

Connecting the Dots

Thinking for Change in the High Desert Region

Prepared for:
The Victorville Rotary Club
July 18, 2006



The Bradco Companies

a commercial real estate group

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The Changing Landscape



Information

- “Information is a beacon, a cudgel, an olive branch, a deterrent, depending on who wields it and how”

Steven D. Levitt & Stephen J. Dubner
Freakonomics

The Changing Landscape



Population Growth

- Population growth of nearly 28% between 1990 and 2000 in Southern California.
- By 2020 California will be home to approximately 43 and 46 million residents (up from 35 million today).

The Changing Landscape

The Growing Population

- San Bernardino County population projections:

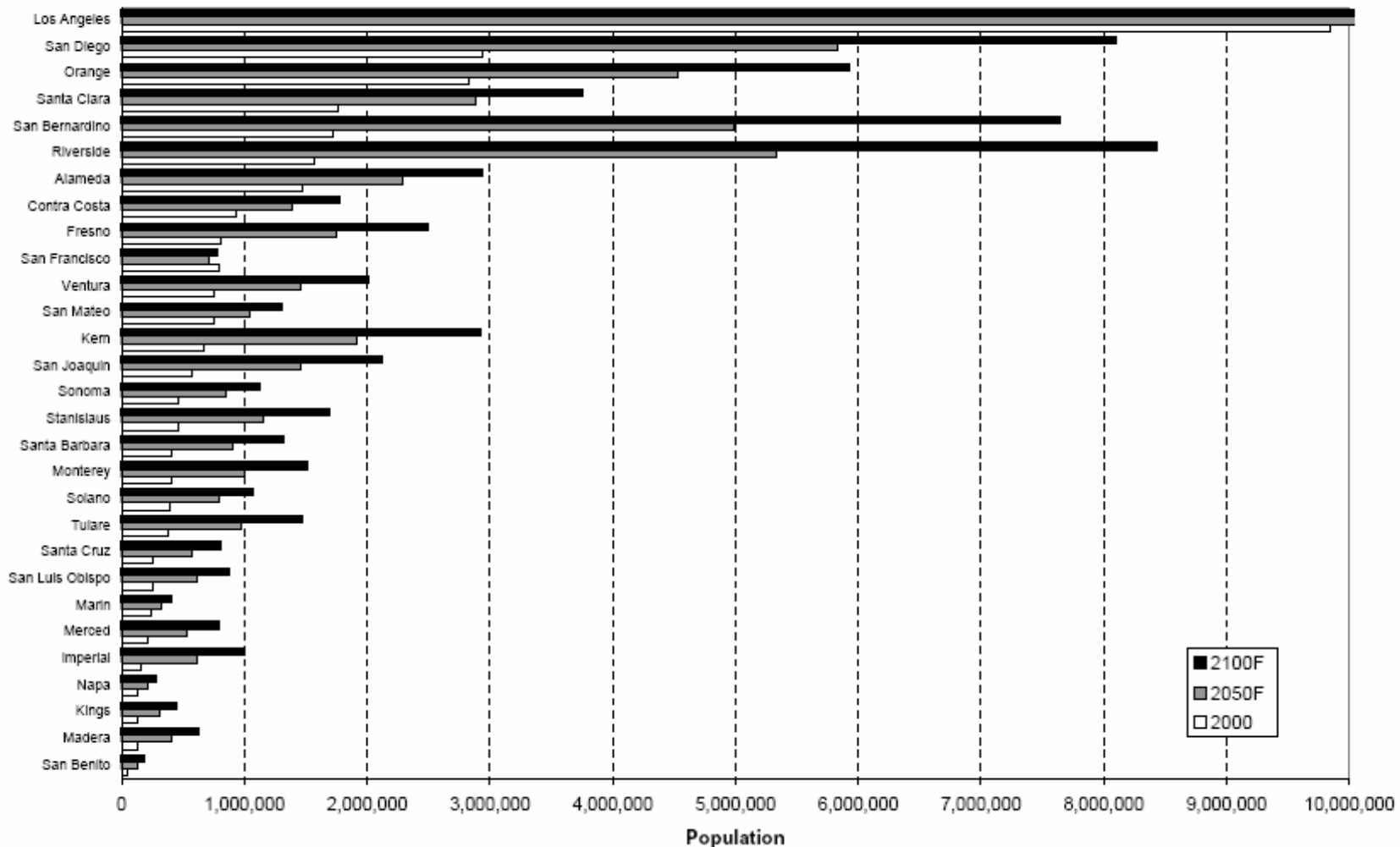
2000	2020	2050
1.7 Million	2.7 Million	4.9 Million

Information provided by the Institute of Urban & Regional Development | University of California, Berkeley (2004).

