



ECONOMIC DEVELOPMENT DIVISION STATUS REPORT/ACCOMPLISHMENTS (2012-2013 Year End)

INTRODUCTION

Economic development activity continued on a positive trend during the third and fourth quarter of 2012-2013, in spite of the sluggish economy. Sales tax receipts for Colton's January through March 2013 were 9.1% higher than the same quarter one year ago (January through March 2012). Actual sales activity was up 6.6% when reporting irregularities were factored out. The City experienced a strong sales quarter for RV dealers, lumber/building materials and some categories of general consumer goods. Recent additions of new businesses in Colton helped boost sales.

(source: HdL Companies, January – March 2013 Sales Tax Update)

The Inland Empire June 2013 unemployment rate of 10.3% was down from 12.7% in June 2012. California's unemployment rate as of June 2013 was 9.6%; while the United States unemployment rate was 7.8%. Colton's unemployment rate was 11.6% as of July 2013; down from 12.9% last year.

(source: State of California Employment Development Department)

The City's attendance at the 2013 International Council of Shopping Centers ("ICSC") Conference held in May 2013 (Las Vegas, NV) culminated in meetings with numerous retailers and developers; making them aware that Colton is a great place to bring their business expansion efforts.

The Economic Development Division continually updates economic data, demographic and development trends, to maintain current information to better assist clients with their search for potential development opportunities. The information also aids Economic Development staff in identifying areas of opportunity: specific gaps, target retail markets, provide linkages to key census information and assist in presenting available sites.

Economic Development staff continues to work with businesses, property owners, developers, brokers, and shopping center owners while tracking all existing retail centers and tenants, including those projects under construction or planned. Staff works with their clients throughout the entitlement process, to completion of their project, and beyond.

While much has been accomplished, we recognize that much remains to be done. With an eye toward the vast spectrum of opportunities on the horizon, a growing presence of retail, warehouse industrial and manufacturing are indicative of the City's commitment to economic growth. Available sites and a "can-do" attitude toward economic development make Colton attractive for successful relocation and for new enterprise.

2012-2013 ACCOMPLISHMENTS

1. **Real Estate Activity:** The City's aggressive business attraction, retention and expansion efforts are creating significant interest from developers and businesses seeking opportunities in Colton; as reported below:

- a. **The Villas, Senior Housing:** As you approach City Hall, you pass a beautiful Senior Housing project currently under construction. Eagle Real Estate is building 120 senior housing units, 101 of which will be affordable housing units for low and moderate income seniors. Eagle is handling rental of the units, and calls are received daily with inquiries about the units. This beautiful project is expected to kick-start development in the downtown area.



- b. **Starbucks coming soon:** The City was successful in attracting Starbucks to the former Burger King site at 202 E. Valley Boulevard. Their developer is in escrow on the purchase of the site and hopes to have their tenant improvements completed within 45 days of the close of escrow. Starbucks will make this site a drive-through site, which should serve to bring new interest from developers as we redevelop our downtown area.
- c. **New Church's Chicken:** Colton's other Burger King, at 1110 South Mt. Vernon, is now a Church's Chicken fast food restaurant. A grand-opening and ribbon cutting was held on August 10, 2013.
- d. **Offices coming to the Former Moss Bros. Building (1900 W. Valley Blvd.)** – The City is working with a developer who is working with the County of San Bernardino to provide office facilities for the relocation of the Transitional Assistance Department (TAD). The relocation will update, remodel and expand one of the two buildings currently on site. The other building will be remodeled and additional retail will be constructed on the site.
- e. **Northwest Corner of Valley Blvd. and La Cadena Drive** – The City is seeking property owner interest in redeveloping the site. Both developers and retailers have expressed interest in this downtown location.
- f. **Former K-Mart Building (1175 S. Mt. Vernon Ave.)** – Staff is working with the property owner for the sale of the site to a retail developer. There is significant interest by both retailers and developers as staff marketed the site at the ICSC Western Regional Conference in San Diego in September.
- g. **Reliable Properties** is the new owner of the Former Zendejas Building (1030 S. Mount Vernon Ave.) Reliable Properties has other holdings in the City of Colton and is actively marketing this building to restaurant users. They have spruced up the exterior, and Staff is assisting them in their efforts to secure a tenant for the restaurant.

