

High Desert Report

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



Having begun our first edition of the Bradco High Desert Report in May of 1993, how could we ever have thought that in 2017 we would be preparing for the 56th Edition

of this publication?

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First, I wish to welcome our current, future, and long-standing subscribers and sponsors of the 56th Edition of The Bradco High Desert Report, the first and only full economic overview of the High Desert region, covering the Northern portion of San Bernardino County and, most specifically, the Cities of Adelanto, Barstow, Hesperia, Victorville, and the Town of Apple Valley.

For those who continuously inquire into the medical condition of our original editor, Dr. Alfred Gobar, he continues “to beat cancer,” continues to work with his doctors in maintaining his lifestyle in retirement, and spending all day doing “stock trading.” We talk to Dr. Gobar frequently, and we strongly encourage those who wish to reach out to him to send an email at: agobar@sbcglobal.net

While the economy continues to improve within the High Desert region, we are increasingly busy on the leasing and selling side of commercial, industrial, office, and land within our region. I do apologize that we have gone nearly ten (10) months since the last edition of our last publication.

Family issues and a battle with prostate cancer have taught me a greater appreciation for life, my family and friends, and those who we interact with on a daily basis. On a sad note, during the last ten (10) months, we have lost some additional great friends in the High Desert region that include the following:

Mr. Ernest Scott, Ms. JoAnn Kroencke, Ms. Jeannie A. Kramer, Ms. Evelyn B. Betterly, Mr. Kenneth Adams, Ms. Carol Jean Randall, Mr. Eugene “Gene” W. Gregory, Mr. Michael Matthew Sabicer, Ms. Janice Lynn Olson, Mr. Malvin Lee, Ms. Carol Colene and Mr. Richard Gene, just to name a few.

I think we all agree we live in a very fast-paced society anymore, and from time to time it is time to reflect on the importance of our family, our friends, our relationships, and the great opportu-

nities that life has to offer.

I would like to welcome and thank many of our article suppliers who continuously support our efforts to prompt the High Desert region. We are extremely excited to introduce Ontario International Airport Authority, an article by Mr. Daniel Adamus, MPA and Chief Marketing Officer of this truly exceptional economic asset located in Ontario, California.

If you have never flown in or out of Ontario, I strongly urge you to do so. Now the airport is controlled by a local entity, and I believe that reading this article will be very exciting to everyone who has any understanding of the long battle it took to gain that control.

Not only do we wish to welcome Ontario as a continued contributing member of the nearly 140 article suppliers that we can rely on to write articles, I wish to welcome the Executive Staff, including their CEO Mr. Kelly Fredericks. Congratulations to the Ontario City Council and the San Bernardino County Board of Supervisors, and all of the Elected Officials and Private Sector Leaders who pushed so hard for the control of this new asset.

With a special note, First District Supervisor Robert A. Lovingood has now become Chairman of the County of San Bernardino, the largest-sized county in the lower forty-eight (48) states. It is not often that the First District has such a leadership role, and we congratulate Mr. Lovingood and his staff for what they do in making the High Desert region a better place to live, work, and play.

Included with some of our exciting articles is an update for the Cadiz Water Project (in the Amboy, Bolo Station (area) of San Bernardino County). We also wish to welcome Mr. Brad Poiriez, the newly appointed Executive Director of the Mojave Desert Air Quality Management District.

We have always been very appreciative

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“flyOntario” – Under Local Control and Looking to Grow

By Daniel Adamus, MBA Chief Marketing Officer



Ontario, CA – On November 1, 2016, ownership of the Ontario International Airport (ONT) was transferred to the Ontario International Airport Authority (OIAA) from Los Angeles World Airports (LAWA, which is also the parent company of LAX). When the transfer of airport was officially commemorated in a formal ceremony the following day, FAA Administrator (and Riverside, CA, native) Michael Huerta challenged the new owners to seize this unique opportunity.

“He compared us to the dog that actually caught the car,” said OIAA CEO Kelly Fredericks. “Lots of dogs chase cars, but I don’t think any actually catch them. What Administrator Huerta was telling us was that the region wanted the airport under local control and now you have it. More importantly, he was asking ‘now, what are you now going to do with it?’” Fredericks said.

Local Control

One of the key elements necessary for the transfer of ownership was to create an organization which could own and operate the airport in the best possible

manner. To that end, the Ontario International Airport Authority was created on August 21, 2012, via a Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino. Alan Wapner, President of the OIAA Board of Commissioners, was actively involved in the effort to return the airport to local control and believed an independent Authority would offer the best possible operational structure.

“We created the Ontario International Airport Authority to be an autonomous public entity, separate, apart and independent from the City of Ontario and the County of San Bernardino. The OIAA was designed to own and operate all ONT assets when the airport was returned to local control,” Wapner said.

“In the development of its mission, the OIAA was tasked to operate and grow the Ontario International Airport as one of the most competitive, efficient, innovative and customer-friendly passenger, cargo and business airports in the United States,” Wapner said. “We believed this to be the case then, and I believe it to be more true now than ever before – the Ontario International Airport is a key economic asset serving and supporting not only the Inland Empire but the entire Southern California region,” he said.

The OIAA Board of Commissioners is comprised of five members. Four are appointed by Ontario City Council to

include two sitting Ontario City Council Members (Alan Wapner and Jim Bowman) and two commissioners selected as members of the business community within the airport’s market service area (Lucy Dunn and Ron Loveridge). The fifth commissioner is Curt Hagman, the sitting San Bernardino County Supervisor representing the District in which the airport is located.

Wapner said the board of commissioners is tasked with developing policy, and they hired Fredericks, a seasoned and nationally acclaimed airport executive, to serve as the Authority’s first CEO. “We as a board were very impressed with Kelly, his background and his achievements in the industry. We brought him in to lead the Authority in March of last year, and he has already made great strides to build his senior staff and to complete the airport transfer process with LAWA, in compliance with all regulatory requirements and with the approval of the FAA,” he said.

“Some may say that was the easy part,” Wapner added. “Now that we have the airport under local control, we must make the most of this once-in-a-lifetime opportunity. Kelly and his staff understand the responsibility before them. They also know they have not only the support of the OIAA Board of Commissioners but also the support and well wishes of every municipality and business entity in the entire region,” he said.

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THE BRADCO HIGH DESERT REPORT

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“flyOntario” – Under Local Control and Looking to Grow

Continued

The Work Now Begins

With just over three months under their belts, Fredericks and his team have begun the process of assessing the massive 1,861-acre property which comprises the Ontario International Airport footprint. The goal in these still early days is to understand “the good, the bad and the ugly,” Fredericks noted.

“We know we bought a ‘fixer-upper,’” he said. “We have to look at safety first and ensure that all of our operating systems are in compliance with all federal, state and local regulations. We must take inventory, we must modify or rewrite all official processes, procedures and documentation to reflect ownership by the OIAA, and we must prioritize all critical and preventive maintenance in a manner which ensures that we do not disrupt any day-to-day operations,” Fredericks said.

As part of the transfer and for the foreseeable future, the relatively small OIAA staff is supplemented by nearly 200 former LAWA employees who will serve as a contracted labor force during the next 18-24 months identified as a “transition period.” During this time, the OIAA will have a chance to see how the airport was previously operated and to begin making changes.

Fredericks said the OIAA is evaluating all functional areas aboard the airport, and he said that employees of the former airport owner may have an opportunity to join the OIAA in future months. “These are the folks who operated the airport before November 1st and who will continue to do so in the weeks and months following the transfer. They are our front line with our customers, providing their first ‘touch-points’ with the airport and with the OIAA. We are still getting to know each other, but we have a shared focus on providing our customers with the best possible travel experience while they are with us at ONT,” he said. Fredericks noted that as part of the negotiated transfer of the airport, should any LAWA employee not wish to remain at ONT, they are guaranteed a

position at LAX or a number of places/departments within the City of Los Angeles.

With all that said, Fredericks and his team believe they have just embarked on an incredible journey. “Ontario International is truly an amazing airport. We have two of the longest runways on the west coast; one is just shy of 2.5 miles and the other is nearly 2 miles long. With those assets and our capability to operate ‘24/7’ with no restrictions, we can handle any aircraft flying today,” he said.

ONT currently operates 62 daily flights with seven commercial airlines, private and charter flights managed by two, general aviation fixed-base operators (FBOs) as well as a number of cargo flights by a variety of international carriers, to include UPS and FedEx. All that activity represents less than half the potential associated with the existing airport infrastructure.

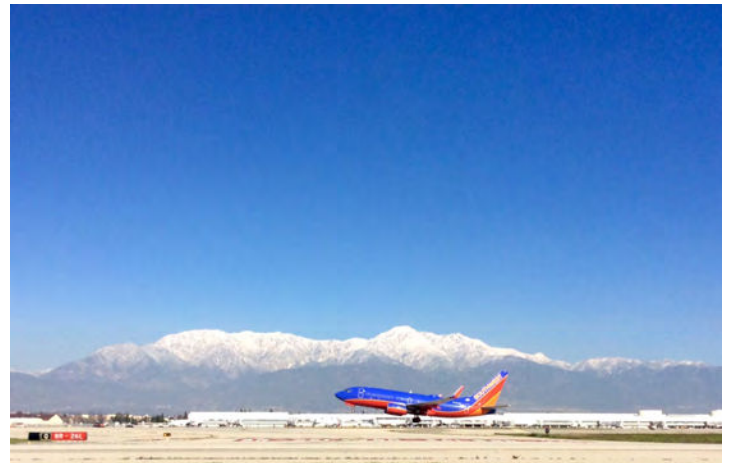
“At its peak (2007-2008), Ontario handled more than 7.2 million passengers per year. Today we are handling just over 4.2 million passengers per year. Our facility, as it stands, can handle nearly 10 million passengers, along with sustained cargo growth. Beyond our current two terminals (2 and 4) and considering the potential of long-term growth, there are already existing plans for Terminals 3 and 5, as well as a strategy to connect all present and future terminals into a single complex,” Fredericks said.

“As we work closely with air carriers from around the world, we have no delusions of grandeur,” Fredericks said. We know we must work extremely hard to earn their business by striving to reduce their operating costs at ONT while creating the best environment possible

for passengers,” he said.

Fredericks said he and his staff are working on a plan to “de-stealth” the airport and to re-introduce the airport as a valuable asset to all of Southern California. “As we work to grow international air service through our development efforts, we must also re-introduce ONT to the region,” he said. “According to the 2015 U.S. Census, the Ontario-Riverside-San Bernardino Metropolitan Statistical Area (MSA) ranks 15th in the United States and is in the nation’s 2nd largest Combined Statistical Area (Los Angeles-Long Beach-Anaheim). We have tremendous numbers in our primary and secondary catchment area, but we have to get the word out about what we are trying to do so people will consciously think about flying from Ontario first,” he said.

Fredericks said the “de-stealth” campaign will be about building attention and awareness for the airport and will



be conducted through a comprehensive, targeted marketing and promotional campaign to get the message out to the business and consumer population of the region. He said he and his team will be working to connect with business and municipal leaders, as well as civic and social groups, to encourage travelers to think about flying in and out of Ontario for their next business or leisure trip.

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“flyOntario” – Under Local Control and Looking to Grow

Continued

“If we can continue to do our best to improve the customer experience, and if we can be successful with the airlines to bring new and better service to ONT, everyone will win,” Fredericks said. “Passengers will have an easy and stress-free experience, with increased amenities, food and shopping opportunities, just minutes from home. They will reward the investment airlines make in Ontario by filling its flights to new destinations without having to battle hours of traffic to and from other airports in the region,” he added.

Room for Future Development

One of the other amazing statistics Fredericks shared was the fact that of those 1,861 acres, 700 are able and available for development on or adjacent to airside operations. “You could not build an airport of this size, with the resources and capabilities of ONT today, in this, the 2nd largest metropolitan market in the United States,” he said.

Fredericks said the OIAA is now in the final stages of a selection process to hire a firm to develop a master plan for the airport, something never done before for ONT. “The successful candidate will assist us in creating a map to guide us through the many pathways and options related to future operations and development to ensure we have the information necessary to make the best decisions possible,” Fredericks said. “The master plan process utilizes a variety of certified professionals in a number of disciplines to assist us in determining which structures are valuable and which should be demolished. It helps us understand where a former industrial complex aboard the airport may require environmental remediation prior to development. Major companies like GE and Lockheed operated factories and facilities at ONT for decades. We must evaluate each legacy property and identify any environmental issues before any development may be considered,” he said.

While Fredericks stresses the impor-

tance of the master plan process, he does not see it as any type of hindrance should the right opportunity present itself. “If the right opportunity is identified with any of our existing airport tenants, any new airline or other potential business partner, we are not restricted in any way from taking advantage of it,” he said. Fredericks said he and his team have been fielding inquiries in a number of areas, and they are working diligently to investigate the possibilities associated with each in order to determine the next best steps for the airport.

What Can You Do to Help?

Fredericks said he wishes everyone in the region to be an extension of the OIAA Marketing Team. “I ask that everyone get to know the airport, to see the things we are doing to improve the experience for our customers and to make it easy to fly Ontario,” he said.

When asked how else people interested in supporting the airport can help the efforts of the OIAA, Kelly Fredericks offered the following:

- **Please use ONT** – Even if you may be paying a few dollars more, demonstrating loyalty to the airport is the best way for the OIAA to recruit (and to keep) new routes from existing carriers and to encourage new airlines to begin operations at ONT.
- **Please advertise at ONT** – The OIAA will soon have a new media operator to manage new, expanded advertising and merchandising opportunities at the airport. If you can’t advertise, please support those companies advertising at the airport
- **Please share your travel data**—An e-mail address has been established—iflyont@flyontario.com—where you can send your itinerary when you do fly Ontario and as

a place where you can share the flight data when you just can’t find the right connection from ONT. This information is extremely helpful for the air service development team in preparation for meetings they conduct with the various airlines.

- **Share insights and advice** – If you see something of interest in your travels, share it with the authority. If you have a problem or a bad experience, you are especially asked to share those as well. Fredericks said his staff are continuously working to improve the traveler experience, and they want to know when any situation does not meet the customer’s expectations. He said they take complaints seriously and will work with all involved airport personnel, concessionaires and tenants to solve problems as soon as they are identified, so that no customer ever has that same problem again.

For more information and to learn what is happening at the Ontario International Airport, please visit the ONT website at www.flyOntario.com. The site is optimized for mobile devices, and Fredericks said it will be a “work-in-progress” for several months as volumes of data and information are transferred from the old airport site and until such a time as the planned 18-24 transition process is complete.



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Caltrans Continues Work in the High Desert

By: Joy M. Schneider—Public Information Officer, Caltrans



Caltrans continues work in the High Desert to improve and upgrade the transportation system

to accommodate the rapid growth in the region. The area continues to see heavy goods movement, as well as congestion from commuters and recreational adventurers traveling to Las Vegas, the Colorado River and points north.

Projects at the Devore Interchange, in the Cajon Pass and throughout the High Desert will allow for a more enjoyable ride for commuters and travelers.

Devore Interchange Project

Work on the \$324 million Interstate 15 (I-15)/Interstate 215 (I-215) Devore Interchange Project is complete. The project added a truck by-pass lane and an additional lane in each direction, brought the interchange up to operational standards, as well as addressed the arterial highways network deficiencies—specifically, the reconnection of Route 66 (Cajon Boulevard).

A ribbon-cutting ceremony to celebrate the achievements of the project was held on May 20, 2016.

I-15 Cajon Pass Pavement Rehabilitation Project

The I-15 Cajon Pass Pavement Rehabilitation Project is nearing completion—the contractor is finishing up punch list items (minor tasks to be completed at the end of a project). The project, which is strictly pavement rehabilitation, 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.

SR-138 Widening (West) Project

Crews continue work on the State Route
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Looking Forward as We Set Priorities for The Future

By Robert A. Lovingood, 1st District Supervisor, County of San Bernardino

As we start a new year, it's a good time to look back at the year past and look forward as we set priorities for the future.

In 2016 we saw new business investment in the High Desert. Stirling Capital Investments announced the completion of a fully leased 447,740-square-foot industrial facility in Victorville. Arden Companies relocated to a new state-of-the-art manufacturing facility in Victorville, creating 100 jobs. Plans are underway for a 1.3 million-square-foot distribution center, which is expected to create 400 to 500 long-term jobs in the North Apple Valley Industrial Specific Plan area. And in December, Clark Pacific broke ground on its new precast concrete manufacturing plant in Adelanto.

Last year, for the third year, we allocated county funds for "Operation Desert Guardian," a three-month series of crime sweeps that ended with 376 arrests in Hesperia, Apple Valley, Adelanto, Victorville and unincorporated Victor Valley areas. We also implemented reforms to welfare fraud policies and supported a series of ongoing welfare fraud sweeps around the county. The Board of Supervisors added two additional investigators to strengthen the District Attorney's Cold Case Prosecution Unit. And Sheriff's Academy Class 205 marked the very first time ever the Department had three academy classes going at the same time.

In the past year, my initiative to use inmate work crews kicked into high gear. Inmate crews cleared more than 578 tons of trash and 7,922 tires in the First District, plus an additional 68 tons of cement and nine boats at an illegal dump site near Interstate 15 and Dale Evans Parkway. The cement was recycled and the tires were used as fuel at local cement plants.

As we look ahead to 2017, we will work on streamlining County Land Use Services processes to better serve the development community. Specifically, we will look to streamline the entitlement and permitting for commercial, residential and industrial developments. These projects create well-paying jobs and have an astonishing economic multiplier effect:

Each new home built creates seven well-paying jobs. Here in San Bernardino County, we are facing a housing shortage that is expected to grow to 65,000 homes within two years. A significant number of San Bernardino County renters spend more than 50 percent of their income on housing. So we have an opportunity to grow jobs and expand our regional economy.

Robert Lovingood is chairman of the San Bernardino County Board of Supervisors representing the First District.



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Caltrans Continues Work in the High Desert

Continued

(SR-138) Widening (West) Project; currently they are working on the pavement on the south side of SR-138, as well as the Sheep Creek Bridge. The project is approximately 62% complete.

