

# High Desert Report

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



Sunday, May 13, 2018, marked the 30th year that I have resided in the High Desert region. As publisher of The Bradco High Desert Report, the longest standing economic overview of the High Desert region, my first trip to the High Desert

region was on Saturday, September 1, 1986.

As Vice President of Pegasus Development (Santa Barbara) my former employer, Mr. Marc Logan, President of Pegasus Development, asked me to take a look at the High desert region and all its attributes that drove legendary homebuilders such as Mr. Ira Norris (deceased) of Inco Homes, etc., to discover the High Desert region and what a great place it is to live, work, and to do business.

Thirty years later we now prepare for the 57th edition of The Bradco High Desert Report, which began in May of 1993. This publication would not have been successful without the continued support, help, and determination of Dr. Alfred Gobar, the Chairman-Emeritus of Alfred Gobar and Associates, who continues to win his battle with cancer, who used to work with his doctors in maintaining his lifestyle in retirement, and spending the majority of his days stock trading.

We continually talk to Dr. Gobar and encourage him in his struggles. I love his sense of humor, his vision and, most importantly, his stories. If you wish to reach out to him directly, please do so by sending him an email at [agobar@sbcglobal.net](mailto:agobar@sbcglobal.net).

The High Desert economy continues to improve, and I do apologize that it has been nearly 10 months since our last publication, but rather than putting out a publication for publications sake (we have put out 56 so far and put nearly 300,000 copies worldwide) we wanted to be sure we had the right information from all of our sponsors and article suppliers.

We wish to re-welcome Mr. John Mulville, Regional Director for Metro

Study, the country's largest consulting group that deals with new housing throughout the country. I recently heard Mr. Mulville speak to the Building Industry Association, Baldy View Chapter, (they held their annual conference here in the High Desert region), under the leadership of Mr. Carlos Rodriguez, their Executive Director, and Mr. Mulville, like usual, gave a great overview. Welcome back, John.

I would also like to recognize our long-term friend Ms. Violette Roberts, the Community Relations and Education Manager for the Mojave Desert Air Quality Management District, who recently retired from this great agency. Her last article is included. Stepping in to fill some very big shoes is Mr. Ryan Orr, whom I have known for many, many years. He is a great future leader and a great writer, Mr. Orr has recently hired a long-time and well-known local writer, Mr. Martial Haprov. Martial congratulations on your new job and welcome aboard, Mr. Ryan Orr.

Over the years I have heard from Mr. E. Lamont Cosby, who talks about cost segregation and accounting, depreciation, etc. This is a very important subject as far as the Internal Revenue Service is concerned. I welcome Mr. Cosby's article.

I hear from both First District Supervisor and Chairman of The San Bernardino County Board of Supervisors, Mr. Robert Lovingood, about the reality of crime, (nationally and locally) and have a great update from Mr. Paul Granillo, President and CEP of the Inland Empire Economic Partnership, IEEP.

I wish to thank Mr. Douglas S. Smith, Assistant Executive Director of Lahontan Regional Water Control Board (a very important agency regulating

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# High Desert Report

An economic overview

## The Firmest of Housing Market Recoveries

By John Mulville, Regional Director - Metrostudy

Most people, especially those in the housing industry, can remember a few unbelievable anecdotes from the subprime era. One of the most memorable was the one about the Riverside County “investor” who owned 15 homes, all with “no doc” stated income loans (so called “liar loans”). Inevitably, the slightest hiccup in rent payments, taxes, dues and maintenance caused a shortfall in cash flow for this unfortunate investor that ultimately led to a bankruptcy filing.

Compare the subprime era to 2018. Our thesis for 2018 is that the current recovery is experiencing conditions that are diametrically opposite of the subprime era. In fact, the conditions that typify the current housing market expansion

have established one of the firmest housing market recoveries in U.S. history.

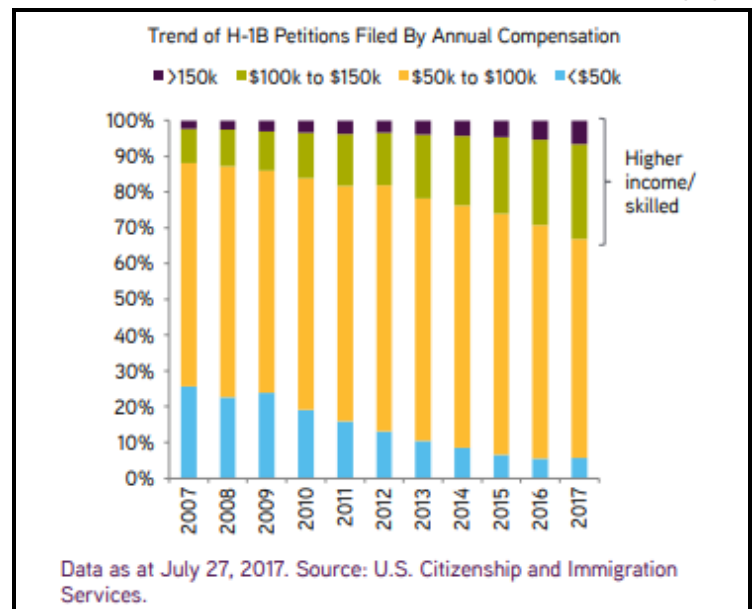
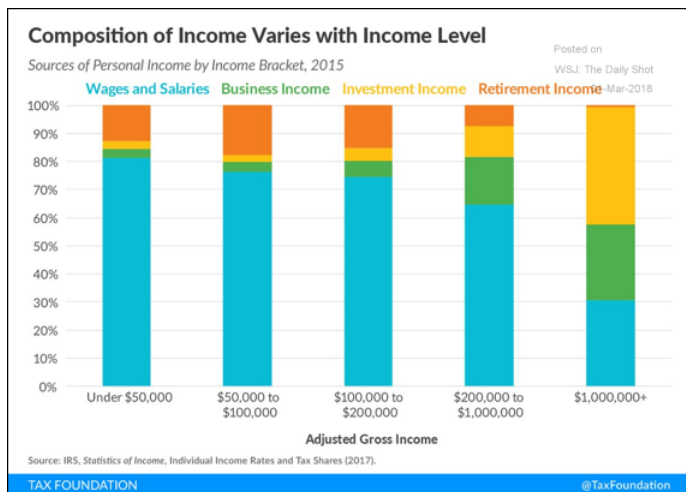
Remember early in this recovery cycle when new home builders focused almost exclusively on upper-end housing? Here is why.

Upper-income households don’t rely on wages from working as do lower income classifications. Affluent households have investments and business income that recovered much more quickly and with greater vigor than wage income. As a result, this cycle has many more home purchases being made by financially capable households than has been the case in past recoveries. Higher income groups are

financially resilient, make larger down payments and have greater reserves in case of financial distress.

A second factor is immigration. In recent years immigration has been dominated by well-educated groups that earn higher wage levels than immigrants have historically. Additionally, current immigrants have a much greater propensity to buy and will spend more on housing, with larger down payments, than existing American citizens. It is important to note that the housing stock in many foreign countries is very unattractive. Immigrants considering a pur-

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An economic overview

## The Firmest of Housing Market Recoveries

*Continued*

chase have reported that U.S. housing, particularly new homes, are vastly more attractive and livable than housing in developing nations.

A third factor is household debt. The so-called Great Recession rebalanced the amount of household debt with overall income levels (shown next). While it is true that the reduction in household debt came about as the result of foreclosures and short sales, it is also true that many

and will tend to cater to those parties that have the best chance to qualify for a loan and the determination to complete the purchase transaction.

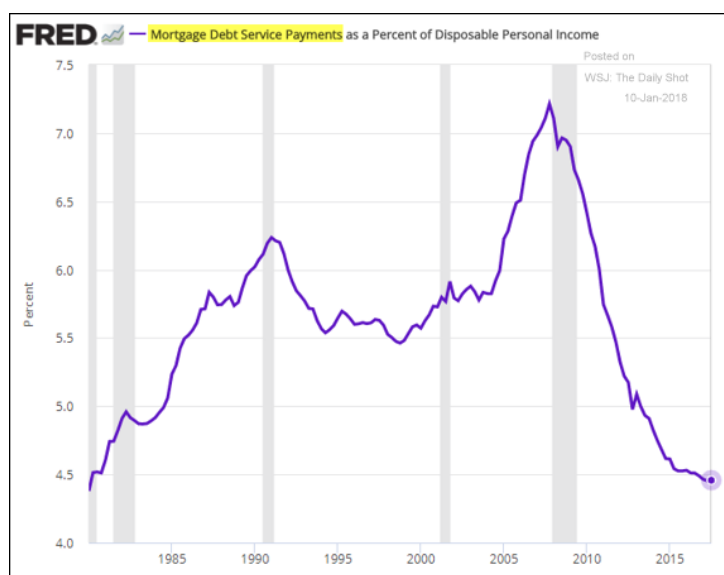
The competition for homes can be viewed in terms of credit scores among those that have qualified for a loan (shown next). As shown below, for 2017 the FICO score (credit ratings for consumers) for successful mortgage applicants is at an all-time high. Public

homebuilders that often originate their own loans report similar stellar credit scores among their applicants. A 720 FICO score is considered to be in the “good” range and highly creditworthy. Accordingly, current scores indicate a highly qualified and capable pool of purchasers is competing for the available homes.

Much has been made about the lack of entry-level and first-time buyer activity until recently, when this activity has finally picked up. The fact that

offers more maturity to the relationship; in fact, divorce rates for those married at older ages are markedly lower.

The same can be said for older homebuyers, particularly in a market climate where the determination and persistence needed to purchase will tend to exclude the less-committed buyer that may be infatuated with the concept of owning. Over time the older homeowner will prove to be a better neighbor, a better owner and a better borrower than would be typical of a much younger age profile.



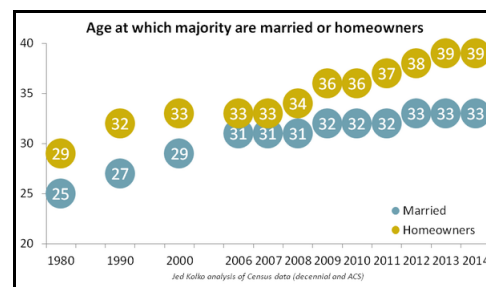
households rid themselves of debt that could not have been paid off or amortized away. As shown below, debt service payments have retreated to levels last seen in the 1980s.

The severe shortage of new and existing homes for sale has forced those interested in purchasing to improve their standing as potential purchasers. In general, it takes a degree of determination and persistence to be a successful purchaser in today's market. Prospective home buyers have cleaned up their credit, made multiple offers, and written “sweetheart” letters to sellers, only to find there are dozens of other buyers. Some interested buyers opt for the new home market, where they hope there is less competition. However, builders recognize the deep undersupply of homes

buyers are much older and marry later in life has a profound impact on the home purchase equation. Intuitively, we recognize that getting married later in life



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Another contributor to the quality and durability of the current recovery is the lack of new home construction. The recession depressed housing construction levels in a very severe manner. Housing starts were far below the totals needed to meet population growth. New home construction rebounded very slowly, especially in Southern California, even as the economic expansion took hold and then strengthened.

The chart on page four shows building permits in six Southern California counties going back to 1990. Normal population growth suggested the need for 83,000 apartments, condos and single-family-home permits annually (as shown by the dashed red line). Permits levels have been below 83,000 in nearly all years and far below that level in most years.

*continued on page 4*



## Steady Property Value Gains in the High Desert

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

As businesses and residents continue to be priced out of Southern California's coastal communities, San Bernardino County is experiencing strong economic growth. There is a slight uptick in commercial construction, residential construction, and new transfers in property ownership. Housing affordability is a key factor in the large number of people moving to the Inland Empire. According to the U.S. Census Bureau, from 2016-2017 San Bernardino County added 20,000 new residents. More people are buying homes in San Bernardino County or opening up a small business. With such increases, steady property value gains are being experienced in our region.

State law requires the office of the Assessor to locate and identify all taxable properties to establish their assessed values. My goal as County Assessor is to ensure that property owners are not being over-assessed. Every year my office works diligently to fairly and accurately appraise over 800,000 parcels in San Bernardino County.

2017's Annual Property Assessment Roll showcased a number of positive attributes, some never before seen in our county. In 2017 the Roll contained 810,304 taxable parcels, valued at \$206,576,804,207. The county's total property valuation grew 6.1% as compared to the 2016 Assessment Roll. Notably, this is the first time in the county's history that total assessed value of all property surpassed the \$200 billion

mark.

In some portions of the High Desert, there was much higher growth. According to the 2017s Annual Property Assessment Roll:

- The City of Adelanto's total property is valued at \$1,941,513,249. The value is a 6.4% increase from the 2016 Assessment Roll.
- The City of Apple Valley's total property is valued at \$5,646,168,002. The value is a 5.3% increase from the 2016 Assessment Roll.
- The City of Barstow's total property is valued at \$1,286,061,810. The value is a 7.8% increase from the 2016 Assessment Roll.
- The City of Hesperia's total property is valued at \$5,683,417,520. The value is a 6.5% increase from the 2016 Assessment Roll.
- The City of Victorville's total property is valued at \$8,259,259,319. The value is a 4.5% increase from the 2016 Assessment Roll.

Growing property values are a sign of a strong local economy. However, there are still many hurdles that our county faces. According to the Building Industry Association of Southern California, issues include a high poverty rate of 19.5%, an estimated housing shortage of 65,000 homes in San Bernardino County by 2019, and government roadblocks at the state and local levels.

Creating accessible, good-paying  
*continued on page 5*

## The Firmest of Housing Market Recoveries

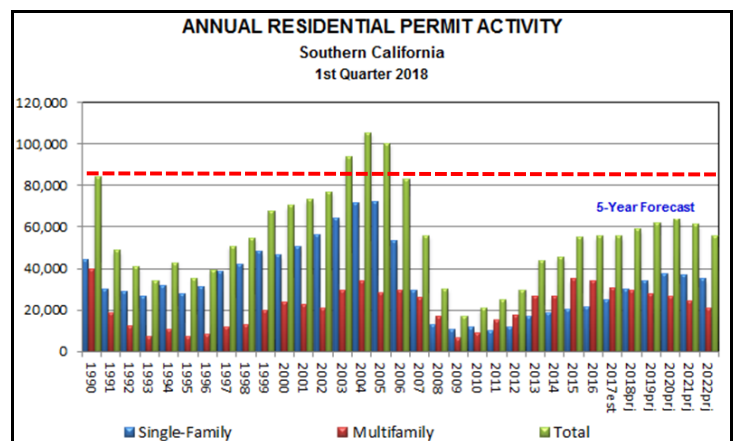
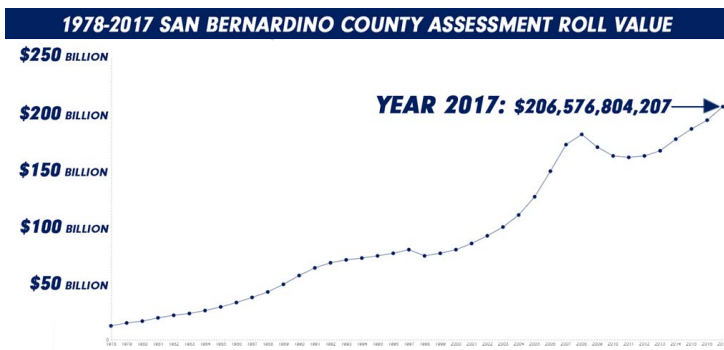
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The magnitude of the undersupply is large enough that there is no practical way to build our way back to supply/demand equilibrium. This indicates that strong demand will persist and that the current recovery will enjoy positive demand characteristics for years to come.

### Key Takeaways

It is widely recognized that housing, or more specifically, poor credit standards and loan underwriting, led to the subprime debacle and the Great Recession. Historically and statistically, it is very unlikely that real estate will be the cause of the next economic downturn or recession. Additionally, policy makers and government officials have typically taken steps to avoid a repeat of the conditions that caused the LAST recession. The aforementioned factors indicate that housing will not be the cause of a similar disruption. Moreover, the factors suggest that the current housing market recovery may enjoy the firmest footing and the most positive alignment of conditions experienced by any housing market recovery in U.S. history.

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# High Desert Report

An economic overview

## This Year, the Mojave Desert Air Quality Management District Celebrates its Silver Anniversary

By Ryan Orr, Community Relations & Education Supervisor,  
and Martial Haprov, Administrative Services, Community Relations

Over the last 25 years, MDAQMD has consistently strived to educate the community on air-quality issues. For instance, in 2001 MDAQMD spawned the Mojave Environmental Educational Consortium, which has grown into one of the largest non-profits in the High Desert: and which provides environmental education to students and assistance to teachers.

MDAQMD employs a common sense, inclusive approach to the development of air quality management programs.

Led by Executive Director and Air Pollution Control Officer Brad Poiriez, the District boasts 40 full-time employees and encompasses more than 20,000 square miles. As the geographical second largest air district in the state, the state of Rhode Island could fit within the District's boundaries 16 times without overlapping. District responsibilities include air monitoring, permitting, inspections and community outreach, and education.

Despite its large coverage area, the district has fostered an atmosphere of healthy air quality throughout the Mojave Desert through its air quality education, pollution prevention and maintaining constant contact with stakeholders.

We aim to relate to regulated businesses in an approachable manner while performing our mandated responsibilities.

"We really focus on educating and informing our residents on air quality, protecting their health through air monitoring and supporting lowering emissions," said Poiriez. "We also focus on building a cooperative relationship with local businesses, creating an atmosphere that promotes responsible and sustainable economic growth in

our communities."

MDAQMD is committed to providing a welcoming environment to stakeholders currently residing in, or looking to relocate into, the district, while protecting public health through pollution prevention initiatives. Our permit engineering department is the first stop for new businesses. This is where business owners can apply for air quality permits and work closely with engineers to identify permit conditions and regulations applicable to their operations.

In today's economic climate, regulatory flexibility can mean the difference between success and failure for some businesses. Historically, California's air quality regulations have garnered a reputation as being some of the most challenging in the nation. The Golden State is divided into 35 local air districts that are responsible for implementing these regulations that apply to permit engineering of air pollution. Each district enforces rules and regulations based on air pollution laws and implements air quality programs required by state and federal mandates. Every air district in the state must show progress in reducing air pollution to meet state and federal air quality standards in order to preserve the environment and protect the health and safety of the general public.

*"To attain and maintain a  
healthful environment while  
continued on page 6*



## Steady Property Value Gains in the High Desert

Continued

jobs is one step in addressing poverty. State lawmakers, however, continue to overtax Californians and businesses at some of the highest rates in the nation. Removing business tax burdens would help entice more employers to create good, local jobs in the Inland Empire. Another step would be to remove burdensome local and state regulations and reforming the California Environmental Quality Act to mitigate lengthy environmental impact studies. Such actions would help boost the building process of new homes and commercial buildings to meet the increasing housing demands in San Bernardino County.

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 encourages economic growth. If you have any questions or wish to see personal assessed values of your property, visit my website at: [www.sbcounty.gov/assessor](http://www.sbcounty.gov/assessor) and click on the Online Services, Property Information Management System link. You can also call our toll-free number at 1-877-885-7654.



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## Tax Reform has Made Investment in Commercial Real Estate More Attractive

By E. Lamont Cosby, Cost Segregation Services, Inc. Senior Consultant

The Tax Cuts and Jobs Act of 2017, along with other tax reform, has made investment in commercial real estate an even better proposition. There is now the opportunity for a greater "Return On Investment" for commercial buildings. This legislation is also important to investors considering the purchase of a commercial building.

To put it simply, ROI is positively impacted by a 5% to 8% influx of cash flow from a significant reduction in income tax liability. This reduction in income tax is largely from bonus depreciation. Money that is not paid in income taxes is now money available to building owners, business owners, and investors to use or invest.

The Tax Cuts and Jobs Act increased the bonus depreciation of commercial buildings from 50% to 100% for qualified property purchased after September 27, 2017. While there are technical and other considerations, bonus eligible property must have a depreciation life of 20 years or less. Bonus depreciation has been expanded to include both newly constructed buildings and existing property purchased after Sept. 27, 2017.

While accountants are a part of the process, this is an engineering-platform-based building analysis. In fact, many CPAs are turning to organizations like Cost Segregation Services Inc. to provide them with the calculations and guidance to allow incorporation of the relevant data into the business or property owner's tax returns.

Experts who handled depreciation schedules and forecasts prior to the Act are now on a steep learning curve. For example, Qualified Improvement Property (QIP) has replaced qualified leasehold improvements. Qualified retail improvements and qualified restaurant improvements, which have had a 15-

year recovery period, are now eligible for 100% bonus depreciation in the current tax year.

In order to achieve these financial benefits requires that building "units" are identified and valued by a specialized building analysis called Cost Segregation. Although there are other methods of identifying buildings, Cost Segregation is the proven method and the most acceptable method by the IRS.

