Barstow as a community in which families may spend their entire lives, with a range of housing products appealing to every age cohort. In addition to these projects, the city continues to receive expressions of interest from smaller-scale builders seeking to construct housing on infill sites throughout the community.

Infrastructure Update

By the end of 2015, Barstow will be nearing completion of its ambitious capital improvement plans, resulting in reconstruction or resurfacing of the majority of local roadways, modernization of the city's wastewater treatment plant, circulation network improvements in the vicinity of I-15 and Lenwood Road, and construction of the \$ 31.7 million Lenwood Road Grade Separation Project. The \$ 71 million reconstruction of the First Street Bridge is in the final planning stages, with construction scheduled to begin in 2017.

Through its integrated efforts at long-range planning and infrastructure improvement, Barstow has positioned itself to capitalize on the next wave of economic growth as the national, regional and local recovery from the Great Recession reaches peak momentum in 2015.



Hesperia City Update

Ranchero Road Corridor Project: Phase II Completed

By Lisa K. LaMere, Economic Development Management Analyst

The completion of Hesperia's Ranchero Road Interchange was celebrated with a February ribbon cutting opening the six-lane bridge over Interstate 15 two years after breaking ground on January 11, 2013. The Interchange was the second phase of the three-phase Ranchero Road Corridor Project, a \$60 million project, funded with a mix of federal, state, local and Measure I monies, included utility relocations, flood control improvements, traffic signals, ramp metering, grading, on- and off-ramps, and two realigned frontage roads.

The Ranchero Road Corridor Project, consisting of three phases, has long been one of the city's highest priority infrastructure projects. Each is a separate and distinct project in and of itself, interconnected and crucial to the success of the entire project. Collectively, all three phases of the Ranchero Road Corridor Project will provide significant mobility, access, and safety improvements to an underserved, growing area of San Bernardino County.

Phase I, the installation of an undercrossing at the BNSF Railway to connect Ranchero Road where it ended at both sides of the railroad tracks, was completed in June of 2013 at a cost of \$27 million. Phase I provides direct access for Phase II, the Ranchero Road Interchange.

Planning of the final phase for the future widening of a five-mile stretch of Ranchero Road from two to four lanes between I-15 and the Phase I undercrossing continues. Phase III is a joint project with San Bernardino County. Funding has been identified for the design and environmental portion of the project. City staff is working with the Department of Water Resources on the requirements for widening the bridge over the California Aqueduct. Regulatory changes necessitate the new bridge structure provide for enhanced free-board vertical clearance over the water surface. The final phase of the Ranchero Road Corridor Project is expected to cost approximately \$18 million.

2015 Development Bodes Well

The start of the New Year bodes well for development activity in Hesperia, as 2015 begins with over 84,000 square feet of new, expansion and tenant improvements in the pipeline, much of which will be open within the next several months. Encore Charter School is expanding by 31,000 s.f. and San Bernardino County Health Clinic has added 5,000 s.f. Expect to also see ribbon cuttings for Hesperia Speedwash, Pacific Eye Institute and Arco AM/PM.

Last calendar year we saw over 187,000 square feet completed, with almost 19,000 square feet of retail, restaurants and more, opening just this past December, including the 8,700 s.f. O'Reilly's Auto Parts and the 5,900 s.f. Giuseppe's Italian Restaurant. By Q2 2015, several other eateries will be open. Among them are Hesperia's second WaBa Grill, which is undergoing tenant improvements, and Flame Broiler's second location in Hesperia, occupying a now fully-leased pad at Mountain Vista Plaza on Main Street and Escondido across from the Walmart Supercenter.

Housing

Hesperia's housing permit numbers are on the rise. In FY 13-14, 63 permits were pulled; however, through the first week of February of this fiscal year, 55 permits already have been issued. It has been awhile since there has been any housing tract development, but last year Sorrento Homes was successful in selling out Phase I of 16 homes in just seven months. With three model homes ranging from 1,804 s.f. to 2,213 s.f. and lot reservations available, Phase II infrastructure improvement plans are underway. Sorrento expects to break ground for these last 23 homes this summer. Sorrento also has seven lots in southwest Hesperia on which they will build 3,200 s.f. ranch-style homes, with a late Spring release date.

Federally Funded Loan Programs Available

The City of Hesperia is currently accepting applications for its federal Community Development Block Grant (CDBG)-funded Economic Development Loan Program (EDLP) and its Microenterprise Assistance Program (MAP). Both programs are designed to provide financial assistance to new businesses seeking to establish themselves in the City of Hesperia, or existing businesses seeking to expand. EDLP and MAP funds may be used to assist with a wide variety of expenditures, including machinery, fixtures, equipment, real estate, or working capital. Funding is limited and awarded on a first-come, first-served basis.

Applications are open to private for-profit business concerns, including corporations, limited liability companies, partnerships (general and limited), or sole proprietorships located and licensed within Hesperia city limits. All applicants must meet minimum program eligibility criteria.

