

CITY MANAGER'S OFFICE

Administration

Rotational Tow Program Update

Proposals for tow companies to apply to participate in the recently updated rotational tow program were due to the City by October 12. The proposals will be reviewed by a committee comprised of Staff representing the following Departments/Divisions: City Manager's Office, City Attorney, Police Department, Community Development, Fire Prevention, Financial and Administrative Services, and Risk Management. The committee will review each proposal to ensure that the tow operators meet all of the requirements established in the rotational tow ordinance; site inspections will be included. Former Deputy City Manager Rick Hartmann has been retained as a consultant to assist in the RFP and proposal review processes. Rick has been meeting with potential applicants and recently held a pre-bid meeting with tow operators to discuss the program requirements. Each applicant is required to pay a \$2,828 application fee to cover the costs of the proposal review process and part of these fees are being used to fund Rick Hartmann's services. Results of the RFP process and the committee's review will be presented to the City Council along with the consideration to enter into rotational tow program agreements with those operators that meet the ordinance requirements.

Veterans Day

The City Manager's Office and City Council/City Clerk Staff are planning the annual Veterans Day ceremony scheduled for Thursday, November 11 at the Veterans Memorial at sunset. The initial banners for the Military Appreciation Banner Program will be in place for the ceremony and will honor those City residents who were killed in action and whose names appear on the Memorial. The ceremony will begin with a scheduled airplane flyover at 4:30 p.m.

Moreno Valley Day at UCR Women's Basketball

The University of California Riverside Women's Basketball Team is celebrating "Moreno Valley Day" at their November 14 game against Arizona State. The University is offering Moreno Valley residents two tickets for the price of one, Mayor Flickinger will be the Honorary Assistant Coach, and the City Council is invited to sit courtside for the game. Game time is 2:00 p.m. Media and Communications Division will be promoting "Moreno Valley Day" with a press release, a

commercial to be aired on MVTV-3, and with information posted on the City's web site.

CITY CLERK'S DEPARTMENT

The Consolidated General Election is November 2.

- **Polling Place** - Polling places will be open from 7 a.m. to 8 p.m. on Election Day, November 2, 2010.
- **Early Voting** - You may vote at the Registrar of Voters office located at 2724 Gateway Drive, Riverside, CA, October 4 through November 1, 8:00 a.m. - 5:00 p.m.; Saturdays, 9:00 a.m. - 4:00 p.m.; and Election Day, November 2, 2010, 7:00 a.m. - 8:00 p.m.
- **Vote-by-Mail** - Applications must be received at the Registrar of Voters office no later than October 26, 2010. Postmarks are not accepted. Vote-by-mail ballots may be mailed, turned in at any Riverside County polling place on Election Day, or deposited in the vote-by-mail ballot drop-off boxes.
- **Vote-by-Mail Drop-off Boxes** - Drop-off boxes for vote-by-mail ballots are available at the City Clerk's Department and some County Libraries beginning October 4th through November 1, 2010.

For additional information, please contact:

City Clerk's Department at 951.413.3001, Registrar of Voters office at 951.486.7200 or click on the following website: www.voteinfo.net;

For statewide ballot measures, visit the following website: www.voterguide.sos.ca.gov

COMMUNITY DEVELOPMENT DEPARTMENT

Planning Division

Planning Commission

The Planning Commission met on September 23rd. At that meeting, the Commission reviewed and recommended approval by the City Council of a Municipal Code Amendment to revise the City's regulations on second residential units and single family residential design standards and a number of non-substantive changes to other portions of the Municipal Code.

The proposal would allow second residential units in all single family zones, subject to reasonable design and occupancy standards, in order to conform to current State requirements. The proposal would also make a variety of changes to single family residential design standards, including a requirement for “four sided architecture”.

The item is scheduled for review by the City Council at the November 9th regular meeting.

The Planning Commission met on October 28th to review two items.

1. The first item was a minor amendment to the Permitted Uses Table to allow pharmacies in connection with a medical office in the Business Park – Mixed Use (BPX) zone. The change would treat such pharmacies in a similar fashion to the Office Commercial (OC) zone. The amendment was submitted by a potential pharmacy owner wishing to locate in the Aardex office complex at the southwest corner of Alessandro Boulevard and Veterans Way. Staff is supportive of the proposed change.
2. The second item was an amendment to the General Plan Bikeway Plan to modify various proposed bikeway segments to facilitate existing capital projects (Nason Street – Eucalyptus Avenue to Ironwood) and funding for prospective bikeway extensions (John F Kennedy Boulevard – Heacock Street to Lasselle Street; Lasselle Street – Krameria Avenue to Kentucky Derby Drive; Alessandro Boulevard – Old 215 to Moreno Beach Drive).

Both items would require review and action by the City Council.

Administrative Approvals

1. Conditional Use Permit to allow co-location of an additional telecommunications facility on an existing baseball field light pole in John F Kennedy Memorial Park. The applicant is Clearwire Wireless.
2. Conditional Use Permit to allow co-location of an additional telecommunications facility on an existing mono-pine located behind the existing Stater Brothers shopping center at the southwest corner of Sunnymead Boulevard and Perris Boulevard. The applicant is Clearwire Wireless.
3. Conditional Use Permit to allow co-location of an additional telecommunications facility on an existing mono-pine located at the Sunnymead Ranch Fire Station #48. The applicant is Clearwire

Wireless.

4. Plot Plan for a vehicle towing and storage facility at 24385 Nandina Avenue in the Moreno Valley Industrial Area. The applicant is Lawler Triple L Towing.
5. Plot Plan to expand an existing towing and storage facility at 14451 Commerce Center Drive. The applicant is Exclusive Recovery.
6. Plot Plan to allow a new restaurant (Sonora Grill) to locate in an existing shopping center at 23962 Alessandro Boulevard. The applicant is Rudy Garcia.
7. Plot Plan to allow outdoor seating for a new restaurant (Baja Fresh) in the Main Street area of the Stoneridge Towne Centre. The applicant is Don Walters.
8. Conditional Use Permit for a multi-purpose banquet hall in an existing shopping center at the southwest corner of Alessandro Boulevard and Elsworth Street. The applicant is Naji Doumit.
9. Plot Plan to allow a large (960 square foot) workshop at 24023 Roseleaf Place. The applicant is Cornel Gleason.