In summary, the way that buildings are treated for tax purposes has changed. These changes are favorable to the building owners. An engineering-platform-based Cost Segregation analysis allows building owners to take full economic advantage of the Tax Cuts and Jobs Act, as well as the Tangible Property Regulations. Cost Segregation Services, Inc. is one of the national firms that does the identification, valuing, and calculations for the owners and their accountants.

E. Lamont Cosby  
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## This Year, the MDAQMD celebrates its Silver Anniversary

Continued

*supporting strong and sustainable economic growth.*" — MDAQMD Mission Statement

Rather than focusing solely on punitive actions, the MDAQMD takes pride in recognizing businesses that set an example of environmental stewardship. During Pollution Prevention Week each September, the district confers its prestigious Exemplar Award on the best of our regulated community whose work in the area of air pollution prevention or control "raises the bar" for others. Year-round, our inspectors also seek out gas stations that exceed regulatory requirements, and these stations receive the Mojave Green Business Award.

Today, the agency holds 3,869 permits covering 588 companies with 1,203 facilities, including 42 Title V facilities. Title V of the Clean Air Act requires major sources of air pollutants, and certain other sources, to obtain and operate in compliance with an operating permit. Title V facilities include industries such as power generation, mining and cement plants. Sources with these "Title V permits" are required by the Act to certify compliance with the applicable requirements of their permits at least annually.

We want to say thank you to the community for a successful 25 years and make it known that we are here to answer questions and help residents and the business community for the next 25 years and beyond.



## Violent Crime is a Problem Both Nationally and Locally

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

In small towns, suburbs and large cities across the nation, violent crime rate increases in 2015 and 2016 represent the largest single-year increases in the national violent-crime rate since 1991. In 2015 the United States saw the largest jump in the murder rate since 1968.

In the High Desert we have also seen sharp increases in crime. So I'd like to share with you what we're doing.

Since I took office in December 2012, funds have been allocated for the sheriff's summertime crime sweeps in partnership with High Desert cities. Last summer's "Operation Desert Guardian" included 20 separate operations between June and September, resulting in 834 arrests, including 150 felony and 684 misdemeanor arrests. The Sheriff's Department has also added a fifth Homicide Team to investigate and solve murder cases across the county.

Because of the success of "Desert Guardian," I successfully advocated for \$1 million in supplemental funding for a yearlong series of sheriff's crime sweeps throughout the county.

In the first six months, these additional operations resulted in 660 arrests, including 466 felony arrests. Sheriff John McMahon's teams of deputy sheriffs are continuing to focus on gang enhancements and repeat offenders. These targeted sweeps are ongoing.

Furthermore, because of decriminalization policies promoted by Sacramento politicians, Sheriff McMahon has restructured the Narcotics Division by combining both gang and narcotics units under one umbrella. The unit focuses the department's resources on criminal street gangs, utilizing proactive enforcement and intervention measures specifically designed to enhance public safety.

It is proving to be an effective strategy.

Another element of our strategy is the "GIT"—the Gang Intelligence Team. It is a task force comprised of Sheriff's Department personnel and personnel from the FBI, Probation, CHP, and San Bernardino Police Department who handle complex investigations. The GIT conducted three large-scale investigations, resulting in the arrest of 85 gang members for major felonies (most are facing multiple-year sentences). They also assisted homicide with two unsolved murders, resulting in the arrest of five suspects for murder. The county has also made progress in reducing recidivism and addressing the issue of mentally ill inmates in county jails.

These strategies are working. Our crime problems were not created overnight and they won't be resolved overnight; but you can be assured that our deputies are working diligently toward resolution. Thank you for supporting our men and women who put their own safety at risk every day to protect our families.



## Regional Economic Strength

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

In March-April 2018, the Inland Empire Economic Partnership (IEEP) hosted two major events focused on the growing strength of the Inland Empire economy. One was Dr. John Husing's 2018 State of the Region, where 430 local leaders heard him emphatically state that the inland economy is in the midst of the "strongest period of economic performance in the 53 years he has studied the area." He underscored this by pointing out that the region had 12.2% more local jobs (160,000) in 2017 than it did at the 2007 pre-recession peak. California was only up 8.8% and the U.S. by 6.7%. Amazingly, he pointed out that the 49,433 new local jobs in 2017 were barely exceeded by Los Angeles County's huge economy (50,617) and were more than every other CA metropolitan area.

In April, IEEP and the Los Angeles Chamber of Commerce cooperated on the 2018 Southern California E-Commerce and Logistics Conference sponsored by UPS. This event focused on the growth and rapid changes occurring in the supply chain that delivers goods to our homes and businesses. It explored the changes occurring in the supply changes in light of new technologies, as well as the explosion in on-line shopping and continued expansion of international trade.

Among others, the speakers included the World Wide Public Relations Director for Amazon.com, who pointed out the huge local labor force now working for the firm; Colliers International's chief location strategist discussed how the size and shape of buildings is changing to accommodate the advanced technologies being deployed within them; the Executive Director of the South Coast Air Quality Management District led a

*continued on page 8*



## Lahontan Regional Water Quality Control Board Implementation of Statewide Water Quality Policy for Onsite Wastewater Systems

By Douglas F. Smith, Assistant Executive Officer

The Lahontan Regional Water Quality Control Board, known as the Lahontan Water Board, is a state agency whose mission is to protect surface and groundwater uses for current and future benefit of all Californians. The board has seven members appointed by the governor and confirmed by the Senate. Staff offices are located in South Lake Tahoe and Victorville.

This article's focus is the implementation of the State's Onsite Wastewater Treatment System (OWTS) Policy as it affects the South Lahontan Basin. These onsite systems are more commonly referred to as septic systems.

### Sewered and Non-sewered Areas

In the Lahontan Region, both community wastewater treatment facilities and individual septic systems are used to manage domestic wastewater discharges. The Lahontan Water Board authorizes more than 100 discharges through individual waste discharge requirements or orders. Most discharges of treated wastewater are applied to land as recycled water for crops, used in landscape irrigation, or allowed to percolate through the soil to groundwater. Land applying such discharges helps to filter out pathogens and provides an effective method of groundwater recharge. Regulated facilities are required to conduct monitoring and reporting to ensure the protection of water quality.

Where individuals or subdivisions do not have readily available community wastewater collection systems (sewers), individual septic systems are used. Estimates of the number of septic systems in California are more than 1.2 million. Because the Lahontan Region is predominately rural, the population served with septic systems is a significant fraction of the total population within the region.

### Pre-policy Regulation of Septic Systems

Local jurisdictional agencies (local

agencies) issue building permits for the construction of septic systems. The local agencies are counties and incorporated cities/towns.

Conventional septic systems consist of a septic tank for solids removal and liquids disposal by sub-surface drain fields or seepage pits. To ensure protection of public health and safety, the *Water Quality Control Plan for the Lahontan Region* (Basin Plan) has specified minimum criteria that local agencies must follow before issuing building permits for new septic systems. Through the Basin Plan and implementing memorandums of understanding (MOUs) with local agencies, the Lahontan Water Board restricted septic system discharges to 500 gallons per acre per day or 250 gallons per day per two equivalent dwelling units per acre. Installation of septic systems were allowed on lots having a net area greater than or equal to 15,000 square feet at subdivisions approved before 1988.

### Emergence of the Statewide Policy

There have been occurrences in California where septic systems, for a number of reasons, have not protected water quality and public health. Because of this concern, the Legislature amended the Porter Cologne Water Quality Act and required the state to adopt a statewide policy for septic systems regulation. The State Water Resources Control Board (State Water Board) adopted the OWTS Policy on November 13, 2012, and it became effective on May 13, 2013.

### OWTS Policy Objectives, Scope, and Processes

The OWTS Policy allows the continued use of septic systems providing they are protective of water quality and public health. The OWTS Policy recognizes that existing local agencies are best to manage septic systems and relies upon

## Regional Economic Strength

Continued

panel on strategies for deploying new technologies to increase goods movement efficiency and lower air quality difficulties.

A thread throughout the conference was that the current trends and future technologies in the movement of goods all point to great potential for the economy of Southern California and the Inland Empire. The only hesitancy was the harm that regulators and legislators might do to the supply chain. As Dr. Husing had stated earlier, "The logistics sector added 23.3% of all new jobs and indirectly supported another 10% as workers spent their payrolls locally. Had the sector's growth been stopped, the inland area would still be mired in the recession."

That danger was underscored by Noel Massie, U.S. Operations Manager for UPS. He was quoted in the *Inland Valley Bulletin* saying, "Legislators are sometimes quick to make decisions that adversely impact the movement of goods ... they can become very arrogant about their intentions when it comes to regulations. And it will show up in some way that impacts the economy in a negative way later on after the damage is done. That's why you need the bodies you have, like the chamber and the Inland Empire Economic Partnership and Orange County Business Council. The best you can hope to do is educate them."

That is one mission that IEEP continues to work to try to fulfill through events like the State of the Region and the Southern California E-Commerce and Logistics Summit.



continued on page 9

## Lahontan Regional Water Quality Control Board Implementation of Statewide Water Quality Policy for Onsite Wastewater Systems

*Continued*

existing local programs to improve these systems, with coordination between local agencies and the Water Board. To accomplish this, the OWTS Policy establishes a statewide, risk-based, tiered approach for the regulation and management of septic systems installations and replacements, consisting of Tiers 0 to 4. The OWTS Policy also sets the level of performance and protection expected from septic systems. General OWTS Policy information describing OWTS Policy Tiers is presented below and can be accessed on the Lahontan Water Board website at: [http://www.waterboards.ca.gov/lahontan/water\\_issues/programs/owts/index.shtml](http://www.waterboards.ca.gov/lahontan/water_issues/programs/owts/index.shtml).

### OWTS Policy Tiers

The OWTS Policy sets five different tiers for regulating septic systems, based on risk to water quality:

- Tier 0 Properly functioning septic systems and no impacts to water quality
- Tier 1 Statewide standards for new or replacement septic systems
- Tier 2 Local Agency Management Program (LAMP) to regulate septic systems
- Tier 3 Specific standards for septic systems that may be affecting surface waters
- Tier 4 Septic systems that require corrective action

**Tier 1** sets prescriptive siting and design standards to assure short-term and long-term protection of water quality. Of significance is the allowable density for new septic systems. In the High Desert area, the minimum density under Tier 1 is one equivalent dwelling unit per 2½ acres for subdivisions created after May 13, 2013.

**Tier 2** is a LAMP, administered by local agencies, for new or replacement septic systems. Local agencies develop and maintain the LAMP. The LAMP provides an alternative method of achieving the OWTS Policy's objective to

protect water quality and public health. A LAMP may contain different siting and design requirements than Tier 1. Of interest to economic development, the tiers associated with the local agency approval of new and replacement septic systems are Tier 1 and Tier 2.

**Tier 3** applicable in areas of impaired water bodies, does not currently apply in the High Desert, as there are no listed impaired surface water bodies.

**Tier 4** applies to septic systems that are not properly functioning (failing). Failure may be indicated by surfacing effluent, wastewater backing up in plumbing fixtures, septic systems component/piping structural failure, or significant groundwater or surface water degradation.

### Timeline

While the OWTS Policy contains a number of milestones, it allows local agencies to manage their previous septic system program under the Basin Plan/MOU until the Lahontan Water Board approves the local agency LAMP or May 13, 2018, whichever occurs first. After May 13, 2018, a local agency must regulate septic systems under either the Tier 1 restrictive requirement or the Tier 2 LAMP.

### Summary of LAMP Submissions in the High Desert

The table below presents the eight local agencies in the High Desert portion of the South Lahontan Basin that propose to implement a Tier 2 LAMP.

These agencies have proposed different

approaches to limit septic system density but generally continue the existing Basin Plan/MOU density criteria: one dwelling unit per ½ acre and 15,000 ft² for some parcels. An up-to-date status of LAMP submission, review, and Lahontan Water Board approval is available on the Lahontan Water Board website.

### Septic Systems with Supplemental Treatment

In some cases, supplemental treatment is needed because of site conditions, such as rapid infiltration rates in underlying soil and shallow groundwater or a commercial site that does not meet the density criteria. In these cases a developer may need to add supplemental treatment to septic systems to compensate for increased loading of pathogens and nutrients. Some local agencies will include these types of systems within the scope of the LAMP and require inspections, maintenance, and monitoring. Lahontan Water Board staff may review these proposed systems at the request of the local agency and will provide recommendations for the siting, construction, and ongoing maintenance of the system. However, if the local agency chooses not to regulate these systems, the developer must obtain waste discharge requirements (e.g., permit) from the Lahontan Water Board.

### Water Quality Assessment Program

As stated, local agencies with a LAMP must maintain a Water Quality Assessment Program to evaluate the impact of septic system discharges. A Water Quality Assessment Program must in-

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Local Agency	LAMP Approval Date	Anticipated LAMP Approval Date or Status
Adelanto		Submittal delayed by the City
Apple Valley	January 10, 2018	
Barstow		July 2018
California City		April 12, 2018
Hesperia	January 10, 2018	
Kern County	June 6, 2017 (by Region 5)	
Los Angeles County		April 2018 (by Region 4)
San Bernardino County	July 13, 2017	

## 2018 Employment Laws and Regulations

By Sharon Page

California Governor Jerry Brown kicked off 2018 by signing several bills that have a direct impact on employers and employment throughout the state. Two major bills restricting hiring information both went into effect on January 1, 2018. Both restrict an employer's ability to inquire into an applicant's background. The first restricts an employer from asking about and/or using criminal history information and the other restricts salary history. Minimum Wage, Immigration Enforcement and the Parental Leave Act round out the major legislation.

**Criminal History Restriction AB 1008** was proposed and passed by the California Legislature in response to the statistic that nearly one in three adults have an arrest or conviction record leading to under- and unemployment for millions. Language in the bill states, "Experts have found that employment is essential to helping formerly incarcerated people support themselves and their families, that a job develops prosocial behavior, strengthens community ties, enhances self-esteem, and improves mental health, all of which reduce recidivism. These effects are strengthened the longer the person holds the job, and especially when it pays more than minimum wage." The restriction on using criminal background history is designed to reduce barriers to employment for those with prior convictions. In addition to the statewide ban, several municipalities have developed their own restrictions, and employers are cautioned to seek additional information if they have employees who are working in those areas which include the cities of Los Angeles and San Francisco.

As of January 1, 2018, employers with 5 or more employees may not seek criminal history inquiries prior to making a conditional offer of employment. This includes seeking information on an application, during the interview process or conducting a criminal background

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## Lahontan Regional Water Quality Control Board Implementation of Statewide Water Quality Policy for Onsite Wastewater Systems

*Continued*

clude surface and/or groundwater monitoring, data collection, and assessment. However, local agencies may use data collected from other monitoring programs or data sources to characterize the effect of septic system discharges on water quality. Additionally, Water Board staff supports and encourages local agencies to track and evaluate locations and densities of septic systems and water supply wells to estimate and predict future adverse changes in water quality.

Lahontan Water Board staff recognizes that the Water Quality Assessment Program is an evolving process. Local agencies are encouraged to partner with other agencies, such as the Mojave Water Agency, who maintains a repository of groundwater quality data from its programs as well as data gathered by the United States Geological Survey (USGS). The State Water Board's Division of Drinking Water also maintains data from regulated drinking water systems.

### Conditional Waiver of Waste Discharge Requirements

The State Water Board has waived the requirements for a septic system owner to submit a report of waste discharge, pay fees, and obtain waste discharge requirements from the Lahontan Water Board. The waiver applies to septic system discharges covered under the OWTS Policy, primarily domestic wastewater discharges of less than 10,000 gallons per day and less than "high-strength" water (less than 900 milligrams per liter of biochemical oxygen demand). Septic system owners with a design flow of greater than 10,000 gallons per day (or that meet other criteria – such as discharges of industrial wastewater) must obtain waste discharge

requirements from the Lahontan Water Board.

### Local Financial Effects

Local agencies are proposing LAMPs that comply with the OWTS Policy and, if accepted by the Lahontan Water Board, propose negligible effects on new developments. LAMP implementation may increase tracking and monitoring by the local agencies and bear the cost of preparing and submitting Water Quality Assessment Program reports or supporting counties in preparing these reports. Future changes to LAMPs may be proposed to the Water Board. Increases in local agency program costs are unknown. The Lahontan Water Board encourages developers to consider installing community sewer systems, where feasible, to allow for the re-use and recycling of such water for beneficial use of the public. In this manner the underlying high quality groundwater of the Mojave Desert can be protected and managed to provide safe drinking water to our communities for a long time to come.





## 2018 Employment Laws and Regulations

*Continued*

check prior to extending a conditional offer of employment. The only exception is when the position is required by any state, federal or local law to conduct a criminal background check.

### **Employers who desire to do a background check should now take these steps:**

- Review application and verify it does NOT ask about criminal history
- Make sure interview questions don't ask about criminal history
- Extend conditional offer of employment, if using a background check
- Perform or authorize background check.

If it comes back "clear," proceed with hiring

- If the background check comes back with a "Flag," follow these steps, outlined in the regulations:

Company completes Individualized Assessment Worksheet

Company issues Preliminary Written Decision (if assessment excludes applicant from qualification)

Applicant has opportunity to respond

Company issues written notice of Final Decision.

**Salary History Restriction** is an expansion of the Fair Pay Act and equal pay protection in California. The rationale behind this law is that determining an applicant's current salary based on prior salary may perpetuate discriminatory pay practices. California's law (and the other states that have passed similar laws) are intended to narrow the pay gap between men and women and among racial and ethnic minorities by emphasizing the pay being for a specific position and not based on prior salary. This law applies to all employers, regardless of size. An employer shall not rely on salary history information of an applicant for employ-

ment as a factor in determining whether to offer employment to an applicant or what salary to offer an applicant. Employers may not seek salary history information, including compensation and benefit information, about an applicant for employment. Employers are also restricted from using an agent to gather that information, so employers need to ensure they are not getting salary history from background check vendors as well. Many smaller employers have historically used applicant information to do an informal analysis of the going rate for the positions and what competitors may be paying for similar positions, and this restriction will prevent them from doing that. In addition, employers, upon reasonable request, need to provide the pay scale for a position to an applicant applying for employment. This means that employers may need to create pay scales for the different positions within their business if they don't already have them.

The only exception to this regulation is that it does not apply to salary history information disclosable to the public pursuant to federal or state law, including the California Public Records Act or the federal Freedom of Information Act. In addition, if an applicant voluntarily and without prompting discloses salary history information to a prospective employer, nothing in the regulations prohibits that employer from considering or relying on that voluntarily disclosed salary history information in determining the salary for that applicant. Employers should take the following steps:

1. Ensure the application does not have a space for prior salary (typically found in the sections asking about current or past employment)
2. Ensure anyone involved in the hiring process understands that employers can not ask about past salary
3. Create or review pay scales for the

different positions within the company

### **Minimum Wage Requirements**

While not a new law, minimum wages increased again this year during the phase-in of the minimum wage steps to reach \$15/hour by 2022-2023. When minimum wages for hourly employees increase, employers must also ensure exempt employees' salaries are at least two times the state minimum wage. Currently, employers with 26 or more employees must pay a minimum of \$11/hour and exempt employees must be earning at least \$45,760/annum. Employers with 25 or fewer employees must be paid a minimum of \$10.50/hour and exempt employees must be earning at least \$43,680/annum.

Steps for employers to take:

1. Ensure all hourly employees are being paid at least minimum wage for all hours worked (and appropriate overtime)
2. Ensure all exempt employees are being paid at least two times the state minimum wage

In a lose-lose proposition for employers, the state has declared specific rules on **Immigration Enforcement** and imposes restrictions on federal immigration agency access. The state has now set up employers to possibly risk fines and penalties from the state for violating their law and fines and penalties from the feds for not complying with their agency instructions. To comply with state law, California employers should only allow access to a non-public worksite with a judicial warrant. In addition, employers are to post a Notice of Inspection in the language employees predominately use. The Labor Commissioner is developing a notice template and will have it published by July 1, 2018. Currently, the federal Department of Justice has filed suit against the state. Best practice for California employers would be to contact their employment law attorney

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## Federal Tax Cuts Helps Businesses and Families

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

With most Americans having filed their 2017 tax returns, it's important to call attention to the historic tax reform legislation that's benefiting Americans on their 2018 taxes. Passed by Congress and signed by the President, the Tax Cuts and Jobs Act is working to provide a fairer, simpler, pro-family tax code, and it's giving more money back to taxpayers and spurring economic growth.

Big-government politicians and slanted news outlets have sought to mischaracterize the Tax Cuts and Jobs Act as an attack on the middle class. Nothing could be further from the truth. As a result of lowered tax rates for businesses, already more than four million Americans have received bonuses, with many companies increasing salaries and benefits for their employees.

