

CITY MANAGER'S OFFICE

Administration

Reception Planned for Mayor Flickinger

The Moreno Valley Chamber of Commerce is sponsoring a small reception for Mayor Flickinger on Tuesday, December 7 from 5:00 to 6:00 p.m. The reception will be held in the Council Chamber and will include light refreshments as well as some presentations to Mayor Flickinger for her 18 years of service on the City Council.

Police Contract Cities Meeting

On October 28, the Riverside Sheriff's Department held a Contract Cities meeting at the Moreno Valley Public Safety Building where they discussed a variety of topics, including booking fees and union negotiations:

- The City of Moreno Valley pays a fee to Riverside County for each individual who is booked into jail. The booking fee, charged by the County, is calculated based on State law and factors in how much money the State provides to the County to offset the cost of operating the County jail system. This year the County requires \$35 million dollars to cover expenditures for the jails and they are expecting \$25.9 million dollars from the State. To help offset the deficit the County will charge a \$32.91 booking fee to the City. This rate is down from last year's actual booking fee cost of \$37.10.
- Union negotiations are ongoing between the County Board of Supervisors and the Riverside Sheriff's Association as the contract the County has with the deputies is set to expire on January 31, 2011. The Sheriff's Department representative at the Contract Cities meeting provided no specifics on the negotiations but did indicate that cities could provide input regarding the negotiations by writing a letter to the Board of the Supervisors. The City Manager's Office will work with the Financial and Administrative Services Director to draft a letter illustrating recent and ongoing budget challenges.

B.E.S.T. APWA Project of the Year Award

I am very pleased to announce that the City of Moreno Valley has been chosen to receive the **2010 B.E.S.T. APWA Project of the Year Award** from the Southern California Chapter of the American Public Works Association (APWA). This award is for the Emergency Operations Center Building that was designed as an

"essential facility", meaning it can better withstand the damaging forces from an earthquake than a regular building. It is a state of the art facility with improved communications and monitoring systems to facilitate emergency responses during a disaster.

The purposes of the Chapter's awards program are to recognize public agencies for their outstanding projects and programs, and to share the wealth of good ideas.

APWA is the professional association of Public Works leaders throughout the United States and Canada. The Southern California Chapter covers Los Angeles, Orange, Riverside, and San Bernardino Counties and there are over 1,400 members in the Chapter.

Veterans Day

The City's annual Veterans Day ceremony was held on Thursday, November 11 at the Veterans Memorial. Over 125 people attended the sunset ceremony which opened with the Moreno Valley Master Chorale singing several songs followed by a flyover of two T-34 airplanes courtesy of the March Aero Club. The event concluded with the Knights of Columbus A.F. Chelbana Assembly forming a honor guard for the laying of a wreath of flowers at the Memorial by Mayor Bonnie Flickinger while Stephanie Johnson, a Vista Del Lago High School student, played "Taps" on her trumpet.

Military Appreciation Banner Program

Veterans Day also marked the unveiling of the City's Military Appreciation Banner Program. The eight soldiers killed in action whose names are inscribed on the Veterans Memorial had banners placed in their honor around the Memorial. The Parks and Community Services Department is now accepting applications for the purchase of banners honoring active servicemen and women. The first installation of these banners will be prior to Memorial Day next year.

Another element in the development of the banner program was direction by the City Council to have staff investigate renaming a section of Cactus Avenue to "March Memorial Parkway." Acting Assistant to the City Manager Cindy Owens made a presentation regarding this request to the Environmental & Historical Preservation Board on November 8. The item was reviewed by the Board because Cactus Avenue from Frederick Street easterly was given landmark status by a 1989 resolution of the Cultural Preservation Advisory Board along with other historic avenues and streets listed on the 1891 Bear

Valley Historic Map. The Board was not in support of a permanent renaming but recommended placing signs on Cactus Avenue that designates that portion of Cactus Avenue as “March Memorial Parkway” in order to honor our military service personnel. This item has been placed on the December 21 Study Session agenda for City Council discussion.

COMMUNITY DEVELOPMENT DEPARTMENT

Planning Division

Planning Commission

The Planning Commission met on October 28th to review the following two items:

1. 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. The Commission recommended City Council approval of the change. The item is scheduled for City Council review on November 30th.
2. 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). The Commission recommended City Council approve of the change. The item is scheduled for City Council review on December 14th.

Administrative Approvals

1. Plot Plan to allow for Westech College to expand into a second building in the office complex on the south side of Alessandro Boulevard between Elsworth Street and Veteran’s Way. The expansion covers 6,018 square feet in an existing building in the complex. The applicant is Aardex LLC.
2. Administrative Variance to substitute street trees on Eucalyptus Avenue in front of the Skechers warehouse due to lack of availability. The replacement tree has been determined to have a similar look and canopy to the existing tree specified for Eucalyptus Avenue. The applicant is Highland Fairview Properties.

3. Plot Plan to allow additional sub-tenants in the El Super market (formerly Fiesta Foods) at the southwest corner of Alessandro Boulevard and Perris Boulevard. The applicant is RAC Limited.
4. Plot Plan to add a restroom and legalize an existing carport at 13718 Old Highway 215. The conditions of approval once met will allow for the correction of an existing code enforcement action related to non-permitted structures. The applicant is Socrates Urena.
5. Plot Plan for a large (900 square foot) free-standing patio cover on Western Ridge Road. The applicant is Andre Baskett.