Foreclosures and Homes Listed for Sale

Information available from the RealtyTrac website for September shows a slight increase in foreclosure activity in the City, similar to the County. For September, the website reported one in 78 housing units in Moreno Valley were in some stage of foreclosure. This compares to a rate of one in 83 units in August, eight percent (8%) deterioration between August and September. The current rate is much improved from September 2009, when the rate was one in 62 units, a 26% improvement. Foreclosure activity was six percent (6%) higher in the region, with the highest rates in communities with the highest levels of single family housing construction during the past building boom. Moreno Valley is in the middle of the list of local communities, virtually the same as Temecula. Slower growth areas such as Riverside and Banning had much better rates, and faster growth areas such as Beaumont and Menifee had much worse rates. Calimesa had the lowest rate locally (1 in 257) and Winchester had the highest rate (1 in 18). By zip code, area 92555 had the highest rate in the City (1 in 32) and area 92553 had the lowest rates (1 in 98). Foreclosure activity decreased in the 92551 zip code and increased in the 92553, 92555 and 92557 zip codes. Moreno Valley had 702 reported in some stage of foreclosure. The City of Riverside had the highest number of reported foreclosure properties at 1,058.

Information available from the Realtor.com website indicates a small increase in the number of homes for

sale in the City and continued stability in median asking prices. As of October 1, 2010, 1,085 homes were listed for sale, compared with 1,038 on September 1st, and 938 in October of last year. The median asking price in August was \$159,000, compared with \$159,000 in September and \$149,900 last October. The current inventory of homes for sale is approximately a three month supply. Anything less than a six month supply of homes for sale is considered positive.

Southern California Edison Rebates

The Planning Division, with the assistance of the Facilities and Maintenance Division, filed for rebates from Southern California Edison totaling \$7,942. The rebates, related to the grant-funded replacement of older lighting fixtures with new energy-efficient fixtures, must be used for additional energy savings projects. Staff will also file similar rebate requests with the Moreno Valley Utility for facilities it serves. Funding for rebates comes from State-mandated charges on utility ratepayers.

Riverside County Board of Education

The Riverside County Board of Education has commenced construction of a regional learning center at the northeast corner of Perris Boulevard and Bay Avenue.

Separately, the Board is working on a land exchange with Jacobs Development Company to trade property it currently owns in Riverside for approximately 4.75 acres on the west side of Graham Street south of Alessandro Boulevard. The potential uses identified for the site are offices, warehouse/storage, maintenance and technology infrastructure to support Board activities.

Highland Fairview Corporate Park

The City has transmitted to the Conservation Agency the Western Riverside Multiple Species Habitat Conservation Plan fees paid by Highland Fairview for Phase One of the Highland Fairview Corporate Park. The fees total \$1,115,025, the equivalent to fees for 575 single family homes.

ECONOMIC DEVELOPMENT DEPARTMENT

Administration

Reuse of Former Ralph's Building

Economic Development staff is working with the Fritz Duda Co. and the Kroger Co. on creating a partnership to reuse the former Ralph's building in TownGate Center. The Kroger Co., based in Cincinnati, Ohio is one of the largest grocery retailers and is the parent company of Ralph's with control of all of Ralph's assets. Kroger/Ralph's has a Ground Lease with the Fritz Duda Co. and built the 51,000 S.F. Ralph's store in 1988. In

November 2008, Kroger Co.-Ralph's closed the store in TownGate Center, along with several other stores in Southern California.

During the past eighteen months several potential users have expressed interest in all or part of the former Ralph's space. Negotiations on a possible reuse opportunity have advanced with a furniture store and several fitness clubs. However, before anything can be formalized with a new user, the participation of the Kroger Co. must be secured. At the recent International Council of Shopping Centers (ICSC) event in San Diego, a meeting with representatives of the Kroger Co, the Fritz Duda Co. and the City's Economic Development Director focused on a way that all the parties could be involved in helping facilitate the reuse of the 51,000 S.F. building. Discussions were positive and will continue to advance.

Moreno Valley Mall

The Economic Development Director met with Denise Marsicano, a Vice President of Leasing with General Growth Properties Inc. at ICSC-San Diego to discuss the bankruptcy status of General Growth and near term plans for the Moreno Valley Mall at TownGate. Ms. Marsicano, who is based in General Growth's Glendale office, was just recently assigned overall leasing control over the Moreno Valley Mall and has assembled a two person team of leasing representatives to help assist her in pursuing new tenant opportunities at the 1.25 million S.F. regional shopping mall. Recently, the Moreno Valley Mall landed several new users including a Toys "R" Us Express and Alberto's Mexican Restaurant. Negotiations are also ongoing with a possible entertainment use that would occupy 60,000 S.F. of the middle of the upper floor of the Mall.

General Growth Properties, the 2nd largest shopping center company in the Country, is targeting an emergence from bankruptcy in October. In April 2009, General Growth Properties filed Chapter 11 bankruptcy protection to allow time for the publically traded company to 1) restructure \$15 billion in secured loans and 2) reduce the company's overall highly leveraged financial condition by securing new equity investment. Through its reorganization General Growth has restructured the terms and extended the timeframes for \$15 billion in project level debt. Additionally, General Growth has secured \$8.55 billion in capital equity investment that will allow the General Growth to emerge from bankruptcy.

General Growth's reorganization plan provides for the existing company assets to be split into two separately publically operated companies. One company that will

be called General Growth Properties will have about 180 properties that will consist largely of stable, income producing shopping malls—including the Moreno Valley Mall, along with other nearby properties such as Montclair Plaza and the Galleria at Tyler in Riverside. The other company will be called General Growth Opportunities that will consist of a smaller and more diverse portfolio of assets with less near-term cash flow, but attractive long-term growth opportunity—such as the Redlands Mall.

