



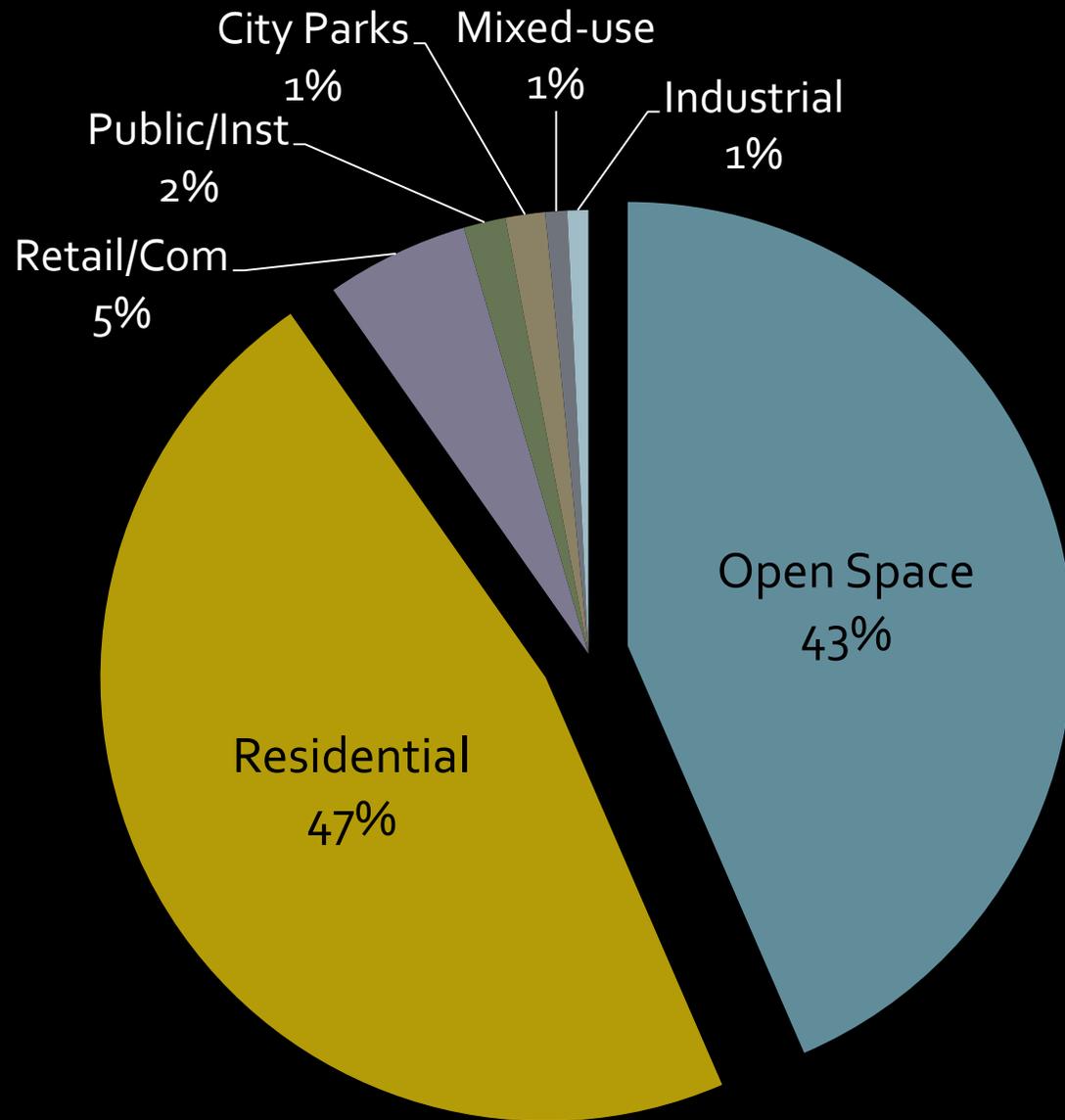
1. Local Economy Overview
2. Community Development Activity
3. Public Works/Capital Improvement Activity

City of Highland (2017)

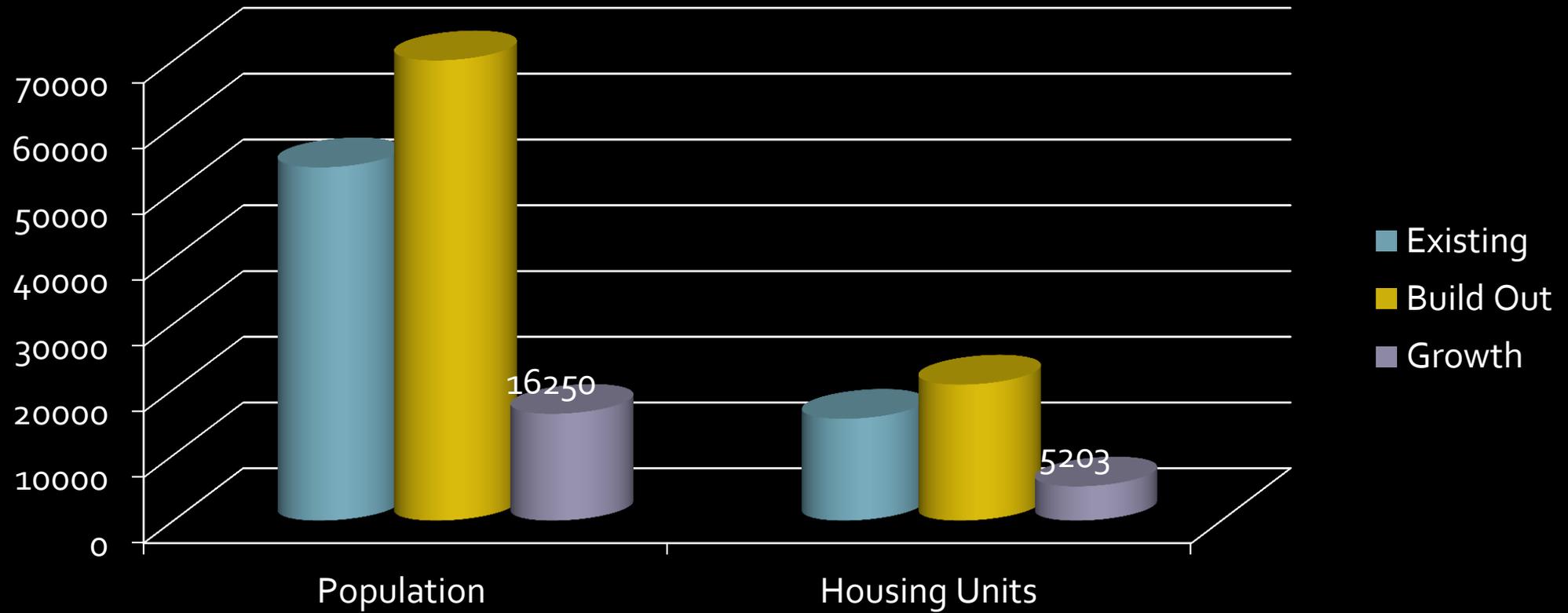
- Incorporated/Founded: 1987
- Square Miles: 19
- **Population:** 54,377 (DOF)
- Average Household Income: \$68,000*
- Average Household Size: 3.5 PPH (DOF)
- Median Age: 31.2 years
- Ethnicity:
 - Hispanic: 50%
 - White: 29%
 - Black: 10%
 - Asian: 8%
 - Other: 3%



Land Use Policy:



Population & Housing Build-out Estimate (General Plan 15-20 year time period)



2017 ECONOMIC DEVELOPMENT APPROACH



Economic
Development –
a Team Effort



Collaborative Effort of the Community Development Department (divisions):

1. **Planning Division** (Planning Commission, Historic & Cultural Preservation Board, & Community Trails Committee)
2. **Building & Safety Division** (Building Code Appeals Board, and Animal Control)
3. **Code Enforcement Division** (Public Nuisance Hearing Board)
4. **Fire Marshal**
5. **Housing Authority** (staff)
6. **Redevelopment dissolution** (staff)
7. **Economic Development**
8. **Public Works/City Engineer Department**

Economic Development Partners



- City of Highland Community Development Department
- Highland Area Chamber of Commerce (networking & resource center)
- San Bernardino County, Economic Development Agency (EDA)
- Utility Service Providers (EVWD, SCE, Southern California Gas)(grants, rebates, audits, and other resources)
- San Bernardino International Airport (SBIA)
- Policy Area Property Owners (*see following slide...*)

Economic Development Stakeholders

(skin in the game)



Housing Developers:

- Lewis Group of Companies & Orange County FCD
- Sunland Communities
- Diversified Pacific Development
- Mastercraft Homes
- Development 1 Group
- Center Stone
- Richmond American Homes
- Hispano Investors

Retail Center Developers:

- TREH Partners, LLC
- Mission Development Co. LLC
- Doug Jerritsma
- KZ Dev Co, LP
- The Focus Group
- Bill Buster Trust

San Manuel Band of Mission Indians

Economic Development: "SWOT" Approach

Back to the Basics - time is Money for our Economic Development Partners & Stakeholders.