The project will widen SR-138 to four lanes, with a 14-foot median buffer from Phelan Road to Interstate 15. The project will also upgrade shoulders to current standards, extend drainage (as necessary) and construct a wildlife-crossing structure.

The \$52.1 million project was awarded to Flatiron Construction Corp. and began in February 2015. It is estimated to be completed in August 2017.

SR-138 Widening (East) Project

The SR-138 Widening (East) Project is a 2.1 mile project that will realign SR-138 from 1.9 miles east of I-15 to just west of Summit Post Office Road. It will also construct two-lane, paved sections of highway with outside shoulders, three wildlife crossings and an off-highway vehicle crossing.

Currently, crews are working to clear the project limits to prepare for drainage work, the temporary construction detour and new roadway.

The project is needed because the existing configuration has many non-standard, steep horizontal and vertical curves and grade. There are no paved shoulders and narrow or non-existent earth shoulders, as well as few turnouts and no passing opportunities. This project will improve operational efficiency, traffic safety and will also upgrade and widen the existing lanes and shoulders to current standards.

The project is estimated to be complete in late August 2018.

SR-58 Hinkley Expressway Project

The \$120 million State Route 58 (SR-58) Hinkley Expressway Project is approximately 90% complete. Crews are

currently paving the new roadbed for the expressway and finalizing the work on the bridges and ramps.

Ultimately, the project will 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.

Substantial completion is estimated for summer 2017.

I-15 Stoddard Wells, D & E Street Interchange Project

The \$74 million I-15 Stoddard Wells, D & E Street Interchange Project will construct new interchanges, bridges and ramps on I-15 at Stoddard Wells, D Street and E Street.

The project was awarded to Ames Construction, Inc. and began in summer 2015. It is estimated to be complete in early 2019.

Currently, crews are performing dirt hauling, surveying and utility work. Additionally, the widening of the Mojave River Bridge is underway.

Kramer Junction (SR-58 & US-395)

The \$101 million Kramer Junction Expressway Project is currently in the planning phase. The project will construct a four-lane divided expressway in order to alleviate some of the congestion caused by the current lane configuration.

The project is scheduled to begin construction in late 2017 or early 2018.

Caltrans is committed to delivering quality projects that will enhance the transportation infrastructure in the High Desert. Providing a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability is Caltrans' top priority.



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Cadiz Water Project: Conservation and Sustainable Management of Desert Groundwater

By Courtney Degener, Vice President, Communications & Investor Relations

A part of the Cadiz team for over 12 years

Over the last two decades, California has grappled with systemic challenges to its traditional water supplies. Climatic extremes and more regular dry years are the new normal. The availability of reliable water to meet all of the state's demands is a persistent public policy issue. We need water for our people, our environment and to sustain our way of life. In recognition of this need, in 2009 Cadiz Inc. set the objective of creating, designing, permitting and constructing an environmentally benign water project, and today we are nearing completion of these objectives.

Cadiz Inc. is the largest private landowner in the eastern Mojave Desert, where billions of gallons of water evaporate every year from the highly-saline Bristol and Cadiz dry lakes near the town of Amboy. The playas are the down-gradient end of a massive groundwater basin in a watershed the size of Rhode Island. To stop this loss, we've proposed to better manage the basin to provide a reliable supply and new aquifer storage capacity. By capturing and conserving water before it evaporates, we can create a new, sustainable annual supply for nearly 400,000 Californians.

Under our plan, conserved project water would be delivered to the Metropolitan Water District's Colorado River Aqueduct for distribution throughout Southern California via a pipeline that would be built in an existing railroad right-of-way. We selected this route, which is longer and costlier than a more direct pipeline route would be, because it will avoid impacts to desert lands. Construction of the pipeline, wellfield and related infrastructure will create thousands of jobs for local residents and veterans, generate nearly \$1 billion in economic activity, augment Southern California's water supply reliability and take pressure off existing imported supplies.

Phase 2 of the project, its storage component, is particularly relevant in this

very wet year. It would enable storage of imported excess flows at Cadiz, utilizing the aquifer's estimated 1 million acre-feet of storage capacity. Southern California water providers could move surplus wet-year water from either the Colorado River Aqueduct or the State Water Project via an abandoned natural gas pipeline from Barstow to Cadiz, which we have purchased, and store it at Cadiz until the inevitable subsequent dry years. A "programmatic" environmental review of Phase 2 was completed in 2012, meaning a preliminary evaluation of the concept, and a "project" level review must still be completed once Phase 1 gets underway.

Although the project's concept may sound unique, the sustainable use of groundwater in California's managed basins and the movement of water between basins is not. Californians have a history of not living where the water is, and all seven Southern California counties rely on imports from the State Water Project, the Colorado River and neighboring basins to sustain their populations. Groundwater storage is also a preferred method of capturing excess flows in wet years and is becoming more common in California and the West.

To ensure that the project is a resource that helps meet Southern California's water management needs, the project incorporates stringent groundwater management principles in its approved Groundwater Management Plan. The County of San Bernardino, which was viewed as the superior protector of desert groundwater resources during the recent controversy over the Soda Mountain solar generating station, will enforce the plan. Data on groundwater levels will be compiled, posted for the public, and reviewed by an independent committee appointed by the county. If water levels fall below a county-designated floor, or if there's evidence of unanticipated impacts on the desert envi-

ronment, the county can adjust or even stop operations.

This Groundwater Management Plan grew out of recommendations by some of the nation's leading hydrologists and scientists as they peer-reviewed the Cadiz EIR's hydrological study. The study used the US Geological Survey's newest and best computer model for desert hydrology in the Southwestern U.S., created in 2006, to estimate the aquifer system's size (over 20 million acre-feet, about the size of Lake Mead) and how much water flows into it annually (its recharge rate, found to be about 32,000 acre-feet a year). To verify the computer model's calculation of the system's recharge rate, we asked scientists from the Desert Research Institute to measure evaporation from the Bristol and Cadiz dry lakes, where all the water in the aquifer ends up, completing the water cycle. The amount of water going in should equal the amount of water evaporating out, and that is what the study verified – the volumes are the same.

The project's EIR and Groundwater Management Plan withstood court challenges over four years and emerged with no changes or additional studies ordered. With these court challenges behind us, we are working to implement the project and initiate Phase II's water storage component so we can deliver on our promises of sustainable water supply and economic benefits. Developing sustainable projects in California takes time, but when done right they can be useful for all in dry and wet years alike.

For more information, please visit:
www.CadizWaterProject.com.



Poiriez Carries on MDAQMD's Business-Responsive Legacy

By Violette Roberts, Community Relations & Education Manager

Mojave Desert Air Quality Management District



Brad Poiriez was appointed Executive Director of the Mojave Desert Air Quality Management District by the Victorville-based agency's Governing Board on July 25, 2016. Poiriez is responsible for enforcing the MDAQMD's rules and regulations, enforcing health and safety provisions and state programs, running the district's day-to-day operations and supervising the MDAQMD's 39 employees.

While Poiriez may be new to the MDAQMD, he is no stranger to air quality management, having served as Air Pollution Control Officer for the Imperial County Air Pollution Control District since 2008 and as an employee of the El Centro-based air district for over 22 years. Poiriez received his Bachelor of Science degree in Health Studies from Eastern Illinois University in 1990 and has worked in the environmental field for over 23 years. Prior to joining the ICAPCD, Poiriez was employed by the Peoria County Environmental Health Department in Peoria, Illinois.

Poiriez is the past U.S. co-chair of the Imperial Valley/Mexicali Region Air Quality Task Force for "Border 2012" and has worked extensively on the newly proposed "Border 2020" program. He was instrumental in getting industry representatives and the community involved and participating in developing methods to improve air quality in Imperial County. "Brad's extensive knowledge of regional air quality issues, combined with his years of experience brokering common-sense, clean air solutions at the local and international level, make him an exceptional choice to lead the MDAQMD," commented MDAQMD Governing Board Member/San Bernardino County First District Supervisor Robert Lovingood.

As the local air pollution control agency for San Bernardino County's High Desert region and the Palo Verde Val-

ley portion of Riverside County, the MDAQMD has primary responsibility for controlling emissions from stationary sources of air pollution within its 20,000-plus-square-mile jurisdiction, which is home to over 550,000 residents. Throughout its 24 year history, the MDAQMD has earned a reputation as one of the most business friendly air districts in California, whose cooperative working relationship with regulated industry has become a model for air districts across the state. Thus, it's no coincidence that between 2010 and 2016, the number of permitted facilities located within the MDAQMD's jurisdiction increased by 16%, from 966 to 1,122,

While new leadership often brings with it growth and change, Poiriez states that the district's mission statement—"To attain and maintain a healthful environment while supporting strong and sustainable economic growth—will remain intact, and keeping the lines of communication open with constituents will continue to be a priority. "When businesses understand what is expected of them and we provide them with the tools to help them comply—whether these tools are in the form of compliance assistance, grants or just a friendly ear—we all benefit through increased business retention, enhanced economic development and improved air quality," said Poiriez.

While the MDAQMD cannot directly create jobs because the severity of the air quality problem in the High Desert is much less than that in the greater Los Angeles area, the MDAQMD's regulatory structure is less restrictive. This tends to encourage job relocation from more severely regulated areas (Los Angeles) to less severely regulated areas (such as the High Desert). Hence, regulatory flexibility

is key to economic and environmental sustainability in the High Desert and is the foundation of the MDAQMD's efforts.

Although it's impossible to predict the ultimate trickle down effects of Washington's new administration on local air districts, the MDAQMD plans to continue offering regulated business some of the lowest permitting and application fees found anywhere in California, as well as providing some of the most expedient permit-processing times. The MDAQMD will also continue to proactively promote the creation and recognition of emission reductions credits, which allows new sources to site in the High Desert. Generous grants will continue to be offered for local projects which reduce mobile source and diesel emissions through the MDAQMD's AB 2766 and Moyer Grant programs. Regulated businesses which exceed regulatory requirements and reduce emissions for the benefit of local air quality will continue to be recognized through the District's Mojave Green Gas Station Program and its annual Exemplar Awards. The MDAQMD will also continue to work closely with each applicant to cut through the red tape instead of creating an additional layer.

The MDAQMD is proud to exemplify California's "final frontier" for businesses seeking to locate or remain in the Golden State. For more information, visit www.mdaqmd.ca.gov or call (760)245-1661 today.



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The New San Bernardino County Transportation Authority Continues Its Decades-Long Commitment to Serving the High Desert

By Tim Watkins, SBCTA, Chief of Legislative and Public Affairs



The San Bernardino Associated Governments (SANBAG) has been a steady influence on the development of transportation improvements for decades. However, the commuters, residents and business owners of the High Desert may not realize that projects like the I-15/I-215 Devore Interchange, the La Mesa/Nisqualli and Rancho Road interchanges, the Yucca Loma Corridor, and the Lenwood Road Grade Separation would not be possible without the efforts of this county-wide agency that serves as the Transportation Commission, the Transportation Authority, the Congestion Management Agency, the Service Authority for Freeway Emergencies, and a Council of Governments.

On January 1, 2017, this agency, responsible for the delivery of so many quality-of-life aspects for its residents, began operating under a new name: The San Bernardino County Transportation Authority or SBCTA.

Essentially, the legislative change to the agency is fairly simple in that functionally, it will still operate as it always has to meet its commitments to the voters of San Bernardino County. Senate Bill 1305 (Morrell) consolidated its previous four transportation entities into the San Bernardino County Transportation Authority, clarifying the distinction between the transportation-related efforts of the agency and its Council of Governments role. Simply put, the agency is a dual entity made up of the SBCTA and the San Bernardino Associated Governments,

which now operates under the name San Bernardino Council of Governments (SBCOG).

The re-naming development process began with a county-wide survey gauging the community's perceptions, recognition, and project knowledge as it relates to the San Bernardino Associated Governments and "SANBAG." Research showed that only about one-third of the 800 registered voters who were surveyed were familiar with the agency.

However, when those voters were shown the transportation projects the agency was responsible for, favorability of the agency dramatically increased to 75% through connecting the dots to the improvements to the system. The insights gathered through the county-wide survey supported the need to successfully brand the SBCTA and rebrand the San Bernardino Associated Governments as the SBCOG, providing both entities the opportunity to build a recognizable and positive brand identity that will resonate with residents and workers in the county for years to come.

The next step in the process was an exploration of branding the SBCTA. The hope was to develop a singular name that would help to clearly identify the agency. Unfortunately, after the review of more than a dozen possible names and naming conventions, a natural-flowing option that accurately covered the role of the SBCTA did not present itself. As a result, the effort moved forward with branding the SBCTA acronym. Great detail went into the new brand concept, considering all aspects of our county (i.e. mountains, desert, lakes, valley, roads, etc.). The goal was to develop a brand that was fresh, modern, artistic, and innovative and evoked the feelings of development, movement, and

evolution—all exceptional characteristics that the agency represents within San Bernardino County—and reflects the goals shared by those who live and work in the region.

Ultimately, three concepts were evaluated for how well they provided an opportunity for flexibility with color scheme, graphical design, and the ability to give a brand identity to other functions of our agency, all while committing to a consistent, recognizable logo. Considerations of integration with our sister agencies in the region (LA Metro, OCTA, and RCTC) and what that might look like on a partnership document were also strong factors to the final brand concept. The agency wanted something that would stand out from the other agencies but would not overwhelm. After a number of revisions and adjustments, a brand concept was presented to the SANBAG Board of Directors for final approval, which was granted on November 2, 2016.

Moving forward as the SBCTA, the agency remains committed to providing the quality-of-life improvements it has been dedicated to since its inception in 1973. Transportation improvements are a major part of the way our residents navigate the largest county in the United States. Expect that SBCTA will continue to play a role in how commuters and travelers effectively move to and through the region, making the High Desert a great place to live, work, and play.



Inland Empire Small Business Development Center Assist High Desert Business Start -Ups Evaluate the Local Business Environment

By Louisa L. Miller, Business Consultant

The economic fate of the nation often does not reflect the environment and activity in the High Desert. Small business growth has been slow since the Great Recession across the country, and the uncertainties caused by changes in national and local government, for better or for worse, make business and banking more cautious. Uncertainty is the hobgoblin of business growth. The interest folks in the High Desert have for starting and growing their small businesses is strong.

The Inland Empire Small Business Development Center notes that the top startup business categories include food services/restaurants, retail, consulting and fitness-related businesses. These categories look a lot like they did a decade ago. In some ways that is a concern because of relatively low pay, but the upside is that our region consumes a lot of retail offerings. There is opportunity for small manufacturing-and logistics-related services that can be supported by local infrastructure and personnel.

Those wishing to take advantage of the older and newer opportunities need to look for problems that exist and bring solutions that solve problems that people care about to the table. It is also important for them to be passionate about what they do and not just be in it for the money. A key component of working with startup businesses is assisting them in the feasibility process in evaluating the business environment, identification of customers, as well as establishing their business legal structure. In short, there needs to be evidence that supports the business idea.

Existing businesses counseled sought assistance with business expansion, working capital, equipment or real estate purchase loans; business management and marketing. The IESBDC as-

sists them with gathering market and financial data to support their business expansion, loan, etc. In addition, assistance is provided with the development of financial projections based on proposed business growth expected from the expanded operations or funding. It is also important to assist existing business with a feasibility analysis to ensure that the proposed expansion will be profitable and generate positive cash flow.

Client sessions cover a variety of topics based on the client's specific needs and can touch on things such as: how to start; being an entrepreneur; business planning for expansion and marketing/advertising. The top areas of counseling are: Sources of Capital, Startup Assistance, Business Planning and Marketing. Client referrals come from a variety of sources, including banks, government agencies, chambers of commerce and client word of mouth. These businesses include light manufacturing, restaurants, automotive service/repair, janitorial, retail, Internet-based businesses, home-based businesses, landscaping, coffee shops, gift shops, and residential care facilities.

In 2016, with the establishment of outreach offices at the Apple Valley Chamber of Commerce and the City of Hesperia, individuals seeking to use the services of the IESBDC were given the opportunity to choose one of two locations to meet with Business Consultant Louisa Miller. During 2016 the IESBDC offered 13 seminars and workshops in the High Desert covering such areas a pre-business planning, marketing/sales, accounting/budgets, business loans, QuickBooks and

tax planning. In addition, in late fall a Business Focus/Boot Camp-style series was hosted at the Apple Valley Chamber of Commerce offices. The 4-part series included the following topics: Open for Business; Understanding Your Financials; Marketing Your Small Business; and Marketing Technologies to Attract Customers.

Currently, there are 10 seminars scheduled for 2017. Anyone interested in registering for one of the High Desert seminars or others scheduled throughout the two-county area can go the IESBDC's website, www.iesmallbusiness.com, and click on the Training section.

The Inland Empire Small Business Development Center is a cooperative program of the Inland Empire Center for Entrepreneurship and is supported by the U.S. Small Business Administration (SBA) and California State University Fullerton and extended to the public on a non-discriminatory basis. To learn more about the program or to schedule an appointment, call Louisa at 951-295-4183.



Mojave Water Agency is using science and innovation to manage the region's water supply.

Together, we're securing water for today and tomorrow...
www.mojavewater.org

We Have a Real Opportunity to Move a Pro-Growth Agenda Forward Under Trump and a Republican Congress

Col. Paul Cook (Ret.), U.S. Congressman, 8th Congressional District

A lot has changed in a year. Most people assumed we would continue to have divided government in Washington for the foreseeable future. However, the results of the November election left us with a unified Republican Congress and presidency.

Absent the partisan gridlock that characterizes a divided government, we have a real opportunity to move a pro-growth agenda forward. Republicans in Congress are committed to working with President Trump on economic issues.

President Trump set the tone in his initial days with his “two-for-one” executive order, which requires that federal agencies eliminate two regulations for every new one they attempt to implement. Americans, particularly small business owners, are seeing the rising cost of regulations, and they aren’t happy. In fact, according to the National Association of Manufacturers, more than 90% of small business owners support reforming the regulatory process. 72% of small businesses reported that regulations were hurting their operating environment.