As part of its reorganization effort and long term vision for the company, General Growth is looking to divest itself of stand alone office buildings and smaller shopping centers while focusing the company's future on what built the General Growth Properties company—shopping malls. General Growth's top management is also committed to reengineering the company to effectively compete for the best tenants while creating a superior shopping environment at its many shopping malls across the U.S. Ms. Mariscano and her leasing team, along with Allison Mack the General Manager of the Mall, are all committed to making the Moreno Valley Mall a quality shopping experience.

Stoneridge Towne Centre

Weingarten Realty has just acquired a major ownership position in the Stoneridge Towne Centre. Weingarten Realty will assume the role of managing all activities for the 579,000 S.F. lifestyle center that contains anchors Super Target, Kohl's, Best Buy, Office Max, along with other quality tenants such as Chili's, Dress Barn, Famous Footwear, Jack in the Box, Round Table Pizza, Subway and See's Candies. Recent additions to Stoneridge Towne Centre include the popular Bob's Big Boy, the Fish Shack, Baja Fresh and Scoops.

Weingarten Realty Inc., based in Houston, Texas and with a Western Region office in the Sacramento area, is a respected publicly held real estate investment trust (REIT) that is listed on the New York Stock Exchange. Weingarten Realty is one of the largest REIT's in the country and has been consistently ranked as one of the nation's leading developers/owners of shopping centers. Currently, Weingarten's portfolio consists of over 300 properties in 23 states with over 70 million square feet of developed building space.

In recent years, Weingarten Realty has expanded into many joint venture partnerships with established shopping center owners such as Stoneridge Partners—the developer and owner of Stoneridge Towne Centre. All together Weingarten has more than \$3 billion of assets under management with various joint ventures just like they now will have with Stoneridge Towne Centre in

Moreno Valley. Under the new transaction with Stoneridge Partners, Weingarten Realty has made a significant equity investment and will now assume the role of managing partner for Stoneridge Towne Centre. Weingarten will also assume the leasing management for Stoneridge Towne Centre and call upon the strong relationships they've built over the years with many national retailers and restaurants. The City's Economic Development Director has already met Weingarten's Vice President-Western Region Director about ways to make the Stoneridge Towne Centre an even better shopping center experience.

Baja Fresh Opens

The new Baja Fresh restaurant has opened in the Main Street area of Stoneridge Towne Centre. The operation also includes a new yogurt shop called Scoops. Please check out both Baja Fresh and Scoops the next time you visit Stoneridge Towne Centre.

Buffalo Wild Wings Grill & Bar

Work continues towards the development of a new Buffalo Wild Wings Grill & Bar (BWW) to be situated next to Sports Authority at TownGate Crossing. The Lease has been fully executed and Buffalo Wild Wings Inc. has approved the location which will be owned and operated through a Franchise Agreement with Pacific Wings LLC. Tenant improvement plans have been formulated and were submitted on October 4 for the new 6,126 S.F. BWW restaurant, which will also include two patio spaces totaling 1,250 S.F.

Buffalo Wild Wings is a popular restaurant concept that has been ranked as one of the Top 10 fastest growing restaurant chains in the country. Buffalo Wild Wings Inc. which is based in Minneapolis, Minnesota presently has nearly 700 locations in 44 states with major expansion plans for California. Buffalo Wild Wings Inc. has 230 company owned locations, but is now expanding mostly through franchise partnerships like with Pacific Wings LLC in Moreno Valley. Pacific Wings Inc. has the franchise territory rights to the Moreno Valley, Redlands and San Bernardino area.

The Buffalo Wild Wings concept which was created in 1981, incorporates a sports bar with a full menu which includes a variety of salads, appetizers, burgers, along with their popular NY-style buffalo chicken wings with 14 signature sauces. Buffalo Wild Wings presents a comfortable and relaxed atmosphere which includes many big-screen TV's to watch your favorite sporting events. Existing locations for Buffalo Wild Wings in the Inland Region include: Rancho Cucamonga, Eastvale-Mira Loma, Chino Hills, Corona, Murrieta and a recently opened restaurant in Hemet.

Meetings at ICSC-San Diego for TownGate Area

Many meetings at the recent ICSC event in San Diego in September focused on new business opportunities in the TownGate area. The following represents the many possible projects being looked at for TownGate.

- Buffalo Wild Wings
- Sonic Drive-In
- Café Rio Mexican Grill
- Five Guys Burgers & Fries
- Chipotle Mexican Grill
- Darden Restaurants Inc. - Red Lobster
- Richie's Real American Diner & Texas Roadhouse
- Jerome's Furniture
- Planet Fitness
- 24 Hour Fitness
- TJX Companies
- Anna's Linens
- Sunflower Farmers Market
- Big 5 Sporting Goods

Wizard's Party House

Wizard's Party House and its popular Halloween Manor are open and doing a strong business. The month of October is a huge time for Halloween Manor. Overall, the owners of Wizard's are encouraged with the response to their opening of their larger year-round Wizard's Party House business at the Canyon Springs Plaza.

Wizards has been working with City staff from Planning, Building & Safety, Economic Development and the Fire Marshall on preliminary plans for it's next phase of business operation—Wizard's Jump House. Included will be a new business operation with 8,788 S.F. that will consist of two jump-house rooms and two party-event rooms. The facility will focus on birthday parties and other special events for children age 4 through 12. Wizard's Jump House is looking at a late spring 2011 opening.

Fiesta Food Warehouse Becomes El Super

The Fiesta Food Warehouse grocery store at Sunnymead Towne Center is being converted into an El Super market. New signage should go up soon for the conversion to El Super. Back in late summer 2010, Bodega Latina Corp, the parent company for El Super acquired the assets of Fiesta Mexican Market LP, including eleven markets operating as Fiesta Foods Warehouse and a distribution center in Ontario. Eight of the eleven Fiesta stores are situated in the Inland Empire including locations Moreno Valley, Ontario, Rialto, San Bernardino (2 stores) and Fontana (3 stores).

