2025 I Volume 61

The Bradco Companies

High Desert Report

An economic overview of the Mojave River Valley region
affiliated with The Bradco Companies, a full service, commercial real estate company

Welcome to the 61st edition of The Bradco High Desert Report, which was originally published in May of 1993. We have reached another "milestone" with this great publication.

I think we can all agree that since 2020 and COVID, we have had some rather challenging times. Now that our national election is over and the American people have clearly spoken about who they want to run our country, I believe the High Desert/Mojave River Valley has some great opportunities for those who live here, work here, invest here, develop here, and for those who are trying to make our region a better place to live, work and play.

As the longest-standing full-service commercial, industrial, and land brokerage firm servicing the entire High Desert/Mojave River Valley region, (an area of nearly 4,000± square miles), we all need to reflect on how lucky we are with the many blessings we have and the great things I see in the year ahead.

I also want to notify all our readers that the great staff at Ludwig Engineering recently announced the passing of one of our original sponsors and great leader, Mr. Glen Ludwig. I met Mr. Ludwig shortly after arriving in the region in May of 1988. Having come from the home building industry, (I was the fomer vice president of Pegasus Development in Santa Barbara, California), I came to find out that Mr. Ludwig and his associates were leaders in the development of raw land within the "Victor Valley." While I studied all the available parcels of land for sale and development, it seemed that 90% of those had been engineered through Mr. Ludwig and his leadership. The Ludwig family were also large investors within the area and bought many well-known parcels that are ultimately going through the development phase. Glen lost his lifetime bride, Pearl, a few years ago, and we paid our respects to him at his funeral on January 10, 2025. His well-known nephew, another former leader within our region, Mr. Steve Ludwig, will take over. Unfortunately, the decision has been made that Ludwig Engineering will no longer exist. I want to personally thank Mr. Steve Ludwig, the Ludwig family, (Pearl, you are now reunited with your great husband, Glen) and all the employees for their support throughout all these years. You will be deeply missed, but for those of us who believe in God, we will see you again. Thank you.

We have some great articles and article writers in this edition. I wish to welcome Mr. Kenneth P. Miller, Mr. Chad McElroy, and the renowned (and famous) Mr. Larry J. Kosmont, CRE, of the Kosmont Companies. I believe that Larry and his team are some of the smartest people I have ever dealt with.

We also welcome Mr. Ben Porritt, Sr. Vice President of Brightline West and the proposed and fully approved Brightline West "Speed Train." I should note, as the outgoing president of the board of trustees at Victor Valley Community College, that at our December 2024 board of trustees meeting, Mrs. Asha Jones, Vice President of Corporate Affairs, spoke for 20 minutes about this very exciting project, their existing projects in Florida, and what they see for the future. Thanks again Brightline West for your input.

In our region we are blessed to have Mr. Matt Wells, Director of the NDCP, and the great work he and his board are doing under the leadership of Mr. Ted Alejandre, Superintendent of Schools for San Bernardino County. Thanks for the input and, most importantly, for the incredible job you are doing in bringing so many industries together.

I think we are blessed to have one of the best congressional leaders representing the 23rd Congressional District in Congressman Jay Obernolte. Thanks for all your leadership and doing things that many other Congressman just don't have the will to do.

We also welcome Mrs. Jenniffer Jeffers, Sr. Council of Allen Matkins, (an incredibly well-known law firm), who, with many of their different practices, include land use services. Their work

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Publishers Message

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is exceptional, and we highly recommend them.

I was glad to see my friend Mr. Dan Taylor, president of the Inland Empire Film Services, at a recent San Bernardino County event. Inland Empire Film Services has been a continual writer for The Bradco High Desert Report for the last 25 years.

One of the most exciting projects to ever be developed within our region, and what I believe to be one of the best planned Master Planned Communities in California, and more importantly, in San Bernardino County, and most importantly, in the High Desert/Mojave River Valley, is "Silverwood" and the life style this project will bring with its 15,663± approved dwelling units and 9,633± acres of land. Models will be opened in March of 2025. I want to personally thank Mr. John Ohanian, Principal and General Manager of this project for DMB Development, on the many personal trips he has afforded me and our staff, and Mr. Terry Kurtz and Ms. Coleen Lugue in filming what is a project that the Mojave River Valley has never seen. It is absolutely incredible. Please visit their website after reading their article.

I wish to welcome a longtime friend, Mrs. Amanda Hernandez, Government Relations Manager, Southern California Edison. I have had the privilege of working with Ms. Hernandez when she was involved with the City of Barstow and the City of San Bernardino. Welcome.

My wife, Debbie, and I are strong believers in supporting non-profits. There is probably not a better leader in the non-profits within our entire region than Ms. Debbie A. Cannon, President and CEO of the Academy for Grassroots Organization. We welcome her article.

We all need human resource assistance, and the company we are proud to use is Integrity HR Inc., whose President and CEO is Ms. Lynn Hounsley. Thanks for all your updates.

One of the foremost leaders in air quality management, and a true leader within government in our area is Mr. Brad Poiriez, Executive Director, Mojave Desert Air Quality Management District. Thanks for the article and your input.

We also have additional articles from our friends at the Mojave Water Agency, (I don't think there is a better water agency managed throughout California or this country than the MWA).

A big shout-out to our friends at Local Equity, LLC, and the influence they bring to our region.

We are blessed to have great leaders, as demonstrated by 1st District Supervisor and Vice Chairman of the Board Col. Paul Cook (ret), as well as 3rd District Supervisor Ms. Dawn Rowe, Chairman of the Board of Supervisors. We all appreciate the great leadership you are bringing in helping to facilitate the growth we see in the future.

If you want to talk about energy savings and the impact it has for all of us, we continually work with Mrs. Marika Erdely, MBA, CEA, LEED, AP BD+C, Founder and CEO of Green EconoME. She and her company excel.

We wish to thank the San Bernardino County Transportation Authority for their update on road projects and encourage you to read one of the most well laid-out articles on how capitalization rates are determined and their impact on income property. The article was done by my 30 year friend, an educator and private money finance consultant, Mr. Dan Harkey.

We also wish to welcome our good friends at CoStar Group who we and a few of our fellow competitors use for data and analysis that helps all our clients.

I wish to personally welcome my 30-year governmental friend Mrs. Laura

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The Bradco High Desert Report

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Designed & Printed by One Stop Printers & Direct Mail Service
Digital Version by Wowie.
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Publishers Message

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Moraco, Public Information Officer, Veterans Home, Barstow, and thank her for her contributions to this newsletter.

Without saying, I am extremely proud to be the second longest-serving trustee at Victor Valley Community College District, and I wish to thank Mr. Robert A. Sewell, our Public Information Officer, Director of Marketing and ASB Advisor, (we call him "the person who does everything"), under the leadership of what I consider to be Victor Valley Community College's best leader and President, Superintendent Dr. Daniel Walden. I believe that in time, Dr. Walden will go down as the greatest leader Victor Valley Community College District has had. The District ultimately has a financial impact of over $600 million nationally and nearly $350 million to our local economy. Victor Valley Community College District is the fastest growing Community College in California, the top five nationally, and is competing to be the Number One Community College in the United States by the year 2027, when we hope to compete for the Aspen Award. Stay tuned. I will be running in 2026 to finish out three more buildings (we have completed seven since I became lucky enough to become a trustee on February 1, 2011), and hopefully, the last project we will complete will be a housing project that is badly needed for our students. We will then be one of the few community colleges in California to have over 200 beds—ultimately, 400—for student housing. Thank you, Dr. Walden and your great leadership team led by Dr. Todd Scott, Dr. McKenzie Tarango, Mr. Art Lopez, Mr. Robert Sewell, Dr. Richard Radcliff, etc.

Mr. Ted Alejandre leads one of the largest school districts in the country, and I wish to thank him, as well as Assemblyman Tom Lackey, who oversees the 34th State Assembly District and who will unfortunately be "termed out" in November of 2026. Assemblyman Lackey has done an incredible job in all the years he has represented portions of the Antelope Valley, portions of Kern County, and now portions of the northern portion of San Bernardino County. Assemblyman Lackey, thank you for your assistance and dedication.

We would also like to thank the City of Adelanto, the Town of Apple Valley, the City of Barstow, the City of Hesperia, and the City of Victorville for their input.

In closing, we have some extremely exciting projects in front of us.

Silverwood: 16,663± dwelling units, with 9,633± acres and five major home builders. Model complexes will be opened by March of 2025. This project is a "game changer."

Brightline West: We believe that Brightline West will be able to announce, probably by April of 2025, their schedule to start construction on a "speed train" that will go from Rancho Cucamonga to Las Vegas. There are four major segments and nine separate contractors that will build this project. We believe that the ultimate construction of this project will exceed $10 billion. All the federal, state, and county approvals are already in place. Bids are currently being taken, and decisions of how that project moves forward will be made by the end of the first quarter of 2025. Congratulations, Brightline West.

The City of Victorville and Southern California Logistics Airport continue to grow under the leadership of Prologis, the world's largest industrial developer. Yes, Prologis operates in 19 countries, owns and controls over 1.2 billion square feet of industrial space (yes, that is correct) and they can still develop nearly 30± million feet over the long-term. They have recently welcomed Amazon and are starting to develop a 1.3 million± square foot building for Good Year Tires.

Last, but not least, is the 4,600± acre project by Burlington Northern Santa Fe (BNSF), a Berkshire Hathaway Company, that is working through their Entitlements and final Environmental Impact Report (EIR). We understand that their application to develop this project, which we believe will be impacted by nearly 8,000± local jobs in Barstow, and an investment well over $2 billion, should be made public through the public hearing process that CEQA (California Environmental Quality Act) requires. We hope to see approvals by the end of 2025, construction to start in early 2026, and the project to be completed and ready to operate in late 2028. Congratulations to Mr. Richard Dennison, General Manager, California Division; Ms. Lena Kent, Director of Public Relations; and Mrs. Lacy Kreger, General Director of Strategic Programs, (Dallas). This is an exciting project for the entire region.

My wife, Deborah K. Brady, and I, our staff, led by Mr. Francisco Diaz, Vice President Mrs. Pam Schemers, Administrative Assistant; Mrs. Laura Rosales, Administrative Assistant; and Mr. Anthony Diaz, wish all Bradco High Desert subscribers the very best in 2025.

If I can be of any assistance, don't hesitate to contact me. I can be reached at the office at 760.951.5111, ext. 101, via email at jbrady@thebradcocompanies.com, or on my cell phone (during normal business hours) at 760.954.4567.

High Desert *Report*
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California's Business Exodus

Kosmont-Rose Survey Find High Desert Cities Offer a Cost Competitive Alternative

By: Kenneth P. Miller, Chad McElroy, and Larry J. Kosmont CRE®

When Charles Schwab moved his company's headquarters from California to Texas five years ago, he explained: "The costs of doing business here are so much higher." Researchers at the Rose Institute of State and Local Government at Claremont McKenna College, in collaboration with the Kosmont Companies, have put this statement under a microscope with the release of the 2024 Kosmont-Rose Institute Cost of Doing Business Survey, the latest in a series of surveys of business costs dating back to 2003.

The 2024 Survey concludes that operating a business in California is generally more expensive than in other western states—a likely major factor in the recent increase in outmigration by businesses to states such as Texas, Arizona, and Nevada in recent years. Business owners cite high taxes, fees, rents, energy and utility costs, and labor costs as cost prohibitive. Yet, the Survey also discovered that certain areas of California—the High Desert region in particular—are less costly and more cost competitive than others.

The 2024 Survey analyzes business costs in 216 cities, primarily in Southern California's four-county region—Los Angeles, Orange, Riverside, and San Bernardino—and the top 40 out-of-state destinations in the western U.S. for businesses leaving California. Besides direct costs, the Survey considers indirect factors like crime rates and housing affordability to gauge a city's business appeal. Cities are ranked into five tiers, from most to least expensive.

Within Southern California, High Desert cities performed exceptionally well. Among all 216 cities in the Survey, Adelanto and Hesperia tied for ninth place. Other competitive Inland Empire cities include Yucca Valley, ranked 18th, and Victorville, tied for 23rd, both of which fell into the survey's lowest-cost, most business-friendly tier.

Meanwhile, Barstow, Apple Valley, Palmdale, and Twentynine Palms all ranked in the Survey's second-best tier. No High Desert cities ranked in the Survey's two highest cost tiers.

The Survey's top-ranking High Desert cities, including Adelanto and Hesperia, scored comparatively well on housing affordability, utility taxes, and crime rates, while also benefiting from relatively low sales taxes (7.75%). By comparison, Lancaster performed well in housing affordability and some other measures but landed in the Survey's midrange due to its high sales tax (10.25%) and comparatively high business license fees.

Conversely, cities in Los Angeles County ranked as the Survey's most expensive in the western United States, with Santa Monica topping the list, followed by Culver City, Pasadena, and Malibu. Regardless, many businesses still choose to operate in high-cost areas of California due to the compensating advantages these cities provide, such as access to crucial infrastructure, suppliers, and a talented, educated workforce. However, employers must weigh these benefits against the substantial costs of operating in these regions.

The Kosmont-Rose Institute Cost of Doing Business Survey highlights today's harsh reality: despite California's numerous advantages, high costs are pushing many businesses out of the state. However, for those determined to stay, the High Desert emerges as a compelling, cost-effective alternative, offering a business-friendly environment that balances affordability with access to essential resources.

The full Survey is available at https://roseinstitute.org/costofdoingbusiness/.

Kenneth P. Miller is Professor of Government and Director of the Rose Institute of State and Local Government at Claremont McKenna College. Chad McElroy is a student researcher at the Rose Institute. Larry J. Kosmont is the Chairman & CEO of Kosmont Companies, a real estate, finance, and economic development services firm serving public, non-profit, and private sectors since 1986.

Brightline West Breaks Ground on America's First High-Speed Rail Project Connecting Las Vegas to Southern California

By: Ben Porritt, Senior Vice President of Brightline

Brightline West has officially broken ground on America's first high-speed rail project, set to connect Las Vegas to Southern California along a 218 mile route within the I-15 median. This revolutionary rail system will provide a zero-emission, fully electric alternative to driving, transforming travel between the two regions.

Key officials attended the April groundbreaking ceremony, including U.S. Secretary of Transportation Pete Buttigieg, Brightline Founder Wes Edens, Nevada Governor Joe Lombardo, Senator Jacky Rosen, California Representative Pete Aguilar, and Senior Advisor to President, Biden Steve Benjamin.

"People have been dreaming of high-speed rail in America for decades—and now, with billions of dollars of support made possible by President Biden's historic infrastructure law, it's finally happening," said Secretary Buttigieg. "Partnering with state leaders and Brightline West, we're writing a new chapter in our country's transportation story that includes thousands of union jobs, new connections to better economic opportunities, less congestion on the roads, and less pollution in the air."

Wes Edens highlighted the transformative potential of the project: "For decades, the vision of high-speed rail in America was just that—a vision. Today, we take the first tangible step toward turning that vision into reality. Brightline West will transform travel between Las Vegas and Southern California, setting the foundation for future high-speed rail systems nationwide."

Construction and Economic Impact

Brightline West's rail system will feature trains capable of speeds up to 200 miles per hour, with stops planned for Las Vegas, Victor Valley, Hesperia, and Rancho Cucamonga. The environmentally cleared project will use 700,000 concrete rail ties, 2.2 million tons of ballast, and 63,000 tons of American steel rail, all adhering to Buy America standards.

As one of the nation's largest privately funded infrastructure projects, Brightline West is expected to deliver substantial economic benefits to Nevada and California. The project is projected to generate over $10 billion in economic impact and create over 35,000 jobs, including 10,000 direct union construction roles and 1,000 permanent operations and maintenance positions. Additionally, the project will contribute over $800 million in improvements to the I-15 corridor.

Environmental Benefits and Future Prospects

Brightline West is poised to be a leader in sustainable transportation. The all-electric system is projected to reduce greenhouse gas emissions by over 400,000 tons of CO_2 annually. This reduction is equivalent to taking over 700 million vehicle miles off the road yearly or eliminating 16,000 short-haul flights, significantly impacting the environment.

Station Locations and Connectivity

The rail system will feature strategically located stations to maximize connectivity and convenience. In Las Vegas, the station will be near the Las Vegas Strip, providing easy access to Harry Reid International Airport, the Las Vegas Convention Center, and Allegiant Stadium. The Rancho Cucamonga station will connect with Metrolink, offering seamless access to Los Angeles and other regional destinations in California.

"Brightline West's groundbreaking marks the construction of a dynamic, high-speed rail system that will link Las Vegas, Hesperia, and Apple Valley to Rancho Cucamonga's Metrolink Station, creating new jobs and fostering economic growth," said Congressman Jay Obernolte of California. "This convenient alternative to driving will reduce the number of cars on the road, decreasing emissions and reducing congestion in our High Desert communities."

With Brightline West's groundbreaking, the long-held dream of high-speed rail in America is becoming a reality. As construction progresses, this project promises to reshape travel, boost the economy, and set a benchmark for future high-speed rail developments across the United States.

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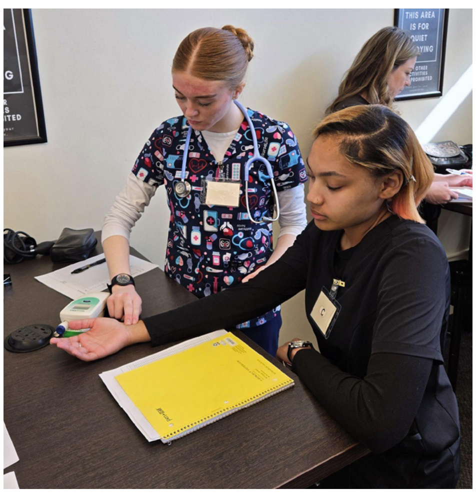
Building a Skilled Workforce in the High Desert: How Mountain Desert Career Pathways is Transforming Education and Industry Collaboration

By: Matt Wells, Director, MDCP, Belen Colon, Community & Industry Outreach Specialist, MDCP

The High Desert region is facing an unprecedented opportunity to address workforce challenges while preparing students for successful careers in industries that drive the local economy. Striving to be at the forefront of this effort is Mountain Desert Career Pathways Joint Powers Authority (MDCP), a unique collaboration of nine school districts with a shared mission: to equip students with the skills, certifications, and connections they need to thrive in our local competitive job market.



MDCP serves over 12,500 Career Technical Education (CTE) students across districts, including Apple Valley Unified, Baker Valley Unified, Barstow Unified, Hesperia Unified, Lucerne Valley Unified, Silver Valley Unified, Snowline Joint Unified, Trona Joint Unified, and Victor Valley Union High School Districts. Through innovative programs and strong partnerships with local businesses, MDCP is not only shaping future professionals but also aiming to address the pressing workforce needs of the High Desert.

Addressing Workforce Shortages with Local Talent

Nationwide, workforce projections paint a troubling picture: the latest nationwide data shows there are only 0.85 workers for every one open position. While this shortage presents a national challenge, the High Desert faces a unique dilemma. Many local industries rely on importing talent from outside the area—workers who lack deep roots in the community and often leave within a few years.

MDCP aims to reverse this trend by cultivating local talent pipelines. By investing in the education and training of High Desert students, MDCP ensures that businesses can hire skilled professionals who are deeply connected to the region. This initiative strengthens not only the workforce but also the community, fostering long-term economic growth.

A Holistic Approach to Career Readiness

Over the past nine years, MDCP has developed a comprehensive strategy to prepare students for in-demand careers. At its core is career and technical education (CTE), which integrates hands-on learning with academic instruction. MDCP districts offer 643 course sections taught by over 118 educators, covering fields like healthcare, manufacturing, IT, construction, and advanced transportation. Students enrolled in these courses get opportunities for powerful work-based learning experiences and, in many cases, the opportunity to earn industry-based certification and college credit.

