

Town of Yucca Valley Mid-Town Master Land Use Vision and Mobility Plan Market Potential Analysis

Prepared for:

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This is a project for the Town of Yucca Valley with funding provided by the Southern California Association of Governments' (SCAG) Compass Blueprint Program. Compass Blueprint assists Southern California cities and other organizations in evaluating planning options and stimulating development consistent with the region's goals. Compass Blueprint tools support visioning efforts, infill analyses, economic and policy analyses, and marketing and communication programs.

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The contents of this report reflect the views of the author who is responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of SCAG, DOT or the State of California. This report does not constitute a standard, specification or regulation. SCAG shall not be responsible for the Town's future use or adaptation of the report."

EXECUTIVE SUMMARY

MARKET IMPLICATIONS for MID-TOWN YUCCA VALLEY

Overview and Purpose

The Mid-Town area has the potential to become a vibrant and attractive commercial and residential center of town providing a range of retail, services and a diversified job base, along with civic, cultural and entertainment land uses, catering to the residents of the Town of Yucca Valley and the greater Morongo Basin area.

The focus of this study is primarily on the market potential in the Mid-Town study area for development of various types of private sector land uses, including: commercial and medical office, retail and restaurant/fast food, industrial and business park land uses.

Sources of Demand for Growth in the Town of Yucca Valley

The primary sources of demand for both residential and non-residential growth are from the existing and projected growth of households within the Town of Yucca Valley and households within the remaining Morongo Basin area, including the incorporated city of Twentynine Palms.

Additionally, visitors to the Joshua Tree National Park, numbering about 1.48 million in 2011 and potentially increasing to about 1.68 million by 2035, comprise another major source of demand. These visitors, along with other visitors to the Morongo Basin area, generate additional retail, restaurant and lodging demand. Finally, the Marine Corps Air Ground Combat Center creates significant demand through the number of military households and retirees that live off the base in the various communities, as well as military personnel on the base, and through sizable employment opportunities provided to local residents.

Existing Non-Residential Profile of Mid-Town Study Area

The Mid-Town study area has about 498,100 sq. ft. of existing non-residential land uses, of which about 53 percent, or about 264,700 sq. ft. is for retail and restaurant land uses. The next largest category is for Office and Financial uses at about 156,100 sq. ft., or about 31 percent of the total. About 14.4 percent of the total estimated non-residential lot square footage of 15.74 million square feet is located in the Mid-Town area.

The study area is characterized by a high proportion of vacant or under-utilized land with about 46 acres estimated as vacant. In addition to vacant land, under-utilized land was estimated to range from 23 acres based on an assessed land value to total assessed value criteria, and 39 acres based on a floor area ratio criteria that evaluated the amount of existing building square footage compared against developable land.

Projected Capture Scenarios

The non-residential square footage demand projections in the Mid-Town presented in Table 1 range from about 195,700 sq. ft. to 328,460 sq. ft. This represents an increase of about 39 to 66 percent above the estimated existing non-residential sq. ft. The major difference in these two projections is based on the retail and restaurant demand projections methodology, and a range of lodging room assumptions. While this range is relatively wide, it does define potential capture assumptions that will be influenced by the success of the economic development strategy that is implemented for the Mid-Town area, including the land use, transportation, beautification, economic, marketing, financial and partnership approaches that are adopted.

Multi-Family Residential Development Opportunities

Under the General Plan Land Use Designations, the maximum density for the Medium High Density Residential (MHDR) category is 14 DU/AC, with an assumed average density that is likely to be achieved at buildout of 10 DU/AC. Within the mixed use designation a maximum of 25 DU/AC is allowed and 18 DU/AC is assumed likely to be achieved. However, over time, as the Mid-Town area develops a more pedestrian oriented environment, these densities may become more prevalent as a mixed use component of the Mid-Town area.

Retail Development Opportunities and Constraints

The retail market in the Mid-Town area has the opportunity to capture an increased level of the demand from existing and future households within the Town and from the greater Morongo Basin, as well as the visitors to the Joshua Tree National Park (JTNP) and to the Marine Corps Air Ground Combat Center (MCAGCC). Additionally, both JTNP and MCAGCC generate significant employment opportunities for many of the households that reside in the Morongo Basin communities. The retail establishments attracted to the Mid-Town area will generally be of the mid-size and smaller mix of retailers, including General Merchandise and Clothing and Clothing Accessory stores, Food & Beverage stores, Eating and Drinking places, and in the specialty retail categories, including sporting goods, hobby, book and music stores, electronics and other miscellaneous store retailers.

While the Mid-Town area has a sizable mix of existing retail, professional and medical office and service establishments, and excellent regional accessibility at the intersection of Highways 62 and 247, the constraints to overcome include providing improved local circulation and other public infrastructure, including the planned sewerage treatment system, and providing zoning and economic incentives for the private market to consolidate the vacant and under-utilized parcels into efficient developments in key locations along and north and south of Highway 62.

Table 1
Projected Non-Residential Square Footage Capture: 2010 to 2035
Mid-Town Area of Yucca Valley

| Land Use Categories | Existing Sq. Ft. | Projected Sq. Ft. Capture ² | Alternative Retail Sq. Ft. Capture ³ |
|------------------------------------|---------------------|---|---|
| Office/Financial | 156,099 | 39,530 | 39,530 |
| Retail | 241,043 | 45,964 | 147,838 |
| Industrial Land Use | 24,166 | 34,887 | 34,887 |
| Restaurants and Food Services | 23,681 | 17,866 | 28,777 |
| Health Care (Medical Offices) | 34,994 | 37,431 | 37,431 |
| Lodging ¹ | <u>18,124</u> | <u>20,000</u> | <u>40,000</u> |
| Total | 498,107 | 195,679 | 328,464 |
| Percent of Existing Sq. Ft. | | 39.3% | 65.9% |

1. Assuming one additional lodging facility of 50 to 100 rooms at an average of 400 sq. ft. per room, including common area.
2. This projected capture is based on the SCAG RTP 2012 employment forecasts for Yucca Valley.
3. This alternative capture scenario is based on a retail household expenditure model projection, plus assuming a doubling of the number of lodging rooms from the first projection.

Source: Stanley R. Hoffman Associates

CHAPTER 1 INTRODUCTION

1.1 Overview and Purpose

This market potential analysis supplements the ongoing Master Land Use Vision and Mobility Plan for the study area in the Town of Yucca Valley. The focus of this study is on the market potential in the Mid-Town study area for development of various types of private sector land uses, including: commercial and medical office, retail and restaurant/fast food, industrial and business park, and housing land uses.

The Mid-Town area has the potential to become a vibrant and attractive commercial and residential center of town providing a range of retail, services and a diversified job base, along with civic, cultural and entertainment land uses, for existing and future residents within the Town of Yucca Valley and the greater Morongo Basin area.

1.2 Regional Context

The Town of Yucca Valley is located approximately 25 miles northeast of Palm Springs on State Route 62, in San Bernardino County, California. State Route 62, or as locally called, “Twentynine Palms Highway,” links the Town to Interstate 10, the Coachella Valley, and the Inland Empire. State Route 247 connects with State Route 62 in the center of town, providing access to westerly to the Lucerne Valley and Barstow, and on to the Victor Valley area and Interstate 15 via State Route 18.

In addition to being a desirable residential location away from the intense urbanization within the greater Los Angeles region or the strong tourist/visitor orientation of the Coachella Valley, the Town of Yucca Valley offers a slower paced lifestyle close to nature. Just easterly of Yucca Valley are the entrances to the Joshua Tree National Park that draws a million plus visitors annually to the Morongo Basin; also, further easterly is the incorporated City of Twentynine Palms and the Marine Corps Air Ground Combat Center, both of which help to support the local economy in addition to the households that live within the Town of Yucca Valley and the greater Morongo Basin area.

Figure 1-1
Regional Map
Town of Yucca Valley and Surrounding Areas



Sources: Stanley R. Hoffman Associates, Inc.
Google Maps

1.3 Geography of Analysis

The study area is located in the center of the Town of Yucca Valley, and is generally east of Sage Avenue, west of Joshua View Drive, north of Onaga Trail and south of Sunnyslope Drive. This geographic area is approximately 544 acres, and encompasses the intersection of State Routes 62 and 247, the intersection with the highest traffic volume in the Morongo Basin. State Routes 62 and 247 provide the only regional transportation linkages to and from the Morongo Basin.

Figure 1-2
Yucca Valley Mid-Town Study Area
Town of Yucca Valley



Sources: Stanley R. Hoffman Associates, Inc.
ESRI ArcMap

1.4 Outline of the Report

Chapter 2 presents the demographic and labor force profile of the Town of Yucca Valley. Chapter 3 projects market demand capture scenarios for non-residential land uses in the Mid-Town study area based on two alternative demand capture approaches. Chapter 4 discusses the profile of existing non-residential land uses within the Mid-Town area in terms of square footages and acreages, as well as selected performance measures. Chapter 5 presents taxable sales and housing value trends for the Town of Yucca Valley, and Chapter 6 concludes with a discussion of the competitive office and industrial market based on a review of available listing data and a survey of selected brokers within the market area. Appendix A includes detailed retail expenditure demand tables followed by Appendix B that includes detailed visitor expenditure demand tables.

CHAPTER 2 COMMUNITY PROFILE

2.1 Population and Households

As shown in Table 2-1, total population in the Town of Yucca Valley increased from 16,865 in 2000 to 20,700 in 2010, or 22.7 percent, according to the U.S. Census. Households experienced a similar increase of 19.1 percent from 6,949 in 2000 to 8,274 in 2010. Persons per household increased from 2.38 in 2000 to 2.48 in 2010.

Table 2-1
Population and Households: 2000 and 2010
Town of Yucca Valley

| Category | 2000 | 2010 | Change 2000-2010 | % Change 2000-2010 |
|-----------------------|--------|--------|---------------------|-----------------------|
| Population | 16,865 | 20,700 | 3,835 | 22.7% |
| Group Quarters | 311 | 219 | -92 | -29.6% |
| Household Population | 16,554 | 20,481 | 3,927 | 23.7% |
| Households | 6,949 | 8,274 | 1,325 | 19.1% |
| Persons Per Household | 2.38 | 2.48 | | |

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

2.2 Labor Force and Education

Labor Force. Table 2-2 presents labor force statistics for 2010 in Yucca Valley and San Bernardino by industry category for civilian employed persons aged 16 years and over. The labor force distribution was relatively similar in both Yucca Valley and San Bernardino County in 2010, as the Educational services, and health care and social assistance industry category formed the greatest share of the overall labor force at 28.3 percent (Yucca Valley) and 22.2 percent (County), respectively. In Yucca Valley, the Educational services, and health care and social assistance labor force totaled 2,028 persons. Retail trade formed the next largest share at 12.7 percent of the total labor force in Yucca Valley and 12.8 percent in San Bernardino County.

In the combined labor force categories of Manufacturing and Wholesale trade (industrial oriented jobs), Yucca Valley, at 7.7 percent, was about half of the countywide share of the labor force at 14.3 percent, with no labor force reported in the wholesale trade labor force category for Yucca Valley. In the combined labor force categories of Professional, scientific, management and administrative and waste remediation, and Information (office oriented jobs), Yucca Valley's share was 10.3 percent, relatively less than the countywide share of 13.5 percent.

Table 2-2
Labor Force by Industry: 2010
Town of Yucca Valley and San Bernardino County

| Category | Yucca Valley | | San Bernardino County | |
|--|--------------|---------------|-----------------------|---------------|
| | Count | % of Total | Count | % of Total |
| Agriculture, forestry, fishing and hunting, and mining | 0 | 0.0% | 6,577 | 0.8% |
| Construction | 798 | 11.1% | 65,361 | 8.1% |
| Manufacturing | 550 | 7.7% | 84,455 | 10.4% |
| Wholesale trade | 0 | 0.0% | 31,324 | 3.9% |
| Retail trade | 913 | 12.7% | 103,746 | 12.8% |
| Transportation and warehousing, and utilities | 242 | 3.4% | 61,224 | 7.5% |
| Information | 79 | 1.1% | 14,385 | 1.8% |
| Finance and insurance, and real estate and rental and leasing | 347 | 4.8% | 42,711 | 5.3% |
| Professional, scientific, and management, and administrative and waste management services | 398 | 5.5% | 66,897 | 8.2% |
| Educational services, and health care and social assistance | 2,028 | 28.3% | 180,267 | 22.2% |
| Arts, entertainment, and recreation, and accommodation and food services | 799 | 11.1% | 69,161 | 8.5% |
| Other services, except public administration | 443 | 6.2% | 38,952 | 4.8% |
| Public administration | 578 | 8.1% | 46,303 | 5.7% |
| Total | 7,175 | 100.0% | 811,363 | 100.0% |

Sources: Stanley R. Hoffman Associates, Inc.
U. S. Census Bureau, American Community Survey, 2008-2010.

Educational Attainment. Table 2-3 presents educational attainment for Yucca Valley and San Bernardino County for persons aged 25 years and over in 2010, based on estimates from the 2008-2010 American Community Survey (ACS). Counts by category were not included as a part of the ACS; however, total population aged 25 years and over and percent share by category were provided, and thus used to estimate counts for each category.

As shown in Table 2-3, in 2010, the greatest percent share of the population aged 25 years and over in Yucca Valley, 29.2 percent or approximately 3,871 persons, had completed some college, but no degree. About 19.6 percent had a bachelor's, graduate, or professional degree. Only 2.4 percent of the population 25 years and over had less than a 9th grade education.

In comparison, San Bernardino County had a larger share of high school graduates at 26.0 percent, but a smaller share of the population with some college and no degree at 25.1 percent in 2010. About 18.5 percent of persons in San Bernardino County aged 25 years and over had a bachelor's, graduate, or professional degree, which is a slightly smaller share than in Yucca Valley. San Bernardino County had a larger percent share of the population 25 years and over with less than a 9th grade education at 10.2 percent.

Table 2-3
Educational Attainment: 2010
Town of Yucca Valley and San Bernardino County

| Category | Yucca Valley | | San Bernardino County | |
|---|--------------------|--------------|-----------------------|--------------|
| | Count ¹ | % of Total | Count ¹ | % of Total |
| Less than 9th grade | 318 | 2.4% | 121,993 | 10.2% |
| 9th to 12th grade, no diploma | 1,418 | 10.7% | 144,718 | 12.1% |
| High school graduate (includes equivalency) | 3,672 | 27.7% | 310,963 | 26.0% |
| Some college, no degree | 3,871 | 29.2% | 300,199 | 25.1% |
| Associate's degree | 1,365 | 10.3% | 95,681 | 8.0% |
| Bachelor's degree | 1,697 | 12.8% | 144,718 | 12.1% |
| Graduate or professional degree | 901 | 6.8% | 76,545 | 6.4% |
| Total (Population 25 years and over) | 13,256 | 99.9% | 1,196,013 | 99.9% |

1. Counts by category were estimated using percentages from the 2008-2010 American Community Survey and do not equal the total population aged 25 years and over, due to the percentages falling short of 100 percent.

Sources: Stanley R. Hoffman Associates, Inc.
U. S. Census Bureau, American Community Survey, 2008-2010.

Table 2-4 shows the age distribution for the Town of Yucca Valley and San Bernardino County, based on U.S. Census data for years 2000 and 2010. In Yucca Valley, persons aged 35 to 54 years (the prime working years) made up the greatest portion of the population at 25.8 percent (4,353 persons) in 2000 and 25.0 percent (5,183 persons) in 2010. Also, the number of younger adults in the 20 to 34 years (entry level and less experienced workers) category increased significantly by from a 13.8 percent share in 2000 to a 17.7 percent share in 2010.

In comparison, San Bernardino County, persons aged 35 to 54 years also formed the greatest share of the population at 27.9 percent in 2000 and 27.0 percent in 2010. These were closely followed by the 5 to 19 years (K-12 school age) and 20 to 34 years categories, respectively.

Overall, the most revealing difference was the median age. At 41.6 in 2000 and about the same at 40.6 in 2010, Yucca Valley's median age was older than San Bernardino County's by about 10 to 11 years.

Table 2-4
Age Distribution: 2000 and 2010
Town of Yucca Valley and San Bernardino County

| Age Category | 2000 | | 2010 | |
|-------------------------------------|------------------|----------------|------------------|----------------|
| | Count | % Distribution | Count | % Distribution |
| <u>Yucca Valley</u> | | | | |
| Under 5 years | 989 | 5.9% | 1,335 | 6.4% |
| 5 to 19 years | 3,653 | 21.7% | 4,117 | 19.9% |
| 20 to 34 years | 2,333 | 13.8% | 3,657 | 17.7% |
| 35 to 54 years | 4,353 | 25.8% | 5,183 | 25.0% |
| 55 to 64 years | 1,688 | 10.0% | 2,588 | 12.5% |
| 65 years and over | <u>3,849</u> | <u>22.8%</u> | <u>3,820</u> | <u>18.5%</u> |
| Total | 16,865 | 100.0% | 20,700 | 100.0% |
| Median Age | 41.6 | | 40.6 | |
| <u>San Bernardino County</u> | | | | |
| Under 5 years | 143,076 | 8.4% | 158,790 | 7.8% |
| 5 to 19 years | 463,192 | 27.1% | 505,787 | 24.9% |
| 20 to 34 years | 364,607 | 21.3% | 441,999 | 21.7% |
| 35 to 54 years | 476,303 | 27.9% | 550,243 | 27.0% |
| 55 to 64 years | 115,797 | 6.8% | 197,043 | 9.7% |
| 65 years and over | <u>146,459</u> | <u>8.6%</u> | <u>181,348</u> | <u>8.9%</u> |
| Total | 1,709,434 | 100.0% | 2,035,210 | 100.0% |
| Median Age | 30.3 | | 30.6 | |

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau

2.3 Household Income

As shown in Table 2-4 and Figure 2-1, the median and average household incomes in Yucca Valley were significantly less than those of San Bernardino County in 2010. At \$44,755, the median household income in Yucca Valley was 82.9 percent of San Bernardino County's; at \$53,407, the average household income was 77.3 percent of San Bernardino County's.