Since 2008 over 3,300 new regulations have been added each year that collectively cost \$981 billion. The total cost of all US regulations amounts to an estimated \$1.86 trillion—or \$15,000 per family per year. The Obama Administration set new records for regulations, averaging a new regulation every 15 days during his eight years in office.

One of the first items of business passed by the new Congress was HR 5, the Regulatory Accountability Act. The legislation takes aim at

the problem of overreaching federal regulation by bringing together six separate regulatory reform bills that passed the House in previous years with bipartisan support. It eliminates excessive red tape and regulations, lifting an unnecessary burden on hardworking Americans and promoting jobs, innovation, and economic growth.

Specifically, this legislation promotes transparency by requiring publication of easy-to-understand online summaries of new proposed rules, as well as proposed costs. It also requires agencies to choose the lowest-cost rulemaking alternative, permitting costlier rules only when cost-justified. It also prohibits new billion-dollar rules from taking effect until the courts and Congress have a say.

This legislation begins to reverse some of the regulatory overreach and will help our local businesses become more competitive. This legislation is a small step in the right direction, but certainly, there is more to be done.

Congress must also confront Obamacare. For too many Americans the dream of better healthcare has turned into a nightmare of skyrocketing premiums, limited choices, and cumbersome regulations. One report found that Obamacare exchanges have networks

with 34 % fewer providers than those plans not part of the exchanges. I’ve heard from many of my constituents about the costs of their healthcare increasing to the point that it is simply unaffordable and unsustainable.

My constituents deserve a plan to address their healthcare needs. They need a plan that provides more choices and lower costs. In the coming months I’ll continue working toward this goal.

As always, I encourage and welcome you to contact my office at 760-247-1815 with any concerns you have about our federal government. It’s an honor to serve as your Representative.





Workforce Development Board

PROVIDING THE WORKFORCE ASSISTANCE YOU NEED FROM OUR BUSINESS RESOURCE TEAM



The San Bernardino County Workforce Development Board (SWDB) is a public-private board appointed by the County Board of Supervisors that utilizes federal funds to create workforce development programs for residents and businesses in San Bernardino County.



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Focus Should Be on State's Economy, Not Taxes

By Senator Mike Morrell, 23rd State Senate District

While in recent years our state government has seen record-setting budgets, the same cannot be said, unfortunately, for working Californians and small businesses. Their hard-earned money does not go as far as it should, meaning that families and entrepreneurs have less to invest in their futures.

High taxes and extensive regulations discourage businesses from opening or investing here. It is the reason that for 12 years straight, California has been named the worst state for business in CEO surveys taken by Chief Executive Magazine.

However, attempts to increase taxes are well underway. Despite the fact that California drivers already pay some of the highest gas taxes in the country for deteriorating roads, legislative Democrats have started pushing for additional gas taxes and vehicle fees.

Among the tax and fee increases included in the current proposal:

- Gasoline excise tax: 12 cents per gallon, phased in over three years
- Price-based excise tax: 7.5 cents per gallon
- Diesel excise tax: 20 cents per gallon
- Diesel sales tax: 4% per gallon
- Vehicle Registration Fee: \$38 per vehicle annually

Californians already pay enough for the services and programs they expect. Reforms and efficiencies should first be made with existing resources.

Along with pinching household budgets, these proposed increases will also drive up the cost of doing business here. With the threat of another

recession always looming, the focus rather needs to be on effectively growing our economy and fostering a business environment that inspires confidence in job creators.

To this end I have authored legislation aimed at making California more business-friendly. Senate Bill 248 would lower the minimum franchise tax paid by new small businesses from \$800 to \$400. Senate Bill 555 would require that any regulation adopted by a state agency be reviewed five years after implementation.

Both measures are important steps in strengthening our state's economy.

At the same time, any progress we make on this front can only be sustained if we continue paying down the hundreds of billions of dollars the state owes in public pensions and other obligations.

Absent major reforms, the debt situation is only going to get worse. Groups like the American Legislative Exchange Council peg our state-wide unfunded liabilities at almost a trillion dollars.

Consider that for the 2015-16 fiscal year, the California Public Employees Retirement System (CalPERS) planned for a 7.5% rate of return on its investments. However, it only

managed to achieve a 0.6% rate of return. 7% of a \$400 billion liability means a shortfall of \$28 billion.

Weak investment returns are forcing CalPERS to re-evaluate the soundness of their assumptions. The department will at some point in the future have to admit that investments alone may not be enough to cover pension costs.

The dual realities of a fragile economic recovery and a public pension fund that is financially unstable put our state in a perpetually precarious situation.

As budget talks get further underway and the legislative year moves forward, the governor and his Democrat colleagues need to recognize that additional taxes would magnify these challenges facing California.

Senator Morrell represents the 23rd State Senate District, which covers portions of Riverside, San Bernardino and Los Angeles counties, including Phelan and Piñon Hills.



Meeting the Demands of the 21st Century Workforce for all Students

By Ted Alejandre, San Bernardino County Superintendent

At San Bernardino County Superintendent of Schools, we work collectively with our school districts, inter-agency partners and community to see that all students meet the demands of the 21st century workforce and become productive citizens who contribute to the quality of life in our communities. As educators we know that work extends far beyond the classroom, which is why we have committed the Countywide Vision goal of partnering with all sectors of the community to support the success of every child from cradle to career. That means reaching out to our business and labor leaders, to government, to faith-based organizations and community groups, to post-secondary institutions, and of course to our families to give the more than 408,000 students who attend public schools in our county the academic and social skills and tools they need to be able to compete in a global economy.

As we review recent data and achievements that impact our county and High Desert region, we take note of important firsts for public education here; we recognize the progress of our students with support from staff, families and community; and we renew our deep commitment to transform lives through education.

With a focus on literacy, we are advocating for a community of readers as part of the Countywide Vision2-Read Initiative. This spring we are launching a countywide literacy project through the nationally recognized Footsteps2Brilliance program. Using any electronic communication device, young students will be able to access thousands of books, games and programs that will develop literacy in both English and Spanish. The initial pilot for the program targets 1,500 preschool children, but the program will be ex-

panded in 2017 to include all county children. The program is free and is available on all mobile devices. We see this as a game-changer for increasing early literacy in our county.

Snowline Joint Unified School District has implemented Footsteps2Brilliance in the classroom already this school year, and the results they have seen have been tremendous. First-graders using the program reported a 5% gain in benchmark scoring for reading from the beginning of the year until December. One student reported reading more than 94,000 words after just 40 hours using the program.

Research shows that the ability to read by third grade is one of the greatest indicators of a child's future academic performance and success in life. If our students are able to be proficient readers, we know that will make them more likely to be high school graduates and prepare them for either entering the workforce or meeting the requirements to attend college. These are fundamentals to meeting our Countywide Vision to have an educated populace that will sustain economic vitality for the region and quality of life for our residents.

We know reading proficiency is critical to the long-term success of our students in the classroom and their ability to be college- and career-ready when they graduate from high school. For the first time, our county graduation rate reached an all-time high and exceeded 80 %, according to the most recent data released by the California Department of Education. Among High Desert communities, Silver Valley Unified saw the county's highest graduation rate for the Class of '15 at 97.5%. With a grad rate of 72.6% in 2010-11, the district moved from 21st among the 24 districts in the county with high school grads to No. 1 in five years! The district attributes the

results to site strategic planning, a more positive school culture, professional development in English language arts and math, and a "Triple-A" focus on academics, activities and athletics.

Among graduates countywide, the percentage of students meeting A-G requirements has increased 9.5% points over the past five years, growing to 34%. While we celebrate the growth we have seen, we know we must accelerate this upward course. The demands of the labor markets now seek a more highly skilled and educated workforce.

One key program that is addressing those demands is Advancement Via Individual Determination—or AVID. It has done a phenomenal job to create a pipeline of college-bound students. Last school year a record number of 2,300 students in our county were recognized at the AVID Senior Recognition event. In the High Desert, Victor Valley High School had the largest senior class of AVID graduates with 99 seniors. There are amazing statistics about our AVID graduates, but the two that stand out are that 99% of our AVID students graduated high school, and 96% met A-G requirements for acceptance into the UC and CSU systems. It is worth noting that our region has the largest concentration of AVID programs anywhere in the world. Because of the success of AVID at the high school level, it is now growing at the middle and elementary school levels, providing students with early development in the skills and tools they need to be successful for colleges and careers.

Another effort to boost the college-going rate in our county is a new partnership with the American Council on Education. Along with the AVID Center in San Diego, University of California, California State University, and 23 of our county's high schools,

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Meeting the Demands of the 21st Century Workforce for all Students

Continued

they are working in concert to create a schoolwide college application day this academic year as part of the American College Application and Success Campaign. The campaign is focused on increasing college and financial aid applications and enrollment to post-secondary institutions by all seniors at the participating schools. Another partnership aimed at seeing that more of our students are prepared for post-secondary options is a pilot program with County Schools, the College Board, Apple Valley, Chaffey, Hesperia, Morongo, Upland and the College Board to support administration of pre-college testing to the entire 10th grade class.

We are seeing more investment coming to our region for college and career readiness—with more than \$2 million in grants supporting our efforts. One comes to our Linked Learning Regional Hub of Excellence—one of four statewide models selected by the James Irvine Foundation. Participating districts are expanding career pathways that offer rigorous academics coupled with relevant career-technical education in the region's most in-demand industry sectors. School districts and ROPs across our county have benefited from California's Career Technical Education Incentive Grant program, the largest of its kind in the nation. San Bernardino County ROP received \$1.5 million, which will support emerging labor market needs in the field of information and communications technology, primarily in the emerging cyber-security field.

The newly formed Mountain Desert Regional Career and Occupational Pathways JPA is working regionally with business and industry to prepare students for college, careers and post-secondary training. Formed on the notion of collective impact and working together to create better economic and

education opportunities for the region, the JPA's nine desert/mountain school districts have established career pathways and academies, proving to equip students with the credentials needed to enter the workforce.

Also, the Desert Mountain Economic Partnership, which involves education, city and county government, and private industry in the High Desert, has taken a collective impact approach to propel education and the economy in the region.

I am encouraged by the growing support and commitment from partners such as Job Corps, Linked Learning, the College Board, our school districts, higher education, city and county governments, and community stakeholders in these many collaborative efforts.

In the fall of 2016, we launched the first countywide Open Data Platform, primarily focused on improving student success outcomes from cradle to career. San Bernardino County is the first county office of education across the state to pursue using the data platform to provide transparency of and access to education data with the goal of engaging our publics, informing decision-making and providing a continuum of services to improve conditions for our youth.

On the statewide level, the transition to a new accountability system is in the process of rolling out in the next several months. This winter the State Board of Education finalized adoption of a landmark accountability system for California public schools. The accountability system is among the most rigorous and ambitious in the nation, with the goal of ensuring our state's public schools are preparing students for success in college and 21st century careers. In March the state is scheduled to unveil its California School Dash-

board concept to the public that will provide a wealth of new information to help parents, educators and the public assess the performance and progress of their schools.

Rather than using just one number to measure school progress, as was the case with the former Academic Performance Index, the new system is driven by a rubric of performance indicators such as student test scores, graduation rates, attendance, and college and career readiness. Multiple measures will give parents, teachers and community members a better idea of what is happening at their schools and how well schools are meeting statewide educational priorities, as well as goals defined in district Local Control Accountability Plans (LCAP).

Among county offices of education statewide, ours was the first to develop a model that provides a multi-faceted team of experts to support districts in the cross-development of their budgets and LCAP and to work collaboratively with districts in continuous improvement. Of course, the most crucial and important changes are what is happening in classrooms where teachers are teaching to new rigorous state standards, and students are gaining mastery on higher-level thinking skills. It is because of their hard work that we saw improvements across the board in both math and English language arts when the California Assessment of Student Performance and Progress results were released in 2016.

State testing is one measurement of the progress that's taking place in our classrooms, but another key priority is the social and emotional development of our students. One initiative that is addressing those needs comes from our countywide Student Advisory Panels.

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Meeting the Demands of the 21st Century Workforce for all Students

Continued

More than 150 students representing over 40 high schools are participating and meet four times annually to engage with their peers and develop presentations in the areas of economy, education, safety, and health and wellness – areas identified as priorities in the Community Vital Signs Transformation Plan. The culmination of student efforts is realized in final presentations to a panel of elected officials and policy makers who listen intently to student proposals and opinions. When students see that their voices are being heard and influencing decisions, and they are invited to act as leaders in the process, a collaborative community of learners is formed.

Creating strong and healthy school and community environments for students, staff and families is the goal of County Schools' first countywide Wellness Strategic Planning Initiative. A growing body of research shows that supporting students and families with emotional wellness early on can help students be successful in school and into their adult lives. Research by the National Alliance on Mental Illness shows that behavioral health issues during adolescence contribute to more than half of all instances of students dropping out at the high school level.

The research-proven program, Positive Behavioral Interventions and Supports—or PBIS—is making major strides in creating a more positive culture at our schools and supporting student wellness. PBIS is a proactive approach to establishing the behavioral supports and social culture needed for all students in a school to achieve social, emotional and academic success. Countywide, we are approaching more than 250 schools in 28 school districts and County Schools alternative education settings. With more than 100

schools implementing PBIS in the High Desert, the Positive Behavior Interventions and Supports Coalition awarded over 40 schools in 2016 with bronze, silver and gold awards for improving campus culture.

In Silver Valley Unified, Newberry Springs Elementary was the only school to receive a gold award. Newberry reduced the number of suspensions from 15 in 2012-13 to 1 in 2015-16. All total, 11 High Desert school districts had at least one school awarded, with Adelanto Elementary and Snowline Joint Unified school districts each having nine total schools to receive bronze and silver awards. The positive outcomes of such programs have made inroads in reducing discipline referrals, plus helping achieve declines in suspension and expulsion rates. The number of suspensions has dropped 30% from 2011-12 to the most recent released data for the 2014-15 academic year. The expulsion rate has dropped 23% over the past three reporting years.

We have real opportunity to change the trajectory of our county and launch our schools and communities into a future that provides all of our students with opportunities to fulfill their boundless potential. At County Schools, we will continue our work of collaborating with our school districts, inter-agency partners and communities to bring about the skills our students need to be college- and career-ready. Their preparation for the demands of the workforce will impact the economic vitality of the High Desert, our county and the state.



High Desert Opportunity Announces 2017 Event Plans

By Cari Thomas

Continuing with their mission to promote economic growth by presenting a conference that showcases business opportunities in the High Desert, the HDO Board of Directors is pleased to announce this year's High Desert Opportunity (HDO) event will once again be held at the Victoria Gardens Cultural Center in Rancho Cucamonga on Thursday, November 2, 2017

"We are capitalizing on the momentum of the 2016 conference at Victoria Gardens, which proved to be an excellent site to reach our target audience of Orange, Los Angeles and San Diego Counties, as well as the Inland Empire," said HDO President Cari Thomas.

Although event details are pending, added this year are an exhibit hall, lunch and keynote speaker. Tickets are \$60, with Early Bird pricing at \$50. Tickets go on sale soon, along with more event details to come.

For more information about the High Desert Opportunity Conference and volunteer opportunities, call 760-245-7600, email info@highdesertopportunity.com, or visit their website at www.highdesertopportunity.com.

About High Desert Opportunity

High Desert Opportunity (HDO) is the premier High Desert event annually showcasing local businesses and development opportunities for new and expanding businesses. The goal of the event is to support economic growth and stability by attracting businesses and jobs to the High Desert. The region encompasses the cities of Adelanto, Apple Valley, Barstow, Hesperia and Victorville, as well as portions of San Bernardino County. In its 36th year, High Desert Opportunity continues to grow and evolve, focusing on the benefits of doing business in the High Desert.



Update From Jay Obernolte's First Term as State Assemblyman, 33rd District

During my first term representing you in the State Assembly, I have had the honor to serve my constituents not only through the advocacy of my district office, but also by authoring and passing legislation that benefits our district.

My first piece of legislation that impacts the district and our rural areas was AB 1034. AB 1034 amended the Surface Mining and Reclamation Act (SMARA) of 1975 to allow the construction and operation of renewable energy projects on already-disturbed mining lands. Too often renewable energy projects that do not benefit our communities are sited in our neighborhoods, causing blight. This bill allows renewable energy projects to be sited away from our communities and protects our environment by encouraging them to be located on previously disturbed lands and not our pristine desert.

Another piece of legislation I authored and passed was AB 1773. This bill expanded the Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) program to allow qualifying local government entities to participate in the program. This bill had a direct impact on the Victor Valley Waste Water Reclamation Authority and will save their ratepayers \$400,000.00 annually.

AB 809, which was sponsored by the Howard Jarvis Taxpayers Associa-

tion, requires local ordinances that impose or raise taxes to clearly state in the description of the measure the fact that the measure is a new tax or tax increase, the amount of money to be raised annually from the tax, and the rate and duration of the tax to be levied. Previously, when citizens would vote on local ballot measures, that information was not required to be available to the voters. AB 809 prevents local agencies from disguising tax increases from the voters.

Finally, AB 1775 adjusted California tax return due dates for Limited Liability Companies (LLC) and C corporations to make them consistent with federal law. The federal tax due dates were modified last year for several common federal returns. However, this discrepancy complicated the filing process for many of the state's taxpayers and businesses which were required to comply with multiple tax deadlines for the same returns. AB 1775 creates consistency between state and federal regulations and saves taxpayers from costly penalties.

During the upcoming legislative session, I plan to continue authoring and advancing legislation that will keep jobs in California and promote transparency and government efficiency wherever possible. I believe that all Californians deserve that from their state government.

To that effect I have introduced several bills that will have a direct impact on our region. Last year the Governor signed into law Senate Bill 1263, which prohibits the permitting of a home or cabin where the source of water supply is hauled water. That bill

was retroactive in nature, ultimately rendering many property owner's land worthless by taking away their ability to build on land located in areas without adequate water infrastructure. I've introduced AB 366 in response, which would exempt property owners of existing parcels from this law and allow them to build on their property if legally obtained hauled water is the listed source of water. This bill will protect the rights of rural property owners.