The Power of Work-Based Learning

MDCP's approach, goes beyond the classroom. Through work-based learning opportunities, students gain real-world experience in partnership with local businesses. These experiences range from field trips and guest-speaker sessions to internships and job shadowing, creating a continuum of career exploration and skill development where students begin to build local professional networks while gaining an actionable understanding of the industry opportunities available within our community.

Work-based learning is more than just career preparation—it's a transformative experience that benefits the students in our region. For students, such learning provides:

- **Practical Skills:** Hands-on experience in real-world settings extends the classroom and further builds confidence and technical expertise.

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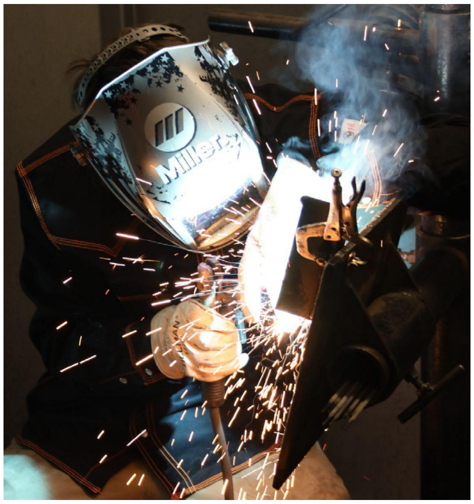
Building a Skilled Workforce in the High Desert: How Mountain Desert Career Pathways is Transforming Education and Industry Collaboration

Continued



- **Professional Networks:** Interacting with industry leaders opens doors to mentorship, supports soft-skill development, and provides insights into future opportunities.
- **Career Clarity:** Exposure to various fields helps students make informed decisions about their futures.

MDCP has pioneered numerous initiatives to connect students with industry professionals through work-based learning:

- **Competitions:** MDCP organizes regional contests in fields including automotive, welding, culinary arts, IT, and medical. These competitions, often offered in partnership with regional business partners and Victor Valley College, saw over 450 students participate last year. Students showcased their skills to industry judges and built valuable connections. We're seeing our models replicated elsewhere in the county because they were such phenomenal experiences for all involved.
- **Field Trips:** More than 1,100 students visited local companies like Mitsubishi Cement, General Atomics, Rio Tinto, and the Southern California Logistics Airport. These visits provided a behind-the-scenes look at high-demand industries.

- **Mock Interviews and Workshops:** Industry partners like Global Credit Union, Silverwood, ICR Staffing, and Victorville Motors hosted impactful events to help students refine their resumes, interview techniques, and workplace skills.

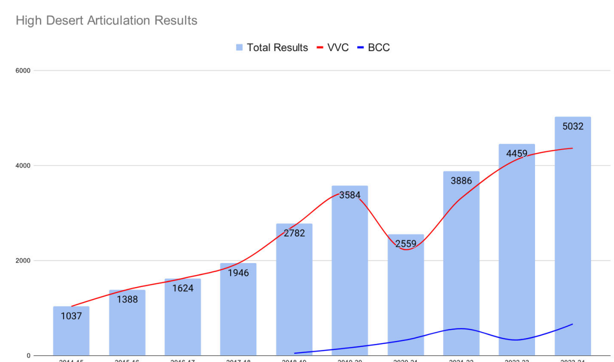
Certifying Success

Certifications are a cornerstone of MDCP's strategy to prepare students for in-demand careers. In the 2023–24 school year, students earned over 8,600 industry-recognized certifications, including OSHA 10, Certified Nursing Assistant, CompTIA A+, and various firefighting and automotive credentials. Another 5,000 YouScience Certifications were earned across the spectrum of industry sectors including manufacturing, digital design, business, and hospitality. These certifications validate students' skills and give them a competitive edge when entering the workforce.

Earning College Credit

MDCP continues to see more students annually earn college credits while in high school. Through partnerships with Victor Valley College (VVC) and Barstow Community College (BCC), over 5,000 articulated grades were is- sued to CTE students earning A's and B's in their CTE coursework during the 2023–24 school year. Just like our certifications, these articulated grade results span the spectrum of industry sectors, including automotive, aviation, computer science, healthcare, and more. And these results are unique and worth celebrating. We are confident we have some of the strongest articulation partnerships in the state, and these results mean we are continually fostering an increased college-going culture, whether that college means earning a postsecondary trades certificate or college degree - whatever is the right target for the individual's desired career.

CTE - EARLY COLLEGE CREDIT



Overcoming Challenges

While the results are impressive, work-based learning isn't without hurdles. Legal requirements, like those under California Education Code 45125.1, have introduced fingerprinting-related complexities around student internships. However, MDCP has worked diligently to navigate these challenges, ensuring we have a workable solution such that students can continue to have access to meaningful workplace experiences.

Building the Workforce of Tomorrow

The impact of MDCP's efforts extends far beyond individual students. By

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Continued

aligning education with industry needs, MDCP is creating a workforce equipped to meet the demands of the 21st century. This, in turn, attracts new businesses to the High Desert, further strengthening the local economy.

For MDCP, the work is far from over. The organization is calling on industry leaders to get involved in shaping the future workforce. Whether through guest speaking, judging competitions, or offering internships, there are countless ways to contribute.

For example, our partnership with the Silverwood company, a large-scale community development in Hesperia, has resulted in multiple forms of work-based learning for our region's students. Silverwood has welcomed hundreds of students for field trips to observe its construction processes. They have then gone beyond field trips to include drone-related job shadowing, mock interviews, and experiential learning cohorts, where small groups of students engage with various network partners of Silverwood, including the City of Hesperia and Frick, Frick, and Jette. Such experiences are invaluable to our students and help them acquire a vision for different industries and local business needs.

For businesses, the benefits of participating in work-based learning are compelling. Companies involved in work-based learning often see:

- **Improved Workplace Culture:** Employees demonstrate pride and elevate leadership skills by mentoring students.
- **Enhanced Recruitment:** Partnerships with schools create a pipeline of qualified, local candidates and gives businesses opportunities to identify incoming talent.
- **Community Impact:** Supporting local education strengthens the community and boosts economic resilience.

If you are interested in exploring how your business might participate in work-based learning experiences for students, reach out and let us collaborate with you.

Join the Movement

The High Desert is on the cusp of transformative growth, and MDCP is leading the charge. To learn more about how you can support this vital mission, visit MDCareerPathways.com or contact MDCP@mdcareerpathways.com.

Together, we can ensure that every student in the High Desert has the tools, opportunities, and support they need to succeed. Let's build a brighter future—one skilled professional at a time.

Fighting for the Future of the High Desert Economy

By Congressman Jay Obernolte (CA-23)

Freight rail is crucial to our nation's economy, environment, and infrastructure. It efficiently transports goods over long distances, reduces highway congestion, and minimizes greenhouse gas emissions compared to all-truck cargo transportation. Serving as the backbone of the supply chain, freight rail supports industries ranging from agriculture to manufacturing, ensuring the timely delivery of raw materials and finished products.

In California's 23rd Congressional District, freight rail contributes to job creation and economic growth, making it an indispensable part of our local economy. Recently, BNSF announced the construction of the Barstow International Gateway (BIG), an intermodal transfer facility designed to enhance our supply chains by enabling the direct transfer of cargo through freight rail from the Ports of Long Beach and Los Angeles to BIG before being shipped out to the rest of the continental United States. This facility will also provide up to 20,000 direct and indirect jobs in our community, making it a huge investment into the High Desert.

However, in April 2023, the California Air Resources Board (CARB) passed the In-Use Locomotive Regulation with the purported goal of reducing emissions from locomotives operating in California. This regulation mandates the implementation of zero-emission locomotives by prohibiting the operation of any locomotive older than 23 years in California. Starting in 2030 for all switch, industrial, and passenger locomotives, and 2035 for line-haul locomotives, older locomotives can only operate in the state if they are zero-emission. Freight trains built in 2034 or later must also comply with this strict regulation.

It is important to note that the technology to comply with this rule does not yet exist. Replacing a single diesel locomotive would require a battery capacity of nearly 100 megawatt-hours (MWh), while the best battery technology today can store less than 7 MWh in an electric locomotive. That means there are currently no electric locomotives capable of replacing an existing line-freight locomotive nor are there likely to be for decades—if ever.

For this rule to be fully enforced, CARB needs a waiver approved by the Environmental Protection Agency (EPA), which is why I have been leading the fight against this rule in Congress. In May I wrote a bipartisan letter, signed by 73 of my colleagues—including the entire California Republican delegation—to EPA Administrator Michael Regan strongly urging the agency to reject CARB's request for a waiver to implement its zero-emissions locomotive rule.

The House Energy and Commerce Committee, of which I am a member, is tasked with oversight of the EPA's actions. When Administrator Regan appeared before the Committee in May, I took the opportunity to hand deliver to him nearly 2,000 letters from agencies, organizations, and constituents in California's 23rd Congressional District expressing their concerns that the waiver would affect the economy and national supply chain, and I personally encouraged him to deny CARB's waiver request.

As the Chairman of the Science, Space, and Technology Subcommittee on Investigations and Oversight, I convened a hearing in June on the feasibility of the zero-emissions locomotive rule. In the hearing, the Committee heard from multiple expert witnesses who testified this rule would have a disastrous impact on our national supply chains and, even in the best case, would take multiple decades to implement, thereby making it impossible for the rail industry to comply with CARB's timeline.

Most recently, I sponsored an amendment to the U.S. Department of Interior funding bill which prohibits the EPA from using any federal funds to approve CARB's waiver for their in-use locomotive rule. My amendment passed the House and was adopted into next year's appropriations bill, which is a crucial win for our High Desert community. We must now put pressure on the Senate to include this important funding prohibition into their version of the bill.

CARB's nonsensical rule would hinder our national supply chains, increase traffic and congestion on our highways, and cost our High Desert economy over 20,000 jobs. It would also have a disastrous impact on interstate commerce, increasing the cost of rail transport and raising prices for all Californians. While I share the broader goal of reducing emissions, CARB's misguided rule would actually make our air dirtier rather than cleaner because it is three times more efficient to transport freight by rail than by truck.

I am committed to stopping the implementation of this nonsensical regulation, and I will continue fighting on behalf of our community to protect our High Desert economy, enhance the resiliency of our supply chains, and utilize freight rail to make significant strides in reducing emissions.

Commission Grants Burrowing Owls "Candidate" Species Protections Under the California Endangered Species Act

By: Jennifer Jeffers, Senior Counsel, Allen Matkins

At its October 10 meeting, the California Fish and Game Commission (the Commission) unanimously found that a petition to list the Western Burrowing Owl (Athene Cunicularia Hypugaea) as an endangered or threatened species in California provides sufficient scientific information to indicate that the petitioned action may be warranted, thereby officially granting the burrowing owl "candidate" species status under the California Endangered Species Act (CESA).

The candidacy designation temporarily affords the burrowing owl broad CESA protections (including prohibitions against "take" without permit authorization) throughout the entirety of California over the next 12–18 months while the California Department of Fish and Wildlife (CDFW) conducts a species status review to confirm whether (and where) listing is warranted and to recommend management and recovery actions. As a practical matter, although the burrowing owl is already afforded special consideration under various federal and state regulatory regimes, the Commission's candidacy decision means that many project proponents will now be required to obtain an "incidental take permit" (ITP) from CDFW for potential project impacts to the burrowing owl in order to comply with CESA and avoid take liability. In addition, should the Commission change current burrowing owl management practices as part of a future listing decision, CDFW may assert that amendments to existing ITPs and/or regional conservation plans are needed to account for revised mitigation obligations.

Scope Of Petition

The Commission's determination was made in response to a petition filed by six conservation groups on March 5, 2024, (the Petition) and a subsequent evaluation by CDFW in August 2024 recommending that the Commission accept the Petition for further consideration under CESA as detailed in our previous Legal Alerts. The burrowing owl was the subject of a previous 2003 CESA petition, which the Commission denied 4–0 at the time.

Although not formally protected under either the Federal Endangered Species Act or CESA, the burrowing owl is already listed as a California Species of Special Concern, considered a federal Bird of Conservation Concern, protected by the Migratory Bird Treaty Act (MBTA), and the take of burrowing owls without a permit is strictly prohibited under the California Fish and Game Code Sections 3503, 3503.5 and 3513. However, notwithstanding these various existing federal and state regulatory mechanisms, the Petition asserts that resource agencies have little authority or will to impose them and that burrowing owl special designations, legal protections, and management efforts are inadequate to conserve the species and reverse ongoing population declines.

Geographical Range

The Petition requests specific actions (Petitioned Actions) that implicate different geographic regions for specific California populations (or Evolutionary Significant Units [ESUs]), as follows:

1. Petitioners request:

   a) Endangered listings for the following regions: Southwestern California, Central-Western California, and San Francisco Bay Area ESUs, and

   b) Threatened listings for Central Valley and Southern Desert Range ESUs.

   i. If the Commission does not find the entire Central Valley population warrants threatened status, then Petitioners request that the Commission evaluate whether the Northern Central Valley, Middle Central Valley, and Southern Central Valley constitute distinct populations of burrowing owls, and whether any of these three populations separately warrant listing.

   ii. If the Commission determines that the entire Southern Desert Range population does not warrant threatened status, Petitioners request that the Commission evaluate whether the Western Mojave, Eastern Mojave, and Sonoran Desert constitute distinct populations of burrowing owls, and whether any of these three populations separately warrant listing.

2. Alternatively to listing ESUs, the Pe- tition requests that the Commission list the Western Burrowing Owl in the entire- ty of California as a threatened species under CESA.

CDFW evaluated the scientific sufficiency of the Petition and determined in August that the Petition was complete and that CESA protections for the burrowing owl may be warranted. CDFW's evaluation did not focus on the merits of any of the specific individual Petitioned Actions above but, rather, considered the Petition as a whole.

The Commission's October 10 decision lists the burrowing owl as a candidate species throughout the state, pending CDFW's status review and recommendation. Depending on CDFW's status review analysis, recommendation to the Commission, and the Commission's final listing determination, the ultimate geographic scope of CESA protections for the burrowing owl could be narrowed. In addition, under Fish and Game Code 2077(d), the Commission may change the geographic scope of essential habitat at any time based on a petition or other data available to CDFW and the Commission. This includes determining if a species should be listed in fewer regions or delisting a species

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in a certain region(s) after it had already been listed.

Burrowing Owl Management and Mitigation Guidelines

CDFW's 2012 Staff Report on Burrowing Owl Mitigation (2012 Guidelines) serves as the standard guidelines for planning and undertaking surveys to determine burrowing owl occupancy, evaluating potential impacts of a project, and identifying sufficient mitigation measures to address impacts to the species, particularly for projects subject to CDFW involvement and/or environmental review under the California Environmental Quality Act (CEQA).

The 2012 Guidelines detail burrowing owl avoidance, minimization and mitigation approaches for consideration by CDFW staff, biologists, planners, and CEQA lead agencies when assessing impacts of a project. These mitigation methods may include, but are not limited to, avoidance measures, take avoidance (pre-construction) surveys, standardized buffer setbacks, translocation efforts (which involves active relocation offsite), and construction of artificial burrows. The 2012 Guidelines are considered voluntary in nature, though most agencies and project proponents look to them as best practice.

The Petition asserts that the 2012 Guidelines have lofty goals but that none have been accomplished since its publication. As such, the Petition expressly recommends that the Commission consider a comprehensive list of 15 "management and recovery actions," including requiring adherence to the 2012 Guidelines, updating the 2012 Guidelines to require stronger survey methods, curtailing the use of passive relocation, limiting the active relocation of owls, accelerating emergency regional conservation planning, strengthening mitigation requirements, enforcing state Fish and Game Codes, amending management and land use plans (i.e., county and city general plans), and reviewing existing Habitat Conservation Plans (HCPs) and Natural Community Conservation Plans (NCCPs) "to ensure they are not promoting extirpation of burrowing owls and ensure they are assisting recovery."

While some of these recommendations are more minor in nature, certain actions—such as prohibiting passive relocation and translocation of owls except in special circumstances—would have far reaching consequences and significantly overhaul currently prescribed burrowing owl practices. The changes would affect CEQA analyses and permitting obligations for substantial numbers of proposed projects, as well as conflict with the current 2012 Guidelines and currently approved burrowing owl mitigations provided in regional HCP/NCCP conservation plans.

The Commission did not expressly address the Petition's recommended management and recovery actions as part of its candidacy decision, but these will be considered as part of CDFW's status review process.

Candidate Species Protections

A CESA candidate species is afforded broad CESA legal protections. Specifically, the "take" of a listed or candidate species is strictly prohibited without express authorization. "Take" is defined as "[h]unt, pursue, catch, capture, or kill, or attempt to hunt, pursue, catch, capture, or kill. (Fish & Game Code, § 86.) Civil and criminal penalties for take violations are substantial.

Typically, a project proponent acquires take authorization through CDFW's approval of an ITP under Fish & Game Code Section 2081. An applicant must demonstrate that the take is "incidental" to an otherwise lawful activity, that any impacts from the take will be minimized and fully mitigated, and that adequate funding exists to implement minimization and mitigation measures. No ITP will be issued if CDFW determines that a project would "jeopardize the continued existence" of the listed species covered by the permit.

The Commission also retains separate jurisdiction under Fish & Game Code Section 2084 to authorize the taking of a candidate species, either by adopting a regulation concurrently with its decision to list the species as a candidate, or at a subsequent meeting (a Take Regulation). Though issuance of a Take Regulation is relatively uncommon, the Commission did adopt one in 2020 for the Western Joshua Tree based on concerns regarding the inability to proceed with project construction activities for certain critical infrastructure and renewable energy projects during the species' candidacy period without express take authorization.

The Commission's October 10 decision was undertaken pursuant to Section 2074.2 of the Fish & Game Code, which is the typical process by which a petition is accepted for consideration. No discussion of a Take Regulation was discussed during the Commission's deliberations.

Next Steps In CESA Listing Process

CESA protections for the burrowing owl are effective once the Commission publishes notice of its decision to affected and interested parties. CDFW is now required to begin a 12-month status review of the burrowing owl and will ultimately prepare a written report to the Commission to indicate whether listing is warranted, identify essential habitat, and recommend management activities and recovery actions. The status review is limited to best available scientific data (no economic considerations are permitted) and must be peer reviewed.

Once CDFW's status review is finalized

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and published for public review, the Commission will hold a public hearing and make a final determination as to the scope and extent of CESA legal protections for the species. Should the Commission find the petitioned action to be warranted, it will publish a notice of its finding and proposed rulemaking to add the species to protected CESA status.

Practical Implications For Developers And Existing Permittees

Generally speaking, we expect that state and local permitting agencies will continue to follow CDFW's 2012 Guidelines and identified burrowing owl avoidance, minimization and mitigation approaches, until and unless the Commission subsequently revises the 2012 Guidelines as part of the CESA listing process. Potential project impacts to burrowing owls are already scrutinized at a higher level than for non-special status species, but the Commission's candidacy decision now formalizes and mandates such impacts be considered and authorized under CESA, or else legal liability will result.

CESA Obligations for Proposed Projects

Project proponents seeking to develop on habitat where burrowing owls are present or known to be present should ensure the following actions are taken to comply with CESA and avoid take liability:

o Determine whether direct and indirect project impacts to the burrowing owl may be avoided or minimized by revising the project design or scope. CDFW will look to implementation of such measures as part of the ITP process.

o Identify potential project and species-specific mitigation measures for remaining project impacts.

o Develop a sufficient compensatory mitigation strategy to offset these impacts, such as purchasing mitigation credits, contributing to an in-lieu fee program, or acquiring land for permittee-responsible mitigation, or conservation easements managed by land trusts, to permanently protect and manage compensatory habitat.

o Prepare and apply to CDFW for an ITP.