- h. **Successor Agency Property on Cooley Drive (11.2 Acres)** – Staff has submitted a plan to the Department of Finance to attract retail to the site, as one of the few freeway-visible properties in the City of Colton. Staff believes that the plan proposed meets the objectives of the AB 1484 mandates to maximize returns to the taxing entities of the former Redevelopment Agency.
- i. **Plaza Las Glorias** has a new tenant, Molina Medical Center. The new tenant represents the increasing expansion of the medical industry within the Inland Empire. Molina Healthcare, a FORTUNE 500, multi-state health care organization, arranges for the delivery of health care services and offers health information management solutions to nearly five million individuals and families who receive their care through Medicaid, Medicare and other government-funded programs in fifteen states.
- j. **Diesel Injection High Performance Pro Shop (1690 Ashley Way)** – Diesel Injection purchased the Former Canyon RV site to expand their presence and have a showroom for their high performance diesel engine parts and service. A grand opening and ribbon cutting was held on January 19, 2013, and the business is happy with their relocation to the Colton site.



- k. **Dollar General (859 No. Rancho Avenue):** Dollar General is expanding into the California market, and has located a store at the shopping center at Rancho Avenue and "C" Street. Improvements have been made to the site, including landscaping and much-needed parking lot lighting.
- l. **99 Cent Only Store (1481 La Cadena Drive):** 99 Cent Only, a western regional general merchandise, discount store, has remodeled an existing building located at the junction of La Cadena, Citrus and Mt. Vernon Ave. The estimated value for the remodel is \$350,000 to \$400,000 and has greatly improved this unique site. The store anticipates generating approximately \$2.5 million in annual sales, which is \$25,000 annual sales tax revenue to the City of Colton.
- m. **Family Dollar:** Family Dollar Stores, a national chain, has entered into leases at two locations as part of their expansion into California. Plans have been submitted for the first location on the vacant lot directly across from Stater Bros, south of Mill Street along Rancho Avenue. The other location is the vacant lot west of, and adjacent to, PG Burgers along Valley Boulevard and 9th Street. Family Dollar, which is based in Charlotte, N.C., agreed to make some exterior design changes to accommodate some of the design elements requested for the downtown location.

- n. **Fast Food Frenzy!** Developers have great interest in the Valley & Pepper sites and in the site at Colton and Mt. Vernon (former senior housing site). Staff is preparing requested information and meetings to discuss potential businesses and site plans for these and other locations.
- o. **New restaurants to try!** The City has seen several new restaurants open, expand or remodel over the past year. Here are a few not already mentioned:

Sushi, Miguel's Style, 291 E. Valley Blvd., New La Veranda, 1296 N. Mt. Vernon Avenue, New Maria's Café, 2049 E. Washington, Expansion El Aguila Real Restaurant, 865 N. Rancho, New Taco Patron, 1089 E. Washington Street, New Mariscos La Huerta, 1462 N. La Cadena Drive, Expansion P&G Burgers, 190 W. Valley Blvd., Remodel McDonalds, 225 W. Valley Blvd., Remodel McDonalds, 1201 S. Mt. Vernon, Remodel Bonello's, 803 W. Valley Blvd., New Spanglish Restaurant, 821 W. Valley Blvd., New



Photo is for illustrative purposes only

- 2. **Job Creation--New and Expanding Businesses:** In addition to increasing activity in restaurants and retail, manufacturers see Colton as the place to do business as well, which greatly increases jobs available to our citizens.
 - a. **Chino Valley Ranchers (311 West Citrus Avenue):** Work is nearly complete on a large food processing project with Chino Valley Ranchers (CVR). CVR has remodeled the 290,000 square foot industrial building for their egg processing operation. The purchase of the property and the renovation improvements are estimated at \$21 million. Chino Valley Ranchers will employ 150, with an estimated 75 new jobs created at the site. Al's Garden Art, which has sold operations to Fiori Stone, will lease a portion of the building for 4 years. Fiori Stone's lease of a portion of the building retains approximately 50 jobs.



Chino Valley Ranchers improved facilities 311 West Citrus Avenue

- b. **United Packaging Group:** United Packaging Group (UPG), located at 1601 Steel Road, is under construction on a parcel next door for a 160,000 square foot manufacturing facility which will effectively double their manufacturing capacity. UPG creates and distributes several specialty water lines throughout the country, including one that is stated to be the “purest water in the world”. UPG currently employs approximately 100 workers and expects to create nearly 100 new jobs and more than double its manufacturing capacity.



Existing UPG Facilities



Expansion Facility under Construction

- c. **Lineage Logistics (2063 Miguel Bustamante Parkway):** Plans have been submitted and are in plan check for the construction of a 424,000 square foot cold-storage facility. Lineage, formerly Castle and Cooke, plans to restructure their operations, which will consolidate some of their cold storage space on Barton Road and expand into the Miguel Bustamante location. Ultimately, between 150 – 200 new jobs are expected to be created.