SWOT:

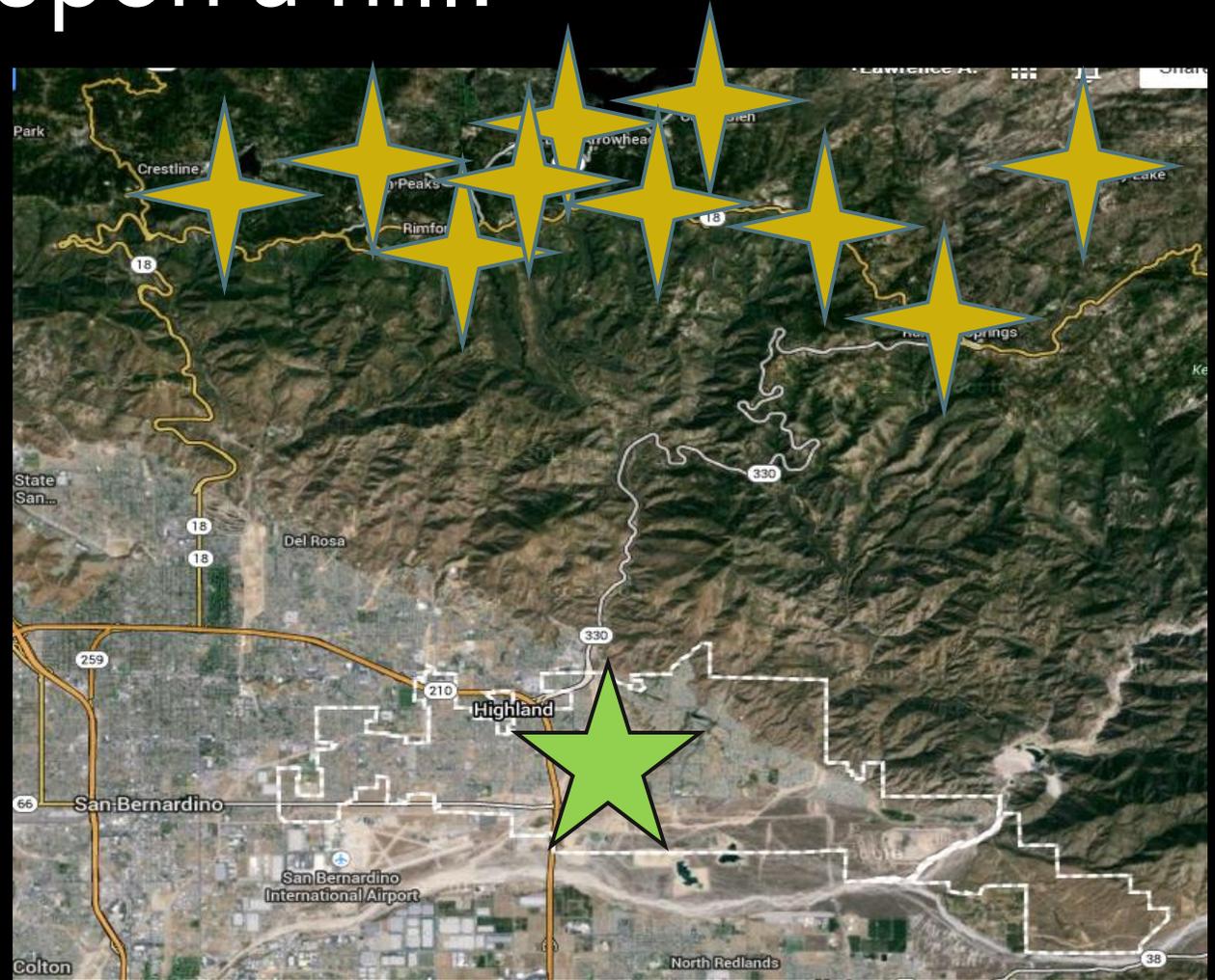
- Strength and Weaknesses? Internal
 - Opportunities and Threats? External
- Ensure Highland remains a competitive place to develop, open a business, and raise a family.
 - Economic Development stakeholders should not be overly burdened by time delays and costly entitlements and permits fees.



PRC (Project Review Committee) + Pre-Application (no charge)
= No surprises and high level of assurances moving forward.

“That’s something I did not know. Keep talking” The City upon a hill?

- Highland and Mountain communities.
- Most populated National Forest in US.
- Crestline, Twin Peaks, Rim Forest, Lake Arrowhead, Blue Jay, Cedar Glen, Sky Forest, Santa’s Village, Running Springs, and Green Valley Lake.
- Resort Communities of Big Bear Lake.
- 8 million plus visitors per year.



Coming Home to Highland?....



Coming Home to Highland? cont.

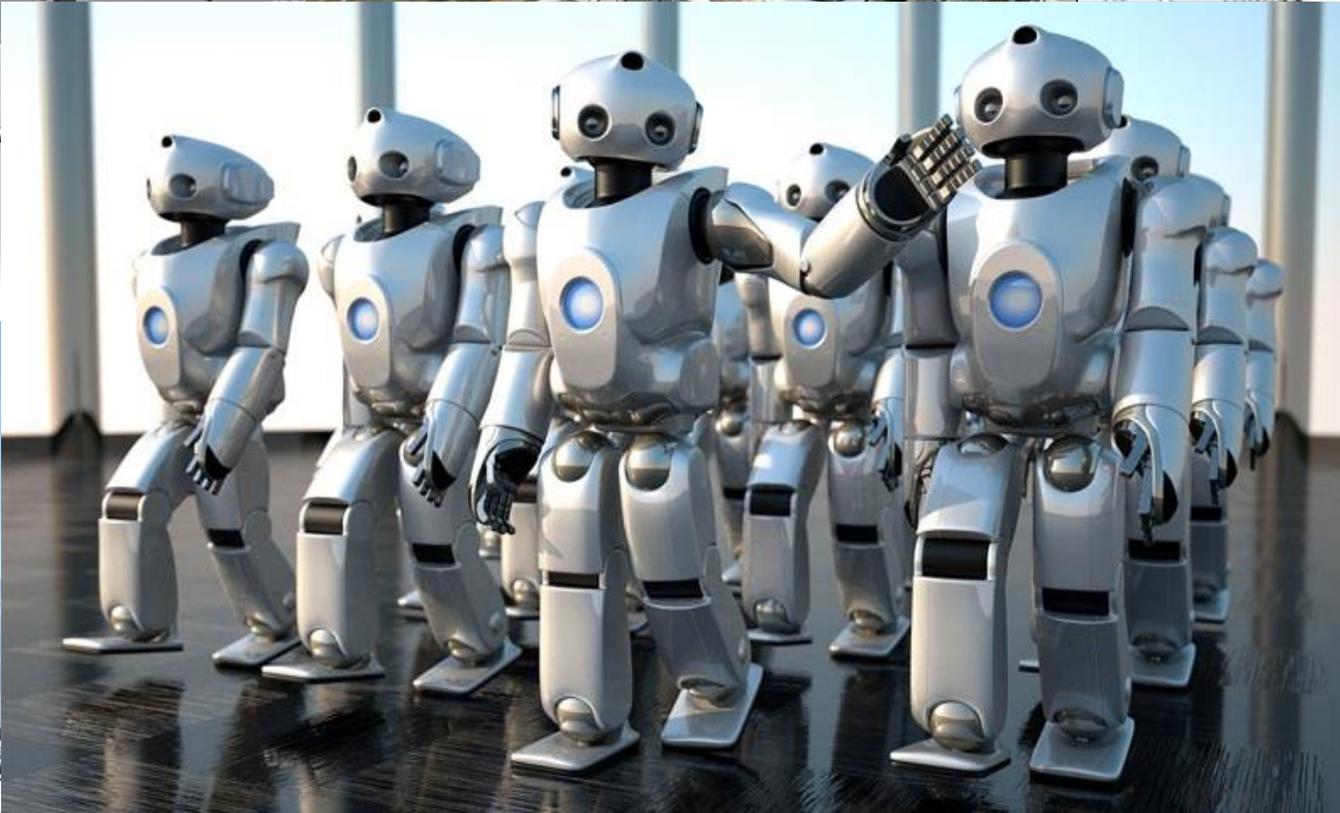


High Tech Highland?