Also, I have introduced AB 195, which expands on the transparency requirements enacted by AB 809. AB 195 extends transparency to all local initiatives that levy taxes. I strongly believe this transparency is needed because voters should have access to all relevant information in order to make a responsible, informed decision about a tax increase.

I also recently introduced AB 912, the Small Business Regulatory Fairness Act. This bill would give state agencies the flexibility to reduce statutory fines and penalties on small businesses in cases where the violation was inadvertent and the business is cooperating with the agency.

In the coming months I plan on introducing more legislation to benefit our region and all Californians. I am a California optimist, and I believe that working together we can make our state once again the crucible of innovation and entrepreneurship that it used to be.

It is an honor to represent you.



Energy Disclosure in California has a Bumpy Road

By Marika Erdely, Founder and CEO of Green EconoME

Energy Disclosure Laws – What are the most recent developments?

Energy and water disclosure laws continue to make a presence nationally. During December 2016, the cities of Denver, CO; Orlando, FL; and Evanston, IL and finally, our own City of Angels signed legislation requiring energy and water disclosure laws. Mayor Garcetti signed Ordinance #184674 called the Existing Building Energy and Water Efficiency Program, affectionately called “EBEWE.”

Mayor Garcetti has mandated there be a reduction of energy usage of 15% by 2020, which was adopted by LA Department of Water & Power Board. Currently, approximately 50% of LA City’s electricity demand comes from 4% of the existing buildings.

The new ordinance is not tied to any financial transaction and will require annual reporting for all buildings over 20,000 sq. ft. in the City of Los Angeles, including commercial, industrial, and multi-family.

The City of LA’s ordinance comes in two phases.

Phase 1 requires annual disclosures of energy and water use through the EPA’s Energy Star Portfolio Manager Software. As many of you readers recall, this was the same software that was used to comply with the since-repealed state law, AB 1103. Entering energy and water usage into this software, along with certain physical and operational characteristics of the building, provides an Energy Star rating. This rating compares the building’s use against similar building types within the software. The analysis also provides an Energy Use Intensity (EUI) rating when it compares against similar building types across the nation.

The City of LA’s ordinance will require benchmarking to be completed annual-

ly, and the disclosure will be made public by the City’s Dept. of Building and Safety, which will be managing compliance. Compliance begins this July, per the schedule below:

Gross Floor Area	Compliance Date (on or before)	How Often
100,000	July 1, 2017	Annually
50,000	April 1, 2018	Annually
20,000	April 1, 2019	Annually

Phase 2 requires buildings to be audited and have retro-commissioning completed every five years. This additional step will provide valuable feedback to the building owner as to what is consuming the most energy in their building and how well it is operating compared to how it was designed.

Auditing:

- Completing a Level 2 Audit provides an evaluation and documentation of the existing conditions of the building’s systems
- Provides recommendations for energy and water efficiency retrofits with estimated costs and savings for the building owner
- Usage is benchmarked against similar buildings

Retro commissioning:

- Systematic process for improving and optimizing the operation and maintenance of a building

- Involves detailed study of building system operation
- Faults in building systems are identified for resolution
- Recommend changes to increase energy efficiency
- Focuses on energy- and water-using equipment

The Audit Report is a valuable tool to understanding the potential benefits of implementing Energy Conservation Measures (ECMs). For example, LED lighting retrofits can save up to 25% of the total bill. The benefits to retro commissioning include ensuring that a building operates as it was designed. Many times during the operation of a building, cost-saving efforts are implemented to make short-time fixes, and this ultimately effects the energy and water efficiency of the building. Plus, new technologies can provide new energy saving opportunities.

The schedule for Audits and Retro commissioning is shown in the table below. There are a few exemptions to the benchmarking requirements, excluding buildings that have been under demolition and those that have not received any energy or water service in the past year. In addition, buildings that are already

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Last digit of AIN*	First compliance due date	Subsequent Compliance Due Dates
0	Jan - Jun, 2019	Every five years thereafter
1	Jul – Dec, 2019	Every five years thereafter
2	Jan - Jun, 2020	Every five years thereafter
3	Jul – Dec, 2020	Every five years thereafter
4	Jan - Jun, 2021	Every five years thereafter
5	Jul – Dec, 2021	Every five years thereafter
6	Jan - Jun, 2022	Every five years thereafter
7	Jul – Dec, 2022	Every five years thereafter
8	Jan - Jun, 2023	Every five years thereafter
9	Jul – Dec, 2023	Every five years thereafter

*AIN means Assessor Identification Number, or APN.

Energy Disclosure in California has a Bumpy Road

Continued

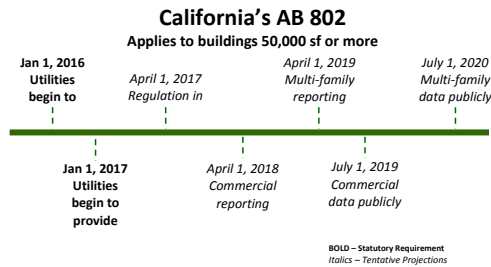
Energy Star Certified will not have to comply with Phase 2 of this ordinance. Please contact us for information on additional exemptions.

Also, please note there are fees for submission of the Benchmarking and Audit Reports, as well as for non-compliance.

What is happening with California's Energy Disclosure Law?

California has currently set the threshold for compliance for AB 802 (formerly AB 1103) to require all buildings over 50,000 square feet to annually disclose their benchmarking results. This law will no longer be tied to financial transaction as AB 1103 had been. The new law also includes multi-family buildings, which were not previously included. This law is still in draft form.

The anticipated timeline of compliance is as follows:



Final Thoughts

Why care about energy efficiency and why comply with these laws? It has been very clear in our recent LED and HVAC control retrofits that making a building energy efficient is not only going to lower the building's operating cost and make the cap rate more attractive, it will ultimately effect market valuations. It already does.

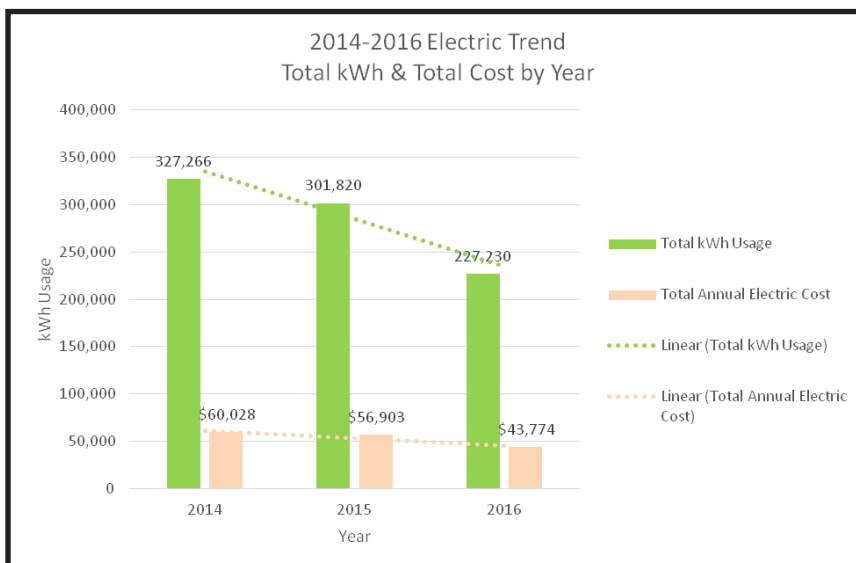
Actual results of a building saving 25% in kWh after retrofits in late 2015 and early 2016 shown at bottom of page.

Please contact us with any questions regarding energy disclosure law requirements or energy efficiency.

Green EconOME is an Energy Consulting and Construction Company located in Pacific Palisades, working all over Southern California.

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Upper Narrows Emergency Pipeline Project was Unlike Any Other

By Logan Olds General Manager,
Victor Valley Wastewater Reclamation Authority



It's safe to say that the Upper Narrows Emergency Pipeline project was unlike any other for the Victor Valley Wastewater Reclamation Authority.

When a series of powerful storms in late 2010 broke open a large sewer line, spilling 42 million gallons of sewage into the Mojave River, the stage was set for one of the largest and most important recent FEMA projects in California.

Over the next five years, planners, engineers and construction teams navigated complex technical and environmental obstacles – first in laying nearly 5,000 feet of temporary pipe, then designing and building a permanent solution that included tunneling under the streets of Old Town Victorville and under 270 feet of rock through an earthquake fault.

To serve Apple Valley, two 16-inch pipes were installed using directional drilling 40 feet below the Mojave River and under one of the busiest railroad lines in the nation.

The \$41 million project was designed to keep the new pipe out of the river and away from other environmentally sensitive areas, but the challenges grew with each passing month. Many of these were impossible to anticipate – unusual geological formations, endangered species

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Upper Narrows Emergency Pipeline Project was Unlike Any Other

Continued

and archeological remains – but we had to persevere. The immediate and long-term public safety and well-being of the water of our region depended on it.

Now it seems we're being made an example of – in the wrong way.

In recent weeks, stories have surfaced questioning the project's costs and accounting. These were based on a draft audit from the Office of Inspector General (OIG), claiming that VVWRA did not properly account for and expend \$31.7 million in FEMA grant funds.

To say that we were caught off guard by the report would be a massive understatement. Only six months earlier, we were told that the audit was 95% complete and that our expenses and accounting were “generally acceptable.”

While we appreciate the federal government's checks and balances, this particular audit trail leaves us baffled – because of what we were led to believe and the nature of the pipeline project itself.

Even in the best of circumstances – never mind something as complex as Upper Narrows – it is not unusual for a major engineering project to come in more expensive than originally thought because of unforeseen challenges. Tunneling projects often experience cost overruns in excess of 30%. With Upper Narrows the additional costs were less than half that – approximately 15%, or only 5% above the 10% contingency built

into the project. It's the only time, in fact, that a project we've managed has exceeded the standard 10% contingency, which speaks to both our excellent record of controlling costs and the unusual – and urgent – nature of the Upper Narrows project.

The extent of the damage – and the work required to fix it – was something we could not have anticipated. We performed triage first and then maneuvered through uncharted territory to ensure the safety of the community we serve and the protection of our groundwater and environment. Our teams used every type of boring technology in existence, outside of using explosives, including the use of a massive 80-inch boring machine, smaller micro tunneling machines, horizontal directional drilling, pipe ramming and open cut construction. In addition, 10 concrete manholes ranging from 48-96 inches in diameter were installed.

These were no small tasks – complicated even more by challenges beyond our control, such as the need to ensure that wetlands, critical habitat and endangered species such as the Least Bell's Vireo would not be disrupted. The project required close collaboration with the Native American community to ensure that any artifacts or remains were handled with great care with the railroads to ensure that the work being done beneath crossings was properly engineered, and that all appropriate special permits were secured. Even with the invaluable support of these groups and other stakeholders such

as the Kemper-Campbell Ranch, The Lewis Center and the City of Victorville, the project was as daunting as any we'd ever encountered.

Along the way we went to great lengths to ensure that every “i” was dotted and every “t” crossed when it came to spending and accounting – and felt confident, based on our communications with auditors last March, that we had taken all appropriate steps. Recently, the *Daily Press* published a report referencing a transcript of that phone call – suggesting that any lingering questions the auditors might have had were small in nature.

We provided the auditors detailed answers to those questions and had no reason to believe that anything was wrong.

We still don't, which is why we find ourselves scratching our heads over the draft audit we received six months later.

Whatever the internal dynamics are within OIG and FEMA, we stand ready to defend how this critically important project was managed and accounted for.



Victor Valley Transit Authority

By Fidel Gonzales, Marketing & Civil Rights



Victor Valley Transit Authority (VVTA) continues serving the growing High Desert transportation needs. The agency has made great strides in

its partnerships that support education, employment, veterans, and other life services opportunities.

Established as a Joint Powers Authority in 1991, VVTA offered Americans with Disabilities Act (ADA) paratransit service and fixed-route bus service for Adelanto, Apple Valley, Hesperia, Victorville and county areas of Helendale, Lucerne Valley, Piñon Hills and Wrightwood. Since then, following its merger with Barstow Area Transit in 2015, VVTA service area grew from 425 square miles to nearly 1,000 square miles. VVTA's operational area currently spans from the Los Angeles County, Kern County, and Inyo County lines on the west and north to the Colorado River on the east. Communities now include Barstow, Daggett, Hinkley, National Training Center at Fort Irwin, Lenwood, Ludlow, Mountain Pass, Newberry Springs, Trona, Big River, and Yermo.

In addition to its VVTA Direct Access, a curb-to-curb transportation service to individuals who are certified and meet ADA requirements, VVTA provides traditional bus service through its 36 fixed routes. In the last decade, fixed route ridership has grown from 1 million riders in 2006 to 2.7 million riders in 2016.

Recent routes added to the system include the 45X Express in 2015, which delivers non-stop service from Victor Valley College to the Victorville Transfer Point at Costco. VVTA

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Easy to Lead, Hard to Govern

By Paul C. Granillo, President and CEO,
Inland Empire Economic Partnership

Part of the mission of the Inland Empire Economic Partnership is to ensure that the needs and reality of the economic situation of our region are represented in national and state-wide organizations whose decisions or influence might effect the Inland Empire.

One of those organizations that I am pleased to be associated with is California Forward, whose goal is to make the promise of the California Dream attainable for all. Its mission is to inspire better decision-making by governments at all levels in order to: Grow Middle-Class Jobs, Promote Cost-effective Public Services, and Create Accountability for Results. This year California Forward celebrates its 10-year Anniversary as an organization, and I was honored to attend their Gala celebration.

The keynote speaker for the evening was Former Defense Secretary and Director of the Central Intelligence Agency Leon Panetta.

Secretary Panetta served as the founding co-chair of California Forward, along with Tom McKiernan, the former CEO of the Automobile Club of Southern California. One was a democrat and the other a republican. Their goal was to help create a organization that would work in a non-partisan way to find solutions for California problems. Sounds easy but it is hard work. In his keynote address Panetta decried the lack of civility and accountability by elected officials at all levels of government. Put plainly, are we electing people who only care about

themselves and have lost or never had the understanding that before winning for themselves or their party they were elected to govern? Whether you are a Republican at the national level or a California Democrat, majority control means nothing if choices to tax, regulate and educate are not made with bipartisan input and the motivation that governing means creating the best solutions for the lives of the governed. Sometimes in the Inland Empire we feel forgotten and unappreciated. We cannot let those feelings stop us from holding our elected officials at all levels accountable, not just for their votes but for their attitude toward how they carried out their role in OUR governance structures. It is easy for people to call themselves leaders; it is much harder to actually be one.



High Desert Report

An economic overview

Victor Valley Transit Authority

Continued

Route 24 Oak Hills, added in October 2016, now provides service to Oak Hills High School and San Joaquin Valley College.

VVTA Route 200 Lifeline service to Needles, which operates one day per week, began in June 2016, connecting the cities of Needles, Barstow, and Victorville. The route is in response to a request from the San Bernardino County Board of Supervisors Chair, Robert Lovingood, who saw the need for Needles residents to have access to the courts and Medi-Cal healthcare not available in that city.

VVTA Needles Car Share program, which was nationally recognized with an innovation award, features hourly car rental-type of service starting at just \$5 an hour. While Needles does have transit service within its city limits, many of the nearest supermarkets and other retail shopping are only found across the Colorado River in Arizona. Public transportation does not meet this need.



The VVTA Route 15 B-V Link connects Barstow to the Victor Valley and provides Monday-through-Saturday service to the Inland Empire, including San Bernardino and Fontana Metrolink. The route began in 2011, offering service just three days a week between Barstow and Victorville. The following year, service was extended to San Bernardino, and in 2013 service was extended to Monday through

Friday. Saturday service was added in July 2016 when ridership blossomed to nearly 6,000 monthly riders.

VVTA continues its partnership with Victor Valley College with its Ram Pass program. Funded through a student transportation fee, students with valid VVC student IDs board fixed-route buses for free. The program began as a pilot program funded through the Mojave Desert Air Quality Management District.

“The Ram Pass program has reduced traffic congestion on Bear Valley Road, reduced stress on VVC’s overcrowded parking lots, and improved air quality through this collaborative Mojave Desert Air Quality Management District effort,” said VVTA Mobility Manager Aaron Moore. “Though the greatest impact we have seen emerge from this program is the life opportunities that were once more challenging to attain due to the high cost of transportation inherent with our sparsely populated region.”

Through the Ram Pass, 288,181 trips were provided to VVC students during the extended pilot that concluded in 2014, accounting for 12% of system-wide rider trips. Students ridership from all High Desert schools remains strong and currently accounts for 48% of rider trips, according to a recent AECOM survey. Approximately 50% of all student ridership use the Ram Pass.

VVTA remains sensitive to its use of local roads. Between 2010 and 2016 VVTA has turned over more than \$30 million in unused transit funds to local jurisdictions for street and road maintenance and improvements.

Realizing the health and environmental benefits of Compressed Natural Gas (CNG), VVTA began switching from

its all-diesel fleet to an all-CNG fleet in 1998. To reduce costs associated with outsourcing fuel requirements to outside vendors, VVTA now operates two strategically located CNG fueling stations in Hesperia and Barstow. These fueling stations are open to the public. In addition, these new fueling stations shorten refueling times and improve operational efficiencies.

With an eye on the future, the agency continues testing of renewable energy fuel technologies. VVTA began testing Zero-Emission Bus (ZEB) hydrogen fuel and electric-powered technologies in 2016 and deployed its first electric support vehicles in 2017.

Vanpool

Serving the needs of the High Desert’s workforce, VVTA launched its commuter vanpool program in 2012. The program enables individuals in groups of seven or more to commute for as low as \$30 a week. The vanpool fleet has since blossomed to 212 vehicles, serving 1,500 commuters daily and logging over 400,000 miles monthly. By eliminating what would be 1,290 single-occupancy vehicles from High Desert roadways, the shared ride program dramatically reduces traffic congestion. With the environment, the economy, and quality of life in mind, VVTA Vanpool saves the High Desert 1.6 million single-occupancy vehicle miles monthly.