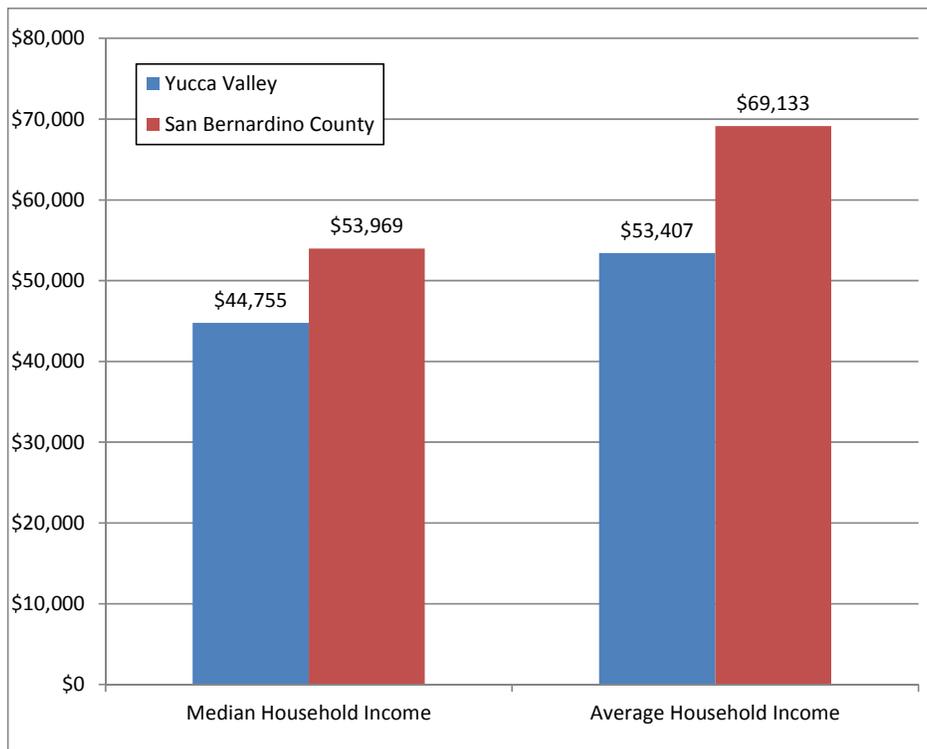
Table 2-5
Household Income: 2010
Town of Yucca Valley and San Bernardino County

| | Median Household Income | Average Household Income |
|---|-------------------------|--------------------------|
| Yucca Valley | \$44,755 | \$53,407 |
| San Bernardino County | \$53,969 | \$69,133 |
| <i>Yucca Valley as % of San Bernardino County</i> | 82.9% | 77.3% |

Sources: Stanley R. Hoffman Associates, Inc.
American Community Survey (ACS) 3-Year Estimates, 2008-2010

come in Yucca Valley and San Bernardino County: 2010

Figure 2-1
Household Income: 2010
Town of Yucca Valley and San Bernardino County



Source: Stanley R. Hoffman Associates, Inc.
American Community Survey (ACS) 3-Year Estimates, 2008-2010

2.4 Housing Stock and Tenure

Housing Stock. As shown in Table 2-5, Yucca Valley had a total of 7,972 housing units in 2000, which increased to 9,430 in 2010. Single-family residential units formed 78.3 percent of the total in 2000, and increased to 82.9 percent of the total by 2010; multi-family residential units represented 12.8 percent of the total in 2000, and decreased to 10.1 percent by 2010.

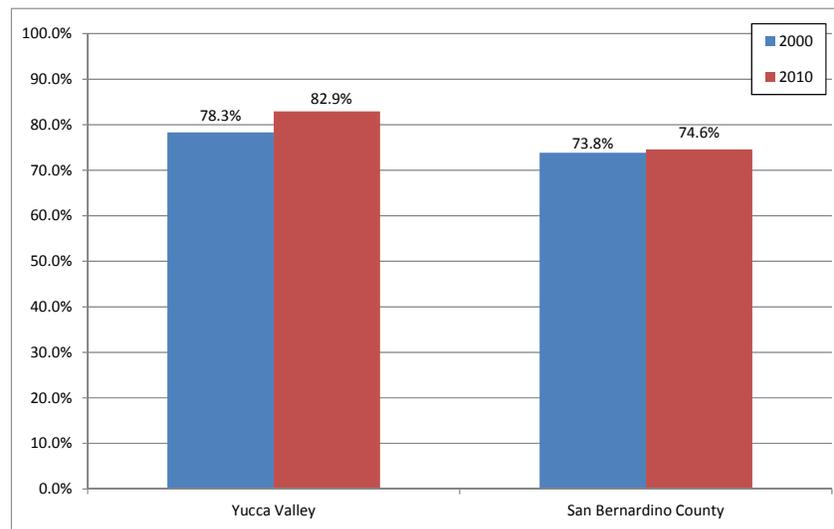
In comparison, as shown in Table 2-5 and Figure 2-2, San Bernardino County had smaller shares of single-family residential units at 73.8 percent of the 599,910 total units in 2000, increasing slightly to a share of 74.6 percent by 2010. The portion of multi-family residential units remained roughly the same at 19.4 percent in 2000 and 19.2 percent in 2010.

Table 2-6
Housing Unit Type: 2000 and 2010
Town of Yucca Valley and San Bernardino County

| Housing Unit Type | 2000 | | 2010 | |
|------------------------------|----------------|---------------|----------------|---------------|
| | Count | % of Total | Count | % of Total |
| Yucca Valley | | | | |
| Single-Family Residential | 6,243 | 78.3% | 7,822 | 82.9% |
| Multi-Family Residential | 1,020 | 12.8% | 957 | 10.1% |
| Mobile | 709 | 8.9% | 651 | 6.9% |
| Total | 7,972 | 100.0% | 9,430 | 100.0% |
| San Bernardino County | | | | |
| Single-Family Residential | 442,954 | 73.8% | 519,789 | 74.6% |
| Multi-Family Residential | 116,581 | 19.4% | 133,823 | 19.2% |
| Mobile | 40,375 | 6.7% | 43,397 | 6.2% |
| Total | 599,910 | 100.0% | 697,009 | 100.0% |

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census, 2000
American Community Survey 3-Year Estimates, 2008-2010

Figure 2-2
Single-Family Residential Units: 2010
Town of Yucca Valley and San Bernardino County



Source: Stanley R. Hoffman Associates, Inc.
American Community Survey (ACS) 3-Year Estimates, 2008-2010

Housing Tenure. As shown in Table 2-6, Yucca Valley had a total of 6,949 occupied housing units in 2000, which increased to 8,274 occupied housing units in 2010. Of the total occupied units, 68.0 percent were owner-occupied in 2000, decreasing to 63.5 percent in 2010. In comparison, San Bernardino County had slightly lower shares of owner-occupied housing, at 64.5 percent in 2000 and 62.7 percent in 2010.

Table 2-7
Housing Tenure: 2000 and 2010
Town of Yucca Valley and San Bernardino County

| Housing Units | 2000 | | 2010 | |
|-------------------------------------|----------------|---------------|----------------|---------------|
| | Count | % of Total | Count | % of Total |
| <u>Yucca Valley</u> | | | | |
| Owner-Occupied | 4,723 | 68.0% | 5,256 | 63.5% |
| Renter-Occupied | <u>2,226</u> | <u>32.0%</u> | <u>3,018</u> | <u>36.5%</u> |
| Total | 6,949 | 100.0% | 8,274 | 100.0% |
| <u>San Bernardino County</u> | | | | |
| Owner-Occupied | 340,933 | 64.5% | 383,573 | 62.7% |
| Renter-Occupied | <u>187,661</u> | <u>35.5%</u> | <u>228,045</u> | <u>37.3%</u> |
| Total | 528,594 | 100.0% | 611,618 | 100.0% |

Source: Stanley R. Hoffman Associates
U.S. Census, 2000
American Community Survey 3-Year Estimates, 2008-2010

CHAPTER 3 DEMOGRAPHIC AND ECONOMIC GROWTH FORECASTS

3.1 Market Area

This section presents population, household, and employment forecasts for the Morongo Basin, Coachella Valley Association of Governments (CVAG) region in Riverside County, and the northeast Western Riverside Council of Governments (WRCOG) region in Riverside County. The Morongo Basin includes Yucca Valley, Twentynine Palms, the Marine Corps Air Ground Combat Center, and the remaining unincorporated areas, as shown in Figure 3-1.

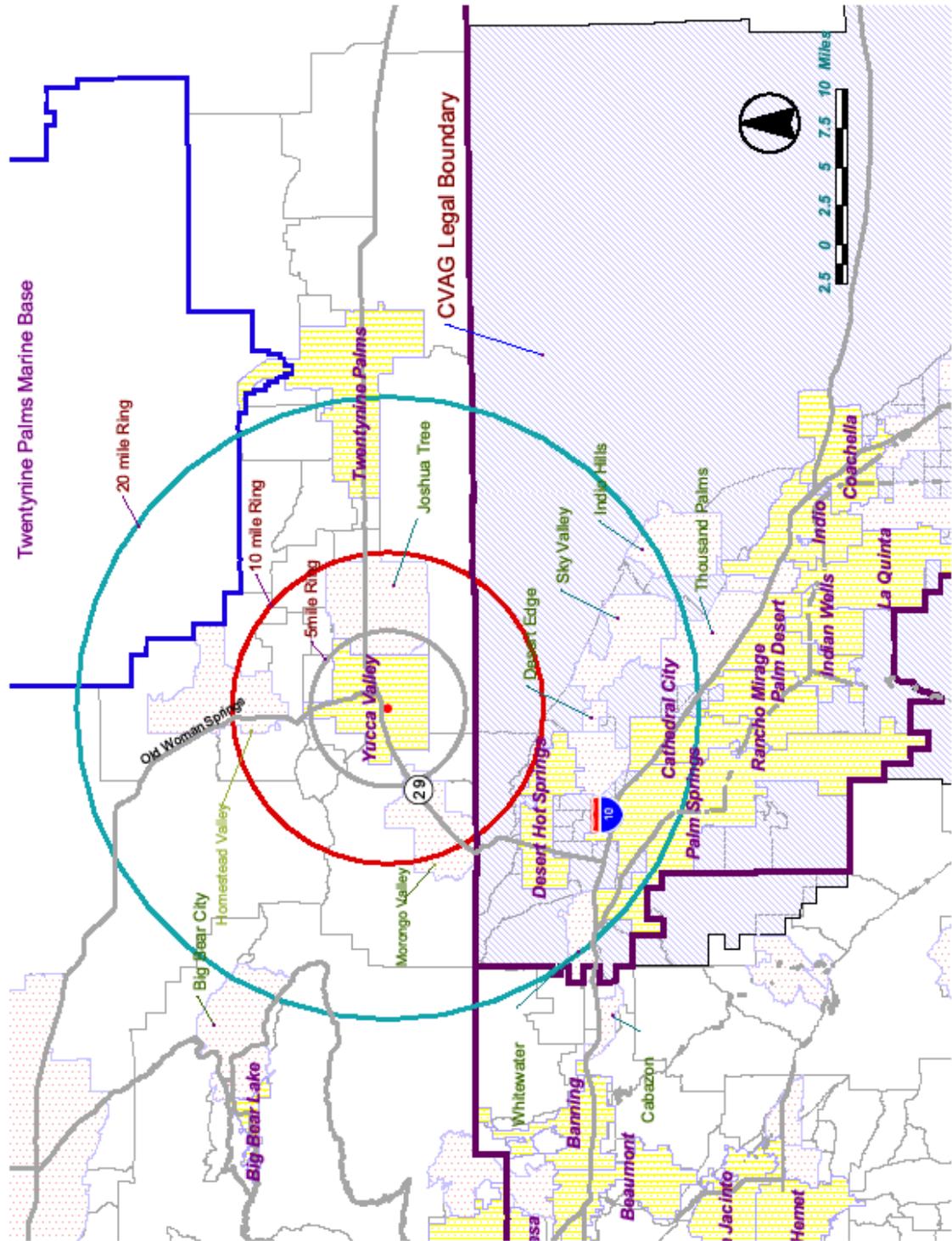
The Town of Yucca Valley is primarily nestled within the greater Morongo Basin area with the unincorporated area of Morongo Valley to its immediate south. The incorporated city of Twentynine Palms is about 20 miles to the east with the Marine Corps Air Ground Combat Center about 25 miles to the northeast. The unincorporated communities of Homestead Valley and Landers are northerly and northwesterly of Yucca Valley.

Also, included within this regional framework are the Coachella Valley communities of Desert Hot Springs and Palm Springs on the western side and the cities of Indio and Coachella on the eastern side of the Coachella Valley. These areas are included within the overall demographic and economic analysis, because of a high proportion of out-commuting of labor force within Yucca Valley and the Morongo Basin to jobs in the Coachella Valley, and in the eastern Riverside County communities of Banning, Beaumont and Calimesa.

3.2 Resident Population Growth

The population estimates for 2010 are based on the 2010 Census SF-1 data series at the place-level and blocks matching the Southern California Association of Governments (SCAG) Tier 2 traffic analysis zones (TAZs) that form the defined market areas. As shown in Table 3-1, the population in Yucca Valley is projected to increase from 20,700 in 2010 to 26,189 in 2035 at an average annual growth rate (AAGR) of 0.9 percent. In 2035, Yucca Valley's population is projected to be about 25.0 percent of Morongo Basin's; this is down slightly from a 26.2 share of the Morongo Basin's population in 2010. In contrast, the CVAG region's population is projected to form the largest portion of the total market area's population at 73.9 percent. The total market area, which includes the Morongo Basin, CVAG, and northeast WRCOG regions, is projected to reach over 1.1 million in population by 2035.

Figure 3-1
 Yucca Valley Mid-Town Study Market Area
 Communities within Approximate 20-Mile Distance of Town of Yucca Valley



Source: Stanley R. Hoffman Associates, Inc.
 ESRI ArcMap

Table 3-1
Population Forecast: 2010 to 2035
Town of Yucca Valley and Surrounding Regions

| | 2010 ¹ | 2035 ² | Growth 2010- 2035 | AAGR ³ 2010-2035 |
|-------------------------------------|-------------------|-------------------|----------------------|--------------------------------|
| <u>Morongo Basin</u> | | | | |
| Yucca Valley | 20,700 | 26,189 | 5,489 | 0.9% |
| Twentynine Palms | 25,048 | 41,447 | 16,399 | 2.0% |
| Twentynine Palms Marine Base | 8,442 | 10,619 | 2,177 | 0.9% |
| Balance Unincorporated | <u>24,878</u> | <u>26,665</u> | <u>1,787</u> | <u>0.3%</u> |
| Morongo Basin Subtotal | 79,068 | 104,920 | 25,852 | 1.1% |
| CVAG Region ⁴ | 423,347 | 829,676 | 406,329 | 2.7% |
| Northeast WRCOG Region ⁵ | 85,839 | 188,389 | 102,550 | 3.2% |
| Total Market Area | 588,254 | 1,122,985 | 534,731 | 2.6% |

1. Based on the 2010 Census SF-1 data series at the place-level and blocks matching the SCAG Tier 2 traffic analysis zones (TAZs) comprising the defined market areas.
2. Obtained from the SCAG RTP 2012 Place-level and Tier 2 TAZ forecasts.
3. Average Annual Growth Rate.
4. Coachella Valley Association of Governments (CVAG) in Riverside County: 2010 Census data at the block-level, with 2035 forecasts calculated from SCAG Tier 2 TAZs.
5. Western Riverside Council of Governments (WRCOG) in Riverside County: 2010 Census data at the block-level, with 2035 forecasts calculated from SCAG Tier 2 TAZs.

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2010 SF-1 Series.
Southern California Association of Governments (SCAG) 2012 Regional Transportation Plan (RTP)

3.3 Household Growth

The household estimates for 2010 are also based on the 2010 Census SF-1 data series at the place-level and blocks matching the SCAG Tier 2 traffic analysis zones (TAZs) that form the defined market areas. As shown in Table 3-2, the number of households in Yucca Valley is projected to increase from 8,274 in 2010 to 11,849 in 2035 at an AAGR of 1.4 percent. In 2035, Yucca Valley's number of households is projected to be about 30.3 percent of the Morongo Basin's households; this is up slightly from a 28.7 share of the Morongo Basin's households in 2010.

In contrast, the CVAG region's households are projected to form the largest portion at 73.0 percent (288,900 households) by 2035. Overall, the total market area is projected to have 395,552 households by 2035.

Table 3-2
Households Forecast: 2010 to 2035
Town of Yucca Valley and Surrounding Regions

| | 2010 ¹ | 2035 ² | Growth 2010- 2035 | AAGR ³ 2010-2035 |
|-------------------------------------|-------------------|-------------------|----------------------|--------------------------------|
| <u>Morongo Basin</u> | | | | |
| Yucca Valley | 8,274 | 11,849 | 3,575 | 1.4% |
| Twentynine Palms | 8,095 | 13,324 | 5,229 | 2.0% |
| Twentynine Palms Marine Base | 1,603 | 2,172 | 569 | 1.2% |
| Balance Unincorporated | <u>10,842</u> | <u>11,699</u> | <u>857</u> | <u>0.3%</u> |
| Morongo Basin Subtotal | 28,814 | 39,045 | 10,231 | 1.2% |
| CVAG Region ⁴ | 156,254 | 288,900 | 132,646 | 2.5% |
| Northeast WRCOG Region ⁵ | 30,238 | 67,607 | 37,369 | 3.3% |
| Total Market Area | 215,306 | 395,552 | 180,246 | 2.5% |

1. Based on the 2010 Census SF-1 data series at the place-level and blocks matching the SCAG Tier 2 traffic analysis zones (TAZs) comprising the defined market areas.
2. Obtained from the SCAG RTP 2012 Place-level and Tier2 TAZ forecasts.
3. Average Annual Growth Rate.
4. Coachella Valley Association of Governments (CVAG) in Riverside County: 2010 Census data at the block-level, with 2035 forecasts calculated from SCAG Tier 2 TAZs.
5. Western Riverside Council of Governments (WRCOG) in Riverside County: 2010 Census data at the block-level, with 2035 forecasts calculated from SCAG Tier 2 TAZs.