ECONOMIC DEVELOPMENT DEPARTMENT

Administration

Moreno Valley Major Employers-2010

Economic Development staff has just finished a survey of the Top 50 Major Employers operating in Moreno Valley for 2010. Given the challenging economy a number of entities have downsized since the 2009 survey including several retailers and restaurants (Costco, Kohl’s, Kroger-Ralph’s and Food 4 Less, Mimi’s Café, Outback Steakhouse, Stater Bros. and Walmart have decreased their number of employees). Several manufacturers that depend heavily on business to the housing construction industry also experienced workforce reductions including Masonite Doors Fabricators, Modular Metal Fabricators and Porvene Doors. The biggest job loss in the community came from the Moreno Valley Unified School District.

Despite job decreases for 20 out of the Top 50 major employers, the overall number of employees for the Major Employers group grew by 1,250 jobs in 2010 as compared to the Top 50 in 2009. The top 50 Major Employers in 2010 represented 29,483 jobs in the community. Some of the significant producers of new jobs include Ross Stores Distribution Center (550 new jobs), March Air Reserve Base (300 new jobs), Val Verde School District (225 new jobs in Moreno Valley), the Moreno Valley Mall (181 new jobs) and Serta Mattress (71 new jobs). Several new businesses made the Top 50 Major Employers list including Bob’s Big Boy, Burlington Coat Factory, iHerb Inc., and O’Reilly Automotive.

Restaurant Sales Trending Upward in Moreno Valley

The restaurant industry has struggled for the past few years as patrons have cut back on eating out. Consumers have reduced their spending to cope with job losses, pay cuts and a fear of the economy worsening. During the past few years, many people quit eating out and if they

did go out people are spending less and looking for discount specials.

According to the National Restaurant Association, traffic at restaurants has decreased the past few years. In 1st Quarter 2010 (January-March) traffic nationally at restaurants was down 2.5% as compared to the same period the year before, which was also down from the same period in 2008. Statewide there were 1,455 or 2% fewer restaurants operating in 1st Qt. 2010 as compared to 2009.

With a bit of good news, sales for Moreno Valley restaurants have trended upward in 2010. Locally, most restaurants report that sales started to increase during the past 2009/10 holiday season and they say this year is better than 2009. In 1st Qt. 2010, sales tax revenue from restaurants in Moreno Valley was virtually flat (actually up .3%) as compared to the same period in 2009 and this was accomplished despite the loss of sales tax revenue from two closed restaurants—Red Robin and Caliente. Please note the overall flat sales performance in Moreno Valley was much better than what the County of Riverside experienced as whole, with the County decreasing by 7%.

In 2nd Qt. 2010 sales tax revenue from Moreno Valley took a big jump up with a 19.5% increase as compared to 1st Qt. 2009. A number of Moreno Valley restaurants have enjoyed strong sales performance in 2010 including Acapulco, Applebees, BJ's, Chili's, IHOP, In N Out, Mimi's, Panda Express, and Outback.

Another encouraging sign is that a number of restaurant chains are again looking to open new restaurants in Moreno Valley. In the past year, Bob's Big Boy and Baja Fresh opened at Stoneridge Towne Centre. Both Buffalo Wild Wings and Panera Bread have recently finalized deals to open new restaurants in TownGate Crossing. Several more popular restaurant concepts including Café Rio, Chipotle, Five Guys Burgers, Original Pancake House, Red Lobster, Richie's Real American Diner, Sonic and Texas Roadhouse all are looking at the possibility of pursuing new restaurant opportunities in Moreno Valley.

All this good news about improved restaurant sales and the possibility of new restaurant opportunities in Moreno Valley is tempered with the news that PH Woods decided to cease business operations on November 6. This decision was sudden and nobody associated with the PH Woods Restaurant will comment on the decision to close the restaurant, which has been a popular spot for City Hall employees for many years.

iHerb DC

iHerb Inc. has fully completed their relocation from Irwindale and is shipping product from the new Moreno Valley Distribution Center (DC) located on Indian Street in the Moreno Valley Industrial Area just north of the Perris Valley Storm Drainage Channel. iHerb is a 12-year old company that is a distributor of more than 16,000 natural herbal products, via its world-class web based online store system to 180 countries worldwide. The new DC for iHerb in Moreno Valley includes an upgraded software system which will better achieve the company's high standard of customer service with next day delivery.

iHerb expects to eventually employ 300 employees at the Moreno Valley facility within the first year as business grows and new product lines are implemented. Currently 144 employees work one shift - seven days per week. However, iHerb expects to soon add another shift. The total employee count of 144 workers includes 89 employees that previously worked at the Irwindale location.

iHerb continues to hire new employees weekly to support the new DC and product expansion. A majority of the new hires live in Moreno Valley and the surrounding area. A number of employees who transitioned from Irwindale have actually purchased new homes in Moreno Valley or the surrounding area. iHerb operates several van pools for employees who did not accept the company's relocation incentive. The iHerb employee benefit package includes medical, dental, vision and life insurance, profit-sharing, paid leave, and reimbursement for tuition and health club memberships. Employees also receive a 25% discount on all iHerb merchandise. Another nice perk is that the company provides a catered lunch each Monday for all employees. iHerb is supportive of local businesses and are working with the Moreno Valley Chamber of Commerce to obtain a list of local restaurants and caterers to help provide the weekly lunch program.

Industrial Building Vacancy-4th Qt. 2010

With the recent leasing of the Ridge Property Trust's 779,016 S.F. building in Centerpointe Business Park by Harbor Freight Tools, Moreno Valley's overall vacancy rate for industrial building space has dropped to 3.9%. There currently are NO buildings of 100,000 square feet or larger than are currently vacant or unused in the City of Moreno Valley. A large sublease opportunity of 256,340 S.F. was recently filled when Lowe's decided to occupy the entire 756,340 S.F. building at the Heacock Business Center located at 16850 Heacock Street (Lowe's was previously using 2/3's of the building). The good news is that Lowe's has extended the lease term for the entire building for 10 years. Note that a year ago in 4th Qt,

2009, Moreno Valley's overall industrial building vacancy rate was 13.5%.