Airport Gateway Specific Plan

“High Tech Highland Initiative”



2017
LOCAL ECONOMY OVERVIEW

Good News ... Unemployment Down

- Unemployment:

San Bernardino County:

Riverside County:

Dec. 2007 (pre-Great Recession)

=

6.0%

6.6%

Dec. 2010 (Peak Unemployment)

=

13.5%

13.8%

October 2017

=

4.5%

5.0%

USA November 2017

=

4.1% (lowest since 2001)

California 2017

=

4.8% (952,152 unemployed)

Inland Empire 2017

=

5.5% (2.0 million existing jobs) (5th largest labor market in nation)(2.7% expansion Jul 16- Jul 17)(37,900 new jobs)

Highland 2017

=

3.9% (1,000 unemployed)

Inland Empire Economy ...sectors to watch.

- Logistics/Transportation/Warehousing/Wholesale
 - Manufacturing Industry
 - Construction Industry
 - Leisure and Hospitality
 - Retail Trade
 - Professional/Scientific and Technical Services (reemergence)(Education Catalyst)
 - Real Estate Market.
 - Non-residential and Office
 - Tourism and Entertainment
 - Health Care.
-
- Commuting
 - Education – driven by what kind of education we deliver to our IE residents

IE since the Great recession and into the future

- IE experienced job growth of 2.7% (July 2016 to July 2017). 37,900 new jobs. Modest but largest economies in Southern California & 5th largest labor market in nation (2.0 million jobs).
- Employment trend has been on the rise for the last 5 years and setting record highs.
- Trend translates into increased median household incomes.
 - 2017 - \$54,400 (SB County) & \$56,000 (Riv. County)
 - 2017 - \$57,000 (Inland Empire)
 - 2017 - \$68,000 (City of Highland)
- Increases in household incomes translates into increased taxable sales (consumer and business spending).
- Commuter patterns to change with emergence and growth and maturity process (next 20 years).

Opportunities for Workforce Development & Growth

Code Sector:	% of workers with a HS Diploma or less :	New Jobs Forecasted, 2012-2020:	Median Income:
• Construction	84%	61,600	\$53,036
• Logistics	80%	143,100	\$44,291
• Finance, Insurance, & Real Estate	74.8%	53,000	\$48,010
• Manufacturing	68%	13,600	\$50,597
• Health Care	43.9%	133,100	\$57,444

City of Highland's Economy

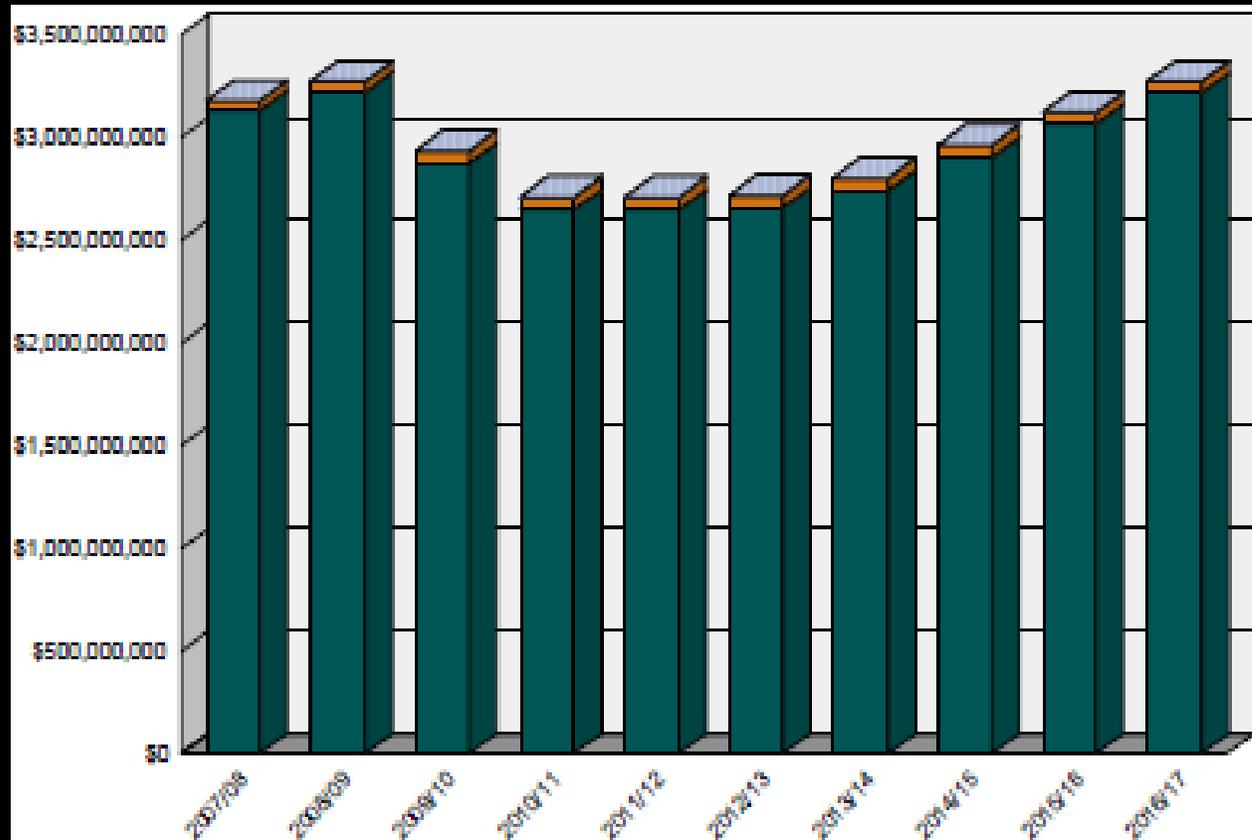
Indicators in Highland include:

- 1. Assessed Property Values*
- 2. Retail Sales Tax Trends*
- 3. Development Entitlements*
- 4. Construction Permits*

PROPERTY VALUES

Economic Indicator

Assessed Property Values 2016/2017 (4.7% increase from 2015/16)



2016/17 USE CATEGORY SUMMARY

BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	13,270	\$2,906,523,051 (86.8%)	\$2,861,773,192 (87.4%)
Commercial	235	\$210,815,100 (6.3%)	\$210,815,100 (6.4%)
Industrial	49	\$48,108,184 (1.4%)	\$48,108,184 (1.5%)
Dry Farm	1	\$127,371 (0.0%)	\$127,371 (0.0%)
Institutional	24	\$28,702,907 (0.9%)	\$3,737,935 (0.1%)
Irrigated	8	\$642,650 (0.0%)	\$642,650 (0.0%)
Miscellaneous	103	\$9,906,629 (0.3%)	\$9,236,444 (0.3%)
Recreational	3	\$1,322,280 (0.0%)	\$119,280 (0.0%)
Vacant	720	\$82,278,963 (2.5%)	\$82,142,782 (2.5%)
Exempt	679	\$0 (0.0%)	\$0 (0.0%)
SBE Nonunitary	[1]	\$18,900 (0.0%)	\$18,900 (0.0%)
Unsecured	[533]	\$58,764,229 (1.8%)	\$57,120,448 (1.7%)
TOTALS	15,092	\$3,347,210,284	\$3,273,842,286

Top Ten (10) Property Taxpayers 2016/2017

2016/17 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined	
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV
1) VICTORIA DEVELOPMENT COMPANY	1	\$25,562,082	0.79%	1	\$842,619	1.48%	\$26,404,701	0.81%
2) MIRACLE MILE PROPERTIES LP	4	\$17,141,689	0.53%				\$17,141,689	0.52%
3) LOWES HIW INC	1	\$13,290,000	0.41%	1	\$2,351,088	4.12%	\$15,641,088	0.48%
4) HIGHLAND AL-MC GROUP	1	\$13,021,660	0.40%	1	\$388,322	0.68%	\$13,409,982	0.41%
5) GREENSPOT VILLAGE AND MARKETPLACE LLC	15	\$11,953,714	0.37%				\$11,953,714	0.37%
6) GREENSPOT RANCH INVESTORS	3	\$11,446,223	0.36%				\$11,446,223	0.35%
7) RRM PROPERTIES LIMITED	13	\$6,774,435	0.21%	1	\$4,571,772	8.00%	\$11,346,207	0.35%
8) COLE LA HIGHLAND CALIFORNIA LP	1	\$10,048,137	0.31%				\$10,048,137	0.31%
9) BOULDER BASELINE INVESTORS	1	\$9,957,741	0.31%				\$9,957,741	0.30%
10) ACAA LP	6	\$9,082,597	0.28%	1	\$12,868	0.02%	\$9,095,465	0.28%
Top Ten Total	46	\$128,288,278	3.99%	5	\$8,166,669	14.30%	\$136,454,947	4.17%
City Total		\$3,216,721,838			\$57,120,448		\$3,273,842,286*	