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2010 SF-1 Series.
Southern California Association of Governments (SCAG) 2012 Regional Transportation Plan (RTP)

3.4 Employment Growth

The employment estimates for 2010 are reported directly from the SCAG 2012 RTP city-county estimates. The 2010 estimates for the larger market area are based on SCAG Tier 2 TAZs 2008 estimates adjusted for SCAG’s county-level relationships between 2008 and 2010 estimates. Estimates for 2035 were obtained from the SCAG 2012 RTP place-level and Tier 2 TAZ 2035 forecasts. As shown in Table 3-3, employment in Yucca Valley is projected to experience an increase from 4,276 jobs in 2010 to 6,008 jobs in 2035 at an AAGR of 1.4 percent. In 2035, Yucca Valley’s projected employment is about 39.0 percent of Morongo Basin’s; this is down slightly from a 41.4 share of the Morongo Basin’s employment in 2010.

In contrast, the CVAG region (294,027 jobs) is projected to have about 81.8 percent of the total market area’s employment (395,531 jobs) by 2035. From a jobs/household perspective, the Town of Yucca Valley is forecasted to be in the 0.52 to 0.51 range from 2010 to 2035 compared with a range of 0.81 to 0.91 for the total market area shown in Table 3-4.

Table 3-3
Employment Forecast: 2010 to 2035
Town of Yucca Valley and Surrounding Regions

| | 2010 ¹ | 2035 ² | Growth 2010- 2035 | AAGR ³ 2010-2035 |
|-------------------------------------|-------------------|-------------------|----------------------|--------------------------------|
| <u>Morongo Basin</u> | | | | |
| Yucca Valley | 4,276 | 6,008 | 1,732 | 1.4% |
| Twentynine Palms | 2,980 | 4,673 | 1,693 | 1.8% |
| Twentynine Palms Marine Base | 621 | 1,276 | 655 | 2.9% |
| Balance Unincorporated | <u>2,446</u> | <u>3,444</u> | <u>998</u> | <u>1.4%</u> |
| Morongo Basin Subtotal | 10,323 | 15,401 | 5,078 | 1.6% |
| CVAG Region ⁴ | 146,064 | 294,027 | 147,963 | 2.8% |
| Northeast WRCOG Region ⁵ | 18,555 | 50,103 | 31,548 | 4.1% |
| Total Market Area | 174,941 | 359,531 | 184,590 | 2.9% |

1. Place-level 2010 estimates reported directly from the SCAG RTP 2012 City-County estimates. 2010 estimates for the larger market area are based on SCAG Tier2 traffic analysis zones (TAZ) 2008 estimates adjusted for SCAG’s County-level relationships between 2008 and 2010 employment estimates.
2. Obtained from the SCAG RTP 2012 Place-level and Tier2 traffic analysis zones (TAZ) 2035 forecasts.
3. Average Annual Growth Rate.
4. Coachella Valley Association of Governments (CVAG) in Riverside County defined by Tier 2 TAZs.
5. Western Riverside Council of Governments (WRCOG) in Riverside County defined by Tier 2 TAZs.

Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments (SCAG) 2012 Regional Transportation Plan (RTP)

Table 3-4
Jobs per Household: 2010 and 2035
Town of Yucca Valley and Surrounding Regions

| | 2010 ¹ | 2035 ² |
|-------------------------------------|-------------------|-------------------|
| <u>Morongo Basin</u> | | |
| Yucca Valley | 0.52 | 0.51 |
| Twentynine Palms | 0.37 | 0.35 |
| Twentynine Palms Marine Base | 0.39 | 0.59 |
| Balance Unincorporated | 0.23 | 0.29 |
| <i>Morongo Basin Average</i> | 0.36 | 0.39 |
| CVAG Region ³ | 0.93 | 1.02 |
| Northeast WRCOG Region ⁴ | 0.61 | 0.74 |
| Total Market Area | 0.81 | 0.91 |

Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments (SCAG)
2012 Regional Transportation Plan (RTP)

3.5 Employment Growth by Sector

Table 3-5 presents a detailed breakdown of the employment forecast for Yucca Valley and the Morongo Basin by industry category for 2010 and 2035. Forecast totals for the Morongo Basin do not include employment at the U.S. Marine Corps Air Ground Combat Center in Twentynine Palms.

As shown in Table 3-5, Educational and Health Services was estimated to have the greatest share of employment in Yucca Valley in 2010 at 1,260 jobs; using the SCAG 2012 RTP, this total is projected to increase by about 40 percent to 1,762 jobs by 2035. The next largest sector is retail, forecasted to increase 17 percent from 827 in 2010 to 968 in 2035. Both of these sectors are considered to be primarily local serving, with some tourist serving component for the retail sector. Together, they represent about 45 percent of the total forecasted jobs in Yucca Valley by 2035.

In comparison, when the Information sector is grouped with the Professional/Technical and Finance sectors (office oriented jobs), the overall increase is from 790 to 1,034 jobs, or an increase of 31 percent over this same time period. By 2035, these sectors represent about 17 percent of the total forecasted jobs.

Similarly, when the Construction, Manufacturing and Wholesale Trade sectors (industrial oriented jobs) are grouped together, they show a forecasted increase from 398 jobs (about 9 percent of the total) to 849 jobs (about 14 percent of the total).

As shown in the last portion of Table 3-5, Yucca Valley was estimated to have a 44.1 percent capture of Morongo Basin's employment, and is projected to experience a small decrease in share to 42.5 percent by 2035. While the forecasted job base is still primarily local serving oriented for the households living within the Morongo Basin area, the SCAG forecasts are starting to show some diversification among the industrial and office oriented sectors, as discussed above.

Table 3-5
Employment Forecast by Industry: 2010 to 2035
Town of Yucca Valley and Surrounding Regions

| | 2010 | 2035 | Change 2010-2035 | AAGR ¹ |
|---|--------------|---------------|---------------------|-------------------|
| <u>Yucca Valley</u> | | | | |
| Agriculture and Mining | 18 | 34 | 16 | 2.6% |
| Construction | 235 | 486 | 251 | 2.9% |
| Manufacturing | 93 | 192 | 99 | 2.9% |
| Wholesale Trade | 70 | 171 | 101 | 3.7% |
| Retail Trade | 827 | 968 | 141 | 0.6% |
| Transportation, Warehousing and Utilities | 269 | 456 | 188 | 2.1% |
| Information | 136 | 82 | -54 | -2.0% |
| Finance, Insurance and Real Estate | 191 | 240 | 49 | 0.9% |
| Professional Services | 463 | 712 | 249 | 1.7% |
| Educational and Health Services | 1,260 | 1,762 | 502 | 1.4% |
| Arts, Entertainment, Accommodation and Food | 393 | 458 | 65 | 0.6% |
| Other Services | 228 | 339 | 111 | 1.6% |
| Public Administration | 94 | 108 | 14 | 0.6% |
| Total | 4,276 | 6,008 | 1,732 | 1.4% |
| <u>Morongo Basin (less Marine Base)</u> | | | | |
| Agriculture and Mining | 80 | 130 | 51 | 2.0% |
| Construction | 557 | 1,134 | 577 | 2.9% |
| Manufacturing | 248 | 544 | 296 | 3.2% |
| Wholesale Trade | 125 | 430 | 305 | 5.1% |
| Retail Trade | 1,286 | 1,654 | 368 | 1.0% |
| Transportation, Warehousing and Utilities | 808 | 1,297 | 488 | 1.9% |
| Information | 226 | 169 | -57 | -1.2% |
| Finance, Insurance and Real Estate | 349 | 497 | 148 | 1.4% |
| Professional Services | 858 | 1,401 | 543 | 2.0% |
| Educational and Health Services | 3,317 | 4,609 | 1,291 | 1.3% |
| Arts, Entertainment, Accommodation and Food | 935 | 1,050 | 115 | 0.5% |
| Other Services | 557 | 834 | 277 | 1.6% |
| Public Administration | 356 | 377 | 21 | 0.2% |
| Total | 9,702 | 14,125 | 4,423 | 1.5% |
| <u>Yucca Valley Capture Of Morongo Basin</u> | | | | |
| Agriculture and Mining | 22.2% | 26.0% | 31.9% | |
| Construction | 42.2% | 42.9% | 43.4% | |
| Manufacturing | 37.5% | 35.3% | 33.4% | |
| Wholesale Trade | 56.0% | 39.8% | 33.2% | |
| Retail Trade | 64.3% | 58.6% | 38.5% | |
| Transportation, Warehousing and Utilities | 33.3% | 35.2% | 38.4% | |
| Information | 60.0% | 48.2% | 94.9% | |
| Finance, Insurance and Real Estate | 54.7% | 48.2% | 33.0% | |
| Professional Services | 54.0% | 50.8% | 45.8% | |
| Educational and Health Services | 38.0% | 38.2% | 38.9% | |
| Arts, Entertainment, Accommodation and Food | 42.1% | 43.7% | 56.4% | |
| Other Services | 40.9% | 40.6% | 40.1% | |
| Public Administration | 26.4% | 28.8% | 68.6% | |
| Total | 44.1% | 42.5% | 39.2% | |

1. Average Annual Growth Rate.

Sources: Stanley R. Hoffman Associates, Inc.
Southern California Association of Government (SCAG) RTP 2012, Tier 1 and Tier 2 TAZ data.

3.6 Analysis of Travel Patterns for Home and Work Destinations

Table 3-6 presents the residential locations for workers who were employed within the Town of Yucca Valley in 2010, based on statistics from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) database. According to the LEHD job estimates, there were 1,181 persons who lived and worked in Yucca Valley in 2010, or about 22.6 percent of the estimated total of 5,232 jobs. About 11.0 percent lived in the Morongo Basin (excluding Yucca Valley), and only 2.9 percent lived in Coachella Valley. The remaining 51.1 percent of jobs in Yucca Valley were held by the labor force in the remainder areas, which include the cities of Los Angeles, Victorville, and San Diego, and all other locations.

Table 3-6
Home Destinations of Workers in Yucca Valley: 2010
Town of Yucca Valley and Surrounding Regions

| Home Destination ¹ | Count | % Share |
|---|--------------|---------------|
| Yucca Valley town, CA | 1,181 | 22.6% |
| <u>Morongo Basin, excluding Yucca Valley</u> | | |
| Joshua Tree CDP, CA ² | 211 | 4.0% |
| Twentynine Palms city, CA | 236 | 4.5% |
| Morongo Valley CDP, CA ² | 69 | 1.3% |
| Homestead Valley CDP, CA ² | <u>58</u> | <u>1.1%</u> |
| Morongo Basin Subtotal | 574 | 11.0% |
| <u>Coachella Valley</u> | | |
| Palm Springs city, CA | 72 | 1.4% |
| Cathedral City city, CA | <u>80</u> | <u>1.5%</u> |
| Coachella Valley Subtotal | 80 | 2.9% |
| <u>Remainder Areas</u> | | |
| Los Angeles city, CA | 92 | 1.8% |
| Victorville city, CA | 81 | 1.5% |
| San Diego city, CA | 69 | 1.3% |
| All Other Locations | <u>2,429</u> | <u>46.4%</u> |
| Remainder Areas Subtotal | 2,671 | 51.1% |
| Grand Total | 5,232 | 100.0% |

1. Residential location of persons who work within the Town of Yucca Valley.
2. Census-Designated Place.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, Longitudinal Employer-Household Dynamics

Conversely, Table 3-7 presents the work destinations for the labor force who resided within the Town of Yucca Valley in 2010, based on statistics from the U.S. Census Bureau's LEHD database. About 16 percent of the labor force residing in Yucca Valley held jobs there. Another 12.8 percent of the Yucca Valley labor force worked in the Coachella Valley, which includes the cities of Desert Hot Springs, Palm Springs, Cathedral City, La Quinta, Palm Desert, Rancho Mirage, Indian Wells, Indio and Coachella. This is followed by 9.4 percent that worked within the Morongo Basin region (excluding Yucca Valley). The remaining 61.8 percent of the labor force worked in the remainder areas, which include the cities of San Bernardino, Los Angeles, and Riverside, and other locations.

Table 3-7
Work Destinations of Yucca Valley Labor Force: 2010
Town of Yucca Valley and Surrounding Regions

| Work Destination ¹ | Count | % Share |
|---|--------------|---------------|
| Yucca Valley town, CA | 1,181 | 16.0% |
| <u>Morongo Basin, excluding Yucca Valley</u> | | |
| Joshua Tree CDP, CA ² | 389 | 5.3% |
| Twentynine Palms city, CA | 303 | 4.1% |
| <i>Morongo Basin Subtotal</i> | 692 | 9.4% |
| <u>Coachella Valley</u> | | |
| Palm Springs city, CA | 437 | 5.9% |
| Palm Desert city, CA | 213 | 2.9% |
| Rancho Mirage city, CA | 154 | 2.1% |
| Cathedral City city, CA | <u>139</u> | <u>1.9%</u> |
| <i>Coachella Valley Subtotal</i> | 943 | 12.8% |
| <u>Remainder Areas</u> | | |
| San Bernardino city, CA | 309 | 4.2% |
| Los Angeles city, CA | 275 | 3.7% |
| Riverside city, CA | 164 | 2.2% |
| All Other Locations | <u>3,799</u> | <u>51.6%</u> |
| <i>Remainder Areas Subtotal</i> | 4,547 | 61.8% |
| <i>Grand Total</i> | 7,363 | 100.0% |

1. Work location of persons who live in the Town of Yucca Valley.
2. Census-Designated Place.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, Longitudinal Employer-Household Dynamics

3.7 Projections of Square Footage Absorption by Land Use Categories

The projections of square footage absorption in the Town of Yucca Valley, based on the SCAG RTP 2012 employment forecasts, are presented in Table 3-8. As shown in Table 3-8, the projected square footage increase to about 1.63 million square feet citywide in 2035 from an estimate of about 1.18 million square feet in 2010. According to the SCAG employment forecasts, the industrial land uses increase by 232,583 square feet, or about 52 percent of the total forecasted increase of 449,185 square feet from 2010 to 2035. If this amount of industrial square footage were to develop in Yucca Valley, it would likely be less pure industrial space and more oriented toward business park type space. They would likely house a variety of businesses that combine both laboratory, manufacturing, and warehousing space with a mix of office related and research activities.

Additionally, about 60,816 square feet are forecasted for the office-professional oriented land uses with an increase of 98,200 square feet for the combined retail and restaurant/food service sectors. Also, the health care sector is shown to increase by 57,587 square feet of medical offices to serve the growing and aging population.

The next step was to allocate an estimated capture of this citywide potential square footage into the Mid-Town area of Yucca Valley. As shown in Table 3-9, because of the significant amount of office-professional and retail land uses already developed in the Mid-Town area, as discussed later in section 4.2, an overall capture rate of 65 percent was used for these land uses. For industrial land uses, since the bulk of this development is outside the Mid-Town area, primarily in the western portion of Yucca Valley, a lower capture estimate of 15 percent was used. For restaurants and health care land uses, the existing levels of development in the Mid-Town area are relatively low, but these capture rates were raised to reflect assumed increased attractiveness of the Mid-Town area as enhanced infrastructure and amenities are added.

As shown in Table 3-9, this results in a projected increase of 175,679 total square feet, with 63,830 square feet of combined retail and restaurant/food service land uses followed by 39,530 square feet of office-professional land uses. Health care, or medical offices, would constitute another 37,431 square feet followed by industrial, or business park land uses of 34,887 square feet. While these land use projections are based on SCAG employment forecasts, their development within the Mid-Town area would be influenced by an overall economic development strategy that provides enhanced infrastructure, amenities, financing and partnership approaches that facilitate the feasibility of development.

Table 3-8
Land Use Estimations by Category: 2010 and 2035
Town of Yucca Valley

| | 2010 | 2035 | Change 2010-2035 |
|--|------------------|------------------|---------------------|
| <u>Citywide Employment</u> | | | |
| Office-Professional | 790 | 1,033 | 243 |
| Retail | 827 | 968 | 141 |
| Industrial Land Use | 432 | 819 | 388 |
| Restaurants and Food Services | 333 | 388 | 55 |
| Lodging | 60 | 70 | 10 |
| Health Care | 481 | 673 | 192 |
| Educational Services | 778 | 1,089 | 310 |
| Miscellaneous | <u>575</u> | <u>967</u> | <u>393</u> |
| Total | 4,276 | 6,008 | 1,732 |
| <u>Land Use Factors</u> | | | |
| <i>Square Feet per Employee</i> | | | |
| Office-Professional | 250 | 250 | |
| Retail (Small/Boutique) | 500 | 500 | |
| Industrial Land Use (Smaller Manufacturing/Distribution) | 600 | 600 | |
| Restaurants and Food Services | 500 | 500 | |
| Lodging | n/a | n/a | |
| Health Care (Medical Offices) | 300 | 300 | |
| Educational Services | n/a | n/a | |
| Miscellaneous | n/a | n/a | |
| <u>Projected Citywide Square Feet</u> | | | |
| Office-Professional | 197,442 | 258,257 | 60,816 |
| Retail | 413,488 | 484,201 | 70,714 |
| Industrial Land Use | 258,976 | 491,559 | 232,582 |
| Restaurants and Food Services | 166,744 | 194,230 | 27,486 |
| Health Care (Medical Offices) | <u>144,405</u> | <u>201,992</u> | <u>57,587</u> |
| Total | 1,181,055 | 1,630,240 | 449,185 |
| <u>Lodging</u> | | | |
| Employment | 60 | 70 | 10 |
| Number of Establishments | 8 | 9 | 1 |
| Employee per Establishment | 8 | 8 | |

Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Government (SCAG) RTP 2012, Tier 1 and Tier 2 TAZ data.
California Employment Development Department (EDD)
Census Longitudinal Employee Household Dynamics (LEHD)

Table 3-9
Land Use Capture within Mid-Town Study Area: 2010 and 2035
Town of Yucca Valley

| | 2010 | 2035 | Change 2010-2035 |
|--|------------------|------------------|---------------------|
| <u>Projected Citywide Square Footage</u> | | | |
| Office-Professional | 197,442 | 258,257 | 60,816 |
| Retail | 413,488 | 484,201 | 70,714 |
| Industrial Land Use | 258,976 | 491,559 | 232,582 |
| Restaurants and Food Services | 166,744 | 194,230 | 27,486 |
| Health Care (Medical Offices) | <u>144,405</u> | <u>201,992</u> | <u>57,587</u> |
| Total | 1,181,055 | 1,630,240 | 449,185 |
| <u>Projected Downtown Capture Rates¹</u> | | | |
| Office-Professional | 79.0% | 75.7% | 65.0% |
| Retail | 65.0% | 65.0% | 65.0% |
| Industrial Land Use | 9.0% | 11.8% | 15.0% |
| Restaurants and Food Services | 24.0% | 29.8% | 65.0% |
| Health Care (Medical Offices) | 24.0% | 35.7% | 65.0% |
| <u>Projected Downtown-Oriented Square Footage</u> | | | |
| Office-Professional | 155,979 | 195,509 | 39,530 |
| Retail | 268,767 | 314,731 | 45,964 |
| Industrial Land Use | 23,308 | 58,195 | 34,887 |
| Restaurants and Food Services | 40,019 | 57,885 | 17,866 |
| Health Care (Medical Offices) | <u>34,657</u> | <u>72,089</u> | <u>37,431</u> |
| Total | 522,730 | 698,408 | 175,679 |

1. Projected downtown capture rates are based on measurements of non-residential land uses within the downtown area.

Source: Stanley R. Hoffman Associates, Inc.

