



**ECONOMIC DEVELOPMENT DIVISION
STATUS REPORT
(Fiscal Year 2013-2014: 2nd Quarter Report)**

INLAND EMPIRE / COLTON ECONOMIC BASE

The City of Colton's Economic Development Division continues to establish relationships, build networks, and identify resources to meet the needs of property owners, residents, developers and businesses. The Division is a key facilitator in creating public-private partnerships to attract new businesses, facilitate enterprise development, and assist existing businesses with expansion.

Colton Sales Tax Up

Sales tax receipts for April through June 2013 in Colton were 15.7% higher than the same quarter one year ago (April through June 2012). Actual sales activity was up 12.9% when reporting irregularities were factored out. Out of 25 cities in San Bernardino County, Colton ranked 2nd in sales activity by percentage increase. In comparison, in San Bernardino County and Southern California as a whole, sales and use tax receipts were up only by 5.2% over the same time period. *(source: HdL Companies, April – June 2013 Sales Tax Update)*

Unemployment Rates Down: San Bernardino County's December 2013 unemployment rate was 8.7%; down from 10.9% a year ago. California's unemployment rate as of December 2013 was 7.9%; while the United States unemployment rate was 6.7%. Colton's unemployment rate was 9.4% as of December 2013; down from 12.9% last year. *(source: State of California Employment Development Department)*

Property Tax Revenues to Increase

Colton's assessed values are projected to increase by 2.0% during 2013-2014 over last year's increase of 2.5% as reported by HdL, Coren and Cone. This translates into an increase in property tax revenue to the City of Colton.

Median Home Prices Jump for Single Family Residential

Median home prices in Colton for the 2nd Quarter of 2013 were \$166,500 up from 2012 2nd Quarter by 19.8% with a median home price of \$139,000. Average home prices were \$179,768 in 2nd Quarter 2013, up from \$138,902 a year ago, representing a 29.4% increase in the average home price. Within San Bernardino County, median home prices jumped by 25.8% (\$239,014) for the same "year on year" period; while average home prices grew by 24.5% (\$195,000). *(source: HdL Coren & Cone)*

Foreclosures Drop Significantly

Foreclosure activity in Colton has dropped by 37.5% as of September 2013 with a total of 27 identified Notices of Default (10), Notices of Trustee's Sales file (10) and recorded Real Estate Owned by Lenders (7). This is a significant decrease from 72 total foreclosure activities from a year ago in September 2012. As of December 2013, Trustees Deeds recorded within San Bernardino County, as reported by DQNews, dropped by 55.1% on a "year over year" basis. *(source: HdL Coren & Cone and DQNews.com)*

REAL ESTATE ACTIVITY



The City of Colton's Economic Development activity lands another success, once again. In November 2013, Colton's Planning Commission approved the development of an 808,500 square foot warehouse distribution building on 41 acres of land located at 1350-1600 West Agua Mansa Road, east of Riverside Avenue. Construction is anticipated to begin in the summer of 2014.

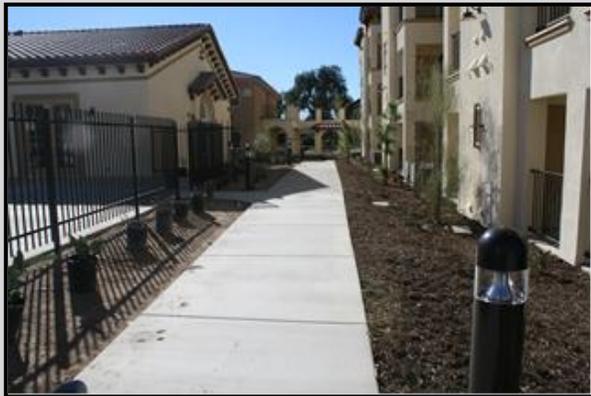


Pepper Plaza Commercial Project (SWC of Valley Blvd. & Pepper Ave.): In December 2013, proposed development terms were agreed to by Valley-Orange Enterprise (Developer) for a draft Disposition and Development Agreement for the proposed construction of a new service station/car wash and an approximate 7,000 square feet of commercial/retail.