CTSA

VVTA was designated a Consolidated Transportation Services Agency (CTSA) by the San Bernardino County Transportation Authority (SBCTA) in 2015, enabling that division of the agency to operate with fewer restrictions in its mission to improve mobility options for residents who are most in need and often the most difficult to reach through conventional fixed-route transportation. This designation of the CTSA was made in recognition of efforts VVTA had made through its

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A Libertarian Approach to Regulatory Reform in California

By Brian W. Ryman, Co-Chair,
Victor Valley Libertarian Alliance

The Libertarian Party of California affirms in our platform that, “all individuals have the right to exercise sole dominion over their own lives, and have the right to live in whatever manner they choose, so long as they do not forcibly interfere with the equal rights of others to live in whatever manner they choose.” This is antithetical to the regulatory environment in California, which controls every aspect of our lives and our business dealings. It is the purpose of this portion of our program to show how we can reform the current system to rein in regulations and allow for greater individual freedom in the state.

The proposals here are not meant to be seen as the final goal of the Libertarian Party in regards to regulations in the state. Nor are they meant to be the only course of action in bringing about a freer society. These are actions that can be taken now, within the present framework established by the US and California Constitutions, federal and state law, and current regulatory mechanisms and procedures.

Over-regulation is a problem for Californians. Before offering solutions, it is necessary to understand where we are and examine how we came to this point.

Current Problem

California’s economy is floundering as businesses—both large and small—are leaving the state at an alarming rate. The reason for this is clear: California is consistently rated the worst, or one of the worst, states in which to do business. According to the **Tax Foundation’s** 2015 State Business Tax Climate Index, California ranked 48th for corporate taxes (beating only New York and New Jersey); For 11 years in a row **Chief Executive Network** has rated California the worst state in which to do business; **The California Business Roundtable** reports that, “California’s regulatory environment is the most costly, complex and uncertain in the nation.” The threefold burden of taxation, legislative uncertainty, and regulations are making it next to impossible to run a profitable business in this state.

Victor Valley Transit Authority

Continued

Mobility Management Department to enhance regional transportation for seniors, disabled individuals, and High Desert residents who do not otherwise have transportation options.

The agency has also been essential in expanding transit services, providing oversight and financial management to local nonprofits. Residents of Trona in the northwest county and Big River along the Colorado River are now served through volunteer-driver programs.

For seniors and those with disabilities, living in sparsely populated areas proved challenging for those in need of transportation, especially for medical and social services appointments. Prior to the CTSA, public transportation was simply not available, and the con-

Realizing the success nonprofits have made in serving the community but also the transportation challenges these organizations face, the CTSA initiated the Mobility Vehicle Donation Program to serve these needs. The program donates retired vehicles to regional nonprofits to help reach their clientele—including the elderly and those with disabilities—who are living in the greater VVTA service area. While VVTA is restricted from providing assisted medical transportation, by working through qualified nonprofits, the CTSA realized that, through such transportation partnerships, the nonprofits provide medical transportation for a fraction of the cost and without further burdening emergency medical response systems. This new approach to transit saved families



from skyrocketing transportation costs. To ensure the long-term success of these programs, the CTSA developed a Driver Training Program and a Vehicle Maintenance Program.

Working with the Veterans Administration Loma Linda Healthcare System, the

sequences adversely impacted medical conditions and public resources. To meet this need, the CTSA launched the Transportation Reimbursement for Individuals Program (TRIP), which provides an incentive for volunteer drivers (usually friends or neighbors) to assist eligible individuals who are unable to drive or access public transportation by providing necessary, escorted transportation. Participants receive funds to reimburse the volunteer driver and to offset the cost associated with providing transportation.

CTSA helped develop the free Veterans Express Transportation System (VETS) for those veterans who have medical appointments at the VA Loma Linda. Previously, transportation options were not only costly but were limited to certain times of the day and veterans could not receive the care they needed.



A Libertarian Approach to Regulatory Reform in California

Continued

According to the state constitution, “[t]he legislative power of this State is vested in the California Legislature which consists of the Senate and Assembly” as well as “the powers of initiative and referendum” which are reserved to the people of the state. Ironically, neither the legislature nor the people are the source of most of the regulations. The vast majority are proposed by the more than 200 state agencies and commissions given that authority by the Legislature. When they are adopted by the rulemaking agency, approved by the Office of Administrative Law and filed with the Secretary of State, these regulations have the force of law.

Unfortunately, regulations adopted by state agents are often inconsistent across different agencies and lack transparency and accountability. These regulators often do not adequately understand the impact of their actions.

The detrimental effects of California’s regulatory climate cannot be over-stated. To frame it based on its economic impact, it is helpful to put it in perspective by comparing the cost of regulation to the cost of corporate taxation. While businesses operating in California in 2009 paid ~\$9,535,679,000 in Corporate income tax, the regulatory costs for these same businesses were over \$467,814,918,000. In other words, the regulatory burden on California businesses is 49 times greater than their tax burden. The combination of excessive taxation and regulation has kept Californians from their potential prosperity.

How we got here

Overregulation in California is not a recent phenomenon. In 1977 Dow Chemical Corporation abandoned construction plans for a major facility. Dow gave government regulation and litigation regarding the environmental impact of the plant as the reason. The following year Standard Oil of Ohio abandoned a pipeline project in Long Beach for the same reasons. Both of these projects would have employed thousands of people in a state hit hard by the fiscal malaise of the late 1970s. These events and the subsequent popular revolt that culminated in the passage of the *Peo-*

ple’s Initiative to Limit Property Taxation (Proposition 13) in 1978 had people starting to question the scope and depth of government in their lives. This uprising of the people, and the fact that concerned citizens were alarmed that the California Administrative Code had grown from ~13,500 pages in 1974 to ~28,000 pages in 1979, made even government officials take notice.

In response to calls for regulatory reform, California’s legislators from both the Republican and Democratic parties proposed a number of bills during the 1978 and 1979 sessions. Most of the bills proposed by the Republicans relied on the legislative veto and the sunset clause for regulations. Democrat Assembly Speaker Leo T. McCarthy, in order to stave off these sweeping reforms, put forth Assembly Bill 1111 (Administrative Procedures Act of 1979) on March 22, 1979. This compromise bill passed both the Assembly and Senate almost unanimously.

Instead of placing regulatory responsibility back in the hands of the legislature, AB 1111 established another layer of bureaucracy by creating the Office of Administrative Law (OAL) to oversee the regulatory process. AB 1111 required that any new administrative regulations from 122 rule-making agencies within the executive branch of state government would have to be submitted to this new Office of Administrative Law.

The OAL was charged with assuring that any new regulation had to show the following: **Necessity** - a proposed regulation must have “substantial evidence” that the regulation is needed to effectuate the purpose of existing legislation. **Authority** - the agency making or deleting a regulation must have authority to do so. **Clarity** - the meaning of regulations must be easily understood by people directly affected by them. **Consistency** - regulations must be consistent with other laws and regulations. **Reference** - regulations must make clear reference to laws and/or regulations that they are modifying. **Nonduplication** - a regulation does not serve the same purpose as a state or federal statute or another regulation.

If a filing meets these standards, the OAL publishes the text of the proposed regulation in The California Regulatory Notice Register (Notice Register). At this point the public has 45 days to comment in writing on the regulation as proposed. If there are substantive changes made as a result of this review, the comment period is extended another 15 days. The agency may also opt for public hearings related to its proposals.

There is also a provision for “Emergency Regulations.” A state agency may adopt an emergency regulation if it can show that the regulation is necessary for the immediate preservation of public peace, health and safety, or general welfare. These regulations take effect immediately, without public comment. The public can appeal these regulations directly to the OAL within 5 days. The OAL then has 10 days to substantiate the need for the emergency measure or reject it. Emergency regulations remain in effect for 120 days unless renewed.

AB 1111 and subsequent legislation and executive orders also called for a review of the existing regulations to insure that they met the criteria set forth in the new law. So what were the results of these measures?

During the first two years following implementation, the growth in new regulations averaged a reduction of 49%, and the adoption of emergency regulations was reduced by 63%. As for existing regulations—by the second year, 86 State Agencies had reviewed 23,942 regulations, repealed 5,690, and sent back 7,907 for amendment.

Some might see this as promising, but the appearance of meaningful reform was short lived. Many of the new regulations that were disapproved and old regulations that were eliminated were simply duplicative of existing statutes or regulations, and most of the regulations sent back for amendment were sent back for lack of clarity. One such rejection for clarity was due to the following language concerning operation of lift equipment on which a person stood on a platform: “Before elevating personnel, make sure that the mast

A Libertarian Approach to Regulatory Reform in California

Continued

is vertical in a sideways direction as well as forward and rearward.” The regulation was later approved with the substitution of the above sentence with the following one: “Before elevating personnel, make sure that the mast is vertical and/or the platform is level.”

Unfortunately, the Regulatory Reforms of 1979, the last major set of reforms attempted in the state, had little or no effect in curtailing the promulgation of regulations. In fact, the volume of regulations has more than tripled since their enactment. During the same period, the number of agencies and commissions that can write regulations has increased by more than 100.

While there is no precise number of state regulations governing Californians today, the California Code of Regulations (CCR) consists of 28 Titles and occupies 44 bound volumes averaging ~2068 nominal pages (the term nominal is used here because while the pagination may indicate 2068 pages, some pages have other divisions- for example page 28 might be continued into 28.1, 28.2, 28.3, etc...). Based on random volume sampling, the estimated total number of pages of current regulations is between 90,992 and 118,289. Each of these pages may contain several regulations.

It may be that true reform was never intended. In 1996 in a series of interviews conducted with Leo T. McCarthy, the author of AB 1111, he made it clear that he did not want to put “some kind of limit on freedom to act through regulations.” He acknowledged that, “One motive that prompted the law was that Democrats were being strongly criticized by Republicans for passing new laws that made government bigger and more costly.” This idea is further reinforced by his statement, “My motivation was to put the Democratic Party in a more responsible position as far as the growth of the size of government is concerned.”

So if the Democrats and McCarthy were acting out of political motivations, why didn't the Republicans call them on it and work for real reform? McCarthy had the answer to this:

“For all the talk about big government, I find Republican legislators spending very little time on analyzing statutes and regulations adopted in the past. Their objective to reduce government spending is not undertaken in any specific or analytical way.”

It is time to rectify the shortsightedness of the two establishment parties and enact legislation that will have a real and substantive effect on regulations in California. The Libertarian Party is poised to do this, and some of our proposed solutions are in the following section.

Solutions

The principles on which the Libertarian Party was founded call for a maximum of personal liberty and a minimum of governmental force. Therefore, any approach to Regulatory Reform must be geared toward the minimization of artificial government regulations. Because of this, the following section offers means within our current system by which regulations can be curtailed and eliminated.

Past proposals have fallen far short. The two main Republican proposals of 1979, even if enacted, were flawed. The Legislative Veto was found to be unconstitutional in 1983, and sunset laws, on their own, have proven ineffective where they have been enacted. Vern McKinley, in his research for the Resolution Trust Corporation found that, “In practice, sunset provisions have not been very effective, and likely will do little to slow the growth of statutes, agencies, and regulations.”

Sunset clauses for regulations – clauses in a regulation that require periodic review of the rationale for the continued existence of the particular regulation – rarely lead to the end of a regulation. Among the states that use sunset provisions on a regular basis, less than 21% of laws or regulations subject to sunset are allowed to end.

It is clear that more sweeping reforms are needed. These reforms should include a reworking of the Administrative Procedures Act to bring the legislative authority, now residing in the Regulatory Agencies within the Executive branch, back to the Legislature, as called for in the State Constitution.

While many may question the wisdom of vesting regulatory authority in the California Legislature, recent events show that the authority placed there would be less detrimental than leaving it with the Executive. Governor Jerry Brown has stated that he will use every authority at his disposal to push through petroleum-reduction provisions that the legislature properly removed from Senate Bill 350. He pledged to use the full force of his regulatory authority to “change the very basis of our industrial economy, and I think we're making tremendous progress.”

The Administrative Procedures Act should be modified to redefine the Office of Administrative Law as an agent of the Legislature and not as an office within the Executive Branch. The OAL should continue its current vetting process for regulations (including the public review process), but having met their mandated requirements, proposed regulations should be submitted to the legislature for approval. The regulation would then be signed into law by the governor as any other law. This procedure would avoid the Constitutional issues that invalidate the legislative veto and would slow the onslaught of regulations.

To further increase freedom and prosperity in California, we should expand our use of sunset provisions to all regulatory laws and agencies. Every regulation should come up for review every three to seven years and every regulatory agency should come up for review every five years (with 1/5th of the total number of agencies being reviewed each year). If a regulation is not reaffirmed at the end of the review, then it is stricken from the books. If an agency fails to have its charter extended upon review, then it will be eliminated.

These reforms address most regulations in California. The only others that need to be dealt with are those passed by public initiative or proposition. To curtail regulatory expansionism through the initiative process, we call for an amendment to the California Constitution to place sunset provisions on all regulatory or tax propositions allowed on the ballot.



Over-Regulation Slows Growth in High Desert

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

In the last few years, our county has seen an increase in population size as families from neighboring communities seek the many attributes that make our county worth living in. Since 2000, San Bernardino County’s population has grown by approximately 22%. This is good news, as it is a sign that our local economy will continue to become more robust, affording more opportunities for people to become home-owners for and small business owners to invest in our communities.

The 2016 annual property assessment roll showcases that San Bernardino County is heading in the right direction. However, it also highlights a need for community stakeholders to really dive into the issue of what’s hindering further growth in our communities, particularly, in the High Desert: over-regulation.

The 2016 San Bernardino County assessment roll contained 817,383 taxable parcels and is valued at \$194,671,781,504. This is a 4.2% net increase as compared to the 2015 assessment roll. Primary reasons for the increase countywide are attributed to the sustained recovery of real estate values, increased sales activity, Prop 13 inflationary adjustments and the restoration of assessed values previously reduced under Prop 8 decline in market value provisions.

The High Desert communities of Adelanto, Apple Valley, Barstow, Hesperia, and Victorville had a total count of 133,146 parcels, valued at \$21,413,577,745 collectively, for the year 2016.

Countywide, the average increase in real estate values was 4.45%. An area of concern is the unsecured valuations, mainly of business personal property, which was 4.9% lower than 2015. This decrease was due partly to companies divesting of property, leaving the county to do business elsewhere or closing down.

As was clear in the 2016 assessment roll, our community gets hit hard when businesses choose to leave the county, do business elsewhere, or never even set foot in the county. Yet our community continues to see an increase in population size and a demand for housing, which means businesses and real estate developers should be flocking to our community to invest.

According to Dr. John Husing’s latest quarterly report, one of the main vulnerabilities for the Inland Empire is over-regulation of construction projects, which delays industrial, infrastructure and residential projects for years, even if funding sources are already secured. I couldn’t agree more with Dr. Husing. With demand being so high for affordable housing, there just isn’t enough development, because environmental regulations slow down the process. According to the High Desert Association of Realtors, 980 homes are currently available in the High Desert, which is 1,000 homes short of having a balanced market.

In order to experience further economic growth, San Bernardino County will have to attract development by working with state leaders to remove burdensome governmental regula-

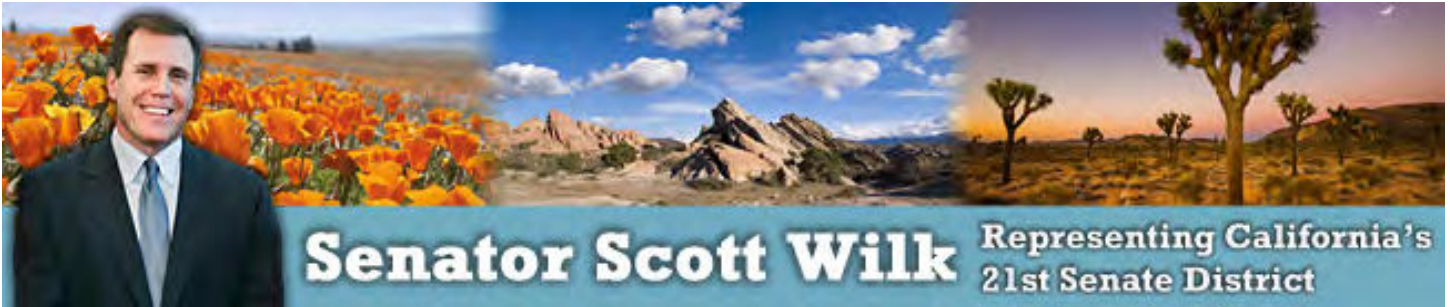
tions that are hindering investments in housing and industrial buildings. We need to do more to attract people from other counties to live, shop, invest, and grow here. I have always maintained a strong commitment to working with community stakeholders and the business community, with a goal of economic growth in the High Desert region, as well as throughout all of San Bernardino County. The connection between the accessibility of good paying jobs and housing is an indicator of the health of the local economy.

As San Bernardino County’s Assessor-Recorder-Clerk, and a member of the California Assessors’ Association Legislative Committee, I am committed to working with colleagues to develop and support legislation which encourage growth and streamline governmental regulations. It is imperative that our county has the ability to grow jobs and have access to affordable housing, as these are the foundation of creating prosperity in our region.



Here are the assessed values for the High Desert Region:

Year	Adelanto		Apple Valley		Barstow		Hesperia		Victorville		Totals	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
2000	744,815,505	9,240	2,125,000,514	28,245	731,064,762	9,508	2,056,952,093	29,305	2,647,840,122	29,358	8,305,672,996	105,656
2005	1,208,673,135	11,400	3,649,157,575	28,943	852,641,175	9,427	3,602,078,382	31,009	5,201,149,412	34,344	14,513,699,679	115,123
2010	1,465,797,688	13,560	4,358,177,965	31,526	1,171,301,480	9,959	4,179,725,474	33,834	6,306,784,429	44,538	17,481,787,036	133,417
2015	1,729,728,187	13,512	5,019,635,753	31,776	1,141,652,954	9,869	4,990,250,632	33,617	7,469,462,690	44,380	20,350,730,216	133,154
2016	1,827,762,105	13,515	5,273,054,288	31,849	1,247,113,297	9,825	5,258,631,863	33,615	7,807,016,192	44,342	21,413,577,745	133,146



It's Time for Action on Failing Roadways

Responding to a call on Cajon Pass last month, a San Bernardino County Fire crew watched as their beloved Engine plummeted about 20 feet to its demise as Interstate 15 collapsed underneath it.