3.8 Alternative Projections of Retail Expenditure Demand: 2010 to 2035

This section discusses an alternative retail demand projection that was based on a household retail spending model which is in comparison to the SCAG RTP 2012 based retail employment projections presented in section 3.7. As shown in Table 3-10, the total 2010 non-auto related retail categories are estimated at about \$468.8 million. This includes about \$134.5 million of the demand (about 29 percent) generated from households in the Town of Yucca Valley. Another \$290.8 million of the demand (about 62 percent) is projected from the households in the remainder of the Morongo Basin – excluding the military personnel located directly on the base. And, the remaining 9 percent, or \$43.6 million, is projected from visitors.

As shown in Table 3-11, the projected total retail demand in 2035 increases to about \$625.6 million, or about 33 percent over 2010. This is comprised of \$179.4 million of household demand (about 29 percent) from Yucca Valley, another \$396.6 million of household demand (about 63 percent) from the remainder of the Morongo Basin – again, excluding direct military personnel on the base, and the remaining 8 percent, or \$49.5 million, from visitors. Detailed tables in Appendix A present the derivation of the household retail demand for 2010 and 2035.

These retail demand projections have been converted into square footages in Table 3-12, and discussed in detail in Appendix A. As shown in Table 3-12, the total retail square footage is projected to increase by 441,537 square feet over the 2010 to 2035 period. At this point, an overall capture rate of 40 percent is estimated for the Mid-Town area which results in an increase of 176,615 square feet. The 40 percent capture is based on the estimated capture rate of about 37 percent of the estimated existing 2010 retail demand as shown in the Table 3-10.

These square footages are spread over a variety of potential retail categories, with the major concentrations estimated at about 50,900 square feet (29 percent) in General Merchandise and Clothing and Clothing Accessory stores, about 45,500 square feet (26 percent) in Food & Beverage stores, about 28,800 square feet (16 percent) in Eating and Drinking places, and about 25,900 square feet (15 percent) in the specialty retail categories including sporting goods, hobby, book and music stores, electronics and other miscellaneous store retailers.

This retail demand projection of 176,615 square feet is in comparison to the earlier employment based retail demand projection of 63,830 square feet, presented in section 3.7. While this range is relatively wide, it does define potential capture assumptions that will be influenced by the success of the economic development strategy that is implemented for the Mid-Town area, including the land use, economic and financial approaches that are adopted.

Table 3-10
Estimated Retail Expenditures by Category: 2010
Morongo Basin

| Store Type | Yucca Valley Household Retail Expenditure | Balance of Morongo Valley Household Retail Expenditure | Visitors | Total Retail Demand | Estimated Yucca Valley Retail Sales | % Capture in Yucca Valley |
|--|---|--|---------------------|----------------------|-------------------------------------|---------------------------|
| Furniture & home furnishings stores | \$4,532,974 | \$9,469,129 | | \$14,002,103 | \$4,530,000 | 32.4% |
| Electronics & appliance stores | \$5,535,639 | \$11,899,400 | | \$17,435,039 | \$11,651,654 | 66.8% |
| Bldg. material & garden equip.& supplies dlrs. | \$7,939,212 | \$16,276,424 | | \$24,215,636 | \$15,807,000 | 65.3% |
| Food & beverage stores | \$34,765,357 | \$76,836,812 | \$2,791,875 | \$114,394,045 | \$26,138,000 | 22.8% |
| Health & personal care stores | \$8,818,763 | \$19,294,146 | | \$28,112,909 | \$17,279,442 | 61.5% |
| Clothing & clothing accessories stores | \$9,601,651 | \$20,783,378 | \$4,337,428 | \$34,722,457 | \$2,954,000 | 8.5% |
| Sporting goods, hobby, book, & music stores | \$6,156,159 | \$13,002,870 | \$2,734,930 | \$21,893,958 | \$12,803,779 | 58.5% |
| General merchandise stores | \$26,458,525 | \$57,237,928 | \$11,947,573 | \$95,644,026 | \$51,443,558 | 53.8% |
| Miscellaneous store retailers | \$2,252,098 | \$4,842,981 | \$1,012,814 | \$8,107,894 | \$4,741,567 | 58.5% |
| Eating & Drinking Places | \$23,222,082 | \$49,930,267 | \$20,772,384 | \$93,924,734 | \$24,875,000 | 26.5% |
| Nonstore retailers | \$5,198,317 | \$11,172,720 | | \$16,371,037 | N/A | N/A |
| Total Household Retail Expenditure | \$134,480,777 | \$290,746,056 | \$43,597,005 | \$468,823,838 | \$172,224,000 | 36.7% |

Source: Stanley R. Hoffman Associates, Inc.
 Robert E. Goldman, Model of Consumer Spending; BLS Consumer Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

Table 3-11
Projected Retail Expenditures by Category: 2035
Morongo Basin

| Store Type | Yucca Valley Household Retail Expenditure | Balance of Morongo Valley Household Retail Expenditure | Visitors | Total Retail Demand |
|--|---|--|---------------------|----------------------|
| Furniture & home furnishings stores | \$6,299,330 | \$12,694,568 | | \$18,993,898 |
| Electronics & appliance stores | \$7,438,192 | \$16,187,135 | | \$23,625,326 |
| Bldg. material & garden equip.& supplies dlrs. | \$11,266,448 | \$21,605,417 | | \$32,871,866 |
| Food & beverage stores | \$45,118,114 | \$105,952,301 | \$3,168,914 | \$154,239,330 |
| Health & personal care stores | \$11,593,985 | \$26,475,384 | | \$38,069,369 |
| Clothing & clothing accessories stores | \$12,792,742 | \$28,369,807 | \$4,922,453 | \$46,085,002 |
| Sporting goods, hobby, book, & music stores | \$8,446,624 | \$17,531,860 | \$3,106,656 | \$29,085,140 |
| General merchandise stores | \$35,277,151 | \$78,108,746 | \$13,559,333 | \$126,945,230 |
| Miscellaneous store retailers | \$3,024,705 | \$6,589,334 | \$1,149,702 | \$10,763,741 |
| Eating & Drinking Places | \$31,194,134 | \$67,929,962 | \$23,577,669 | \$122,701,765 |
| Nonstore retailers | \$6,986,129 | \$15,197,539 | | \$22,183,669 |
| Total Household Retail Expenditure | \$179,437,556 | \$396,642,053 | \$49,484,726 | \$625,564,335 |

Source: Stanley R. Hoffman Associates, Inc.
 Robert E. Goldman, Model of Consumer Spending; BLS Consumer Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

Table 3-12
 Estimated Retail Square Footage Demand: 2010 to 2035
 Mid-Town Yucca Valley

| Store Type | 2010 Sq. Ft. | 2035 Sq. Ft. | Change 2010-2035 | Capture Rate | Estimated Mid- Town Area Retail Sq. Ft. Capture |
|--|------------------|------------------|---------------------|--------------|---|
| Furniture & home furnishings stores | 56,008 | 75,976 | 19,967 | 40.0% | 7,987 |
| Electronics & appliance stores | 43,588 | 59,063 | 15,476 | 40.0% | 6,190 |
| Bldg. material & garden equip.& supplies dlrs. | 60,539 | 82,180 | 21,641 | 40.0% | 8,656 |
| Food & beverage stores | 326,840 | 440,684 | 113,844 | 40.0% | 45,537 |
| Health & personal care stores | 62,473 | 84,599 | 22,125 | 40.0% | 8,850 |
| Clothing & clothing accessories stores | 115,742 | 153,617 | 37,875 | 40.0% | 15,150 |
| Sporting goods, hobby, book, & music stores | 109,470 | 145,426 | 35,956 | 40.0% | 14,382 |
| General merchandise stores | 273,269 | 362,701 | 89,432 | 40.0% | 35,773 |
| Miscellaneous store retailers | 40,539 | 53,819 | 13,279 | 40.0% | 5,312 |
| Eating Places | 234,812 | 306,754 | 71,943 | 40.0% | 28,777 |
| Nonstore retailers | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Total | 1,323,280 | 1,764,817 | 441,537 | | 176,615 |
| Overall Capture Rate | | | | | 40.0% |

Source: Stanley R. Hoffman Associates, Inc.

Robert E. Goldman, Model of Consumer Spending; BLS Consumer
 Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

3.9 Joshua Tree National Park Visitor Trends

Joshua Tree National Park is located in unincorporated San Bernardino County near Twentynine Palms, approximately 12.5 miles eastward from Yucca Valley. The national park attracts over 1.0 million visitors per year, based on estimates from the National Park Service. As shown in Part A of Table 3-13 and Figure 3-2, the national park averaged about 1.3 million recreational visitors over the 2000 to 2011 period; in the most recent years of 2010 and 2011, the estimated number of visitors was an average of about 1.4 million annually.

From 2000 to 2011, the ratio of recreational visitors to California's resident population was 3.63 percent. This average ratio was applied to the California Department of Finance's (DOF) population projections for years 2020 and 2035 to project park attendance. As shown in Part B of Table 3-13, Joshua Tree National Park is projected to have about 1.5 million recreational visitors in 2020, and about 1.7 million in 2035. By 2035, this is a projected increase of 20.5 percent over 2011.

As shown in Table 3-14, the average annual increase from 2011 to 2035 is projected to be 11,898 recreational visitors. This average annual amount is about 80 percent of the average annual amount of 14,755 over the 2000 to 2011 period.

There are other visitor venues in the Morongo Basin, such as Johnson Valley which has an off-road vehicle park with minimal facilities, visitors to the Marine Corps Air Ground Combat Center, and visitors that pass through Yucca Valley to reach Interstate 15 as a shortcut to Las Vegas. However, the Joshua Tree National Park has the most consistent source of information that provides a useful indicator of visitors to the region.

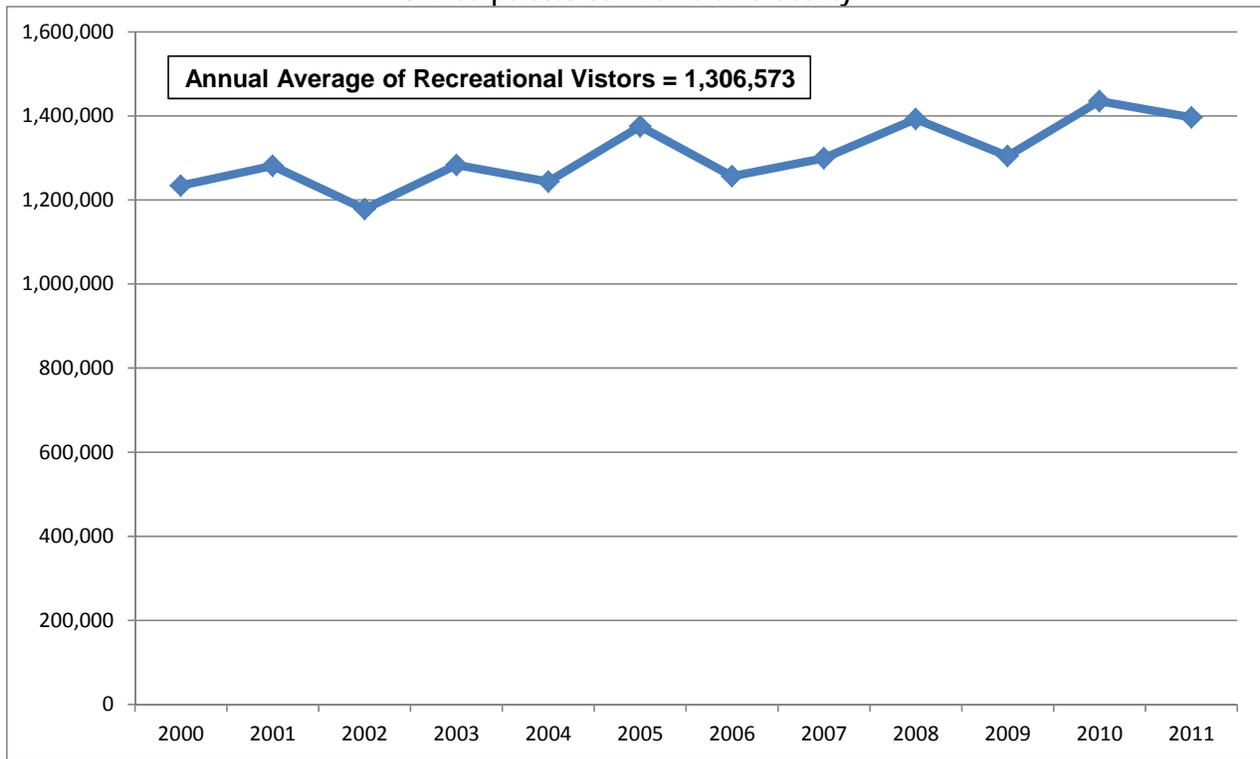
Table 3-13
 Joshua Tree National Park Attendance: 2000 to 2035
 Unincorporated San Bernardino County

| Year | Attendance (Recreational Visitors) | California Population | Ratio of Visitors to CA Pop. |
|------------------------------------|--|--------------------------|------------------------------------|
| A. Historical Estimates | | | |
| 2000 | 1,233,935 | 34,000,835 | 3.63% |
| 2001 | 1,280,917 | 34,512,742 | 3.71% |
| 2002 | 1,178,376 | 34,938,290 | 3.37% |
| 2003 | 1,283,346 | 35,388,928 | 3.63% |
| 2004 | 1,243,659 | 35,752,765 | 3.48% |
| 2005 | 1,375,111 | 35,985,582 | 3.82% |
| 2006 | 1,256,421 | 36,246,822 | 3.47% |
| 2007 | 1,298,979 | 36,552,529 | 3.55% |
| 2008 | 1,392,446 | 36,856,222 | 3.78% |
| 2009 | 1,304,471 | 37,077,204 | 3.52% |
| 2010 | 1,434,976 | 37,318,481 | 3.85% |
| 2011 | <u>1,396,237</u> | <u>37,578,616</u> | 3.72% |
| Average: 2000-2011 | 1,306,573 | 36,017,418 | 3.63% |
| AAGR¹: 2000-2011 | 1.1% | 0.9% | |
| B. Projections | | | |
| 2020 | 1,481,687 | 40,817,837 | 3.63% |
| 2035 | 1,681,787 | 46,330,221 | 3.63% |

1. Average Annual Growth Rate.

Sources: Stanley R. Hoffman Associates, Inc.
 National Park Service, Public Use Statistics Office
 California Department of Finance

Figure 3-2
Joshua Tree National Park Attendance: 2000 to 2011
Unincorporated San Bernardino County



Sources: Stanley R. Hoffman Associates, Inc.
 National Park Service, Public Use Statistics Office

Table 3-14
Joshua Tree National Park Attendance Increases: 2000 to 2035
Unincorporated San Bernardino County

| Years | Increase | % Increase | Avg. Increase per Year |
|--------------|-----------------|-------------------|-------------------------------|
| 2000-2011 | 162,302 | 13.2% | 14,755 |
| 2011-2020 | 85,450 | 6.1% | 9,494 |
| 2011-2035 | 285,550 | 20.5% | 11,898 |

Sources: Stanley R. Hoffman Associates, Inc.
 National Park Service, Public Use Statistics Office
 California Department of Finance

3.10 Morongo Basin Lodging Profile

In a phone survey conducted by Stanley R. Hoffman Associates, Inc. (SRHA) in August 2012, information was collected for the Morongo Basin lodging profile shown in Table 3-15, including the number of rooms, room rate range and average estimated room rate, and estimated occupancy rate. Average room rates are estimates based on the lower third of the listed rate range, except for 29 Palms Inn, Country Inn 29 Palms, and Fairfield Inn and Suites, where the average estimate was provided by a lodging facility representative.

As shown in Table 3-15, there are 18 lodging facilities identified in Yucca Valley and Twentynine Palms, and unincorporated Joshua Tree and Pioneertown. Yucca Valley has eight (8) lodging facilities, totaling 258 rooms and averaging \$59.86 per room; the lowest room rate is \$35.00, and the highest is \$145.00. Two occupancy rates of 50 percent were quoted by lodging staff as shown in Table 3-11.