*Value Includes Outer TRAs

City of Highland

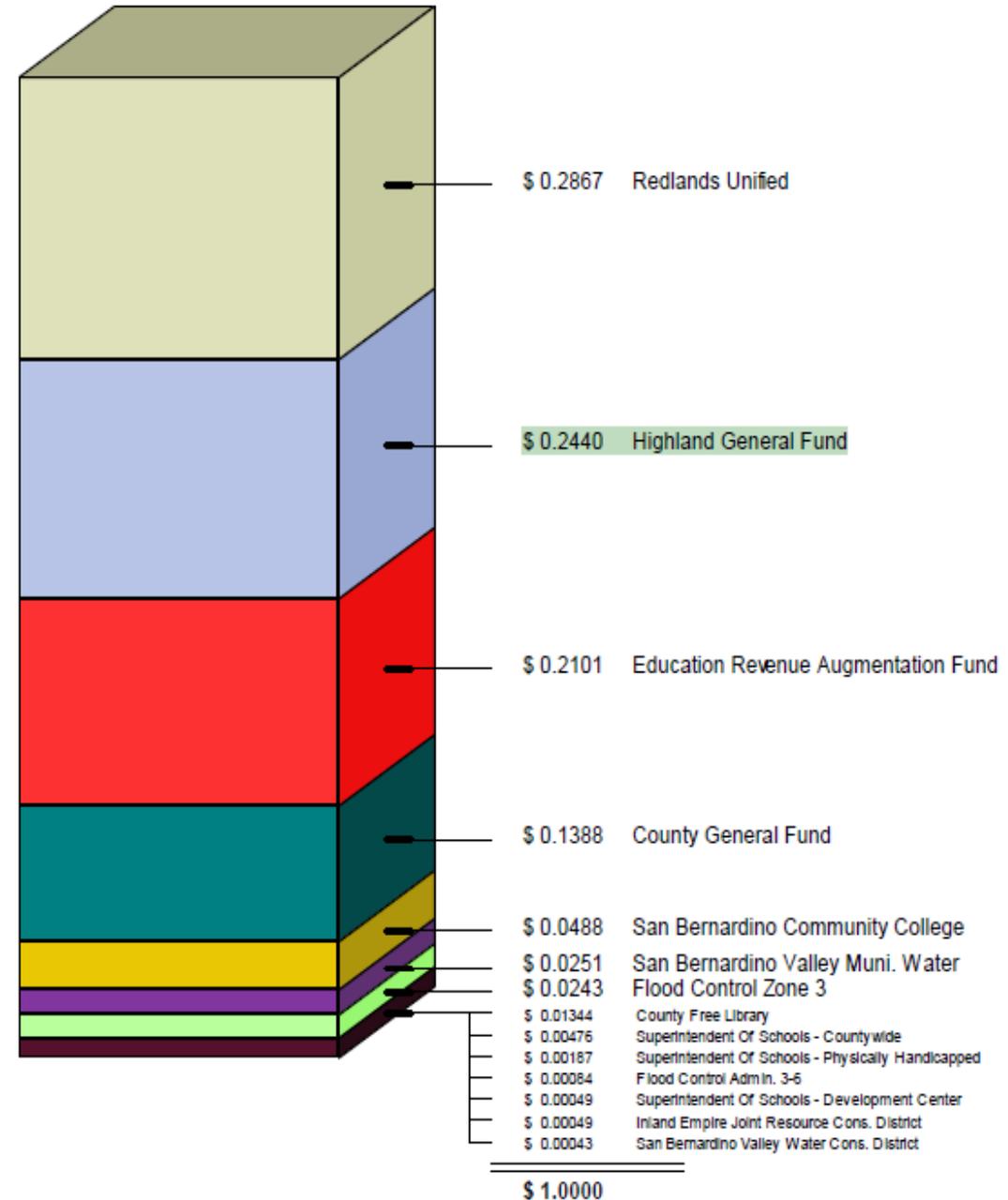
Property Tax Dollar Breakdown

\$1.00

FY 2016/2017: \$7.9 million

58%General Fund

42%....Fire Fund



SALES TAX

Economic Indicator

Retail Sales Trend 2016-2017

Top 25 Accounts =
67% of Fiscal Year Total)

TOP 25 SALES TAX PRODUCERS FOR FISCAL YEAR 2016-17

<u>Business Name</u>	<u>Business Category</u>
78	Service Stations
Albertsons	Grocery Stores
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
AT&T	Electronics/Appliance Stores
AutoZone	Automotive Supply Stores
Bakers Burgers	Quick-Service Restaurants
Big Lots	Variety Stores
Chevron	Service Stations
CVS Pharmacy	Drug Stores
Del Taco	Quick-Service Restaurants
Food 4 Less	Grocery Stores
Have A Snack Valero	Service Stations
Highland Ranch Valero	Service Stations
In N Out Burgers	Quick-Service Restaurants
Lowe's	Building Materials
McDonalds	Quick-Service Restaurants
Mi Cocina	Casual Dining
S & R Minimart AM PM	Service Stations
San Manuel Indian Bingo Casino	Leisure/Entertainment
Staples	Office Supplies/Furniture
Stater Bros	Grocery Stores
Valero Pacific Mini Market	Service Stations
Walgreens	Drug Stores

Taxable Sales by Category – last ten years (in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 988	\$ 769	\$ 456	\$ 346	\$ 180	\$ 258	\$ 1,027	\$ 179	\$ 159	\$ 172
Food Stores	21,227	20,737	20,258	19,318	19,064	19,544	19,138	19,488	20,182	21,394
Eating and Drinking Places	20,997	21,835	23,506	24,306	27,429	34,335	36,245	39,840	44,929	46,858
Auto Dealers and Supplies	5,200	4,904	4,597	4,345	4,126	4,528	4,413	4,405	4,261	4,216
Service Stations	57,355	58,966	44,927	56,847	73,387	77,348	73,853	69,725	61,963	51,714
Other Retail Stores	21,460	25,299	47,603	46,320	49,736	50,017	49,987	53,403	55,359	57,556
All Other Outlets	25,233	24,368	23,001	26,975	33,856	32,762	35,507	37,029	38,017	43,647
Total	\$ 152,460	\$ 156,879	\$ 164,349	\$ 178,457	\$ 207,778	\$ 218,788	\$ 220,170	\$ 224,068	\$ 224,869	\$ 225,557