Population Growth

Chart (Figure 5) provided by the Institute of Urban & Regional Development | University of California, Berkeley (2004).

Figure 5: Projected Population Growth Among Metropolitan California Counties, 2000–2100



Population Growth

Chart provided by Sites USA (2006).



Victorville & Surrounding Cities, California

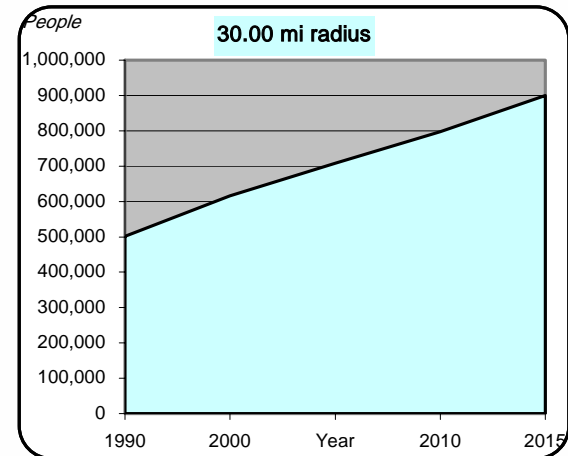
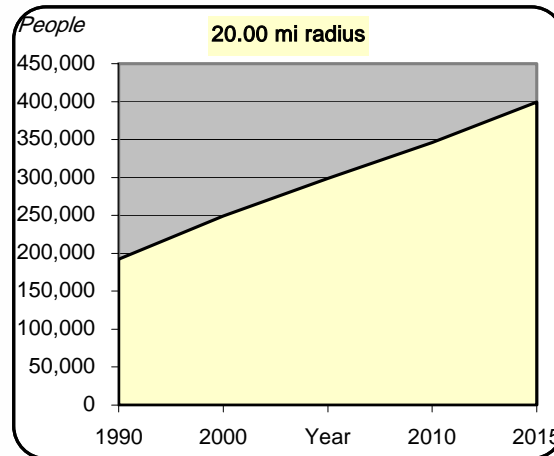
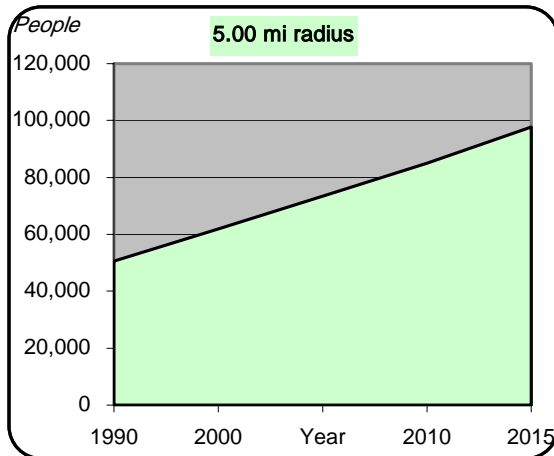
5.00 mi radius

20.00 mi radius

30.00 mi radius

Population

Census Population (1990)	50,606	192,379	501,176
Census Population (2000)	61,955	249,021	615,533
Estimated Population (2005)	73,374	298,720	708,988
Projected Population (2010)	84,946	345,794	798,121
Forecasted Population (2015)	97,709	399,492	899,378
Historical Annual Growth (1990-2000)	11,349 2.2%	56,642 2.9%	114,357 2.3%
Historical Annual Growth (2000-2005)	11,419 3.7%	49,699 4.0%	93,455 3.0%
Projected Annual Growth (2005-2010)	11,572 3.2%	47,074 3.2%	89,133 2.5%
Est. Population Density (2005)	944.09 <i>psm</i>	238.73 <i>psm</i>	252.00 <i>psm</i>
Trade Area Size	77.72 <i>sq mi</i>	1,251.31 <i>sq mi</i>	2,813.49 <i>sq mi</i>



Population Growth

Chart provided by Sites USA (2006).