In comparison, Twentynine Palms has seven (7) lodging facilities, totaling 319 rooms and averaging \$97.87 per room; the lowest reported room rate is \$50.00, and the highest is \$185.00. The unique case of the daily room rate of \$340 for a room in the 29 Palms Inn has been excluded from the calculation of the average room rate. It was reported that the Marine Corps personnel provide much of the clientele for the lodging in Twentynine Palms, and may account for why the annual occupancy rates of 60 and 83 percent were provided by two facility operators.

**Table 3-15
Lodging Profile
Morongo Basin**

| Name | Address | City/Community | Zip Code | # of Rooms | Room Rate Low | Room Rate High | Est. Avg. Room Rate ¹ | Est. Annual Occupancy Rate (%) |
|---------------------------------------|-----------------------|------------------|----------|----------------------------|---------------|----------------|----------------------------------|--------------------------------|
| <u>Yucca Valley</u> | | | | | | | | |
| Best Western | 56525 29 Palms Hwy. | Yucca Valley | 92284 | 95 | \$54.00 | \$120.00 | \$76.00 | --- |
| Budget Motel | 7378 Deer Trail | Yucca Valley | 92284 | 10 | \$35.00 | \$40.00 | --- | --- |
| Desert View Motel | 57471 Primrose Drive | Yucca Valley | 92284 | 14 | \$40.00 | \$50.00 | --- | --- |
| Knob Hill Ranch ² | 57840 Cortez Dr. | Yucca Valley | 92284 | 1 | \$115.00 | \$135.00 | \$121.67 | --- |
| Oasis of Eden ³ | 56377 29 Palms Hwy. | Yucca Valley | 92284 | 14 | \$55.00 | \$145.00 | --- | --- |
| Sands Motel | 55446 29 Palms Hwy. | Yucca Valley | 92284 | 12 | \$45.00 | \$49.00 | --- | --- |
| Super 8 | 57096 29 Palms Hwy. | Yucca Valley | 92284 | 48 | \$55.00 | \$99.00 | \$69.67 | 50.0% |
| Travelodge | 54850 29 Palms Hwy. | Yucca Valley | 92284 | 64 | \$50.00 | \$123.00 | \$74.33 | 50.0% |
| | | | | Total/Average | 258 | | \$59.86 | |
| <u>Joshua Tree⁴</u> | | | | | | | | |
| High-Desert Motel | 61310 29 Palms Hwy. | Joshua Tree | 92252 | 21 | \$45.00 | \$60.00 | \$50.00 | 50.0% |
| <u>Pioneertown</u> | | | | | | | | |
| Desert Willow Ranch | 53722 Pioneertown Rd. | Pioneertown | 92268 | N/A | \$95.00 | \$95.00 | \$95.00 | --- |
| Pioneer Springs Ranch | 51845 Saddle Ln. | Pioneertown | 92268 | N/A | --- | --- | --- | --- |
| <u>Twentynine Palms</u> | | | | | | | | |
| 29 Palms Inn | 73950 Inn Ave. | Twentynine Palms | 92277 | 19 | \$70.00 | \$340.00 | \$100.00 | --- |
| Country Inn 29 Palms | 71829 29 Palms Hwy. | Twentynine Palms | 92277 | 39 | \$50.00 | \$89.00 | \$60.00 | 60.0% |
| Fairfield Inn and Suites | 6333 Encelia Ave. | Twentynine Palms | 92277 | 80 | \$96.00 | \$149.00 | \$105.00 | 83.0% |
| Harmony Motel | 71161 29 Palms Hwy. | Twentynine Palms | 92277 | 8 | \$65.00 | \$90.00 | \$73.33 | --- |
| Holiday Inn Express | 72535 29 Palms Hwy. | Twentynine Palms | 92277 | 84 | \$150.00 | \$155.00 | \$151.67 | --- |
| Hotel 29 Palms | 71809 29 Palms Hwy. | Twentynine Palms | 92277 | 70 | \$70.00 | \$80.00 | \$73.33 | --- |
| Sunnyvale Garden Suites Hotel | 73843 Sunnyvale Dr. | Twentynine Palms | 92278 | 19 | \$60.00 | \$185.00 | \$101.67 | --- |
| | | | | Total/Average | 319 | | \$97.87 | |
| | | | | Grand Total/Average | 598 | | \$79.79 | |

1. Average room rates are estimates based on the lower third of the listed rate range, except for 29 Palms Inn, Country Inn 29 Palms and Fairfield Inn and Suites where the average estimate was provided by facility.
2. Knob Hill Ranch is located in the Town of Yucca Valley and is a single residence with one rental guest house.
3. Standard, Garden and Executive Rooms are included in this range; the motel also has specialty themed rooms for up to \$375 per night.
4. Joshua Tree Retreat is listed as a lodging facility within Joshua Tree, but is a religious campground not open to the public.

Sources: Stanley R. Hoffman Associates, Inc.
TripAdvisor

3.11 Visitor Expenditure Demand

Based on the lodging data presented in section 3.10, an estimate of total annual spending for overnight lodging accommodations of about \$11.04 million was prepared for 2010 in the Morongo Basin area, as shown in Appendix Table B-1. A projected total annual spending for accommodations of \$12.53 million was then projected for 2035. This was based on the projected 14 percent increase in visitors to the JTNP by 2035, as also shown in Table B-1.

While there was not readily available expenditure data for visitors to the Joshua Tree National Park, a study by Dean Runyan Associates – *California Travel Impact by County, 1992-2010*, did provide overall visitor expenditure data at the San Bernardino County level. Since the data in the Runyan study provided a relationship between expenditures of overnight lodging accommodations and other expenditures, these relationships were used to project the other expenditure categories, as shown in Table 3-16. Total expenditures from visitors, for all categories, are projected to increase from about \$78.9 million in 2010 to \$89.6 million in 2035 in the Morongo Basin area. The primary expenditures presented in Table 3-16 that were used previously in section 3.8, as part of total retail demand analysis, were Food & Beverage Services, Food Stores, Retail Sales and 50 percent of Arts, Entertainment and Recreation.

Table 3-16
Visitor Spending by Type of Traveler Accommodations: 2010
(In Millions of Dollars)
Morongo Basin

| Type of Expenditure | Expenditure Amount ¹ | Expenditure as Ratio of Accomotions | Estimated 2010 Total Expenditures | Projected 2035 Total Expenditures |
|--|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Accommodations | \$530 | 1.0 | \$11,042,491 | \$12,533,766 |
| Food & Beverage Services ² | \$997 | 1.9 | \$20,772,384 | \$23,577,669 |
| Food Stores ² | \$134 | 0.3 | \$2,791,875 | \$3,168,914 |
| Ground Tran. & Motor Fuel | \$745 | 1.4 | \$15,521,992 | \$17,618,218 |
| Arts, Enter. & Recreation ² | \$555 | 1.0 | \$11,563,363 | \$13,124,981 |
| Retail Sales ² | \$684 | 1.3 | \$14,251,064 | \$16,175,652 |
| Air Transportation | \$142 | 0.3 | \$2,958,554 | \$3,358,103 |
| Total Spending at Destination | \$3,787 | 7.1 | \$78,901,723 | \$89,557,304 |

1. These visitor expenditure estimates are for the County of San Bernardino visitor spending as reported in *California Travel Impacts by County, 1992 - 2010, 2011 Preliminary State & Regional Estimates*, Dean Runyan Associates, April 2012, p. 78.

2. These are the primary categories that are estimated to generate retail sales in the Mid-Town Yucca Valley area.

Source: Stanley R. Hoffman Associates, Inc.

3.12 Marine Corps Air Ground Combat Center (MCAGCC) Base Expenditure Analysis

The economic impact of the MCAGCC on the Morongo Basin area is quite significant with about \$389.0 million of direct payroll and spending within Twentynine Palms, as reported by Marine Corps Air Ground Combat Center personnel. They also report that they employ over 11,000 Twentynine Palms residents. In the Town of Yucca Valley, they report direct payroll and spending of \$47.0 million and employ over 700 Yucca Valley residents. While this probably represents the bulk of the personnel and retirees living off the base, there are some additional military personnel living within the unincorporated areas that are not included in these data. Since these military personnel and households are included in the 2010 U.S. Census data, their retail spending impact is accounted for in the retail demand model, as discussed earlier.

However, there were 8,442 military personnel reported to be living on the Marine Corps Air Ground Combat Center proper in 2010 that are projected to grow to 10,619 by 2035, according to the SCAG RTP 2012 forecasts. While this represents a potential source of new retail spending, this projected increase in military personnel residing on the base is not included in the retail demand model. First, the increase in retail spending is considered to be small given that there is an Exchange on the base that essentially operates like a general merchandise store for the personnel that is sales tax free, and second, much of their food consumption is handled at their Commissary. Additionally, as judged by reviewing changes in military personnel over the 2000 to 2010 period due to assignments to various military venues throughout the world, the future levels of military personnel at the MCAGCC is considered too uncertain to reliably project.

3.13 Retail Development Opportunities and Constraints

The retail market in the Mid-Town area has the opportunity to capture an increased level of the demand from existing and future households within the Town and from the greater Morongo Basin, as well as the visitors to the Joshua Tree National Park (JTNP) and to the Marine Corps Air Ground Combat Center (MCAGCC). Additionally, both JTNP and MCAGCC generate significant employment opportunities for many of the households that reside in the Morongo Basin communities. The retail establishments attracted to the Mid-Town area will generally be of the mid-size and smaller mix of retailers, including General Merchandise and Clothing and Clothing Accessory stores, Food & Beverage stores, Eating and Drinking places, and in the specialty retail categories, including sporting goods, hobby, book and music stores, electronics and other miscellaneous store retailers.

While the Mid-Town area has a sizable mix of existing retail, professional and medical office and service establishments, the constraints to overcome include providing improved circulation and other public infrastructure, and providing zoning and economic incentives for the private market to consolidate the vacant and under-utilized parcels into efficient developments in key locations along and north and south of Highway 62.

The prime, regional highway location, at the intersection of Highways 62 and 247, is within the Mid-Town area giving it strong accessibility, however, the overall development of the Mid-Town area will be facilitated by an economic development strategy with strong emphasis on marketing, financial incentives and partnerships with both private and public agencies and organizations.

CHAPTER 4

LAND USE PROFILE OF MID-TOWN YUCCA VALLEY

4.1 Overview of Mid-Town Specific Plan Area

As shown in Figure 4-1, the study area is located in the center of the Town of Yucca Valley, and is generally east of Sage Avenue, west of Joshua View Drive, north of Onaga Trail and south of Sunnyslope Drive. There are a number of commercial, utility, public and community uses within the Mid-Town area, as identified on Figure 4-2. These uses range from the Stater Brothers and the Desert Hills Plaza Shopping Centers to the Southern California Edison and the Hi-Desert Water District utility facilities to the Government and Community Center, including the Community Center park, and the Hi-Desert Nature Museum. Also, there are several restaurants and a Super 8 lodging facility identified, as well as the unique Sky Village Outdoor Marketplace that operates on a former drive-in theatre site.

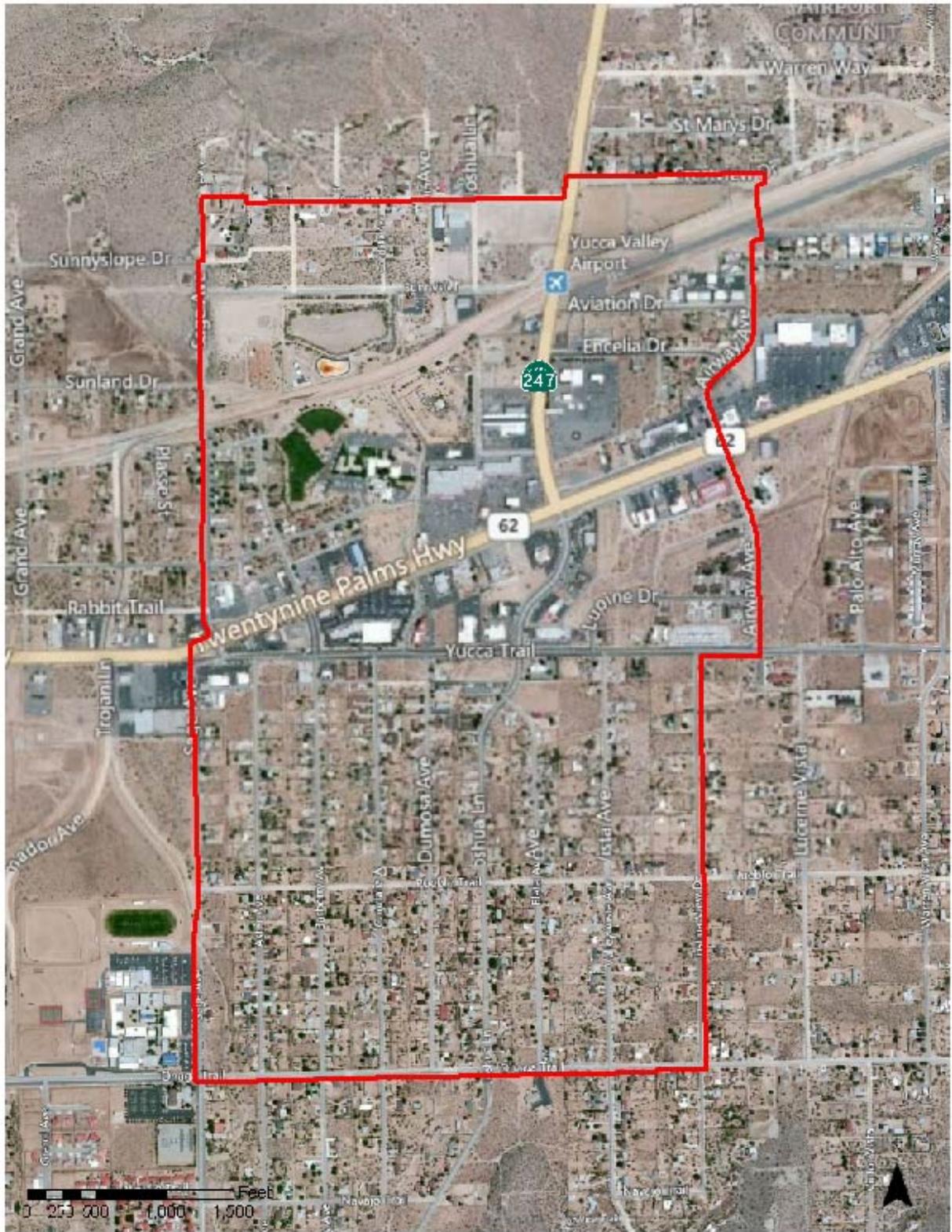
The Yucca Valley Airport operates in the northeastern section of the study area, just north of the Southern California Edison and the Hi-Desert Water District facilities. The Yucca Valley Transit Center is located in the eastern portion of the study area along the north side of Yucca Trail. There is a major concentration of single family residential units in the study area primarily south of Yucca Trail. North of Yucca Trail are scattered single family and multi-family structures.

4.2 Profile of Non-Residential Land Uses

There are an estimated 498,107 square feet of non-residential uses in the Mid-Town area, as shown in Table 4-1, based on June, 2012, Assessor's parcel data provided by CoreLogic. The estimated 264,724 square feet of retail and restaurant space represents over half of the space, or 53.2 percent of the total. The next largest grouping is Office/Financial uses estimated at 156,099 square feet, or 31.3 percent of the total. Medical offices represents another 34,994 square feet, only 7.0 percent of the total. The remaining 8.5 percent of the square footage is represented by industrial (24,166 square feet) and lodging (18,124 square feet) uses.

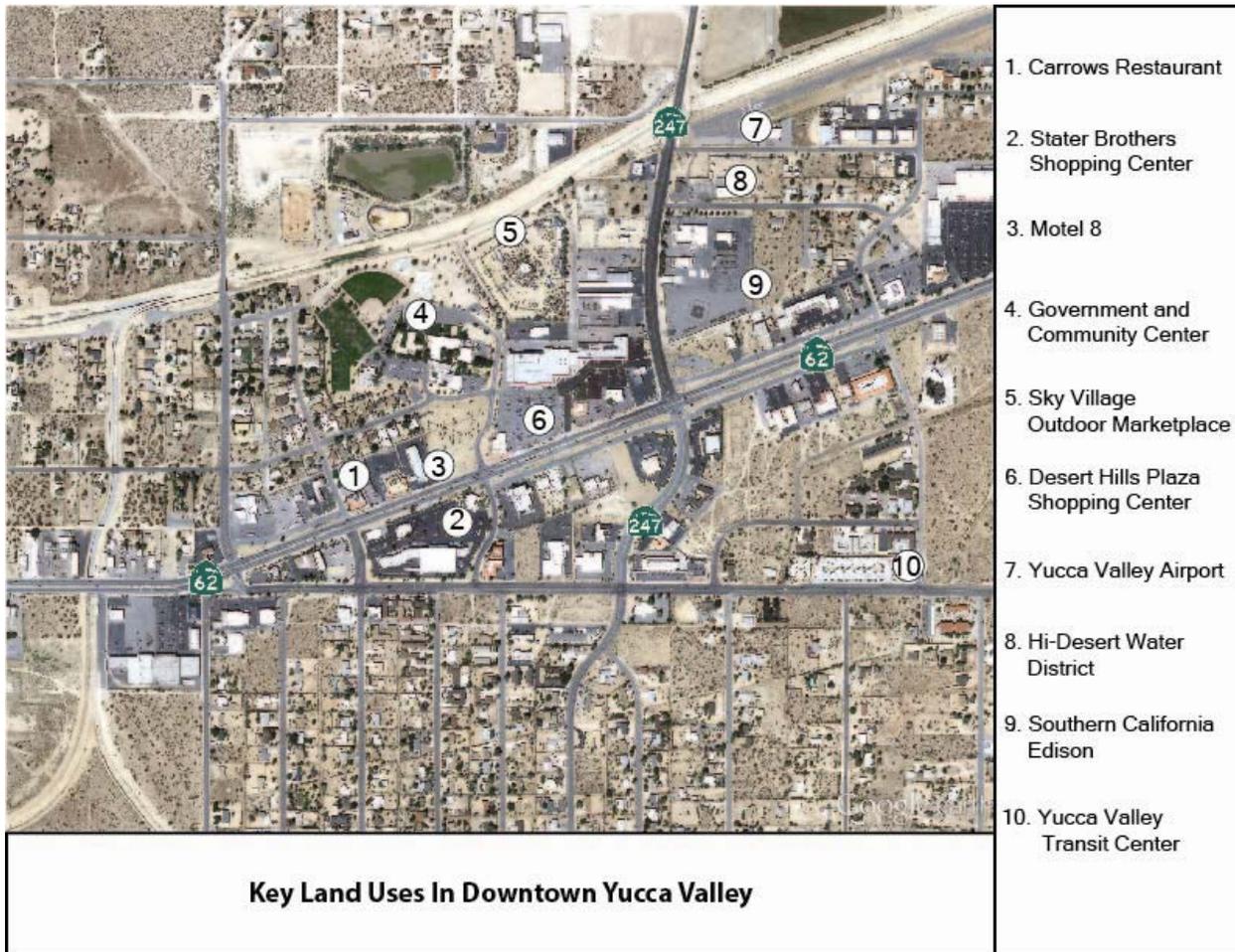
Also shown in Table 4-1, the average Floor Area Ratio (FAR) within the Mid-town area was 0.23, ranging from a low of 0.15 for restaurant uses to a high of 0.39 for lodging. General retail had an average FAR of 0.20. While building square footages were not available for the citywide land uses, the total estimated non-residential lot square footage of 2.27 million square feet in the Mid-Town area represents about 14.4 percent of the total estimated non-residential lot square footage of 15.74 million square feet, as shown in Table 4-2.