Thankfully, the firefighters remained on what solid ground was left on the dilapidated thoroughfare. But this incident highlighted, in dramatic fashion, the ramshackle shape of our region's network of roads.

We once led the world in transportation ingenuity in this state. During the middle part of the last century, California — under the direction of Jerry Brown's father, Governor Pat Brown — built a system of highways unrivaled by any other in the nation.

They built long roads over tough terrain and huge bridges up and down our rugged coastline. And they found new and innovative ways to fund and complete these massive undertakings, partnering with the federal government to raise funds for the unprecedented projects.

In the years since, though, we've let those advancements that made California a beacon of progress fall by the wayside. Our roads and highways, once the model for transportation excellence, are now a paragon of dilapidation and mismanagement. The highway system, one of the most ambitious projects our state took on back then, is now in shambles.

The collapse of Interstate 15 was a shocking display of our incompetence in the area of road maintenance. Just last year another instance was on prime

display in the Victor Valley when Highway 18, a major commuter route between the Victor and Antelope Valleys, remained closed for a year and a half as mismanagement of the repair project led to delay after delay, increasing cost and detouring over 5,000 commuters headed to work.

Unfortunately, these are not rare examples; they only a few in a long line of troublesome extremes we've experienced after decades of neglectful transportation policies.

This winter Highway 50 in Northern California was almost completely inoperable due to half of its lanes falling off the hillside in the Sierra Nevada mountains. Likewise, Interstate 80 and highways 49, 101, 20, 1 and 299 have all left Californians stranded in remote areas of the state as one after another they've seen massive failures over the past few months.

Not only have we let our roads fall into horrible disrepair, but we long ago stopped pursuing new projects as well. Our transportation network was a massive undertaking for our predecessors. They saw the need to connect our state and the driving economic force that convenient transportation could be; and they took action.

Our highways made trade and travel throughout the state easy and accessible for all Californians. But our transportation infrastructure hasn't been upgraded in nearly 60 years, and it wasn't built for today's California. Interstate 5, and most of our state's highways, were built in the 1950s when our population was just over 10 million; by the end of this decade it will hit 40 million.

California leaders way back then, including the first Governor Brown, couldn't have anticipated the massive population growth we've experienced or that their successors, and children, would give up entirely on maintaining and expanding our transportation network. Unfortunately, the old adage about apples and the tree apparently doesn't hold true when it comes to prioritizing our transportation needs.

Our governor and the legislature have not prioritized these needs in the least. We have over \$57 billion in deferred maintenance for our roads. That means \$57 billion worth of things they could and should have taken care of but didn't. That means \$57 billion worth of repairs just to keep the roads we already have in working order, much less expand or build new ones.

While political elites in Sacramento will tell you there's no money for these services and that raising taxes, again and again, is the only answer, this is simply not the case. Californians already pay the highest transportation taxes in the nation. In fact, Californians are already taxed enough each year to cover every square inch of every highway in the state with dollar bills.

But our politicians, in their infinite wisdom, have "redirected" those funds to cover their reckless spending in other areas. So while we're already being taxed to pay for highway repair, and taxed again for highway maintenance, and taxed again for highway construction, we continue to see the deferred maintenance figures rise and road drivability fall.

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Launch of First Entrepreneurship Center – Barstow Resource Center

By Paul A. Courtney



ecBarstow.com/Barstow Area Center for Entrepreneurs, 1041 West Main St., opened in January 2017 with a mission to help unlock economic and educational potential, which are powerful tools to drive economic growth and prosperity. Barstow area Entrepreneurs are integral to the stable and thriving local formal economy but often face disproportionate barriers, including travel distances, financial, and professional educational support services, states Paul A. Courtney, Entrepreneur and formal Educator.

ecBarstow.com is centrally located where students, parents, individuals and business people will have access to essential resources (public computer access, administrative/office support services, education referral, financial planning, business planning, signature training, OSHA training, etc. Service Support: scheduling, billing, collections, employee training, HR, and safety training. All designed to facilitate and develop entrepreneurial and educational enhancement capacities. “The center will provide an entrepreneurial/educational ‘hub’ that will create a robust exchange of communication and ideas that will stimulate growth and benefit the community.”—Paul Anthony Courtney, Executive Director, ecBarstow.com.

The Center seeks to augment the educational offerings of the local schools and colleges by coordinating and offering paid and non-paid internships that require entrepreneurial training in the areas of customer

service, human resources, marketing, sales, employment acquisition, leadership, employment re-entry and business planning. The center supports economic diversification and seeks to serve as a catalyst for innovation that will stimulate Barstow’s business growth and, when fully functioning, will be led, managed and operated by subject matter experts, K-12 grade students and college students.

ecBarstow.com will serve as an example of how private industry can cohesively work with education and community leaders to successfully promote entrepreneurial activity!. J. Adaberto Quijada, Director/SBA, U.S. Small Business Administration, has agreed to incorporate SBA resources into the center, creating history (in Barstow) and the surrounding communities that the resource center will serve. Additional details will be released as they come available.

For further information, please contact Paul A. Courtney / ppaccln2@aol.com / 760-559-8347



It’s time for action on failing roadways

Continued

Adding more taxes is not going to solve the problems we face.

California Republicans have introduced a plan to address those maintenance needs without raising taxes. Instead, we’ve proposed spending tax revenue meant for infrastructure repairs on – infrastructure repairs.

The legislature knows the money is there. To fix our roads, to build freeways and expand those we have. To build a highway system suited to handle the huge number of people traversing this state each day. To end traffic congestion. To reduce deadly accidents. To solve our state’s infrastructure problems once and for all. But they’d rather not.

They’d rather “redirect,” “repurpose” and “redistribute” our money to pork-barrel projects and gubernatorial pipedreams. They’d rather do any and everything but take action to fix one of the most glaring problems impacting Californians today.

So, as we drive on the nation’s most dilapidated roads and highways, we do it as our government spends \$64 billion on a bullet train to nowhere rather than directing that money to the \$57 billion in maintenance our roads desperately need.

It is time for action on our failing roadways. We can no longer afford to stand by as the asphalt crumbles beneath us. The fire engine that fell off a collapsing Interstate 15 last month was empty; no one was hurt.

But next time it could be a school bus full of our children, or a family headed to Sunday service or any other nightmare scenario where our government’s negligence on fixing our roads leads to the loss of human lives.

Scott Wilk represents the 21st Senate District which includes the Antelope, Santa Clarita, and Victor valleys.

Browning Automotive Group Announced State-of-The-Art Toyota Dealership in the High Desert

By Scott Dickinson, Executive Vice President, Browning Automotive Group

We all love that shiny new toy. Whether it's a new car in the driveway or the latest phone in our pocket, we gravitate towards the latest and greatest. So when the Browning Automotive Group announced a state-of-the-art Toyota dealership coming soon, the entire High Desert community began to buzz with excitement.

Located directly across from Costco on Valley Center Drive, the smell from the baked goods being prepared pales in comparison to the seven acres of land being prepped for the largest dealership in the area. Victorville awaits the newly built dealership stretching over an acre, including a 15,000 sq. foot showroom, a large parts boutique, and a huge four-lane service drive housed with 14 service writers ready to check in tons of vehicles. Over 60 lifts will make sure your vehicle is in tip-top condition ready to take that trek to Las Vegas or make it to Saturday's soccer game.



With more than 1,000 vehicles on the lot, choosing a new or pre-owned ride will become a more intense experience. Like a kid in the candy store, the choices of transportation will be immense! On the showroom floor alone, 8 vehicles will be showcased and swooned over during the car-buying process. Customers are sure to get their 10,000 steps in while traversing through rows upon rows of cars, trucks, and SUVs ready to drive off the lot.

Twenty-four sales stations and 8 F&I (finance & insurance) offices will expedite the car-buying process in the highly energy-efficient dealership. Huge panels of Low E Glass will keep the customers cool and safe from harsh UV rays. The glass reflects infrared energy (or heat) and at night, the bright yet cost-efficient LED lights will brighten up the showroom.

An Exterior Insulation Finishing System (EFIS) will contribute to the building becoming highly energy-efficient by cooling and being environmentally responsible. The insulation is applied to the exterior, making the dealership even more cost effective. The insulation will withstand the bright and hot High Desert summer heat.

Valley Hi Toyota will be a destination with state-of-the-art building materials as well as the latest in technology. There will also be a large customer lounge area complete with custom decor, charging

stations, and other amenities such as fresh coffee, vending machines, children's play area, and even occasional massages provided by a local business. An array of monitors will provide entertainment as well as informative details of service waiting times, service specials, and dealership deals.

Valley Hi Toyota will become the ultimate destination to purchasing and servicing vehicles in the High Desert. The Toyota product is surging with innovative and creative advances in car design. By constructing a new and extraordinary dealership, buying a new or pre-owned vehicle will surpass any and all expectations for generations to come. Especially, when it comes to buying that shiny

new Toy(ota).

Publisher note:

As publisher of the Bradco High Desert Report, we have never had the opportunity of having the High Desert (Victor Valley) New Car Dealer or New Car Dealerships supply us information about their very dynamic industry which generates a tremendous amount of sales tax dollars to the City of Victorville.

Nearly 15 years ago, we started to see the development of the new car auto industry and Victorville's new car facilities built along Civic Drive (Greiner, GMC, Buick, Dodge, Chrysler, Nissan, Honda, Kia, etc.). Now the Browning Auto Group, the High Desert's largest owner of new and used car dealerships, is making a very serious commitment to the City of Victorville and the High Desert region by the creation of their new and greatly improved dealership.

Many people don't realize (many of us old timers do) that the area where these car dealerships are located was a part of Roy and Dale Rogers' amusement facility adjacent to Interstate 15.

Mr. Kent Browning, Owner and President, Mr. Scott Dickinson, Executive Vice President, and their four general managers, Mr. Todd Stokes of Toyota, Mr. Joe Vickers of Honda, Mr. Shawn Nazari of KIA, and Mr. Todd McNitt of Nissan, collectively sold approximately 9,452 cars in 2016, which created tremendous financial benefit to the City of Victorville. Congratulations to Browning Auto.

Mr. Browning and his staff have been strong supporters of Victor Valley Community College and many of the endeavors undertaken by the Victor Valley Community College Foundation.

Thank you for everything that you do.



Victor Valley College (VVC), now in its 56th year

By Robert A. Sewell, PIO/Director of Marketing/ASB Advisor, Victor Valley College

Victor Valley College (VVC) 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 serves the cities and communities of the High Desert; Adelanto, Apple Valley, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Piñon Hills, Silver Lakes, Spring Valley Lake, Victorville and Wrightwood. VVC also features a 13-acre Regional Public Safety Training Center (RPSTC) in Apple Valley and an aviation program at Southern California Logistics Airport (SCLA). In total a population base of approximately 400,000 people with over 25 feeder high schools and diploma-granting institutions rely on VVC for their educational needs and opportunities.

What's happened in the last 25 years is an increase in how much community colleges are involved in job training and economic development. We are the "go to" organization when industry identifies a skill gap. The relationship between industry and Victor Valley College continues to strengthen as we work together to develop career partnerships that provide workers with the skills the economy needs most.

The college is responding to labor market demand with college students earning awards in 13 of the 50 jobs with the most openings in Riverside and San Bernardino counties. A high number of awards can be viewed for occupational titles such as: management analysts, general and operations managers, registered nurses, and automotive service technicians and mechanics. Although some of these titles require a bachelor's degree, the first two years of study can be completed at the college.

In addition to its well-established career-technical programs, the college's latest program developments have focused on future prospects in green industry sectors. Through general funding efforts, as well as outside funding sources, the college now offers training for the following: solar technicians, hybrid mechan-

ics, aviation mechanics, and wastewater technicians.

Victor Valley College is the primary source of workforce training in the Victor Valley. Our career technical programs teach fundamental skills that employers in almost every corner of the region need, and VVC offers more than 100 certification programs to ensure our graduates are marketable employees. Victor Valley College also offers customized training to help companies train up their employees in specialized skills they need in order to be more profitable.

Enrollment

Great strides have been made in the past year to complement our Academic Programs and offerings as enrollment remains healthy.

Two areas of note: the Victor Valley College Nursing and Paramedic Programs.

This Spring 2017, VVC entered into a cooperative relationship and agreement with Desert Valley Hospital, allowing 64 students to be taken off our nursing waiting list with all expenses paid. The program began this February with 16 students, and we will continue adding 16 each fall and spring term until the full 64 are served.

Additionally, we're proud to announce the inaugural offering of an accelerated, hybrid, shift-based paramedic program that began January 7, 2017. This program is in addition to the two traditional paramedic programs currently offered and delivered by the EMS faculty and staff. The initial class demographics comprise 24 diverse students from four counties and employed by nine fire departments (state, county and municipal), two ambulance companies and local hospital emergency departments. The delivery model takes advantage of traditional and innovative on-line education methods, utilizing new national partnerships and existing, proven methods that produce the highest-quality paramedic graduates who will pass their national licensure exams and who will gain employment as paramedics within three to six months of completion.

Offering this style of paramedic program clearly benefits the employer and student by allowing departments and employers to maintain a consistent staffing pattern and a theoretical reduction of overtime coverage behind an employee attending class meetings. By only meeting on "B" shift days, students can meet their full or part-time employment obligations without straining or negatively impacting the system. This provides students with a buffer to maintaining their income and benefits (one of the largest strains and leading stressors contributing to unsuccessful completion by students in the traditional program). The benefits to the community are primarily focused around keeping these working professionals "on the floor" while attending school and, more importantly, keeping the students who work in this county in school in this county. Projections indicating demand for licensed paramedics in California for the next decade exceed 24% growth (reference: www.onetonline.org). Within San Bernardino County this is magnified significantly through the creation of new employment opportunities for paramedics (i.e. – San Bernardino County Fire's ambulance operator program). These opportunities directly contribute to positive employment upon successful completion of an accredited paramedic program.

Accreditation

Victor Valley College Emergency Medical Services (EMS) and Fire Technology departments received their reaffirmation of accreditation notifications in 2016. The nursing department had their Board of Registered Nursing (BRN) Accreditation visit on November 8th and 9th and was granted another five_year accreditation.

The Victor Valley College accreditation site team visit, during the week of March 6th by the Accrediting Commission for Community and Junior Colleges (ACCJC), went well and the college looks forward to a positive response, final notification to be provided after the June 2017 ACCJC meeting.

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Inland Empire's Experienced Film Consulting Team Launches New Agency

By Sheri Davis, Inland Empire Film Services

Lights! Camera! And a renewed scenario of action for the makers of movies, television shows and other projects that regularly roll film in the Inland Empire.

Sheri Davis and Dan Taylor, who have almost four decades of combined experience facilitating the production of film projects in San Bernardino and Riverside counties, are striking out on their own. Formerly the force behind the Inland Empire Film Commission, Davis and Taylor, after working under the auspices of another agency for many years, will again be the go-to people for film crews who want to focus their cameras on the region. They will provide a multitude of services that include film permits, traffic control, compliance and other logistical services.

Their new agency, Inland Empire Film Services, launched recently and is currently lining up a series of agreements to assist the two counties, many of the area's 50-plus cities and towns and the county's special land-use districts when film crews want to come to town.

Inland Empire Film Services will handle many of the problems movie-goers and television watchers do not see on the screen. Film crews, in populated areas and in open spaces, must have permits to operate and also have to make sure the public is not inconvenienced during shooting. That means keeping local law enforcement and other agencies in the loop, among other tasks.

IE Film Services will make all of those arrangements and more, making it the invaluable link between the film crews and the local area, said Davis. The idea, she said, is to meld the traditional operation of a film commission with other services utilized by the industry and by local governments.

"The idea is to create a one-stop shop for the film industry and for the local communities," Davis said. "It's some-

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Victor Valley College (VVC), now in its 56th year

Continued

Campus Updates

The next stages in supporting student success are well under way as VVC students have the benefit of new facilities and services and more coming this summer.

Interactive Student Orientation Video, VVC student email and a mobile application to access campus registration & student services will be rolling out Spring 2017. VVC has also partnered with EAB to enhance the onboarding process for students that will include Online education plans and allow for sustainable campus-wide change, benefiting student retention and persistence.

The opening of the Math Success Center complemented the successful Writing Center, in the Advanced Technology Center providing students with an increase in tutoring and support. Student tutoring will further expand with Foreign Language tutors and an Athlete study hall later in the spring.

A new look and feel to Victor Valley College is near as comprehensive campus and wayfinding signage has been approved by the Board of Trustees, a vendor selected and the initiation of the process beginning in April 2017.

This summer, beginning June 19, 2017, VVC will offer a "pilot" First Year Experience (FYE) program to our local high schools. Students in first-year programs are:

- twice as likely to earn their associate degrees within a three-year time period than students who are not in FYE.
- more likely to persist into their second year at Victor Valley College than students who are not in FYE.
- more likely to transfer to four-year universities than students who did not participate in FYE.

www.vvc.edu/first-year-experience/

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.

In January 2017 our Veteran Services moved to a much larger space on lower campus, offering our veteran students a much more open and comfortable space for them to be successful in college.

Construction

In February 2017 the new Automotive/Welding Vocational Complex was opened, providing a new vocational lab building on lower campus. It addresses the 2015 Master Plan recommendation to expand automotive labs, replace the original welding lab, and add classrooms to support vocational programs. The project, comprised of both new and remodeled construction, provided 4,677 ASF of remodeled auto/diesel mechanics labs; 5,040 ASF of new welding labs; 6,293 ASF of new lecture classrooms, a service writer area, and a state-certified smog program. The automotive building (Bldg 64) was built in 1970 and the welding building (Bldg 61) was built in 1980. These buildings are among the oldest on campus which placed them in dire need of an upgrade. 2011 Fall Semester research determined the welding lab was used at 150.6 percent of capacity and the auto lab was used at 546.3 percent of capacity. In a future project, the original welding lab (at 2,862 ASF) will be remodeled to provide additional auto repair space.