Bodega Latina Corp. is based in Commerce California and currently operates 22 El Super markets in California, Nevada and Arizona. El Super's focus is on operating a Latino Store for Latino's. The recent transaction to acquire Fiesta this past summer followed Bodega's purchase in the summer of 2009 of Gigante USA and the acquisition of seven Gigante Supermarkets in Los Angeles and Orange counties. Once Bodega Latina Corp. converts all the Fiesta stores into El Super they will then operate a total of 33 stores in the Southwest area of the U.S., Bodega Latina Corp. plans on further store expansion to Hispanic clientele in the three states, as well as developing more locations in the Inland Region of Southern California.

Serta Mattress Growing

Growth continues at the Serta Mattress Company manufacturing facility in Moreno Valley. The Serta Mattress Company is part of National Bedding Company, LLC based in Hoffman Estates, Illinois. The Moreno Valley facility is located at 23532 Brodiaea Avenue in the Centerpointe Business Park and currently serves all of California, plus parts of Nevada. Serta opened the 233,000 sq. ft. facility in December 2004 and manufactures a wide variety of mattresses and box springs. Serta provides product for all Hilton Hotels and their affiliates such as Hampton Inn & Suites. They also manufacture specific brand names for JC Penney, as well as Sam's Club, Sears, Macy's, Mattress Discounters, Sleep Train and Sit 'n Sleep. Serta products are also available locally at Big Lots, Superior Furniture and Famsa stores.

Serta's sales in 2010 are trending up 38% compared to 2009 and the company has taken the number two slot from Simmons and is quickly approaching Sealy as the number one mattress manufacturer in the nation. Over 2,500 pieces are manufactured daily at the Moreno Valley facility. The increase in Serta sales has resulted in an additional 75 jobs in 2010 for the Moreno Valley facility. Presently, there are 251 employees and they are operating two full shifts. Full-time employees receive benefits including health insurance, 401K savings programs and performance incentives. Approximately 72% of Serta's employees reside in Moreno Valley. Economic Development Department and Public Works Transportation Division staff recently assisted Serta with parking solutions to facilitate employee parking challenges created with the expansion of the second shift.

If you need a new mattress, please check out Serta and help support a local company. In Moreno Valley, Serta Mattresses can be purchased at JC Penney, Macy's,

Sears, Superior Furniture, Big Lots and Famsa. Remember – Shop MoVal.

Shop MoVal Banners Going Up

The Shop MoVal banners are being installed at several locations including TownGate, Stoneridge Towne Centre, Moreno Beach Plaza and the Moreno Valley Auto Mall. The banners are part of an integrated Shop MoVal marketing program aimed at promoting the importance of shopping locally. The banners were designed by Melissa Mendonca (City's Senior Graphic Designer) and fabricated/installed by a local vendor—Sabre Lighting & Signs.

Economic Development Summary-October

The Economic Development Summary has been updated for October and is available on the City's website or via hard copy in the information rack on the 2nd floor of City Hall.

Economic Forecast

The Great Recession lasted longer and did more damage in the Inland Region than in most parts of the U.S. Most economists proclaim that the nation officially emerged from the recession about a year ago. The vast majority of experts believe a 'double-dip'—having another recessionary period, is highly unlikely. However, California and especially the Inland Region have been slow to recover. High unemployment, a depressed housing development industry, and lack of consumer spending all have caused problems with achieving any real recovery in the Inland Region.

Along with the City's Economic Development Director, I recently attended the Claremont-McKenna College/UCLA Inland Empire Forecast to better understand the economic outlook from a national, state and most importantly a local perspective here in the Inland Region. While almost everyone agrees that we've hit bottom from the historic economic downturn—commonly called the Great Recession, almost all experts predict a slow recovery and the Inland Region is expected to struggle for some time to rebuild its economy. Virtually everyone believes that anything approaching a robust economic recovery is likely three or maybe four years away. That's because three of the main engines of economic growth continue to sputter—consumer spending, home building and employment.

The consensus from most people is that the principle tool to help rebuild the economy in Riverside and San Bernardino counties is to produce new employment opportunities. Almost every sector of our economy is dependent on people having and keeping a job. The

common theme of the Economic Forecast event was the need for jobs, jobs, jobs, jobs, and more jobs.

The labor market in the Inland Region remains anemic when compared to most of the rest of the country. This a complete turnaround to what the Inland Region accomplished from 1990 through the end of 2007 (the Great Recession period officially started in 4th Qt. 2007) when the Inland Region generated 584,000 new jobs. During this timeframe the Inland Region's total employment numbers increased by 84%, while employment in the U.S. only increased by 26 percent at this same time. By contrast, since January 2008 the Inland Region has lost 195,000 jobs or approximately 15% of what was in place at the top of the economic cycle.

Presently, Riverside and San Bernardino counties have a combined 14.8% unemployment rate. Leading economists project that unemployment shall decrease, but remain at double-digit numbers in the Inland Region until probably 2014. Again, the need to create new jobs locally is a must for the recovery of the Inland Region economy. The unemployment challenge has had a major impact on the housing market and retail sales, as well as being a significant drag in helping in the Inland Region economic recovery. Imagine what Moreno Valley's 17.6% unemployment rate would be if there hadn't been more than 3,200 new jobs created in the community during the past two years. Having Skechers USA and Harbor Freight Tools provide another 1,500 jobs will additionally help with local job creation.

The new housing development industry has always been a significant component of the Inland Region economy. During the past four years the construction sector experienced a decline of 56% of its jobs in the region. Recently there has been some increase in construction jobs (including the Skechers project in Moreno Valley) but the housing development industry still remains stagnant at best. Many national housing developers are looking to gear up to pursue new development projects, but most are still hesitant about the health of the economy and most importantly the impact that high unemployment or the uncertainty of people keeping a job is having on potential homebuyers. Most homebuilders suggest that new housing development will remain sluggish until 2012 or 2013.