Artist Rendering of Lineage Logistics

- d. **Howard Industrial Partners:** Architectural and Site Plan review has been approved on an 800,000 square foot industrial “spec” building on Agua Mansa Road. The Planning Commission will review the project soon. The number of jobs that will be created will depend on the use. A “fulfillment center” is the intended use, and could create several hundred to one thousand jobs, depending upon the tenant and the items they sell.

3. **On the drawing board:** In addition to the projects completed or approved, there are some projects we expect to be underway soon:

- a. **Pepper Plaza Commercial Project (SWC of Valley Blvd. & Pepper Ave.):** A draft Disposition and Development Agreement with Valley-Orange Enterprises has been prepared for the proposed development of a new service station/car wash and an approximate 7,000 square feet of commercial/retail. Details are still being finalized, with hope for full agreement soon.



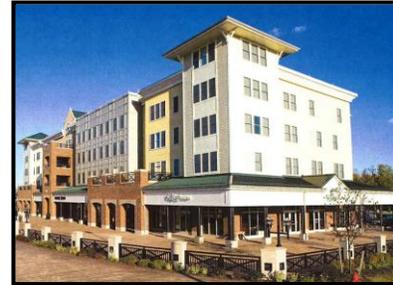
- b. **LA Fitness:** Northwest Corner of Valley & Pepper. One of the owners of the land is developing the property and has submitted a pre-application for the location of an LA Fitness on the property. The project is also set to contain other retail or restaurant uses.



- c. **Downtown Revitalization:** Staff is working on several sites in the downtown area, encouraging property assemblage, joint ventures with developers, and other available development strategies in an attempt to see some re-use of dilapidated or outdated downtown properties in an attempt to bring new life to Colton's downtown area. Progress is slow, but anticipated to gain momentum as Starbucks and Family Dollar break ground.



- d. **Hub City Centre:** The Hub City Centre, formerly the West Valley Specific Plan Area, is moving quickly with the expected final approval of the West Valley Habitat Conservation Plan in early 2014. In anticipation of the final approval, a Specific Plan Amendment is underway, and Staff meets regularly with property owners in the area to further the vision for the area. With Arrowhead Regional Medical Center (“ARMC”) as the anchor of the Hub City Centre, Staff is working to attract uses compatible and supportive of medical uses. Staff is also working with ARMC in relation to a proposed medical school campus that is planned to be located adjacent to ARMC.



Photos are for illustrative purposes only

4. Housing: Though housing development has been slow since the economic downturn, there is activity to report:

- a. **Arbor Terrace Apartments:** The Arbor Terrace Apartments, located at 2170 – 2192 North Rancho Avenue, was purchased by WNC Community Preservation Partners, LLC. In partnership with Jamboree Housing Corporation, work is underway for upgrade of the units and building exterior. Nearly \$17 million is planned to be expended on the upgrade to this affordable housing complex.



b. **Rancho Mediterrania Mobile Home Estates:** The Colton Housing Authority owns 29 lots in this 259-lot mobile home condominium project. A program is being developed to attempt to sell the lots to the owners of the mobile homes on the lots.

c. **Global Pacific, Fairway Drive:** Global Pacific is once again proposing affordable housing on Fairway Drive. The project would be a total of 32 units, built in two phases.

5. **Other Economic Development Activities:**

a. **Enterprise Zone Hiring Tax Credit:** Colton is a member of the San Bernardino Valley Enterprise Zone (“SBVEZ”). Colton had 591 hiring vouchers in 2012-13, worth up to \$37,400 per employee over 5 years—potential benefit of \$22,103,400 over the 5-year period to Colton businesses.

b. **Community Development Block Grant (CDBG):** Economic Development staff is coordinating CDBG grant funds allocated to the City as a participant in the County of San Bernardino Urban County Program. In this capacity, Staff coordinates with Public Works for capital projects and Community Services for Public Service projects. This involves review of all documents and reimbursement requests for compliance and acting as the designated signatory for CDBG compliance documents. Staff has given the CDBG Committee a structure to work by in order to submit/receive, evaluate, and prioritize funding for potential projects. Working with the Department of Public Works and Finance, current CDBG construction projects underway or completed include: Landscaping at the C Street Undercrossing; Pedestrian crosswalks at Mt. Vernon and Palm, and Mt. Vernon and D Street; Sidewalk repairs along a section of Little Colton; and School Drop-off improvements on Bordwell. Projects soon to be scheduled include: Sidewalk, curb and gutter improvements in various Target Areas of the City; and Alleyway improvements in certain Target Areas of the City.