The new tax law nearly doubles the standard deduction – from \$6,350 to \$12,000 for individuals and \$12,700 to \$24,000 for married couples. With the expanded standard deduction alone, over 91% of taxpayers in my district will get a better deal under this new law by taking the standard deduction rather than itemizing. Tax reform also will provide taxpayers with lower individual tax rates, particularly low- and middle-income Americans, and it doubles the child tax credit from \$1,000 to \$2,000 per child. In total, the average American household will save approximately \$2,000 a year.

It's also important to note that the Tax Cuts and Jobs Act preserves the home mortgage interest deduction for existing mortgages and maintains the home mortgage interest deduction for newly purchased homes up to \$500,000. This will continue providing tax relief to current and aspiring homeowners. Additionally, it allows people to write off the cost of state and local property

taxes up to \$10,000.

In addition to the benefits the tax law provides directly to individuals and families, it also reduces taxes on both large and small businesses, setting the stage for continued economic growth. At 35%, our corporate tax rate has been among the highest in the world, making it difficult for businesses to be competitive and giving them every reason to move operations overseas. The Tax Cuts and Jobs Act lowers the corporate tax rate to 21% – still higher than average in the industrialized world, but low enough to make us competitive. The lowered rate will free up businesses to continue creating American jobs, paying more to their workers, and reinvesting here at home.

Locally, the numbers for our region's labor force continue to move in a positive direction. According to the latest data from the U.S. Bureau of Labor Statistics, local unemployment is down to 4.5%. Moreover, the fastest growing job sector is the building trades, with a total of 14,300 new construction jobs added last year. I'm optimistic that the regional economy is primed to continue to experience growth as we continue to see the benefits from tax reform and as Congress and the administration continue to work together to reduce burdensome federal regulations.



## 2018 Employment Laws and Regulations

*Continued*

immediately upon being visited by Immigration and Customs Enforcement to ensure they get proper guidance on how to limit their liability in these murky waters.

Lastly, with a major impact on employers with 20-49 employees, and a lesser impact on larger employers, the new **Parental Leave Law** provides job-protected leave for 12 weeks of baby bonding leave within one year of birth/adoption or foster care placement. This leave is in addition to an employee's eligibility for Pregnancy Disability Leave. The law does not apply to employees subject to the federal Family Medical Leave Act (FMLA) or the California Family Rights Act (CFRA) but extends the job protection to additional employees.

### Employees are eligible for Parental Leave if the employee worked:

- For a covered employer for at least 12 months;
- At least 1,250 hours in the past 12 months; and
- At a worksite with at least 20 employees within a 75-mile radius.

Employers should review their worksites to see if their employees may be entitled to Parental Leave and, if they are, set up a system for notifying employees, tracking the leave, and ensuring compliance with the new law.

Employers in California are suffering from rule and regulation fatigue, and this year the legislature continued in its path of adding to the burdens of the business community. Businesses need to make sure they keep their eyes on Sacramento and closely follow all new and updated regulations to be compliant.

*Sharon Page, The HR Edge, Human Resources, Consulting, Training. The HR Edge specializes in partnering with our clients to ensure compliance with state and federal rules and regulations; assisting with hiring and firing; providing training and coaching; and helping businesses manage their risks.*



## Victorville's ComAv takes the lead in local job creation and education through "Aviation Pathways"

By Lisa Skeels

### AVIATION PATHWAYS

Educate. Empower. Community

After adding 100 jobs, and expanding to over 300 employees over the past year, ComAv CEO Craig Garrick's biggest challenge is finding local Victor Valley residents who can handle the type of work that the global airplane maintenance and leasing company excels in.

Last year, ComAv launched "Aviation Pathways" to directly address the issue it was facing in sourcing local employees and, along the way, gear students for promising careers in aviation. The plan was to partner with local educators to gain a better understanding of their interests and needs, leading to the development of aviation-based educational programs while providing aviation field expertise.

"We want to recruit locally as our staffing requirements increase," Garrick told the Victorville *Daily Press* when the program was launched. "We've found that we are not only helping our own community by providing jobs, but recruiting locally provides our company with a longer-term and loyal employee base. We pride ourselves as a company with low employee turnover, which is unusual for an aviation-based company."

On February 20, 2018, ComAv hosted the first "VVC Aviation Tour" with stu-

dents, joined by fellow aviation companies GE, the VVC Aviation School and Exquadrum, coordinated with the Victor Valley College Bridge Program.

"It was a joint effort, everyone did a really great job," said Lisa Skeels, ComAv Director of Corporate Marketing. "Victor Valley College Bridge Program did a lot of the heavy work in coordinating us all to make this happen. We're happy to see the Aviation Tour as a great extension of the Aviation Pathways efforts"

Over 100 students from Victor Valley area High Schools convened at Southern California Logistics Airport (SCLA) and held a day-long program at ComAv's hangar for a tour of aviation facilities and presentations by the companies and Victor Valley College programs. This tour provided students with not only exposure to the aviation industry, but with the unique mix of aviation companies, students can learn about different types of jobs and education within the aviation/aerospace industry.

Students at this session came from all over, including Serrano High School, Oak Hills High School, Hesperia High School, Victor Valley High School and Barstow High School. College students from Victor Valley College also attended.

At GE, students learned about engine testing and jet propulsion; at Exquadrum, they learned about rocket science, engineering & testing opportunities; the Victor Valley College Aviation School showcased its airframe and power plant education program and taught students about the educational

requirements needed to pursue a career at the aforementioned companies.

ComAv, in addition to presenting about the job opportunities available at the company, offered

students the opportunity to tour a 747.

The program ended at ComAv's wide body hangar where over 100 students were treated to lunch and gathered to ask questions and get more one-on-one time with the organization they may have been most interested in. Aviation Pathways allows those interested students to seek internships with ComAv and get the hands-on experience needed to become a licensed airframe and power plant mechanic.



Located right next to Victor Valley College's Airframe and Powerplant (A & P) school, ComAv offers paid internships, as well as provides the guidance and instruction needed to further the intern's education. Don Dombrowski, ComAv's Director of Quality and a founder of the Aviation Pathways program, is a long-time teacher at the A & P school.

A part of Aviation Pathways' program are student internships with a pathway to employment at ComAv. One student from the first Aviation Tour has already been accepted for a ComAv internship, and there are three more slots open for summer internships.

Another Aviation Tour is scheduled in May, with a date to be determined. Educators interested in being a part of Aviation Pathways can learn more by contacting Lisa Skeels at [lisa.skeels@comav.com](mailto:lisa.skeels@comav.com).





## Housing Authority of the County of San Bernardino (HACSB) Questions & Answers

### What housing programs does HACSB administer?

HACSB owns and/or manages approximately 12,700 housing units through three main housing programs throughout San Bernardino County:

- **Housing Choice Voucher Program** (commonly referred to as Section 8), serves 10,121 households. This total includes families participating in the traditional Housing Choice Voucher Program, Term-Limited Lease Assistance Program (term limited program), and special purpose programs such as vouchers exclusive for veterans. HACSB does not steer or designate where a family should move; families have the choice to find a home suitable for themselves/their families in any city. These units are privately owned, with rent subsidies paid directly to owners by the Housing Authority. These programs are managed by HACSB offices in Ontario, San Bernardino, Upland, and Victorville.

- **Public Housing Program**, serves 646 households. In partnership with the U.S. Department of Housing and Urban Development (HUD), these units are owned and managed by the Housing Authority through its offices in Barstow, Chino, Colton, Redlands, San Bernardino, and Upland.

- **HACSB's Authority-Owned Portfolio** serves 1,926 households that are a mix of affordable and market rate units. These units are owned by the Housing Authority and were either acquired or developed through a variety of partnerships with the State of California, San Bernardino County Department of Community Development and Housing, various cities throughout the county, and Housing Partners I Inc., a nonprofit public housing corporation.

### Why is HACSB different than other traditional Housing Authorities in other areas?

HACSB is not like a traditional Housing Authority; they are Congressionally designated a Moving to Work agency for being a high performer and innova-

tive agency, which means they have the ability to develop, transform, and establish local housing programs and services that best meet the needs of the local communities. Currently, there are only 39 designated MTW agencies out of 3,200 housing authorities nationwide.

The name of the designation can be a bit confusing, but the three goals are to help families achieve economic independence, provide families with various housing options, and save taxpayer dollars through administrative efficiencies.

They have used this designation in a wide variety of ways, such as implementing term limits on new families assisted as part of the Housing Choice Voucher Program (non-elderly/non-disabled).

### Is immediate housing assistance available? Does it really take years to receive help?

Unlike other health and human services programs, HACSB provides housing assistance based on the number of vouchers and public housing units in which they are authorized and funded through HUD. Unfortunately, they do not have the resources to provide immediate housing assistance.

There are approximately 51,574 applicant households on our various housing programs waitlists. The waiting lists are broken down and managed by housing programs, housing sites, and bedroom sizes.

The wait time varies in each of these waiting lists. As families move off any of our housing programs, families are pulled from the waiting lists to backfill. Families wait years to get housed. In the recent decades it has taken some Housing Choice Voucher waiting list applicants 7-8 years to get housed.

### How can an individual/family access the waiting list applications?

For current information on HACSB's open waiting lists, please download an pre-application from the following web-

site: [www.hacsb.com/residents/future-residents-participants](http://www.hacsb.com/residents/future-residents-participants)

Pre-applications are also available at any HACSB office location.

### Does HACSB screen their housing applicants to make sure they are law-abiding program participants?

All applicants 18 years of age and older are subject to third party screening and verification of criminal history. We also require that all adult members adhere to a crime-free addendum. HACSB's Voucher/Family Obligations Agreement also stipulates that they must not engage in any criminal offenses, or they may be subject to the termination of their assistance.

### How have the federal budget cuts affected the Housing Authority and is anything being done to help program participants rely less on government assistance?

The ongoing budget reductions at the federal level have resulted in a loss to HACSB of approximately \$39 million between calendar years 2008 – 2018. The majority of HACSB's funding comes from the federal government to subsidize its two main affordable housing programs: Housing Choice Voucher and Public Housing Programs.

HACSB only receives a certain allocation of vouchers and public housing units. Without an increase from HUD/Congress, we aren't able to serve additional families outside those allocations. Slight increases happen throughout the years, but primarily for the special purpose vouchers like those designated exclusively for veterans, but these are literally a few vouchers here and there. As families move off any of our housing programs, families are pulled from the waiting lists to backfill.

HACSB's Career Development Initiatives Team helps families with career mentoring; resume building; overcoming barriers to employment; financial literacy/capability skills such as budget-

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## Opportunity for Participation in the California WaterFix

By Yvonne Hester

As the Inland Empire continues to rank number one in job growth, the communities of the High Desert are preparing for the next wave of development. As community leaders plan for growth, the question of water supply becomes paramount turning the focus on the Mojave Water Agency (MWA)—the entity responsible for ensuring a sustainable water supply. Currently, MWA's leadership is examining ways to protect and enhance supplies, and one opportunity is participation in the California WaterFix (Cal WaterFix).

What is the Cal WaterFix? It is the construction of an underground conveyance system (tunnels) to carry water from the Sacramento Delta to other parts of the state. It is designed to more efficiently store, capture, and move water, as well as protect endangered fish and the fragile Delta habitat. This project is an upgrade of the aging State Water Project (SWP) system which is dependent on 50-year-old levees that are subject to rising sea levels, earthquakes, and flooding.

The Mojave Water Agency is one of 29 State Water Contractors that helped finance the construction of the current state's water system and, as a participant, may buy this water to augment local supplies. MWA uses this imported water to sell to water districts in the MWA region. This water also is used to replenish local groundwater supplies via recharge programs. The Agency purchases additional water during wet years to store in underground aquifers to help meet water demands during droughts.

How would MWA participate in the Cal WaterFix? The proposal to build the Cal WaterFix has a similar funding and use plan as the current SWP system. Contractors of the SWP system will pay their share of the construction costs, as well as annual maintenance and use costs. The project would not provide a new source of water, but it would improve the reliability of existing sources. This would provide flexibility to meet water demands as the region grows.

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## Housing Authority of the County of San Bernardino (HACSB) Questions & Answers

*Continued*

ing and credit/asset building; and other employment development services. HACSB also partners with the San Bernardino County Workforce Development Department, which provides on-site Workforce Development Specialists who work exclusively with HACSB customers to assist them in job training and placement. These efforts and partnerships help insure greater personal accountability for the families while providing meaningful services to help them achieve economic self-sufficiency.

### Is it true that there has been an influx of HACSB "Section 8" participants in the High Desert cities?

Currently, approximately 3.85% of all HACSB Housing Choice Voucher program participants live in the High Desert (when considering the following cities only: Barstow, Adelanto, Victorville, Apple Valley, and Hesperia). This is down from the previous average of 4.3% living in the High Desert cities between 2013-2017.

Families/individuals participating in the Housing Choice Voucher Program (commonly referred to as Section 8), have the choice to live in any city of their preference. HACSB does not steer families to live in any one particular area.

### Are there any resources in San Bernardino County for homeless individuals and families?

The Housing Authority doesn't have the resources for immediate housing assistance or manage homeless shelters.

San Bernardino County has established a Coordinated Entry Systems (CES) to identify, assess and prioritize homeless individuals and families for housing and services based on their individual situations.

Therefore, all individuals/families in need of homeless housing assistance and resources should call, dialing the 3-digit calling code, 2-1-1. The caller is

connected to a live, bilingual homeless-assistance call specialist who will help assess the caller's situation and streamline access to homeless assistance services, screen applicants for eligibility for these and other programs in a consistent and well-coordinated way, and assess needs to determine which interventions are the best fit for each individual and/or family. A call can be made 24-hours a day, 7-days a week.

### What is HACSB's governing structure?

HACSB has two governing boards: the Governing Board of Commissioners and the Housing Commission. The Governing Board of Commissioners is the County of San Bernardino's five-member Board of Supervisors. The Board of Supervisors appoints the seven commissioners to serve this public agency and to act as its Housing Commission. These individuals provide strategic and policy direction.

For more information on the governing boards, please visit:  
[www.hacsb.com/about-hacsb/board-of-commissioners](http://www.hacsb.com/about-hacsb/board-of-commissioners)

### Who can a community member contact with issues regarding any HACSB program participants?

If a community resident believes a household may be a participant in any of HACSB's affordable-housing programs and is causing disturbance in the community, they may call (909) 332-6302 to report the situation. Whether the family is an HACSB-program participant cannot be disclosed. However, if the family is an HACSB-program participant, we will open an investigation and address any findings.



## Energy Disclosure in California has a Bumpy Road

By Marika Erdely, Founder and CEO of Green EconoME



It's official! On March 1, 2018, the State of California's Energy Commission (CEC) has reinstituted a statewide energy disclosure law, called AB 802,

requiring building owners to annually disclose their building's energy usage. This new law replaces the former AB 1103 disclosure requirement. Significant changes from AB 1103 include the incorporation of multi-family buildings and publicly disclosing the energy usage on an annual basis. This public reporting will provide investors valuable information regarding the efficiency of their potential investment and will ultimately affect market values.

AB 802's schedule of implementation is as follows:

Type of Buildings	Meter Requirements	Energy Disclosure Deadline	Public Disclosure To Begin
Commercial	No Residential	June 1, 2018	September 1, 2019
Multi-Family	17 or more residential	June 1, 2019	September 1, 2020

California's former disclosure law, AB 1103, was repealed at the end of December 2015 due to issues with accessing tenant energy-usage data. Without this data it was difficult to ascertain the true energy efficiency of a building with multiple types of meters. Since then, utilities have been required to develop the ability to download "whole building" data into the EPA's Energy Star Portfolio Manager software. This data now includes common-area and tenant energy-usage data. AB 1103 also did not have any enforcement mechanism while, with AB 802, the CEC has the authority to enforce the disclosure through Public Resource Code 25321.

The energy disclosure process, called

Energy Star "Benchmarking," requires a minimum of twelve months of energy usage data, along with certain physical and operational characteristics of a building, to be entered into the EPA's software. The result is an Energy Star "Score" of 0 to 100, with 100 meaning the most energy efficient, when comparing the building against other similar building uses in the software. A weather-normalization process occurs by zip code.

The EPA software also provides Energy Utilization Index (EUI) scores, which are compared against the latest Commercial Building Energy Consumption Survey (CBECS). Since there are over 80 different building uses in the EPA software, almost every type of property can be benchmarked.

So, what are the benefits of benchmarking and why did California re-institute

this disclosure? It's simple: building owners/operators know that their building consumes energy and rightly become flustered when utility costs go up. Proponents of energy disclosure laws believe that if building owners/operators knew their specific inefficiencies, especially when compared to other similar building uses, they'd work to become more efficient and save money in the process.

Considering that energy costs are a significant expense for any building owner/operator, increasing the operating income produces a more attractive building valuation and ultimately means that the more energy-efficient buildings will have higher market val-

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## California WaterFix

*Continued*

The cost for MWA to participate in the Cal WaterFix cannot be determined until decisions are made regarding the final construction and design and costs. The MWA Board of Directors has taken a position supporting the project in concept, but no commitment has been made to financially participate. As more detailed information becomes available, MWA will invite public input before making a decision.

Another effort underway to stretch water supplies is a new desert landscaping conservation tool to help homeowners, businesses, and landscapers choose water-wise landscaping. This new landscape education program is a joint effort between MWA and the Alliance for Water Awareness and Conservation (AWAC) and it's available online. This easy-to-use online plant database now offers information on hundreds of beautiful, California native plant species and adapted plants.

The plant database, called "Plant Search," is hosted on the AWAC website, [www.hdawac.org](http://www.hdawac.org). A simple click takes the viewer to options that include California native plants, groundcovers, perennial sub-shrubs, shrubs, cacti, succulents, trees, vines, ornamental grasses, and annuals. Each selection includes a series of photos, a plant description, as well as information on the plant's size, spread, coverage, flowering season, bloom months, color, water usage, life form, soil preference, growth rate, sun exposure, cold temperature ranges, and more.

The database also allows users to customize their search based on a number of factors, including color, flower season, plant cold hardiness, plant height, plant spread, soil preference and much more. New plants and updates will continually be made to the program.

For more information on MWA programs, contact Yvonne Hester at 760.946.7067.





## Energy Disclosure in California has a Bumpy Road

*Continued*

uations. Some say this doesn't matter since the real estate market is so "hot," but when one considers buying and operating a building, it's hard to imagine that this Energy Star Score won't be considered and compared to determine the best investment.

In 2017 BOMA conducted a study on Energy Star Certified Buildings (Energy Star Score exceeds 75), showing that they experience indisputably higher rental values, higher sales prices, and lower occupancy rates compared to standard buildings. Energy Star scores are also a component of the LEED rating system. Thus, energy efficiency results in higher LEED credits.

Energy efficiency not only means LED lamps and wireless, programmable thermostats, it also means complying with Title 24, California's energy building code. The State's focus on providing increasingly stringent code requirements when completing retrofits pushes the industry to include occupancy sensors, dimming, lower wattages and higher lumens, all resulting in increased efficiency and, in many spaces, more comfort. Who wouldn't want to dim their fixtures to their personal preference?

Though hard to believe in today's culture, Title 24 projects that by 2030 all commercial buildings constructed in California will be Zero Net Energy (ZNE). ZNE simply means that all the energy consumed by a building ultimately gets offset, or canceled-out, by the amount of energy generated during the same time period. These buildings will have higher Energy Star scores.

So, as building operators retrofit their buildings and increase their Energy Star Scores, those not focused on the importance of efficiency will be left behind in their obsolete buildings with low scores and even lower market values.

This trend towards energy efficiency

has already caught the attention of real estate professionals and those in large REITs or with large portfolios. In fact, many have been benchmarking their buildings for years. These investors know that the next generation considers it morally important to reside in Energy Star-certified or LEED buildings. These forward-thinking investors are ensuring the relevance of their buildings by making this investment. Those with smaller portfolios, or with one or two buildings, have made some progress, but many find the investment difficult to swallow and continue to feel that in a "hot" real estate market, it might not matter.

For anyone holding out, there are options to consider. Those currently developing projects can take advantage of the Savings by Design incentive program. By building at an efficiency of at least 10% above the current building code, the owner and their design team can receive utility incentives to build more efficiently. It is a great opportunity to receive incentives while building better than your peers. One of our clients used the proceeds of this program to invest in an energy-monitoring system, allowing them to understand the energy usage of their hotel and to uncover areas of energy waste. It's a guarantee that the operator will save energy with the knowledge of when kW peaks occur - among the most expensive line items in any electric bill.

For those operating in existing buildings, both SCE and the LADWP are currently offering LED and HVAC incentives, which can greatly reduce the payback period on any type of energy-efficiency retrofit. Delaying means missing the window on these incentive opportunities.

Naturally, Solar PV systems are a great investment, even with the recent tariff increase. However, it is important to first make your building energy efficient, as these systems are based on

your kWh usage and kW peak. The Federal 30% tax credit begins its decline after Dec. 2019.