Almost all major retailers and restaurants struggled during the past few years. Most retailers and restaurants remain cautious about the health of the Inland Region economy, as well as being hesitant about pursuing new business development opportunities in the region. Attracting Burlington Coat Factory, Buffalo Wild

Wings, and Panera Bread in these challenging economic times has been a real plus. Efforts to attract more retailers and restaurants are in the works, but takes considerable time because of the cautious attitude of most major retailers and restaurants. With sales tax revenue increases in the first two quarters of 2010, Moreno Valley is finally starting to experience some sales tax revenue growth.

A final challenge in seeking a quick-turnaround to the economic health of the Inland Region is the struggles of many banks and lending institutions. The economic downturn was largely brought on because of 10 years of massive credit card and debt expansion. Now most financial institutions have swung the other way and are being cautious and very conservative with their lending practices, along with hoarding large amounts of cash. Getting a loan for a commercial development project is a major undertaking and requires significant equity investment on the part of a developer. Don't look for this to change much in the next few years.

All in all, economists predict that the economy will improve in the Inland Region, but at a slow pace. Many people describe the current economic period as the 'Great Muddle Through'. The need to produce new jobs locally will remain a high priority for not only Moreno Valley but the entire Inland Region. Having and keeping a job are a must for people to participate in the economic recovery of the Inland Region.

I-215 South Corridor Economic Development Summit

The City's Economic Development Director and I attended the recent I-215 Economic Development Summit on October 14 in Temecula. The annual event provides an opportunity for the public and private sector to come together to share information and ideas, along with exploring opportunities for economic growth in the region between Riverside and Temecula. A few of the timely topics highlighted with sessions at the I-215 program included:

- The Healthcare Industry's Role in Economic Recovery
- Higher Education in the New Economy
- Transportation Infrastructure—Challenges & Opportunities
- Efficiency in Local Government
- Regional Business Development—Identifying and overcoming Barriers to Success

Some of the speakers and panel participants included Marion Ashley-5th District Supervisor for Riverside County, Rick Bishop-Executive Director of Western Riverside Council of Governments, Don Ecker-

Managing Director of March LifeCare, Dr. Richard Rajaratnam-Regional (Riverside-Moreno Valley) Director of Kaiser Permanente, and Dr. Monte Perez-President of Moreno Valley College. Several Moreno Valley projects were highlighted during the sessions including March LifeCare, Kaiser Permanente's upgrade and expansion of the Moreno Valley Community Hospital, Riverside County Regional Medical Center's partnership with the new UCR Medical School, and the expansion of facilities & programs at Moreno Valley College. The City's Economic Development Department also had a trade-show booth at the I-215 event to showcase Moreno Valley as a place to do business.

2nd Quarter 2010 Sales Tax

Good news—sales tax revenue appears to be on the upswing. After eleven straight quarters of downward trending sales tax periods, Moreno Valley has enjoyed two straight quarters of sales tax increases as compared to the same quarter the previous year. After a modest, but positive increase of 1.7 % in 1st Qt 2010, Moreno Valley realized an 8.0 % increase in sales tax revenue for 2nd qt. 2010 as compared to 2nd Qt. 2009. The City uses the services of the HdL Companies (HdL) which compiles sales tax revenue data obtained from the State Board of Equalization. The release of data by the State and the preparation of a comprehensive report by HdL typically occur three to four months after the end of the respective quarterly period.

Overall, Riverside County sales tax revenue for 2nd Quarter 2010 increased by 7.1 % as compared to 2009. Of the 26 cities in Riverside County, 22 municipalities enjoyed sales tax revenue increases in 2nd Qt. 2010. Moreno Valley's 2nd Qt. 2010 sales tax revenue increase of 8.0 % was about in the middle of what other nearby and similar Riverside County cities realized. Below is a table comparing the sales tax performance in 2nd Qt. 2010 for Hemet, Temecula, City of Riverside, Murrieta, Moreno Valley, Perris, Corona and Riverside County.

Sales Tax Trends				
2nd Qt. 2010 Comparison				
City/Agency	Population	2nd Qt. 2010	2nd Qt. 2009	Percent Change
Hemet	75,820	2,059,338	1,770,222	16.3%
Temecula	105,029	5,414,138	4,892,577	10.7%
Riverside	304,051	9,378,413	8,516,950	10.1%
Murrieta	101,487	2,288,936	2,101,392	8.9%
Moreno Valley	188,537	2,811,442	2,602,297	8.0%
Perris	55,133	1,329,987	1,231,772	8.0%
Riverside County	2,139,535	53,085,613	49,565,720	7.1%
Corona	150,416	6,220,740	6,078,174	2.3%

Almost all of Moreno Valley's Major Industry Groups enjoyed sales tax increases in 2nd Qt. 2010. The Business

& Industry category had a whopping 80.7 % increase, followed by Building & Construction at 21.6 %, Restaurants & Hotels at 19.5 %, Fuel & Service Stations at 11.9 %, General Consumer Goods at .4 %, and Food & Drugs at .2%. Two business categories were down slightly with Food & Drugs at -.2 % and Autos & Transportation at -2.7 %. Please note if the Autos & Transportation category is adjusted to account for the closed Moreno Valley Buick/GMC dealership the business group actually enjoyed an 8.7 % increase in 2nd Qt. 2010. With a bit more good news—Moss Bros. Auto Group reports that 3rd Qt. sales which just ended were even better. Many local businesses enjoyed increases during 2nd Qt. 2010 including the following:

Retailers

Sears
Costco
Macy's
Ross Dress for Less
Kohl's
Home Depot
Super Target
Lowe's

Restaurants

Acapulco
In N Out
Chili's
BJ's
Shakey's Pizza
Ph Woods
Outback Steakhouse
Applebees

Auto Dealers

Moss Bros. Honda
Moss Bros. Toyota
Moss Bros. Chrysler, Jeep & Dodge
Moreno Valley Chevrolet

Third quarter 2010 just ended and the sales tax report won't be ready for several months, but reports from many Moreno Valley retail stores and restaurants is that business continues to improve. Keep your fingers crossed that this trend continues.