Figure 4-1
 Mid-Town Specific Plan Area
 Town of Yucca Valley



Source: Stanley R. Hoffman Associates, Inc.
 ESRI ArcMap

Figure 4-2
 Key Land Uses in Downtown Yucca Valley
 Town of Yucca Valley



Source: Stanley R. Hoffman Associates, Inc.
 ESRI ArcMap

Table 4-1
Profile of Non-Residential Land Uses
Mid-Town Study Area, Town of Yucca Valley

| Land Use | Building Area | | Lot Area | | Average FAR ¹ |
|--------------------|----------------|---------------|------------------|---------------|--------------------------|
| | (sq. ft.) | % of Total | (sq. ft.) | % of Total | |
| Industrial | 24,166 | 4.9% | 64,028 | 2.8% | 0.37 |
| Lodging | 18,124 | 3.6% | 46,632 | 2.1% | 0.39 |
| Medical | 34,994 | 7.0% | 178,905 | 7.9% | 0.18 |
| Office/Financial | 156,099 | 31.3% | 534,659 | 23.6% | 0.28 |
| Restaurant | 23,681 | 4.8% | 158,194 | 7.0% | 0.15 |
| Retail | <u>241,043</u> | 48.4% | <u>1,283,894</u> | 56.7% | 0.20 |
| Grand Total | 498,107 | 100.0% | 2,266,312 | 100.0% | 0.23 |

1. Floor Area Ratio.

Source: Stanley R. Hoffman Associates, Inc.
CoreLogic Assessor Data, June 2012

Table 4-2
Profile of Non-Residential Land Uses
Town of Yucca Valley

| Land Use | Est. Building Area | | Lot Area | | Average FAR ³ |
|--------------------|------------------------|------------|-------------------|---------------|--------------------------|
| | (sq. ft.) ² | % of Total | (sq. ft.) | % of Total | |
| Industrial | N/A | N/A | 4,430,680 | 28.1% | N/A |
| Lodging | N/A | N/A | 354,031 | 2.2% | N/A |
| Medical | N/A | N/A | 1,818,522 | 11.6% | N/A |
| Office/Financial | N/A | N/A | 1,744,137 | 11.1% | N/A |
| Restaurant | N/A | N/A | 801,058 | 5.1% | N/A |
| Retail | N/A | N/A | <u>6,596,268</u> | 41.9% | N/A |
| Grand Total | N/A | N/A | 15,744,697 | 100.0% | N/A |

1. Existing FARs are estimated based on developed land uses within the Mid-Town area.
2. Square footages are not known for the citywide land uses.
3. Average FARs are not known for the citywide land uses.

Source: Stanley R. Hoffman Associates, Inc.
County Assessor's File, July 30, 2012

4.3 Non-Residential Sites with Land Value to Total Value Ratios > 0.40

As a measure of land under-utilization in the Mid-Town area, non-residential parcels were selected by land use categories where the land value to total value ratio was greater than 0.40, including vacant parcels. As land value becomes a greater share of the total value, the parcel is considered to potentially be a prime candidate for increased development or redevelopment. As shown in Table 4-3, a total of 68.52 acres were either vacant or met the criteria of the land value to total value ratio of greater than 0.40. Of this total, about 2/3 of the parcels (67 percent) were vacant (45.88 acres) with the remaining 1/3 of the parcels, or 22.64 acres above the 0.40 threshold. As shown in Table 4-3, and illustrated in Figure 4-2, there were an estimated 95 parcels, of various sizes and shapes, scattered throughout the Mid-Town area from just south of Yucca Trail to the northerly boundary of the study area. Given the large number of parcels, any Mid-Town economic strategy would have to consider land use and economic incentives to consolidate vacant and under-utilized parcels into efficient sizes for development.

Table 4-3
Non-Residential Sites with High Land Value to Total Value Ratios
Mid-Town Study Area, Town of Yucca Valley

| Land Use | Total Lot Area | Acres | Number of Lots | Average Land to Total Value Ratio ¹ |
|-------------------------------------|------------------|--------------|----------------|--|
| Industrial | N/A | N/A | 0 | N/A |
| Lodging | N/A | N/A | 0 | N/A |
| Medical | 12,000 | 0.28 | 1 | 0.50 |
| Office/Financial | 155,307 | 3.57 | 4 | 0.61 |
| Other | 460,666 | 10.58 | 5 | 0.99 |
| Restaurant | 125,888 | 2.89 | 2 | 0.66 |
| Retail | 232,248 | 5.33 | 7 | 0.49 |
| Vacant | <u>1,998,678</u> | <u>45.88</u> | <u>76</u> | <u>1.00</u> |
| Grand Total/Weighted Average | 2,984,787 | 68.52 | 95 | 0.92 |

1. Ratio where land value for selected parcels is greater than 40 percent of the total assessed value.

Sources: Stanley R. Hoffman Associates, Inc.
CoreLogic Assessor Data, June 2012

Figure 4-3
 Sites with High Land Value to Total Value Ratios
 Mid-Town Study Area, Town of Yucca Valley



Vacant Parcels or
 Parcels with Land Value > 40% of Total Assessed Value



Sources: Stanley R. Hoffman Associates, Inc.
 CoreLogic, Assessor Data, June 2012
 ESRI ArcMap

4.4 Non-Residential Sites with Floor Area Ratios < 0.20

Another measure of land under-utilization in the Mid-Town area is when non-residential parcels have a Floor Area Ratio (FAR) of less than 0.20. The floor area ratio is a measure of the gross building square footage over the total site acreage. Under current development standards, FARs are typically above 0.20 unless the use has need for a great deal of outdoor storage, such as some large home improvement or heavy industrial uses – neither of which is being considered in the Mid-Town area. As shown in Table 4-4, a total of 85.14 acres were either vacant or met the criteria of the FAR less than 0.20. Of this total, about 54 percent of the parcels were vacant (45.88 acres) with the remaining 46 percent of the parcels, or 32.96 acres less than the 0.20 threshold. As shown in Table 4-4, and illustrated in Figure 4-3, there were an estimated 112 parcels, of various sizes and shapes, scattered throughout the Mid-Town area from just south of Yucca Trail to the northerly boundary of the study area. There were also a relatively high concentration of these selected parcels along both north and south of Highway 62. Again, given the large number of parcels, any Mid-Town economic strategy would have to consider land use and economic incentives to consolidate vacant and under-utilized parcels into efficient sizes for development.

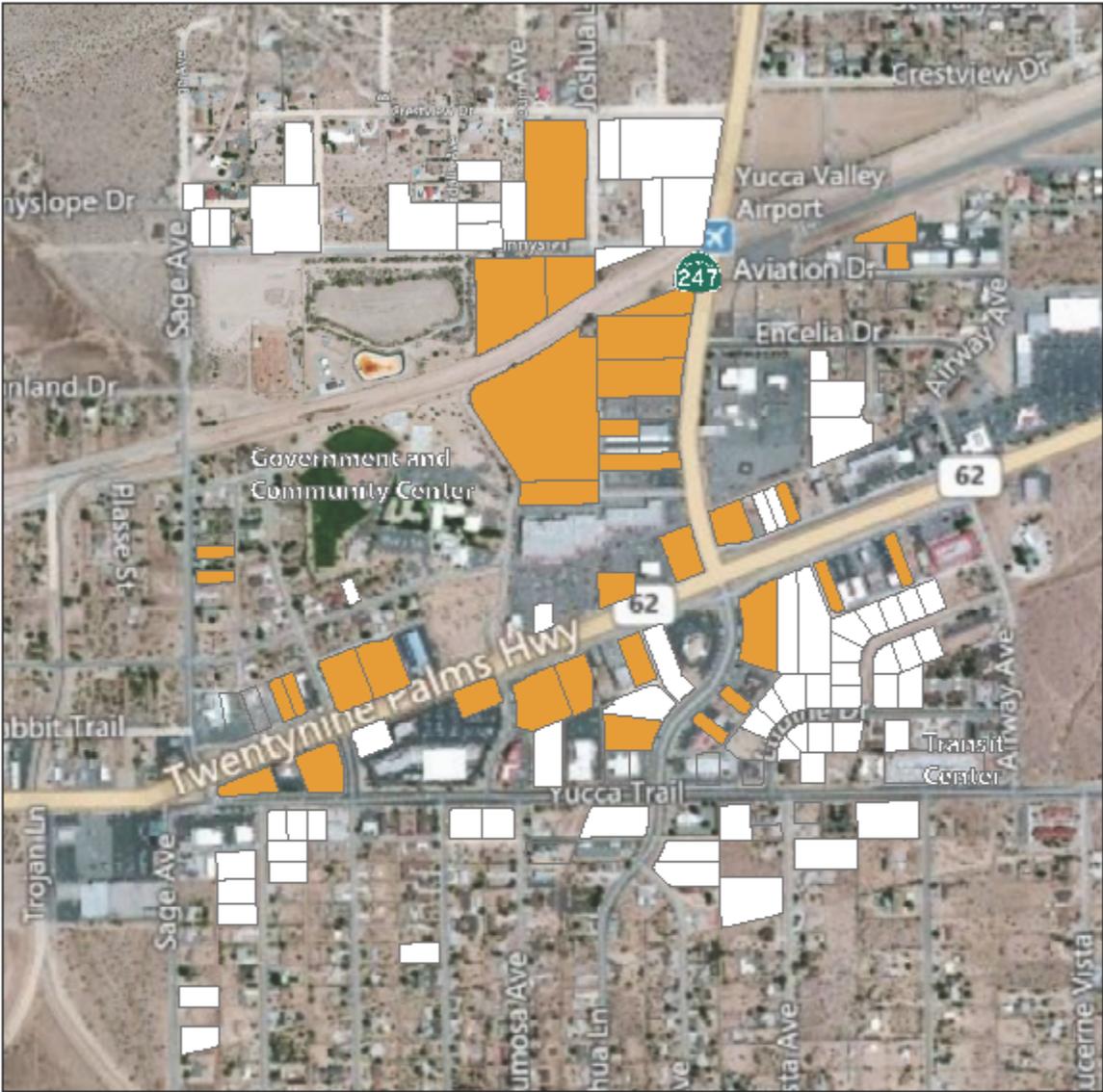
Table 4-4
Sites with Low Floor Area Ratios (FAR)
Mid-Town Study Area, Town of Yucca Valley

| Land Use | Total Lot Area (sq. ft.) | Acres | Number of Lots | Average FAR ¹ |
|-------------------------------------|-----------------------------|--------------|-------------------|-----------------------------|
| Industrial | 13,650 | 0.31 | 1 | 0.00 |
| Lodging | N/A | N/A | 0 | N/A |
| Medical | 85,415 | 1.96 | 4 | 0.09 |
| Office/Financial | 242,011 | 5.56 | 6 | 0.04 |
| Other | 849,374 | 19.50 | 10 | 0.04 |
| Restaurant | 155,340 | 3.57 | 4 | 0.09 |
| Retail | 364,411 | 8.37 | 11 | 0.05 |
| Vacant | <u>1,998,678</u> | <u>45.88</u> | <u>76</u> | <u>N/A</u> |
| Grand Total/Weighted Average | 3,708,879 | 85.14 | 112 | 0.05 |

1. Floor Area Ratio.

Sources: Stanley R Hoffman Associates, Inc.
CoreLogic Assessor Data, June 2012

Figure 4-4
 Sites with Low Floor Area Ratios
 Mid-Town Study Area, Town of Yucca Valley



Parcels with FAR < 0.20



Sources: Stanley R. Hoffman Associates, Inc.
 CoreLogic, Assessor Data, June 2012
 ESRI ArcMap

CHAPTER 5 RETAIL AND HOUSING MARKET CONDITIONS

5.1 Yucca Valley Taxable Retail Sales: 2005 and 2010

Table 5-1 presents taxable retail sales trends for the Town of Yucca Valley for the years 2005 and 2010, in constant 2010 dollars. In 2005, taxable retail sales totaled \$293,754, in thousands of constant 2010 dollars, based on a Consumer Price Index factor of 1.119 from the Bureau of Labor Statistics. With a total population of 19,726, per capita taxable retail sales totaled \$14,892 in 2005, in constant 2010 dollars. In comparison, total taxable retail sales decreased to \$228,831 in 2010. With a total population of 20,700 in 2010, per capita taxable retail sales decreased to \$11,055 – a decline of about 26 percent.

Table 5-1
Taxable Retail Sales: 2005 and 2010
(In Constant 2010 Dollars)
Town of Yucca Valley

| | 2005 | 2010 |
|---|------------------|------------------|
| <u>Retail Category (in thousands of dollars)</u> | | |
| Motor Vehicle and Parts Dealers | \$63,370 | \$30,110 |
| Home Furnishings and Appliance Stores | \$5,069 | \$3,532 |
| Bldg. Matrl. and Garden Equip. and Supplies | \$17,688 | N/A |
| Food and Beverage Stores | \$29,248 | \$27,356 |
| Gasoline Stations | \$37,666 | \$37,249 |
| Clothing and Clothing Accessories Stores | \$3,306 | \$2,107 |
| General Merchandise Stores | \$76,901 | N/A |
| Food Services and Drinking Places | \$27,835 | \$26,004 |
| Other Retail Group | <u>\$32,671</u> | <u>\$102,474</u> |
| Total Taxable Retail Sales | \$293,754 | \$228,831 |
| | | |
| Population | 19,726 | 20,700 |
| | | |
| <u>Per Capita Taxable Retail Sales</u> | | |
| Motor Vehicle and Parts Dealers | \$3,213 | \$1,455 |
| Home Furnishings and Appliance Stores | \$257 | \$171 |
| Bldg. Matrl. and Garden Equip. and Supplies | \$897 | N/A |
| Food and Beverage Stores | \$1,483 | \$1,322 |
| Gasoline Stations | \$1,909 | \$1,799 |
| Clothing and Clothing Accessories Stores | \$168 | \$102 |
| General Merchandise Stores | \$3,898 | N/A |
| Food Services and Drinking Places | \$1,411 | \$1,256 |
| Other Retail Group | <u>\$1,656</u> | <u>\$4,950</u> |
| Total Taxable Retail Sales per Capita | \$14,892 | \$11,055 |

Source: Stanley R Hoffman Associates, Inc.
California State Board of Equalization

5.2 Comparative Taxable Retail Sales: 2010

As shown in Table 5-2, Yucca Valley's taxable retail sales are about 2.6 higher when compared with Twentynine Palms. Also, Yucca Valley's per capita taxable retail sales of \$11,055 are over 3 times higher than the per capita amount of \$3,540 in Twentynine Palms. On a per capita basis, Yucca Valley's rate is also 30 percent higher than the County's per capita amount of \$8,505. Additionally, Yucca Valley is higher on a per capita basis in several retail categories than the County indicating the influence of higher than average visitor traffic. For example, in Yucca Valley, per capita gasoline sales are about 20 percent higher, Food and Beverage stores are about 2.4 times higher, and Food Services and Drinking Places are about 16 percent higher.