Recently two older, mid-sized industrial properties with a total of 204,640 S.F. became available on the market with the relocation of MVP RV (3 older style buildings with a total of 123,600 S.F.) and the bankruptcy action of Ecolite (1 building with 81,040 S.F.). Moreno Valley's single-digit vacancy rate of just 3.9% still compares very favorably with the Inland Empire Region's overall industrial vacancy rate of 12.3% (Source: 3rd Qt. Vacancy Rate for the Inland Empire Region, per Colliers International Market Report). In 3rd Qt. 2010, the Colliers International Market Report established an overall vacancy rate of 17.2% for the Inland Empire East area that includes Colton, Corona, Moreno Valley, Perris, Redlands, Riverside and San Bernardino.

Demand for industrial building space will continue to be driven by domestic and global trade consummation levels. The good news is that port traffic for LA and Long Beach continues to improve this year and the projection for 2010 is that the number of containers handled by the two ports will be higher this year than during 2009. In fact, through September port activity has been up 15%.

With a vacancy rate of only 3.9% in Moreno Valley and a growing market demand for large industrial buildings in the Inland Empire area, several major industrial developers with approved/entitled projects in Moreno Valley are starting to look at opportunities to pursue several development projects on a speculative basis. Financing these types of projects will be challenging, but the opportunity for new building development is growing. Not only could this produce much needed construction jobs, but also place Moreno Valley in competition for producing more business opportunities including the creation of even more new jobs in the community.

Below is a summary of Moreno Valley's Industrial Building Space for 4th Qt. 2010.

Centerpointe-Ridge

- Occupied 2,064,026 S.F.
- Vacant 0
- Total 2,064,026 S.F.
- Available 0%

Centerpointe-Other

- Occupied 1,140,147 S.F.
- Vacant 213,240 S.F.
- Total 1,353,387 S.F.
- Available 15.8%
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South Moreno Valley Industrial Area

- Occupied 5,147,908 S.F.
- Vacant 125,600 S.F.
- Total 5,273,508 S.F.
- Available 2.4%

Total Moreno Valley Industrial Building

- Occupied 8,352,081 S.F.
- Vacant 338,840 S.F.
- Total 8,690,921 S.F.
- Available 3.9%

Notes:

1. No Available buildings in Centerpointe-Ridge
2. Available buildings in Centerpointe-Other include 1) recently listed 81,040 S.F. building on Alessandro Blvd. that was Ecolite, 2) recently listed property with 3 buildings with total of 123,600 S.F. on Elsworth Street that was MVP RV, and 3) one 8,800 S.F. building on Veterans Way.
3. One sub-lease opportunity is available in South Industrial Area consisting of 125,600 square feet.

Kaiser—Moreno Valley Community Hospital

Kaiser Permanente officials report that they have invested more than \$11 million into the Moreno Valley Community Hospital to upgrade the 100-bed medical facility. Kaiser also states that more investment into Moreno Valley is coming. Within the next year, Kaiser expects to start construction on an approved and entitled 80,000 S.F. medical office development to be situated just west of the Community Hospital. The new Kaiser project will provide much needed office space for Kaiser physicians, along with an expansion of outpatient medical facilities.

As part of its upgrade of the Moreno Valley Community Hospital, Kaiser is discontinuing the operation of its psychiatric facilities in Moreno Valley. Kaiser contracts with both Loma Linda Medical Center and Canyon Ridge Hospital in Chino for a full spectrum of psychiatric services. Kaiser-Moreno Valley Community Hospital patients needing psychiatric services will be referred to one of these facilities.

Kaiser Permanente officials made the business decision to discontinue offering psychiatric services in Moreno Valley because of lack of patient use and to more cost-effectively utilize the space at Moreno Valley Community Hospital. A whole floor with 30 beds was previously allocated for psychiatric use at Moreno Valley Community Hospital—but in reality only about 10 beds on average were regularly used of the 30 total beds provided for the service.

In converting the existing psychiatric floor into a more traditional hospital use with more medical-surgical, post-op, or more typical hospital beds, Kaiser will need to process their upgrade plans through the Office of Statewide Health Planning & Development or as they are sometimes known by—OSHPD. Kaiser officials anticipate this work to take 12 months to complete.

UCR Medical School Advancing

Progress continues towards the development of the University of California-Riverside's new School of Medicine. Plans call for the enrollment of 50 medical students for the first class of the new UCR medical school in the fall of 2012. Presently a 1st phase of the UCR medical school (estimated to cost \$48 million) is under development, including the construction of a new health sciences building (which will serve as the initial research platform for the UCR medical school), along with the renovation and upgrade of several other UCR existing buildings for medical school use.

By 2015, UCR will look to move the medical school to its permanent location in a new development to be situated at the SE corner of Martin Luther King Boulevard and Chicago Avenue. The overall proposed cost to build-out the UCR Medical School is \$507.9 million, along with an annual cost of \$87 million to operate the medical school. UCR has already secured \$35 million in gifts and endowments for the medical school. The State of California's recently adopted FY 2010-11 budgets an additional \$10 million in funding for the UCR medical school. UCR also has secured an initial \$4 million allocation from and the federal government had previously allocated \$4 million for the construction of new facilities for the UCR medical school.

Starting up the new UCR medical school will help address the critical shortage of physicians for the medically underserved Inland Region. The UCR medical school will pursue partnerships with many community clinics and hospitals in the Inland Region including Riverside County Regional Medical Center, Kaiser Permanente, and the new March LifeCare project.