Harbor Freight Tools Distribution Center (DC)

It took awhile, but Ridge Property Trust (Ridge) finally got the Lease done with Harbor Freight Tools (HFT). The transaction enables HFT to fully occupy a 779,015 S.F. building in Centerpointe Business Park that Ridge built several years ago but had never been occupied. Tenant improvement plans have been submitted for the project.

March JPA Producing Jobs

The March JPA's tag line is "Bringing Good Jobs to Riverside County" and despite the challenging economy they're doing a great job on delivering on that goal. On the west side of I-215, March JPA's Meridian Business Center project with master developer LNR Property Corp. has produced 1,988 jobs to-date including major employers such as TESCO-Fresh & Easy (1,000 jobs), McLane Food Service (300 jobs) and TESCO-2 Sisters Food Group (200 jobs). Developed projects at Meridian total 3.12 million square feet of constructed building

space including Industrial/Warehouse, Business Park/Manufacturing, and Office uses. Several new projects coming to Meridian will produce an additional 1,608 jobs including a TESCO-Fresh & Easy expansion (1,250 jobs), Sysco Food Service (283 jobs) and Western Municipal Water District (75 jobs).

On the east side of March, at the SW corner of Cactus and Heacock, March Healthcare Development continues to work with March JPA on formulating a Master Plot Plan for the 3.55 million square foot March LifeCare Campus project (a total of 6.05 million sq. ft including parking structures). March Healthcare Development officials report good progress in working with two joint venture partners—Catholic Healthcare West and Riverside Medical Clinic on further refining development plans for a 150-bed hospital and other integrated healthcare facilities at the March LifeCare Campus. Solidifying these plans are critical to finishing the Master Plot Plan submittal to March JPA. Catholic Healthcare West has 40 hospitals and medical centers in California including St. Bernadine Medical Center in San Bernardino. Riverside Medical Clinic currently serves the healthcare needs of more than 225,000 people in the Inland Region. March Healthcare Development reports that Phase 1, consisting of 1.34 million sq. ft. is fully committed and interest is progressing nicely for Phase 2, which is another 1.31 million sq. ft. A final Phase 3 would add another 1.07 million sq. ft. Once fully developed—the March LifeCare Campus is projected to provide 7,200 full-time jobs.

The March JPA is a joint powers authority comprised of four public entities—Riverside County and the cities of Moreno Valley, Perris and Riverside. Kudos to the hard work of Moreno Valley's representatives to March JPA including current Chairman Richard Stewart and Commission member William Batey, along with alternate Robin Hastings.

Neighborhood Preservation

Housing Resale Market-September

Last month home prices dipped slightly in Moreno Valley. Resale numbers released by DataQuick for the month of September indicate an average resale value in Moreno Valley of \$161,474, which is a slight decrease of -1.1% from the previous month of August. Please note the average value of \$161,474 is still 8% higher than a year ago in September 2009.

Despite having less inventory on the market, home resale activity continues to be solid Moreno Valley, with 247 resale transaction in the month of September 2010. During the past 18 months there have been a total of 5,950 resale transactions in Moreno Valley, which is a

healthy average of 330 each month. In this case having less inventory on the market can be a good thing because it reflects that there are less bank-owned or foreclosed properties for sale in the community.

Moreno Valley's September resale home market was very much in line with what other nearby communities experienced. Riverside (1.1%), Perris (2.0%), and Hemet/San Jacinto (2.0%) all experienced slight increases home resale values last month. Temecula/Murrieta (-0.4%) and Corona (-1.2%) both had September declines.

Unemployment-September

The economy has shown some signs of improving, but unemployment remains a challenge that will likely hinder a solid economic recovery. Employment data released for the month of September illustrate a virtually unchanged labor picture at the local, state and nation level. The U.S. unemployment rate in September was 9.6%-the same as the month before. California's unemployment rate also remained unchanged in September at 12.4%. Locally almost every jurisdictions unemployment rate in September remained the same as the month before. Moreno Valley (17.6%) and Riverside County (15.3%) remained unchanged in September, as did other nearby cities including Corona (11.4%), City of Riverside (15.4%), Beaumont (17.3%), Banning (17.4%), Hemet (19.1%), San Jacinto (22.6%) and Perris (23.3%).

Housing Training a Success

City staff in Economic Development-Neighborhood Preservation recently completed several types of training aimed at further enhancing the City's service delivery for housing programs including the Neighborhood Stabilization Program (NSP) and the Homebuyer Assistance Program (HAP). The 3-day training focused on ensuring HUD and RDA requirements are adhered to, while fast-tracking the escrow process for NSP properties and first-time HAP loan applications. The City's Housing Program Coordinator recently went out on maternity leave, and former Housing Coordinator, John Strickler, has returned on a part-time basis to help assist with housing staff coverage during her absence.

Employment Resource Center (ERC)

The ERC Open House, which showcased the expanded Employment Resource Center, was held on October 25.

Neighborhood Stabilization Program

Utilizing \$11.3 million in grant funding awarded by the Department of Housing and Urban Development (HUD), Moreno Valley has created a successful Neighborhood Stabilization Program (NSP) to help stabilize

neighborhoods and reduce the impact of foreclosures. In partnership with six authorized Development Partners, the City successfully committed all of the grant funds within the HUD required timeframe. As part of that commitment, Moreno Valley's NSP has already or will acquire a total of 45 single family homes that were bank owned. Many NSP homes have already been fully rehabilitated and are currently available for sale to owner-occupied homebuyers meeting the established income and homebuyer qualifications. Five of the homes have already been sold to families who have gained homeownership as a result of the NSP and several more are in escrow or have offers pending. As properties are resold, the NSP funds will be reinvested in acquiring and rehabilitating additional Moreno Valley homes.