It is recommended that any ITPs issued during the burrowing owl's candidacy period include express language stating that the ITP (and it's resulting permittee obligations) will terminate before the permit's stated expiration date if the burrowing owl ceases to be a candidate species and is not listed for protection under CESA. ITPs that only cover take of the burrowing owl would therefore terminate, whereas ITPs issued for the burrowing owl and other CESA listed species could be amended by CDFW under applicable CESA regulatory provisions.

A safe harbor agreement or candidate conservation agreement with assurances may be other avenues for project proponents to pursue for take authorization instead of an ITP. However, these agreements are situation specific, require extra costs and negotiations, and may include mitigation or monitoring requirements that persist even if the burrowing owl is removed from candidacy.

Amendments to Existing Take Authorizations

As discussed above, there is some level of risk that, depending on CDFW's status review recommendations and the Commission's final listing decision, the Commission could require changes to current species management practices (for example, prohibiting passive relocations). For projects already operating under an approved ITP, it is possible that CDFW might assert the right to impose amendments to existing ITP conditions to the extent any newly required management practices conflict with existing ITP permittee obligations. Notably, many ITPs contain "reopener provisions," which CDFW may also assert would allow it to impose amendments to an ITP without a permittee's concurrence based on the change in the burrowing owl's listing status and/or associated changes to management practices. Those permittees who already have projects with burrowing owl conditions should contact Allen Matkins to determine whether any of these new rules could impact your project in any way.

Likewise, regional HCP/NCCP burrowing owl conservation measures may need to be later amended to include new management practices if such plans do not already include express "State Assurances" that provide that so long as the HCP/NCCP is being followed and implemented, CDFW shall not require additional mitigation or compensation without permittee consent and a determination that the permit would jeopardize the continued existence of the burrowing owl.

We will continue tracking the implications of the Commission's candidacy decision and CDFW's status review process and provide subsequent legal updates as additional information becomes available. If you would like to learn more about the Commission's recent decision or how the burrowing owl's CESA status may affect your project, please reach out to Allen Matkins' land use and natural resources team.

Jennifer Jeffers is senior counsel at Allen Matkins and advises clients on land use and natural resource matters arising from the development of renewable energy, residential, commercial, and mixed-use projects in California. Jennifer can be reached at: jjeffers@allenmatkins.com.

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An economic overview of the Mojave River Valley

Do I care about the film industry staying in California?

By: Dan Taylor, President, Inland Empire Film Services

If you have been reading or watching the news about what is happening in the film industry in California, you might be saying, "Why do I care if they film my favorite show outside of California?" After reading this, you might change your mind.

The High Desert is a very popular location for the film industry. Over the past 30 years, feature films, TV episodic shows, TV reality shows, commercials, music videos, fashion, and industry still shoots, as well a load of other genres, have spent hundreds of millions of dollars in the High Desert. Hundreds of millions? Yep, that much money. And it is possible your company was a recipient of some of that economic impact. Here's how it works.

Let's say a popular shoe company (rhymes with Psyche) wants to do a commercial with someone running down a road in the middle of the desert. They will hire an ad agency to have this commercial made. That ad agency will then put out a bid to several production companies to see who would be best for this project.

Once they hire the production company, that company will start searching for a desert road that fits the look they want. They decide on filming on Hwy 247 in the Sawtooth Campground area. A commercial like this will usually have around 60–100 people on the crew, all of them needing accommo- dations near the film location—in this case, most likely in Apple Valley or Barstow. They will also need restrooms on location, so they will rent them from a local vendor. Oh, and they need to eat, so a local caterer might be hired or they will order box lunches from a local eatery, not to mention dinners in the local establishments. They also will need snacks (the film industry eats a lot) while on location, so they have something called "Craft Services" where there are cold drinks and snacks to eat while they are working. All of those supplies come from the local markets and grocery stores. They will need gas for all of their vehicles, so the local gas stations get business. There are always things that need to be fixed or replaced, so a local hardware store or supply store will be visited to find the right piece of equipment to purchase. And when the day is done, a lot of them will hit the local bars for a cold beer after a long day's work. All this and more will be spent in the High Desert. Just for one day, a commercial of this size can spend anywhere from $50,000 to $150,000 (or more) in the High Desert to get that shot of a person running on a road. Since 2020 to the present, the film industry has spent an estimated $13 million in the High Desert. That is down from pre 2020 figures, and it will continue to fall unless California decides to fight harder to keep the film industry in our beautiful state. Other states and countries are competing with California with tax incentives to lure the Film Industry away from California. Georgia right now has attracted a large number of feature films away from California and more are moving there by the second. So much so that they have built huge studios to accommodate the influx of filming. The same is happening in New York, New Mexico, and the United Kingdom.

How can we stop this from happening? Well, you need to contact your local state representatives and ask them to support an increase and expansion to the film tax incentives in California. If we don't step up, the High Desert, as well as the entire state, will lose billions in economic impact from the film industry.

So the next time you see a bunch of trucks and cars parked on Rabbit Dry Lake, or the CHP controlling traffic on a road for a camera crew, be happy they are here spending money in the High Desert vs. Atlanta.

Dan Taylor
President
Inland Empire Film Services
Servicing all of San Bernardino &
Riverside Counties
Film Commissioner for:
Riverside County Film Commission
Barstow Film Office
Big Bear Lake Film Office
Menifee Film Office
Temecula Film Office

Silverwood's New Way of Life in the Inland Empire

By: John Ohanian

Imagine waking up to the majestic views of towering mountains and serene, rolling landscapes. Welcome to Silverwood—a groundbreaking master-planned community being built in Southern California's Inland Empire. Here, the promise is not just a home but a way of life deeply intertwined with nature, community, and convenience.

A Visionary Development in the Heart of California

Silverwood is an ambitious vision being brought to life by Schlegel Capital, Beaumont Partners, and DMB Development. Spanning over 9,000 acres, this community is set to create a significant economic impact across Hesperia, Victorville, and beyond. It elegantly blends the charm of small-town California with the grandeur of towering mountains, offering a harmonious blend that caters to modern needs while staying connected to the environment.

Nestled at an elevation of 3,200 feet, Silverwood will offer more than just stunning vistas. The community encompasses rolling hills and steep bluffs, all within reach of the Angeles and San Bernardino national forests. It's a place where the vastness of nature will meet the intimacy of small-town living. Whether you're into hiking, swimming, enjoying nature's tranquility, or simply need to exhale, Silverwood will provide endless opportunities to explore and unwind.

With nearly half of its acreage dedicated to open spaces, parks, and trails, Silverwood will invite you to step outside and immerse yourself in the natural beauty surrounding you. Whether hiking the Pacific Crest Trail or enjoying a picnic by Silverwood Lake, outdoor adventures are always at your doorstep.

Connection is Key at Silverwood

At Silverwood, community life will thrive through connections—between neighbors, with the land, and within oneself. The design fosters a spirit of togetherness, encouraging residents to engage in vibrant community events, explore miles of trails, and enjoy shared spaces.

Central to this community life is the future Crest Club, a hub of activity and relaxation. With amenities like a resort-style pool, pickleball courts, and a game room, it's a place where residents can unwind, connect, and enjoy a vibrant lifestyle.

Silverwood will also feature 387 acres of parks and 166 miles of trails and paseos designed for walking, biking, and horseback riding. These spaces are being designed to not only promote a healthy lifestyle but facilitate spontaneous conversations with neighbors.

Silverwood believes gatherings often set the rhythm for the community, providing residents opportunities to connect, days looked to with anticipation and fond memories. At Silverwood you'll find the year starting with a nod to our neighbor through the Pacific Crest Fest. Summer's most anticipated event will be the Sparkler Spectacular followed by the Silver Bells of Silverwood to kick off the holiday spirit.

Connection will continue through residents engaging with neighbors who share similar interests through its various clubs and groups, from skiing and off-roading to painting and wine tasting. These activities will enhance social bonds and ensure there's always something exciting happening in Silverwood.

One of the most important connections is that of the local schools. You'll find that Silverwood has prioritized education with dedicated sites for elementary, middle, and high schools. These important spaces will serve as social anchors, fostering a strong sense of community and providing children with convenient access to quality education.

A Range of Home Styles & The Region's Top Builders

Silverwood will offer a variety of architectural designs, creating interest and visual diversity on each street. You'll find Spanish, Western Regional, Bungalow, Farmhouse, Mission, Regional and Monterey styles, that have all been tailored to diverse lifestyles. RV parking to next-gen suites and optional spaces like teen or craft rooms, you'll find a home for your needs.

Silverwood has selected K. Hovnanian Homes, Lennar, Richmond American Homes, Watt Capital Developers, and Woodside to welcome homebuyers at the Grand Opening. With 25 floor plans to choose from, and homes starting in the mid-$400,000s, Silverwood is committed to bringing attainably priced housing to the region. With an emphasis on quality and design, these homes will integrate seamlessly into Silverwood's natural and community landscapes and provide cost-saving features that encourage sustainability.

Unlocking the Future at Silverwood

Silverwood represents a new frontier in master-planned communities, where the promise of a harmonious lifestyle is fulfilled through thoughtful design, strategic location, and a commitment to sustainability and connectivity. Whether you're drawn by the allure of scenic trails, the appeal of a close-knit community, or the convenience of urban proximity, Silverwood offers a compelling blend of all these elements.

Silverwood's prime location in Hesperia offers the best of both worlds. You're only miles away from major employment centers in San Bernardino, Ontario, and Los Angeles, yet surrounded by the tranquility of the Mojave River Valley and the San Bernardino National Forest, in addition to Silverwood Lake, Lake Arrowhead and Big Bear.

The famed Pacific Crest Trail even runs through the property, offering endless opportunities for exploration.

For those eager to explore this exciting new chapter in the Inland Empire, Silverwood awaits with open arms—a place where your next adventure begins with every sunrise, and opportunity lies just beyond your doorstep. Ready to make the move? Visit our website today: www.silverwoodcalifornia.com to discover the endless possibilities at Silverwood and start your new adventure!

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An economic overview of the Mojave River Valley

Powering the Future: SCE's Commitment to the High Desert Community

By: Amanda Hernandez, Government Relations Manager, Southern California Edison

As the High Desert region continues to grow, Southern California Edison is dedicated to meeting the increasing demand for reliable and clean energy. Cities and towns of the region, like Apple Valley, Victorville, Hesperia, Adelanto, and Barstow, are seeing historic levels of expansion on the horizon. SCE is committed to the power needs of these communities, especially as we navigate the challenges of providing power to unique and unprecedented projects.

SCE is experiencing record growth in power service requests across the entire SCE area. This surge is driven by various factors, including the push for transportation and building electrification, new data centers, and California's ambitious greenhouse-gas reduction goals. Our goal is to provide power to all customers—commercial, industrial, residential—in a timely manner that keeps pace with the speed of business.

However, supply chain issues, such as the availability of transformers, poles, and switchgear, have compounded delays in servicing our customers. Despite these challenges, SCE remains proactive in preparing the grid for current and future needs. Our Power Service Availability (PSA) team, a cross-functional group, is dedicated to identifying and implementing process improvements to streamline the interconnection of power services.

The Role of Local Governments: Early and Frequent

Local governments play a crucial role in advancing these efforts. SCE encourages all local government partners to join us in planning for sufficient electric capacity to serve growing demand. Early and frequent engagement with SCE about future economic development plans allows us to better prepare our system to support community needs. By working together, we can ensure that the High Desert region continues to thrive.

We urge cities to engage with SCE early in the planning process. When developers contact cities to initiate business permits, they should also reach out to SCE. This early engagement helps us determine how increased demand may impact the timeline for power service availability. Local governments can support this effort by including SCE processes as part of city building permit processes, posting links to SCE resources on their websites, and sharing long-term economic development plans with SCE planning engineers.

Planning for the Future

SCE's Countdown to 2045 initiative outlines our strategy for the next 20 years. This comprehensive plan addresses the unique circumstances that impact various industries and their strategies to secure affordable power. Our focus is not just on addressing immediate frustrations with project timelines but on ensuring long-term sustainability and reliability.

By prioritizing long-term goals, we aim to create a resilient energy infrastructure that can adapt to future challenges and demands. We are implementing innovative technical solutions to meet near term interconnection requests, improving demand forecasting and analysis, and streamlining existing processes to enhance the customer interconnection experience.

This means investing in cutting-edge technologies such as smart grids and energy storage solutions, which enhance the reliability and efficiency of our energy systems.

Communicating Development Needs Beyond Spec

Real estate developers in the High Desert region often face unique challenges with new construction projects, particularly with "spec" buildings without assigned tenants. SCE can only provide power based on submitted energy equipment-load calculations. For "spec" buildings, this typically means an initial request for a minimal amount of power (about 75 to 150 KVA) for basic lighting and HVAC, which often turns out to not meet the ultimate power needs of the end customer.

To address these challenges, SCE encourages developers to engage with us early in the planning process. By doing so, we can better anticipate and plan for the power needs of future tenants, reducing the need for mid-process redesigns and ensuring a more streamlined and efficient energization timeline. Additionally, SCE is committed to improving our processes and communication with developers to support the timely and adequate provision of power for new construction projects.

Overcoming Challenges

With growing demand comes the need to implement significant system upgrades, including building entirely new substations in some High Desert communities. Some timeline challenges may even extend beyond SCE's control due to permitting and licensing as required by the California Public Utilities Commission (CPUC) and other public agencies. On average, simple upgrades take 1 to 3 years, moderate upgrades take 3 to 5 years, and major upgrades, such as building new substations, can take upwards of 7 to 10 years.

Simply put, we have a project timeline challenge, not a capacity challenge. Despite these challenges, SCE is dedicated to providing a reliable, resilient, and ready grid. We value our customers and public agency partners and are committed to meeting the increasing demand for power to help businesses continue to grow in California.

We must start developing critical grid capabilities today to ensure they are in place when needed, and we cannot do this alone. Achieving a reimagined grid for a clean energy future calls for a collaborative, industry-wide approach to be most effective and less costly to implement. It will require all parties—policymakers, innovators, customers, utilities—working together to shape the policy and technology landscape and transform how we plan, design, build, and operate the grid.

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Guiding Inland Empire Nonprofit Leaders

By: Debbie A. Cannon, President & CEO
Academy for Grassroots Organizations

AcademyGO's mission is to strengthen and positively impact communities by convening, equipping, and guiding nonprofit leaders. Serving the Inland Empire region since 2000, AcademyGO brings a critical component of community programming infrastructure through its established nonprofit capacity-building ecosystem.

We seek continued funding in support of our Nonprofit Capacity Building Program, which serves as the organization's sole, core program. Our niche technical assistance program directly supports increased revenue and diversified funding for local organizations through the provision of annual trainings and resources to professionals and volunteers within the community-based services sector. By providing low-cost trainings (including sponsorship opportunities) that strengthen community-based organizations, we play a critical role in improving capacity to create positive change and ultimately improve the quality of life for low and moderate income families across the Inland Empire.

The Nonprofit Capacity Building Program includes the provision of The Fundraising Academy for Grassroots Organizations™ (TFA) and The Grantwriting Academy for Grassroots Organizations™ (TGA). Through these academies, we've been able to support over 600 nonprofit leaders in their journey to revenue growth and increased program impact for Inland Empire residents, playing a critical role in filling funding gaps faced by community-based organizations. Since inception, TGA and TFA have helped participants raise a combined total of over $8 million.

In addition to the above-mentioned educational trainings, AcademyGO oversees Inland Empire Nonprofit Resources, which is a centralized online hub that connects nonprofit professionals, volunteers, and organizations to resources—including funding, jobs, training, local events, networks, and more throughout Inland Southern California. The Nonprofit Resource Directory supports organizations by connecting them with the Funders Alliance, providing comprehensive information and resources for Inland Empire nonprofits, and promoting resources and jobs at no cost to agencies.

AcademyGO is committed to serving the Inland Empire region as a collaborative partner, and we routinely work with SoCal Inland Valley United Way, Association of Fundraising Professionals (AFP) of the Inland Empire, Candid (Foundation Center and GuideStar collaboration), and Foundation Center Directory to drive success of the academies and networking events. These partnerships provide AcademyGO with access to experienced trainers, grant research tools and resources for training attendees, and ensure we are teaching the most up-to-date knowledge and insight on the social sector.

In recent years, AcademyGO has shifted its focus towards client-centered Diversity, Equity, and Inclusion (DEI) initiatives. Recognizing the significance of integrating a DEI perspective into its operations, the organization has been committed to ensuring that its training programs incorporate a wide range of viewpoints and embrace the unique differences among individuals from various backgrounds. Since 2021, all AcademyGO curricula have included components aimed at promoting DEI within nonprofit workplaces, with a specific emphasis on providing fundraising education that is community-oriented and accessible to donors.

This DEI-focused fundraising approach entails deliberate marketing strategies that prioritize diversity, fostering genuine relationships with donors, and cultivating an organizational culture that celebrates donor diversity.

The businesses supported by AcademyGO are exclusively nonprofit organizations. In terms of our numbers in 2023, we provided technical assistance to 280 unique individuals through our Nonprofit Capacity Building Program, and from this group, 72% we considered small business based on having an operating budget of less than one million. We saw the highest participation in our academy programs from nonprofit professionals leading agencies with annual budgets under $50,000 (17%). Although we do not restrict our programs to organizations of a specific revenue size, AcademyGO recognizes that all nonprofit organizations operate their vital services on tight budgets and considers most of our partners to be small businesses.

AcademyGO's Nonprofit Capacity Building Program offers annual trainings and resources to professionals and volunteers in the community-based services sector. By providing affordable trainings, including sponsorship opportunities, we strengthen community-based organizations, playing a crucial role in enhancing their capacity to create positive change.

www.AcademyGO.com

High Desert *Report*
An economic overview of the Mojave River Valley

Implementing PAGA, Workplace Violence Prevention, and Indoor Heat Illness Plans: A Guide for Employer

By: Lynn Hounsley, President/CEO, Integrity HR, Inc.

2024 has been an interesting year for employers and California employment laws. Employers are increasingly responsible for ensuring they are following the compliant wage and hours laws, workplace safety rules, and adhering to numerous labor regulations. Three critical areas of focus include compliance with the Private Attorneys General Act (PAGA), developing a Workplace Violence Prevention Plan (WVPP), and establishing an Indoor Heat Illness Prevention Plan (IHIPP). Understanding and implementing these programs is essential for maintaining a safe and legally compliant workplace.

1. Private Attorneys General Act (PAGA)

The Private Attorneys General Act (PAGA), enacted in California in 2004, poses significant challenges for employers, as it allows employees the right to file lawsuits on behalf of the state for labor code violations. This law effectively deputizes employees, allowing them to pursue penalties for violations that would typically be enforced by the Labor and Workforce Development Agency (LWDA).

Key Provisions of PAGA

- Labor Code Violations: Employees can claim violations ranging from wage and hour infractions to health and safety breaches.
- Penalties: PAGA penalties can accumulate quickly, with a portion going to the employee and the remainder to the state. This law has led to an increase in class-action-style lawsuits.

On July 1, 2024, Governor Gavin Newsom signed two complementary bills to reform California's Private Attorneys General Act of 2004 (PAGA). Newly enacted Assembly Bill (AB) 2288 and Senate Bill (SB) 92 allow an employee to bring PAGA claims only for Labor Code violations the employee "personally suffered" within the statute of limitations.

Note: The new changes will not be retroactive and will apply only to lawsuits arising from PAGA notices that were submitted on or after June 19, 2024. In light of the reform legislation, the statewide ballot initiative to repeal PAGA was withdrawn, so it was not presented to voters in November.