An architectural firm has been selected for a new Student Services "One Stop" Building sufficient to provide greater efficiency between related functions in serving our students, thereby freeing current space for reconversion to classrooms—solving the near-term classroom shortage. This new building will include counseling services, admissions & records, fiscal services, bursar's office, EOPS, CalWorks and DSPS. Construction to begin in Spring 2018.



Inland Empire's Experienced Film Consulting Team Launches New Agency

Continued

thing that has not been done before.”

In addition to working with film crews, IE Film Services also plans to assist cities on issues such as traffic control during local events such as parades. Their services would include duties like community notification, lane and street closures, posting the relevant street and road signs, barricades, safety gear and developing relationships with local law enforcement.

Over the years the Inland Empire, from city streets to the more remote areas in the desert and mountain areas, have frequently been targeted by film crews, including many big-budget motion pictures. These titles, filmed at least in part in the Inland Empire, include major Hollywood blockbusters such as “Iron Man,” “Pirates of the Caribbean: At World’s End,” “The Changeling and Valkyrie,” along with top television shows such as “24,” “Marvel’s Agents of S.H.I.E.L.D.,” “Veep,” “Top Gear” and “The Grand Tour.”

And the economic impact of these film projects is considerable. Film crews regularly buy goods, running from stage props and tools to food and fuel, from local stores, contractors and vendors. Since 1995, filming provided \$1.4 billion in revenues for Riverside and San Bernardino counties. In the most recent fiscal year, the film industry spent more than \$50 million in the Inland Empire.

Inland Empire Film Services is currently renewing its relationships with both counties and numerous cities. Davis and Taylor they are also working on Memorandums of Understanding with the U.S. Forest Service and the Bureau of Land Management. Wild land in the mountains and deserts are both very popular locations for the film industry, mostly because of the relative proximity to Los Angeles and the terrains that can be portrayed as mountains or deserts of other countries.

The work Davis and Taylor have done over the years has been cited as deserv-

ing “special thanks” in the closing credits of countless movies. Their efforts with Inland Empire Film Services will ensure that this list of closing credits is just starting.

About Sheri Davis

Sheri is one of the most prestigious film-industry facilitators in California and served as the Director of the Inland Empire Film Commission from 1993 to 2015. But her work to bring film crews to the Inland Empire actually started in the late 1980s when, while working at the Big Bear Lake Chamber of Commerce, she played a major part in establishing the Big Bear Lake Film Office, the oldest film service provider in the Inland region.

Sheri worked with the Inland Empire Economic Council during the inception of the San Bernardino County Film Commission and with the Inland Empire Economic Partnership when Riverside County was added to the mix. This led to the SBCFC evolving into the Inland Empire Film Commission in 1993. Sheri took over leadership of that organization and never looked back.

Over the next 20-plus years, she spearheaded the organization’s efforts, which resulted in an average of more than \$80 million in economic impact a year. Under Sheri’s leadership, the IEFC was the first regional film commission to sign MOUs with both the U.S. Bureau of Land Management and the U.S. Forest Service, which streamlined the permitting process down from two or three weeks to two or three days.

Sheri is also one of the leaders of her industry statewide. She started the California Only Trade Show, an effort to display the state’s film service’s benefits and halt some of the “runaway production” that was costing the state and its communities money. She is a cofounder of the annual California On Location Awards, which for 20 years has been recognized as an event that celebrates filming and honors the people in the lo-

cations’ communities who help make it happen. That trade show highlights how California locations can be used to portray places all over the world. Sheri is also one of the founders of Film Liaisons in California Statewide, or FLICS, a collation of 41 regional film offices that works to keep film crews from leaving the state.

About Dan Taylor

Dan most recently served as the Facilitator/Liaison for the San Bernardino County Film Office, an organization he joined in the summer of 2015. In that capacity he was responsible for assisting production companies in acquiring the proper permits and encouraging them to hire local crews and services.

Previously, Dan was the Deputy Director of the Inland Empire Film Commission for 13 years. During that time, he successfully assisted thousands of film shoots, from fashion-based still-photography sessions to major motion pictures, assisting them with their locations, permitting and crew and service needs.

Dan has a Bachelor of Arts degree in Music Education from Azusa Pacific University, and he believes that training, surprisingly, gave him many skills that translated into his work with the film industry. He also has a long record of providing customer service by working in the choral music industry while employed at Chandler Music Services, as well as the educational system through his work as Concert Coordinator for the Azusa Pacific University School of Music.

His background in quality control, which gave him the skills that allows, him to put out the best product possible, stems from experience in the garment industry that includes positions at Cherokee Jeans, Cross Colours, Karl Kani and Guess Jeans.

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Demographic Clarity for Businesses

By Chris Porter and John Burns



Demographic shifts create exciting opportunities for the business leaders who act on them. Those who do not react can quickly fall behind. With change occurring more rapidly today than ever before, we recognize the need for more clarity on the demographic trends shaping the US today.

There are plenty of anecdotes floating around about how consumer behavior varies by generation. These are often informed by one's personal experience with their own parents, peers, or children. Business leaders need real facts to help them make informed decisions and adjust their strategies when unanticipated events shift prevailing trends.

Our search for clarity resulted in a book called *Big Shifts Ahead: Demographic Clarity for Businesses*. We wanted to make demographics easier to understand and anticipate by giving readers the tools and framework to recognize the shifts that will affect nearly every business.

At a high level, here are some of the shifts coming that businesses need to be aware of:

- **38% more people over the age of 65.** Most of growth in the population 65 or older, which will reach 66 million people by 2025, will be young baby boomers born in the 1950s. They are 7% more

likely to work than their predecessors, which means 25% will be working full-time. Demand for higher-density, lower-maintenance living among this generation has already surged. We coined the term "surban" to describe urban living in suburban environments. These active retirees will keep their cars but don't want to spend much time in them. They want to live near their kids, too. More than ever, we expect they will be providing down payments to the kids to keep them living nearby.

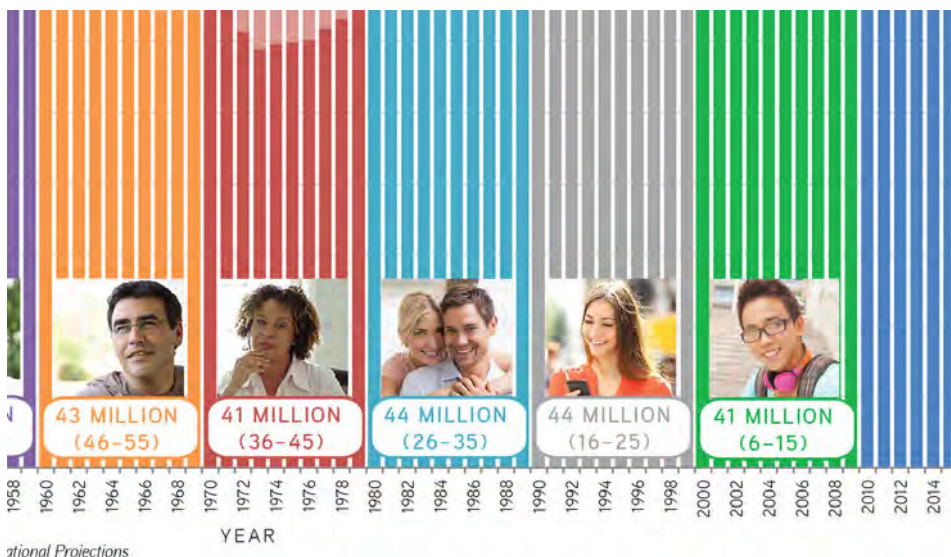
- **8 million more working women.** Women now earn 58% of all college degrees. They also earn more than their spouse or partner 38% of the time—a stat that has been rising 0.4% per year for at least the last 30 years. Men and women, particularly those born in the 1970s, are willing to trade a large house for a home closer to work so they can be near their kids. While the percentage of 20–64-year-old women choosing to work has fallen 3% since 2001, the percentage of men has fallen 5%. The real estate needs of these 78 million women will vary. The one common thread will be how busy they are.
- **8 million increasingly affluent immigrants.** Clearly, elected officials can affect this trend dramatically. For example, three immigration laws in the 1980s gave rise to more immigration over the subsequent 20 years than the prior 60 years. Today's immigrant tends to arrive on an airplane from China, Brazil, and other

countries where the economies have been booming. While most expect some slowing in those economies, the pent-up demand to move to the US remains large.

- **25.8 million newly formed households.** 13.3 million of these households will replace a relative who passes away or moves to an assisted living facility. The net gain will be 12.5 million households, which is an 86% increase over the paltry growth from 2005 to 2010. The record number of deaths recently is one big reason that net household formation has been slow. Nonetheless, these 25.8 million want to live differently than prior generations and will fill their homes with all sorts of technology. While more people than usual have been living urban, three times as many live suburban.
- **62% of the growth heading south, where 42% of America currently lives.** Plenty of jobs, affordable housing and warm weather will make Texas, Arizona, Nevada, Florida, Georgia, North Carolina, and surrounding states the growth engine.
- **Renting taking market share.** 80% of the people passing away own their home, making it very difficult to prevent homeownership from falling. With mortgage interest and property taxes on most homes already less than the standard deduction, the tax benefits of homeownership have been greatly reduced. The foreclosure scars of the last recession have not faded either. People want to own their own home but are going to proceed more cautiously. They will wait until they are confident in their job and savings before taking on a mortgage. We estimate that homeownership will fall to 60.8% in 2025.

Below are just some of the highlights from the book, which includes 100 color charts and two tools for making demographic analysis much easier:

- **Define each generation by decade born.** We decided to make every generation 10 years long. The math becomes easy: those born in 1980 turn 37 this year. Generations divided by decade have far more in common than previous generational definitions, which can be up to 20 years long. Our method makes it easier for you to understand people's backgrounds and



continued on page 33

Publisher's Message

Continued

to the Mojave Desert Air Quality Management District, who has been one of our supporters from the very beginning.

We wish to re-welcome Ms. Louisa L. Miller, Business Consultant for the Inland Empire Small Business Center, which is an integral part in helping small businesses grow and understand the process of building business plans, obtaining loans, and working with the landlords in making a successful business decision.

We also wish to thank Colonel Paul Cook (RET.), our 8th Congressional District Congressman, who represents our area so well with his article.

Article suppliers include 23rd State Senatorial District Senator Mr. Mike Murrell, San Bernardino County Superintendent of Schools Mr. Ted Alejandre, 33rd District State of California Assemblyman Jay Obernolte.

We wish to congratulate Mr. Logan Olds, General Manager of the Victor Valley Waste Water Reclamation Authority, and his Board of Directors for completing the upper narrows emergency pipeline project, a very large and expensive undertaking.

We wish to welcome back Victor Valley Transat Authority, and the Inland Empire Economic Partnership, as well as an article from Mr. Bryan W. Ryman, Co-Chair of the Victor Valley Libertarian Alliance, who gives a different type of angle on government within California, as well as some potential solutions.

We appreciate the insight in this newsletter by Mr. Bob Dutton, our San Bernardino County Assessor. Our newly elected State Senator Scott Wilk includes a very exciting article (albeit short), and Mr. Paul A. Courtney, a highly-respected businessman within the High Desert and Barstow region, who has recently completed construction and revitalization of a project in Barstow for his Entrepreneur Resource Center on Main Street. Congratulations, Mr. Courtney. I

am proud to call you my friend.

We wish to welcome Mr. Scott Dickinson, Executive Vice President of The Browning Automotive Group, in conjunction with the great leader that he works for, Mr. Kent Browning, who is making a major financial investment in the High Desert by major redevelopment of the Valley-Hi Toyota Dealership along Valley Center Drive.

As well as congratulations to Ms. Sheri Davis of the Inland Empire Film Services and her partner, Mr. Dan Taylor, for their newly formed organization.

I read a book recently that I strongly encourage all of our readers to read, the title is *Big Shifts Ahead*. I want to personally thank Mr. Chris Porter and Mr. John Burns, both highly recognized officials in the economic industry, for writing a book that I highly recommend anyone who is in the real estate business to read.

Lastly, I wish to thank our five (5) local Cities (Adelanto, Barstow, Hesperia, Victorville, and the Town of Apple Valley) for their continual support of the Bradco High Desert Report.

As Publisher of this publication, if I can be of any personal assistance in answering any questions that you have, or if you have any suggestions about how we can make this publication even bigger and better, please feel free to call me at my office at (760) 951-5111 x 101. You may call me during the days on my cell phone between 9:00 a.m. and 4:00 p.m. Pacific Standard Time at (760) 954-4567, or email me at jbrady@thebradcocompanies.com. If you email me, please be sure to note in the subject line: Bradco High Desert Report/ "Your Comment."

Thank you.



Demographic Clarity for Businesses

Continued

attitudes, something we summarize in the book. We give each generation a name based on the shift they led in society:

- 1930s Savers
- 1940 Achievers
- 1950s Innovators
- 1960s Equalers
- 1970s Balancers
- 1980s Sharers
- 1990s Connectors
- 2000s Globals
- **Apply the 4-5-6 Rule.** We group all the external factors that influence demographic characteristics into four main categories (which we call the Big 4 Influencers):
 - Government policies
 - Economic cycles
 - New technologies
 - Societal shifts

We describe how different policies, cycles, technologies, and societal shifts have affected groups, depending on where they were in the 5 Life Stages that we outline. This framework will help you adjust your strategy when one of the Big 4 Influencers changes unexpectedly. You will also be better able to answer the 6 who, what, when, where, why, and how questions you are asking about your business.

We live in an exciting time when American businesses can capitalize on rapidly changing demographics. These changes will impact the types of homes, offices, retail, and storage spaces America needs and where America needs them. Group the generations by decade born and use the 4-5-6 framework to quickly make better-informed decisions.



High Desert Report

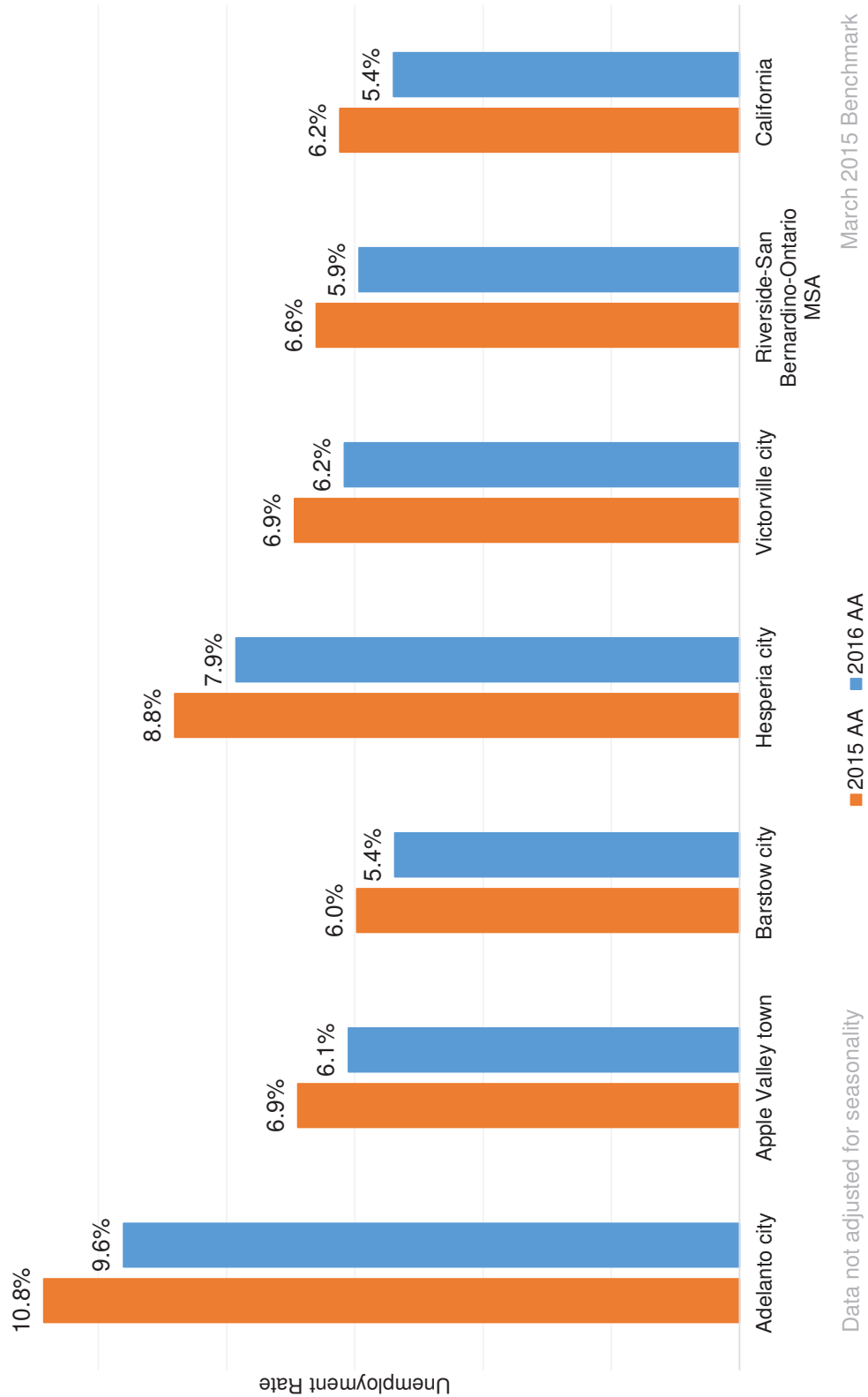
An economic overview

High Desert Unemployment Rates

By Luis Urgilés, Local Veterans Employment Representative,
Employment Development Dept. of CA



High Desert Unemployment Rates Annual Averages 2015 to 2016





For Adelanto—the Metamorphosis Continues

By Michael Stevens, Communications Consultant; City of Adelanto

The City of Adelanto is pleased to be a part of the 56th Edition of the High Desert Report. In the last issue, I talked about “Resiliency, the ability to overcome challenges of all kinds—and bounce back stronger, wiser...you don’t have to look any further than the City of Adelanto to see how it works.” I also mentioned how Adelanto “has experienced a metamorphosis since the great recession of 2008, starting with the election of three new Councilmembers in 2014.”