Sales Tax Breakdown

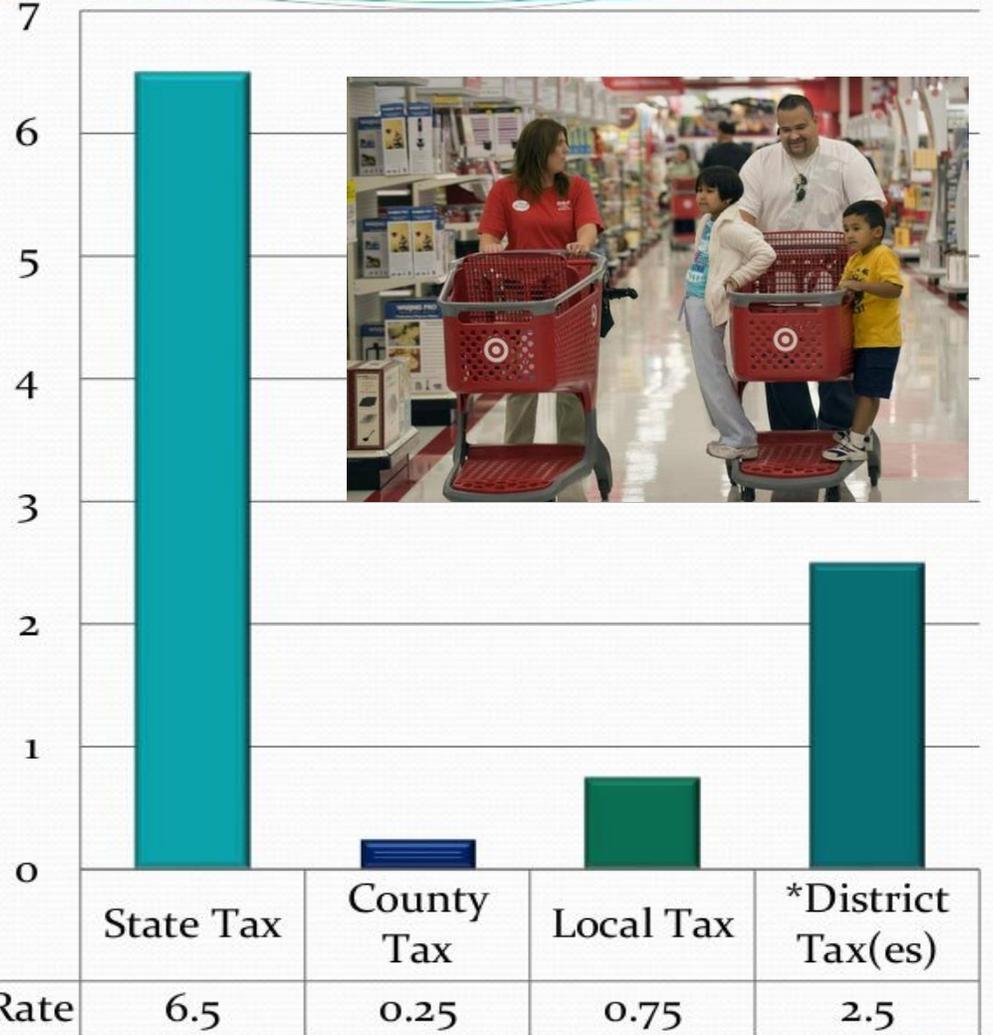
8.0%

State: \$11.7 million
Local: \$1.8 million

Components of the Tax



% of Sales Tax



Rate	Jurisdiction	Purpose	Authority
3.6875%	State	Goes to State's General Fund	Revenue and Taxation Code Sections 6051, 6201
0.25%	State	Goes to State's General Fund	Revenue and Taxation Code Sections 6051.3, 6201.3 (Inoperative 1/1/01 – 12/31/01)
0.25%	State	Goes to State's Fiscal Recovery Fund, to pay off Economic Recovery Bonds (2004)	Revenue and Taxation Code Sections 6051.5, 6201.5 (Operative 7/1/04)
0.50%	State	Goes to Local Public Safety Fund to support local criminal justice activities (1993)	Section 35, Article XIII, State Constitution
0.25%	State	Goes to State's Education Protection Account to support school districts, county offices of education, charter schools, and community college districts.	Section 36, Article XIII, State Constitution (Operative 1/1/13 to 12/31/16)
0.50%	State	Goes to Local Revenue Fund to support local health and social services programs (1991 Realignment)	Revenue and Taxation Code Sections 6051.2, 6201.2
1.0625%	State	Goes to Local Revenue Fund 2011	Revenue and Taxation Code Sections 6051.15 and 6201.15
1.00%	Local	0.25% Goes to county transportation funds 0.75% Goes to city or county operations	Revenue and Taxation Code Section 7203.1 (Operative 7/1/04)
Total:			
7.50%	State/Local	Total Statewide Base Sales and Use Tax Rate	

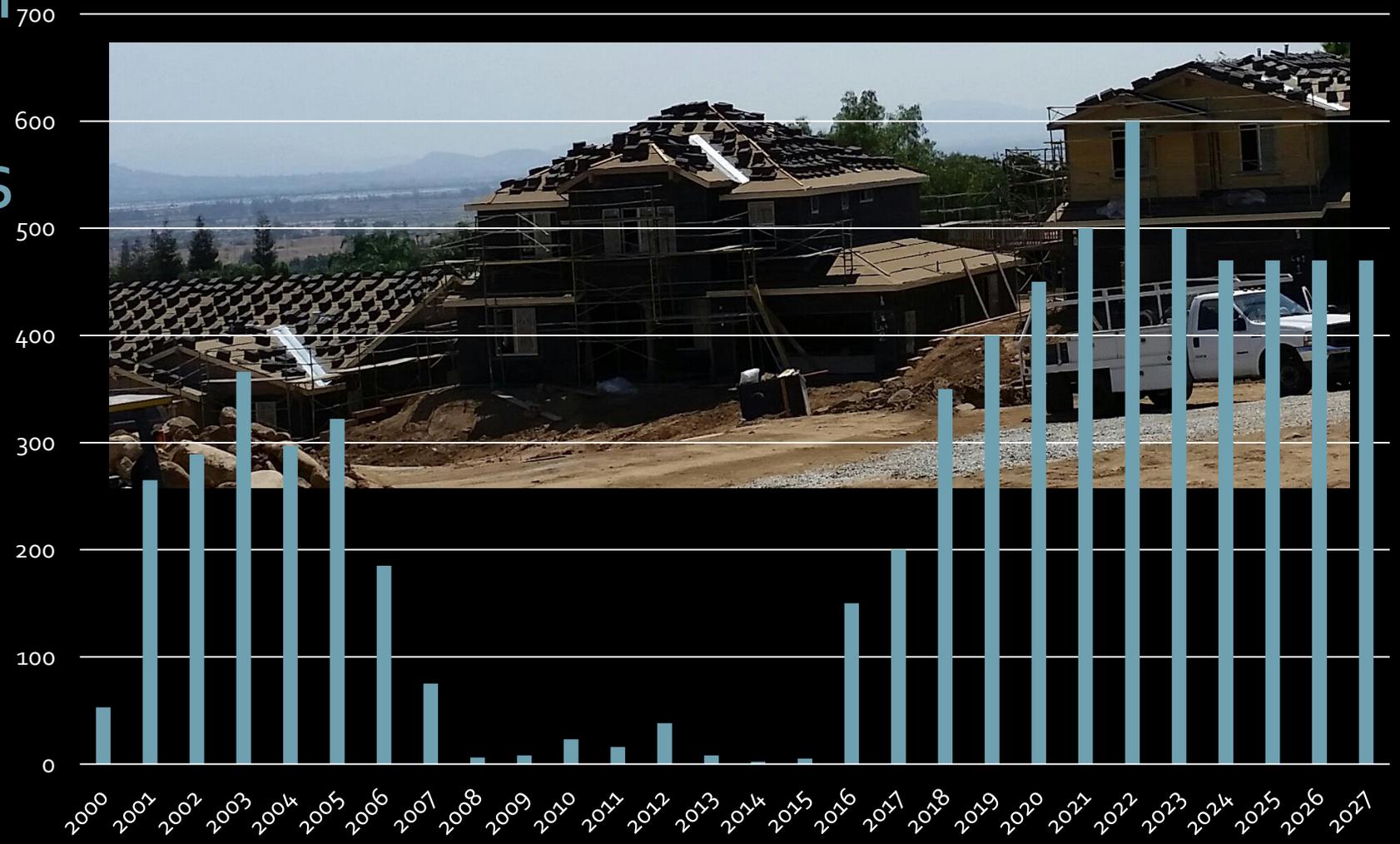


CONSTRUCTION & ENTITLEMENTS

Economic Indicator

Construction and Entitlements

Housing Permits



Between 2000 to 2015 over 2,000 housing units were constructed.

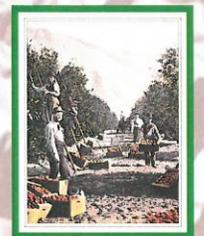
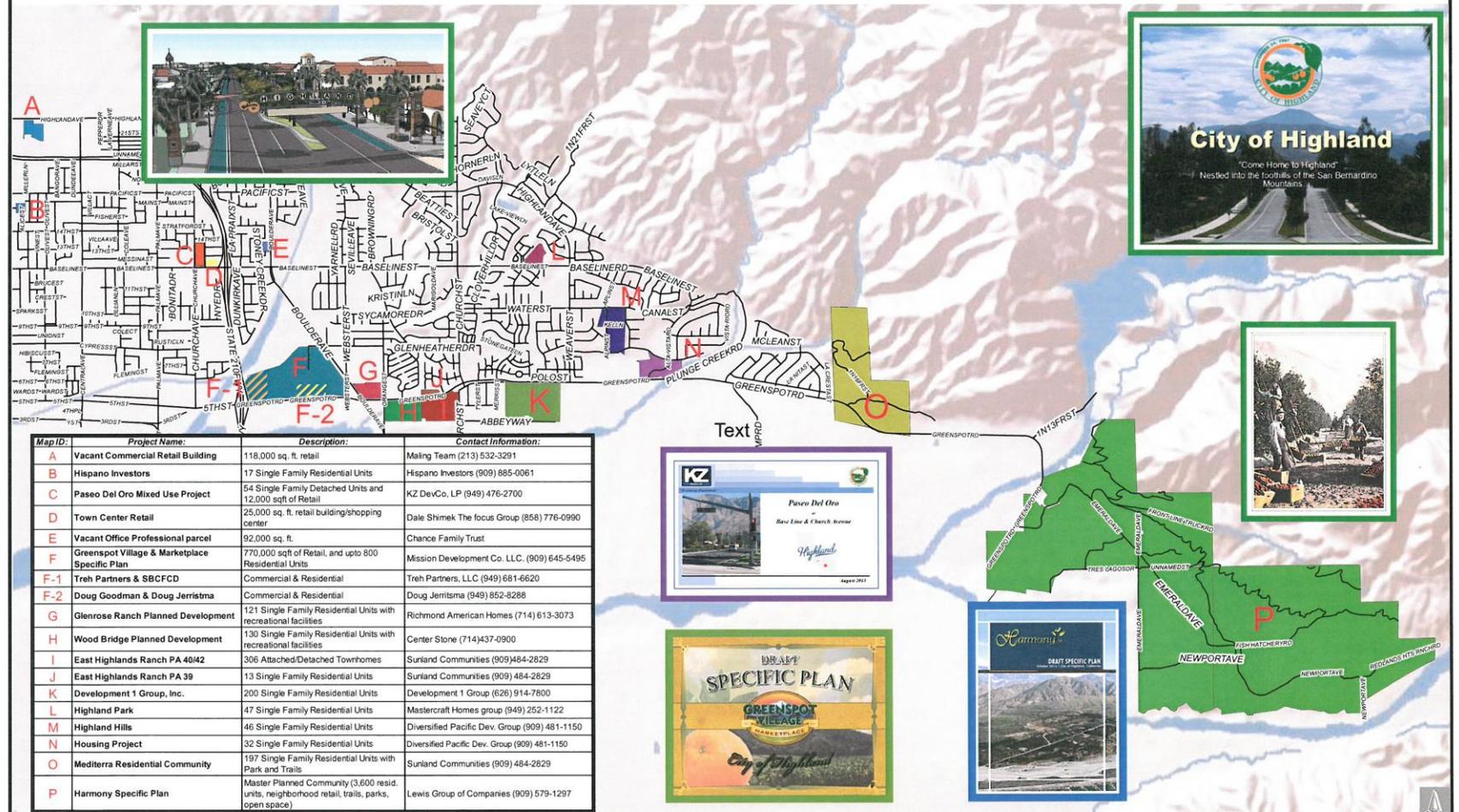
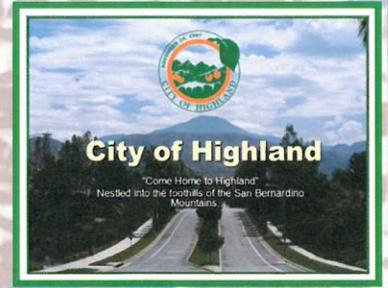
Housing is where jobs go to sleep.