According to a statement from the governor's office, the laws:

- Require employees to "personally experience the alleged violations brought in a claim." Therefore, an individual will not have standing to sue on behalf of others who were allegedly harmed.
- Cap penalties on employers that take immediate action to remedy "policies and practices and make workers whole after receiving a PAGA notice," as well as employers that take proactive steps to comply with the Labor Code before receiving a PAGA notice.
- Impose increased "penalties on employers [that] act maliciously, fraudulently, or oppressively in violating state labor laws."
- Increase the amount of penalty money allocated to employees from 25 percent to 35 percent. (The remaining 65 percent will go to the state's Labor and Workforce Development Agency (LWDA)).
- Provide a "more robust right to cure process through the LWDA to reduce litigation and costs."
- Allow courts to provide injunctive relief to compel businesses to implement changes in the workplace to remedy violations.
- Give the California Department of Industrial Relations (DIR) the ability to expedite hiring and fill vacancies to ensure effective and timely enforcement of employee labor claims.

Best Practices for PAGA Compliance

- Conduct regular audits of wage and hour practices. This includes payroll practices, meal and rest break policies, and employee classifications (exempt vs. non-exempt).
- Ensure that all labor practices meet state and federal standards and maintain accurate employee records such as timecards, wage statements, and employment agreements.
- Address any violations quickly to avoid compounding penalties. Employers and their management should focus on cultivating open lines of communication where employees can voice their concerns before they escalate into legal action.

2. Workplace Violence Prevention Plan (WVPP)

To comply with SB 553, all employers need to have a Workplace Violence Prevention Plan (WVPP), in place by July 1, 2024.

A Workplace Violence Prevention Plan is a crucial component of ensuring the safety and security of employees. While workplace violence can take many forms, including physical assault, harassment, or intimidation, employers have a responsibility to minimize risks and provide a safe environment.

Key Elements of a WVPP

- Risk Assessment: Identify potential sources of violence within the workplace, such as interactions with the public, handling cash, or working alone or

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Implementing PAGA, Workplace Violence Prevention, and Indoor Heat Illness Plans: A Guide for Employer

Continued

in isolated areas.

- Training: Employees should be trained to recognize early signs of workplace violence and understand how to respond appropriately.
- Incident Reporting: Establish a system for reporting incidents of workplace violence, including anonymous options to encourage reporting without fear of retaliation.
- Emergency Procedures: Develop clear emergency protocols for violent incidents, including communication strategies and evacuation routes.

Steps for Employers

- Perform a comprehensive risk assessment tailored to the unique characteristics of the workplace.
- Develop written policies and procedures that address identified risks and outline preventive measures.
- Regularly train employees and supervisors on workplace violence prevention and response strategies.

Here is the link to Cal/OSHA's WVPP model template: https://www.dir.ca.gov/dosh/workplace-violence.html. Or contact me at lynn@integrityhrinc.com for more information.

3. Indoor Heat Illness Prevention Plan (IHIPP)

While California already mandates heat illness prevention for outdoor workers, indoor workers are also at risk of heat-related illnesses, particularly in industries such as manufacturing, warehousing, and food processing. Effective July 23, 2024, employers are to have a heat illness plan for indoor workplaces as well as outdoor workplaces. This standard applies to most workplaces where the indoor temperature reaches 82°F. It establishes required safety measures for indoor workplaces to prevent worker exposure to risk of heat illness.

Key Elements of an IHIPP

- Risk Assessment: Identify areas within the workplace that are prone to high temperatures or poor ventilation.
- Monitoring: Implement methods to monitor indoor temperatures and identify heat stress risks.
- Access to Water and Breaks: Provide employees with easy access to cool drinking water and ensure that they are taking regular breaks in cooler environments.
- Emergency Procedures: Establish protocols for recognizing and responding to heat-related illnesses, including providing first aid and contacting medical professionals if necessary.

Compliance Requirements

- Ensure compliance with any state-specific regulations, such as California's indoor heat standards, which outline specific temperature thresholds and action steps.
- Train employees on recognizing the symptoms of heat illness, including dizziness, headache, and excessive sweating, and teach them how to mitigate these risks.

Here is a link to the Cal/OSHA Heat Illness Prevention Guidance and Resources: https://www.dir.ca.gov/dosh/heatillnessinfo.html

Conclusion

Employers must stay informed about various regulations affecting workplace safety, from legal compliance under PAGA to ensuring the physical safety of workers through WVPP and IHIPP. By proactively addressing these areas and implementing comprehensive plans, businesses can foster a safer workplace and minimize the risk of legal challenges. Developing and maintaining robust prevention plans not only protects employees but also shields companies from potential fines and lawsuits.

These efforts not only protect employees but also shield companies from potential fines and lawsuits, ensuring compliance with state and federal regulations. Contact Integrity HR, Inc. to help you proactively address compliance with these and other HR matters to help you improve employee relations and help you develop strategies and minimize your risk of legal challenges.

You can reach us at:
lynn@integrityhrinc.com
or 951.833-8372.

MDAQMD Continues to Work Toward Improvement and Protection of Desert Air Quality

By: Brad Poiriez, MDAQMD Executive Director/Air Pollution Control Officer

The Mojave Desert Air Quality Management District (MDAQMD) over the last year has continued its mission toward attaining and maintaining healthful air quality while supporting strong and sustainable economic growth.

In July 2023, MDAQMD marked 30 years as an independent government agency. As the second-largest by land mass of California's 35 air districts, MDAQMD's regulatory activities cover communities spread out across more than 20,000 square miles in the desert portion of San Bernardino County and Palo Verde Valley of Riverside County.

The District's key focus is reducing emissions that impact local ambient air quality. One of its most vibrant tools in this focus is its robust Grants section. MDAQMD offers incentive programs for business owners and facilities willing to scrap older, polluting equipment and replace that with newer, cleaner technology. For instance, this April, MDAQMD's governing board and Executive Director Brad Poiriez presented a check for $2.478 million to representatives from CEMEX to assist in replacing a 40-year-old locomotive with Tier 4 Knoxville Locomotive Works Series 4000 switcher locomotive.

The District also completed another large grant project this year in awarding $1.02 million to Adelanto Elementary School District to aid in the purchase of three new electric school buses. As part of the agreement, AESD surrendered for destruction two 2006 and one 2004 Thomas Built diesel-powered buses, effectively reducing emissions that impact the youngest segment of Adelanto's residents.

Along with big projects, the District also runs the annual Electric Lawn & Garden Equipment Exchange program. Incentive funding for this program allows residents in MDAQMD communities to exchange their working gas-powered lawn and garden tools such as lawn mowers, trimmers, chainsaws and leaf blowers for STIHL-brand battery-powered equivalents at a significantly reduced cost.

In April, MDAQMD signed a cooperative agreement with BNSF following the rail giant's announcement of plans to build a 4,600-acre, first-of-its-kind intermodal facility in Barstow. The cooperative agreement focuses on ensuring and supporting BNSF in seeking, securing, and putting into service the cleanest technology available across the board, from locomotives to drayage trucks to forklifts.

Helping industry and residents reduce emissions is a top priority for MDAQMD, but its core operation still lies in its planning, rulemaking, permitting, and compliance sections to carry out requirements of the state and federal Clean Air Acts. As of July 2024, the District has nearly 4,800 permits and more than 1,600 permitted active facilities in its jurisdiction. MDAQMD Air Quality Specialists visit permitted facilities annually to conduct inspections and ensure permit holders are meeting the conditions of those permits. Air Quality Engineers, who are responsible for writing those permits, work directly with industry, business owners, environmental managers, and consultant companies. MDAQMD has long been known as one of the most responsive, business-friendly air districts in all of California, and the staff in the District's operations sections is a key reason for that distinction.

MDAQMD faces some unique challenges in its efforts to work toward attaining ambient air quality standards set by the federal government. Among those challenges is its geographic location: MDAQMD communities, specifically those in the High Desert, are downwind from the Greater Los Angeles region. That basin generates a substantial amount of smog-forming pollutants, including ground-level ozone, which then travel and disperse into the Mojave Desert Air Basin.

The California Air Resources Board in 2023 approved a plan, crafted through exceptionally difficult work by MDAQMD's Planning section and adopted by its Governing Board, to attain the latest federal ground-level ozone standard by 2033.

MDAQMD also continues to be active in informing the public, local partner agencies, government officials, and other stakeholders of its work and issues affecting local air quality. MDAQMD is active on its website, social media, and through email listservs when events such as wildfires that produce harmful smoke impact local communities.

Community relations is an important component of the District's public information efforts. In spring 2024, the Hesperia Unified and Apple Valley Unified school districts joined a combined two dozen school sites to MDAQMD's AQI Flag Program. Supported by the U.S. Environmental Protection Agency, the AQI Flag Program provides flags, color-coordinated with the Air Quality Index (AQI), to schools. Students at those schools, guided by a teacher or advisor, check the following day's air quality forecast for their city and then raise the colored flag that corresponds to the AQI color forecast. This program has two distinct and wide-reaching benefits: school staff, parents, and students not only get visual updates on daily air quality forecasts, but they also engage with their local air district and learn about the significance of air quality.

The District's tagline, "Clean Air is Everybody's Business," remains the driver of its operations in every section.

Learn more about MDAQMD at: mdaqmd.ca.gov and follow the District on social media @mdaqmd for regular updates on its activities and impacts to local air quality.

High Desert *Report*
An economic overview of the Mojave River Valley

MWA Imports Historic Amount of Water

By: Charlene Engeron, Public Information Officer

APPLE VALLEY, CA — After more than a decade of drought, California saw a significant amount of rainfall in 2023, allowing the Mojave Water Agency to import a record amount of water last year. Mojave Water Agency doesn't deliver water to homes. It is a water wholesaler with a mission to collectively manage groundwater basins sustainably, import water responsibly, and address risks proactively using sound science and management practices.

All water supplied to businesses, homes, and farms throughout the High Desert is pumped from local ground water aquifers via water retailers or domestic wells. This groundwater is replenished, or "recharged," by two main sources: natural runoff from the local mountains, and water imported from the State Water Project (SWP). The SWP is a water storage and delivery system of reservoirs, aqueducts, pumping plants, and power plants owned and operated by the State of California and managed by the California Department of Water Resources (DWR).

As one of 29 State Water Contractors, Mojave Water Agency is eligible to deliver up to 89,800-acre-feet of water per year from the aqueduct, which is also known as its "Table A" water. The amount of Table A water actually delivered each year varies as DWR sets allocation limits based on how much water is available in the State Water Project system.

Big Rain, Historic Water Deliveries

Due to the atmospheric rivers in 2023, DWR allocated 100% of State Water Contractors' Table A water for delivery. A 100% Table A allocation is a rare opportunity as the long-term average delivery capability of the State Water Project is only 56%.

"The last time we were allocated 100% of our Table A water was in 2006," noted Mojave Water Agency Board President, Kimberly Cox. "The Board was committed to taking as much water as possible to help refill our desert aquifers after more than a decade of drought conditions. As a major component of the Board-approved drought mitigation strategy, we knew we needed to take full advantage of this allocation. At a cost of almost $24 million, the move was critical to ensure we are sustainable."

As a result, MWA imported 59,996-acre-feet of Table A and 4,095-acre-feet of water previously stored in San Luis Reservoir. DWR also made available surplus water in the system known as "Article 21" water, of which MWA imported 35,465-acre-feet. In addition, MWA delivered 25,000-acre-feet of Table A to a neighboring State Water Contractor to fulfill a water transfer agreement. All totaled, the Agency moved nearly 125,000-acre-feet of water in 2023; a record amount of water delivery for MWA.

The imported State Water Project supplies, combined with natural runoff from the local mountains, caused water to flow continuously in the normally dry Mojave River riverbed for more than a year. Seeing water flowing past Barstow is unusual, as surface water flow from the San Bernardino Mountain watershed quickly percolates into the ground, recharging local groundwater supplies.

"This doesn't mean the drought is over. The groundwater basins in our service area are far from full," cautioned Tony Winkel, Hydrogeologist and Director of Water Resources. "With a desert water cycle that averages roughly 10 years of dry conditions for every one to two years of precipitation, conservation is key to our region's long-term sustainability. Last year's abundance of water should not be wasted or taken for granted."

Delta Conveyance Cost and Benefits

This advice is especially true, considering weather data shows an increase in the frequency of extreme weather patterns that indicate less snow and more rain that could decrease California's SWP and CVP water supply by 10% by 2040. This picture looks even bleaker further into the future. Without upgrades to the State Water Project's decades-old infrastructure, it will be very difficult to capture runoff from big but infrequent storms. A proposed solution is the Delta Conveyance Project.

"The Delta Conveyance Project is critical to ensuring our imported water supply can be depended on for generations. This project supports the investments we have already made in our imported water supply, making its delivery to our region more resilient," said Mojave Water Agency General Manager Adnan Anabtawi.

An updated cost estimate was prepared by the Delta Conveyance Design and Construction Authority in late 2023 that illustrated the value of its $20.1 billion estimated price tag was far less than the financial consequences of climate change, sea level rise, and seismic events that could interrupt the delivery of imported water supply for 27 million Californians and 750,000 acres of agriculture.

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MWA Imports Historic Amount of Water

Continued

The Cost of Water

Capturing, storing, and moving water throughout the Agency's 4,900-square-mile service area comes at a cost. However, MWA is diligent about finding and applying for grant funding to ease the financial burden. For example, in 2023, the Agency secured nearly $12 million from the Department of Water Resources to help offset the $51 million cost of developing a new recharge basin in West Victorville and its related feasibility study. The proposed project will convey water from the Mojave River Pipeline to the recharge basin, recharge SWP water to the underlying aquifer system, and ex- tract groundwater using newly installed production wells. The project will enable MWA to store its imported water supplies when they are plentiful and recover them for delivery throughout its service area during times of need for the first time in its history, solidifying its commitment to a new flexible resource management approach. The West Victorville project also represents a first step toward developing a regional groundwater banking program to provide additional drought resiliency to other State Water Contractors and their member agencies.

Partnering with retail water agencies and other water banking partners can lead to shared infrastructure costs, additional revenue, new imported water supplies, and collaborative projects, offsetting the costs of growing operational expenses for MWA. The additional revenue from groundwater banking can help offset future local tax increases, alleviating financial burdens on residents, especially in disadvantaged and severely disadvantaged communities that are often served by small water systems with fewer than 200 connections. The Agency's Small Water Systems Support Assistance Program further helps offset costs to these smaller systems by providing technical assistance, educational training and workshops, and administrative support at no cost.

More Data, Less Guessing

Mojave Water Agency works with a number of governmental agencies to manage water supplies, including the California Department of Water Resources, the State Water Resources Control Board, the U.S. Bureau of Reclamation, the California Environmental Protection Agency, California Department of Fish and Wildlife, the California State Water Contractors, and others.

Additionally, the Agency sources its own data and recently installed several weather stations to help measure rainfall, precipitation and more. The instrumentation is checked and serviced monthly so the Agency has its own, accurate, independent data from Hesperia, Pinon Hills, Oak Hills, Helendale, Lenwood, Newberry Springs, Lucerne Valley, Johnson Valley, Pipes Wash Canyon, and Bighorn Desert View. This data is public and can be found on the data and maps tab of the Agency's website at www.MojaveWater.org.

The Mojave Water Agency Board of Directors meets the second and fourth Thursday of each month at 9:30 a.m. at Agency Headquarters, 13846 Conference Center Drive. Meetings are open to the public and participation is encouraged. For more information, visit the Agency's website at www.mojavewater.org or follow us on social media @mojavewater.

Don't Settle for Being Mediocre

By: Cindy K. Local Equity LLC

With 2024 coming to an end, many of us reflect on the recent year, pondering what to expect in the coming year. With that in mind, I find myself recently asking what it means to be me- diocre and is it acceptable?

The Merriam-Webster definition for mediocre is: "moderate or low quality, value, ability, or performance: ordinary, so-so." (source)

I find that our world today accepts and welcomes mediocrity. One way this exhibits itself is that society's mindset changed from "work being my life, my presentation, and my pride" to "I have a life outside of work."

Work is often challenging; we deal with unknown factors and are constantly looking for better ways to do things. Change is scary and people around us may feel pressured by society, causing a decrease in confidence and self-esteem, which may be perceived by others as if they are lazy or small-minded. "We have always done it this way" is sometimes legitimate, and it's ok to go with the flow, but that does not mean one has to or should be mediocre as a general rule.

I like to surround myself with people who help me grow—they must be good at something. Peters & Waterman Jr. wrote the best-seller In Search of Excellence in 2006, focusing on continuous improvements in whatever we are good at. We cannot rest on the laurels of the past if we expect to retain our customers, employees, and friends. Of course, it is ok to settle in some cases, but it is important that people continue to strive to do better in their personal and work lives.

So, with the new year's reflection, one should not forget to take a moment to look at and be thankful for the successful events they achieved in the past year and to strive to be better than mediocre in something. One should not forget that age is just a number, and doing new things keeps the mind young and sharp.

Creating a Stronger, Safer High Desert

By: First District Supervisor Col. Paul Cook (Ret.)

I would like to extend my sincere gratitude to The Bradco Companies for providing a platform to discuss the critical issue of public safety in the High Desert. It is an honor to share updates on the progress we are making to enhance the security and well-being of our community.

A cornerstone of our public safety strategy is the expansion of law enforcement resources. My recent allocation of $3.7 million in discretionary funding for a new Victorville Police Station is a testament to our commitment to provide our officers with the modern facilities they deserve. This state-of-the-art facility, with its expanded capacity and community-oriented design, will undoubtedly enhance law enforcement capabilities and foster stronger ties between the police department and our residents.

The San Bernardino County Sheriff's Department is a vital partner in our public safety network, and they have received substantial support through the recently approved county budget. The addition of deputies to unincorporated patrol stations will bolster our community's sense of security. The development of a new Victor Valley Sheriff's Station represents a strategic investment in the future of law enforcement in the region, providing our dedicated deputies with a modern and efficient workspace.

Addressing complex challenges such as homelessness requires a comprehensive approach. The expansion of our HOPE Team to include a second dedicated unit is a critical step in providing essential services to those in need. By connecting individuals with resources and support, we can work toward reducing homelessness and improving the overall safety and well-being of our community. Public safety extends beyond law enforcement. The allocation of funds to expand firefighter services in Baker underscores our commitment to protecting lives and property, especially along the busy I-15 corridor to Las Vegas. Additionally, the implementation of school-based probation officers in local school districts represents a proactive approach to preventing delinquency and fostering positive youth development.

Infrastructure plays a crucial role in public safety. The decision to allocate $300,000 for the demolition of red-tagged buildings in Trona is a direct response to community concerns about safety and quality of life. Furthermore, our submission of a $40 million grant application to the United States Federal Railroad Administration for a safer railway crossing in Helendale highlights our dedication to improving transportation safety and reducing the risk of accidents.

These initiatives are just a few examples of our comprehensive approach to public safety. We are committed to working collaboratively with our community partners, including The Bradco Companies, to create a safer and more prosperous High Desert for all residents.

Thank you once again for this opportunity to share our progress.

Around the Third District

By: Supervisor Dawn Rowe

It's an exciting time to be Chairman of the Board of Supervisors here in San Bernardino County. There are a lot of positive things happening throughout the entire county. I'm particularly pleased to share some of the developments in the district I represent, which spans 10,000 square miles and includes the city Barstow and many of our unincorporated desert communities.

First, I want to highlight one of our area's most successful annual events that draws in thousands of people and provides many economic benefits to the region. Every winter, Johnson Valley is home to the King of the Hammers, a multi-day off-road race. According to a recent report, last year's event generated $24.9 million in direct spending, injecting money into our local economy. This includes entertainment, lodging, dining, and shopping by spectators and participants. In the long-term, this event will continue to be a valuable asset to the community, stimulating economic growth, creating jobs, and fostering local business development.

