

City of Hesperia General Plan Update Economic Conditions and Trends

Prepared for:

City of Hesperia
15776 Main Street
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November 1, 2006

SRHA JOB #1134

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EXECUTIVE SUMMARY

The purpose of this report is to provide an understanding of the existing demographic, economic conditions and trends in the City of Hesperia and the larger growth dynamics of the surrounding area. This provides the background information for evaluating significant economic issues, economic goals and policies and a range of growth projections for the City of Hesperia's General Plan update process.

The City of Hesperia's economic goals will encompass a range of areas, including: the creation of more residential opportunities; development of retail opportunities; and the pursuit of economic development opportunities oriented towards a diverse economic base. Presented below are key findings and trends, including: demographic trends; residential trends; employment trends; growth projections and market conditions and trends.

Socio-Economic Trends and Findings

Demographic Trends

- According to the California State Department of Finance, in January, 2006 population in the City of Hesperia was 80,268.
- The City of Hesperia has a high proportion of working-age population (age-group 18 to 64), at 56 percent of the total population.
- In 2000, the white non-Hispanic population comprised 62.4 percent of the City's population followed by the Hispanic population at 29.4 percent.
- The median household income in the City in 2000 was estimated at \$46,828 in constant 2005 dollars and about 61.8 percent of Hesperia households earned below \$50,000.

Building Activity Trends

- Non-residential commercial building activity in the City has fluctuated over the 1995-2005 time period, with \$3.8 million in 2005 in constant 2005 dollars.
- New residential building activity in the City has increased rapidly over the last four years with new residential units per year increasing from 469 in 2002 to 1,983 in 2005.
- Single-family homes comprise 582 or 88.8 percent of the total new residential units per year, between 1995 and 2005.

Market Conditions and Trends

- Total taxable sales increased by 63.2 percent from 1995-2004 at an average annual growth rate of 5.6 percent.

- As shown in Table 2-3, the City of Hesperia's per capita taxable retail sales grew from \$3,166 in 1995 to \$5,454 in 2004 in constant 2005 dollars, at an average annual rate of 6.2 percent.
- Hesperia's per capita retail sales were 49 percent lower than the High Desert ESA & 83 percent lower than Victorville.
- Outflow of substantial taxable retail dollars from Hesperia residents to other communities was especially noticeable in apparel, general merchandise, home furnishings, auto dealers and specialty retail establishments.
- Taxable retail sales per capita were the highest in the service stations category, which grew from \$783 in 1995 to \$1,455 in 2004, in constant 2005 dollars.

Employment Base Analysis

- According to the California Employment Development Department (EDD), employment in the City of Hesperia grew from 9,117 in 2001 to 11,644 in 2005 at an annual average growth rate of 6.3 percent.
- The employment growth rate in the City was higher in comparison to the High Desert Economic Sub-area (4.1 percent), the County of San Bernardino (3.9 percent) and the Southern California region (1.0 percent).
- The City's share of employment as percent of the High Desert ESA grew from 16.5 percent in 2001 to 18.0 percent in 2005.
- The average wage in Hesperia grew marginally from \$28,674 in 2001 to \$29,696 in 2005, in constant 2005 dollars.
- Retail Trade, Accommodation and Food Services, and Manufacturing establishments form around 32 percent of all establishments in the City of Hesperia.
- Government establishments remain major concentrations of employment in the City, with both Federal and Local Government establishments employing 75 workers per establishment, on average.

SCAG Growth Projections

- According to the Southern California Association of Governments (SCAG), population in the City of Hesperia is projected to reach about 179,383 in 2030, representing an annual average growth rate of nearly 3.36 percent from 2005 to 2030.
- Households are projected to grow faster relative to population growth at an average annual growth rate of 3.58 percent; this results in projected household sizes decreasing from 3.41 to 3.23.
- Employment is projected to grow to 68,765 in 2030 at an annual average growth rate of 5.71 percent, resulting in an increase in the jobs per household from 0.74 in 2005 to 1.24 in 2030, thus improving the balance of jobs and housing.

Alternative Growth Projections

- The two employment growth scenarios (A and B) for the City of Hesperia have been developed to project two alternative land use development scenarios for the General Plan.
- Scenario A represents a stronger industrial growth focus and assumes a growth rate for retail employment that is about mid-point between the historic County and City growth rates.
- Scenario B takes into account retail and non-retail job growth attributable to additional households from the Rancho Las Flores development.
- The two scenarios differ in the composition of the employment structure by 2030 due to differential sectoral growth rates based on a combination of the historic City, High Desert ESA and County growth rates.