Victorville & Surrounding Cities, California

5.00 mi radius

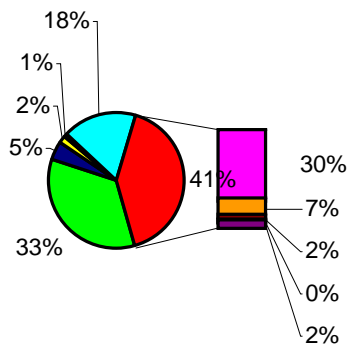
20.00 mi radius

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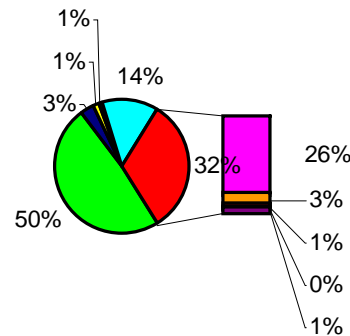
Race & Ethnicity (2005)

Non Hispanic: White	25,195	34.3%	145,485	48.7%	281,678	39.7%
Non Hispanic: Black / African American	3,383	4.6%	9,884	3.3%	24,658	3.5%
Non Hispanic: Asian & Pacific Islander	1,228	1.7%	4,289	1.4%	10,350	1.5%
Non Hispanic: Amer Indian & AK Native	590	0.8%	2,537	0.8%	5,524	0.8%
Non Hispanic: Other Race	12,985	17.7%	40,623	13.6%	105,889	14.9%
Hispanic: White	21,707	29.6%	77,920	26.1%	183,575	25.9%
Hispanic: Black or African American	4,974	6.8%	10,288	3.4%	51,875	7.3%
Hispanic: Asian & Pacific Islander	1,449	2.0%	3,186	1.1%	13,179	1.9%
Hispanic: Amer Indian & AK Native	288	0.4%	918	0.3%	3,075	0.4%
Hispanic: Other Race	1,577	2.1%	3,589	1.2%	29,186	4.1%

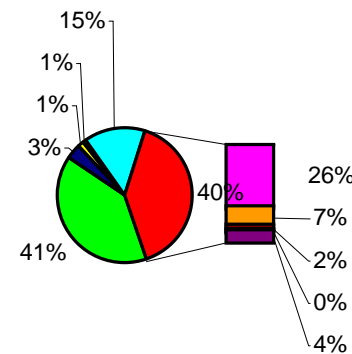
5.00 mi radius



20.00 mi radius



30.00 mi radius



Population Growth

Chart provided by Sites USA (2006).



Victorville, California	5.00 mi radius		20.00 mi radius		30.00 mi radius	
Race & Ethnicity (2005)						
White	46,901	63.9%	223,405	74.8%	465,253	65.6%
Black or African American	8,357	11.4%	20,172	6.8%	76,533	10.8%
American Indian & Alaska Native	878	1.2%	3,455	1.2%	8,599	1.2%
Asian	2,487	3.4%	6,777	2.3%	21,294	3.0%
Hawaiian & Pacific Islander	189	0.3%	697	0.2%	2,234	0.3%
Other Race	10,782	14.7%	31,953	10.7%	105,300	14.9%
Two or More Races	3,780	5.2%	12,259	4.1%	29,775	4.2%
Not Hispanic or Latino Population	43,381	59.1%	202,819	67.9%	428,098	60.4%
<i>Non Hispanic: White</i>	25,195	58.1%	145,485	71.7%	281,678	65.8%
<i>Non Hispanic: Black or African American</i>	3,383	7.8%	9,884	4.9%	24,658	5.8%
<i>Non Hispanic: Amer Indian & AK Native</i>	590	1.4%	2,537	1.3%	5,524	1.3%
<i>Non Hispanic: Asian</i>	1,129	2.6%	3,852	1.9%	9,396	2.2%
<i>Non Hispanic: Hawaiian & Pacific Islander</i>	100	0.2%	437	0.2%	954	0.2%
<i>Non Hispanic: Other Race</i>	10,410	24.0%	31,493	15.5%	86,250	20.1%
<i>Non Hispanic: Two or More Races</i>	2,575	5.9%	9,130	4.5%	19,639	4.6%
Hispanic or Latino Population	29,994	40.9%	95,901	32.1%	280,890	39.6%
<i>Hispanic: White</i>	21,707	72.4%	77,920	81.3%	183,575	65.4%
<i>Hispanic: Black or African American</i>	4,974	16.6%	10,288	10.7%	51,875	18.5%
<i>Hispanic: American Indian & Alaska Native</i>	288	1.0%	918	1.0%	3,075	1.1%
<i>Hispanic: Asian</i>	1,359	4.5%	2,926	3.1%	11,898	4.2%
<i>Hispanic: Hawaiian & Pacific Islander</i>	90	0.3%	260	0.3%	1,281	0.5%
<i>Hispanic: Other Race</i>	372	1.2%	460	0.5%	19,050	6.8%
<i>Hispanic: Two or More Races</i>	1,205	4.0%	3,129	3.3%	10,137	3.6%
Not of Hispanic Origin Population (1990)	40,043	79.1%	160,097	83.2%	386,119	77.0%
Hispanic Origin Population (1990)	10,564	20.9%	32,282	16.8%	115,057	23.0%
Not Hispanic or Latino Population (2000)	40,028	64.6%	182,287	73.2%	402,525	65.4%
Hispanic or Latino Population (2000)	21,927	35.4%	66,734	26.8%	213,008	34.6%
Not Hispanic or Latino Population 5yr (2010)	46,570	54.8%	217,776	63.0%	448,999	56.3%
Hispanic or Latino Population 5yr (2010)	38,376	45.2%	128,017	37.0%	349,122	43.7%
Historical Growth, Ann. Change (1990-2000)	11,363	10.8%	34,452	10.7%	97,951	8.5%
Historical Growth, Ann. Change (2000-2005)	8,067	7.4%	29,167	8.7%	67,882	6.4%
Projected Growth, Ann. Change (2005-2010)	8,382	5.6%	32,117	6.7%	68,232	4.9%