Second, I want to mention our partnership with some of our local communities. Vice Chairman Paul Cook and I joined with the city of Barstow to provide ADA-compliant restroom facilities at the historic Barstow Cemetery (Mountain View Memorial Park). The Cemetery conducts an average of 110 funerals per year and provides services for an average of 73,700 visits per year. The Barstow Cemetery District is responsible for its operation and is a self-governed special district with trustees appointed by the Board of Supervisors. The cemetery provides a crucial service to the Barstow community, and this upgrade will ensure there are adequate restroom facilities on site for visitors, employees, and the public.

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High Desert *Report*
An economic overview of the Mojave River Valley

Around the Third District

Continued

Another project my office has been involved in is upgrading the Newberry Springs Fire Department. Our Newberry Springs firefighters are volunteers and need an operable fire station. Without the necessary infrastructure in place, firefighters can't stay on site at the station, which impacts response times. I was pleased to provide funding for necessary facility upgrades which will help bring the station online and ensure the community receives a more reliable and efficient fire response.

Last, I'd like to stress the importance of the Barstow International Gateway (BIG) project. When completed, BIG will be an approximately 4,500-acre, new, integrated rail facility on the west side of Barstow. The new facility will bring thousands of jobs to California's High Desert communities, reduce highway and port congestion, and maximize rail and distribution efficiency regionally and across the U.S. supply chain. Unfortunately, the project has hit a potential snag. The California Air Resources Board (CARB) is considering adopting the In-Use Locomotive Regulation, which would require the implementation of zero-emission locomotives in California. Unfortunately, these zero-emission locomotives are not yet commercially viable, and the added compliance costs would effectively kill this project and thousands of local jobs as well. I have testified against this regulation and urged the EPA to reject CARB's regulation. This project has broad local support, and I will continue to advocate for it.

Should you have any concerns about county issues, please feel free to reach out to my office. I value the input and perspective of all my constituents.

More Savings with the 45L Tax Credit for Residential Construction

By: Marika Erdely, MBA, CEA, LEED AP BD+C, Fitwel Ambassador, Founder and CEO, Green Econome

What is the 45L Tax Credit?

The Inflation Reduction Act amended Section 45L, a tax credit to incentivize the new development or major renovation of energy-efficient residential properties for lease or sale. The new Section 45L provisions include two tiers of credits for eligible buildings and units certified to applicable ENERGY STAR® residential and U.S. Department of Energy Zero Energy Ready Home (ZERH) program requirements. The updated Section 45L is extended to qualified residential properties acquired from January 1, 2023, through December 31, 2032. The tax credit's value per dwelling unit varies, reaching a maximum of $5,000, based on factors including the home type, number of stories, and compliance with energy efficiency requirements.

This residential construction tax credit is fantastic if you are already constructing or retrofitting at high efficiency and want to recognize your residential project as ENERGY STAR® or ZERH certified right off the bat.

Qualifying for the Section 45L Tax Credit

Here are the basic eligibility requirements for homes acquired and/or completed after December 31, 2022, located in the U.S., and wanting to claim Section 45L (as found on the Department of Energy and IRS websites). It is important to note that there are differences in terms for single-family vs. multi-family homes. Please contact Green Econome for detailed information. This is a basic outline:

Single Family Homes

1. Certified under the applicable ENERGY STAR Single-Family New Homes (National) Program Requirements.

2. Certified under the most recent ENERGY STAR Single-Family New Homes Program Requirements applicable to the location of such dwelling unit (as in effect on the latter of January 1, 2023, or January 1 of two calendar years prior to the date the dwelling unit was acquired), or

3. Certified under the most recent ENERGY STAR Manufactured Home National program requirements as in effect on the latter of January 1, 2023, or January 1 of two calendar years prior to the date such dwelling unit is acquired.

Multi-Family Homes

1. Certified under the most recent ENERGY STAR Multifamily New Construction National Program Requirements (as in effect on either January 1, 2023, or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later), and

2. Certified under the most recent EN-

Property Type	ENERGY STAR Certified	ENERGY STAR with Prevailing Wages	ZERH	ZERH with Prevailing Wages
Single Family*	$2,500	$2,500	$5,000	$5,000
Multifamily	$500	**$2,500**	$1,000	**$5,000**

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Green Econome
Continued

ERGY STAR Multifamily New Construction Regional Program Requirements applicable to its location. (as in effect on either January 1, 2023, or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later).

All Eligible Dwelling Units

Must be certified as a Zero-Energy-Ready Home under the Zero Energy Ready Home (ZERH) program of the Department of Energy as in effect on January 1, 2023 (or any successor program de- termined by the Secretary).

What are the Additional Benefits to the 45L Amended by the Inflation Reduction Act?

- Increased credits: for homes acquired between 2023 and 2032.
- Prevailing wage kicker: tax credit is higher for multifamily projects that meet the prevailing wage requirements.
- Double the savings! 45L tax credit can also be utilized with the IRA's Section 179D for buildings over 4 stories.

Green Econome Helps Maximize Savings on your Multifamily Projects

While Green Econome is not a tax professional, we work with vetted partners and offer incentive and financing management as well as project construction and building certifications for multifamily properties. We are a woman-owned, full-service energy and water efficiency construction and consulting company, with over 20 years of combined experience. Tax credits can be complicated. Don't miss out on crucial savings and upgrading your building's energy efficiency! Contact our founder and CEO, Marika Erdely, for a consultation.

CA to End the Sale of Fluorescent Lighting Jan 1, 2025

After January 1, 2025, California will have effectively banned the final sale and distribution of all fluorescent lamps per CA AB 2208. Aside from specialty lamps primarily used for medical or industrial purposes, the ban applies to screw, bayonet, and pin base compact fluorescent lamps (CFLs) and linear fluorescent lamps (LFLs), commonly used in both commercial and residential buildings. So, what does this mean for business owners and property managers? Those currently using these lamps must start planning to transition to alternative lighting solutions. Although this may require some planning and investment, upgrading to LED lighting is safer and more efficient, contributing to huge operational savings.

Why Is CA Banning Fluorescents?

One of the biggest concerns with fluorescent lighting is safety; these lamps contain mercury, a toxic heavy metal that poses significant environmental and health risks. When disposed of in landfills, the mercury contaminates ecosystems through leaching into the soil and water. In addition to these environmental and public health threats, fluorescents are also incredibly inefficient compared to LEDs. They produce more heat, bringing operational costs up across all systems, and have a shorter life cycle.

Upgrading to LED lighting will save business owners money while protecting Californians' health and safety.

Major Dates

On and after January 1, 2024, compact fluorescent lamps, including screw and bayonet base CFLs are not to be offered for final sale, sold at final sale, or distributed in this state as a new manufactured product.

On and after January 1, 2025, linear fluorescent lamps shall not be offered for final sale, sold at final sale, or distributed in this state as a new manufactured product.

Read the Bill.

Next Steps for Business Owners

- Assess Inventory: How many lamps do you have in stock? This will help you plan and prioritize when to implement an LED lighting retrofit.
- Budget for Retrofit: While equipment may be compatible, it is best to scope out the project needs to ensure safety and compatibility. Long-term cost savings of proper LED lighting retrofits are higher than the short-term gain of simply replacing bulbs. Not to mention, safer for the occupant.
- Properly Dispose of Fluorescents: Become familiar with your local regulations, procedures, and disposal facilities to ensure lamps can be removed, recycled, and disposed of properly. The EPA provides helpful information and resources for commercial use.

Retrofit Priorities

- Decide project goals and budget.
- Assess and identify lamp counts, high-burn areas (parking garages, stairwells, etc.), and other inefficiencies to address.
- Explore your options and determine the best equipment and products for each area.
- Take advantage of utility incentives and rebates while they are available.
- Measure and verify your energy and cost savings through bill analysis and/or benchmarking the building.

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Green Econome - Solar & Battery Storage Benefits of the Inflation Reduction Act

Continued

I love a good federal tax credit since it is a reduction of the tax liability of the owner. Essentially, this is pure cash flow to the owner of the property. What could be better? I have two favorites improved by the Inflation Reduction Act (IRA): the Federal Solar Investment Tax Credits (ITC) for Solar and Battery Storage, and a new 45L for residential construction and major renovations.

Federal Investment Tax Credits (ITC) for Solar and Battery Storage:

While there is a suite of tax credits under the ITC for residential, businesses, and manufacturers, let's focus on the ITC for businesses. The investment tax credit (ITC) is a federal tax credit that reduces the federal income tax liability for a percentage of the cost of a solar or storage system that is installed during the tax year. Before the passage of the Inflation Reduction Act, this incentive was 26%, but with the help of the IRA, it is back up to 30% of the project cost until 2033. (U.S. Department of Energy).

There are two bonus tax credits at 10% a pop if they are attainable.

- Energy Community Bonus: An energy community is an area identified as a brownfield site and/or locations experiencing high unemployment and fossil fuel investment. Looking at the DOE Energy Community map, most of Los Angeles County is currently designated as an energy community. Unfortunately, this is a temporary map and we in the industry aren't exactly sure when the map is to be reset and areas may drop off.
- Domestic Content Bonus: This bonus requires a percentage (starting at 40%) of project materials (by cost) to be produced in the U.S. It is difficult to attain the second additional 10% solar tax credit. I'm told businesses are hard at work on this to make domestic materials readily available. Hooray for U.S. manufacturing!

These projects also benefit from Federal MACRS Bonus Depreciation and State Depreciation (which is, again, a tax deduction—reducing the income of the property for tax purposes).

By the Numbers: Cash Flow for Solar and Battery Storage Projects:

Let's examine some examples of tax savings when installing a solar PV system or an energy storage system. Many people aren't aware of just how much these tax incentives can help to cover the cost of the project. The numbers speak for themselves.

The tables below illustrate how HUGE these tax incentives are. In just over 3 years, the entire cost of the energy storage system will have paid itself back. The battery can offset peak kW demand costs in high time-of-use (TOU) rates. Looking at the numbers, these energy efficiency projects are a no-brainer.

Energy Storage System (90kW/220kWh)

Gross System Cost	**$ 318,244.00**	
IRA ITC (30% + 10% Energy Community)	$ (127,298.00)	-40%
SCE SGIP Rebate Program to Owner	$ (55,750.00)	-18%
Federal MACRS Bonus Depreciation	$ (53,465.00)	-17%
State (CA) MACRS Depreciation	$ (31,824.00)	-10%
Net Project Cost to Owner	**$ 49,907.00**	**-84%**
Estimated Electricity Savings (Year 1)	**$ 20,939.00**	
Estimated Total Net Savings (15 Years)	**$ 260,574.00**	
Payback Period	3.1 Years	

Solar PV System (29.4 kW-DC)

Gross System Cost	**$ 110,344.00**	
IRA ITC (30% + 10% Energy Community)	$ (44,137.00)	-40%
Federal MACRS Bonus Depreciation	$ (27,807.00)	-25%
State (CA) MACRS Depreciation	$ (8,828.00)	-8%
Net Project Cost to Owner	**$ 29,572.00**	**-73%**
Estimated Annual Electricity Savings (Year 1)	**$ 9,700.00**	
Estimated Total Net Savings (25 Years)	**$ 419,117.00**	
Payback Period	3.8 Years	

Tax Benefits Can Cover Over 80% of the Project Cost

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Green Econome - Increase Cash Flow and Tax Credits with the Inflation Reduction Act

Continued

The incentives outlined in this article, introduced under the Inflation Reduction Act, are expected to remain available through the end of the current Biden administration—ending Jan. 20, 2025. However, with the recent election of Donald Trump as the next president, there is a possibility these incentives could be revised, reduced, or rolled back under the new administration. For those considering taking advantage of these benefits, it is advisable to act promptly to secure the available tax savings while they remain in effect.

Building owners should understand the opportunities provided by tax benefits in the Inflation Reduction Act (IRA) signed into law in late 2022. This significant package is heavily focused on how commercial real estate owners can invest in their properties to reduce operating costs and emissions by taking advantage of tax deductions and credits. Providing cash flow to owners, some of these benefits can be transferred to others, and non-profits can receive cash tax payments to help pay for these projects.

Let's break down one of my favorites: Section 179D

This is a tax deduction. For those still learning about financing, a tax deduction is a reduction to the property's income before tax liabilities are calculated. So any of these deductions should be considered against the owner's tax rate.

Section 179D has been around for many years, and there is an opportunity to take the original deduction for 2020, 2021, and 2022. The new version I call "IRA Section 179D" is effective with projects going into service after January 1, 2023.

When I started to research this deduction to help our clients increase their cash flow for these projects, it wasn't clear that there were two specific periods to be considered for this deduction. The initial period is effective from 1/1/2023 to 12/31/2026. Beginning on 1/1/2027, we have a new version (which is not as beneficial).

How is 179D calculated for your new construction or large retrofit project?

It all starts with an energy model. What is that? Well, it is a virtual design of your building. For the initial period, the energy model is a design of the property with the mechanical standards established by ASHRAE 90.1 2007. Note 2007! If you have a building that you are retrofitting in California to Title 24 2022, you are already way more efficient. LEED certification requires buildings to meet ASHRAE 90.1 2010 standards, so again, 2007 is much less efficient.

Next, the energy model is designed to the current material and efficiency standards the building is being built or retrofitted to. The driver for this deduction is the "efficiency gain," which is the difference between the energy used at the ASHRAE 901. 2007 standard vs. the current building code standard. For those projects requiring prevailing rates, the deduction is 5 times higher, which means it can be very significant.

The calculation is the sq. footage of the property multiplied by the corresponding rate based on the efficiency gain. This value is then multiplied by the owner's tax rate... and there you have it: the anticipated tax deduction! The larger the property, the higher the deduction, but I believe smaller build-ings may benefit, based on the level of improvements planned.

Efficiency projects built together, pay together

When claiming the 179D tax deduction, it is most beneficial to have completed all the projects together in the same year. Going a step further, there is a tax "sweet spot," where a project can receive the prevailing wage rates adjusted for inflation when a construction or retrofit project started before 1/1/2023, was worked on continuously, and completed after 1/1/2023. We are seeing \$5.66 x the square footage on these projects, which makes them very valuable!

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An economic overview of the Mojave River Valley

Green Econome - ESG Explained: How the SEC is Influencing Commercial Real Estate

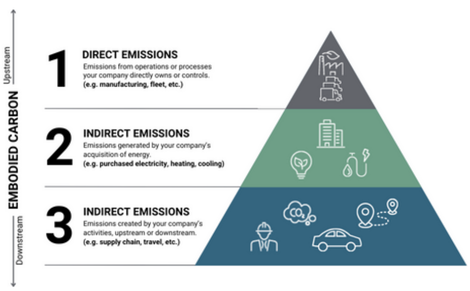
Continued

Here at Green Econome, we've been at the forefront of ESG (Environmental, Social, Governance) reporting, eagerly anticipating the U.S. Securities and Exchange Commission (SEC) ruling on mandatory disclosures for public companies. Fundamentally, ESG is a way of doing business. Green Econome lives in the world of the "E," the "Environmental" with our ENERGY STAR® benchmarking and energy and water efficiency services. While we recognize that the "S" and "G" are equally important for businesses to report on, we are going to focus on the "E" and how that relates to the SEC's new ruling. Let's get into it.

Unpacking the SEC Climate-Related Disclosures

What are public companies required to report, and how does that intersect with commercial real estate? On March 6, 2024, the SEC passed legislation requiring public companies to measure their Scope 1 and 2 emissions as part of their annual reporting and include how climate risk will affect their businesses in the near future. This ruling is meant to enhance and standardize climate-related disclosures. The SEC also included a materiality clause to help guide businesses as to what to report. However, it's important to note that, since March, there has been intense business opposition. But let's get to the bottom line here: what are Scope 1 and Scope 2 emissions and why do we need to report on them?

Defining Scope 1, 2, and 3 Emissions



Basically, Scope 1 is for all direct Green-house Gas (GHG) emissions through the combustion of gas in buildings or by the business' fleet. Scope 2 is indirect emissions for the electricity the business is consuming from the grid. Both emissions are part of the collection of data standard to ENERGY STAR benchmarking. Scope 3, although significant, was not included in the SEC's ruling.

The "E" in ESG is where Green Econome thrives

We are here to ENERGY STAR Benchmark your portfolio to meet your "E" goals and reduce the operating costs of your building. As a woman-owned, full-service energy and water efficiency construction and consulting company, we have over 20 years of combined experience. We provide accurate benchmarking services and insights to recommend solutions and incentives that will increase the NOI and market value of your property. Let us help you better understand and accomplish your property's ESG goals to reduce emissions and meet science-based targets (SBTi).

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San Bernardino County Transportation Authority

By: Betti Halsell

The motivation behind the ongoing work surrounding commuter safety and corridor rehabilitation in the High Desert is fueled by the desire for improvements in transportation for its more than 400,000 residents. There are significant initiatives in development that showcase the action taken toward corridor advancement in the High Desert and their ongoing development aims to enhance transportation throughout major roadways in the region.

There's heavy reliance on freeway corridors that will also function as major conduits for the movement of goods throughout the rest of the country, forging a strong incentive to find new opportunities to enhance the overall travel experience.

The San Bernardino County Transportation Authority (SBCTA) is currently working on multiple projects that aim to significantly improve traffic in the High Desert area while also addressing related issues.

The proposed State Route (SR) 18 Median Widening and Reprofiling Project aims to create a continuous 16-foot median and reprofile the vertical alignment for approximately 18 miles, starting from about three miles west of the Los Angeles and San Bernardino County boundary and ending at US 395. The anticipated $150 million project will improve the multi-modal transportation network. It is expected to start in the summer of 2028 and run for about three years.

The Interstate Cajon Pass Project focuses on extending the current truck-climbing lane to SR 18.

The goal of the project is to improve truck freight mobility during peak hours while enhancing safety and operations. The projected capital cost of the construction is approximately $72 million.

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San Bernardino County Transportation Authority

Continued

The preliminary engineering and environmental stage will start in early 2025, and the complete date is projected to be in Summer 2031.

The intention behind the SR 62 Widening Project is to enhance highway operations and reduce congestion through the town of Yucca Valley. The ¾-mile stretch of SR 62 between Sage Avenue and Airway Avenue will be widened from four to six lanes. Additionally, new traffic lights will be installed.

The approximate cost for this project is \$23 million, with commencement of its preliminary engineering stage in Winter of 2025, with the final plans underway in Summer 2028. The completion of this project is projected to be done in the year 2030.

The US 395 Phase 3 Project looks to expand the highway from two to four lanes and add a continuous 14-foot section for about 2.7 miles, from Chamberlaine Way to about two miles south of Desert Flower Road. This project will complete the last section of the parent project, which spans roughly 15 miles from Interstate 15 to just south of Desert Flower Road. The construction of this phase will cost about \$28 million. This infrastructure update will increase safety and alleviate congestion and vehicle delays through the City of Adelanto. The projected completion date is in the Summer of 2029.

There is a pressing need to develop novel solutions to improve the overall travel experience. SBCTA manages significant projects that demonstrate progress toward advancing corridors in the High Desert. These upgrades all aim to make driving and commuting safer and more convenient. Their continued development aims to improve transportation along key routes in the area. These projects prioritize community needs, and their ongoing evolution of the routes seeks to improve overall regional mobility.

The Capitalization Approach Income Property Valuation as Interest Fluctuate

By: Dan Harkey

My 30-year friend, Mr. Joseph W. Brady of The Bradco Companies and publisher of the Bradco High Desert Report, asked me whether I thought the Feds' reduction of .50 basis points would change capitalization rates.

We both agreed that the capitalization approach is a metric widely used to determine the value of income-producing property based on its net operating income.

As interest rates fluctuate, cap rates fluctuate with a long lag. We saw a slight interest rate reduction by the Feds today. Don't expect an immediate change in cap rates.