Table 5-2
Comparative Taxable Retail Sales: 2010
(In Constant 2010 Dollars)
Yucca Valley, Twentynine Palms, and San Bernardino County

A. Taxable Retail Sales Breakdown: 2010 (in thousands of dollars)

| | Yucca Valley | Twentynine Palms | San Bernardino County (SBC) | Yucca Valley as % of SBC |
|---|------------------|------------------|-----------------------------|--------------------------|
| Motor Vehicle and Parts Dealers | \$30,110 | N/A | \$2,624,920 | 1.1% |
| Home Furnishings and Appliance Stores | \$3,532 | N/A | \$471,879 | 0.7% |
| Bldg. Matrl. and Garden Equip. and Supplies | N/A | N/A | \$1,142,663 | N/A |
| Food and Beverage Stores | \$27,356 | N/A | \$1,113,419 | 2.5% |
| Gasoline Stations | \$37,249 | N/A | \$3,059,166 | 1.2% |
| Clothing and Clothing Accessories Stores | \$2,107 | N/A | \$1,270,559 | 0.2% |
| General Merchandise Stores | N/A | N/A | \$2,704,521 | N/A |
| Food Services and Drinking Places | \$26,004 | N/A | \$2,209,838 | 1.2% |
| Other Retail Group | \$102,474 | N/A | \$2,711,914 | 3.8% |
| Total Taxable Retail Sales | \$228,831 | \$88,659 | \$17,308,880 | 1.3% |

B. 2010 Population

| | Yucca Valley | Twentynine Palms | San Bernardino County |
|-----------------|--------------|------------------|-----------------------|
| 2010 Population | 20,700 | 25,048 | 2,035,210 |

C. Per Capita Taxable Retail Sales Breakdown

| Retail Category | Yucca Valley | Twentynine Palms | San Bernardino County | Yucca Valley as % of SBC |
|--|-----------------|------------------|-----------------------|--------------------------|
| Motor Vehicle and Parts Dealers | \$1,455 | N/A | \$1,290 | 112.8% |
| Home Furnishings and Appliance Stores | \$171 | N/A | \$232 | 73.6% |
| Bldg. Matrl. and Garden Equip. and Supplies | N/A | N/A | \$561 | N/A |
| Food and Beverage Stores | \$1,322 | N/A | \$547 | 241.6% |
| Gasoline Stations | \$1,799 | N/A | \$1,503 | 119.7% |
| Clothing and Clothing Accessories Stores | \$102 | N/A | \$624 | 16.3% |
| General Merchandise Stores | N/A | N/A | \$1,329 | N/A |
| Food Services and Drinking Places | \$1,256 | N/A | \$1,086 | 115.7% |
| Other Retail Group | \$4,950 | N/A | \$1,332 | 371.5% |
| Total Taxable Retail Sales per Capita | \$11,055 | \$3,540 | \$8,505 | 130.0% |

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, Taxable Sales in California (Sales and Use Tax), 2010
U.S. Census, 2010

5.3 Single Family and Multi-Family Housing Market Trends

U.S. Census Reported Single-Family Home Values. As shown in Table 5-3, in Yucca Valley, self-reported single-family home values from the U.S. Census Bureau’s American Community Survey (ACS) for 2010 (based on three-year estimates for 2008 to 2010) total approximately \$1.15 billion. The median home value was estimated at \$178,600, and the average home value was estimated about 23 percent higher at \$218,467. These self-reported home values contrast sharply to actual home sale prices for single-family homes reported by DQ News, as shown in Table 5-4.

Multi-Family Rental Rates

The market for multi-family units is so small that the U.S. Census did not report any detailed data for 2010. Also, a search of the rental unit website, Rent.Com, did not report any rental rates for units in Yucca Valley. Since most households residing in the desert environment prefer a single-family lifestyle, the multi-family rental market has not developed to any extent in the Town of Yucca Valley. Even under the General Plan Land Use Designations, the maximum density for the Medium High Density Residential (MHDR) category is 14 DU/AC, with an assumed average density that is likely to be achieved at buildout of 10 DU/AC. However, over time, as the Mid-Town area develops a more pedestrian oriented environment, these densities may become more prevalent as a mixed use component of the Mid-Town area.

Table 5-3
Single-Family Home Values: 2010
Town of Yucca Valley

| Owner-Occupied Units | # of Units | Estimated Value |
|------------------------------|-------------------|------------------------|
| Owner-occupied Units | 5,269 | |
| Less than \$50,000 | 635 | \$15,875,000 |
| \$50,000 to \$99,999 | 429 | \$32,175,000 |
| \$100,000 to \$149,999 | 749 | \$93,625,000 |
| \$150,000 to \$199,999 | 1,109 | \$194,075,000 |
| \$200,000 to \$299,999 | 1,460 | \$365,000,000 |
| \$300,000 to \$499,999 | 614 | \$245,600,000 |
| \$500,000 to \$999,999 | 273 | \$204,750,000 |
| \$1,000,000 or more | - | |
| Total Estimated Value | | \$1,151,100,000 |
| Median Housing Value | \$178,600 | |
| Average Housing Value | \$218,467 | |

Sources: Stanley R. Hoffman Associates, Inc.
American Community Survey 3-Year Estimates, 2008-2010

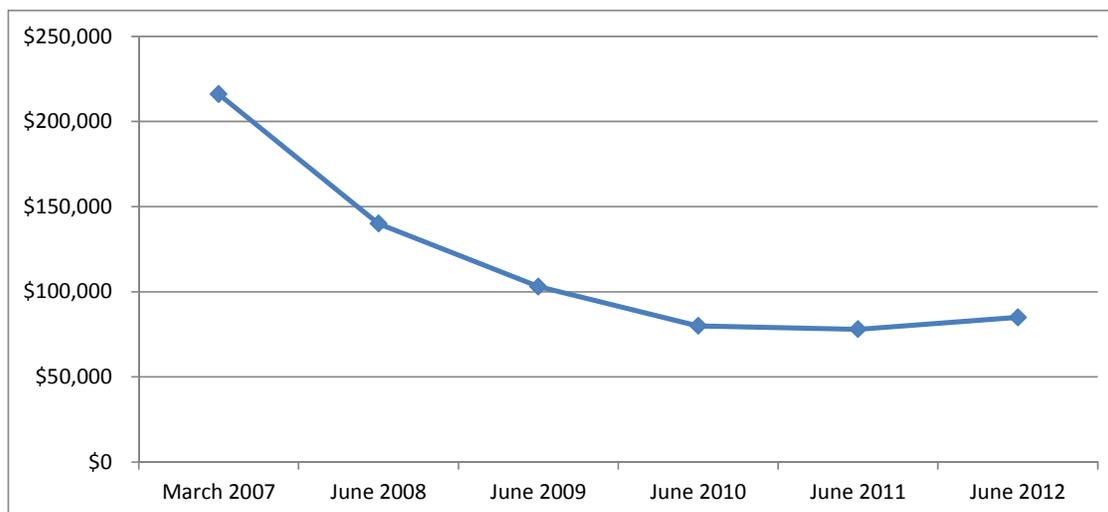
DQ News Reported Single-Family Home Sales Trends. As shown in Table 5-4 and Figure 5-1, median sale prices for single-family homes in the Town of Yucca Valley declined sharply (60.6 percent) from \$216,000 in 2007 to \$85,000 in 2012, based on historical data from DQ News – a company that provides real estate news and tracks home sales throughout California and nationally. The greatest percent decline of 30.7 percent occurred between 2007 and 2008 during the early stages of the recession. According to DQ News, there has been a slight upward movement of 9.0 percent in the median home sale prices from June 2011 to June 2012.

Table 5-4
Median Single-Family Home Sale Prices: 2007 to 2012
Town of Yucca Valley

| Date | # of Sales | Median Sale Price | % Change from Prior Year |
|------------|------------|-------------------|--------------------------|
| March 2007 | 38 | \$216,000 | -3.1% |
| June 2008 | 33 | \$140,000 | -30.7% |
| June 2009 | 41 | \$103,000 | -26.4% |
| June 2010 | 45 | \$80,000 | -23.8% |
| June 2011 | 57 | \$78,000 | -2.5% |
| June 2012 | 59 | \$85,000 | 9.0% |

Sources: Stanley R. Hoffman Associates, Inc.
DQNews

Figure 5-1
Median Single-Family Home Sale Prices¹: 2007 to 2012
Town of Yucca Valley



1. Based on sale prices of units actually sold.

Sources: Stanley R. Hoffman Associates, Inc.
DQNews

CHAPTER 6 COMMERCIAL OFFICE AND INDUSTRIAL MARKETS

6.1 Office and Industrial Market Conditions

While Yucca Valley is in the lower, Morongo Valley desert area of San Bernardino County and near to the cities of Coachella Valley, due to its isolated location and difficult access (essentially one primary way in and out along Highway 62), and in terms of its market dynamics and order of magnitude differences in levels of growth, it should be considered to be a separate economic market from the nearby Coachella Valley.

The Town of Yucca Valley had about 8,300 households and a total population of 20,700, over 80 percent of which is non-Hispanic and white. Since the 2000 Census, the Town has added about 3,800 residents. About 30 percent of the population has education with an Associate's Degree or higher, with an estimated 35 percent of the population in the labor force. Of those in the labor force, about 28 percent are in Educational services, Health Care and Social assistance and about 24 percent in Retail trade and Accommodations and Food services. Another 19 percent are in the blue collar positions of construction and manufacturing. Average travel time to work is nearly 30 minutes, with a high percentage commuting to work in the Coachella Valley.

The town is bisected by Twentynine Palms Highway (Route 62), with most of the commercial activity (including a series of neighborhood-scale retail centers) arrayed along the highway as it passes through town. A secondary node of commercial real estate (including a series of 1-story and 2-story office buildings) is located in the Old Town area of Yucca Valley along Santa Fe Trail, a street that parallels Twentynine Palms Highway two blocks to the south, between Kickapoo Trail and Apache Trail. Old Town also includes an older "industrial" area to the north of Twentynine Palms Highway, characterized by such tenants as auto repair shops, self-storage and other consumer-serving businesses.

As noted by the Hi-Desert Water District on its website, "Over 10,000 households and businesses in Yucca Valley currently dispose of their wastewater using individual sewage disposal systems, or septic tanks. Studies by USGS have confirmed these septic tanks are the cause of high nitrate levels. The District is working in conjunction with the California Regional Water Quality Control Board in the development and construction of the Wastewater Treatment and Water Reclamation Facility.

The project includes the construction of a centralized wastewater treatment and water reclamation facility and the associated collection pipelines from each property to the main facility.” The first phase of the sewer project, which includes the study area of this engagement, is expected to start construction in 2014 and be on-line by 2016. When this sewer system is completed, it will enhance the desirability of industrial and office users to locate in the Town of Yucca Valley. However, it will require the payment of fair-share assessments on both residential and non-residential land uses.

Based on a review of listings posted on LoopNet, as well as a series of interviews with brokers active in and/or knowledgeable about the Yucca Valley market, both the industrial and office sectors of the real estate market are currently very limited, both from the perspective of current activity and for future potential.

Although they are uniformly pessimistic about both short and long term prospects in Yucca Valley, brokers indicated that the recovery is starting in the Coachella Valley, which they still see as currently being a very slow market. For Yucca Valley, given its small size and lack of activity, there are no regular market statistics compiled by the brokers covering this area to suggest any long-term trends.

Vacancies in Coachella Valley remain high (estimated 15 to 18 percent in office and over 10 percent in industrial), but it is anticipated that current inventories of space could be worked off in about 12 months, at which point rents (which are depressed and still falling slightly) would start to increase, with significant new construction activity possible some time in 2014.

For comparison, Table 6-1 summarizes weighted average asking rents per square foot per month, by type of use, for office and industrial space in Yucca Valley and Coachella Valley. The general listings analyzed for office and industrial uses are presented in detail in Table 6-2. Generally, office rents are quoted on a full-service basis, while industrial rents will have the tenant paying all or some share of property taxes, utilities and building maintenance.

While office rents are generally lower in Yucca Valley than the Coachella Valley, the situation is reversed for medical office and industrial space, where rents are generally higher in Yucca Valley than Coachella Valley. It has been indicated by some of the brokers that this is possibly due to a more limited availability of this type of space in Yucca Valley.

Table 6-1
 Commercial/Office and Industrial Profile of Rent Rates
 Town of Yucca Valley and Coachella Valley

| Land Use | Weighted Averages of Asking Rent per Sq. Ft. | |
|----------------|---|---------------------|
| | Town of Yucca Valley | Coachella Valley |
| General Office | \$0.98 | \$1.48 |
| Medical Office | \$1.35 | \$1.02 |
| Industrial | \$0.71 | \$0.53 |

Sources: The Reicher Company
 Coldwell Banker-Lyle
 LoopNet

Table 6-2
Commercial/Office and Industrial Asking Rents per Square Foot
Town of Yucca Valley and Coachella Valley

| Location | City | Subtype | Building Size | Available | Rent/SF |
|--|----------------|---------------|---------------|-----------|---------------|
| Office | | | | | |
| SWC 29 Palms Hwy & Prescott | Yucca Valley | Medical | 6,400 | 5,000 | \$1.35 |
| 7347 Church St. | Yucca Valley | Office | | 4,000 | \$1.15 |
| 7255 Joshua Lane | Yucca Valley | Office | | 700 | \$1.10 |
| 56149 29 Palms Hwy. | Yucca Valley | Office | | 1,200 | \$2.92 |
| 55536 Santa Fe Trail | Yucca Valley | Office | | 2,800 | \$0.70 |
| | | | | | \$1.28 |
| Yucca Valley Weighted Average (excluding 56149 29 Palms Hwy & medical office) | | | | | \$0.98 |
| 1100 N. Palm Canyon | Palm Springs | Medical | 44,304 | 3,598 | \$1.25 |
| 1330 N. Indian Canyon | Palm Springs | Medical | 11,616 | 1,235 | \$1.00 |
| 72630,72650,72670 Fred Waring | Palm Desert | Medical | 46,357 | 20,192 | \$1.00 |
| 82013 Dr. Carreon | Indio | Medical | 20,306 | 1,080 | \$1.35 |
| 46883 Monroe | Indio | Medical | 10,653 | 2,374 | \$0.85 |
| 28401 Date Palm | Cathedral City | Medical | 4,042 | 2,000 | \$0.85 |
| Coachella Valley Weighted Average | | | | | \$1.02 |
| 72295 Manufacturing Rd. | 1000 Palms | Office | 4,760 | 4,760 | \$0.80 |
| 1301 N. Palm Canyon | Palm Springs | Office | 9,818 | 1,178 | \$0.75 |
| 431 S. Palm Canyon | Palm Springs | Office | 20,000 | 3,136 | \$1.50 |
| 400 S. El Cielo | Palm Springs | Office | 10,000 | 1,341 | \$0.40 |
| 1109-1117 N. Palm Canyon | Palm Springs | Office | 10,280 | 580 | \$1.25 |
| 222 E. Amado | Palm Springs | Office | 3,255 | 3,255 | \$1.25 |
| 5000-5055 Calle San Rafael | Palm Springs | Office | 39,200 | 6,000 | \$1.00 |
| 559 S. Palm Canyon | Palm Springs | Office | 6,000 | 7,551 | \$5.00 |
| 244 E. Amado | Palm Springs | Office | 6,000 | 6,000 | \$0.80 |
| 72855 Fred Waring | Palm Desert | Office | 4,698 | 3,302 | \$1.00 |
| 73261 Highway 111 | Palm Desert | Office | 2,051 | 800 | \$1.30 |
| 74333 Hwy 111 | Palm Desert | Office | 8,000 | 1,575 | \$1.10 |
| 44901 Village Ct. | Palm Desert | Office | 15,000 | 3,868 | \$0.99 |
| 72925 Fred Waring | Palm Desert | Office | 6,669 | 1,239 | \$1.10 |
| 78000 Fred Waring Dr. | Palm Desert | Office | 17,781 | 2,108 | \$0.80 |
| 72757 Fred Waring | Palm Desert | Office | 11,221 | 7,874 | \$1.30 |
| 44139 Monterey | Palm Desert | Office | 17,000 | 3,000 | \$1.18 |
| 72605 Hwy 111 | Palm Desert | Office | 18,246 | 7,326 | \$1.10 |
| 78000 Fred Waring #203 | Palm Desert | Office | 17,781 | 1,762 | \$0.90 |
| 78370 Hwy 111 | La Quinta | Office | 38,567 | 976 | \$1.25 |
| 79200 Corporate Center | La Quinta | Office | 42,514 | 3,072 | \$1.75 |
| 78370,78380 Washington | La Quinta | Office | 38,567 | 1,659 | \$0.90 |
| 81713 Hwy 111 | Indio | Office | 6,120 | 1,380 | \$0.99 |
| 45100-45280 Club | Indian Wells | Office | 20,000 | 5,191 | \$1.15 |
| 68487 East Palm Canyon | Cathedral City | Office | 23,184 | 1,304 | \$1.05 |
| 79687 Country Club | Bermuda Dunes | Office | 15,400 | 1,100 | \$0.75 |
| 78000 Fred Waring Dr. #201 | Palm Desert | Ex. Suite | 17,781 | 100 | \$1.15 |
| Coachella Valley Weighted Average | | | | | \$1.48 |
| Industrial | | | | | |
| 7054 Wamego Trail | Yucca Valley | Flex | 8,400 | | \$1.00 |
| 7327 Hopi Trail | Yucca Valley | Warehouse | 3,700 | | \$0.60 |
| Aviation Drive | Yucca Valley | Warehouse | 4,800 | | \$0.30 |
| Yucca Valley Weighted Average | | | | | \$0.71 |
| 86665,86705 Avenue 54 | Coachella | Manufacturing | 65,528 | 7,908 | \$0.48 |
| 46167 Van Buren | Indio | Flex | 7,710 | 7,710 | \$0.70 |
| 42005 Cook #102,104,210,300,200 | Palm Desert | Flex | 17,400 | 3,721 | \$1.00 |
| 72700 Dinah Shore | Palm Desert | Warehouse | 59,801 | 24,831 | \$0.43 |
| Coachella Valley Weighted Average | | | | | \$0.53 |

Sources: The Reicher Company
Coldwell Banker-Lyle
LoopNet

6.2 Office Market Opportunities

Commercial real estate activity in Yucca Valley is dominated by the retail sector, which is concentrated in a series of retail centers and strip commercial along 29 Palms Highway, the largest number of centers are near the intersection of 29 Palms Highway and Old Woman Springs Road (Route 247). Also, a Super-Walmart is under-construction about a 1 ¾ miles to the east of the Mid-Town area, at the southwest corner of Highway 62 and Avalon Avenue.

Among the national and regional retailers in that area are grocers (Stater Bros, Food4Less, and Vons), discounters/big box retailers (the existing, older Walmart store, Dollar Tree and Big 5), food service (Jack in the Box, Applebee's, Starbucks, Del Taco, McDonald's, Taco Bell, Sizzler, Papa John's, Carl's Jr. and Carrow's) and financial (Bank of America, Pacific Western Bank, US Bank and Union Bank). The area serves the needs of shoppers primarily in the Town of Yucca Valley, but also serves households and visitors throughout the entire Morongo Basin area.