Examples of just some of the properties that have been acquired and rehabilitated through the NSP Program:



In addition to the single-family NSP properties, Mary Erickson Community Housing has acquired and will soon start work on rehabilitating two apartment buildings on Myers Avenue that will provide a total of 27 affordable units. When the rehabilitation work is complete, the apartments will be rented to income-eligible households.

Moreno Valley has secured an additional \$3.7 million grant allocation for NSP3 to continue local NSP efforts. As with previous NSP funds, the newly awarded NSP funds will be used to advance the City's focused efforts on stabilizing our communities, reducing the impact of foreclosures, and expanding homeownership/rental opportunities to income-qualifying households. The official NSP3 guidelines were released by HUD earlier this month.

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

ArcLogistics Navigator

The City's storm drain inspection crews are saving time and money with the City's first navigational Geographic Information Systems (GIS) Inspection Program. In January of 2010, the Department of Energy awarded the City of Moreno Valley the Energy Efficiency and Conservation Block Grant (EECBG).

The goals of the EECBG grant are to increase energy efficiency, reduce energy consumption, and reduce energy cost. Also, improve air quality and related environmental health factors associated with the reduction of fuel emissions. The GIS software and GPS enabled hardware will calculate efficient routes based on actual drive time and distances unique to the operators work flow and assignments. The GIS based routing system now provides the operator with audible turn-by-turn directions to storm drains that need inspections and constantly updates the operators location on the on-screen map. The software also supplies operators a map of the City where they can search addresses, points of interest, or simply click any location on the map and quickly calculate their own cost efficient routes as other work assignments occur during their workday.

Operators will see cost savings in fuel and time ensuring drivers follow specified routes. The time and mileage spent because of missed turns and looking for stops are minimized. Driver safety is also improved by freeing up operators from flipping through map books and papers trying to route or find their location.

Technology Services is currently working on identifying other City programs where a GIS navigational system can extend further savings.

EOC Maps

The Grand Opening of the City's New Emergency Operations Center includes a display of maps needed to respond to a disaster. Fourteen large wall maps were placed strategically throughout the EOC including the Media room, PIO room, Planning and Intel, Police, Fire, and the Policy Group Room. These maps display significant City landmarks such as schools, parks, fire stations, hospitals, public facilities, Red Cross Shelters, religious institutions, helicopter pads, water reservoirs, dams, and water bodies.

Specialized maps will help emergency responders locate evacuations routes, liquefaction zones, earthquake fault lines, and a citywide aerial view.

FIRE DEPARTMENT

Fire Explorers Raise Money for St. Jude Children's Hospital

On September 10th and 21st the two Fire Explorer Posts, in conjunction with Chili's, raised over \$1,000 for St. Jude Children's Hospital. This hospital is internationally recognized for treating children with cancer and other catastrophic diseases as well as pioneering research for the treatment of these diseases in children. No child is ever denied treatment based on race, religion, or a family's ability to pay. The money raised by the two Fire Explorer Posts will benefit cancer research for children.

LIBRARY SERVICES DEPARTMENT

Fall Reading Program

The Moreno Valley Public Library's Fall Reading Program kicked off October 4 with an appearance by the library's mascot, Webster, and by a balloon artist, who made free balloon animals for the children. Kids age 2-5 can earn a meal at Acapulco by having 10 books read to them, and kids 6-13 can read 10 books and earn a meal at Sizzler. Call the library for additional details. The program runs through November 10.

PARKS & COMMUNITY SERVICES DEPT

Projects

The replacement of play equipment at Moreno Valley Community and Adrienne Mitchell Memorial parks was approved by the City Council Consent Calendar on September 14, 2010. A PO was issued for the work on September 27, 2010. It will take a couple of months for the equipment to be manufactured and delivered. Installation should take an additional 6-8 weeks.

The Parks, Recreation and Open Space Master Plan was approved by City Council adoption on September 28, 2010.

Parks Maintenance

The following projects have been completed: Installed cameras for vandal deterrent at John F. Kennedy Memorial and Woodland Parks; installed new trash containers at various park sites; sprayed CFD #1 park sites; and graded CFD # 1 trails.

Projects in progress include: Install new benches at Fairway Park; replant beds at various park sites; install new benches at JFK and Woodland tennis courts; install updated signs for shelter reservations at all shelters (60% complete); spray weeds at parks and trails (80% complete); trim pine trees at north Aqueduct; remove

Tamarisk Trees and branch pieces at Poormans; aerate and fertilize all parks; epoxy coat restroom floors at Community Park with aggregate; weed abate equestrian center; and final remodel of exterior of Cottonwood Golf Center Pro Shop.

In September, vandalism and graffiti have been reported at the following areas: Adrienne Mitchell (\$127), Aqueduct (\$890), Bethune (\$254), Celebration (\$24), Community (\$196), Edison (\$335), El Potrero (\$148), John F. Kennedy (\$124), Morrison (\$94), Parque Amistad (\$42), Sunnymead (\$220), Vista Lomas (\$83), Weston (\$158), and Woodland (\$65). The total cost for vandalism/graffiti was \$2,760. Total labor hours were 60 hours, approximately 7.5 full-time work days.

Court referrals performed a total of 944 hours during September. The total hours for court referrals in 2010 are 9,941 which equates to approximately 1,242 full-time work days.

The Mobile Stage was used for the following events: September 4 at the Breakthrough Cogic Unity Fest and September 11 and Youth Fest.

Recreation

The annual Time for Tots Fall Festival was held at the Conference and Recreation Center on October 29. The annual event featured Trunk-or-Treating, games and activities, a musical performance by the participants, a holiday movie, and a pumpkin patch.