Definition of Capitalization of Earnings

The capitalization approach calculates the fair value of an asset, such as income-producing real estate, by finding the net present value (NPV) of anticipated future net profits or net cash flow, known as Net Operating Income. Earning capitalization is determined by dividing the property's projected annual net income by the market capitalization rate (Cap Rate), the rate of return investors expect to receive on an investment property. The market capitalization rate is a critical component in the income capitalization approach, as it reflects the risk and return profile of the property.

Understanding the income capitalization approach (cap rates) in property valuation is not just theoretical knowledge, it's a practical tool when investing in income-producing real estate or underwriting a new loan. This concept is not only essential but also instills confidence in commercial realtors, lenders, developers, and investors in income-producing real property.

Net income divided by the capitalization rate will reflect the expected value of the income-producing asset. Restated: Net Operating Income, the total income generated from the property minus the operating expenses, divided by the capitalization rate, gives us the property's value (NOI/Cap Rate = Value).

As stated again, the capitalization rate represents the annual Net Operating Income (NOI) divided by the cap rate to

Example: Property Income and Expense Statement Format

The calculation to arrive at the Net Operating Income

Potential gross income	$ XXXX	
Contract rents (tenant occupied spaces)	XXXX	
Escalation income	XXXX	
Market rent *	XXXX	
Other income	XXXX	
Total potential gross income (PGI)		$ XXXX
Vacancy and collection loss & rental concessions (V&C)		- XXXX
Effective gross income (EGI)	=	$ XXXX
Operating expenses		
Fixed	$ XXXX	
Variable	XXXX	
Replacement allowance	XXXX	
Total operating expenses (OE)	=	- XXXX
Net Operating Income (NOI) **		XXXX
Total annual debt service (ADS)		- XXXX
Pre-tax cash flow (PTCF)		$ XXXX

*Market rents should be used for rents attributed to vacant space, lease renewals, and owner-occupied space:

** Depreciation, capital expenses, and loan costs are not considered in the calculation of the NOI

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The Capitalization Approach Income Property Valuation as Interest Fluctuate

Continued

derive the property asset value (NOI/ Cap Rate Value).

Why do we use Capitalization Rates?

The capitalization approach is a "comparative method" of valuing a property with similar properties, similar income streams, in similar geographic locations and risks that will yield comparable rates of return. The comparative method will reflect the estimated value conclusion. The result will allow a lender to determine if the loan-to-value is acceptable by underwriting guidelines.

Cap rates are only one metric. Since the capitalization approach assumes the property is debt free, the value will be the same whether the property has leveraged debt or is debt free. It represents a market snapshot of the investment value and does not consider loan debt service or financing costs.

If an investor finances his acquisition, as most people do, alternative yield formulas, such as cash-on-cash return, will be helpful. Sophisticated loan underwriters and investors may also calculate an internal rate of return. The internal rate of return is a metric used to estimate the profitability of an investment. It represents the discount rate that makes the net present value of all cash flows from a particular investment equal to zero. These calculations assist in establishing that the property is income-producing and a worthwhile investment.

A licensed commercial appraiser may conduct a rent survey to determine market rents for a type of property in a geographic area. Market rents are the amount expected for a property use compared to similar properties in the same market area. Market rents may or may not be the same as actual rents (contract rents). There are many instances where the existing rents are above or below market rents. A tenant with a long-term lease may have locked in lower rents sometime in the past.

A property owner may own property un- der a title method, such as The Archie Bunker Family Entertainment Corporation, and occupy all or a portion of the building in a different title method, such as Archie Bunker Limited Liability Company. He may charge above or below-market rents to himself for tax purposes. Actual rents may also be higher than the market. In this case, the appraiser would use market rents rather than actual rents to determine the Cap Rate. There will most likely be a lease agreement between the property owner and the tenant, even though they are related parties.

There are other instances where a conventional market cap rate analysis is inappropriate. The alternative method is a discounted cash flow analysis, such as original ground-up construction. The building cost and cash flow, including a lease-up period, will be projected over a reasonable time to the point of stabilized occupancy. A competent appraiser can construct a model estimating a projected cash flow and using net present value discount formulas to estimate the capitalization rate. The result may differ from the market comparison method. For instance, the discounted cash flow analysis may be more appropriate for a property with a long-term lease or unique characteristics. Let's consider a scenario where a property has a long-term lease with a tenant responsible for all maintenance and repairs. In this case, the discounted cash flow analysis may be more appropriate than the market comparison method.

Suppose you have more than one income property with similar characteristics in a geographically close location sold in arm's length cash transactions, and the income stream data is available. In this case, web-based databases track comparison capitalization rates (Cap Rates.)

There is an essential difference between market rents and current actual (contract) rents in the Cap Rate valuation process. Compare two different buildings, both identical, but the first property is well-kept and rented at a market rate, and the second building has deferred maintenance. The property with deferred maintenance has below-market rents of under 30%. In both cases, a lender and the appraiser will use market rents to determine the NOI. The second building assumes that a new owner will upgrade the building and adjust the rents upward to a market rate. The value of the second building would be adjusted downward or discounted to offset the cost to cure (cost to upgrade the building).

I once underwrote a prospective loan file for an industrial building in Richmond, California. The property was leased to a third party for 99 years, with 30 years remaining. The lease rate was only 18 cents per square foot triple net for the remaining 30 years. The property owner and loan broker argued belligerently that the value was based on today's rent. A lender and appraiser will only use the lower rents because of the long-term lease.

The same is true for a rent-controlled property. If government intervention prohibits increasing future rent, the appraiser will use rents allowed by the rent-control board. The distinction is market rents vs. constricted rent-control board rents.

Databases with historic rents are available to determine market rents and calculate a correct capitalized valuation. Historic market cap rates may vary, even in the exact geographic location, depending upon the building improvements, effective age, class of construction, off-street parking, furnished or unfurnished, condition, compliance with zoning, easements, or lack of needed easements, and amenities. Examples include Class-A vs. Class-C offices, in-

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The Capitalization Approach Income Property Valuation as Interest Fluctuate

Continued

dustrial apartments, older, dated, economically obsolete, and under-parked compared to a new modern building with adequate parking and currently popular amenities.

Advantages and disadvantages of the capitalization approach to value

Advantages:

- The method efficiently converts an income stream into an estimate of the value of the income-producing real estate, providing a practical and reliable valuation.
- The method is a typical appraisal, lending, and development standard.
- While the income capitalization approach is common in evaluating commercial income-generating properties, the method can theoretically be applied to any income stream, including businesses.
- Commercial appraisers are a reliable source for determining market Cap Rates.
- Commercial realtors provide an excellent source of cap rates with websites such as Costar and Crexi.
- Online databases such as the CBRE/US-Cap-Rate-Survey-Special (https://www.cbre.com/insights/reports/ us-cap-rate-survey-h1-2024)

Disadvantages:

- The method reflects "comparison only with similar properties in a close geographic area." The procedure does not consider liens on the property and debt service. A cap rate calculation assumes that the property is debt free. The capitalization approach does not calculate the overall net cash flow or cash-on-cash yield when a property has leveraged debt.
- Cap rate calculation results are specific only to a similar area with similar properties within certain market segments. You could not use Newport Beach, California, cap rates to compare with an identical building with similar usage in Riverside, California. Also, the demand for properties and cap rates for different real estate market segments will change. Currently, residential income properties and industrial properties will continue to be in demand. I read one estimate that industries in the U.S. will require an extra billion square feet of warehouses by 2025. Patterns change! Office and lodging/resort-related properties are not doing so well.
- The method contemplates stable economic market conditions. If a market experiences a significant downturn, collapses, or is subject to extreme political uncertainty, market cap rate calculations may be rendered irrelevant. Currently, loan interest rates are rising, indirectly affecting capitalized values.
- Relying on a cap rate in an unstable market is difficult. Market rents may be fluid; with higher rates of foreclosures, tenants default much more frequently, vacancy rates go up, and replacement tenants will ask for more increased rent concessions, bringing the market rents down. Additionally, owner operating expenses may become constrained.
- Forecasting future income streams involves high professional judgment and is variable.
- Professional judgment is subject to subjective vs. objective interpretations about expectations of future benefits.
- The method may result in miscalculations when estimating the cost of capital outlay for upgrades to bring the property up to current standards. All job subsets, including municipal approvals, building reconstruction, modern materials, safety, zoning, environmental, and social equity requirements have a price, time, and frustration allocation.
- The effect of value on property amenities, parking, easements, recorded encumbrances, and compliance with building and zoning regulations requires complex analysis.
- A lease-up period is only an estimate and may not be correct.
- Alleged appraiser and lender biases for racially segregated neighborhoods exist.

Is there an ideal Cap Rate?

Investors should determine their risk tolerance to reflect their portfolio's ideal risk-reward level. A lower cap rate means a higher property value. A lower cap rate would imply that the underlying property is more valuable but may take longer to recapture the investment. If investing long-term, one might select properties with lower cap rates. If investing for cash flow, look for a property with a higher cap rate. Declining cap rates may mean that the market for your property type is heating up, and demand is intensifying. For cap rates to remain constant on any investment, the asset appreciation rate and the NOI increase it produces will coincide.

Below are examples of changes in NOI and cap rates that cause asset values to rise or go down

Asset values will increase as NOI increases and cap rates remain the same.

($300,000 reflects net operating income, and .06 reflects a 6% cap rate)

- $300,000 /.06 = $5,000,000
- $350,000 /.06 = $5,833,000
- $400,000 /.06 = $6,666,666
- $450,000 /.06 = $7,500,000

As NOI remains the same and cap rates rise, asset value will go down

($500,000 reflects net operating income, and .03 reflects a 3% cap rate)

- $500,000 /.03 = $16,666,666
- $500,000 /.04 = $12,500,000

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The Capitalization Approach Income Property Valuation as Interest Fluctuate

Continued

- \$500,000 /.05 = \$10,000,000
- \$500,000 /.06 = \$8,333,333

Correlation Between Cap Rates and U.S. Treasuries

The U.S. Ten-Year Treasury Note (UST) is considered a risk-free investment. UST yields have been declining for many years but are currently rising. As interest rates increase, investors who bought USTs at a lower rate will find that their bonds will decrease in value. Bonds purchased at the new higher rates will be in high demand.

As interest rates rise, cap rates rise, and asset values decrease over time. With so many uncertainties in the market and growth projections constantly being revised, the spread between UST and cap rates has not remained constant.

When the government intrudes on the market, the results are artificial. Government intervention always causes capitalization rates to go down, reflecting higher values. Near-zero interest rates have also caused a dramatic inflationary spike in goods and services.

Summary

The most significant reason for investing in real estate is property appreciation from excess demand. Property appreciation from inflation is not part of the cap rate calculation. For investors, lower interest rates and tax benefits of owning commercial real estate may be the driving force to make such an investment. If the property has leveraged financing, there may be write-offs for loan fees, interest, operating costs, depreciation, and capital expenses.

Interest rates have been forced down to artificially low rates, below inflation, by government mandate! Refinancing at lower rates has resulted in lower debt service payments. Cash flows of income-producing properties have increased, reflecting a higher net operating income. Rates are now rising and will continue their upward trend in the foreseeable future.

The government intentionally creates market distortions that benefit the insiders at the top of the economic spectrum. The results are always artificial. Favorable reactions to distortions cause capitalization rates to decrease, reflecting higher values. Near-zero interest rates have also caused a dramatic inflationary spike in goods and services. All asset classes have now been "spiked with 200-proof illusions" that make everything seem fantastic on the surface. But hangovers, the day after the party ends, are no fun.

A 100–200 basis points increase in lending rates (2% to 3%) would shatter the punch bowl into fragments. But, the rise in interest will occur over a year. Main Street and small capitalist entrepreneurs will bear the brunt of widespread financial damage.

Interest rates are increasing because the government realizes that inflation will only accelerate if it does not stop or slow. Increased interest rates will result in newly originated loans having higher payment structures. Higher loan payments indirectly and over time cause cap rates to rise and values to decrease.

Values may decrease slowly, but the demand to purchase income-producing properties will subside because ownership makes less economic sense. To add flames to this fire, the federal and state governments pass legislation that will destroy investors' motivation to own.

The seven-pronged negative whammy is now in process

- Interest rates are rising and will continue growing in the foreseeable future.
- An increase in interest rates will reflect larger loan payments.
- A property's net cash flow will drop due to increased debt service.
- A general investor confidence loss occurs in the overall economy.
- Loss of investor interest in purchasing an income property.
- Overburdening and abusive government intervention always negatively affect property ownership. The government will always attempt to extract unearned financial benefits from private property owners to fix the problem.
- The above will cause capitalization rates to rise and property values to decrease.

Remember that the capitalization approach does not consider increased debt service based upon higher interest rates. Higher interest rates will lower all real estate prices on a macro level. But as interest rates rise, borrowers will feel the sting of higher debt service pay- ments. Some property transactions may become less appealing financially. As purchasers and borrowers elect to refrain from purchasing, that may compound and create more unsold inventory. Some sellers may get desperate and reduce the price to sell quickly. The lowered price would result in a higher cap rate.

How dramatic will lower real estate prices be over time? Between 2007 and 2010, we witnessed the downward value contagion spread, resulting in substantially lower values and increased capitalization rates.

The hangover is upon us. The seven-pronged whammy is not a new phenomenon, but it is here. It was delayed while participants enjoyed the Federal Reserve's punchbowl with "free-for-all 200-proof infused, close-to-zero interest rates."

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Mojave River Valley Commercial Real Estate State of the Market

By: Jesse Gundersheim, Sr. Director of Market Analytics, CoStar Group

Industrial Vacancy Rises as Massive Buildings are Developed

Industrial vacancy in the Mojave River Valley rose above 7% in 2024. Leading move-outs, Fellowship Warehousing & Logistics vacated a one-million-square-foot building in Westcore's Hesperia Commerce Center, which was completed in 2023.

Due to rising vacancy, industrial asking rents in the Inland Empire have fallen 12% from peak levels. Landlords are also offering increased lease concessions. However, tenants typically face higher real estate costs upon lease expiration, as rents are still up nearly 30% from five years ago, to an average of $1.15 per square foot, triple-net.

Highlighting recent move-ins, Maersk opened a 1.2 million-square-foot distribution center in the adjacent building at the end of 2023, where it will employ 500 workers. The under-construction pipeline nearly emptied in late 2023 before Prologis broke ground on 19100 Gateway Drive, a 1.5 million-square-foot building that Goodyear will occupy upon completion in 2025. Following these large deals signed toward the end of 2023, leasing activity was subdued in 2024. Furniture wholesaler Modway leased 130,000 square feet in Hesperia, and Pacific Refrigerator Company leased 28,000 square feet in Apple Valley.

Office Market Remains Tight With Vacancy at Historical Low

Mojave River Valley's office market is nearly fully leased. Vacancy compressed to a historic low of under 2.5% in 2024, falling 100 basis points during the year. The latest developments, a few medical office buildings, were completed in 2023, and no major projects are under construction.

Asking rents for office space in the Mojave River Valley have increased nearly 20% over the past three years, outpacing the Inland Empire's 14% increase. Average office asking rents increased by more than 3% in 2024 to $1.91 per square foot, full-service, once again outpacing Inland Empire's market average rent growth.

Retail Vacancy Jumps Higher

Steady population growth over the past decade has supported demand for retailers in the Mojave River Valley. However, several store closings increased vacancy to over 7% in 2024. The 99 Cents Only store and in-line anchor space at the Barstow Shopping Center were listed for lease.

Retail construction is picking up. The Lewis Group is developing Adelanto Towne Center, 57,000 square feet of retail space at Highway 395 and Mojave Drive. Poppy Express Wash and Poppy Fuel will open first at the center, where additional pad and shop space are available for lease. In addition, Victor Valley Connection, a mixed-use development on Bear Valley Road between 2nd and 3rd Avenue next to Desert Valley Hospital, offers build-to-suit, ground lease, and purchase opportunities. The complex, flanked by a new McDonald's, 76 gas station, and Circle K store, offers a 42,000-square-foot major space and additional pad and shop space.

The pace of retail rent growth has slowed from a record 5.5% increase in 2022 when vacancy was tighter to 2.5% over the trailing year as of the second quarter of 2024. Retail market rents in the Mojave River Valley average $1.75 per square foot, triple-net.

To learn more about CoStar's data product offering, please get in touch with our Inland Empire account executives at (909) 944-0426

Veterans Home of California–Barstow Delivering Excellence to our Veterans

By: Laura Moraco, Public Information Officer

The Barstow Veterans Home (Home) continues to provide excellent care to our California veterans. A little bit about the Home: we currently have a little under 100 veterans and non-veteran spouses in our care. It is our honor and privilege to provide a home for our residents. We love what we do—and it shows! The Home consistently maintains a 5-Star rating by the Centers for Medicare and Medicaid and has been ranked as one of the "Best Nursing Homes" by US News and World Report magazine for 2021 and 2022. Recently, the Home received a National Gold Seal of Approval for Accreditation from The Joint Commission, which is a non-profit organization that accredits and certifies more than 22,000 health care organizations and programs in the United States.

VHC-Barstow History

The Home opened in 1996 and sits on 22 acres of land donated by Barstow Community College (BCC). The campus consists of 208,000 gross square feet of building space, featuring one central building currently housing Intermediate Care Facility (ICF) and Skilled Nursing Facility (SNF) residents, an ambulatory care clinic, as well as plant and administrative functions. Two of our four outlying buildings serve(d) as housing for Domiciliary (DOM) residents and a fifth is a support building that primarily consists of a common activity area for residents to hold functions or entertain visiting guests. The Home is a 400-bed facility but is currently budgeted for 140. Three of the five resident buildings are in use, but all have unbudgeted beds. Across the levels of care, room accommodations are generally uniform, with two residents to each room and a restroom connecting two rooms for a total of four residents to a restroom. Because of the high number of unbudgeted beds, DOM residents have private rooms.

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Veterans Home of California–Barstow Delivering Excellence to our Veterans

Continued

How We Began

Recognizing a growing demand for veteran long-term care services, the California Assembly passed Assembly Concurrent Resolution (ACR) 43 (Resolution Chapter 93, Statutes of 1983) directing the California Department of Veterans Affairs (CalVet) to perform a feasibility study for establishing a second veterans' home to be in Southern California. There were 28 potential sites reviewed by the Commission, consisting of proposals from local government agencies, private individuals, and commercial companies, including proposals related to developing excess public property and converting military bases in Southern California that were scheduled to close. After deliberations with stakeholders, the City of Barstow was nominated as the site for the first Southern California Veterans Home. The Barstow proposal was a cooperative effort by the city government and the BCC District, which would donate the land, and included participation from the local Chamber of Commerce, citizen groups, and veterans' organizations. This level of strong community support still rings true today!

In 1994, the VA awarded a state veterans home construction grant of $19,825,000 to construct the Home. Construction costs of the Home were approximately $30,500,000. The agreement required CalVet to continually operate the Home for domiciliary, licensed care, or hospital care for 20 years following completion of the construction project. Otherwise, the VA would be entitled to recover 65 percent of the value of the construction costs from CalVet. Today, this restriction on the use of the Home has expired. The Home was certified for occupancy in January 1996 and welcomed its first veteran that June. (We just celebrated our 28th Founders Day!) In keeping with the Commission's recommendation of a 400-bed facility, the Home was designed for 120 SNF beds, 60 ICF beds, and 220 DOM beds. Presently, the Home is considering and applying for licensing as a Residential Care Facility for the Elderly (RCFE).

Visionaries, Patriots, and Heroes

The men and women who founded the Barstow Home 28 years ago began the mission that would affect the lives of countless veterans and their families for generations to come. We continue the same mission: we want everyone who served to lead high-quality lives with respect and dignity. That is a mission we live day in and day out as part of the veteran community.