Population Growth

Chart provided by Sites USA (2006).



Victorville & Surrounding Cities, California

5.00 mi radius

20.00 mi radius

30.00 mi radius

Age Distribution (2005)

Total Population	73,374		298,720		708,988	
Age 0 to 4 yrs	6,119	8.3%	21,633	7.2%	54,872	7.7%
Age 5 to 9 yrs	6,434	8.8%	23,573	7.9%	58,550	8.3%
Age 10 to 14 yrs	6,936	9.5%	27,755	9.3%	66,379	9.4%
Age 15 to 19 yrs	6,227	8.5%	25,418	8.5%	61,888	8.7%
Age 20 to 24 yrs	5,070	6.9%	18,987	6.4%	49,621	7.0%
Age 25 to 29 yrs	5,100	7.0%	17,836	6.0%	46,189	6.5%
Age 30 to 34 yrs	5,143	7.0%	18,598	6.2%	46,871	6.6%
Age 35 to 39 yrs	5,327	7.3%	21,137	7.1%	50,652	7.1%
Age 40 to 44 yrs	5,158	7.0%	22,720	7.6%	53,507	7.5%
Age 45 to 49 yrs	4,664	6.4%	21,541	7.2%	50,327	7.1%
Age 50 to 54 yrs	4,015	5.5%	18,617	6.2%	43,360	6.1%
Age 55 to 59 yrs	3,335	4.5%	15,612	5.2%	34,789	4.9%
Age 60 to 64 yrs	2,682	3.7%	12,788	4.3%	26,842	3.8%
Age 65 to 69 yrs	2,115	2.9%	9,909	3.3%	20,188	2.8%
Age 70 to 74 yrs	1,864	2.5%	8,409	2.8%	16,336	2.3%
Age 75 to 79 yrs	1,482	2.0%	6,552	2.2%	12,821	1.8%
Age 80 to 84 yrs	1,014	1.4%	4,393	1.5%	8,853	1.2%
Age 85 yrs plus	688	0.9%	3,241	1.1%	6,943	1.0%
Median Age	30.1 yrs		33.2 yrs		31.4 yrs	

Population Growth

Chart provided by Sites USA (2006).

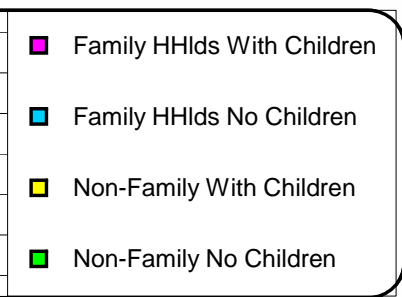
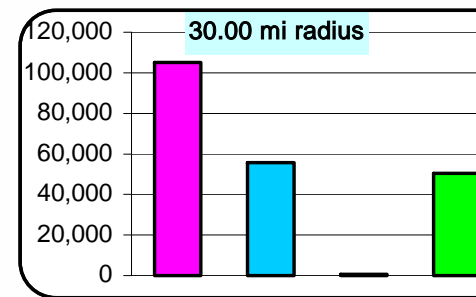
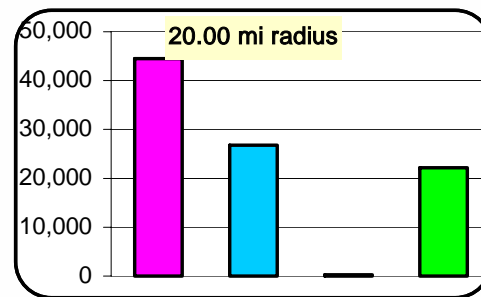
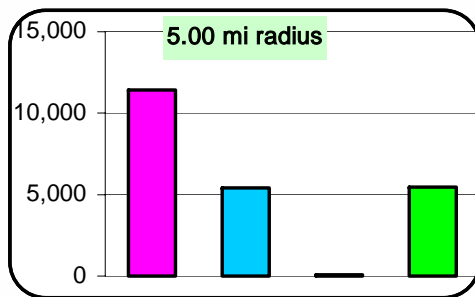