Between 2015 – 2025 (10 year period) over 5,000 housing units will be constructed in Highland

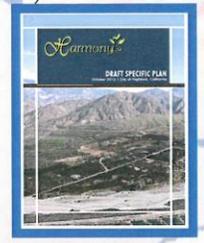
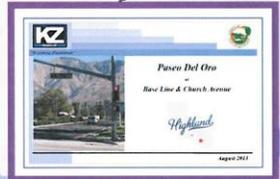
COMMUNITY DEVELOPMENT ACTIVITY

See Handout & Website

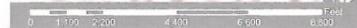
COMMUNITY DEVELOPMENT ACTIVITY LIST



Map ID:	Project Name:	Description:	Contact Information:
A	Vacant Commercial Retail Building	118,000 sq. ft. retail	Making Team (213) 532-3291
B	Hispano Investors	17 Single Family Residential Units	Hispano Investors (909) 885-0061
C	Paseo Del Oro Mixed Use Project	54 Single Family Detached Units and 12,000 sqft of Retail	KZ DevCo, LP (949) 476-2700
D	Town Center Retail	25,000 sq. ft. retail building/shopping center	Dale Shimek The focus Group (858) 776-0990
E	Vacant Office Professional parcel	92,000 sq. ft.	Chance Family Trust
F	Greenspot Village & Marketplace Specific Plan	770,000 sqft of Retail, and upto 800 Residential Units	Mission Development Co. LLC. (909) 645-5495
F-1	Treh Partners & SBCFCD	Commercial & Residential	Treh Partners, LLC (949) 681-6620
F-2	Doug Goodman & Doug Jerrisma	Commercial & Residential	Doug Jerrisma (949) 852-8288
G	Glenrose Ranch Planned Development	121 Single Family Residential Units with recreational facilities	Richmond American Homes (714) 613-3073
H	Wood Bridge Planned Development	130 Single Family Residential Units with recreational facilities	Center Stone (714)437-0900
I	East Highlands Ranch PA 40/42	306 Attached/Detached Townhomes	Surland Communities (909)484-2829
J	East Highlands Ranch PA 39	13 Single Family Residential Units	Surland Communities (909) 484-2829
K	Development 1 Group, Inc.	200 Single Family Residential Units	Development 1 Group (626) 914-7800
L	Highland Park	47 Single Family Residential Units	Mastercraft Homes group (949) 252-1122
M	Highland Hills	46 Single Family Residential Units	Diversified Pacific Dev. Group (909) 481-1150
N	Housing Project	32 Single Family Residential Units	Diversified Pacific Dev. Group (909) 481-1150
O	Mediterra Residential Community	197 Single Family Residential Units with Park and Trails	Surland Communities (909) 484-2829
P	Harmony Specific Plan	Master Planned Community (3,600 resid. units, neighborhood retail, trails, parks, open space)	Lewis Group of Companies (909) 579-1297



For more detailed information on these projects, please contact Lawrence A. Mainez, Community Development Director at (909) 864-8732, Ext. 215 or email at lmainez@cityofhighland.org, or Angela Aguilar, Planning Technician at Ext. 258.



Grand Openings in 2016/2017

COMING SOON



Welcoming Home new Businesses & Housing Development

- Smart & Final Plus (Town Center)
- Panda Express (Base Line)
- Jack in the Box (Base Line)
- 7 Eleven (Greenspot Road)
- T-Mobile (Highland Crossings)
- Jersey Mikes (Highland Crossings)
- Wings & Things (Highland Crossings)
- Jamba Juice (Highland Crossings)
- Trend Setters Beauty Supply & Salon (Highland Crossings)
- O'Reilly Auto Parts (Base Line)
- AM/PM Mini Mart (Highland and Victoria)
- Falafel World (Highland Village Plaza)
- Master Helco Fencing (5th and Church Ave)
- Food 4 Less Gas Station (Highland & Victoria)
- Mastercraft Homes (Base Line – 46 sf)
- Blossom Trails (Greenspot Road – 137 sf)
- Hispano Investors (Pacific & Victoria – 17 sf)
- Wood Bridge (Greenspot Road – 130 sf)

Retail Growth 2016-2017

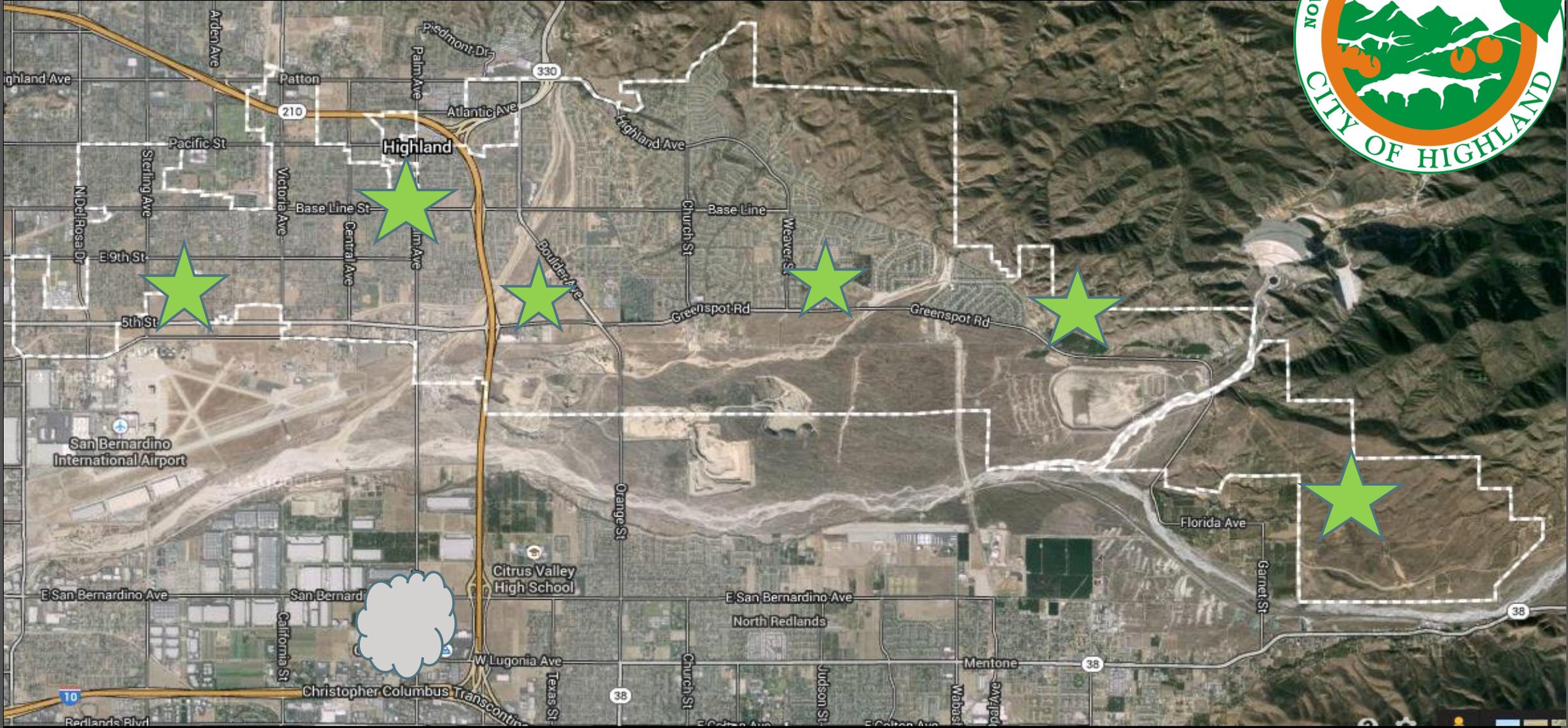
- Fitness/Health/Spa Concept
- Drug Stores
- Thrift Stores
- Grocery (smaller format) – Discount, Ethnic, Organic, Upscale
- Fast Food
- Fast Casual Dining
- Trendy “Cool Street” Brands