For more than two decades, Barstow and the surrounding communities and beyond have supported our veterans and their families by calling attention to the unique challenges they face and effectively advocating on their behalf. As an organization, we will keep our promise to America's veterans. Keeping our promise speaks to our history as much as it foretells our future. Ours is a promise that's enduring. It's backed by action and achievement.

We completed a $2.75 million waterline-replacement project, which included the removal and replacement of the existing hydronic system as well as the removal and replacement of paving, sidewalks, curbs, gutters, ADA ramps, and landscaping. Just recently, all new flooring was installed, and it is beautiful!

I hope to convey to you how special our Home is, primarily because of our team's dedication to our mission. As a team, we all share the responsibility of "Serving Heroes" and we take that responsibility very seriously. We recognize that, as one of eight state veterans' homes in California, we are somewhat unique. Our homes are not governed by a corporate board of directors demanding profits. We are about providing quality nursing care to our veterans, and we are proud to do just that! We continually strive to train and hire the best for our veterans. On the near horizon we will train the best in nursing-care careers alongside BCC.

Veteran Homes Impact on the Region

VHC Barstow is the only Veterans Home in San Bernardino County. The Home is one of the major employers in Barstow, employing over 200 staff of various professions and skill levels. (I'll just throw this in now—we are hiring!)

Implementing collaboration between organizations leads to growth sad sustainability, and provides community enrichment. A joint venture with BCC for the establishment of a new Certified Nursing Assistant (CNA) Program will begin next summer and will be available to BCC students. BCC is positioning for growth and expansion of training our workforce to support healthcare facilities and enhanced services for our veterans. We will be working with the college in those efforts.

VHC Barstow fiscal impact on the Barstow region in the 2023/2024 fiscal year allowed a budget of approximately $930,000 in contracts and an estimated $160,000 in service orders. These services help our veterans live longer, healthier lives.

Our veterans are the backbone of America. CalVet is the state agency responsible for ensuring the nearly 1.6 million veterans in California have access to the benefits they have earned through their service. VHC Barstow becomes "home" to our veterans, providing quality health care and amenities.

Veterans have risked their lives to protect our freedoms. They have made sacrifices that most of us cannot even begin to comprehend. It is our duty to ensure that they have the opportunities they need to thrive in their post-military lives. They are not just an important

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Veterans Home of California

Continued

component of our economic machinery, they are the lifeblood of our communities and a testament to our commitment to those who have served.

Homeless Veterans

According to HUD, there are 10,400 homeless veterans in California today and is representative of 31% of the national homeless population.

CalVet is addressing veteran homelessness by working with various government and non-government agencies and organizations throughout California to provide advocacy and services needed by the homeless population and those dealing with the threat of becoming homeless. To find housing assistance programs available in the area, call 800.952-5626 or 800.221-8998 (outside California).

CalVet has eight veterans homes in California: Barstow, Chula Vista, Fresno, Lancaster, Redding, Ventura, West Los Angeles, and Yountville. https:// www.calvet.ca.gov/calvet-programs/ veteran-homes.

CalVet Veteran Benefits: Home loans, Housing, Education, VA Claims, Employment, Health Care, Advocacy. https://www.calvet.ca.gov/veteran-services-benefits

CalVet Hiring Opportunities:
https:// www.calcareers.ca.gov
Public Information Officer:
Laura.Moraco@Calvet.ca.gov

There may be no higher calling than to serve our veteran brothers and sisters and their families. I am honored to be able to work alongside all veterans and patriots as we continue to keep our promise to them.

May God bless the men and women standing watch today—our veterans and their families. We'll leave the light on for you.

Victor Valley College Provides Unique Educational Opportunities for Students, Contributes to Local Economy.

By: Robert A. Sewell, PIO/Director of Marketing/ ASB Advisor

With a mission to provide excellent academics while preparing the next generation for the workforce, Victor Valley College (VVC) is living up to its goals. Now in its 64th year, the college continues to provide significant value back to the local economy while specializing in programs that empower students for their futures.

"We're very proud of the unique educational opportunities and value that Victor Valley College provides to our students as well as our community. We continue to increase our career technical and non-credit programs to address the business industries needs and demands to support future economic growth." says VVC President Daniel Walden.

VVC currently has 4 schools: Business Law & Academic Resources (BLAR), Humanities, Arts & Social Sciences (HAAS), Public Safety & Industrial Technology (PSIT) and Science, Technology, Engineering and Mathematics (STEM). Within these schools, there are 83 disciplines and 1,214 courses that provide opportunities for:

- 10 Associate of Arts Degrees
- 28 Associate of Science Degrees
- 13 Associate of Arts for Transfer Degrees
- 12 Associate of Science for Transfer Degrees
- 89 Certificates of Achievement
- 27 Certificates for Career Prep
- 6 Certificates of Competency
- 23 Certificates of Completion
- And soon 1 Bachelor of Science in Respiratory Therapy

Since 2022, VVC has added several non-credit classes: Commercial Truck Driving (CDL), Cosmetology, Emergency Medical Certification, GED Prep, Low Voltage, and Manufacturing & Logistics.

Non-Credit classes in development are Athletics–Sports, Community Health Worker–Spanish, Community Mental Health Worker, Court Reporter, Environmental Technologies, Heavy Equipment Service, Industrial Maintenance, Medical Assisting, Notary, Pharmacy Tech, Phlebotomy, and Workforce Preparation.

According to a recent economic impact analysis conducted by VVC, the college generated $553.1 million in added income for the San Bernardino County economy in fiscal year 2021–22. (Please see illustration on page 35). This equates to almost 0.5% of the total gross regional product (GRP) of San Bernardino County.

In fact, the economic impact of the college is almost as large as the entire arts, entertainment, and recreation industry in the region and supports more than 6,081 jobs.

The analysis also states that for every tax dollar spent on education at VVC, taxpayers receive an average of $1.50 in return over the course of the students' working lives.

During the analysis year, VVC spent $104.7 million on payroll and benefits for 773 fulltime and part-time employees and spent another $38.9 million on goods and services to carry out its day-to-day and construction operations. This initial round of spending creates more spending across other businesses throughout the regional economy, resulting in the commonly referred to multiplier effects.

VVC invests in construction each year to maintain its facilities, create additional capacities, and meet its growing

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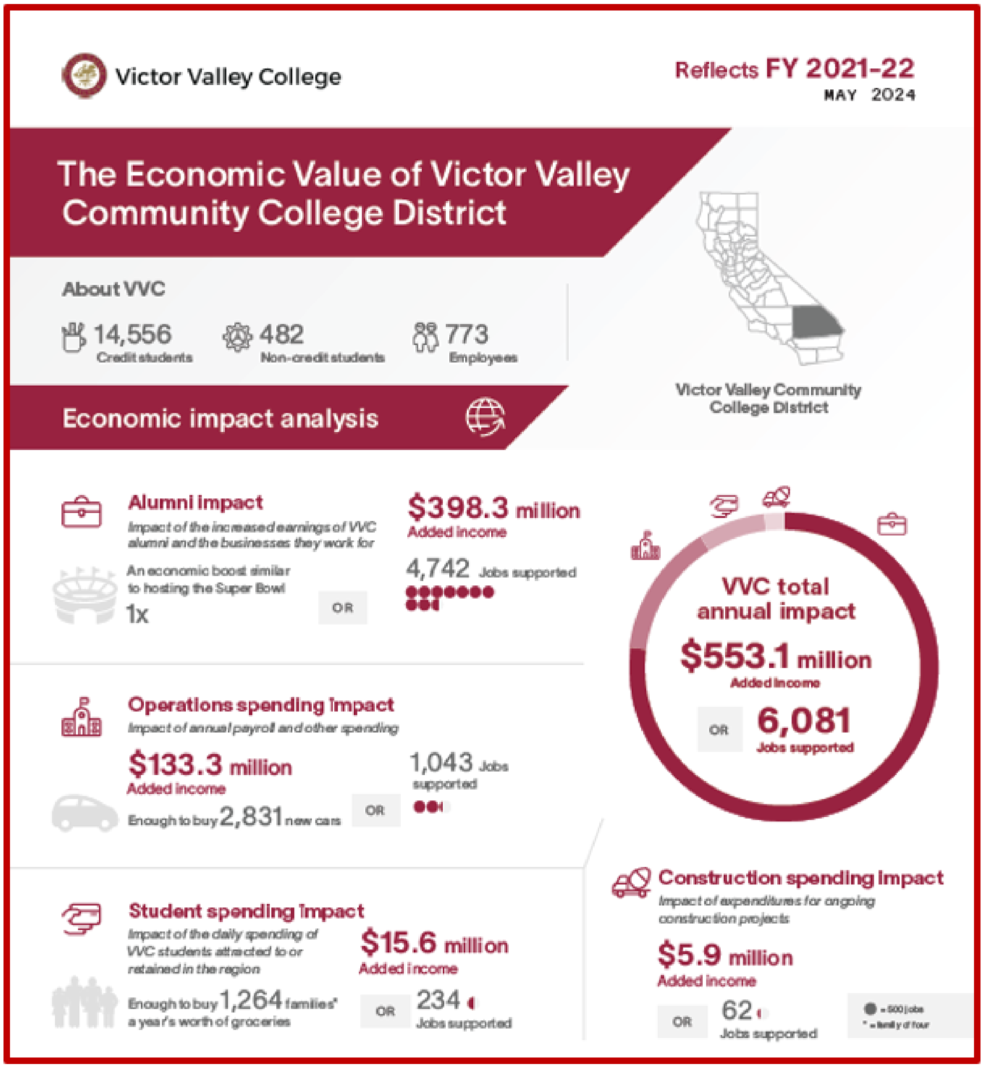
Victor Valley College Provides Unique Educational Opportunities for Students, Contributes to Local Economy.

Continued



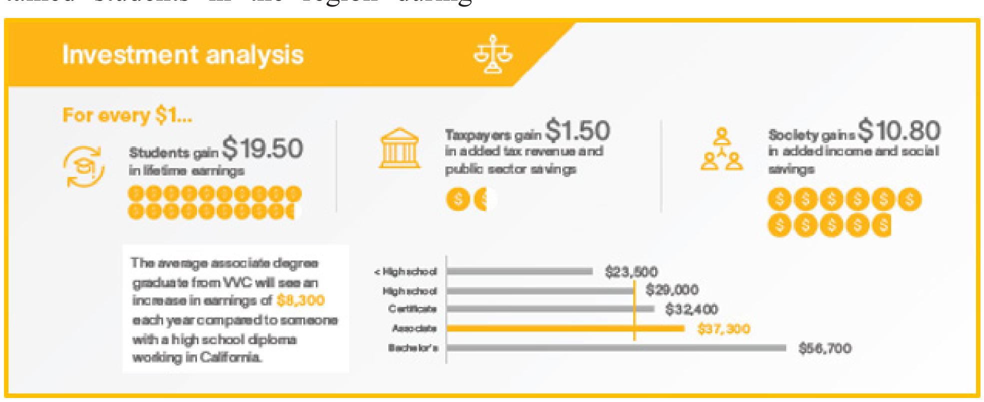
educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the regional economy. In FY 2021–22, VVC's construction spending generated $5.9 million in added income, which is equivalent to supporting 62 jobs.

Around 6% of students attending VVC originated from outside the region. Some of these students relocated to San Bernardino County to attend the college. In addition, some students are residents of San Bernardino County who would have left the region if not for the existence of VVC. The money that these students—referred to as retained students—spent toward living expenses in San Bernardino County is attributable to VVC.

The expenditures of relocated and retained students in the region during the analysis year added approximately $15.6 million in income for the San Bernardino County economy, which is equivalent to supporting 234 jobs.

Over the years, students gained new skills, making them more productive workers, by studying at VVC. Today, thousands of these former students are employed in San Bernardino County. The accumulated impact of former students currently employed in the San Bernardino County workforce amounted to $398.3 million in added income for the San Bernardino County economy, which is equivalent to supporting 4,742 jobs.

In conclusion, Victor Valley College continues to play a pivotal role in shaping the future of its students and the broader San Bernardino County community. Through its diverse academic offerings, expanding non-credit programs, and significant economic contributions, VVC not only empowers individuals with the skills and knowledge to succeed but also fosters local economic growth and job creation. As the college enters its 64th year, it remains committed to its mission of providing accessible, high-quality education that meets the evolving needs of the workforce and supports the ongoing development of the region.



High Desert *Report*
An economic overview of the Mojave River Valley

Pathways to Success: Strategic Partnerships Transforming Career Technical Education and Economic Growth in the High Desert Region

By: Ted Alejandre, San Bernardino County Superintendent of Schools

San Bernardino County Superintendent of Schools (SBCSS) is excited to continue partnering with local business and industry leaders in the High Desert region to cultivate a skilled and educated workforce for existing careers, while preparing for emerging career opportunities in the future.

Through the Mountain Desert Career Pathways (MDCP), SBCSS, along with a consortium of nine High Desert school districts, strategically collaborate with industry, government, and higher education institutions to grow career pipelines and create opportunities for students in the region. By educating students with in-demand skills, students become sought-after assets to local businesses and industry. Career Technical Education (CTE) Programs and Pathways within these participating school districts are being outfitted with the latest technology and equipment that mirrors what is being used in the industry. Many schools are developing and expanding simulated work-based learning labs where classrooms look, sound, and operate like an industry site. This real-world experience helps students to develop competencies in areas they will encounter in the workplace.

The future of CTE programs in the High Desert looks bright, with more than $9 million in grants awarded last year alone to expand these innovative and effective work-based learning labs. This past April, San Bernardino County again hosted the annual SkillsUSA state competition which showcased a series of career competition events highlighting the most outstanding CTE students in the state of California. The High Desert school districts had an extraordinary showing, earning 51 total awards in gold, silver, and bronze in 35 different competitive events, with approximately 15 of the gold awardees advancing to the SkillsUSA national competition held in June in Atlanta, Georgia.

SBCSS and MDCP are strengthened by ongoing collaboration with local business and industry leaders across a broad range of sectors, K12 CTE programs, Barstow Community College, and Victor Valley College. MDCP continues work to transform the economic landscape of the High Desert by identifying the essential skills needed in the region and aligning resources to develop a sustainable culture of high-quality local employees to ensure long-lasting economic prosperity. Additionally, MDCP supports its education partners in making informed decisions by providing up-to-date labor market reports by sector for the region.

As a testament to the partnerships developed through the MDCP, over 30 sector-specific collaboration meetings and industry advisories met last school year to further this alignment and ensure that students are receiving high quality instruction in relevant, industry-desired content. This school year, collaboration meetings will continue to be held to strengthen the foundation of these partnerships. One example of the innovative partnerships occurring is through the collaboration of the SBCSS Regional Occupation Program and MDCP receiving $2 million in funds to enhance the dis-semination of CTE-focused informa-tion to education partners and sub-populations underrepresented in CTE programs, as well as to further expand work-based learning labs.

Furthermore, partnerships continue to flourish between K12 and local community colleges. Students are taking advantage of CTE and dual enrollment programs. Approximately 25% of High Desert students are earning college credits while in high school, with over 6,000 industry certifications earned last year.

With the unveiling of several major development projects planned in the High Desert region, SBCSS is staying informed to connect students to career opportunities as they emerge. Through the collective impact of SBCSS and various education partners, students are moving through the educational system well-informed about local careers while being afforded the opportunity to acquire these in-demand skills. SBCSS is transforming lives through education by preparing students for a promising future and fostering economic development in the High Desert region.

Building a Brighter Future for California Families: A Commitment to Growth, Opportunity, and Resilience in the High Desert and Mojave River Valley

By: Assemblyman Tom Lackey – 34th State Assembly Distict

As your representative in the California State Assembly, I want you to know that I am deeply committed to advocating for policies that put the needs of our families and communities first. Every decision I make is focused on improving your life and ensuring that California remains a place where families can thrive. From addressing rising gas prices to preparing for wildfires and supporting crucial infrastructure projects, my priority is to protect and support the hardworking residents of the High Desert/Mojave River Valley.

Our region is experiencing an exciting period of growth, and these developments have the potential to transform our economy for generations to come. The Brightline West High-Speed Rail, which will connect Rancho Cucamonga to Las Vegas, is one of those transformative projects. It will not only reduce travel times for commuters but alleviate congestion on the Cajon Pass, making daily life easier and more efficient for everyone.

In Barstow, the $3 billion BNSF Rail Yard development is bringing about 22,000 direct and indirect jobs, positioning our region as a logistics and trade hub. This is the kind of economic opportunity that creates lasting jobs for our families. We cannot take this progress for granted. That is why we must foster connections with local educational institutions to ensure that our residents are ready to take full advantage of these new job opportunities. By expanding Career and Technical Education programs and forming partnerships with local employers, we can ensure that the workforce of tomorrow is built right here, at home.

While the future looks promising, many families in our district are struggling today. Rising gas prices are a constant concern for all of us. The recent changes to the Low Carbon Fuel Standards (LCFS) and the passage of ABX2-1 are going to make this problem worse. These policies are expected to drive up gas prices even further and create artificial shortages, making it even more difficult for our working families to make ends meet. I strongly opposed these measures, and I co-authored AB 12 to reverse these price hikes. Additionally, I introduced a proposal to suspend the gas tax for a year to provide immediate relief at the pump. Unfortunately, these common-

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California's Labor Market, by the Numbers...

- Since April 2020, California has gained 3,156,700 jobs—averaging 58,457 per month. While California lost 5,500 jobs in October, the nation only added 12,000 jobs overall.
- Five of California's 11 industry sectors gained jobs in October with Private Education & Health Services (+9,400) experiencing month-over gains in 32 of the last 33 months.
- Trade, Transportation, & Utilities (+2,600) showed an increase for the eighth consecutive month, with majority gains occurring in Retail Trade and Transportation, Warehousing, and Utilities as companies prepare for the holiday season.
- Losses in Government (-7,500) are largely due to job losses in its State Government subsector (-10,900).
- Professional and Business Services (-8,300) experienced the largest month-over decline, partly due to Employment Services as well as Waste Management and Remediation Services moving against their recent trends of gains, along with a potential hiring slowdown across the industry.

California Industries Payroll Jobs by Biggest Month-Over Change

Major Industries	Month-over Change (Sept. 2024 - Oct. 2024)	Year-over Change (Oct. 2023 - Oct. 2024)	Total Payroll Jobs as of Oct. 2024
Private Education and Health Services	+9,400	+142,800	3,296,100
Financial Activities	+2,600	+2,600	815,100
Trade, Transportation, and Utilities	+2,600	+20,100	3,127,900
Construction	+1,200	-1,700	924,200
Other Services	+1,200	+8,600	602,500
Mining and Logging	0	0	19,800
Information	-1,500	-14,800	518,700
Manufacturing	-1,800	-37,900	1,294,100
Leisure and Hospitality	-3,400	+16,000	2,036,500
Government	-7,500	+56,300	2,677,100
Professional and Business Services	-8,300	+20,100	2,778,200

Tom Lackey - Building a Better Future . . .

Continued

sense solutions were blocked by the supermajority. I will continue to fight for policies that protect your wallet and ease the financial burden on California families.

California faced a serious budget deficit: $73 billion this past year. This is a problem that cannot be ignored, and as we head into the next budget cycle, we must be vigilant. We cannot afford to keep increasing spending without considering the impact on our residents. I am committed to making sure taxpayer dollars are spent responsibly and that we focus on the issues that matter most to our communities.

As wildfire season continues to be a serious threat, I am closely monitoring efforts to address the growing wildfire insurance crisis. Homeowners and families need affordable insurance coverage to protect their homes and property. While the Department of Insurance has begun announcing new regulations, I will work tirelessly to ensure these measures provide meaningful relief to those who need it most.