Victorville & Surrounding Cities, California

5.00 mi radius 20.00 mi radius 30.00 mi radius

Household Type (2005)

	5.00 mi radius		20.00 mi radius		30.00 mi radius	
Total Households	22,359		93,670		211,477	
Family Households	16,833	75.3%	71,268	76.1%	160,529	75.9%
<i>Family HHlds With Children</i>	11,430	67.9%	44,500	62.4%	104,951	65.4%
<i>Family HHlds No Children</i>	5,403	32.1%	26,768	37.6%	55,578	34.6%
Non-Family Households	5,526	24.7%	22,402	23.9%	50,948	24.1%
<i>Non-Family With Children</i>	66	1.2%	237	1.1%	561	1.1%
<i>Non-Family No Children</i>	5,460	98.8%	22,165	98.9%	50,387	98.9%



Population Growth

Chart provided by Sites USA (2006).



Victorville & Surrounding Cities, California

5.00 mi radius 20.00 mi radius 30.00 mi radius

Educational Attainment (2005)

Elementary or Some High School

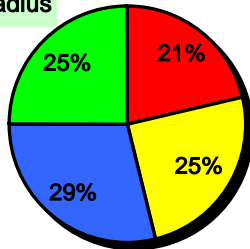
High School Graduate

Some College or Associate Degree

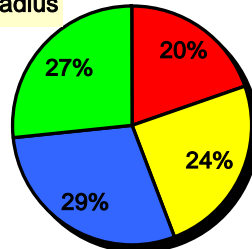
Bachelor or Graduate Degree

	5.00 mi radius		20.00 mi radius		30.00 mi radius	
		100.0%		100.0%		100.0%
Elementary or Some High School	9,137	21.5%	35,716	19.7%	87,840	21.0%
High School Graduate	10,521	24.7%	44,289	24.4%	96,489	23.1%
Some College or Associate Degree	12,268	28.8%	52,924	29.2%	117,308	28.1%
Bachelor or Graduate Degree	10,661	25.0%	48,425	26.7%	116,041	27.8%

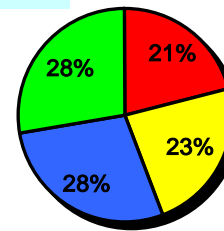
5.00 mi radius



20.00 mi radius



30.00 mi radius



- Elementary or Some High School
- High School Graduate
- Some College or Associate Degree
- Bachelor or Graduate Degree

Population Growth

Chart provided by Sites USA (2006).



Victorville & Surrounding Cities, California

5.00 mi radius

20.00 mi radius

30.00 mi radius

Household Income (2005)

Est. Average Household Income

\$50,209

\$61,602

\$63,325

Est. Median Household Income

\$39,035

\$44,711

\$46,559

HH Income \$0 to \$9,999

2,592 11.6%

8,191 8.7%

20,650 9.8%

HH Income \$10,000 to \$34,999

7,859 35.1%

29,692 31.7%

63,772 30.2%

HH Income \$35,000 to \$49,999

3,668 16.4%

15,411 16.5%

33,821 16.0%

HH Income \$50,000 to \$74,999

4,567 20.4%

19,678 21.0%

42,186 19.9%

HH Income \$75,000 to \$99,999

2,140 9.6%

10,537 11.2%

24,543 11.6%

HH Income \$100,000 to \$149,999

1,190 5.3%

7,181 7.7%

18,892 8.9%

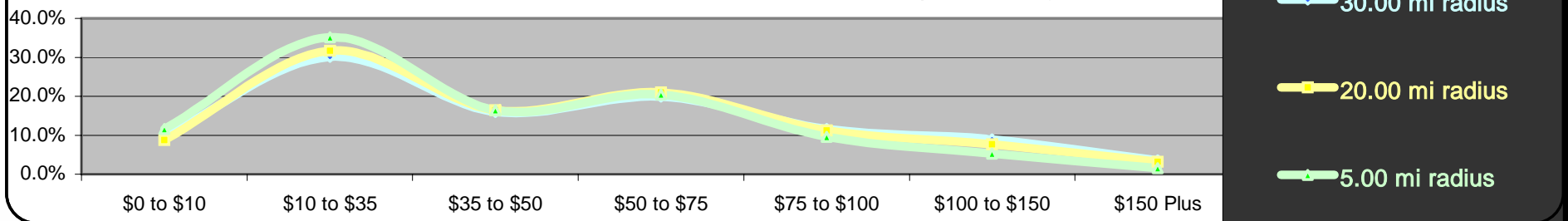
HH Income \$150,000 or More

343 1.5%

2,979 3.2%

7,614 3.6%

Household Income Distribution (in 1,000's)