Property Tax

Good news – net taxable property values have come in higher than projected. For the past two years property values have decreased in Riverside County as the area went through a significant economic down cycle. HdL - Coren & Cone, the City's property tax consultant reports that Moreno Valley's taxable property value will decrease by only – 4.37% for the FY 2010-11 tax roll. Please note that based on the best economic forecasting at the time, Moreno Valley budgeted a further 14% decrease for property tax revenue for FY 2010-11. Having only a

4.37% decrease in FY 2010-11 is clearly better than the 10.50% property tax revenue decrease experienced in FY 2009-10.

Moreno Valley's 4.37% decrease compares favorably with what other Western Riverside County cities experienced for FY 2010-11 property tax valuations. Overall, Riverside County as a whole experienced a 4.40% decrease. Below is what other Western Riverside County cities experienced in net taxable property value change from FY 2009-10 to FY 2010-11. Please note that Moreno Valley's 4.37% decrease is right in the middle of the other cities.

1. Temecula – 0.63%
2. Corona – 1.21 %
3. Murrieta – 1.83%
4. Norco – 2.07%
5. City of Riverside – 2.91%
6. Menifee – 4.05%
7. Moreno Valley – 4.37%
8. Wildomar – 4.99%
9. Calimesa – 5.15%
10. Perris – 5.27%
11. Beaumont – 6.35%
12. Hemet – 8.10%
13. San Jacinto – 8.73%
14. Banning – 9.15%

HdL – Coren & Core suggests that the diminished property tax valuation decline of just 4.37% can be contributed to a shifting property tax environment that appears to be improving as the economy becomes healthier. Several large commercial projects and a rebound in housing prices have helped fuel somewhat higher property tax values in Moreno Valley than originally anticipated. Part of the improvement in home values can also be contributed to a decrease in foreclosure activity in Riverside County. According to Realty Trac the number of Real Estate Owned (REO's) properties in Moreno Valley reduced by 57% from July 2009 to July 2010. Some of the other decreases in REO population include Perris – 59%, City of Riverside – 57%, Hemet – 56%, Murrieta – 54%, San Jacinto – 49%, Corona – 43%, Banning – 38%, Beaumont – 38%, and Temecula – 35%.

Original Pancake House

An authorized franchisee for Original Pancake House continues to show a strong interest in opening up a new location in the TownGate area of Moreno Valley.

Original Pancake House was started in 1953 in Portland, Oregon and today has restaurants in twenty-six states, including 16 locations in California. Other Inland Region locations for Original Pancake House include Riverside

and Temecula. The Franchisee pursuing a Moreno Valley location currently owns and operates an Original Pancake House in the City of Orange. Original Pancake House only serves a breakfast menu, including their specialty--15 types of pancakes, along with waffles, french toast, crepes and omelettes.

Harbor Freight Tools Distribution Center

Work continues towards the establishment of Harbor Freight Tools (HFT) new Distribution Center (DC) at the Centerpointe Business Park. The Lease for a 779,016 S.F. building at the NW corner of Graham Street and Cactus Avenue has been fully executed by HFT and Ridge Property Trust. Tenant improvement plans for the project were submitted to the City on October 26 for plan check. HFT is looking to be fully operational in Moreno Valley by late summer 2011.

HFT is clearly in a growth mode and has added more than 2,000 workers company wide during the past 18 months. Presently Harbor Freight Tools operates 336 stores in 44 states.

Moreno Valley Auto Center

Moss Bros. Auto Group reports that sales continue to trend upward in 2010. For the first 6 months of 2010 sales tax revenue from Chrysler/Jeep/Dodge, Chevrolet, Honda and Toyota in Moreno Valley increased by 6.6% as compared to same period in 2009. 3rd Qt. sales tax information has not been received from the State, but Moss officials report a continued improvement in sales for its Moreno Valley operations.

The past few years have been a challenging time for the auto industry. New car sales in California fell from a high of \$2.15 million in annual sales in 2005 to only \$1.03 million in 2009, which was the lowest in the state since 1975. During the past three years over 300 automobile dealerships have closed in California, including the former Moreno Valley Buick/GMC dealership at the Moreno Valley Auto Mall.

Through a Participation Agreement with the City's Redevelopment Agency, Moss Bros. Auto Group has worked to stabilize the auto dealerships at the Moreno Valley Auto Mall including:

- Purchasing the two other existing auto dealership properties.
- Expanding and renovating the operations for Toyota, Honda and Chrysler/Jeep/Dodge.
- Secured General Motors approval to operate the Chevrolet dealership and move towards the re-establishment of the Buick/GMC franchise.

- Advance negotiations with several other auto manufacturers about establishing new auto dealerships at the Moreno Valley Auto Mall.

Westech College to Expand

Westech College is moving to expand its facilities in Moreno Valley. In February 2008, Westech College opened the Moreno Valley campus in two-thirds of a newly constructed 12,600 S.F. building at the SE corner of Alessandro Boulevard and Elsworth Street in the Moreno Valley Professional Village. Within a year, Westech expanded to occupy all the building as its student population swelled in Moreno Valley.

Westech College's student population continues to grow at the Moreno Valley campus so Westech has executed a Lease to occupy another nearby 12,560 S.F. building at the SW corner of Alessandro Boulevard and Veterans Way. Westech College desires to use 6,018 S.F. of the building to transition about 30 of its current student population, along with 5 faculty members from its existing building. Tenant Improvement plans have been submitted to the City for this use. Westech also is working on finalizing plans for the remaining 6,542 S.F. of the building, which will include a large cafeteria-break room and class rooms for a new nursing training program.

Westech College is a 22-year old company based in Ontario that has numerous locations in Southern California including Inland Region campuses in Moreno Valley, Ontario, and Victorville. Westech College offers a variety of vocational and career training opportunities through morning, afternoon and evening classes. Westech College offers programs in computer aided drafting (CAD), health and medical assistants, medical billing & coding, and computer office administration. Westech hopes to occupy the new building by early next year.