Retail Contraction 2016-2017

- Book Stores
- Video Stores
- Do-it yourself Home Stores
- Mid-Priced Apparel
- Mid-Priced Grocery
- Office Supplies

Community Development Activity

- Current and Proposed Activity in Six (6) General Plan Policy Areas:
 1. Town Center Policy Area
 2. 5th Street Policy Area (High Tech Highland)
 3. Golden Triangle Policy Area (Greenspot Village & Marketplace)
 4. East Highlands Ranch PUD (nearing build-out)
 5. Greenspot Road – Easterly Corridor (future Policy Area)
 6. Seven Oaks Policy Area (Harmony Specific Plan**)



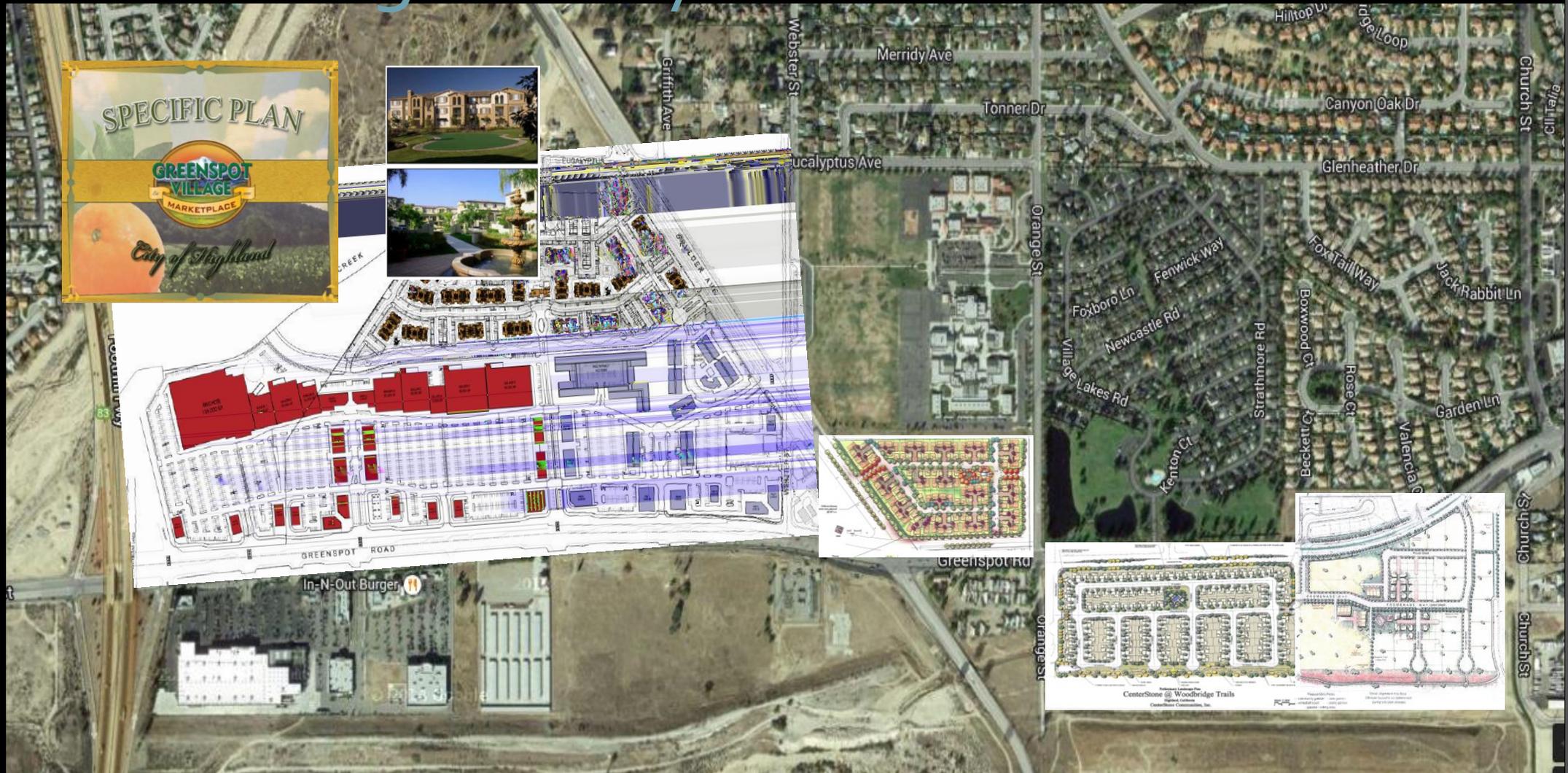
Town Center Beautification



Smart & Final (Town Center)