The Changing Landscape

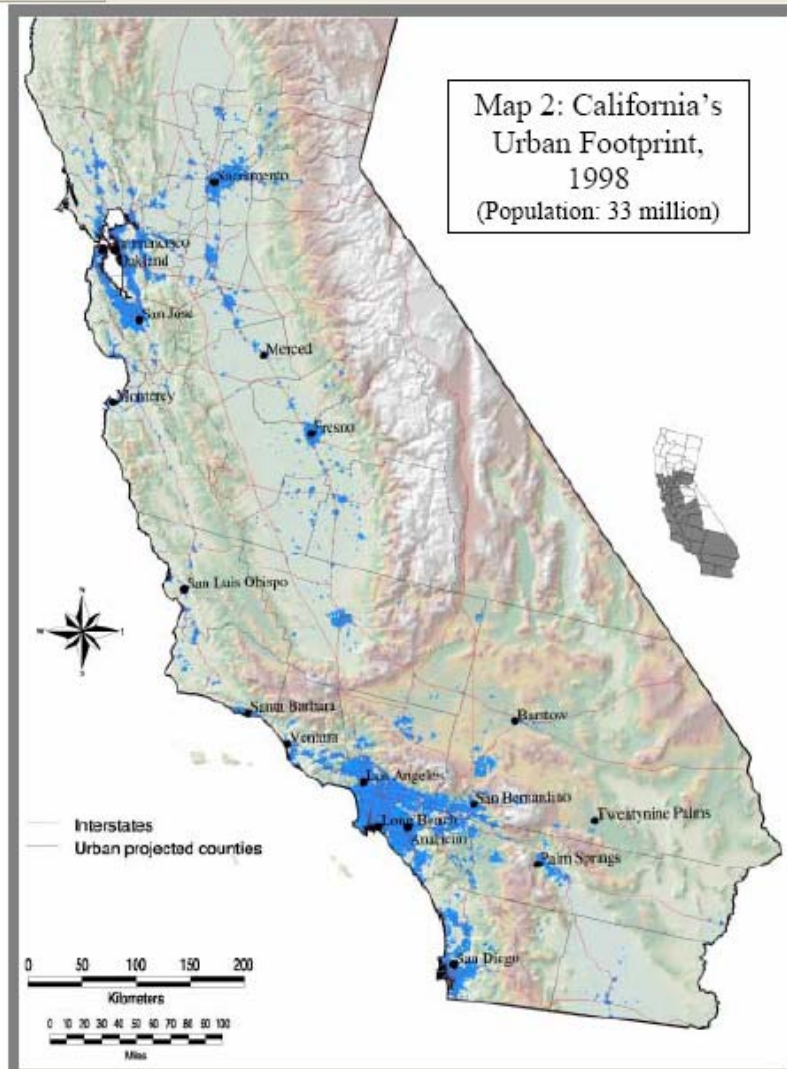


What's Driving Development

- Population Growth.
- Availability & Affordability (land, housing).
- Local Land Use Controls & Neighboring Groups Opposition to Infill Development and Redevelopment.