The Moreno Valley Professional Village is a 130,000 S.F. master-planned office development built and operated by Aardex LLC, which is based in Golden Colorado. Aardex is a 20-year old full-service development firm that has staked a solid reputation of producing quality projects, along with utilizing green building standards. Aardex LLC has developed a variety of medical, office, and government buildings in Colorado, California and Oklahoma.

Spotlight on Moreno Valley Business

Spotlight on Moreno Valley Business is an economic development program aimed at increasing the community awareness of the variety of major and small businesses that operate in Moreno Valley. Each month at a City Council meeting two businesses—a major employer (more than 50 employees) and a small business (less than

50 employees) are featured through a brief powerpoint presentation and short video, as well as recognizing a representative from the business. The November participating businesses were United Natural Foods Inc. and Brandon's Diner. The upcoming December Spotlight businesses will be Mimi's Café and Nation's Rent to Own.

The Spotlight on Moreno Valley Business program also wishes to alert you of some of the new businesses having just opened in the community. Recent openings include:

- **Submarina-California Subs**—a San Marcos (San Diego area) based company that is rapidly expanding through franchise development. The new Moreno Valley location, which is the 70th location for Submarina, is at 24840 Sunnymead Boulevard (situated in the Shell station property). Other Riverside County locations in addition to Moreno Valley for Submarina include Corona, Hemet, Lake Elsinore, Murrieta (3 sites), Temecula, and Wildomar.
- **MiNage-Brand Name Clothing**—a Riverside based retailer has recently opened a new shop in the TownGate Center, near Burlington Coat Factory and Payless ShoeSource. MiNage is a family run retail business that specializes in brand name clothing and accessories for women, men and kids.

Small businesses are the foundation of the City's business community. However, many small businesses struggled to survive during the recent economic downturn. Please Shop MoVal and support local Moreno Valley businesses.

March JPA

March Joint Powers Authority (JPA) continues towards creating new jobs for the area. The following represents a summary of some of the projects underway with March JPA:

- **Meridian Business Park.** Sysco Corp., a major food distributor has closed escrow to acquire a 45-acre property. The master developer of Meridian--LNR Property Corporation has started off-site work for the new project. Look for Sysco to begin construction on the new 515,000 S.F. building early in 2011. Sysco is projected to employ 280 at Meridian. TESCO-Fresh & Easy is working on a major expansion of its Distribution Center (DC) at Meridian. When the DC expansion is completed, TESCO-Fresh & Easy will add another 1,250 jobs and expand its total employment at Meridian to 2,250.

- **March Global Port.** Negotiations are underway with AMRO Fabrication Corp. to occupy 100,000 S.F. of the vacant former DHL facility. AMRO is an El Monte based aircraft parts manufacturer that recently secured a major contract with Boeing Co. AMRO is expected to employ about 120 people if the sub-lease opportunity with DHL can be consummated.
- **March LifeCare.** Pre-development work continues on the March LifeCare project. Asbestos abatement is underway to enable demolition of 25 buildings that must be cleared for the 144-acre March LifeCare project. The Developer—March HealthCare Development LLC is also working with Catholic Healthcare West on finalizing plans for the 150-bed hospital so its master plot plan can be submitted to March JPA planning staff.
- **U.S. Vets Facility.** Plans have been submitted to relocate and expand the U.S. Vets facility, just east of March Air Reserve Base. The proposed \$43 million complex will be situated on 7.3 acres and the relocation is necessary to make way for part of the March LifeCare project. The new U.S. Vets facility will double the size of the current facility at March and when completed it is projected to serve up to 400 homeless veterans from throughout the Inland Region. Presently there are ten U.S. Vets facilities in the U.S. including one in Long Beach, which is the largest U.S. Vets complex-serving up to 550 veterans.

TOT Revenue Measure Fails

Measure P, a local ballot measure to increase Moreno Valley's Transient Occupancy Tax (TOT) from 8% to 11%, was rejected by a 2 to 1 margin—67% voted no and only 33% voted for the increase. The vote was surprising since there was NO known opposition group against the measure, along with the fact that the City has never increased the TOT and Moreno Valley's 8% TOT is one of the lowest in the Inland Region. TOT increases also have virtually NO impact on City residents because only transient visitors to the City using hotels and motels are taxed through TOT.

Given the results of voting Statewide in this recent election, it is probably not surprising that Measure P failed. In California, there were 191 local revenue ballot measures and only 58% passed. Statewide, there were 15 ballot measures to increase TOT rates, but only six passed (only a 40% approval rate). This is in marked contrast to previous elections where 3 of 5 TOT measures have passed since 2001 (a 60% approval rate). TOT ballot measures in Lake Elsinore and Ontario also failed.

Locally, only the City of Riverside was successful in passing a TOT increase (passed with a 2 to 1 margin). Riverside's TOT will now increase from 11% to 13%.

Economic Development Summary-November 2010

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

Neighborhood Preservation

Employment Resource Center

The expansion of the Employment Resource Center (ERC) is complete and is now being used. Despite some rainy weather—a good turnout attended the Open House on October 25 to highlight the expanded facilities at the ERC. Many thanks to Riverside County for coordinating the event (the City managed the event for the opening of the ERC in August 2009). With unemployment still a challenge, the need of the ERC is even more important.

Housing Element

Economic Development-Neighborhood Preservation staff has been notified by the California Housing and Community Development Department, that Moreno Valley's draft Housing Element has secured preliminary approval for certification subject to final approval by the City Council. The Housing Element will go before the Planning Commission on November 18 and then be considered by the City Council for approval on December 14.