The beginning of fall saw an increase in adult enrollment in many classes including Oil Painting, Tai-Chi, and Cardio Kickbox. Recreation staff also welcomed new Traditional Karatedo instructors teaching classes offered twice weekly at the Conference and Recreation Center. In addition, staff has recruited new contract instructors teaching fitness, Kenpo martial arts, and additional dog training courses. More information, regarding these exciting courses, is coming soon.

Staff is preparing for the upcoming fall and winter Valley Kids Camp at the March Field Park Community Center. Children will spend their vacations from school creating creative holiday and seasonal crafts, playing fun-filled games and activities, and much more. The camp programs are extending as well, now welcoming eighth graders to join kindergarten through seventh grade participants.

Upcoming holiday events include Santa Live, which will be held on December 6, on MVTV-3 from 5:30 p.m. to 7:00 p.m. The telephone lines are anticipated to be consistently busy with callers wishing to speak to Santa

Claus and tell him what they would like for Christmas. Santa and host Mike McCarty will ask holiday trivia questions with winners gaining prizes.

On December 11 from 9:00 a.m. to 11:00 a.m., children ages three to twelve years are invited to attend Breakfast with Santa inside the Conference and Recreation Center. Participants will enjoy a delicious breakfast prepared specifically for them. The children will then be entertained with a morning of crafts, music, games, and had a special visit with Santa Claus.

The Holiday Craft Fair is scheduled for December 14 from 6:00 p.m. to 8:00 p.m. at the TownGate Community Center. Children ages five to twelve years will enjoy an evening of creative crafts that they will take home to share with friends and family.

The holiday programs will conclude on December 16 with the Jr. Chef Workshop at the TownGate Community Center from 6:00 p.m. to 8:00 p.m. Children five to twelve years of age will spend a fun-filled evening getting their hands sticky putting together fantastic holiday treats.

The first ever youth volleyball league began with approximately 40 youth. The children practice on Wednesday nights at the Conference and Recreation Center and play games on Saturdays. The season ended on October 16.

The Pee Wee/Junior flag football was a great success. The season came to a close with an awards banquet on the week of September 27.

Adult softball began the weekend of September 26, with the most teams ever registered. There are 52 teams playing throughout the week on Sundays at Sunnymead Park, Mondays at March Field Park, and Thursdays at March Field Park and Woodland Park.

Women's soccer began in October playing Sunday nights at Community Park.

Senior Community Center

Four new billiard tables for the seniors were received on October 4. The seniors are already hosting tournaments in the newly renovated pool room.

Every Tuesday and Thursday from 12:00 p.m. to 4:00 p.m., seniors can receive free haircuts provided by Adela Madrid.

September 22, the Center held its 3rd annual fall festival sponsored by Health Net outside on the new patio. There

were more than 75 seniors attending the festival. There was music, line dancing, and raffle giveaways of various gift baskets, along with hot dogs, corn, and chicken.

The July Senior Birthday Party was celebrated on September 23 at 12:00 p.m. This event was sponsored by the Friends of Moreno Valley Senior Center who provided a free meal and a box of candy. Miller Jones Mortuary donated the cake and ice cream.

Senior trips to the Spotlight Casino were taken on September 4, 18, and 25. In addition, trips to the Pauma Casino were taken on September 2, 6, 9, 16, 23, and 30. The seniors were offered an overnight trip from September 11-12 to Las Vegas. The trip was \$50 per person and included 2 free buffets. On September 26 there was a trip to Harrah's Casino with \$25 free play back at the casino.

Other events included a swap meet held on October 1, a costume party held on October 29, and a holiday craft fair scheduled for November 6.

PUBLIC WORKS DEPARTMENT

Capital Projects

Day Street Roadway Improvements

The Day Street Roadway Improvements from Alessandro Boulevard to Cottonwood Avenue started construction on July 13, 2010 and is scheduled for completion in December 2010, barring any unforeseen circumstances. This project involves the rehabilitation of Day Street from Alessandro Boulevard to Cottonwood Avenue, which consists of street, signing, striping and waterline improvements, utility relocation, sidewalk, curb and gutter. In order to expedite construction, segments of Day Street within the project limits will be regularly closed to through traffic and open to local traffic only.

Emergency Operations Center

The new two story 8000 sq. ft. earthquake resistant, state of the art technology and modern Emergency Operations Center (EOC) building, located within the Civic Center complex, officially opened for public service on September 29, 2010.

The City conducted a test of the Emergency generator on Thursday, October 21. The test lasted between 1 to 1 1/2 hours. Employees at City Hall, the Public Safety Building, Fire Department personnel and the Emergency Operations Center were asked to leave their computers on and to also leave all other electrical equipment on that are used on a daily basis. The test was carried out to assure that the shared emergency generator between the

three facilities, City Hall, PSB, and EOC can function and have necessary power supply in case of failure to have regular electric power supply for these facilities in the event of disaster or the regular power supply is interrupted.

Morrison Park Fire Station

A new fire station will be built at the corner of Cottonwood Avenue and Morrison Street on a site that is approximately 1.5 acres. The design documents are approximately 50% complete. The project is scheduled for bid and award in summer of 2011. The proposed fire station will be funded using 2007 Redevelopment Agency Tax Allocation Bond funds which are specifically allocated for design and construction of this fire station. The station is expected to be in public service in the fall of 2012, barring any unforeseen circumstances.

Corporate Yard Phase I Office Bldg. And Sewer Line

The City prepared a master plan for the improvement of the City's Corporate Yard located at the NE corner of Perris Boulevard and Santiago Drive. The existing buildings are in a dilapidated condition and do not meet current building codes. Phase I consists of a new office building of approximately 5,000 sq. ft. and sewer line that will replace the existing septic tanks, this is the first phase of a ten phase master plan. The first phase is funded by Developer Impact Fees collected specifically for the Corporate Yard improvements. The design documents for the office building are 65% complete. The project is scheduled for bid and award in spring of 2011. Currently there is no funding available for any of the future phases. The first phase is anticipated to be completed and in service by late 2011.