Finally, although more expensive than conventional financing, PACE financing has become more popular for building owners who don't want to invest any of their cash into the building. The PACE assessment can absorb the entire cost of an efficiency project and now can also include seismic retrofits to be added to the property taxes of the building. These assessments can be made for 20 or 30 years and stay with the building.

The bottom line is this: energy disclosure reporting is here to stay. And with energy efficiency tethered to the building code, understanding how your building measures up will undoubtedly affect your investment.

Marika Erdely is Founder and CEO of Green EconoME. In her previous life, she was a CFO for a land developer and home builder in Calabasas. Marika has an MBA, is a LEED AP BD+C, is a Certified Energy Auditor and a License B Contractor (#1001368). Marika has happily become a grandmother since she last wrote for the Bradco High Desert Report.

Green EconoME is a woman-owned, multi-disciplinary energy consulting and construction firm providing full-scale energy efficiency services to diverse public- and private-sector clients. Their objective is to increase the net operating income of a property to positively affect market valuations. They are accountable and committed to the performance of each project.

Contact Marika if you need help with energy disclosure reporting or wish to discuss making your building more energy efficient.

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

It has been my honor to represent you in the State Assembly since 2014. This last legislative session I successfully got eight bills signed into law that dealt with transparency, government efficiency and property ownership. Despite my legislative success, taxpayers weren't as fortunate. The Legislature passed several bills that will increase costs on Californians, particularly hurting middle- and lower-income families.

In 2015 I authored Assembly Bill 809, which requires all tax measures that are placed on a ballot to clearly label the tax, the rate of the tax, and the duration of the tax. However, Los Angeles County found an activist judge who allowed them to place a sales tax on the ballot without disclosing to voters that it was a tax. To fight back I authored AB 195 last year, which closes the loophole and requires all taxes to be transparent with voters.

In 2016 the Legislature passed, over my opposition, SB 1263, which prohibited any new development on land that relied on hauled water. This bill effectively eliminates large portions of the High Desert from being developed. In response, last year I introduced AB 367 to allow homeowners

who rely on hauled water to rebuild their homes if they burned down in a fire. I will continue to push for legislation that strengthens property rights.

In 2017, middle-class taxpayers in California were hit with more tax increases than any year since 1935. Taxpayers were burdened with the largest gas tax increase in state history when the Legislature passed SB 1, which took effect last November. It increased gasoline taxes by 12 cents per gallon, increased diesel fuel taxes by 20 cents per gallon, increased vehicle registration fees by between \$25 and \$175 per year, and added a new \$100 fee on all electric vehicles. These new taxes represent a \$5.2 billion annual tax increase on Californians. Unbelievably, 30 percent of the new funding is being diverted to projects that are unrelated to roads. And fewer than five percent of the funds can be used for constructing new highway lane miles, which means this tax does nothing to solve our traffic gridlock.

The Legislature did not stop there. Last September, SB 2 was passed, which imposes a \$75 recording "fee" on real estate-related documents such as deeds and notices. These fees and taxes are extremely regressive and will drive up the cost of living in California. Our state already leads the nation in poverty, and these policies clearly hurt middle- and lower-income Californians.

The Legislature also passed several bills that make our communities less safe. Take for example AB 1448, which allows prisoners who are 60 years of age or older and have served 25 years of continuous incarceration to be eligible for parole, regardless of how much time is left on their sentence. Perhaps even worse is SB 394, which allows a person sentenced to life without the possibility of parole as a juvenile to become eligible for parole after serving 25 years in prison. Both of these bills will result in more criminals being released into our communities. Crime rates are already spiking across California — reducing punishments on criminals will only exacerbate the problem.

Although the Legislature did lasting damage to the middle-class in California in 2017, I am optimistic for California's future. I have helped gather hundreds of signatures to put a repeal of the gas tax on the 2018 November ballot. I am also supporting an initiative that would address some of the unintended consequences of the recent criminal justice reforms that have resulted in an increase in the violent crime rate. I will continue to advocate for government transparency, government efficiency and expanded property rights. It is an honor to represent you.







## SBCTA Keeps the High Desert Moving

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

Maintaining and improving our streets, roads and transportation infrastructure is critical to quality of life in the communities of the High Desert. The amount of time and ease it takes traveling home, to local businesses, school, and commuting to work effect the day-to-day lives of all residents.

The San Bernardino County Transportation Authority (SBCTA) is proud to play a vital role in helping bring high quality transportation projects and improvements to our county.

Serving more than 2.1 million residents of San Bernardino County, SBCTA is responsible for cooperative regional planning and furthering an efficient multi-modal transportation system countywide. SBCTA administers Measure I, the half-cent transportation sales tax approved by county voters in 1989, and supports freeway construction projects, regional and local road improvements, train and bus transportation, railroad crossings, call boxes, ridesharing, congestion management efforts, and long-term planning studies.

Through Measure I, SBCTA has contributed to many impactful projects throughout the High Desert over the last year. Partnering with and providing funding to local cities and the County, SBCTA has facilitated projects in every community.

The Yucca Loma Bridge construction and Yucca Loma Road widening in Apple Valley, as well as the widening of Yates Road, were completed in 2017 by the Town of Apple Valley. The projects totaled more than \$64 million in improvements with nearly \$15 million in Measure I funds.

In addition, Phase 1 of the National Trails Highway (Route 66) resurfacing project was completed last year by San Bernardino County. The project, located on Route 66 between Fort Cody Road and Lavic Road (18.3 miles) and 4 miles west of Amboy Road to 17 miles east of Amboy Road (21 miles), totaled

\$3.6 million in new pavement with \$3.4 million contributed by Measure I funds.

High Desert cities also benefited from more than \$14 million Measure I dollars for local street and road projects in 2017. These funds help High Desert cities repave and repair the neighborhood streets and roads residents use every day.

Looking to the future, the High Desert will continue to benefit from transportation improvements funded with Measure I dollars. Those transportation improvement projects include:

- U.S. 395 Widening from State Route 18 (SR18) to Chamberlaine Way – City of Adelanto, \$56.9 million project / \$17.6 million in Measure I funds.

The project will widen sections of U.S. 395 from two to four lanes between SR 18 to Chamberlaine Way in the City of Adelanto. Proposed improvements also include operational improvements such as adding turn lanes and signal improvements at intersections.

- Apple Valley Road and SR 18 Realignment – Town of Apple Valley, \$4.9 million project / \$2.2 million in Measure I funds.

The project will realign and construct intersection improvements at Apple Valley Road and SR 18 in the Apple Valley area.

- North First Ave. Bridge over BNSF Railroad – City of Barstow, \$42.7 million project / \$4.3 million in Measure I funds

- Green Tree Boulevard Extension – City of Victorville, \$45 million project / \$18.1 million in Measure I funds.

This project will extend Green Tree Boulevard from Hesperia Road to Ridgecrest Road/Yates Road, and construct a new four lane road, including a bridge over the BNSF railroad.

- Bear Valley Bridge over Mojave River – Town of Apple Valley, \$19 million project / \$1.1 million in Measure I funds.

The project will replace an existing two lane low-water crossing with a new two lane bridge.

- Yucca Loma Rd. Widening from Apple Valley Rd. to Rincon Rd. – Town of Apple Valley, \$7 million project / \$4.9 million in Measure I funds.

The project will widen from two lanes to four lanes Yucca Loma Road from Apple Valley Road to Rincon Road.

- Ranchero Road Corridor Widening \$38.8 million project / \$17.5 million in Measure I funds.

The project is to widen and reconstruct Ranchero Road from .3 miles east of Mariposa to 7th Street at various locations to go from four lanes to six lanes with a center median. Improvements include widening of the bridge over the California Aqueduct and at-grade railroad crossing improvements.

Additionally, SBCTA contributed more than \$4.3 million to the High Desert Corridor (HDC) project for project approval and environmental clearance. The HDC project will create a new 63-mile-long multi-modal transportation facility to improve mobility within the High Desert region between State Route 14 in Los Angeles County and SR 18 in San Bernardino County. The HDC also aims to improve travel safety and reliability, while connecting residential, commercial and industrial areas in the Antelope and Victor Valleys, including the cities of Palmdale, Lancaster, Adelanto, Victorville and the Town of Apple Valley. As a multi-purpose corridor, the project is considering the integration of a new freeway/expressway, high speed rail connection, a bikeway, and green energy element.

SBCTA looks forward to continuing to partner with the cities, towns and communities of the High Desert. The agency is dedicated to bringing road and infrastructure improvements that not only keep residents and commuters moving but enhance the quality of life for residents and families and help local businesses succeed.





## VVTA Adapts to the Speed of Life

By Fidel Gonzales, Marketing & Civil Rights

Travel plans change at the speed of life.

Public transit must be quick to identify and adapt to the emerging needs of its community. Victor Valley Transit Authority (VVTA) continues its quest to serve the burgeoning transportation needs of its High Desert community.

A challenging task — considering its operational footprint nearly spans a whopping 1,000 square miles and claims many niche communities — VVTA is amid a series of systemwide improvements to take a focused aim at overcoming those challenges. From strategic new facility buildouts and transit fleet additions, to the deployment of advanced technologies, bus routing, and bus stop signage, VVTA is on the move.

Just like transit agencies throughout the country, VVTA has experienced a recent mild decline in fixed route (big bus) ridership. Overall though, VVTA's total ridership demonstrates its long-standing growth trajectory. Total ridership jumped from 1.7 million in 2013, to 1.9 million in 2015, and up again to 2.5 million in 2017. VVTA's operational strength is still embraced by a fixed route transit system that spans 11,873 miles.

Big on the bucket list of connecting service to the Inland Empire are plans to introduce a CSU San Bernardino bus stop in time for the fall 2018 semester start. There is also the possibility for additional trips between Victorville and the San Bernardino valley.

### Comprehensive Operational Analysis

VVTA commissioned the renowned consulting firm, AECOM, to perform a Comprehensive Operational Analysis (COA) of its entire system. Completed in February 2017, the study reviewed service performance in relation to community developments within VVTA's operational area. The effort sought to determine how effective the existing services were and identify what modifications were needed to best serve the community in the coming years.

The recommendations were based on 18 months of analysis, consisting of community outreach, public comments, and collaboration with key stakeholders within the VVTA service area. The COA addressed the needs for system growth and enhancements required to improve on-time performance and create continuity between Barstow Area Transit (BAT) and VVTA, as these two bus systems merged in September 2015.

Since VVTA is fiscally conservative, the changes outlined within the COA were based on a financially-constrained environment. Growth recommendations were phased and designed with the flexibility of meeting future funding realities.

### COA Implementation

The VVTA Board approved the findings of the COA, and in October 2017 VVTA implemented many of the findings. VVTA expanded service hours, worked toward a reduction of wait times, and adjusted routes to match population growth trends and movement throughout the High Desert. The long-awaited fare alignment standardized fares between the Victor Valley and Barstow service areas, simplifying passenger travel. The adjustment reduced fare on some services and increased others, while many remained the same.

"Although many transit agencies increase their fares for riders every two years, VVTA has not raised fares in 10 years, even though the level of service has improved and our population has grown," said VVTA Executive Director Kevin Kane with regard to the service changes. "VVTA remains a best value for its level of service, featuring some of the lowest fares in Southern California."

Route numbers were relabeled based on the type of service they provide and where they operate. Routes numbers 1-9 primarily now serve Barstow. Route numbers 10-19 and 200-299 are delegated for inter-city routes. Route num-

bers 20-29 are reserved for county areas. Route numbers 30-39 primarily serve Adelanto. Route numbers 40-49 primarily serve Apple Valley. Route numbers 50-59 primarily serve Victorville. And route numbers 60-69 primarily serve Hesperia. Commuter routes continued with numbers 100-199.

"Anytime the transit agency makes changes in their system, it is going to benefit the majority of its riders but will still negatively impact some; however, I believe this system upgrade is certainly more intuitive," said VVTA Executive Director Kevin Kane prior to the changes. "Operationally, we will be able to better direct our resources, thereby eliminating redundancies inherent with overlapping route services. By providing more direct connections, we look to improve reliability and on-time performance, which will benefit our riders."

### Route Changes

VVTA touted 36 routes prior to and following the COA, despite the addition of new routes. This was due in part the consolidation of several routes.

In Barstow, weekday service started an hour earlier in the morning and ended an hour later in the evening. On the weekends, service hours were also extended. Barstow Routes 1, 2, and 3 were redesigned to eliminate redundant routing, which revealed on-time performance improvements and a reduction of travel times between key locations in the months following the COA implementation.

The new Route 6 now provides service between Walmart and Barstow Community College. Route 4 was renumbered to county service designation as Route 28, providing service between Barstow, Hinkley, and Helendale every three hours. Route 5 was renumbered to county service designation to Route 29, providing scheduled service between Barstow, Yermo, Daggett, and Newberry Springs.

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## VVTA Adapts to the Speed of Life

*Continued*

For inter-city routes, Route 15 B-V Link routing was streamlined to improve on-time performance. The route, which serves Barstow, Apple Valley, Victorville, San Bernardino, and Fontana, added service to the Victorville Civic Center and Victorville Courthouse and adjusted two Barstow trips to depart two hours earlier, according to passenger demand. No changes were made to Route 200 Needles Link, which serves Needles, Barstow, and Victorville.

For Victor Valley routes, the agency's first express route, the 45X, was renumbered to 50X. This route was also the first bus in the agency's history to feature a full vinyl wrap.

Route 33 was rerouted, extending service to Molina Medical Center in Adelanto. Route 21P (Pinon Hills) was rerouted to operate between the Mall of Victor Valley and Pinon Hills every two hours. Route 21W (Wrightwood) was rerouted to operate between Mall of Victor Valley and Wrightwood every two hours. Combined, both segments now operate hourly between Mall of Victor Valley and Phelan.

Portions of Routes 44 and 48 were combined to create new Route 68. This new route now serves key locations in Hesperia and Victorville, including the Hesperia Civic Center, Lime Street Park, Hesperia Library, and the Mall of Victor Valley.

In order to accommodate the needs of VVC students for the fall semester, Route 42 began service August 2017. The route connects VVTA's major transfer point at Victor Valley College (VVC) to previously unserved locations throughout northern Apple Valley. Featured bus stops include VVC Regional Public Safety Training Center, Walmart Distribution Center, Los Ranchos Mobile Home Park, and the High Desert Juvenile Detention Center, which is available by request only.

### **New Design For Bus Stop Signs**

In concert with the COA changes, VVTA developed a newly designed sign for its bus stops. These more recognizable signs began gracing the curbside of the High Desert landscape in late 2017. All 1,018 bus stops signs have been standardized and are being replaced throughout the system. The signs display the hallmark agency colors and provide several passenger-friendly benefits, including visibility from both sides, route identification, and a unique bus stop ID number which is used in GIS tracking.

### **Interactive Voice Response**

VVTA is slated to debut its on-demand Interactive Voice Response (IVR) Phone System by Summer 2018. The automated phone system delivers real-time bus routing and scheduling information to those in need of answers fast. The automated call flow is engineered to quickly identify rider needs and deliver that information instantaneously.

This will put an end to the annoying elevator hold music that some customers may experience during peak call hours. The automated call flow is fluid and provides a dynamic travel planning experience that is quick, efficient, and accessible from any landline or mobile phone.

Using the unique bus stop ID numbers, passengers will be able to access real-time bus arrival times for an individual stop via the IVR system.

The systems will automate routine customer inquiries and enable customer service agents to focus on the customers who really need their help.

### **WiFi Connectivity and Mobile Apps**

Following the launch of the 2017 COA changes, VVTA unveiled its new operations and passenger information infrastructure. Developed by Syncromatics, this innovative transit dispatch and tracking solution combines innovative hardware and software to deliver real-time monitoring of key transit systems.

Operationally, supervisors and analysts can now monitor most vehicle systems

and performance in real-time. This monitoring includes key data points such as on-time performance, automated passenger counting, vehicle health monitoring, and a myriad of other crucial metrics.

For passengers, both the web-based and dedicated mobile app delivers routing and scheduling assistance, including predicative bus arrival times based on algorithms. Furthermore, the system introduces free WiFi connectivity to passengers. The system also interfaces with digital signage, providing passengers with real-time display and annunciation of arrival times right on their smart phones.

The platform integrates with the new bus stop numbering system, allowing passengers to look up stops and request predictive bus arrival time information via text messaging. A passenger simply texts "VVTA" followed by the stop number to 41411 to receive instant bus arrival information.

### **Fueling Stations**

VVTA currently owns and operates two strategically located alternative fuel stations in Barstow and Hesperia. These stations meet the fueling needs of the general public, private trucking companies, government agencies, and VVTA. Because alternative fueling stations are not as abundant as unleaded fueling stations, the two locations provide a significant service to the High Desert alternative fuel consumers, as well as those consumers traveling from out of state. Its list of local clients include Matheson, Burrtec, Advanced Disposal, City of Barstow, and San Bernardino County.

In a move to streamline fleet fueling operations and reduce fuel costs, the VVTA Hesperia Fuel Station was constructed and began operation in 2009 and now dispenses Compressed Natural Gas (CNG) and unleaded gasoline. The location eventually became home to VVTA Administration and the VVTA Hesperia Yard in 2011.

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## VVTA Adapts to the Speed of Life

*Continued*

Following the merger of VVTA with Barstow Area Transit in September 2015, VVTA purchased the City of Barstow Fuel Station in July 2016. The site provides quick access to Interstate 15, and will also serve as the future location of the VVTA Barstow Maintenance Yard.

In 2017 the Hesperia station dispensed approximately 32,000 Gasoline Gallon Equivalent (GGE) of CNG to the public. The Barstow station dispensed approximately 60,000 GGE of CNG and 1,037 GGE of Liquefied Natural Gas (LNG) to the public.

VVT alone consumed 975,049 gallons of CNG and 152,104 gallons of unleaded gasoline in 2017. VVTA dispensed in excess of 1 million gallons of CNG in 2017.

In addition to the operational and cost saving advantages of the owned fuel stations, VVTA has valuable access to additional real-time reporting metrics. These include instantaneous monitoring of fleet, as well as vehicle-specific fuel data, mileage, and engine oil consumption. This monitoring capability delivers VVTA a proactive posture in ongoing preventive maintenance activities through trending analysis.

### Maintenance Advancements

VVTA continues refinement of one of the transit industry's first paperless Preventive Maintenance Inspection (PMI) programs, which launched in 2015 and is incorporated into the existing fleet management system. Using tablets, the program provides technicians with one-touch access to vehicle- and component-specific shop manuals and historical maintenance data during inspections. The program auto-generates work orders on individual line item inspection failures to ensure that all items are addressed, repaired, and not overlooked due to human error.

Switching to a paperless system has provided mechanics and analysts quick and easy access to real-time data of fleet

information, current vehicle repairs, and vehicle history. Such features are saving hundreds of personnel hours, minimizing the time required to review work orders, PMI information, parts inventory, and repair history.

Collaborating with its operations contractor, Transdev, VVTA continues making strides in streamlining preventive maintenance fleet operations by introducing operating procedures commonly seen at consumer car dealerships.

### New Barstow Division Facility

VVTA recently began plans to replace its leased and outdated Barstow maintenance yard with a modern facility to be located adjacent to its Barstow Fuel Station.

The future maintenance yard will stand on a spacious 5.5-acre parcel. The building will span approximately 8,500 square feet and feature three maintenance bays, a parts department, convenient storage rooms for tools and tires, and 2,400 square feet of office space for transit operations. The facility will be constructed with a cost-saving metal structure and will boast an appealing façade and internal walls necessary for office- and maintenance-related space.

VVTA will soon proceed with issuing a request for proposals for two design-build companies. Assuming VVTA Board approval and that the project proceeds as planned, VVTA anticipates breaking ground on the project in late 2018. Completion of construction is anticipated in the summer of 2019.

### Getting Roomier In Barstow

VVTA recently took delivery of five new 40-foot "Clean Air" CNG transit coaches. These coaches will be deployed in Barstow and are the first full-size buses ever to operate in Barstow and the surrounding service areas.

The coaches feature the advanced, near-zero emissions Cummins L9N engines, which are acclaimed as the lowest certified Ultra Low NOx emission engines

in North America, boasting a 90-percent lower emission than the current North American EPA standards.

These buses offer improved comfort and a smoother ride than the current chassis-on-frame cutaway vehicles. The new buses will offer free WiFi connections, real-time vehicle tracking, and fareboxes that align with VVTA's goal of introducing mobile ticketing to its system in 2018.

### Mobile Ticketing

With the planned launch of TouchPass mobile ticketing in summer 2018, the new fare system will deliver improved passenger convenience and on-time performance. No longer will passengers have to fumble around for exact change at the farebox or wait for a driver to view their boarding pass. They simply flash the fare card or mobile app at the farebox reader while boarding the bus. It's that simple. This new boarding method has proven to significantly reduce dwell times at stops, helping passengers get to their next destination on time.