Two New Affordable Housing Projects Opening

New affordable housing projects have opened and tenants have started moving in for two properties on Perris Boulevard. Rancho Dorado North is a 79-unit first phase project for Palm Desert Development Company, near the SE corner of Perris and JFK. Just to the south is the Oakwood Apartments, a 241-unit project developed by Macfarlane Costa Housing. Both of these projects add to Moreno Valley's offering of quality affordable housing opportunities in the community. Both development groups report strong tenant interest for their projects.

Proposition 22 Passage Helps Redevelopment

Local government received tremendous support when California voters overwhelmingly passed Proposition 22, which will prohibit the State of California from borrowing or taking funds away from redevelopment, transportation or local government services. 61% of California voters supported Proposition 22. The passage of this important ballot measure to protect local government revenues from being raided by the State was made possible by the hard work of many groups including the League of California Cities, the California

Redevelopment Association (CRA) and the California Transit Association.

Armed with the passage of Prop 22, CRA will move towards further educating the public of the importance of redevelopment. Building a broad spectrum of support for redevelopment—especially gaining more support from California legislators, will help deter any future revenue raids of redevelopment funds by the State.

While the passage of Prop 22 protects local governments from future State actions to take local government funding, it doesn't reverse the State's previous legislative action (through ABX4-26) to take \$2.05 billion statewide in redevelopment funding. Moreno Valley lost \$5,258,237 in RDA funds in May 2010 and must provide the State with another \$1.1 million in redevelopment funds May 2011 as part of the State's previous raiding of redevelopment funds. CRA continues to be actively engaged in litigation to invalidate ABX4-26. However, Moreno Valley will be ready to make the \$1.1 million payment should CRA not prevail.

Neighborhood Stabilization Program

Moreno Valley's Neighborhood Stabilization Program (NSP) remains active. As part of NSP1, the City's Development Partners have committed to acquire and renovate a total of 44 bank-owned single-family homes in Moreno Valley. Below is a summary of the NSP1 activity:

- Rehabilitated and Resold—8 houses
- Rehabilitated and Resale Escrow Pending—10 houses
- Rehabilitated and Marketing for Resale—10 houses
- Undergoing Rehabilitation—10 houses
- In Escrow for Development Partner Acquisition—6 houses

Mary Erickson Community Housing (MECH) continues to work on plans for the rehabilitation of 27 multi-family apartment units on Myers Avenue. A phasing and relocation plan is being finalized by MECH's consultant—Overland, Pacific & Cutler Inc.

Moreno Valley was recently allocated \$3.4 million in a 3rd round of NSP. Word has it that HUD will keep NSP regulations the same for NSP3, but nothing official has been released by HUD. The City staff recently attended a HUD sponsored program to gain some insight into the guidelines and timing of this next round of NSP.

Housing Resale Market-October 2010

In October, homes prices dipped for the 2nd straight month. Resale numbers released by DataQuick for the month of October illustrate an average resale value for single-family homes in Moreno Valley of \$155,801, which is down 3.5% from the previous month of September. Please note the average home price value of \$155,801 is still 11.8% higher than a year ago in October 2009.

Resale transactions in Moreno Valley have slowed somewhat in the past four months, but overall home resale activity remains healthy in the area. In October 2010 there were 221 resale transactions in Moreno Valley as compared to 351 transactions in October 2009. During the past 20 months there has been a total of 6,655 resale transaction in Moreno Valley, which is healthy average of 333 each month. From a positive standpoint—having less inventory on the market and having fewer resale transactions means there is less bank-owned or foreclosed properties for sale in Moreno Valley.

Moreno Valley's resale market in October was similar to what other nearby communities experienced. Corona (+4.9%), Hemet/San Jacinto (+3.7%) and Temecula/Murrieta (+2.2%) all experienced home price increases in October after several months of home price decline. Both Perris (-2.3%) and Riverside (-6.0%) experienced home price declines in October like Moreno Valley (-3.5%).

Unemployment-October 2010

Good news---unemployment rates went down last month. Employment data released by the California Department of Employment Development illustrate unemployment starting to decrease in the fall for the Inland Region as the unemployment rate for the Riverside-San Bernardino metropolitan area dropped to 14.2% in October. Both the State of California (12.4%) and U.S (9.6%) unemployment rates stayed the same in October as compared to the previous month of September.

Moreno Valley's unemployment rate decreased in October--going to 16.9%, as compared to 17.6% in September. Riverside County's unemployment rate went from 15.3% in September to 14.7% in October. Other nearby Western Riverside County cities also experienced unemployment rate declines including Corona (11.4%), City of Riverside (15.4%), Beaumont (17.3%), Banning (17.4%), Hemet (19.1%), San Jacinto (22.6%), and Perris with the highest unemployment (23.3%).

Youth Opportunity Center Coming

Negotiations have been finalized to secure the location for the new Youth Opportunity Center (YOC) in Moreno

Valley. The site for the YOC is situated in the Moreno Valley Professional Village, on the south side of Alessandro-between Elsworth Street and Veterans Ways. The YOC will occupy the remaining 4,200 S.F. space of a 12,550 S.F. building that fronts on Alessandro—just west of the corner of Alessandro and Veterans Ways.

The Moreno Valley YOC will be operated by Arbor Education & Training LCC (Arbor ET), who currently operates two other existing YOC's in Riverside County (Perris and Indio). Arbor ET LCC was recently acquired by ResCare Inc., the nation's largest human services company. Over the next year, Arbor ET will be re-branded as part of ResCare Inc.

Through a proposal by Arbor ET, the idea of a new Moreno Valley YOC secured funding from Riverside County as part of competitive Request for Proposal process through Workforce Development. The City of Moreno Valley's adopted FY 2010-11 CDBG budget contains an allocation of \$50,000 in funding for the new YOC in Moreno Valley.