There is no denying that our region is on the verge of significant changes, and we face challenges ahead. But I believe that by working together, we can build a brighter future for the High Desert/Mojave River Valley and ensure that the opportunities we create today benefit our families for years to come. I encourage you to stay informed, stay engaged, and continue to share your concerns with my office. Together, we can make sure that California remains a place where everyone—regardless of their background or circumstances—can thrive.

2024: A Year of Strategic Investments and Community Enhancements in Adelanto

By: Anita Itnyre, Adelanto Public Information Officer

ADELANTO, CA – Throughout 2024, the City of Adelanto has undertaken significant capital improvement projects, bolstering infrastructure and enriching community amenities to elevate residents' quality of life.

Infrastructure Developments

- Street Paving Initiatives: The city successfully repaved key thoroughfares, including Bellflower Street, Koala Road, and Auburn Avenue, improving transportation efficiency and safety for all users.
- High-Pressure Water System Upgrade: A major milestone was the installation of a high-pressure, 18-inch water line. This essential upgrade enhances the city's water distribution capabilities, ensuring reliable service for current demands while supporting future growth and emergency response needs.

Community Enrichment

- Chamberlaine Way Park Opening: This fall, Adelanto celebrated the grand opening of a new $3 million park located at Chamberlaine Way and Jonathan Street. This state-of-the-art facility includes a playground, splash pad, basketball court, covered picnic areas, tetherball courts, exercise equipment, and restrooms with showers. The park has quickly become a favorite recreational destination for families and residents of all age.

Economic Growth

- Poppy Market Launch: November marked the opening of Poppy Market, a state-of-the-art gas station and convenience store located at Highway 395 and Mojave Drive. Developed by Lewis Retail Centers, this 5,057-square-foot establishment offers an extensive selection of products, including a beer cave, and features an innovative rewards app that provides discounts on fuel and in-store purchases.
- Adelanto Towne Center Expansion: The Adelanto Towne Center is gearing up for further growth with the upcoming addition of a fast-food restaurant and coffee shop. These new businesses will expand dining options for residents and create new jobs, driving economic vitality in the area.

Technological Advancements

- Digital Platforms Introduction: Demonstrating a commitment to innovation, the city has launched a redesigned, user-friendly website and an all-new mobile application. These digital tools improve accessibility to city services and information for residents and businesses.

Adelanto's strategic investments and developments throughout 2024 underscore the city's dedication to fostering a thriving, well-connected community. These advancements set the stage for continued growth and prosperity in 2025 and beyond.

Town of Apple Valley Update

By: Lindy Daugherty, Executive Assistant
Economic and Community Development Services

In November, Apple Valley voters passed Measure P to fund Town services, including increased public safety. The resulting one-cent sales tax will generate approximately $9 million dollars in locally controlled revenue, which will fund additional sheriff's deputies and will sustain Town services that provide a better way of life for our community. The Apple Valley Police Department's ongoing efforts to suppress retail theft and ensure safety in and around our commercial shopping centers have undoubtedly contributed to the wave of commercial tenants and developments coming to Apple Valley.

Buffalo Trading Post Plaza has been approved for development at the southeast corner of Rancherias and Highway 18. The plaza will include an Aldi grocery store, Dutch Bros, Wendy's, and a Chipotle, among other unannounced tenants.

Apple Bear Center is undergoing grading and onsite improvements. This new 39,0000 sq ft shopping center on the south side of Bear Valley Road east of Apple Valley Road, will be home to Sprouts Farmers Market and will also feature Apple Valley's first Raising Cane's.

Construction will begin soon at Apple Valley Towne Center Phase II, which will welcome Hobby Lobby, Marshall's, and Five Below.

As new retail centers commence construction, established centers also continue to attract new stores and services to the community. The region's first Daiso is coming to Jess Ranch Marketplace, offering a wide range of Japanese-inspired goods. Likewise, Lewis Retail Center's Apple Valley Commons will have exciting announcements about incoming tenants in the new year.

Nearby, in the North Apple Valley Industrial Specific Plan and beyond, we have approved over 8 million square feet of industrial development. On track to break ground first, Lecangs, a Loctek company, will soon construct a 1.2 million-square-foot warehouse distribution center. These projects not only bring hundreds of jobs for our local workforce but extend critical infrastructure, spurring opportunities for more commercial and residential development.

Also on the north end of Town, we are eagerly awaiting construction of Brightline West's Apple Valley station. The high-speed rail project connecting Las Vegas to Southern California broke ground earlier last year.

2024: Barstow's Year of Achievements

By: Gil Kenian

BARSTOW, CA – As 2024 came to a close, the City of Barstow seems to have completed another banner year, continuing to lament its position as the "Hub of the West."

Micro Environment: While the state's yearly unemployment rate increased at a pace of 8%, and the county increased 4%, the city's unemployment rate stayed flat as of October 2024. There has been an increase of 57% in residential real estate listings, with an affiliated 7.7% average bump in value. The city also experienced an increase of 7% in overall permit valuations from the same time last year.

Project Focus: Barstow is certainly not a sleepy town, and the city's small employee pool has been busy advancing several key projects.

The city launched its general plan update, Barstow International Gateway (BIG) specific plan, and the associated EIR. These efforts clearly lay out the plan for new housing, how new services will be provided to the residents, and how the community can leverage the BIG project for improvement to quality of life.

BNSF Railway plans to invest more than $1.5 billion to construct a state-of-the-art master-planned rail facility in Barstow. The BIG will be an approximately 4,500-acre new integrated rail facility on the west side of Barstow, consisting of a railyard, intermodal facility, and warehouses for transloading freight from international containers to domestic containers. BIG has taken a considerable amount of time from staff

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City of Barstow Update

Continued

in almost every department in the city, and the city looks forward to breaking ground in the first quarter of 2026.

Additionally, the North First Avenue Bridge was started and completed in collaboration with SBCTA. The new bridge, made of concrete, has a modern appearance. It has a wider sidewalk on one side for a pedestrian walkway, eight-foot shoulders for bicyclists, and a lookout point for individuals to view the prominent railroad. It is about 1,179 feet long, with a width of 50 feet that expands to over 62 feet to accommodate a left turn lane that extends onto the bridge structure.

In the first half of last year, the city also saw the opening of the new dual-brand Marriott hotel, which was met with ter- rific response from travelers, with rooms quickly selling out. Additionally, and given the sense of movement and ex- citement in the area, the Chemehuevi and Los Coyotes Indian tribes have re- committed to the city their continuous intent to develop a destination on their parcels on Lynwood Road.

Other Items: The city maintains contact with developers of Brightline West, the high-speed rail construction project that will bring thousands of construction jobs to the region. It also entered into an agreement to provide base operation support services for soldiers of Ft. Irwin and the community, a strategic and financial benefit to Barstow. In the second quarter of 2024, the city was able to secure a grant to find and assess Brownfield sites to provide no-cost phase 1 reports to site owners for the benefit of future development. Lastly, the city continues to respond and optimize its services, with a recent transition in the provision of animal control to be handled by the city instead of a third party. The transition is expected to result in increased opportunities for animal adoptions and significant local taxpayer savings.

City of Hesperia Update

By: Nathan Freeman, Director of Development Services

Residential, industrial, and commercial projects that have been approved in the last two years in the City of Hesperia include:

Residential

- Construction of a 74-unit townhome complex located at Sultana Street and G Avenue.
- Construction of 114-unit senior affordable apartment complex on Live Oak Street between Eighth and Ninth Avenues.
- Tract map to create 89 single-family residential lots near Mesquite Street and Tamarisk Avenue.
- Tract map to create 36 single-family lots on Palm Street and Mesa Avenue.
- Subdivision of one lot into 74 lots to construct a townhome complex located on Sultana Street and G Avenue.

Industrial

- Kiss Logistics Center 655,468 square foot warehouse distribution building on 31.1 gross acres located west of Highway 395, near Phelan Road.
- Construction of a 26,821 square-foot multi-tenant industrial building on Darwin and Santa Fe Avenue.

Commercial

- 14,010 square-foot automotive body shop on 1.29 acres located at the southeast corner of Caliente Road and Joshua Street.
- Shopping center consisting of a 5,600 square-foot convenience store and gas station, 3,400 square-foot drive-thru restaurant, and two multi-tenant buildings totaling 82,448 square feet located at the northeast corner of Ranchero Road and Tamarisk Avenue.
- Expansion of an existing self-storage facility consisting of the construction of two self-storage buildings totaling 7,340 square feet with 156 RV storage spaces located on Lemon Street.
- Construction of a new self-storage facility consisting of a 1,510 square-foot caretaker's residence, two self-storage buildings with 202 enclosed self-storage units, and a 1,692 square-foot commissary kitchen with seven outdoor food truck/RV storage spaces located at Third and Seventh Avenues.
- Construction of three drive-thru restaurants and a 7,850 square-foot retail building at Mariposa Road, new Fashion Way, and Fashion Court.
- Construction of a 9,165 square-foot multi-tenant commercial building near Bear Valley Road and Peach Avenue.
- Construction of a drive-thru-only Starbucks in the Stater Bros. shopping center at Main Street and Maple Avenue.
- Two multi-tenant commercial buildings, totaling 9,105 square feet each, located on the east side of Hesperia Road north of Sycamore Street.
- Construction is underway on a 1,500 square-foot coffee shop and restaurant with a drive-thru to be located on Main Street west of Topaz Avenue.
- Construction of a dental office and laboratory building on Hesperia Road south of Sycamore Street.
- Expansion of the existing In-N-Out drive-thru lane and striped additional parking spaces on the two south adjacent parcels across from the alley located north of Sequoia Street and Hesperia Road.

Looking ahead, several projects are expected to break ground in the next twelve months or are currently under construction.

Residential

- Construction of 114-unit senior af-

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City of Hesperia Update
Continued

fordable apartment complex on Live Oak Street between Eighth and Ninth Avenues.

- Construction of a 34-unit condominium complex, located on Olive Street and C Avenue.

Industrial

- 1,108,000 square-foot warehouse distribution building, on approximately 69 gross acres, located at Mesa Linda Avenue and Poplar Street.
- 742,000 square-foot warehouse distribution building, on 36 gross acres, located at the northeast corner of Highway 395 and Poplar Street.
- 414,000 square-foot distribution building on 20 acres located on Poplar Street between Lassen Road and Mesa Linda Street.
- 750,000 square-foot warehouse distribution building, on approximately 43 acres, located at the northwest corner of Poplar Court and Highway 395.
- 408,997 square-foot warehouse distribution building, on approximately 20 gross acres, located on the southwest corner of Sultana Street and Mesa Linda Street.
- 444,000 square-foot distribution center located on Amargosa Road.

Commercial

- Currently under construction, Pathways to College Charter School is located south of Mojave Street between Third Avenue and Hesperia Road.
- Two Quick Quack Car Wash locations at Main Street, west of Cataba Road and Main Street, and 11th Avenue.
- A portion of the vacant building formerly occupied by K-Mart is currently being demolished to construct a Quick Quack Car Wash and establish a gym in the remaining 40,790 square-foot portion located on Main Street and E Avenue.
- Construction of a car wash, located on Main Street and Jellico Avenue.
- Expansion of an existing self-storage facility, comprised of five self-storage buildings, encompassing 235 enclosed self-storage units, located at Smoketree Street and I Avenue.
- Construction of a new convenience store, drive-thru-only restaurant, a separately attached take-out-only restaurant, gas station, and an automotive repair facility, located west of Hesperia Road.
- McDonald's recently broke ground on a new drive-thru restaurant on Mariposa Road and Fashion Court.
- Popeyes recently broke ground with a new drive-thru restaurant at Mariposa Road and Fashion Court.
- The vacant space formerly occupied by Country Kitchen on Main Street and I Avenue will soon welcome an IHOP.
- Demolition of an existing building to construct a Dutch Bros coffee shop with outdoor seating, located on Main Street and Eleventh Avenue.

In June, the City of Hesperia launched a pavement rehabilitation project to repair approximately 23 miles of roadway throughout the City. This project is funded by federal Community Development Block Grant (CDBG) monies provided by the Department of Housing and Urban Development (HUD). The road improvements will utilize rubberized chip and double-chip seals, providing a thicker, waterproof asphalt coating than traditional slurry seals. The streets selected for this project were identified using qualified census tracts based on HUD's specific guidelines.

The Ranchero Road widening project between Mariposa Road and Seventh Avenue has significantly progressed. Paving is completed, and the newly installed signals will be operational in August.

With completion anticipated this summer, the I-15 sewer lift station project that can be seen from the Freeway. Once completed, the lift station will help support the new development on Ranchero Road and the City's western portion.

Silverwood is making significant progress toward its Grand Opening, which is planned for spring of 2025. Approximately 75% of the backbone infrastructure, including storm drain, sewer, and water main lines, is complete, including a span bridge and two culvert crossings. Seven planning areas have been sold to four builders, including Lennar, Richmond American Homes, Watt Capital Developers, and Woodside Homes. Additionally, the Welcome Center near the model home complex has broken ground and is under construction.

The 2023–24 fiscal year was a tremendous economic year for the City of Hesperia. In early March, the City announced a significant milestone in its ongoing efforts to bolster economic growth and create job opportunities. Maersk, a global logistics and container shipping leader, chose Hesperia for its most recent expansion within the newly developed facility spanning over 1.2 million square feet of industrial space at the Hesperia Commerce Center, located at 8140 Caliente Road. The Maersk transaction is significant in that it represented the fourth-largest deal, in terms of total square footage, signed in the Inland Empire in 2023. Now open and employing approximately 500 employees, Maersk is one of the largest private employers in the City. Maersk's success reinforces Hesperia's standing as a magnet for thriving businesses.

During the same period, the City also welcomed:

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City of Hesperia Update

Continued

• Rosa Maria's, a destination restaurant in Southern California, chose Hesperia for its first location in the Mojave River Valley. The restaurant, located at the intersection of Bear Valley Road and Cypress Avenue, is its first restaurant with a drive-thru.

• Dairy Queen returned to Hesperia after being gone for more than a decade. Their latest location is situated immediately adjacent to the new Rosa Maria's.

• Veganburg, a woman-owned and family-operated business, recently opened its first-ever restaurant in Southern California, located on Main Street and Cataba Road in the High Desert Gateway.

Approximately 13 million square feet of industrial projects have recently been built or are going through the City's permitting and entitlement process.

Total square footage of residential projects in the queue is 666,529 square feet.

The City currently has 6 active tracts and 4 tentative tract maps, with a total of 1,484 lots over the span of 366 acres.

Victorville City Update

By Keith Metzler, City Manager, City of Victorville

As development continues through 2024, the City of Victorville continues to build a stronger identity in the Victor Valley. These developments are making our local economy more resilient, creating more work-life balanced employment opportunities for the region and adding additional value to living in Victorville. Below are details to the continued growth occurring in Victorville.

Residential Development

While the national housing market may be slowing down, the planning and construction of new housing steadily continues in Victorville. In the last twelve months, the City's Planning Commission approved six (6) Tentative Tract Maps representing the development of 319 new single-family residential units. As of the beginning of 2024, 257 single-family residential units were finaled, and 273 single-family residential permits are currently in an issued or inspection status. The completion of these units brings modern design, energy efficiency, sustainability, quality and competitive pricing to the City's housing stock and the Victor Valley.

Commercial Industry Announcements and Developments

The commercial industry continues to expand in the City of Victorville. New food and beverage businesses that have selected the City of Victor- ville as their next location—and are in the construction phase—include Jersey Mike's at the Desert Sky Plaza, Raising Cane's on the northside of Roy Rogers, west of Civic Drive, Pollo Campero, off Mariposa Road, and a second Dutch Bros. coffee shop, located on the northeast corner of Palmdale Road and Cantina Street.

Additional retail development currently in the planning review phase includes several multi-tenant commercial centers that contain drive-thru restaurant pads, convenience stores, auto-spas and detailing facilities, a financial institution, and fueling stations.

Despite stagnant progress in the development of the new retail stores previously announced in 2018, Peninsula Retail Partners has now advanced their project to the building review phase. As of July 2024, these developments are in the sewer, water, grading, and storm drain plan review stage for the construction of a ±37,590 square-foot building that will host a Bob's Furniture, a ±23,023 square-foot TJ Maxx retail store, and, similarly in size, a HomeGoods retail store.

The hospitality industry continues to expand in the City as well, making significant economic and social contributions through the attraction and retention of employers, direct and indirect job creation, and boosting the generation of sales and transient occupancy tax for the City. Six (6) hotel brands are currently either in the planning review or construction phase, and one (1) additional hotel, a Fairfield Inn by Marriott, was issued its Certificate of Occupancy in June 2024. In March 2024, the City's Planning Commission approved the development of a Residence Inn by Marriott. The Resi-

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Victorville City Update

By Keith Metzler, City Manager, City of Victorville

dence Inn, the first in the Victor Valley region, will be located on the corner of Bear Valley Road and Mariposa Road, north of the existing WSS Shoe store ,and is planned to be built on two acres, having 152 rooms for those desiring long-stay lodging.

A multi-family dwelling complex is also under construction on the southeast corner of Balsam and Winona. The ±207,296 square-foot complex, featuring two gyms, a clubhouse, and three storage buildings, will add 212 units to the City's housing mix and effectively assist in meeting the housing needs of the community.

Warehousing distribution facilities continue to soar in the High Desert, with the City of Victorville seeing ap- proximately 1.35 million square-feet on the corner of Mojave Drive and Topaz Road, and another 1.1 million square-feet on Mojave Drive and Mesa Linda Avenue. At the Southern Cali- fornia Logistics Center (SCLC), the industrial side of the Southern Cali- fornia Logistics Airport, there is an additional 2.38 million square-feet of warehouse distribution facilities underway. Lot 45, also known as "Project Tire" encompasses ±1.295 million square-feet and will be the new home for Goodyear Tire, formerly located at the Foxborough Industrial Park in the City of Victorville. A tenant has not been identified for the remaining warehouse distribution facilities under construction.

Southern California Logistics Airport

At Southern California Logistics Airport (SCLA), the largest industrial airport development in the Victor Valley region and the City's largest employer, continues to broaden its tenant base. In February 2024, SCLA secured the occupancy of Building 685C to Anduril Industries, Inc., an American defense company specializing in autonomous air vehicle systems. The lease secures ±11,170 square-feet of office and hangar space, a ±12,000 square-foot ground control center space, and an additional ±11,430 square-feet of aircraft shade structure space, all at $1.50 per square-foot, or $17,522 per month with an annual 3% inflator for three (3) years.

As SCLA has leased approximately 98% of its facilities, the majority of its real estate transactions consist of renewals, guaranteeing cash flow and reducing vacancy. SCLA's community encompasses tenants that perform aircraft maintenance, completion services, flight testing, aircraft research and development, aircraft asset management, and aircraft end-of-life-cycle services. Leading global aerospace companies that perform these services and call SCLA home include Boeing, GE Aviation, General Atomics, and many others. SCLA is in the process of reaching a 100 percent lease capacity, and therefore is exploring ways to further develop over 1,600 acres of vacant land suitable for aviation, technology, manufacturing, logistics and more.

Public Facilities and Improvements

A groundbreaking ceremony was held in late May 2024 for the new City of Victorville library that will be located in the clubhouse of the Green Tree Golf Course. A $9 million grant from the state of California will be used to fund a 5,094 square-foot addition to the existing former Green Tree Golf Course building.

The addition will allow for more services and programs for the community, including a children's library, a dedicated maker's room, and a multipurpose room for classes and private meetings.

The City of Victorville is in the design phase of a new police station and civic plaza that will be located at the northwest corner of Civic Drive and Seneca Road. This property consists of ±9.18 acres and will be home to the City's new police station and civic plaza. The police station will be a single-story building at approximately 43,000 square-feet, and the civic plaza will be several acres, providing multiple community amenities. The City recently received a contribution of $3.7 million from the County of San Bernardino to go toward the cost of land acquisition and design.

High Desert Report
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