The new system offers passengers the ability to pay fares on their phone or any internet-connected device. Such fare products are protected from loss if the passenger registers their TouchPass account through the web portal or mobile app.

### Moving Forward

As VVTA continues its quest to "Connect Community to Opportunity," great consideration into passenger-centric service improvements and fiscal-minded efficiency remains at the forefront. Its community partnerships are instrumental in achieving continued success in public transportation.

From the challenges of fielding an all-battery electric fleet, to moving students toward higher education and the community, to employment opportunities, it's not only about dollars and cents. It's about people. VVTA remains committed to moving its community wisely into the future.



## Hope for California

By Senator Mike Morrell



In meeting with various groups throughout the state, I am often asked if there is still hope for California. I have had my doubts with all

of the challenges and problems we face, but I am confident that the answer is “yes.”

It is said that “as California goes, so goes the nation.” With almost 40 million people and as the world’s sixth largest economy, our state is too important to lose.

As citizens committed to limiting government’s power, we are drawing a line in the sand and setting a course to take it back.

I have four reasons to believe that there is hope for California.

First, 40 years of one-party rule in Sacramento has reached a tipping point. They have overstepped their bounds, and voters are becoming more aware of the negative effects. The majority party has recklessly pursued an agenda of progressive/socialistic policies that expand the bureaucratic state and affect us economically, politically, and spiritually.

On their watch, education rankings have dropped to 44th in the country. California has at least 34 percent of the entire nation’s welfare caseload.

We have the highest state sales tax and now among the highest gas and car taxes. These hikes hit areas like the High Desert and the Inland Empire hardest, where driving is the primary means of transportation.

For over a decade, surveys of 500 CEOs around America have rated California the worst place to do business. During the same period, we have seen a net loss of one million residents.

Perhaps the most egregious is what is happening to public safety. Laws cre-

ated by the governor and Democratic legislators to release at least 40,000 convicted felons into our neighborhoods have put our loved ones in harm’s way. Recently, a judge has ruled that another 10,000 sex offenders should be eligible for early parole.

These policies have failed, and Californians are increasingly seeing these facts.

Secondly, while many of my friends across the aisle refuse to acknowledge this reality, others notice the writing on the wall. That is why their default is to argue through politically correct speech. They know they have lost the debate, so their go-to plan is to blame and accuse, demonstrating their weakness.

In contrast, Republicans have practical and substantive answers. We believe in limiting government’s power and letting Americans keep more of their money to invest in their families, churches, and charities. We recognize that citizens rank above the state and that politicians and bureaucrats work for us. They are public servants, not masters.

Third, and more importantly, we have seen throughout history that America’s morality and religion are indispensable supports for our nation’s peace and prosperity, a point made by Alexis de Tocqueville, nineteenth-century author of *Democracy in America*.

For me, his observation has rung true in recent months as I have spoken to nearly 600 pastors, whose influence reaches over two million people. They are serious about taking back our state – I have not seen this kind of engagement before now and it is encouraging.

It is a revival of the rich spiritual heritage of our state, which is my fourth reason to believe there is hope for California. Consider the planting of 21 missions, a ministry begun by Father Junipero Serra. Furthermore, World Vision, Focus on the Family, Cru, and the Azusa Street Revival were all started here, and

in our very own San Bernardino Mountains, a young Billy Graham made a world-changing decision to preach the Gospel.

For these and other reasons, though we live in difficult times, I do not believe Providence has written California off.

However, as the Declaration of Independence reminds us, we are governed by consent – a government of, by, and for the people. It is our responsibility to plant the flag and reclaim our state.

We will only make headway in this cause when those who have a vested interest in preserving our religious, political, and economic freedom, such as people of faith and business owners, take a stand.

In 1941 the University of Rochester awarded Winston Churchill with an honorary degree. He delivered acceptance remarks broadcast from London and spoke on the realities facing the world in the lead up to the entrance of the United States into World War II:

“We are sure that the character of human society will be shaped by the resolves we take and the deeds we do. We need not bewail the fact that we have been called upon to face such solemn responsibilities. We may be proud, and even rejoice amid our tribulations, that we have been born at this cardinal time for so great an age and so splendid an opportunity of service here below.”

Though the circumstances are different, Churchill’s words are a fitting description of our time and age. With your help – and the resolve of millions of other Californians – I have faith that we will overcome the challenges we confront.

State Senator Mike Morrell represents the 23rd Senate District in the California State Legislature, which includes portions of Riverside, San Bernardino, and Los Angeles counties.



# High Desert Report

An economic overview

## Caltrans Continued Work on High Desert Routes

By: Tyeisha Prunty—Public Information Officer, Caltrans

Joy Schneider—Public Information Officer, Caltrans



Caltrans continues work on Interstate 15 (I-15), and state routes SR 58, 138, and 395 throughout the High Desert to improve and upgrade the transportation system to accommodate the rapid growth in the region. Projects such as the State Route 138 East Realignment and State Route 58 Kramer Junction, will provide motorists with a smoother driver surface and more enjoyable driving experience.

### Devore Interchange Project

The \$324 million Interstate 15 (I-15)/Interstate 215 (I-215) Devore Interchange Project was completed in November 2017. The project added truck by-pass lanes in each direction of I-15, added additional general use lanes in each direction, brought the I-15/I-215 interchange up to operational standards, and addressed the arterial highways network deficiencies—specifically reconnecting State Route 66 (Cajon Boulevard).

### I-15 Cajon Pass Pavement Rehabilitation Project

The \$121 million 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, resurfaced and restored the pavement between Kenwood Avenue and the Hesperia Overhead, which provides approximately a 40-year life to the pavement through the Cajon Pass. Project features include the replacement of two outer lanes in both directions of I-15, random slab replacements at various locations, on/off-ramp pavement rehabilitation, and future median striping—to be used for high occupancy vehicles or toll lanes.

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

The \$80 million I-15 Stoddard Wells, D & E Street Interchange Project will construct new interchanges at D and E Street in the City of Victorville. The project also constructs new bridges and ramps on I-15 at Stoddard Wells, D Street, and E Street. In addition, the project will construct a new frontage road and auxiliary and deceleration lanes.

Currently, crews are working on dirt hauling, surveying, drainage, retaining walls, and utility relocation work. Additionally, they are working on the widening of the Mojave River Bridge, the Victorville separation & overhead Bridge, and the Stoddard Wells Bridge widening.

The project was awarded to Ames Construction, Inc. and began in March 2016. It is estimated to be completed in September 2019.

### SR-58 Hinkley Expressway Project

The \$120 million State Route 58 (SR-58) Hinkley Expressway Project was completed in December 2017. The project widened and realigned a portion of 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 included 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 in both directions now have two lanes at the local road and transition to a single lane prior to merging onto the expressway. All exit ramps now have three-way stops at the exit ramp intersections with the local road.

### SR-58 Kramer Junction

Construction of the \$190.8 million Kramer Junction Expressway Project recently began in December 2017. The project is located in the county of San Bernardino near the Kern County line and extends 7.5 miles east of US Highway 395. The project realigns a four-lane divided expressway in order to alleviate some of the congestion caused by the current lane configuration. The project also constructs a railroad grade separation at the east end of the project and a new SR-58/US-395 interchange. The project is scheduled for completion late 2020.

### SR-138 (West) Widening Project

The SR-138 (West) Widening Project is nearing completion. Crews are currently working on punch list items—final signage, pavement smoothness, and plant establishment. The project is approximately 97% complete.

The project widened SR-138 to four lanes, with a 14-foot median buffer from Phelan Road to Interstate 15. The project upgraded roadway shoulders to current standards, extended drainage, and constructed wildlife-crossing structures.

The \$52.1 million dollar project was awarded to Flatiron Construction Corp. The project began in February 2015 and is expected to be completed by November 2018.

### SR-138 (East) Realignment Project

The \$23 million SR-138 (East) Realignment 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 re-construct a two-lane, paved section of highway with outside shoulders, three wildlife crossings and an off-highway-vehicle crossing north of the current alignment.

*charts continued on page 25*

## New Era In Public Education For San Bernardino County Schools

By Ted Alejandre, San Bernardino County Superintendent

As we consider the forces that drive our economy both here in San Bernardino County and across California, public education looks to prepare our students for jobs and productivity that will make our communities vibrant. With more than 406,000 students attending public schools in our county's 33 school districts, the challenge and opportunity that educators face every day in their classrooms and on campuses is to have their students ready to graduate high school prepared for both the rigors of college and the workplace. This is the goal that our schools and districts strive to meet on a daily basis, and in the High Desert, public education is positioned to work with business and civic community partners to help all our students be prepared for post-secondary options and careers that will fuel our economy.

To assess how our schools are going to meet those needs and demands, the state is in the midst of establishing its new accountability model, called the California School Dashboard. Describing the effectiveness of the new measurement system brings to mind an analogy of visiting the doctor's office. A physician would not just take the temperature of a patient and have a complete set of results to make a diagnosis. It is the same for assessing public schools with the California School Dashboard. Instead of just looking at test scores, the new system checks a variety of 10 indicators to provide a well-rounded and thorough progress report for not only our schools as a whole but also their significant subgroups of students.

The California School Dashboard does examine testing results – both in English Language Arts and Mathematics. It also provides data, including graduation and suspension rates, progress for English learners, a college/career indicator and chronic absenteeism. There are also four local indicators that measure parent involvement/engagement, school climate, implementation of academic standards and basic conditions (such as teacher qualifications, safe/clean buildings and

textbooks for all students).

Current trends among High Desert schools and districts show their highest performance in the areas of graduation rates and English-learner progress.

Two schools districts – Silver Valley Unified and Hesperia Unified – scored in the highest percentile (a “blue” designation) on the Dashboard. Silver Valley boasts the county's highest grad rate at 96.6 percent and Hesperia is close behind at 91 percent. Six other High Desert districts – Apple Valley (87.7 percent), Barstow (79.6 percent), Morongo (88 percent), Needles (83.6 percent) and Snowline (87.8 percent) – also received proficient designations (a “green” designation) for their grad rates. Countywide, the grad rate is 83 percent.

In English-learner progress, three High Desert districts – Apple Valley, Helendale and Morongo – all received “green” designations for the progress they have made.

In December 2017, the California Department of Education (CDE) posted its most recent California School Dashboard results. Those complete results, as well as all others in our county, are available on the County Schools' Countywide Education Open Data Portal at the following website: <http://ed-data.sbcss.k12.ca.us>

The Education Open Data Portal, which County Schools launched a year ago, is aligned with California's move toward greater engagement, transparency and accountability. By displaying multiple measurements, our schools and districts can provide a better understanding of how well they are progressing. School districts, government agencies and community stakeholders will be well-equipped to use the data on the portal for decision-making, reporting and engagement. The portal is an incredible resource for parents, families and educators to support student learning and provide the support that all students need to progress on the continuum of their journey to be lifelong learners.

*continued on page 26*

## Caltrans Continued Work on HD Routes

*Continued*

Currently, crews are working on bridge structures, drainage, the last 2,500 feet of new roadway, and abandoning the current SR-138 roadway.

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

### US Highway 395 Median Buffer—North

The \$17.3 million US Highway 395 (US-395) Median Buffer—North project is scheduled to begin winter 2018. The project was awarded to Sully-Miller Contracting Co. The project will construct a four-foot median buffer and widen the existing shoulder to eight feet (width). The project will also add centerline and shoulder rumble strips, and various passing zones will be eliminated. The project limits are 2.5 miles north of Kramer Hills to the SR-58/US-395 Junction. The project is expected to be complete by winter 2019.

### US Highway 395 Median Buffer—South

The US Highway 395 (US-395) Median Buffer—South project is currently in the Right-of-Way Phase. The project proposes to construct a four-foot median buffer and widen the existing shoulders to eight feet (width). The project also proposes to add centerline and shoulder rumble strips and eliminate various passing zones. The project limits are 1 mile south of Kramer Hills to 2.6 miles north of Kramer Hills. The project is anticipated to go out for bid by summer 2018.





## New Era In Public Education For San Bernardino County Schools

*Continued*

As students in our county start that journey, they need early literacy tools to gain a foothold as they begin their educations. Last year, County Schools initiated a countywide early literacy effort with the nationally recognized Footsteps2Brilliance program.

In the span of less than a year, more than 38.5 million words have been read using a smartphone or similar tablet that gives students and families access to engaging literacy tools, books and songs. For the 2017-18 academic year, preschool learners have read more than 26 million words as a cohort of students in the county. The free program is available in both English and Spanish to support the nearly 1-in-5 students in our public schools who are English learners. County Schools has been working with County Preschool Services and First 5 San Bernardino to implement the program, using a regional trainer of trainers model to expand use and increase awareness of the program. Research shows that for students' long-term academic success, reading proficiency is a critical trait to support their achievement.

Seeing confident students who have achieved in their schools and now have taken on leadership roles on their campuses and their communities is a sterling example of the positive growth all educators like to see as students learn and grow. That was on full display during the third annual Student Advisory Panels that met during the months of January through March this year. Providing opportunities to hear student voices is one of the many positive outcomes from the annual Student Advisory Panels that meet from schools across San Bernardino County.

This year's class of more than 220 participants countywide made presentations to elected officials in both the High Desert and for the West End/East Valley regions at the beginning of March. The students have a strong understanding of being good citizens.

"It's important to help in your community," said Tyrell Frederick, a senior at Silver Valley High School. "You always have to find those opportunities when

you can give back. That's what being a good person is about."

Among High Desert schools, 16 high schools representing eight school districts had participants. Among those participating by district were:

- Apple Valley Unified: Academy for Academic Excellence, Apple Valley and Granite Hills;
- Bear Valley Unified: Big Bear;
- Helendale: Independence Charter Academy;
- Hesperia Unified: Canyon Ridge, Hesperia, Mojave, Oak Hills and Sultana;
- Oro Grande: Riverside Prep;
- Silver Valley Unified: Silver Valley;
- Snowline Joint Unified: Chaparral and Serrano;
- Victor Valley Union: Excelsior Education Center and Victor Valley.

The students researched four priority areas of San Bernardino County's Community Vital Signs Transformation Plan that promotes a strong quality of life in our communities: education, the economy, school safety and health/wellness. Students provided key insights about what is taking place on their campuses and worked together with students from different schools to collaborate on trends and issues affecting their schools and neighborhoods. The culminating activity included student groups presenting their recommendations in front of elected officials. While this was a little nerve-wracking for some, the students appreciated the opportunity to share their thoughts in front of decision makers.

"Once I got over the nerves, it was really empowering to know that what I am saying was being heard," said Layvin Franklin, a sophomore at the Academy of Academic Excellence in Apple Valley. "People are willing to change, and they will listen to us, so changes can be made."

It was inspiring to witness the students' commitment to their schools and their strong collaborative nature working with one another. This generation of students in our county truly is making a difference!

In the next couple of months, Gov. Jerry Brown and our state legislature should enact the state budget for the 2018-19 fiscal year. The proposals for K-12 education include fully funding with an additional \$3 billion the governor's Local Control Funding Formula (LCFF) two years ahead of schedule. That would result in an increase in per-pupil funding of 5.8 percent.

The governor has proposed \$73.8 billion for the Proposition 98 guarantee, which would be a record level of funding if enacted. While the increased funding is appreciated, it is not adequate, as California public schools remain woefully underfunded in national comparisons.

Among other highlights for K-12 public education funding proposals:

- \$1.8 billion one-time discretionary funding or approximately \$295 per average daily attendance.
- \$55.2 million for county offices to assist with differentiated assistance for LCFF and Local Control Accountability Plans.
- \$4 million for eight county offices statewide to serve as training centers for technical assistance for schools and districts that need to improve under the new California School Dashboard accountability measurements.
- \$10 million for Special Education Local Plan Areas (SELPA) to work with county offices of education in providing technical assistance to schools and districts.
- \$100 million (one-time) for special education teachers.

**In Conclusion:**

We want all San Bernardino County students to realize and actualize their unique, boundless potential from Cradle to Career and to be engaged, productive citizens who are a voice for positive change in their communities. I appreciate all the support our schools in San Bernardino County receive from parents and our many education partners in the community. By working together, we can transform lives through education.





## High Desert Isn't Your Dumping Ground, California; Time for Change on Inmate Placement

By Senator Scott Wilk

Over 40 innocent, unsuspecting women fell victim to a brutal rapist. They spanned California as an evil menace remained on the hunt for over two decades.

It's a tragic tale for the women involved, their families and our entire society, but luckily, it ended as it was supposed to, with a violent predator behind bars, never again to threaten our mothers, daughters, wives and communities. Or so we thought.

And for people in the areas down the hill and in Northern California where he previously stalked, it was true; he never returned. But for us in the High Desert, their nightmare became our reality as, upon his release, still deemed by prison officials as a violent predator, a judge in Silicon Valley, where he had served time for a string of rapes, ruled that the Pillowcase Rapist was to be placed in the High Desert; out of sight and mind for most but front and center for those of us who call the desert our home.

This isn't how it should be. We're a hard-working bunch in the High Desert, and we have plenty of our own challenges to deal with in our communities. There is no excuse for the rest of California making us their dumping ground for violent, dangerous undesirables; and yet that's what they've done.

In the Los Angeles County areas of the High Desert alone, there are nearly 500 sex offenders currently living in our communities. In San Bernardino and Kern, hundreds more. But it isn't just sexual predators. Recently released inmates of all kinds, from serial robbers to violent gang members; you name it,

are being bussed out to places like Lancaster, Victorville, Adelanto, and other High Desert communities, communities to which they have no previous ties whatsoever.

That's why this year I've introduced a pair of bills to address this problem and keep our High Desert communities safe. Senate Bill 1199 will require that prison inmates, including sex offenders, will be released to a community to which they have previous familial or other ties. It takes a village to raise a child, the old adage goes. And it's true. But when that village fails, they shouldn't be off the hook. Another village shouldn't have to take on responsibility for their shortcomings. No, these recently released criminals should be returned to their home communities to continue their rehabilitation, not shipped off to the High Desert. Senate Bill 1199 will make sure that is the case going forward.

Crime is on the rise in our communities. Violent crime is up five percent in some High Desert communities, retail theft is up 25 percent in others, the trend is not good for our region, even as crime nationwide continues to decline. In an era of California public safety policies like Assembly Bill 109, Prop. 47 and Prop 57, that basically amount to "release prisoners now, ask questions later," it is more important now than ever to appropriately place and monitor these newly released offenders to ensure ongoing safety for our communities.

That's why I've introduced another bill – Senate Bill 1198 – aimed at managing our released sexual predators. The Sex Offender Management Board is

the state's body responsible for assessing the fitness of a sex offender to be released and, if they are fit for release, the appropriate amount of supervision. A great concept and they serve in many ways as our last line of defense against frivolous release of potentially violent sexual predators. Unfortunately, the state has not provided them with adequate information to make the assessments needed to determine these things, so the Board is forced to make judgment calls on life-and-death decisions. This cannot stand, and Senate Bill 1198 will bring us within reach of sensible management for soon-to-be and recently released criminals in our communities.

Senate Bill 1198 will force the State and all its departments, including the Department of Justice and the Department of Corrections, to provide any and all information the Board may need or want to utilize in the process of their reviews on potential releases. Currently, there is no such requirement, and information sharing is spotty at best. With SB 1198 we will have a more informed board that will make more informed decisions that will lead to more accurate and appropriate management of released sexual predators so that they may not continue to hunt for prey upon release.

Crime is a very serious issue for us in the High Desert. It's time the whole state starts to realize we are not their dumping ground, and this pair of bills will be a huge step in that direction.

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



## BLM Begins Scoping Process to Consider Amendments to Desert Renewable Energy Conservation Plan

By Marc Campopiano, Joshua T. Bledsoe, Jennifer Roy, James Erselius<sup>i</sup>

On February 2, 2018, the Bureau of Land Management (BLM) issued a notice of intent to review the Desert Renewable Energy Conservation Plan (DRECP) for potential burdens on domestic energy production in California in response to Executive Order (EO) 13783, “Promoting Energy Independence and Economic Growth.” EO 13783 was issued on March 28, 2017, and requires the heads of federal agencies to review all existing agency actions that “potentially burden the development or use of domestically produced energy resources.”

Finalized in 2016, the DRECP established a framework to streamline permitting for renewable energy projects on public lands in the California Mojave and Colorado/Sonoran desert region. Renewable energy development activities covered by the DRECP include solar, wind, and geothermal projects, as well as transmission facilities that service renewable energy projects. In March 2015, concerns from local agencies, industry, and environmental groups caused state and federal agencies to narrow DRECP’s focus to public lands only.