Moreno Valley staff from EDD, Planning, Building & Safety and the Fire Marshall's Office will work closely with Arbor/ResCare to help fast-track tenant improvements plans for the YOC. The goal is to have the YOC in Moreno Valley open by early in 2011.

Recognition for Economic Development Staff

Several members of the Economic Development staff have recently been recognized by organizations with awards for their hard work and dedication including:

- **Anochar Clark**, Senior Financial Analyst is the 2010 recipient of the 2010 J. Michael Dutton Summit Award from the Municipal Management Association of Southern California (MMASC). This award is given to a MMASC Board member who has made significant and/or sustained contribution to MMASC.
- **Denise Bagley**, Management Analyst is the 2010 recipient of the Corazon de Raza (heart of the people) Award from the Moreno Valley Hispanic Chamber of Commerce.
- **Michele Patterson**, Redevelopment and Housing Programs Administrator is the 2010 recipient of the Romelio Ruiz Humanitarian Award from the Moreno Valley Hispanic Chamber of Commerce.

FINANCIAL & ADMIN. SERVICES DEPT

Animal Services

Pet Adoption Campaign

The Moreno Valley Animal Shelter is participating in the 12th Annual Iams Pet Food "Home for the Holidays" pet adoption campaign. The adoption campaign runs through January 4, 2011. The purpose of this adoption campaign is to help adoptable companion pets find loving homes during the holiday season. Last year 571 pets from the Moreno Valley Animal Shelter found new homes. The Animal Services Division hopes to help over 600 animals find new homes this holiday season. Don't forget to recommend a friend or family member to visit the Moreno Valley Animal Shelter when considering the adoption of a new family pet this holiday season.

Recognition for Moreno Valley Animal Services

Project Wildlife, a non-profit 501c3 wildlife rehabilitation organization recently recognized Moreno Valley Animal Services for supporting their efforts in rehabilitating injured and sick wildlife. Project Wildlife's mission is "Conservation through Education and Wildlife Care". Over the past year Moreno Valley Animal Services has transferred 47 animals to Project Wildlife for rehabilitation and eventual release of these wild creatures back into their natural habitat. Kristin Miller, Animal Services Assistant has worked closely with Project Wildlife having helped care for more than 26 species of wild animals, both mammals and birds. Recently Kristin Miller provided care for an injured Pelican then transported it to Project Wildlife. The Pelican was rehabilitated and released by Sea World in San Diego. Some of the wild animals transferred to Project Wildlife from Moreno Valley have been a variety of songbirds, birds of prey (owls & hawks) along with a variety of mammals including possums, raccoons, rabbits and even an albino hedge hog.



Pictured from left to right, accepting the Project Wildlife certificate of recognition are Steve Fries, Animal Services Division Manager, Anysia Dickson, Project Wildlife Representative, Kristin Miller, Animal Services Assistant and Steve Lulli, Animal Services Field Supervisor.

LIBRARY SERVICES DEPARTMENT

Tuition Funding Sources

The library has received another new database funded through the Inland Library System. *Tuition Funding Sources* helps students find scholarships, college and career information. It can be accessed on the library web site, as well as on the public catalog computers in the library.

Library Assistants Receive Scholarships

Two part-time Library Assistants who are currently enrolled in graduate school for library science degrees have received scholarships from the Inland Empire LEADS grant, from the Institute of Museum and Library Services, Laura Bush 21st Century Librarian Program. The grant is being coordinated by UCR, in partnership with 10 Inland Empire libraries, including Moreno Valley Public Library.

Ghost Towns: Yesterday and Today

Local author, ghost town expert, and former city employee Gary Speck recently held a book signing at the Moreno Valley Public Library, at which he signed copies of his new book, "Ghost Towns: Yesterday and Today." One dollar from each book sold was donated by Gary to the Moreno Valley Friends of the Library, for their continued support of library services and operations.

Fall Reading Program

The library's Fall Reading Program concluded on November 10. 110 children participated, and a total of 1,020 books were read.

Storytime at the Library

Santa Claus is coming to town for Storytime at the library on Monday, December 20, from 11:00 a.m. to 12:00 p.m.

PARKS & COMMUNITY SERVICES DEPT

Projects

Replacement of play equipment at Moreno Valley Community and Adrienne Mitchell Memorial Parks was approved by the City Council on September 14. The playground equipment at these sites is outdated, not meeting current safety codes. The project will bring the play equipment up to current standards for safety and ADA. A purchase order was issued for the work on September 27. Play equipment will be arriving within the next couple of weeks. Demolition of the existing equipment is planned to commence the week of November 8. Completion of the project is expected by January 2011.

ADA Hardscape Improvements at Moreno Valley Community Park is nearly completion. The last item remaining is the addition of a non-skid surface on the restroom floors.

Plans for the Shadow Mountain Park Ballfield Lighting and Restroom Project are in review by Building and Safety. The restroom is designed as a prefabricated unit. The project is expected to go to bid this month, with bid opening in December. Once awarded, the final plans for the restroom will be provided by the contractor. Prefabricated restrooms require approval from the State Architect as well as our Building and Safety Division. Planned completion of the project is fall 2011.

Parks Maintenance Division

Completed projects include installed updated signs for shelter reservations at all shelters; sprayed weeds at parks and trails; trimmed pine trees at north aqueduct; removed Tamarisk trees and branch pieces at Poormans; and weed abated equestrian center.

Projects in progress include installing new benches at Fairway Park; replanting beds at various park sites; installing new benches at JFK and Woodland tennis courts; aerating and fertilizing all parks; Epoxy coating restroom floors at Community Park with aggregate; remodeling of exterior of Cottonwood Golf Center Pro Shop with ADA transition plan; trimming trees at Public Safety Building and Veteran's Memorial; preparing multi-use trail and bikeway Request for Proposal; repairing multi-use fencing on Cottonwood; and installing ADA handrailing at Golf Course.