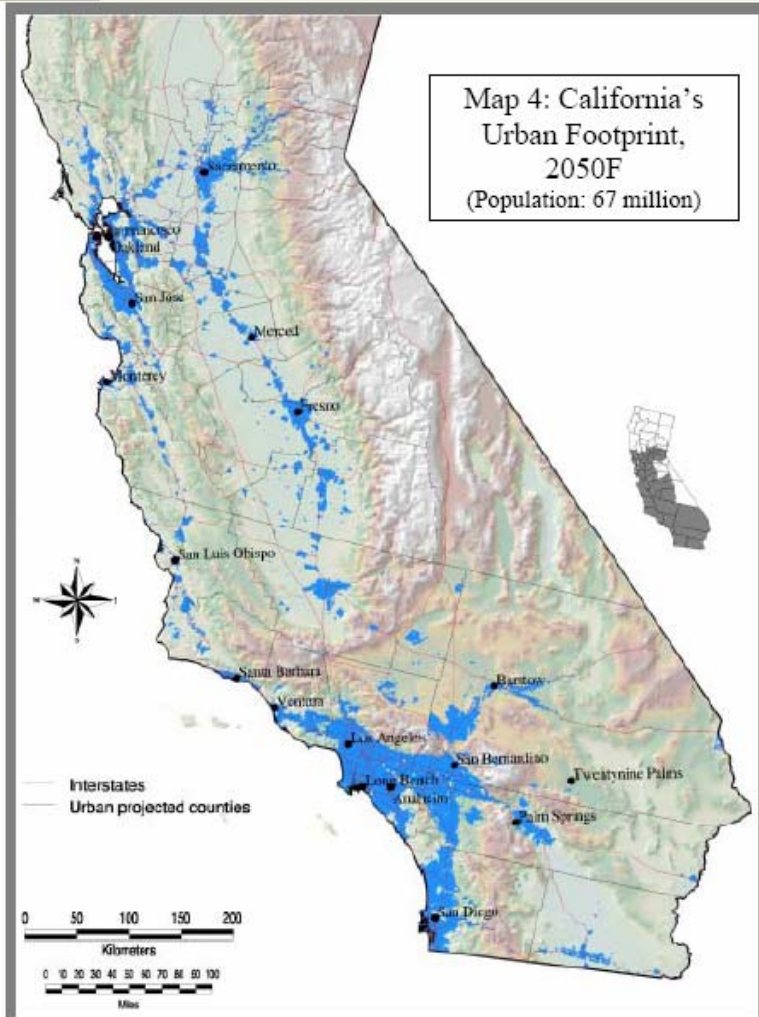
Sprawl is the Result

The Changing Landscape



Maps provided by the Institute of Urban & Regional Development | University of California, Berkeley (2004).

The Changing Landscape



By the year 2050, Victorville and the surrounding area will have emerged as a major metropolitan center.

Information and map provided by the Institute of Urban & Regional Development | University of California, Berkeley (2004).

The Changing Landscape

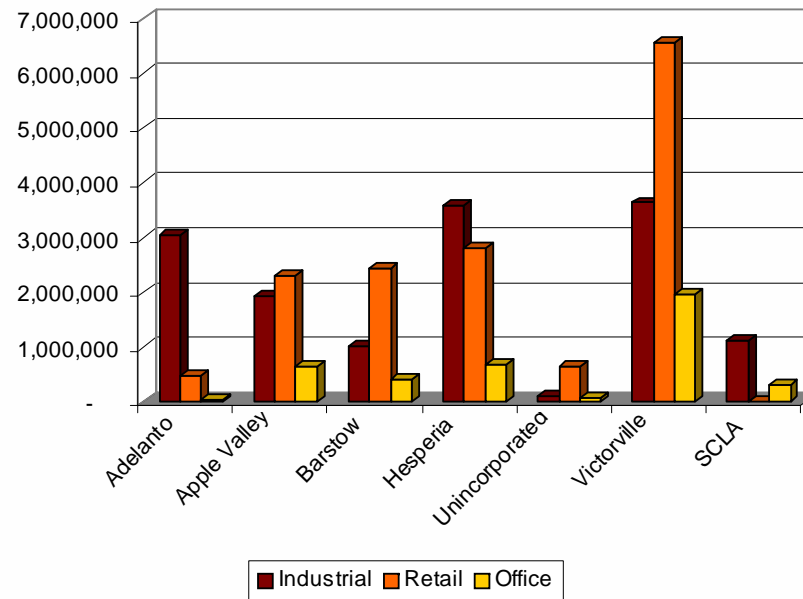


City	Industrial SF	Retail SF	Office SF	City Totals
Adelanto	3,036,093	470,393	37,007	3,543,493
Apple Valley	1,940,424	2,313,289	662,431	4,916,144
Barstow	1,013,477	2,448,702	411,531	3,873,710
Hesperia	3,590,685	2,804,993	700,327	7,096,005
Unincorporated	101,456	654,696	68,350	824,502
Victorville	3,634,524	6,562,420	1,976,027	12,172,971
SCLA	1,134,161	24,675	312,730	1,471,566
Totals	14,450,820	15,279,168	4,168,403	33,898,391

SCLA: Southern California Logistics Airport
 Source: The Bradco Companies - July 2006