The corresponding Land Use Plan Amendment (LUPA), issued when the DRECP was finalized, affects land use planning decisions for all of the 10.8 million acres of federal lands within the 22 million total acres covered under the DRECP. The LUPA set aside certain BLM-managed lands for conservation and recreation and identified priority areas for renewable energy development. The approved LUPA designates 388,000 acres of “Development Focus Areas,” which are lands identified as having high-quality solar, wind, and geothermal energy potential and access to transmission. In addition to Development Focus Areas, the approved LUPA designates: 40,000 acres of Variance Process Lands

for renewable energy development; approximately 6.5 million acres for conservation; approximately 3.6 million acres for recreation; and 419,000 acres of General Public Lands, which lack a specific land allocation or designation. A land-use-plan amendment is needed to develop renewable energy in General Public Lands areas.

The February 2 notice initiated a public scoping period for potential amendments to the DRECP and associated National Environmental Policy Act (NEPA) documents. Accordingly, BLM announced that it will hold eight public scoping meetings, taking place in the following California cities: Lone Pine; Ridgecrest; Hesperia; El Centro; Sacramento; Bakersfield; and Palm Desert. The public scoping period closed on March 22, 2018, 15 days after the last public meeting.

According to the notice, BLM seeks to reduce the burdens on energy development by looking at how the current DRECP’s land-use designations potentially will affect commercial-scale renewable energy projects. For example, the notice of intent seeks comments on “increasing opportunities for increased renewable energy development, recreational and off-highway vehicle (OHV) access, mining access, and grazing.”

In addition, BLM indicates it is reopening the DRECP in response to EO 13281, “Streamlining and Expediting Requests to Locate Broadband Facilities in Rural America,” which was signed on January 8, 2018. Accordingly, BLM is seeking comments on potential impacts of land use designations, land disturbance limits, and visual management classifications on the deployment of future communications infrastructure.

Although BLM is taking comments on whether the DRECP should be amend-

ed, any such amendments would take time and likely require new environmental analysis under NEPA. Indeed, the notice of intent states that it “initiates the public scoping process for the potential plan amendments and associated [NEPA] documents.” Moreover, any proposed amendments are likely to be controversial and face opposition, as the BLM’s approval of the DRECP finalized in 2016 was eight years in the making.

Previously, the U.S. Department of Interior (DOI) issued a Review of the Department of the Interior Actions that Potentially Burden Domestic Energy report (DOI Burden Report), and the Forest Service issued a Final Report Pursuant to Executive Order 13783 on Promoting Energy Independence and Economic Growth regarding EO 13783 and the effect certain other existing federal regulations and policies may have on the energy industry. The recent reopening of the DRECP appears to be in line with these and other federal efforts intended to reduce regulatory burdens on the energy industry.

*<sup>i</sup>For more than 40 years, Latham & Watkins’ Environment, Land & Resources lawyers have advised clients on complex regulatory, litigation and transactional matters stemming from cutting-edge environmental issues. For more information and commentary on climate change, renewable energy and clean technology, please visit Latham’s Clean Energy Law Report at: <https://www.cleanenergylawreport.com/>*





## Victor Valley College (VVC), now in its 57th year

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

Victor Valley College (VVC), now in its 57th year, serves an area encompassing roughly 2,200 square miles and is located on a 253-acre campus at the center of the three major communities of the Victor Valley (Apple Valley, Hesperia and Victorville). VVC 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 420,000 people with over 30 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 Place to Be" when industry identifies a skill gap. The relationship between industry and Victor Valley College continues to strengthen as we work together as a catalyst to develop career partnerships that provide workers with the skills the economy needs most.

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 they offer 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.

A cause for celebration is the recently received 2018 Strong Workforce Stars, a special Chancellor's Office recogni-

tion recognizing career education programs whose students show significant gains in factors important for advancing social mobility – a substantial increase in earnings, attainment of a living wage and a job closely matched with the field of study. Ten Victor Valley College career education programs were acknowledged: Welding, Automotive Technology, Child Development, Construction Crafts Technology, Respiratory Therapy, Medical Assisting, Office Technology, Nursing, Fire Technology and Paramedic program.

### Enrollment

The Dual Enrollment Program at VVC, which has established partnerships with local high school districts to bolster the number of college-ready or career technical education students, has grown from 8 partners to 11 this year. In the Fall 2017 semester, 365 high school students were enrolled, allowing them to take VVC classes at their own school. This number increased to 609 enrollments in Spring 2018 and nearly twice as many class sections.

Announced in February 2018, VVC is pleased to announce the Pathway to Law School Program, which students will be able to enter beginning Fall 2018 as a LAW Scholar. Pathway program enrollees may select and pursue any major offered at VVC. The program provides the student with special attention during their time at VVC to develop success skills as well as during the transfer and application process to undergraduate partner schools. Partnering schools include: University of Southern California, Loyola Marymount, Santa Clara University, University of San Francisco, UC Davis, UC Irvine, UCLA & UC Berkeley. Other benefits include mentoring, recognition as a LAW scholar, transcript distinction, waiver of application fees to the partner

Since the opening of the Automotive/

Welding Vocational Complex, the Automotive department has been able to open new Engine and Transmission rebuilding "clean" rooms, modular diagnostic tool storage, brakes, alignment & suspension rooms and provide a working Service Center lab. In addition, ten new automotive guided pathways have been structured that provide all students with a set of clear course-taking patterns that promote better enrollment decisions. These are clear curricular pathways that lead to employment and further education.

For the past year and a half, An Introduction to Aviation Maintenance four-unit college credit "survey course" has been offered to students from Excelsior Charter School, Victor Valley High School, and students from the Snowline Joint Unified School District. So far, four academies have been run, supporting 100 high school students. This allows students to explore aviation for a semester to see if it is a good fit for them without having to make a two-year commitment to a full blown, technical career training program.

### Campus Update

RegisteredNursing.org ranked the Victor Valley College Nursing Program No. 4 in California and praised the college for producing graduates that are "ready to work" as a member of "the health care team." Registered Nursing also recognized VVC as a leader in educating "generations of individuals while building successful communities."

The ranking methodology for RegisteredNursing.org included measuring NCLEX-RN "pass rates" out of the 131 RN programs in the state. Programs reviewed included 4-year schools that offer an Associate degree in nursing or Direct-Entry MSN Degrees. NCLEX-RN pass rates were analyzed going back to the most recent years of data available up to five years. Schools' pass rates

*continued on page 30*

## Victor Valley College (VVC), now in its 57th year

*Continued*

were averaged together and weighted by the recency of the exam.

During Spring Break 2018, the VVC campus will begin to receive a comprehensive "Signage/Wayfinding" make-over. This will include the removal of existing signage and addition of You are Here (YAH) Maps, Parking Lot Renaming & Labelling, Vehicular and Pedestrian Wayfinding, additional building identification and Interior Wayfinding & Room Identification.

Beginning with the November 2018 election, Victor Valley College Board of Trustees will be elected by trustee-area elections. Any candidate running for election or reelection to the VVC Board of Trustees in 2018 will need to live in the district they seek to represent. Three current members who were elected in 2016 will continue to serve until 2020 and then will run in their new districts.

One "huge" American Cancer Society Relay For Life is scheduled to take place at Victor Valley College. This year's two-day event will begin May 19, combining Apple Valley, Hesperia and Victorville relays into Relay For Life of the High Desert.

### *Construction*

This summer, construction will begin on a new 26,860-square foot Student Services Center that will provide a symbolic "Front Door" to the college, beyond just a "One Stop." The new Student Services Center will integrate support services in ways that make it easier for students to get the help they need during every step of their college experience. Included in this building: Admissions & Records, Assessment, ACCESS, Bursar's Office, CalWORKS, Career Center, Counseling, EOPS

and the Financial Aid department. Besides providing greater efficiency between related functions in serving our students, current space will be freed up for reconversion to classrooms – solving the near-term classroom shortage.

Throughout the entire design process, student input was a pivotal factor, including their insight gathered from several visits to other community college campuses. The new building will utilize a "multiple prime delivery method," which breaks the project up into approximately 16 or more divisions of work. This method eliminates the role of a general contractor and allows the individual scope of work packages to be bid directly to the district. Victor Valley College's goal is to maximize opportunities for local subcontractors, suppliers and vendors on construction projects at VVC and ensure maximum participation of local businesses and workers in all phases of our campus projects. In early March, VVC, DLR Group and California Construction Management, Inc. held a meeting to allow local contractors to learn about the pre-qualification process, bonding, safety program and additional upcoming partnership opportunities with VVC.



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**57<sup>TH</sup> EDITION HIGH DESERT REPORT**

## Publisher's Message

*Continued*

underground water supplies in the rural areas in California), as well as Mr. Tim Watkins, Chief of Legislative and Public Affairs for SBCTA (San Bernardino County Transportation Authority that was formally titled SANBAG (San Bernardino County Associated Governments). Congratulations, Tim, to you, your staff, and your great Board of Directors, on not only your name change but how you help us expand our roads and transportation networks throughout our county.

I wish to welcome Ms. Sharon Page of HR Edge. Sharon is well known throughout the High Desert region as an HR Expert, and we asked her to help bring us into the 21st Century with all the ongoing regulations in the State of California and nationally. Thank you, Sharon, for all your help.

I always appreciate the work of our 8th Congressional Congressman, Col. Paul Cook (ret), who represents a very large Congressional District. Thanks, Congressman Cook for all the work you are doing for our military, our veterans, and those helping to keep our country safe.

It's the first time we have an article from Ms. Lisa Skeels that discusses the aviation pathways project with ComAv, one of the High Desert's successful job creator at Southern California Logistics Airport with nearly 250± employees, the average wage is nearly \$90,000 and we congratulate Mr. Craig Garrick, its founder and President for all the work that you do and all the contributions that you make to the many groups that you help including Victor Valley Community College District and Victor Valley Community College Foundation, etc.

During the last ten years, there have been many questions about the San

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The Bradco High Desert Report

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# High Desert Report

An economic overview

## Publisher's Message

*Continued*

Bernardino County Housing Authority, their impacts on Section 8 Housing, etc. I can tell you that I have personally met with their leadership, I have met with some of their Board Members, and I have asked them to answer some very candid questions. I applaud their honesty, transparency and candor and wish to recognize one of our local leaders, Ms. Carol Yule, partner in Shear Realty, the High Desert's largest residential brokerage company, for her leadership role in this group.

I wish to thank Ms. Yvonne Hester with the Mojave Water Agency, Ms. Marika Erdely, CEO of Green EconoME, and speaking about the energy disclosures that are required, our great Assemblyman Jay Obernolte, VVTA (Victor Valley Transit Authority) under the leadership of Mr. Kevin Kane, and the article supplied by Mr. Fidel Gonzalez. If you ever want to understand the United States Constitution, go to a lunch that is hosted by Senator Mike Morrell. Mr. Morrell represents the 23rd District in California, and he is one of the greatest assets that our state and our country have. Mike, I could listen to you for hours. You are a true statesman and someone who truly appreciates the United States of America, its Constitution and what our forefathers expect for us to do.

Many thanks to CalTrans for their updates. The High Desert region is very dependent upon CalTrans, and the great leadership of Mr. John Bulinski, Executive Director of this agency. CalTrans has many projects throughout the High Desert region, including the widening of Highway 138, the D Street Interchange project, etc.

The local county school superintendent, Mr. Ted Alejandre, ran unopposed in the June 5th primary. That should tell you that he is doing a great job, as is

Assessor Bob Dutton, the San Bernardino County Assessor-Recorder-Clerk. I wish to thank both of you personally and professionally for the great work that you do, the leadership roles that you take and how much you truly are dedicated public servants.

Pay special attention to Senator Scott Wilk's column, "High Desert isn't your dumping ground, California; time for change in inmate placement." This is a very serious issue that not only impacts the High Desert portion but impacts many places in California.

I also wish to thank Mr. Marc Campopiano, Ms. Jennifer Roy, and Mr. Joshua T. Bledsoe of the Bureau of Land Management, Latham and Watkins, Mr. Robert Sewell, the great Public Information Officer and Director of Marketing (the man who wears 20 hats at Victor Valley Community College District), which is helping us now enjoy our year. I am incredibly humbled and happy to be a Trustee at this very fine institution.

I would like to thank Ms. Melissa Radeka with CoStar for allowing us to supply the most accurate information about the industrial market within the High Desert region.

As a Trustee at Victor Valley Community College District, I wholeheartedly support our youth and educational system and would like to congratulate Enrique Arcilla, winner of the Victor Valley Libertarian Alliances Brushfire of Freedom \$1,000 scholarship for his outstanding essay titled "Overreach, the Constitution, and Theft of Legislative Power: Tyranny Sprouts Anew." Enrique will continue his studies in international development and economics at the University of East Anglia in Norwich, England next year. We wish him well.

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.

Our great writers include Mr. Logan Olds of VVWRA (Victor Valley Waste Water Reclamation Authority), a former Associate of The Bradco Companies, Mrs. Kathryn Tong, who is now associated with Welfont Commercial, a company that has a great amount of benefit in the sale of real estate for certain types of sellers of high end property and high net worth individuals who are taking a very close look at 1031 exchanges but, more importantly, a very old IRS rule, the IRS 170 Bargain Sale.

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 daytime between 9:00 a.m. and 4:00 p.m., Pacific Standard Time, on my cell phone, (760) 954-4567 or email me at [jbrady@thebradcocompanies.com](mailto:jbrady@thebradcocompanies.com). If you email me, please be sure to note in the subject line: Bradco High Desert Report/ "Your Comment."





## The IRS 170 Bargain Sale: The Appeal is Real

By Kathryn Tong, Senior Aquisition Manager - CRE Western Region

Ever been forced to sell a stock in a sinking market or pressured to trade a car for less than it's worth? Anyone who has experienced these disappointing financial transactions has felt the sting of sacrificing an asset for less than its true value. No one wants to sell at a loss; indeed, everyone expects to gain from a sale. Yet "selling for less than full value" is the very essence of a 170 bargain sale of real estate.

### What is an IRS Section 170 Bargain Sale?

An IRS Section 170 Bargain Sale transaction is also known as a Bargain Sale. It's a combination of cash at closing from a buyer plus cash in the form of tax reduction or rebate from Federal and State governments. The cash portion of the IRS Section 170 Bargain Sale can be anywhere from 5-, 6- or even 7-figure cash amounts at closing, depending on the transaction, with the rest of the cash benefit coming from tax savings. Depending on the seller's tax liability, it's not uncommon to get the full tax benefit in as little as 30 days, but the seller has up to six years to fully utilize the deduction.

First written into law back in 1917 as part of the War Revenue Act, and predating the 1031 Exchange, it uses the tax law to encourage philanthropy. It is estimated that there are over 20,000 of these real estate transactions done annually, with an estimated value of \$8,000,000,000.

This transaction is regulated by the IRS Code Section 170 because it relates to charitable contributions of non-cash transactions. IRS Publication 526 and 561 are two additional IRS publication guidelines that further help explain the guidelines for this type of transaction.

This transaction is really the same as any other real estate transaction with a buyer

or seller and real estate agent. However, with the IRS Section 170 Bargain Sale, the buyer is a tax-exempt entity and the seller is desiring to receive a tax deduction on a portion of the transaction. Therefore, special rules apply to this transaction. Some of the unique transaction's features are the following:

1. The buyer must be a qualified tax-exempt nonprofit.
2. The seller must obtain a qualified appraisal if the asset is valued over \$5,000.
3. The seller may deduct the difference of the appraised value and the cash amount received as a charitable contribution. This charitable-contribution tax deduction is like any other cash charitable contribution to a church, the Red Cross, etc., and is therefore governed by the standard rules and regulations of charitable contributions.
4. The difference is that it's not cash and therefore requires some sort of valuation mechanism defined by the IRS for charitable-contribution purpose. The method valuing the specific assets are further defined in IRS Publication 561.
5. Buyer, seller, and appraiser must sign IRS Form 8283, and seller must submit this form with seller's tax return.
6. In order to qualify for the Federal and State tax benefits, the seller must have sufficient taxable income to utilize the charitable portion of the transaction. The seller is entitled to write off up to 50% of their annual Adjusted Gross Income (AGI) for charitable purposes.
7. When it comes to real estate, however, there is a caveat. The seller can deduct up to 50% of their annual AGI only if they use their cost basis for the property (what they paid for it). In the vast majority of cases, however, it is

in the sellers best interest to accept the 30% ceiling for allowable charitable tax deductions in a given year and use the current Fair Market value of the property based on an independent, certified appraisal.

### How is this different from a donation?

Unlike a standard donation, the IRS Section 170 Bargain Sale is a combination of cash from the buyer at closing (or possibly over time, if terms are agreed to) and a cash benefit derived from tax savings in the form of reduction or rebate, depending on the sellers specific tax liability. It is defined in IRC 170 of the IRS code as a "Bargain Sale" because it is in fact a sale but has a charitable component to it.

A straight donation has no cash component and is often not valued for its full and fair market value, due to the seller either not being informed about IRS approved valuation guidelines or not caring enough about the deduction.

In short, the IRS Section 170 Bargain Sale delivers the best of both worlds to a seller. They typically get cash at closing or possibly the assumption of debt, PLUS they get a valuable tax deduction to reduce or eliminate other tax liabilities.

### Property Appraisal for an IRS Section 170 Bargain Sale Transaction is a Game Changer

Why? Because the size of a tax deduction from the Bargain Sale can be significant. The large deductions afford the right seller tax savings that could exceed the amount donated. The tax benefits from the transaction apply for up to 5 more years for the seller.

The true Fair Market Value assessment makes the Bargain Sale amazing!

*continued on page 33*

## The IRS 170 Bargain Sale: The Appeal is Real

Continued

The Fair Market Value is a significant contributing factor to why the Bargain Sale is an amazing opportunity. Before we look at this appraisal closely, let's examine a few more appraisal types and compare them to the FMV.

- Liquidation Value (aka the fire sale)
- Tax Assessment Appraisal
- Bank Appraisal (conservative market value)
- Comparable Sales (excluding distressed sales)
- Income approach (based on optimal NOI)
- Replacement Cost (insurance appraisal)

Now, let's give a more concrete definition of what this means and entails.

The Higher Value IRS 561 Appraisal differs from the Bank Appraisal and other types of appraisals. The 561 appraisal specifically evaluates donated property. The IRS defines Fair Market Value as a price that would be agreed on between a willing buyer and a willing seller. Neither party is under any compulsion to buy or sell. Both have reasonable knowledge of the relevant facts. Essentially, the Bargain Sale raises the Fair Market Value, while most other transactions decrease the value. Based on IRS Publication 561 appraisal guidelines, the higher FMV attracts buyers. The value of donated property dictates the amount of the tax deduction the seller receives. The higher the property is appraised, the more tax deductions sellers receive.

### What is the difference between a 1031 Exchange and a Bargain Sale?

The 1031 Exchange is an excellent vehicle to build up wealth in a tax-free environment. However, when you want

to cash in your 1031 Exchange, the total accumulated profits become taxable. That's because the 1031 Exchange is a tax-deferment vehicle while the IRS Section 170 Bargain Sale is a tax-reduction strategy.

With the Bargain Sale, the seller can enjoy immediate cash at closing PLUS an immediate tax deduction that in many cases can significantly reduce taxes due by the seller. In short, the IRS Section 170 Bargain Sale eliminates taxes, while the 1031 Exchange merely delays taxes, which may have to be paid at an even higher rate in the future, depending on prevailing tax law at the time.

### Can I use a Bargain Sale to cash out of my 1031 Exchange tax free?

When you cash out of your 1031 Exchange, there is typically a big tax bill due. You can offset some or all of that tax liability with IRS Section 170 Bargain Sale, which, in effect, absorbs the brunt of the tax liability with the charitable portion of IRS Section 170 Bargain Sale. You can accomplish this a couple ways:

- Sell the property coming out of the 1031 Exchange using IRS Section 170 Bargain Sale. This assures that the bulk of the funds you ultimately receive will be tax free. It also greatly reduces taxes due on the cash portion of the transaction.
- If you have already been cashed out of your 1031 Exchange and are facing a big tax bill, you can do IRS Section 170 Bargain Sale on a different piece of property and use those tax savings to offset some or all of your gains from the 1031 Exchange.

### 2018 vs 2017: The Real Estate Bargain Sale Got Better!

Before 2018 when you sold real estate,

your state taxes for proceeds were deductible from your federal taxes; as of 2018, these taxes are no longer deductible. Obviously, you should confirm your situation with your CPA, but this is the essence.

Subsequently, the proceeds from a traditional cash transaction from a real estate sale are subject to that additional portion of taxes that were previously deductible from federal taxes (i.e. state taxes). Depending on where you live, that can vary from a couple of percentage points up to 5 or 6% in states like California. Again, check with your CPA for your situation. The benefit here is that if you sell your asset via a Bargain Sale, you can still use the charitable deduction portion against your federal taxes, thereby avoiding state taxes and any lack of state tax "deductibility."

For more information about 170 Bargain Sale real estate transactions, please contact Joseph Brady of the Bradco Companies at (760) 954-4567.