Vandalism and graffiti have been reported at the following areas during the month of October: Adrienne Mitchell (\$59), Aqueduct (\$135), Bethune (\$808), Celebration (\$41), Community (\$282), Edison (\$59), El Potrero (\$252), John F. Kennedy (\$133), Morrison (\$88), Pedorena (\$25), Rancho Verde Staging Area (\$146), Ridgecrest (\$24), Sunnymead (\$224), Towngate (\$47), Valley Skate Park (\$24), Victoriano (\$24), and Woodland (\$28). The total cost for vandalism/graffiti was \$2,446. Total labor hours for vandalism/graffiti were 53½ hours, approximately 6.68 full-time work days.

Court referrals performed a total of 1,254 hours during October. The total hours for court referrals in 2010 are 11,195 which equates to approximately 1,399 full-time work days.

The Mobile Stage was used on October 2 – Moreno Valley Christian Assembly.

Recreation Division

Many of the Time for Tots fall and winter sessions continue to fill weeks in advance with new and continuing children. The month of October was spent enjoying creative curriculum and celebrating special activity days including Friendship Day, Columbus Day, and our annual Fall Festival. The annual Time for Tots Fall Festival was held at the Conference and Recreation Center on October 29. Wells Fargo Bank, Brunswick Bowling, and Moreno Valley Fire Station #6 participated. The children enjoyed a morning of Trunk-or-Treating, carnival games and activities, a musical performance by the participants, and a pumpkin patch. More than 100 of the program's participants attended with their families.

A Time for Tots Thanksgiving Feast was held at each site on November 24, and the annual Winter Celebration to be held at the Conference and Recreation Center on December 8. More exciting information to come!

October was also a busy month for many recreation classes. Fall saw an increase in youth and adult enrollment in many classes including Folkloric Dance, Dance Exploration, Hip-hop, Photography, Ballet, and Zumba. Recreation staff were recruiting new contract instructors for additional martial arts, dance, and fitness courses. Look for these new courses to begin soon!

Staff and contract instructors are preparing for the annual Winter Contract Class Performance. This exciting, musical event will be held in mid December and will feature performances from many of the youth and adult dance classes. More information to be released in the approaching weeks!

Valley Kids Camp will be available for the fall and winter holidays at the March Field Park Community Center. Attending 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. Staff have done a wonderful job of revamping the facility and expanding the already popular program. November, December, and January are sure to be exciting at Valley Kids Camp.

Recreation staff are preparing for the many upcoming holiday events in December, which will include the following:

- Santa Live 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 Michael McCarty will ask holiday trivia questions with winners gaining prizes.

- On December 11 from 9:00 a.m. to 1100 a.m., children ages three to twelve years are invited to attend Breakfast with Santa inside the Conference and Recreation Center's Grand Valley Ballroom. Participants will enjoy a delicious breakfast prepared specifically for them. The children will then be entertained with a morning of crafts, music, games, and a special visit with Santa Claus.
- The Holiday Craft Workshop is scheduled to be held at the TownGate Community Center from 6:00 p.m. to 8:00 p.m. on December 14. Attending 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 to be held 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.

Approximately 120 youth will be participating in our Pee Wee and Junior Basketball League. The program finished in early November.

Fifty youths participated in the Basketball Clinic that ended on Nov. 5. This year we had local college coaches and players as guest speakers and participants.

The largest ever Youth Basketball League began on November 13. The league will run from December through March. It includes a pre-season tournament, a 3-on-3 tournament, an all star weekend, and playoffs.

All adult sports are in full swing. Adult softball has more than 40 teams playing three different nights. The Women's Adult Soccer League players are enjoying some modifications and improvements made to the league.

Senior Community Center

On October 29, the Center held its annual costume party sponsored by Health Net and Angel City. There were more than 75 seniors attending the party, with music, dancing, singing, and giveaways of various gift baskets. There were also plenty of cookies and candy to go around.

The October Senior Birthday Party was celebrated on October 28. 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.

Grant Programs

The Fourth Annual Spelling Bee for 43 schools throughout Moreno Valley and Val Verde Unified School Districts was held on November 13 at the Conference and Recreation Center from 9:00 a.m. to 4:30 p.m. There were 129 finalists competing in four categories for grades kindergarten through eighth.

Three additional schools in the MVUSD were funded adding an additional 285 students to STARS' enrollment. The program is at an all-time high with a little more than 3,800 students enrolled in the STARS program.

"A Child's Place" staff attended training with The California Department of Public Health, Fruit and Vegetables Power Play Program on November 18. The training consisted of teaching children and parents the importance of eating more fruits and vegetables through educational activities and cookbooks for families.

"A Child's Place" program had a successful Harvest Carnival. All five sites enjoyed making caramel apples, witches' hands, and decorating pumpkins.

PUBLIC WORKS DEPARTMENT

Capital Projects

Re-Opening of Old 215 Frontage Road

The City Council authorized a full road closure of the Old 215 Frontage Road between Alessandro Boulevard and Day Street. The roadway was closed as of October 27, 2009 in order to accommodate the construction of street and storm drain improvements as part of the planned development project which will include the relocation of the Robertson's Ready Mix facility. All of the street and storm drain improvements have been completed and the Old 215 Frontage Road is now open for public use.

Transportation

Bicycle Transportation Account

Public Works has received notice that one of our recent Bicycle Transportation Account (BTA) grant applications has been approved in the FY 2010/2011 funding cycle. The project will provide for approximately 6,828 linear feet of Class II Bikeway (Bike Lanes) along the east and west sides of Indian Street from Iris Avenue to Katrina Street. The project has a total estimated cost of \$169,398, of which the City is required to provide ten percent matching funding in the amount of \$16,940.