Composition of Property Type by City

Source: The Bradco Companies
 July 2006



The Changing Landscape

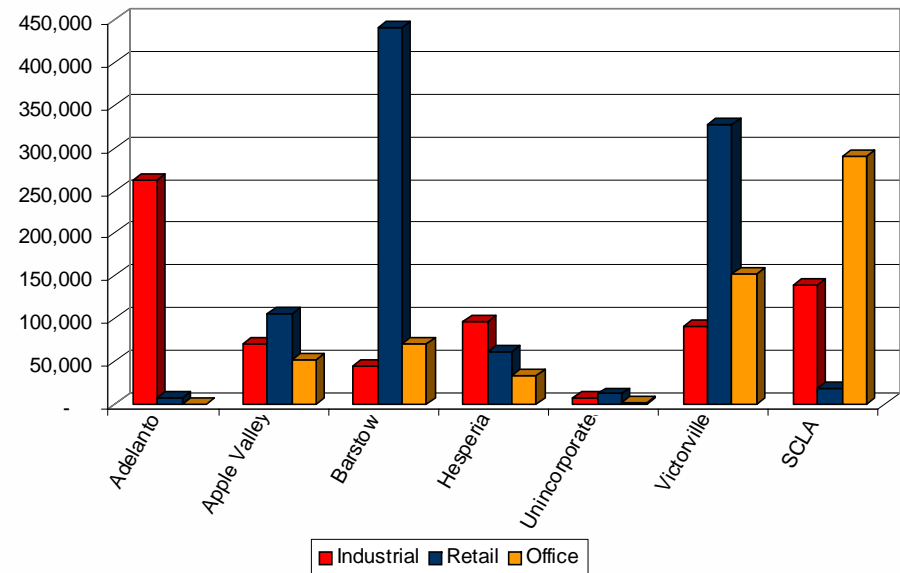


Industrial	Industrial SF	Available SF	Availability Rate
Adelanto	3,036,093	261,679	8.62%
Apple Valley	1,940,424	71,236	3.67%
Barstow	1,013,477	45,500	4.49%
Hesperia	3,590,685	97,004	2.70%
Unincorporated	101,456	8,000	7.89%
Victorville	3,634,524	91,013	2.50%
SCLA	1,134,161	139,548	12.30%
Retail	Base SF	Available SF	Availability Rate
Adelanto	470,393	7,981	1.70%
Apple Valley	2,313,289	106,674	4.61%
Barstow	2,448,702	440,377	17.98%
Hesperia	2,804,993	60,677	2.16%
Unincorporated	654,696	12,138	1.85%
Victorville	6,562,420	327,196	4.99%
SCLA	24,675	17,952	72.75%
Office	Base SF	Available SF	Availability Rate
Adelanto	37,007	-	0.00%
Apple Valley	662,431	51,842	7.83%
Barstow	411,531	70,844	17.21%
Hesperia	700,327	34,168	4.88%
Unincorporated	68,350	1,200	1.76%
Victorville	1,976,027	152,473	7.72%
SCLA	312,730	289,822	92.67%

SCLA: Southern California Logistics Airport
Source: The Bradco Companies - July 2006

Available Space by Square Feet by City

Source: The Bradco Companies
July 2006



The Changing Landscape



International Trade

- Total two-way trade in 2004 for the region was valued at \$8.1 billion or 10.6% of the Inland Empire's total personal income.
- LA Ontario International Airport (ONT) contributed significantly to Ontario's international trade growth with ONT already ranked as the 15th busiest cargo airport in the nation.
- From 2000 to 2004 total trade for the City of Ontario increased 98% in real terms with exports growing at a rate of 145% and imports growing at a rate of 92%.

The Changing Landscape

Busting at the Seams: The Industrial Movement

- The movement to tie up large parcels of land for big box distribution centers is picking up pace.
- What does this mean?
 - New elements in the marketplace
 - Job Growth
 - Economic maturity & diversity

Connecting the Dots



The Long & Short of it...

- 60% of all new development in Southern California will occur in the Inland Empire this Century.
- Ontario Airport Region is quickly becoming built out.
- Where is development to go if we are to accommodate continued population and business growth?

Connecting the Dots



What Does that Mean for The Business Community...

- Increased Competition.
- Sophisticated Systems for Delivering Services.
- Diversification in Population (culture, education, income levels).

Connecting the Dots



What Does that Mean for The Business Community...

- The days of the old economy composed of large organizations with stable employment, stable markets, and stable competition are over.
- So too is the era of old industrial cities surrounded by compact, dense patterns of residential development.

Connecting the Dots



Preparing for Change

- **Big Picture Thinking:**
 - See the possibilities that growth to the Region brings beyond your own needs and how that leads to great ideas.

Connecting the Dots



Preparing for Change

- Focused Thinking:
 - Track internal information, collect available information and generate forums to distribute information to realize potential.
 - Watch for patterns.
 - Understand Goals.

Connecting the Dots



Preparing for Change

- Creative Thinking:
 - Step outside your comfort zone and try new things.
 - Don't shy from options.
 - Sometimes if the wheel "ain't broke" it should be!

Connecting the Dots



Preparing for Change

- Shared Thinking:
 - Working with others in the community to generate greater results.

Contact Information



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