With the exception of a small number of medical users and local serving offices, the office market in Yucca Valley also appears to have limited appeal, either to users or to developers. From a competitive point-of-view, there is an ample supply of office space available in Coachella Valley to meet the needs of all potential types of general office users, who typically have greater flexibility in their location choices. Over time, the Mid-Town area could become more competitive as infrastructure and amenities are improved.

6.3 Industrial Market Opportunities

For the industrial sector, the remote location of the town, along with the difficulty of access (one primary route in and out) essentially limits the area for any level of major logistics (i.e., warehousing and distribution), and similar factors play a role in discouraging prospects for more intensive uses, including light manufacturing. Any company looking to locate a warehousing and/or light manufacturing facility in this portion of San Bernardino County would be far more likely to locate down the hill in Coachella Valley, which offers a wide variety of space in locations far more convenient to major highway routes, as well as proximity to a sizeable labor force. However, on a unique, case-by-case basis, as the Mid-Town area revitalizes and creates a sense of place, it is possible that a small number of light industrial/business park users will be attracted, and that, in turn, will attract other users. This future attraction is further enhanced by the close proximity of the Copper Mountain Community College that is planning to expand its existing offerings of courses for enrolled students in the emerging fields of computer and environmental technologies, skilled nursing and the management sciences.

APPENDIX A SUPPORTING TABLES RETAIL EXPENDITURE DEMAND

This appendix presents four detailed tables illustrating how the retail demand projections were created. Table A-1 includes a projection of household retail expenditures, by retail categories, from 2010 to 2035 for the Town of Yucca Valley. The total household retail expenditures are generated by multiplying the average retail household expenditures by the estimated households in 2010 and 2035, as shown in Table A-1. In Table A-2, this retail expenditure demand projection is further segmented by removing the retail demand projections for auto related retail categories, including service stations and auto sales, which are not assumed to be consistent with the Mid-Town Specific Plan focus of creating a more dynamic, pedestrian oriented environment. These retail demand projections are then converted into retail square footages based on average estimated retail sales per square foot.

These same steps are repeated in Tables A-3 and A-4 for the retail demand created by the households from 2010 to 2035 for the balance of the Morongo Basin, excluding households in the Town of Yucca Valley, as discussed above, and personnel living directly on the Marine Corps Air Ground Combat Center base.

Table A-1
Retail Expenditures: 2010 to 2035
Town of Yucca Valley

| | 2010 | 2035 | Change 2010-2035 | % Change 2010-2035 |
|---|----------------------|----------------------|---------------------|-----------------------|
| <u>Average Household Retail Expenditures</u> | | | | |
| Motor vehicle & parts dealers | \$4,824 | \$4,643 | -\$181 | -3.7% |
| Furniture & home furnishings stores | \$548 | \$532 | -\$16 | -3.0% |
| Electronics & appliance stores | \$669 | \$628 | -\$41 | -6.2% |
| Bldg. material & garden equip.& supplies dlr. | \$960 | \$951 | -\$9 | -0.9% |
| Food & beverage stores | \$4,202 | \$3,808 | -\$394 | -9.4% |
| Health & personal care stores | \$1,066 | \$978 | -\$87 | -8.2% |
| Gasoline stations | \$2,427 | \$2,248 | -\$179 | -7.4% |
| Clothing & clothing accessories stores | \$1,160 | \$1,080 | -\$81 | -7.0% |
| Sporting goods, hobby, book, & music stores | \$744 | \$713 | -\$31 | -4.2% |
| General merchandise stores | \$3,198 | \$2,977 | -\$221 | -6.9% |
| Miscellaneous store retailers | \$272.2 | \$255 | -\$17 | -6.2% |
| Eating Places | \$2,807 | \$2,633 | -\$174 | -6.2% |
| Nonstore retailers | <u>\$628</u> | <u>\$590</u> | <u>-\$39</u> | <u>-6.2%</u> |
| <i>Average Household Retail Expenditure</i> | \$23,505 | \$22,035 | -\$1,470 | -6.3% |
| | | | | |
| Total Households | 8,274 | 11,849 | 3575 | 43.2% |
| <u>Total Household Retail Expenditures</u> | | | | |
| Motor vehicle & parts dealers | \$39,914,574 | \$55,018,386 | \$15,103,812 | 37.8% |
| Furniture & home furnishings stores | 4,532,974 | 6,299,330 | 1,766,356 | 39.0% |
| Electronics & appliance stores | 5,535,639 | 7,438,192 | 1,902,553 | 34.4% |
| Bldg. material & garden equip.& supplies dlr. | 7,939,212 | 11,266,448 | 3,327,236 | 41.9% |
| Food & beverage stores | 34,765,357 | 45,118,114 | 10,352,757 | 29.8% |
| Health & personal care stores | 8,818,763 | 11,593,985 | 2,775,222 | 31.5% |
| Gasoline stations | 20,081,655 | 26,636,450 | 6,554,795 | 32.6% |
| Clothing & clothing accessories stores | 9,601,651 | 12,792,742 | 3,191,092 | 33.2% |
| Sporting goods, hobby, book, & music stores | 6,156,159 | 8,446,624 | 2,290,465 | 37.2% |
| General merchandise stores | 26,458,525 | 35,277,151 | 8,818,626 | 33.3% |
| Miscellaneous store retailers | 2,252,098 | 3,024,705 | 772,606 | 34.3% |
| Eating Places | 23,222,082 | 31,194,134 | 7,972,052 | 34.3% |
| Nonstore retailers | <u>5,198,317</u> | <u>6,986,129</u> | <u>1,787,812</u> | <u>34.4%</u> |
| Total | \$194,477,006 | \$261,092,391 | \$66,615,385 | 34.3% |

Source: Stanley R. Hoffman Associates, Inc.
Robert E. Goldman, Model of Consumer Spending; BLS Consumer
Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

Table A-2
 Estimated Non-Auto Retail Space Demand: 2010 & 2035
 Town of Yucca Valley

| | 2010 | 2035 | Change 2010-2035 | % Change 2010-2035 |
|--|----------------------|----------------------|---------------------|-----------------------|
| <u>Total Household Retail Expenditures</u> | | | | |
| Furniture & home furnishings stores | 4,532,974 | 6,299,330 | 1,766,356 | 39.0% |
| Electronics & appliance stores | 5,535,639 | 7,438,192 | 1,902,553 | 34.4% |
| Bldg. material & garden equip.& supplies dlr. | 7,939,212 | 11,266,448 | 3,327,236 | 41.9% |
| Food & beverage stores | 34,765,357 | 45,118,114 | 10,352,757 | 29.8% |
| Health & personal care stores | 8,818,763 | 11,593,985 | 2,775,222 | 31.5% |
| Clothing & clothing accessories stores | 9,601,651 | 12,792,742 | 3,191,092 | 33.2% |
| Sporting goods, hobby, book, & music stores | 6,156,159 | 8,446,624 | 2,290,465 | 37.2% |
| General merchandise stores | 26,458,525 | 35,277,151 | 8,818,626 | 33.3% |
| Miscellaneous store retailers | 2,252,098 | 3,024,705 | 772,606 | 34.3% |
| Eating Places | 23,222,082 | 31,194,134 | 7,972,052 | 34.3% |
| Nonstore retailers | <u>5,198,317</u> | <u>6,986,129</u> | <u>1,787,812</u> | <u>34.4%</u> |
| Total Household Retail Expenditure | \$134,480,777 | \$179,437,556 | \$44,956,778 | 33.4% |
| <u>Retail Sales per Square Foot</u> | | | | |
| Furniture & home furnishings stores | \$250 | \$250 | | |
| Electronics & appliance stores | \$400 | \$400 | | |
| Bldg. material & garden equip.& supplies dlr. | \$400 | \$400 | | |
| Food & beverage stores | \$350 | \$350 | | |
| Health & personal care stores | \$450 | \$450 | | |
| Clothing & clothing accessories stores | \$300 | \$300 | | |
| Sporting goods, hobby, book, & music stores | \$200 | \$200 | | |
| General merchandise stores | \$350 | \$350 | | |
| Miscellaneous store retailers | \$200 | \$200 | | |
| Eating Places | \$400 | \$400 | | |
| Nonstore retailers | N/A | N/A | | |
| <u>Estimated Retail Square Footage Demand</u> | | | | |
| Furniture & home furnishings stores | 18,132 | 25,197 | 7,065 | 39.0% |
| Electronics & appliance stores | 13,839 | 18,595 | 4,756 | 34.4% |
| Bldg. material & garden equip.& supplies dlr. | 19,848 | 28,166 | 8,318 | 41.9% |
| Food & beverage stores | 99,330 | 128,909 | 29,579 | 29.8% |
| Health & personal care stores | 19,597 | 25,764 | 6,167 | 31.5% |
| Clothing & clothing accessories stores | 32,006 | 42,642 | 10,637 | 33.2% |
| Sporting goods, hobby, book, & music stores | 30,781 | 42,233 | 11,452 | 37.2% |
| General merchandise stores | 75,596 | 100,792 | 25,196 | 33.3% |
| Miscellaneous store retailers | 11,260 | 15,124 | 3,863 | 34.3% |
| Eating Places | 58,055 | 77,985 | 19,930 | 34.3% |
| Nonstore retailers | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Total | 378,444 | 505,409 | 126,965 | 33.5% |

Source: Stanley R. Hoffman Associates, Inc.
 Robert E. Goldman, Model of Consumer Spending; BLS Consumer
 Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

Table A-3
Retail Expenditures: 2010 to 2035
Balance of Morongo Basin

| | 2010 | 2035 | Change 2010-2035 | % Change 2010-2035 |
|--|----------------------|----------------------|----------------------|-----------------------|
| <u>Average Household Retail Expenditure</u> | | | | |
| Motor vehicle & parts dealers | \$4,434 | \$4,515 | \$81 | 1.8% |
| Furniture & home furnishings stores | 500 | 507 | 7 | 1.5% |
| Electronics & appliance stores | 628 | 647 | 19 | 2.9% |
| Bldg. material & garden equip.& supplies dlrs. | 860 | 863 | 4 | 0.5% |
| Food & beverage stores | 4,057 | 4,234 | 177 | 4.4% |
| Health & personal care stores | 1,019 | 1,058 | 39 | 3.8% |
| Gasoline stations | 2,304 | 2,384 | 80 | 3.5% |
| Clothing & clothing accessories stores | 1,098 | 1,134 | 36 | 3.3% |
| Sporting goods, hobby, book, & music stores | 687 | 701 | 14 | 2.0% |
| General merchandise stores | 3,023 | 3,121 | 99 | 3.3% |
| Miscellaneous store retailers | 256 | 263 | 8 | 3.0% |
| Eating Places | 2,637 | 2,715 | 78 | 3.0% |
| Nonstore retailers | <u>590</u> | <u>607</u> | <u>17</u> | <u>2.9%</u> |
| <i>Average Household Retail Expenditure</i> | \$22,091 | \$22,750 | \$659 | 3.0% |
| | | | | |
| Total Households | 18,937 | 25,023 | 6,086 | 0.32139462 |
| <u>Total Household Retail Expenditure</u> | | | | |
| Motor vehicle & parts dealers | \$83,972,486 | \$112,990,014 | \$29,017,528 | 34.6% |
| Furniture & home furnishings stores | 9,469,129 | 12,694,568 | 3,225,439 | 34.1% |
| Electronics & appliance stores | 11,899,400 | 16,187,135 | 4,287,734 | 36.0% |
| Bldg. material & garden equip.& supplies dlrs. | 16,276,424 | 21,605,417 | 5,328,993 | 32.7% |
| Food & beverage stores | 76,836,812 | 105,952,301 | 29,115,488 | 37.9% |
| Health & personal care stores | 19,294,146 | 26,475,384 | 7,181,238 | 37.2% |
| Gasoline stations | 43,625,405 | 59,655,796 | 16,030,390 | 36.7% |
| Clothing & clothing accessories stores | 20,783,378 | 28,369,807 | 7,586,428 | 36.5% |
| Sporting goods, hobby, book, & music stores | 13,002,870 | 17,531,860 | 4,528,990 | 34.8% |
| General merchandise stores | 57,237,928 | 78,108,746 | 20,870,818 | 36.5% |
| Miscellaneous store retailers | 4,842,981 | 6,589,334 | 1,746,353 | 36.1% |
| Eating Places | 49,930,267 | 67,929,962 | 17,999,695 | 36.0% |
| Nonstore retailers | <u>11,172,720</u> | <u>15,197,539</u> | <u>4,024,820</u> | <u>36.0%</u> |
| Total | \$418,343,947 | \$569,287,863 | \$150,943,916 | 36.1% |

Source: Stanely R. Hoffman Associates, Inc.

Robert E. Goldman, Model of Consumer Spending; BLS Consumer

Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

Table A-4
Estimated Non-Auto Retail Space Demand: 2010 to 2035
Balance of Morongo Basin

| | 2010 | 2035 | Change 2010-2035 | % Change 2010-2035 |
|--|----------------------|----------------------|----------------------|-----------------------|
| <u>Total Household Retail Expenditure</u> | | | | |
| Furniture & home furnishings stores | 9,469,129 | 12,694,568 | 3,225,439 | 34.1% |
| Electronics & appliance stores | 11,899,400 | 16,187,135 | 4,287,734 | 36.0% |
| Bldg. material & garden equip.& supplies dlr. | 16,276,424 | 21,605,417 | 5,328,993 | 32.7% |
| Food & beverage stores | 76,836,812 | 105,952,301 | 29,115,488 | 37.9% |
| Health & personal care stores | 19,294,146 | 26,475,384 | 7,181,238 | 37.2% |
| Clothing & clothing accessories stores | 20,783,378 | 28,369,807 | 7,586,428 | 36.5% |
| Sporting goods, hobby, book, & music stores | 13,002,870 | 17,531,860 | 4,528,990 | 34.8% |
| General merchandise stores | 57,237,928 | 78,108,746 | 20,870,818 | 36.5% |
| Miscellaneous store retailers | 4,842,981 | 6,589,334 | 1,746,353 | 36.1% |
| Eating Places | 49,930,267 | 67,929,962 | 17,999,695 | 36.0% |
| Nonstore retailers | <u>11,172,720</u> | <u>15,197,539</u> | <u>4,024,820</u> | <u>36.0%</u> |
| Total Household Retail Expenditure | \$290,746,056 | \$396,642,053 | \$105,895,998 | 36.4% |
| <u>Retail Sales per Square Foot</u> | | | | |
| Furniture & home furnishings stores | \$250 | \$250 | | |
| Electronics & appliance stores | \$400 | \$400 | | |
| Bldg. material & garden equip.& supplies dlr. | \$400 | \$400 | | |
| Food & beverage stores | \$350 | \$350 | | |
| Health & personal care stores | \$450 | \$450 | | |
| Clothing & clothing accessories stores | \$300 | \$300 | | |
| Sporting goods, hobby, book, & music stores | \$200 | \$200 | | |
| General merchandise stores | \$350 | \$350 | | |
| Miscellaneous store retailers | \$200 | \$200 | | |
| Eating Places | \$400 | \$400 | | |
| Nonstore retailers | N/A | N/A | | |
| <u>Estimated Retail Square Footage Demand</u> | | | | |
| Furniture & home furnishings stores | 37,877 | 50,778 | 12,902 | 34.1% |
| Electronics & appliance stores | 29,749 | 40,468 | 10,719 | 36.0% |
| Bldg. material & garden equip.& supplies dlr. | 40,691 | 54,014 | 13,322 | 32.7% |
| Food & beverage stores | 219,534 | 302,721 | 83,187 | 37.9% |
| Health & personal care stores | 42,876 | 58,834 | 15,958 | 37.2% |
| Clothing & clothing accessories stores | 69,278 | 94,566 | 25,288 | 36.5% |
| Sporting goods, hobby, book, & music stores | 65,014 | 87,659 | 22,645 | 34.8% |
| General merchandise stores | 163,537 | 223,168 | 59,631 | 36.5% |
| Miscellaneous store retailers | 24,215 | 32,947 | 8,732 | 36.1% |
| Eating Places | 124,826 | 169,825 | 44,999 | 36.0% |
| Nonstore retailers | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> |
| Total | 817,595 | 1,114,979 | 297,384 | 36.4% |

Source: Stanely R. Hoffman Associates, Inc.
Robert E. Goldman, Model of Consumer Spending; BLS Consumer
Expenditure Surveys, various years; US Census Bureau, Economic Census 2007

**APPENDIX B
SUPPORTING TABLES
LODGING VISITOR DEMAND**

This appendix includes the analysis of the visitor demand expenditure potential based on projected increases in visitors to Joshua Tree National Park and projected increases in expenditures for lodging accommodations, as shown in Table B-1, and discussed earlier in section 3.11.

Table B-1
 Estimated Gross Lodging Room Receipts: 2010
 Yucca Valley and Surrounding Region

A. Estimated Gross Lodging Room Receipts: 2010

| <u>Area</u> | <u># of Rooms</u> | <u>Avg. Room Rate</u> | <u>Days</u> | <u>Avg. Occ. Rate</u> | <u>Gross Room Receipts</u> |
|----------------------------|-------------------|-----------------------|-------------|-----------------------|----------------------------|
| Yucca Valley + Joshua Tree | 279 | \$60 | 365 | 50.0% | \$3,055,050 |
| Twentynine Palms | 319 | \$98 | 365 | 70.0% | \$7,987,441 |
| Total | 598 | | | | \$11,042,491 |

B. Estimated Visitor Increase Factor

| <u>Visitor Increase Factor</u> | <u>Visitors</u> |
|--------------------------------|-----------------|
| Visitors: 2011 | 1,481,687 |
| Visitors: 2035 (Projected) | 1,681,787 |
| Increase Factor | 1.14 |

C. Projected Gross Room Receipts: 2035

| | |
|-------------------------------------|--------------|
| Estimated Gross Room Receipts: 2010 | \$11,042,491 |
| | 1.14 |
| Estimated Gross Room Receipts: 2035 | \$12,533,766 |

Source: Stanley R. Hoffman Associates

APPENDIX C PROJECT REFERENCES

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