*The posts focus on creating a win-win-win situation within the world of commercial real estate transactions. The content found on this page, however, is for educational purposes only and is not intended to constitute legal, financial, or tax advice. Please consult your attorney, accountant, tax or other adviser before acting on any information found here.*



## North San Bernardino Industrial Market Report

Information provided in this report is based on data derived from CoStar.

North San Bernardino includes Adelanto, Apple Valley, Barstow, Hesperia, Victorville and their surrounding cities, which encompasses  $\pm 19,507,908$  Sq. Ft. of existing industrial space, according to CoStar. The City of Victorville makes up  $\pm 7,948,142$  Sq. Ft. or  $\pm 40\%$  of the existing industrial inventory, with  $\pm 4,466,746$  Sq. Ft. located at Southern California Logistics Airport (SCLA), home to companies such as Dr. Pepper Snapple Group, Newell Rubbermaid, M & M Mars, Plastipak and other large national industrial/manufacturing tenants.

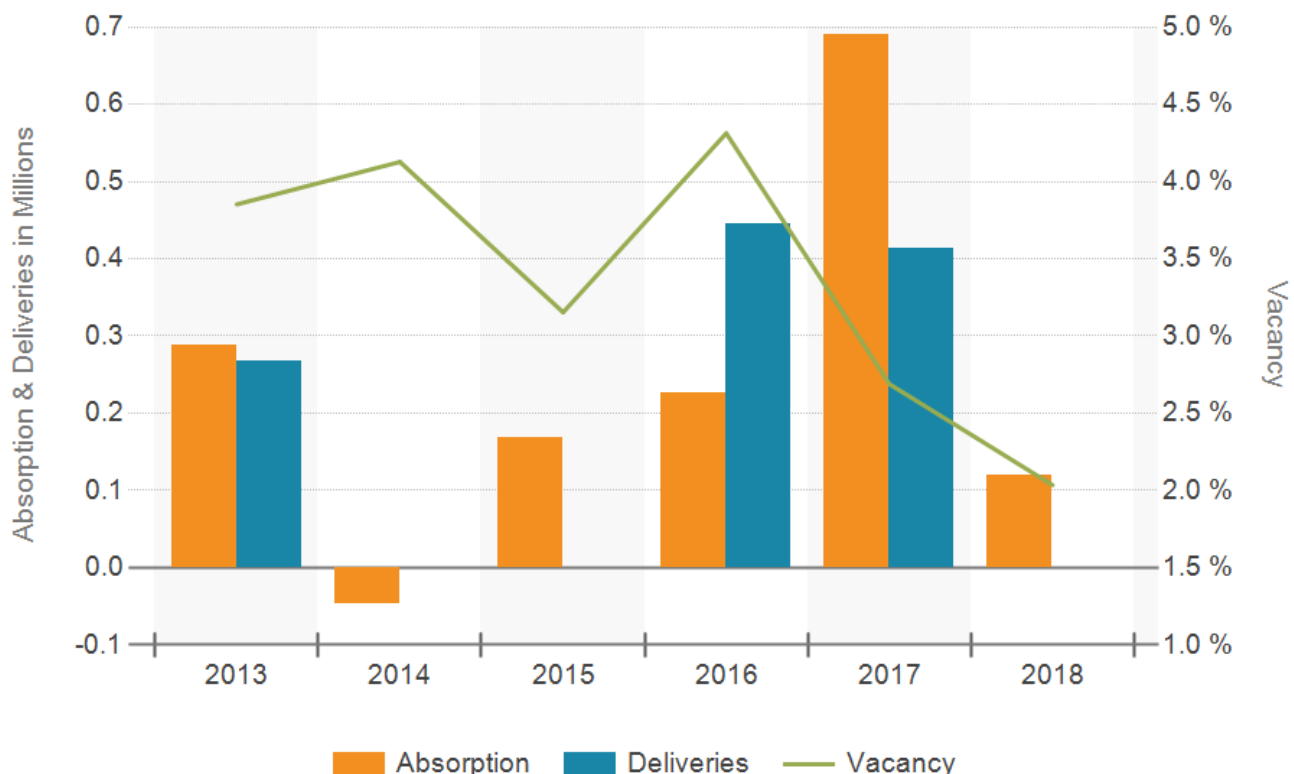
According to CoStar, we ended the 1st quarter of 2018 with an industrial vacancy rate of 7.5%, down from the 4th quarter of 2017's rate of 8%. This may appear high when compared to the 5.3% vacancy rate the Inland Empire is currently experiencing, but when you take into consideration that only five properties makeup  $\pm 1,135,545$  Sq. Ft. of the  $\pm 1,438,609$  Sq. Ft. of vacant space currently available, and the fact that four out of these five properties are suited for

very specific uses and are outdated, you are looking at an adjusted vacancy rate closer to 2%. This actually indicates that North San Bernardino has a critical need for more industrial space which is simply not being met.

The last significant industrial building constructed was delivered in June 2017. This project is known as Distribution Center 18 and is located in the California Logistics Center at SCLA; comprised of  $\pm 370,000$  Sq. Ft. this facility was fully leased to Newell Brands and Plastipak Packaging.

Two major projects are presently underway in the Northern San Bernardino region that when completed will dramatically increase the total industrial square footage in the market but will not really change the landscape of the industrial market in regard to adjusted vacancy. Watson Land Company recently broke ground on a  $\pm 1.35$  million Sq. Ft. distribution center for Big Lots in Apple Valley that is expected to be completed in

2019, and Industrial Integrity Solutions is currently developing a  $\pm 600$  million Sq. Ft. Industrial Park in the City of Adelanto; known as the HDO Industrial Park, it is expected to be delivered in 2018. The HDO Industrial Park development has largely been spurred by the City of Adelanto's pursuit of the nascent Medical Marijuana industry. The former project is likely to remain owner occupied for a long time coming, and the latter's development is largely hinged on volatile market demand, projected profitability and what appears to be a dwindling supply of privately capitalized cannabis entrepreneurs.





## VVWRA Subregionals Become Reality

By Logan Olds General Manager, Victor Valley Wastewater Reclamation Authority



After 20 years of planning and two years of construction, VVWRA's Apple Valley and Hesperia Subregional Water Recycling Plants (SWRP) have been completed. The plants were first envisioned by the VVWRA Board of Commissioners some 20 years ago when it became apparent that the region's sewer interceptors were approaching capacity. Faced with the expensive and disruptive option of excavating and replacing miles of pipelines throughout the Victor Valley, the board began exploring a new, less-expensive regional treatment plan. The plan included building SWRP in Apple Valley and Hesperia that would help reduce the amount of flow in our interceptors while providing each community with a reliable source of clean recycled water. The completion of the Subregionals in Apple Valley and Hesperia represent the dawn of a new approach to treating wastewater in the Victor Valley while reusing our resources to better our community.

On February 13, 2018, large trucks delivered activated solids from VVWRA's main plant to "seed" the Apple Valley plant adjacent to Brewster Park. Both the Apple Valley and Hesperia water recycling facilities use a biological process that requires microbes to help clean the wastewater. The microbes actually eat the organic matter in the waste. The facilities also feature FibrePlate hybrid membrane technology, which is considered a state-of-the-art filtering system. The startup process in Apple Valley took a number of months, but by mid-April the first recycled water began flowing to percolation ponds at the Apple Valley Golf Course. When running at

maximum capacity, the Apple Valley facility will be capable of producing up to one million gallons of recycled water per day. In addition, the plant is expandable to 4 million gallons per day in anticipation of future growth. The recycled water is currently being delivered via pipeline to the Apple Valley Golf Course, and there are plans to use it for irrigation at the Civic Center and area parks.

The Apple Valley and Hesperia SWRPs are designed to be a good-neighbor facilities. Much of the facilities are actually below ground to deaden the sound of pumps and blowers. The aeration basins are covered and advanced odor-control technology is being used to eliminate unwanted odors. The visible portion of the plant is no taller than a two-story home and the surrounding grounds are tastefully landscaped to blend in with the rest of the area.

A second, nearly identical facility has been built in Hesperia but is not yet exporting recycled water. The City of Hesperia is currently installing a 10-mile pipeline that will deliver the recycled water from the plant to the Hesperia Golf Course. It will also provide irrigation for the Hesperia Civic Center and area parks.

Together, the two plants cost about \$80 million for planning, engineering and construction. VVWRA managed to land \$21 million in grants toward that cost, representing a 26% percent discount. Plus, VVWRA received a 1% interest loan on the remaining balance from the State

of California. "The grants and the low-interest loan have helped save our member agencies millions in finance costs," said VVWRA General Manager Logan Olds.

There are several reasons for construction of the Hesperia and Apple Valley SWRPs. With continued growth in the Victor Valley, the main interceptors or pipelines from the community to the plant could reach capacity and would have to be replaced. The VVWRA Board of Commissioners felt that construction of the regional water recycling facilities would be less expensive while also providing the communities of Hesperia and Apple Valley with a reliable source of recycled water. Another benefit from the WRPs is water conservation and reuse. Use of recycled water for irrigation is a responsible use of our natural resources and will drastically reduce the demand on our local drinking-water supplies. The same water that comes from your faucet is currently used to irrigate many community sites. Recycled water provides a reliable and safe way to keep our parks and other areas green while saving our most precious resource for use in our homes and businesses.



## While Honoring our Fallen Leaders, the High Desert Must Develop a New Generation of Leadership

By Joseph W. Brady, CCIM, SIOR

I have lived in the High Desert for 30 years, having moved to Victorville on May 13, 1988. During that period of time, I have attended over 160 funerals. All of these individuals were very important people, both to their families and to their communities in the High Desert. At the recent funeral of Mr. Harley "Bud" Biggs, the former Plant Manager for Mitsubishi Cement, a poem was presented that speaks to what we accomplish in our lives and how we might be remembered:

### The Dash

by Linda Ellis™

I read of a man who stood to speak  
at the funeral of a friend.  
He referred to the dates on the tombstone  
from the beginning...to the end.

He noted that first came the date of birth  
and spoke of the following date with tears,  
but he said what mattered most of all  
was the dash between those years.

For that dash represents all the time  
that they spent alive on earth.  
And now only those who loved them  
know what that little line is worth.

For it matters not, how much we own,  
the cars...the house...the cash.  
What matters is how we live and love  
and how we spend our dash.

So, think about this long and hard.  
Are there things you'd like to change?  
For you never know how much time is left  
that can still be rearranged.

If we could just slow down enough  
to consider what's true and real  
and always try to understand  
the way other people feel.

And be less quick to anger  
and show appreciation more  
and love the people in our lives  
like we've never loved before.

If we treat each other with respect  
and more often wear a smile,  
remembering that this special dash  
might only last a little while.

So, when your eulogy is being read,  
with your life's actions to rehash...  
would you be proud of the things they say  
about how you spent YOUR dash?

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TheDashPoem.com

I originally read "The Dash" a few years ago while attending a funeral for the husband of a great friend of mine, Mr. Bill Nelson, who had suddenly passed away. His wife, Judith Ricker-Nelson, had placed a copy of "The Dash" on each table in yellow, and I couldn't help but take a copy of it. I have since read it many, many times.

Some of the leaders who have made a great impression on me as a resident and a business owner here in the High Desert region, helping to propel me to become involved in efforts to make this a better place to live, work and play, include:

- ❖ Ms. Mary Scarpa – Member of Incorporation Committee of Adelanto, Former Council Member, Former Mayor
- ❖ Mr. Rob Turner – Former Educator, Former Council Member, Former Mayor of Town of Apple Valley
- ❖ Mr. David Berch – Former Contel Communications Executive
- ❖ Mr. Raymond Goodspeed – Former Founder of Goodspeed Distributing
- ❖ Mr. Lee "Mr. Red Cross" Tucker was a Volunteer with the Apple Valley Chamber of Commerce and many other organizations. He gave a tremendous amount of time to the Red Cross and helped create The Red Cross Economic Summit, which ultimately raised over \$300,000 in 13 Eco-

nomic Summits that were held (the majority were held at Victor Valley Community College District).

- ❖ Mr. William Arthur "Bill" Porter – Former President of Porter Real Estate, One of the Founders of the Mojave Water Agency, a True Leader
- ❖ Mr. Robert S. Bath – Founder, Advance Disposal
- ❖ Mr. Thomas Graning Jr. – High Desert Opportunity Founder and Three-time President of the HDO, a former Associate of Shear Realty and a Former Commercial Associate of The Bradco Companies
- ❖ Mr. Gene Selig – Former High Desert resident
- ❖ Ms. Anna Sugi – Former CEO, Choice Medical Group
- ❖ Mr. James B. Tatum – Home Builder (Narcissa Homes). He and his father, Clyde, built well over 14,000 homes between the Victor Valley and the Antelope Valley. I am always proud to say that it was Mr. James P. Tatum and his family who helped found Joseph W. Brady, Inc., dba The Bradco Companies
- ❖ Mr. Ernie Gommel "Mr. Lucerne Valley." Co-Owner of the Lucerne Valley Market, a "Mover and Shaker" in Lucerne Valley
- ❖ Mr. Warren Baker – Former High Desert Governmental Affairs Expert (Victor Valley Association of Realtors and the High Desert Construction Industries Association)
- ❖ Ms. Jean Deblasis – Former Victorville Councilmember, Mayor, always referred to as Ms. Victorville
- ❖ Mr. Ken Chambers – Former President, Sunland Ford
- ❖ Mr. Bob Greiner – Founder Greiner Buick Pontiac GMC
- ❖ Mr. Bruce Kitchen – Former Hesp-

## While Honoring our Fallen Leaders, the High Desert Must Develop a New Generation of Leadership

*Continued*

- ria Mayor, former Council Member
  - ❖ Ms. Carollee Stater – Former VVC Trustee, Former Librarian, Former Volunteer
  - ❖ Mr. Craig Sundgren – Former Owner, Cubit Engineering
  - ❖ Mr. Anton “Tony” Hackbarth – Former Co-Founder, Del Taco
  - ❖ Mr. Robert G. Segona – Former Town of Apple Valley Councilmember/Mayor
  - ❖ Mr. Willie Davis Pringle – Former VVC Coach, Staff Member, and Legend
  - ❖ Mr. Gene “Pinky” Pinkerton – Former Chicago Title Executive/High Desert Opportunity Volunteer
  - ❖ Mr. Michael Yannone – Former Southwest Portland Cement Executive
  - ❖ Mr. Robert Russell Gaines Sr. – Former African American Chamber of Commerce Executive Founder/Founder, California African American Chamber of Commerce
  - ❖ Mr. Brad Orchard – Former KVVQ Radio Partner and Announcer
  - ❖ Mr. Stephen J. Flannery – Former Book Company Executive
  - ❖ Mr. Chuck Love – Former Media Executive, Love Publications
  - ❖ Mr. Robin Pellissier – Former Valley High Toyota/ Honda Owner
  - ❖ Mr. Charles C. Moore – Former Victor Valley Association of REALTORS® President
  - ❖ Ms. Barbara Mae Veale – Former Lucerne Valley Resident and Lucerne Valley Leader
  - ❖ Ms. Sharon Runner – Former State Assemblyman and State Senator
  - ❖ Mr. Chuck Hanson – Former Apple Valley Leader
  - ❖ Mr. Malvin Lee Wessel – Former City of Barstow Mayor, Councilmember and Founder of the Barstow Rodeo
  - ❖ Mr. Eugene “Gene” W. Gregory – Former City of Victorville Chamber Executive Director
  - ❖ Ms. Carol Jean Randall – Former Alliance Management Group/Lee & Associates Executive
  - ❖ Mr. Harley “Bud” Biggs – Former Plant Manager – Mitsubishi Cement and Former Board Member and President of the Center for Education
  - ❖ Mr. Jack Hall – Former Developer, Investor and Property Manager of nearly 900± homes in the High Desert region
  - ❖ Mr. Dick Pearson, Former Civic Leader, Member of many committees, Former Council Member, Former Founder of the Town of Apple Valley, former Mayor
  - ❖ Ms. Mary Vance, Former Partner of Vance Homes
  - ❖ Mayor Russ Blewett, Hesperia City Council
  - ❖ Mr. William J. Krueger, Faculty Member, Barstow Community College
  - ❖ Mr. Jack Fales, Air Force Veteran, Longtime Realtor, and Community Leader
- As individuals involved in the High Desert region, we owe it to our current and future residents to help try to identify those people we believe have the willingness and ability to take a leadership role. We need younger people to become involved in shaping the future direction of the High Desert region. We need everyone, no matter their age, occupation or status, to realize that this is our valley, and it is up to us to make the High Desert a better place to live, work and play. By developing the next generation of leadership, we can ensure that our economy continues to thrive and our communities become healthier, happier and more livable.

## Enrique Arcilla Receives \$1,000 Scholarship

*By Brian Ryman, Vice Chair,  
Victor Valley Libertarian Alliance*



On Tuesday, May 15th, the Victor Valley Libertarian Alliance held its inaugural Brushfire of Freedom Award dinner for best essay on a liberty-based theme. In addition to the dinner, the award recipient received a medallion created especially for this event and a cashier's check for \$1000. The VVLA plans to make this an annual event to promote and encourage scholarship among high school students in the High Desert region of Southern California.

This year's contest winner is Enrique Arcilla of Granite Hills High School for his essay, "Overreach, the Constitution, and Theft of Legislative Power: Tyranny Sprouts Anew." The essay question was "Has the U.S. Constitution been successful in restraining federal government overreach?" Enrique's essay was judged to be the best of 26 excellent submissions.

Enrique Arcilla is no stranger to essay competitions. Two years ago, at the age of 15, he won a contest sponsored by the Mojave Water Agency and has participated in several others since. He says that competing in essay contests has caused him to delve into topics and gain a greater understanding of the issues surrounding them. He plans to continue this inquisitive approach as he embarks upon studies in international develop-



*Enrique Archilla with his proud parents at the VVLA May 15th presentation dinner.*



## Enrique Arcilla Receives \$1,000 Scholarship

*Continued*



*Enrique Arcilla receiving \$1,000 check from Graig George.*

ment and economics at the University of East Anglia in Norwich, England, next year. His winning essay is posted on the Victor Valley Libertarian Alliance Facebook page.

The Victor Valley Libertarian Alliance is an activist group who seeks to better the lives of people with a combination of political education and positive community action. It has taken as its mission the advancement of personal liberty through voluntary individual action as well as political means. In addition to the annual essay contest, they will be hosting desert cleanup activities where volunteers get together to pick up trash left in our desert community.

Because it seeks to increase and broaden the scope of its activities - as well as expand its scholarship to more students, the Victor Valley Libertarian Alliance is exploring the idea of shared corporate sponsorship for future events and drives. Please contact them at: [VVLlibertarianAlliance.com](http://VVLlibertarianAlliance.com) or [SBCLP.org](http://SBCLP.org) if you would like to support these endeavors in your community.

The VVLA encourages you to become a part of positive change. They meet the third Tuesday of every month for dinner and business. The meeting location and meeting topics are posted on their Facebook group. Anyone wanting to participate in a group seeking to advance individual liberty in a civil society or who simply wants to learn more about the libertarian movement is welcome to attend.

## Tapestry Update

*By John Ohanian*

The housing crisis continues to worsen in the State of California. Recent reports indicate that the state has fallen behind in housing production by over 3,500,000 housing units. As a result, the median house price in California has risen to over \$540,000. Business development continues to move at a significant pace and job creation continues to exceed everyone's expectations. It's time that the Mojave River Valley starts to benefit from all of these economic factors.

The Tapestry project is the first step in bringing the benefits of the national economic growth and addressing the need for reasonably priced housing to the Mojave River Valley. After a little over six years of processing and litigation, the hurdles have been cleared and the Tapestry community is close to becoming a reality.

Tapestry will bring the varied housing stock that employers say has been missing from the Mojave River Valley and it will bring these varied housing types to a community that will address the needs and wants of today's home buyers. The community will include all housing types from starter homes to executive homes as well as an active adult housing element. These homes will be built around a system of parks, schools, trails and amenities that will be second to none and will provide the active lifestyle that makes for a successful community.

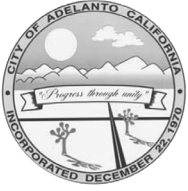
The current plan for development calls for completion of the technical studies and improvement plans within the next 12 months with construction starting shortly thereafter. Installation of the master improvements will take an additional 12 to 18 months and houses will require 6 to 12 months. The plan is for the first homes to be delivered in 2020 or early 2021. Completion of the community will take about 20 years.

Now for an editorial comment...Legislators lament the cost of housing in California and its impact on the economy of the state. Every day we read stories about people moving out of California or delaying their household formation because of the cost of shelter. Tapestry is a case study on this topic. It took over six years and countless millions of dollars to get this project approved.