Scenario A

- As show in Table 1, based on employment Scenario A, the City of Hesperia is projected to add a total of 17.46 million sq.ft of Industrial/Business Park, 3.37 million sq.ft of Retail and 2.79 million sq.ft of Office space.
- The total projected development for the City results in 337 acres of Retail, 933 acres of Industrial/Business Park and 379 acres of Office/Services under Scenario A for a total of 1,649 acres for the City's General Plan area.

Scenario B

- As show in Table 1, based on employment Scenario B, the City of Hesperia is projected to add 16.21 million sq.ft of Industrial/Business Park, 4.7 million sq.ft of Retail and 3.43 million sq.ft of Office space.
- The total projected development for the City results in 467 acres of Retail, 1,042 acres of Industrial/Business Park and 473 acres of Office/Services under Scenario B for a total of 1,981 acres for the City's General Plan area

Table 1
City of Hesperia General Plan Update
Summary of Projected Development

	2005	2030	City of Hesperia Growth Increment 2005-2030
SCENARIO A			
<u>Building Square Feet</u>			
Industrial/Business Park	3,641,400	21,098,244	17,456,844
Retail	2,474,000	5,846,500	3,372,500
Office	513,828	3,306,027	2,792,199
<u>Acres</u>			
Industrial/Business Park	198	1,131	933
Retail	247	584	337
Office/ Services	<u>79</u>	<u>457</u>	<u>379</u>
Total Acres	523	2,172	1,649
SCENARIO B			
<u>Building Square Feet</u>			
Industrial/ Business Park	3,641,400	19,847,579	16,206,179
Retail	2,474,000	7,150,000	4,676,000
Office	513,828	3,942,246	3,428,418
<u>Acres</u>			
Industrial/ Business Park	198	1,240	1,042
Retail	247	714	467
Office/ Services	<u>79</u>	<u>551</u>	<u>473</u>
Total Acres	523	2,505	1,981
Source: Stanley R.Hoffman Associates, Inc.			

Chapter 1 INTRODUCTION

1.1 Background and Purpose of Report

The purpose of this report is to provide an understanding of the existing demographic and economic conditions and trends in the City of Hesperia and the larger growth dynamics of the High Desert. This economic trends report includes baseline data and trends related to population, housing, employment, taxable sales and residential and non-residential market conditions.

The findings of the report will provide the framework for preparing economic goals and policies and facilitate discussion of existing and future economic development efforts. These goals and policies will be developed within the context of the General Plan to ensure that the City is able to maintain a strong economic base and take advantage of future employment opportunities. A strong economy not only provides the local workers with adequate income to afford a high quality of life, but it also provides local government with adequate public revenues to maintain a high quality of public services. The goal is to identify target economic opportunities that are both realistic and compatible with the City's General Plan vision. In this context, the growth of the City's economic base will depend on the identification of key industries that can be attracted to the City and support a diversified economy. Job types, salary and skill levels, income, land availability and location, and housing affordability are also important attributes of the economy.

1.2 Regional Setting

The City of Hesperia is located in the Victor Valley/High Desert region of San Bernardino County, 35 miles north of San Bernardino and about 80 miles northeast of Los Angeles. As shown in Figure 1-1, the City is bordered by the City of Victorville and the unincorporated community of Spring Valley Lake to the north; the Town of Apple Valley to the east; the unincorporated areas of Summit Valley to the south; and the unincorporated areas of Oak Hills and Baldy Mesa and Phelan Hills to the southwest and west. With direct access to Interstate 15 and State Highway 395, as well as rail access from the Burlington Northern Santa Fe, Southern Pacific and the AT&SF railroads, the City is easily accessible to commuters and future industrial and commercial users. Burlington Northern Santa Fe has recently announced plans to build a third set of tracks through the Cajon Pass. Officials with BNSF said the construction of a third rail line from Devore through the Cajon Pass will cost an estimated \$50 million, a price the company is willing to pay to increase capacity to move freight in and out of California. The