Up to 25% of the approved EDLP or MAP funding is eligible for grant consideration upon completion of all program requirements. The EDLP can provide loan funding of \$25,000 to \$70,000 for approved applicants, who must meet job creation requirements or other CDBG-approved objectives. The Microenterprise Assistance Program is open to businesses with five (5) or fewer employees, one (1) or more of which must be the applicant(s) who owns the business. MAP can provide loan funding of \$2,500 to \$15,000 for approved applicants. All loan funds must be secured and guaranteed by the business owners and additional conditions apply.

This loan program is but one example illustrating that, quite simply, Hesperia works for business! To see how Hesperia can work for you, contact Steven Lantsberger, CED, Economic Development Director, at econdev@cityofhesperia.us for more information



Victorville City Update

Victorville is Leading The Way Towards a Strong Economic Recovery for The Region

By Keith Metzler



As the largest city in the High Desert, Victorville is leading the way towards a strong economic recovery for the region.

With a continuous growing population of 115,000, there have been several projects completed in the past year that sustain the growth. Some well-known companies that have searched for expansion opportunities in Victorville include the Tilted Kilt and Desert Fiat.

The Tilted Kilt recently opened in December 2014. The restaurant is located on Mariposa Road between Bear Valley and Nisqualli Road in the old Red Robin building. With a multitude of developments expanding throughout the city, the community can expect more job opportunities at the Crossroads Shopping Center and the Dunia Plaza in 2015.

In November 2014, the city welcomed Desert Fiat to the Auto Park at Valley Center, conveniently located on the east side of Interstate 15 and La Paz Drive, directly across from McDonald's. Fiat is currently open and operating under a temporary use permit while they finish the building improvements.

Southern California Logistics Airport, CA

SCLA filming activity also continues to remain strong. Recently, SCLA hosted two notable filming activities. On December 9th, SCLA served as the set for a reality television show called Germany's Next Top Model, believed to be following the script of America's Next Top Model. Among those on set, Heidi Klum was one of the hosts. This shoot was done around SCLA's run-up pad, close to where Southwest Airlines conducted its commercial shoot in October 2014. On December 13th, SCLA hosted a music video shoot for pop singer Rhianna. The music video

shoot was an all-day shoot and SCLA closed down one of its runways to accommodate the filming production.

Recently, the Chairman of the Board/ President of Pacific Aerospace Resources and Technologies (PART), David Green, announced their new contract with the Hainan Group (HNA). This year alone Southern California Logistics Airport (SCLA) can expect an additional 50 aircraft to park, reposition and repair, making the airport number one for Maintenance, Repair and Operations (MRO) business. With a world-class MRO program located in Victorville, David Green shares that, "there's no other place like it in the world, it's a one-stop-shop." Since taking ownership in September 2013, PART has also partnered with two other tenants at SCLA, including Boeing and Leading Edge, to help continue growth throughout the aviation industry.

Aviation operations at SCLA continue to grow. In 2014 alone, several companies extended their lease agreements for hangar and office space. Among these companies are Boeing, Pacific Aerospace and Technologies (PART) and Leading Edge, to name a few. As the airport remains busy, its lease occupancy is rapidly approaching 100% leased status and is set to launch Phase 2 of its industrial growth plan for the airport. SCLA's leased out capacity demonstrates a demand for the installation and construction of new capital improvements such as new hangars, industrial warehouses and office buildings for new and existing tenants.

Victorville is a pro-business community offering many incentives, which has helped to attract corporate relocations from notable companies, including The Boeing Company, Dr. Pepper Snapple Group (NYSE: DPS), Newell Rubbermaid, GE Transportation, and Goodyear Tire & Rubber Company, Pacific Aerospace and Technologies

(PART) and M&M/Mars to name a few.

For more information regarding SCLA's growth developments, be sure to visit our website at www.victorvillecity.com or contact Keith Metzler at opportunities@victorvillecity.com or call 760.955.5032.



Apple Valley City Update

Continued

another business development tool to help small businesses fund employee training and/or finance new equipment purchases. For example, Microenterprise Loan Program (MELP) utilizes Town Council-approved federal grant dollars to help grow local jobs and increase production in targeted sectors, including manufacturing, assembly and startups.

Along with the MELP program, Apple Valley will continue their Business Visitation Program, which the Town uses to connect local businesses in Apple Valley with an array of business development resources. A "Shop Local, Think Apple Valley" marketing and educational campaign is set to launch in the coming weeks, as well.

Pieology Pizzeria is coming soon to Apple Valley. Pieology joins Ulta Beauty, Osh Kosh B'Gosh, Carters, Burlington, Jersey Mike's Subs and other chains and franchisees to select Apple Valley as their first High Desert location. Pieology is slated to open this spring at Bear Valley and Apple Valley Roads near Home Depot.



High Desert Report

An economic overview

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