DEVELOPMENT NEWS



The Villa's – A 55+ Community: Construction is completed on the 120 unit affordable senior housing project. The site is developed with two 2-story and two 3-story buildings; a clubhouse; pool and spa; and recreational areas. The site also showcases Colton's historical bell. As of January, 80 units have been rented. February 1, 2014 was the Grand Opening Celebration and tenant move-in date.





Family Dollar Breaks Ground (869 North Rancho Avenue): Family Dollar Stores broke ground in the Fall of 2013 for the construction of their first location on the vacant lot directly across from Stater Bros, south of Mill Street along Rancho Avenue. A second store is being planned on the vacant lot west of, and adjacent to, PG Burgers along Valley Boulevard and 7th Street.

Family Dollar, based in Charlotte, N.C., is a national chain retailer expanding into the California marketplace which has projected annual sales of \$2 million to \$2.5 million at each store annually. With two locations, the one percent annual sales tax could double the tax revenue (up to approximately \$50,000) for Colton.



Baker's Burgers (1620 West Valley Blvd.): Baker's Burgers – Drive Thru is nearing completion of their improvements, modernizing the existing restaurant. A Grand Re-Opening is anticipated in February 2014. The restaurant is adjacent to the Valero Gas Station.

Baker's remodeling will serve to complement the anticipated improvements to the adjacent Valero Gas Station as proposed by Valley-Orange Enterprises, LLC (a new service station/car wash and an approximate 7,000 square feet of commercial/retail).



Former Colton Piano Site (1405 West Valley Boulevard): The former Colton Piano site is being improved as a multiple-unit medical building known as *DaVita Colton Ranch Dialysis*. The building is 30,672 square feet.



Lineage Logistics (2063 Miguel Bustamante Parkway): Construction is underway for a 424,000 square foot cold-storage facility in the Agua Mansa Commerce Center. Lineage Logistics, 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. The project is anticipated for completion in 2014.



Artist Rendering of Lineage Logistics

REAL ESTATE ACTIVITY . . . continues

Family Dollar (234 W. Valley Blvd.) – Family Dollar has submitted plans for its second location in downtown Colton. The other location is under construction across from Stater Bros, south of Mill Street along Rancho Avenue.

Former K-Mart Building (1175 S. Mt. Vernon Ave.) – Staff met with the new owner of the former K-mart building to discuss their plans for the 104,000 square foot building. The owner is improving the site for showcasing the building to prospective tenants.

Former Moss Bros. (1900 W. Valley Boulevard) – On December 17th, the County Board of Supervisors approved a ten-year lease with Bridge Financial Advisors, LLC for converting one of the two buildings into an approximate 45,000 square foot office for the County's Transitional Assistance Development (TAD) department.

Mariscos La Huerta (1462 North La Cadena Drive): With 99 Cents Only paving the way with their new remodel in 2013, Mariscos La Huerta restaurant, located across the street, completed its 579 square foot addition to their existing 1,250 square foot restaurant.

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 upgrades to the units and building exterior. Nearly \$17 million is planned to be expended on this affordable housing complex.

ADMINISTRATION

Redevelopment Dissolution: Staff continues to coordinate efforts with the Colton's Finance Department in preparing documents for review by the Successor Agency to the Redevelopment Agency for the City of Colton, and the Successor Agency's Oversight Board, toward the dissolution of the former Redevelopment Agency.

In addition, the Long-Range Property Management Plan was submitted to DOF for approving the use and development of the Successor Agency owned properties – 22 acres in West Valley and 11 acres in Cooley Ranch.

Community Development Block Grant: For Fiscal Year 2013-2014, the City's total allocation for CDBG funding is \$460,389; with \$391,331 allocated for public improvement projects, and \$60,000 for public service programs.

Rancho Mediterrania Mobile Home Park: After the dissolution of redevelopment, the City of Colton opted to transfer its affordable housing assets to the Colton Housing Authority. This includes 29 of the 259 lots in the park. The remaining 230 lots are in private ownership. The Colton Housing Authority authorized staff to create a "first-right-of-refusal" program, offering to the existing coach tenants the ability to purchase the lots that they occupy.