The metamorphosis is continuing, and just as Reno, Nevada, is often referred to as “The Biggest Little City in the World,” Adelanto is also becoming the “Biggest Little City in the in the State of California!”

Consistent with the city’s slogan, the “City with Unlimited Possibilities” and supported by a staunch pro-business, pro-development City Council, developers and builders alike are discovering the untapped potential for growth and development in the city. What was once barren land is now being transformed by job-creating, tax-revenue-building projects at various locations around the city. Mayor Richard Kerr indicates that the city is expected to have 11 groundbreaking ceremonies in 2017 and well into 2018. That is progress the city has not experienced in over 20-years in such a short period of time.

The following projects are currently underway or soon to begin:

Clark Pacific—a state-of-the-art concrete manufacturing plant on 110 acres, slated to replace facilities in Fontana and Irwindale and bring as many as 500 jobs to the city. The plant, a two-phase project, is scheduled to open this year, will produce precast concrete structural products for parking structures, retail stores, auto dealerships and others. Clark Pacific is currently

building the new football stadium for the Los Angeles Rams in Inglewood.

Industrial Integrity Solution—the largest industrial park in the city’s history, 630,000-square-foot HDO Industrial Park will consist of 21 buildings (at 30K each) for cultivating, manufacturing, distributing and testing medical marijuana. It is expected to create 550 permanent jobs and generate more than \$2 million in annual tax revenues.

Largest cultivation project currently under construction in CA

AirCore Kitchen Cookwear—a manufacturing facility. The plant is relocating from China to Adelanto and will build a 100,000-square-foot facility.

“Rancho Plaza” at 395—an 18-acre development just north of Adelanto Stadium at the vacant northeast corner of Highway 395 and Rancho Road. The project covers just under 200,000 square feet and will include a gas station, 60-room three-story motel, drive-through restaurants, office and retail facilities and a car wash.

Shell Station—the 4,900-square-foot station, large when compared to the average 1,700-4,000 square foot station—will become just the third gas station in the city and is strategically located at the northwest corner of Highway 18 and Bellflower Road. The combination gas station and convenience store is expected to hire at least 11 employees for its 24-hour operation.

Frontier Homes—is building 65 homes on 10 acres in the city off Highway 395 & Cactus;

Projects expected to close after publication of this edition of the High Desert Report:

- **Medical Corridor** consisting of a Vocational School/Retail/Commercial project on approximately a 22-

acre property adjacent to City Hall;

- **Hotel/Commercial/Retail/Industrial Development** project. An approximately a 27-combined-acre project adjacent to the Adelanto Baseball Stadium and the Budweiser Distribution Center;
- **Hotel** and other commercial and retail development on approximately 19 acres at the intersection of Rancho Road and Highway 395;
- The City Council voted unanimously to approve an 18-acre development just north of Adelanto Stadium at the vacant northeast corner of Highway 395 and Rancho Road. Covering just under 200,000 square feet, the multi-tenant retail center—known as “Rancho Plaza” at 395—will see the developer subdividing the current four parcels into 10 in order to build a gas station, 60-room three-story motel, drive-through restaurants, office and retail facilities and a car wash.
- **ARCO Gas Station** at the intersection of AirExpress Way and Hwy-395. Poker Card Club Former location.

The metamorphosis within the City of Adelanto isn’t limited to commercial and residential development. The city is transforming in other ways as well.

Some believed the departure of the High Mavericks baseball team last fall would see the baseball stadium mothballed. But the City Council signed a unique one-year agreement—including three, one-year options—with the 28th District Agricultural Association (San Bernardino County Fair) to have the Association reach out to promoters, market events and negotiate contracts on behalf of Adelanto. This includes management and operations of Adelanto Stadium.

Under the agreement Adelanto will re-

continued on page 37

Town of Apple Valley City Update

By Orlando Acevedo, Economic Development Manager



With a population of 80,350, and an economy driven by 4.2 million square feet of retail and office space, low vacancy rates, competitive lease rates and well-performing units, Apple Valley's commercial retail market is strong. Apple Valley's unemployment rate continues its strong downward decline to a seven-year low of 6.9% in year 2015. The last monthly numbers reported are for December 2016 at 5.4%.

Mal Riley, developer of the highly successful Jess Ranch Marketplace II and III, has returned to Apple Valley to design and develop the **Quail Ridge Plaza** (formerly known as The Fountains at Quail Ridge) at the NEC of Apple Valley Road and Yucca Loma Road. Riley has already assembled a remarkable development team, including the **DLR Group** and, in a rare move signifying the intensity of the project, is bringing in two of the largest commercial brokerage firms, **Jones Lang LaSalle** and **CBRE**, to assist in leasing. Located near the strongest median income demographics in the region, the project will be designed as a mixed-use concept, including retail, restaurants, office, townhomes (or multi-family) and senior living. The team is expected to unveil the project at the ICSC RECon retail conference in Las Vegas in May.

The Apple Valley Town Council recently took action that clears the way for development of a 1.35 million-

square-foot **Big Lots Distribution Center**, located in the North Apple Valley Industrial Specific Plan. The \$115 million-dollar project will bring 400 to 500 jobs to the area, expand infrastructure, and affirm Apple Valley's position as a cost competitive alternative to the Inland Empire industrial market.

In mid-2016 the Apple Valley Planning Commission approved **Apple Valley Gateway Center**, a 10-acre, 80,480 square foot commercial project at the northeast corner of Interstate 15 and Dale Evans Parkway. Belco Development, of Murrieta, is proposing to construct a hotel, retail shops and restaurants. Hotel and tenant interest is now being accepted.

Apple Valley is on pace to see a 10-year high in housing starts as **Pulte Homes** begins their fourth phase at Sun City and other infill projects get off the ground. Median home values continue year-over-year growth to \$245,000, the highest in the region, at an average price per square foot of \$126, with expected growth into the next year.

Yucca Loma Bridge will open to the public with a ribbon cutting on May 19, three years after breaking ground on this \$37 million capital improvement project. The project opens up a critical east-west corridor into and from Apple Valley. Now open is the **Mojave Riverwalk**, a 2.75 mile multi-use trail adjacent to Jess Ranch Marketplace from Bear Valley Road to the town's southern boundary. The project includes a 12-foot wide concrete path and 12

concrete benches. Plans are underway for more multi-use trails that will link this segment of the Mojave Riverwalk across Bear Valley Road to the Yucca Loma Bridge and continue into Victorville, traversing past several major commercial centers in Apple Valley.

Other recent store openings include Rebel Oil Co., Dickey's Barbecue Pit, 99 Cents Only Store, The Galley Fish Tacos, CrossFit One Society, Samaritan Animal Hospital, 3G Tacos at Apple Valley Airport, DeeDee's Hobby Emporium at Historic Apple Valley Inn, Bear Valley Rock n Wood, Nancy's Clayworks, Rusty Bull Roadhouse, and more.

For more information contact Orlando Acevedo, Assistant Director, Economic Development and Housing, at 760.240.7915 or via email at select@applevalley.org, or visit www.selectapplevalley.com.



Barstow City Update

By Gaither Loewenstein, Economic Development and Planning Manager



The economic recovery is in full swing in Barstow, with several new commercial enterprises opening their doors in 2016 and numerous additional retail stores, hotels and service establishments preparing to break ground or open in 2017. Optimism surrounding current economic conditions and proactive steps being taken by the Barstow City Council have led to a significant increase in interest on the part of prospective developers in residential and industrial opportunities in the city.

Among the businesses celebrating openings in Barstow in 2016 were Oggi's Pizza and Brewhouse, Asian Food Court, Marshall's and Choice Medical Group. 2017 is expected to witness the opening of a 66-room Best Western Plus hotel that is currently under construction; a 103-room Home2Suites hotel, for which plans have been approved and groundbreaking is expected in mid-year; retailer Fallas, which will join Marshall's and Harbor Freight in filling out the former K-Mart retail space; and a new Super Walmart, which will replace and double the size of the city's existing Walmart store while making eight new retail pads available for future development. The city's historic Route 66 corridor has begun to experience a renaissance, with Tractor Supply Company set to occupy the former Barstow Motorcycles shop with a 32,000 square-foot showroom space on the West end of Main Street and Borrego Medical Group currently renovating the former Revolutions Bowling Alley for use as medical offices.

In the Downtown Business and Cultural District, Roy's restaurant is planning to reopen, and throughout the Route 66 Business Corridor the city is erecting eight monument signs honoring Route 66, with each sign featuring a different classic automobile.

With regard to industrial development, inquiries, site visits and discussions have markedly increased in recent months, with several prospective industrial land uses approaching the project proposal stage. There are grounds for optimism that one or more major industrial development projects in Barstow will be announced at some point in 2017.

The city's long dormant residential market has begun to show signs of resurgence, thanks in no small part to a joint initiative of the Barstow City Council and the Barstow Unified School District Board of Trustees whereby residential development impact fees have been temporarily reduced by 50% through December 31, 2017. This initiative, which reduced residential building costs by \$5,000-9,000 per unit, depending upon square footage, has contributed to the city's first residential building permit issuances since 2013 while jump-starting discussions of subdivision-scale residential development projects among landowners and prospective builders.

Overall, the City of Barstow is expecting 2017 to be among the strongest years in recent memory for commercial, residential and industrial development. The resurgent economy, combined with the city's low land costs, favorable location and builder-friendly local government, present outstanding opportunities for development in 2017 and beyond.

For Adelanto—the Metamorphosis Continues

Continued

ceive 30% of all revenues generated by events held within the City of Adelanto, and High Desert residents will continue to have excellent venues for a variety of exciting events.

One major success of the partnership was securing the semi-professional baseball team, the High Desert Yardbirds of Pecos League, to play a 64-game schedule. Half the games will be played at what is now known as Adelanto Stadium. Other prominent events scheduled at the stadium include the phenomenally popular Adelanto Grand Prix, Adelanto Rodeo, concerts, Mud-Run and a host of other activities never before held at the stadium.

Adelanto is also home of the High Desert's fourth dog park, located adjacent to City Hall at Richardson Park. Pryke Dog Park is named after the late publisher Raymond Pryke, whose Foundation contributed \$25,000 towards the project.

To discover opportunities that exist for development in Adelanto and to become a part of a growing revolution, visit: economicdevelopment@ci.adelanto.ca.us or call (760) 246-2300 extension 3063.





High Desert Report

An economic overview

Hesperia City Update

Quite Simply, Hesperia Works for Business

By Lisa K. LaMere, Economic Development Management Analyst

Six months into the current fiscal year the number of single family residential (SFR) permits issued in Hesperia continues its upward trend, having shown a 155% increase since 2013-14. This was achieved in part with 72 permits issued for 200 planned duplexes at the northwest corner of Main and Mesa Linda Street.

Grading of the 50-acre West Main Villas duplex project at Mesa Linda and Main Street has begun. The duplexes, located between Interstate 15 and U.S. Highway 395, are well-sited for the 83,000 High Desert residents who commute down the hill for work each day. The one- and two-story duplexes contain vaulted ceilings in two elevations each, and both have attached two-car garages. There will be 172 of the single-story, 1,074 SF, two-bedroom versions available, and only 28 of the two-story 1,330-square-foot options with three bedrooms. West Main Villas is complete with a clubhouse, pool and spa, children's playground and a sand volleyball court.

On the multi-family front, Eagle Real Estate Group's 96 low- and medium-income senior apartments are well underway. Leasing activity is brisk in this gated 55+ community, and already plans for another 96 apartments have been submitted for Phase II. A grand opening ceremony for Phase I

is scheduled for August 30, where entertainment will be provided by the swing band, Phat Cat Swinger.

Retail development in Hesperia continues without pause, and more than 100,000 SF is currently planned or under construction. In Lewis Retail Center's Phase I of High Desert Gateway at Main and Interstate 15, a 7,500 SF Famous Footwear is opening in April,

and an 18,000 SF Planet Fitness is expected to open this May. M&M Jewelers, Leslie Pool Supply and America's Best Eye Glasses will join them for summer 2017 openings. Lewis also has broken ground on the first 16,000 SF of Phase II at Main and Cataba Avenue, where residents will soon enjoy Starbucks, Jimmy John's Gourmet Sandwiches, and Fatburger.

A new grocery-anchored center from Rich Development at the NEC of Main Street and Escondido Avenue will feature a 20,446 SF Aldi grocery store, as well as a 10,000 SF Dollar Tree. The center will include a multi-tenant building, Les Schwab Tire Center and Wendy's. Hesperia is Aldi's choice for its first location in the High Desert. Their closest stores are currently in Fontana and San Bernardino.



Aemerge RedPak, a cutting edge technology company that manufactures energy and beneficial carbon co-products

from medical waste, is building their first west coast plant in Hesperia. RedPak safely treats medical waste in a manner that utilizes the waste as a medium to produce power and produces recycled treated metals. RedPak is the only facility in California permitted to treat all types of medical waste as regulated by the CA Department of Public Health (CDPH).

The City of Hesperia is pleased to announce funding availability for the First Time Homebuyer (FTHB) Program. The FTHB Program is funded from the city's annual allocation of Community Development Block Grant (CDBG) funds. The City of Hesperia receives an allocation of CDBG funds from the U.S. Department of Housing and Urban Development.

Commercial, industrial, and office properties abound throughout Hesperia, and this pro-development, customer service-oriented city is serious about bringing your business to Hesperia! To see how Hesperia can work for you, visit www.cityofhesperia.us/econdev or contact the Economic Development Department by email at econdev@cityofhesperia.us.



Victorville City Update

A Year of Growth in Victorville

By: Doug Robertson, Victorville City Manager



Victorville is the center of growth in the High Desert. In 2016 our population grew to nearly 140,000 residents; and Victorville continues to attract major retailers, manufacturers and industrial development.

Last year BJ's Brewhouse and Restaurant opened to great excitement on Amargosa Road, adjacent to I-15. In its opening week, our BJ's recorded sales of \$184,000 – the best opening week sales for BJ's new prototype. BJ's became the 14th restaurant in Victorville's "Restaurant Row."

Restaurant Row has become a destination in our region. And with visibility to more than 98,000 cars traveling the I-15 daily, this dining destination has become a highly profitable investment for retail developers.

Just one year after BJ's grand opening, we were pleased to learn that another nationally-recognized restaurant plans to locate in Victorville. Cracker Barrel Old Country Store submitted plans to build and operate its first California location in Victorville.

Cracker Barrel will be located on 1.31 acres just south of BJ's Brewhouse and Restaurant. The building space will encompass 9,550 square feet, with 1,284 square feet under a covered porch.

Cracker Barrel is part of a larger expansion on Restaurant Row being developed by Vantage One Real Estate. Plans call for the development of an 11,350-square-foot, multi-tenant building with a drive-thru, as well as one or two free-standing buildings we expect to be used for restaurants. Starbucks, Nekter Juice, Which Wich Sandwiches, Pieology, Ono Hawaiian BBQ, Cafe Rio, and The Habit Burger

are expected to be part of this broader development.

Additional retail space was developed throughout several locations in Victorville. At Desert Plazas, located along Interstate 15 at the Roy Rogers exit, Krispy Kreme Doughnuts opened in late 2016, creating 74 jobs. Desert Plazas is planned for ultimate build-out of 800,000 square feet anchored by Home Depot. The Plazas welcomed a new WaBa Grill and Dickey's Barbecue Pit in 2015 to existing tenants such as In-N-Out Burger, Papa John's Pizza, Winco Foods and Wells Fargo.

In the specialty retail arena, RAM Truck Center is the newest dealership, currently under construction at the AutoPark at Valley Center. The 7,261-square-foot facility sits on approximately 2.66 acres. The dealership will offer heavy duty RAM trucks such as the 1500, 2500 and 3500 models. The brand has been named Motor Trend Magazine's truck of the year five times.

Additionally, Valley-Hi Toyota is undergoing a major renovation and expansion to its existing dealership. Scheduled for completion in 2017, the new facility will feature an amazing 47,643 square feet of building space. In 2016 we also saw the desert Alfa Romeo franchise added as a co-brand to the existing desert FIAT dealership.

In addition to commercial growth, industrial development has been strong at Victorville's Southern California Logistics Airport (SCLA). Arden Companies, America's leading manufacturer and marketer of outdoor cushions and décor, moved its west coast operations from Rancho Cucamonga to Victorville last year.

Arden leased half of a 440,000-square-foot manufacturing facility

constructed by our master development partner, Stirling Capital Investments. This facility at SCLA was met with such demand that it was leased before construction was complete. Current SCLA tenant Newell Rubbermaid leased the other half of the space to expand its operation.

Growth at SCLA will continue. Stirling recently announced construction of Distribution Center 18, a 370,000-square-foot industrial facility that will be utilized by another SCLA tenant, Plastipak, for an expansion.

Victorville is among the most cost-effective locations in California to do business. Businesses are choosing Victorville because of the investments we have made in our public infrastructure, our close proximity to major transportation routes, our skilled labor force, and our commitment to promoting a business-friendly environment.

We are one of the few locations in Southern California that offers affordable land and industrial space available for immediate development. With SCLA we also offer businesses a global reach with our Foreign Trade Zone and U.S. Customs Port of Entry. In fact, you might be surprised to learn that 60% of all goods moving into and out of Southern California travel through Victorville.

2016 was a promising year for Victorville, and we expect this growth to continue in 2017. Look for more announcements in the near future.

For more information about development opportunities in the City of Victorville, visit our website at www.victorvillecity.com or contact our Economic Development Division at (760) 955-5032.



High Desert Report

An economic overview

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