The community was designed as one of the first in the State to require solar on every building in the community. It is designed with a state-of-the-art water re-use system that will irrigate all public landscape areas and at least half of the private residences with non-potable water. It has over three times as many parks as mandated by the state guidelines and has almost 50% of the acreage set aside as open space. Despite all of these features, the project was sued under the California Environmental Quality Control Act (CEQA) and delayed even after an exhaustive public approval process. Lawsuits and delays result in a more costly project and impact the affordability of the houses. This process is repeated every day throughout the state. Projects face extensive delays and as a result supply remains constrained.

The laws of supply and demand remain true; with restricted supply comes upward pressure on the value of that which is in short supply. It's time to reassess CEQA in California and make some long overdue reforms. We can begin to address the affordability crisis in California and work to make this an even better place for our future generations by restoring fairness to the process.





## Adelanto—The City That's Transforming

By Richard Kerr, Mayor

The City of Adelanto is pleased to be a part of the 57th Edition of the High Desert Report. Our city continues its transformation from a bedroom community with limited commercial and industrial development to one that is becoming a driver of economic activity for Adelanto and the High Desert.

While the city's burgeoning medical cannabis industry has buoyed the economic resurgence of our city, make no mistake, Adelanto's success is fueled by diverse activities that will strengthen our city today and into the future.

For example, City Council and I recognize that if growth is to occur, whether it's residential, commercial, retail or industrial, the city must develop a sound system of infrastructure to support the growth.

To this end, several projects will benefit residents and developers alike, including:

- The San Bernardino County Transportation Authority (SBCTA), in partnership with the California Department of Transportation (Caltrans), the City of Victorville and the City of Adelanto, is working on the Right-of-Way (ROW) and Final Design phases for the widening of Highway 395 from State Route 18/ Palmdale Road to Chamberlaine Way.

The \$60 million widening project will increase from one to two lanes in each direction, and turn lanes and signals at various intersections will be installed within the project limits. Construction could begin as early as late 2018.

These scheduled improvements along this vital stretch of roadway through our city will relieve traffic congestion but, more importantly, create new opportunities for commercial growth that will generate tax revenues to support vital city services.

Other projects in the works include:

- Adelanto Road and Rancho Road/Re-Pavement project—will occur from Holly and Adelanto Road to Rancho Road north, from Rancho Road East to Rancho

and Bellflower West. The \$2 million project should commence in 2018 and be completed in early 2019.

- Safe Routes to Schools project will see new sidewalks, ramps, traffic calming treatments and pedestrian crossing flashers. The \$700,000 project is a collaboration between the cities of Adelanto and Victorville; to commence in May 2018.

- Builder DR Horton will be widening Highway 18 and Verbena Road, which will also include a traffic signal modification. The \$3 million project will commence in late 2018.

- Builder Frontier Homes, whose 116 Single-Family homes are underway, has pulled grading permits and will spend \$2 million for offsite improvements, including a storm drain channel and the widening of Jonathan and Poppy Streets.

- Bellflower Road at Highway 18 will be widened; the \$250,000 project will include curb return and relocation of the traffic signals.

- The long-awaited Lewis Retail project, located at Highway 395 and Mojave Drive, is in the plan-review process with Kinder Morgan, regarding the highway widening plans and existing fuel lines.

- Although still at the discussion stage between the City of Adelanto and the County of San Bernardino, a traffic signal is being considered at Mojave Drive and Bellflower Road.

In addition to the infrastructure projects, several other achievements will enable the City of Adelanto to continue along its road of fiscal prosperity and an improved quality of life for our residents. For example:

- Korean-American Aircore Cookware has a Conditional Use Permit and development plans underway to construct a 100,000-square foot manufacturing facility at Rancho and Verbena Roads. The \$45-\$50 million investment includes a 100,000-square foot stainless steel factory and will bring 250 full-time jobs to

the High Desert.

Along with the two-and-a-half acre property, three-and-a-half and four-and-a-half acre properties have also been purchased by Aircore Cookware at the Rancho site. Aircore's investment will bring much-needed infrastructure to the area, including road paving, water and sewer.

Aircore currently operates an 80,000-square foot facility with 100 employees in China and sells products on QVC, along with a prototype to Starbucks.

- Goldentree Medical Cannabis Facility hosted a ribbon-cutting in October for its facility located on Yucca Road; the facility will consist of four buildings totaling 50,000 square feet. Goldentree is a closed-loop industrial company that controls every aspect of cultivation, extraction, marketing and distribution of the most pristine medicine for patients.

This project will generate up to \$250,000 in taxes each year and the hiring of 40 employees.

- LDS (Lifestyle Delivery Systems) and CSPA Group hosted a ribbon-cutting ceremony in October at its facility on Commerce Way, where they took an empty 20,000-square foot building and, using solely Adelanto talent, made significant—and costly—improvements in order to produce a revolutionary product—called cannastrips—for dispensing medical marijuana. The automated, state-of-the-art facility is expected to create up to 30 full-time positions, 15 part-time positions and eventually generate millions of dollars in annual tax revenue for the city.

- The California Advanced Services Fund (CASF), managed by the California Public Utilities Commission, will provide matching funds for broadband infrastructure in unserved and underserved areas, including rural areas such as in the High Desert and Mojave region, as well as funding for adoption digital literacy programs, which help close the Digital Divide.

## Town of Apple Valley City Update

By Orlando Acevedo, Economic Development Office



Town of Apple Valley

In the fall of 2017, the Town Council approved a hotel incentive deal, in the form of a Transient Occupancy Tax reimbursement agreement,

to attract Apple Valley's first modern-day hotel. The deal returns a portion of the "bed tax" paid by the hotel. Project proponents submitted a development application in early 2018 to build a nationally recognized 100-room hotel at Jess Ranch Marketplace.

In December 2017, Apple Valley issued a grading permit for the highly anticipated Big Lots Distribution Center. Haskell, the engineering and development firm, commenced foundation work in January. The 1.3 million square foot logistics facility, the largest in the High Desert, will add 300 construction jobs to the area and up to 500 operational jobs when open in 2019.

Frontier Communities submitted a tract map application for 137 single-family homes near Bear Valley and Deep Creek Roads. The project will be reviewed by the Planning Commission in March and is expected to begin construction in the fall.

Tractor Supply Co. has submitted a development application for an 18,000-sq ft store at the northwest corner of Bear Valley Rd and Braeburn St. The project is expected to go before the Planning Commission in April.

The Town Council recently approved for Belco Development to install overhead power lines to the future Apple Valley Gateway center at the northeast corner of Interstate 15 and Dale Evans Parkway. The action effectively shaves \$800,000 from off-site improvements costs. "The Council's approval of our request to install the powerlines above ground allows the project to remain economically feasible," said Steve Farmer,

Belco's Managing Partner. Apple Valley Gateway, Apple Valley's first free-way-frontage commercial center, is a fully-entitled 10-acre, 80,480-square foot project, including retail and restaurant spaces, fuel stations, and a proposed hotel.

The Village Business District Association is tackling several major capital projects in 2018, including the paving of John Glenn Road, which will allow the Town to accept the street into its maintenance system. These improvements will please patrons visiting Off the Grid Brewery, the Rusty Bull Roadhouse, and other nearby businesses.

### New and Coming Soon

- Yucca Loma Bridge opened in May, paving way for future development opportunities at Apple Valley and Yucca Loma Roads.
- St. Mary's Medical Center opened a 12,500-square foot Urgent Care center in January.
- Wing Stop at Apple Valley Commons opened in Q4/2017.
- 76 Gas at Apple Valley Commons is expected to open in Q2/2018.
- 282 new housing permits were issued in FY2016-17, more than the last two years combined.
- The Apple Valley Choice Energy Program launched, offering Apple Valley businesses and residents 3% lower generation rates than Edison, with higher/greener renewable content.
- Mailbox manufacturer Jayco Industries celebrated their 40th year in business in Apple Valley.

For information, contact Orlando Acevedo at 760.240.7915 or via email at [oacevedo@applevalley.org](mailto:oacevedo@applevalley.org), or visit [selectapplevalley.com](http://selectapplevalley.com).



## Adelanto City Update

Continued

—after having been shuttered for three years, Adelanto increased fire protection and paramedic service 100% by adding an additional Captain, Engineer and Fire Fighter Paramedic to Station 322 on Rancho Road. There are 6,000 calls for service annually in Adelanto; increasing the staff 100% and adding an additional engine will reduce response times, and residents won't have to wait for help to arrive from a neighboring city.

Other projects in the works that will continue the city's transformation include:

- An ARCO Gas Station with a convenience store and drive-through restaurant will be built at Adelanto Road and Air Expressway, the site of the former Adelanto Casino;
- A carwash, gas station and liquor store to be located at Highway 395 and Cactus Road;
- 13-acre, 98,000-square foot commercial/retail shopping center located at Verbena and Palmdale roads.

So as you can tell, Adelanto is no longer a sleepy little town. It has awakened, and developers are continuing to discover that Adelanto is the "City with Unlimited Possibilities."

In March of this year, Adelanto has entered into its first Sister City relationship with the South Korean City of Hadong. Described as a diplomatic platform to promote cooperation and direct engagement with its global partners on issues of mutual interest, particularly around business and commerce, tourism, education and culture, Hadong's Mayor said that "both our cities are in rapidly developing regions and would benefit from exchanging development ideas on urbanization at an international level."

I couldn't agree more. To discover opportunities that exist for development in Adelanto and become a part of a growing revolution, visit:

[economicdevelopment@ci.adelanto.ca.us](mailto:economicdevelopment@ci.adelanto.ca.us) or call (760) 246-2300



## Barstow City Update

By Gaither Loewenstein, Economic Development and Planning Manager



Barstow is continuing to build on its economic upswing over the past few years as a number of new businesses began operating in 2017, with additional retail stores, hotels and service enterprises planning to break ground or open in 2018. We are optimistic that the ongoing strong economic conditions and the continuing proactive steps taken by the City Council will lead to further development in the residential and industrial sectors this year as well.

A new 200,000-sq. ft. Super Walmart opened in June, 2017 in the Center on Main shopping plaza, which also includes eight new retail pads available for development. Among other businesses celebrating openings in 2017 were Habit Burger, Fallas, Columbia Retail and Asics at the Outlets of Barstow, Mission City Community Health Network, Daylight Donuts, and Sunset Hills Mortuary. Jersey Mike's and Dickey's Barbecue Pit opened in early 2018, and a new 66-room Best Western Plus is nearing completion. In addition, the World Famous Outlets of Barstow are beginning construction on a 105-ft. pylon sign that will be located on the western edge of their existing parking lot. It will feature a 38 ft. by 32 ft. full-color multimedia LED display.

The City's historic Route 66 corridor welcomed several new businesses in 2017, including Tractor Supply Company, Borrego Health Barstow Community Health Center, Entrepreneur Center Barstow, and Roy's Café. The City also constructed eight monument signs honoring Route 66, with each sign featuring a different classic automobile. Eight

bicycle racks were also installed alongside the monument signs, with each rack displaying one of the eight states in the Route 66 highway system. During 2018, the City will explore the potential of highlighting the Route 66 highway and the development of the Mojave River Valley area by establishing museums in the downtown area.

Later this year the first phase of the Shops at Spanish Trail initiative is expected to begin by breaking ground on a new Marriott hotel, restaurant, and service station/convenience store. This project is located just north of the I-15 freeway at Avenue L, and proposes as much as 800,000-sq. ft. of retail, entertainment, personal care and health services development along the avenue during the next few years.

With regard to industrial and residential ventures, inquiries, site visits and discussions have continued to increase in the past year, with the likelihood that one or more development projects in Barstow will be announced at some point in 2018. The potential for subdivision-scale residential projects is strengthened by the City Council's continuing initiative to temporarily reduce residential impact fees by 50% through December 31, 2018.

Overall, the City of Barstow expects 2018 will be an excellent year for commercial, residential and industrial development. The strong economy, combined with the city's low land costs, favorable location and builder-friendly local government, presents outstanding opportunities for development in 2018 and beyond.

## Retail Goldmine, Industrial Strength

Lisa K. LaMere, Economic Development Management Analyst



Hesperia has added another retailer to its growing list of those who have sited their first High Desert location here. The future home of the two-story, 6,200 s.f. Shoe City is under-

going substantial tenant improvements, essentially gutting a former florist's location at Main Street and E Avenue. The whole family will find plenty of selections at Shoe City, including skate and athletic brands and current fashions for women, men and children.

Shoe City started more than thirty years ago in Los Angeles and has expanded into Los Angeles, Orange, Riverside, and San Bernardino counties, with more than 35 stores in addition to an online presence. Currently, the closest Shoe City is in San Bernardino.

Mama Carpino's, a foodie favorite of many residents in the High Desert, will open a second restaurant in Hesperia, offering a great culinary option after a movie at the Civic Plaza 12. Property has been purchased on the southwest corner of Eighth Avenue and Juniper Street for a two-phased 16,850-s.f. restaurant with a view of Civic Plaza Park. At this time, a site plan review is taking place and construction plans approvals will follow after entitlement is granted. Look for a 2019 opening.

Starbucks has opened in Lewis Retail Center's new High Desert Gateway West at Cataba and Main. Also planned





# High Desert Report

An economic overview

## City of Hesperia Update Retail Goldmine, Industrial Strength *Continued*

for this location are more than 6,100 s.f. of fast casual concepts for Dickey's, Jimmy John's Gourmet Sandwiches, and Fatburger, all anticipated opening by summer. Five Star Nails and a gas station will likewise join these highly awaited eateries.

High Desert residents will enjoy the long-anticipated medical services coming to Hesperia, starting with Kaiser Permanente. The managed care giant's purchase of approximately ten acres

cal year 2018-19 are equal to last fiscal year.

Hesperia's multi-family housing inventory also will increase in the near future. On the horizon are West Main Villas (100 duplexes/200 units). Muscatel will be the site of 70 apartment units and Frontier Communities is planning 160 units in their two-story apartment buildings. Olive Tree's 93 duplexes (186 units) will be located on 3rd Avenue. Desert Hacienda on Sequoia will bring another 14 duplexes (28 units) to the city.

Hesperia's industrial strength is being fortified by Mag Bay Yachts' development of their manufacturing operation on Caliente near US Hwy. 395. Construction plans for the two-building, 50,500-s.f. project are being reviewed. In addition, an expansion of the

former Heilig Meyers distribution center is underway. The additional 128,000-s.f. will bring the total of that facility to 616,800-s.f.

National Economic Development Week this year was May 7-12. Created by the International Economic Development Council (IEDC), the goal of Economic Development Week is to increase awareness of local programs that create jobs and increase the quality of life, as well as to share successes.

Hesperia's Economic Development (ED) department focuses on fostering private and public sector investment within the city. The ED team is responsible for:

- Business attraction, retention and expansion efforts
- Marketing and promotion of the city as a location of choice for business
- Increasing the city's workforce and senior housing stock

- Improving the quality of life via an array of services intended to support these goals

Hesperia's ED team has had many accomplishments in these areas, bringing retailers such as Super Target and Walmart Supercenter, Marshalls, JoAnn's, Ross and lots of eateries – many the first locations in the High Desert. Just this last fiscal year, courtesy of Hesperia's economic development professionals, more than 258,000 s.f. of projects will have created jobs and brought property and sales tax revenue to Hesperia, all of which benefit our residents. These projects encompassed not only retail but housing, industrial, education, medical and service sectors and included Aemerge RedPak; The Villas – a 55+ community; Famous Footwear; Aldi; Planet Fitness; Leslie's Pool Supplies; Dollar Tree; West Main Villas; and more.

For more information about these projects and other opportunities, contact Economic Development staff at [econdev@cityofhesperia.us](mailto:econdev@cityofhesperia.us).



for 50,000-s.f. of medical office buildings (MOB) in Hesperia is welcome news. Kaiser's MOB will be sited west of the Walmart Supercenter on Escondido. Another developer is planning additional medical offices on Bear Valley Road, with a new three-story, 26,520 s.f. medical office building, accompanied by 9,300-s.f. of restaurant and fast casual space.

A variety of housing choices, including commuter-friendly duplexes, affordable senior apartments, and 1- and 2-story infill homes can be found in Hesperia. The 145 single-family residence (SFR) permits issued through 2/27/18 of fis-



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<ul style="list-style-type: none"> <li>• Pro-business Southern California community</li> <li>• 17 miles of freeway frontage ripe for development</li> <li>• Interstate 15 daily traffic counts: 202,000</li> <li>• Huge selection of prime sites</li> </ul>	<ul style="list-style-type: none"> <li>• A City Council committed to commerce</li> <li>• Trade area population: 269,000</li> <li>• Average household income: \$62,000</li> <li>• Retail Potential \$2.5 billion</li> </ul>
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City of Hesperia  
 Rod Yahnke, EDP  
[econdev@cityofhesperia.us](mailto:econdev@cityofhesperia.us)

To learn more about how Hesperia can work for you, visit [cityofhesperia.us/econdev](http://cityofhesperia.us/econdev)



## Victorville City Update

### Victorville Continues to Experience Strong Growth

By Sophie L. Smith, Interim Deputy City Manager



VICTORVILLE  
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Victorville has continued to experience strong growth for the High Desert in the second half of 2017. With an increasing population

of 119,098 residents, our city continues to attract new retailers, manufacturers, and industrial development.

In mid-February 2017, the city announced that Cracker Barrel Old Country Store submitted plans to operate its first California location in Victorville. The southern-themed restaurant and gift shop becomes the newest expansion to the City's Restaurant Row. Cracker Barrel is situated on 1.31 acres, with building space that encompasses 9,550 square feet of the 30,000-square foot expansion previously announced. Of the remaining square footage, retailers such as Starbucks, Nekter Juice, Which Which Sandwiches, Pieology, Ono Hawaiian BBQ, Café Rio, and the Habit Burger were also developed and began operating toward the end of 2017. The new developments are located adjacent and south of the first BJ's Restaurant and Brewhouse in the Victor Valley, which opened its doors in early 2016.

Other retail announcements in 2017 included Sit'N Sleep's grand opening of its 1,300-square foot store, located on Bear Valley Road near the Mall at Victor Valley. In May 2017, Harbor Freight Tools submitted tenant improvement plans to occupy an existing building on the corner of La Paz Drive and Seventh Street. The Calabasas-based company moved into an existing 15,000-square foot building in the shopping center anchored by the High Desert Indoor Swap Meet and the 99 Cents Only Store and opened its doors in February 2018. In October of 2017, the Victorville Planning Commission

approved plans for two car washes that will be built along Bear Valley Road. The Speed Wash will be located on the southwest corner of Topaz, while a Jet Wash Express will be built at the intersection of Bear Valley and Pocomima Roads.

On August 9 2017, Valley Hi-Toyota opened its new facility after a 16-month renovation and expansion to its existing dealership. The dealership has expanded its previous 19,762 square foot showroom to 39,835 square feet. Toyota's new facility features 47,643- square feet of building space. Additionally, RAM Truck Center previously opened its doors on March 5, 2017, at the AutoPark at Valley Center. The 7,261-square foot facility sits on approximately 2.66 acres. The dealership offers 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. The City of Victorville's Auto Park at Valley Center, the only auto mall in the entire Victor Valley, includes nine premier dealerships for residents.

The hotel sector is also growing. Currently under construction on the west side of I-15, just south of the Nisquali/La Mesa interchange, is a 106-room Hilton Home 2 Suites. Further north along the 15 Freeway on Mariposa Road and across from the Southwest Gas facility, Mariposa Land Development, LLC submitted plans to build a four-story, 85-room, Hampton Inn Hotel that will be located on a 1.56-acre lot.

In June 2017, we joined forces with our development partner, Stirling Development, to celebrate the completion of Distribution Center 18, a 370,023-square foot industrial facility at Southern California Logistics Airport. Distribution Center 18, which

was leased to Newell Brands and Plastipak, is the second, large-scale industrial facility to be fully leased at SCLA in just one year's time. Between city and private development at SCLA and Foxborough, we have leasing capacity for more than 4.5 million square feet of high-desirable, industrial space in Victorville.

In December 2017, Southern California Logistics Airport entered into a lease agreement with Karem Aircraft Inc. for space to serve as a testing area for a new aircraft rotor system for the beginning of the 2018 year. Karem, based in Lake Forest, CA, is an aircraft development and manufacturing company participating in the U.S. Army Joint Multi-Role Technology Demonstration (JMR-TD) program. Southern California Logistics Airport is one of the nation's largest industrial airports. Its lack of commercial airline traffic, 360 days of "severe clear" weather, land capacity for expansive facilities and municipal utilities are key factors that have attracted major aerospace clients. State-of-the-art hangars of all sizes accommodate projects ranging from aircraft MRO companies to the painting of large, wide-body aircraft, including 747-800s, 777-300s and the 787 Dreamliner.

*For more information about the City of Victorville, visit our website at [www.victorvillecity.com](http://www.victorvillecity.com) or contact us at 760.955.5032.*





# High Desert Report

An economic overview

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