Golden Triangle Policy Area





Richmond American Homes





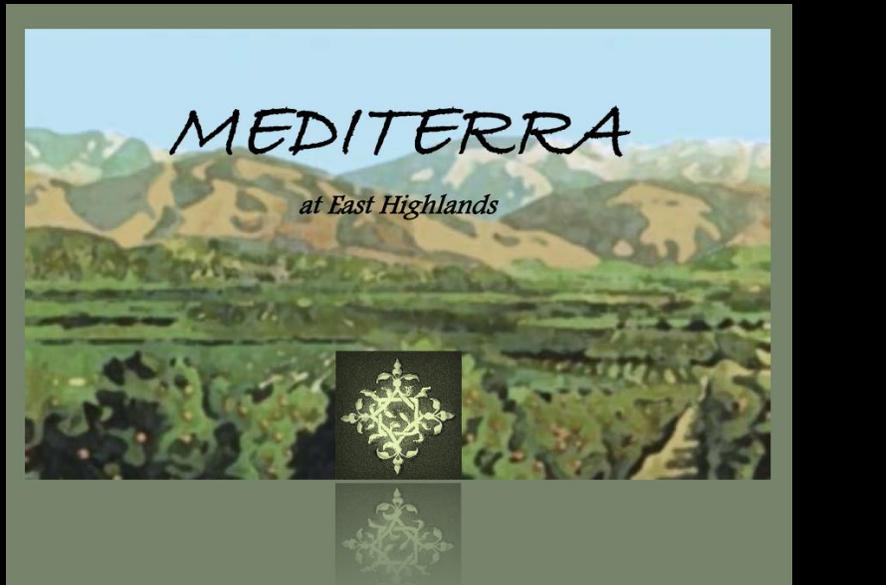
Richmond American Homes



Diversified Pacific Homes

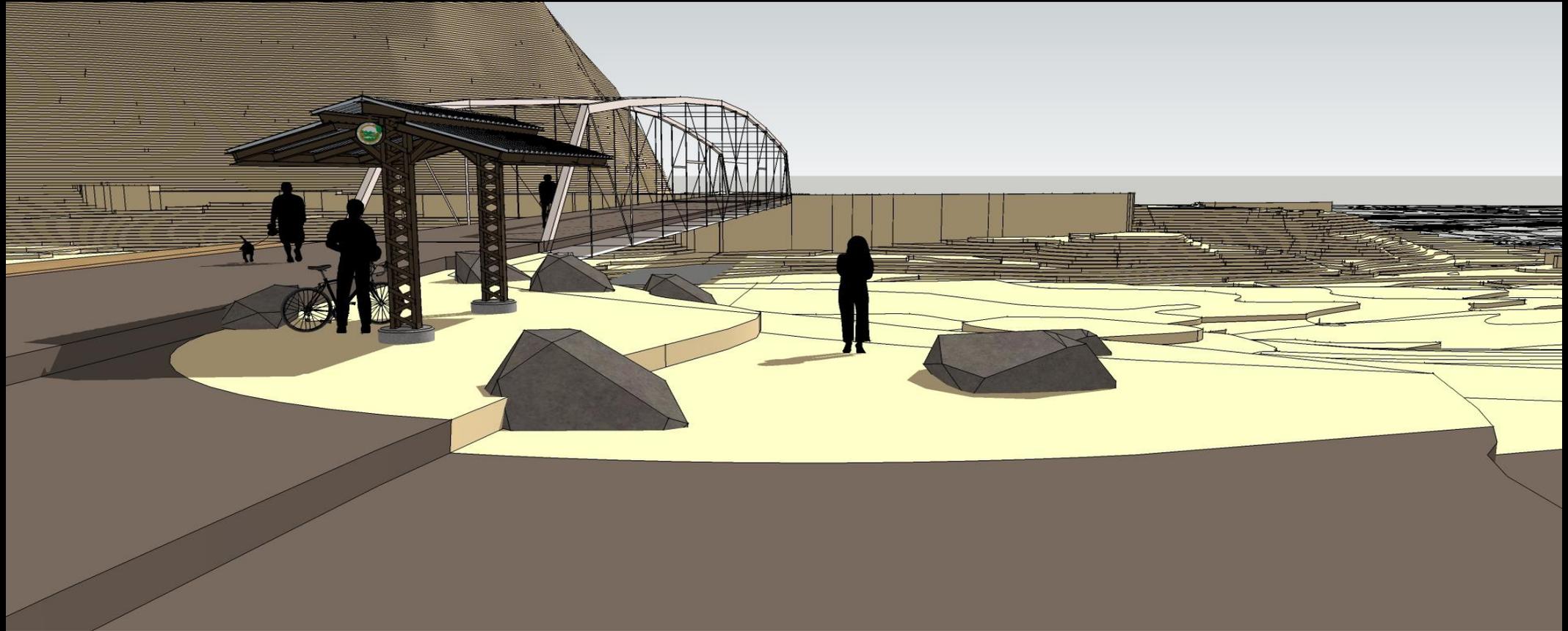


Easterly Greenspot Corridor



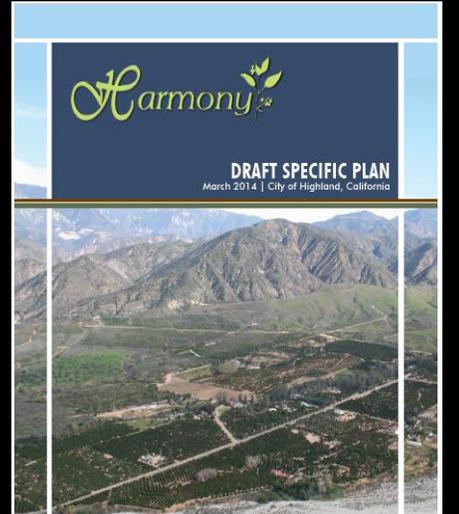
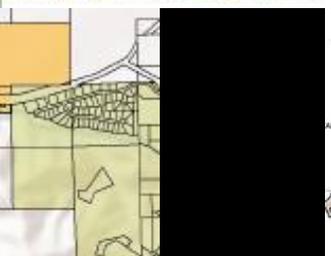
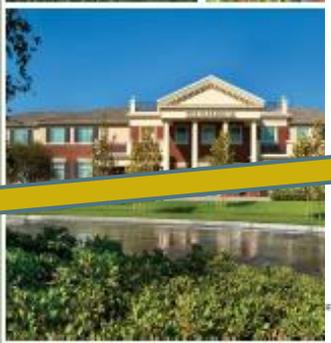
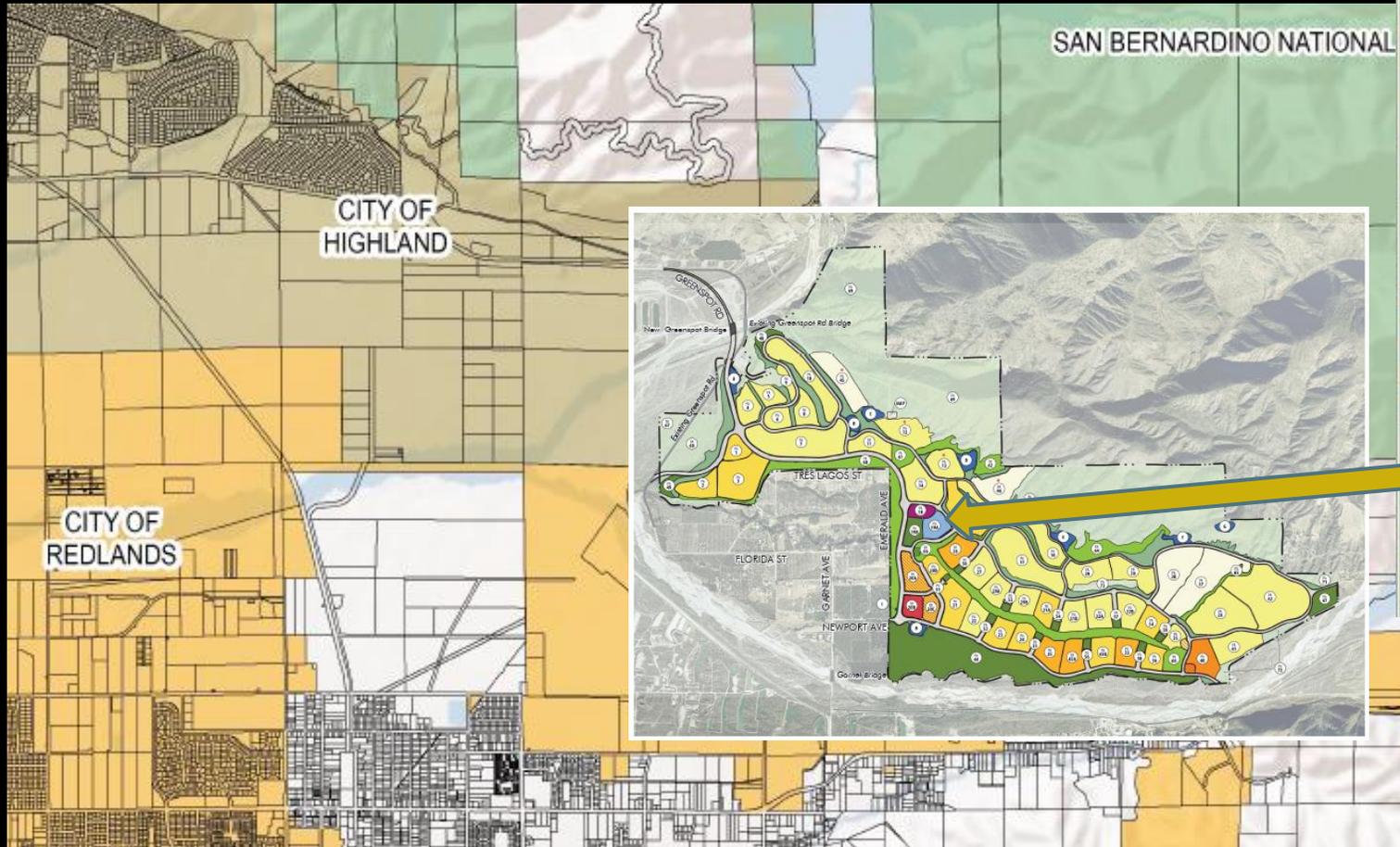
VERTICAL CLEARANCE 11'6"







Harmony in Highland...





4 - 5 year prediction**

- Single-family detached (SF Units) : 1,000 – 1,900 units
- Multi-family attached (MF Units) : 300 - 500 units
- Retail Sqft : 200,000 – 225,000 sqft
- Business Park/Light Industrial : 50,000 – 100,000 sqft

***[Based on developer interest only. Largely dependent on market demand and State Policies.]*

2017 Development Activity Goals

- Greenspot Village & Marketplace SP to continue to mediate and resolve investor constraints by promoting a renewed commitment involving a new partnership amongst investors to ensure new retail development breaks ground in the next couple of years.
- Acquisition of SBCFCD property (GSV&MP Specific Plan) on Greenspot Road complete PSA in 2017 (TREN Partners LLC).
- “High Tech Highland Initiative” continue to collaborate with the SBIA, City of San Bernardino, East Valley Water District, and San Manuel Band of Mission Indians and other regional stakeholders in the development of the “Airport Gateway Specific Plan”.

ECONOMIC DEVELOPMENT WEBSITE

CGI promotional video

PUBLIC WORKS PROJECTS

Public Works Projects





Community Development Activity
&
Public Works/Capital Improvement Activity