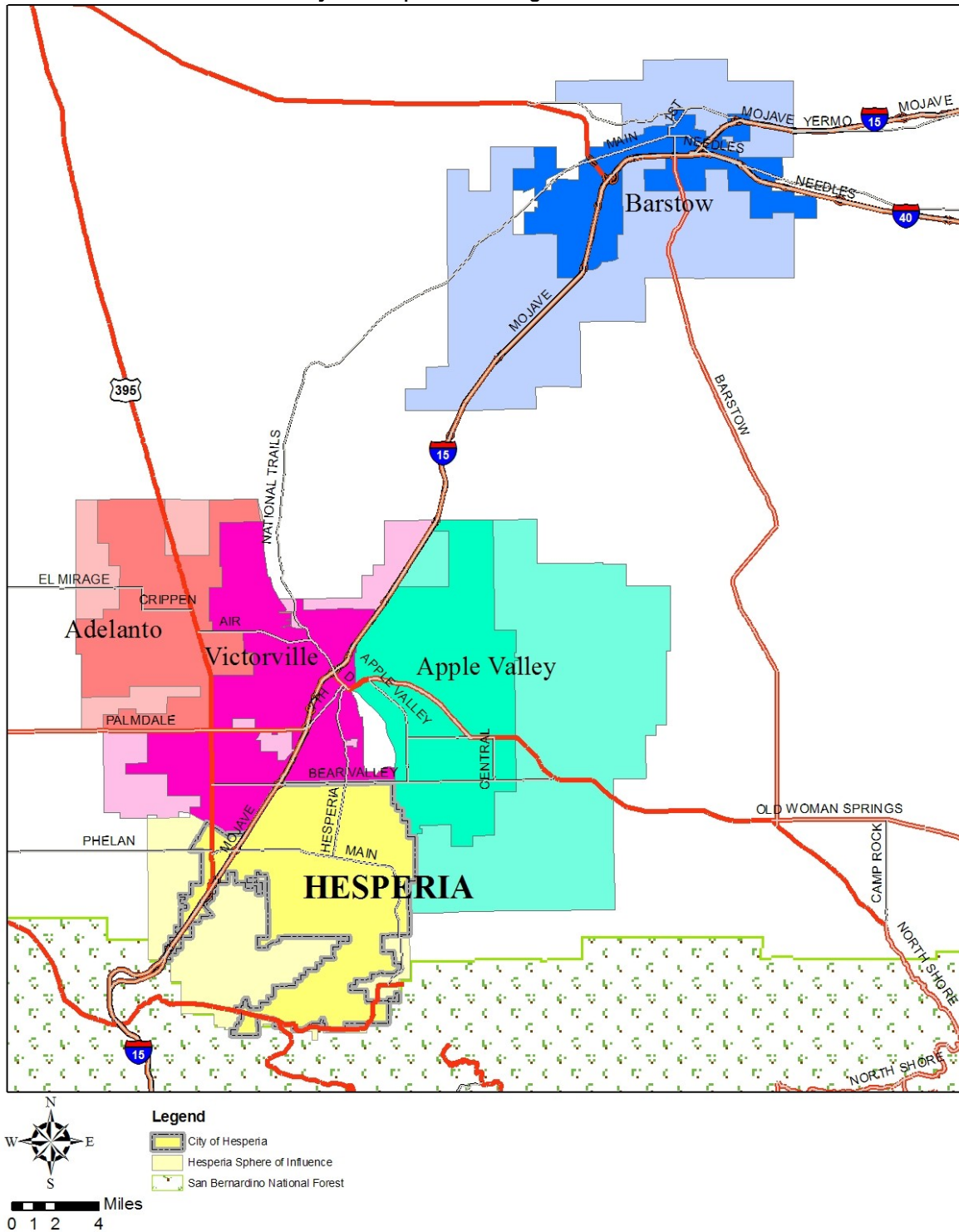
project will start construction at the end of this year and is scheduled to be completed by the end of 2007. The project is estimated to have a \$10 million dollar impact on the regional economy. Hesperia's location at the top of Cajon Pass, the closest of the High Desert cities to more populated regions to the south, gives it a locational advantage for home buyers and businesses from San Bernardino, Riverside, Los Angeles and Orange Counties.

The City of Hesperia is also near the San Bernardino Logistics Airport. The San Bernardino Logistics Airport is planned as a major cargo transportation hub. The San Bernardino Logistics Airport provides a business advantage for cargo, airlines, and general aviation capacity. The airport can provide both regional and international service. Some of the features include: capability of handling all aircraft sizes and types (including A380s), noise friendly environment with ability to handle Stage 2 aircraft, fueling capacity, and a newly modeled FAA Part 107 passenger terminal.

The Southern California Logistics Airport (SCLA) is also home to Foreign Trade Zone (FTZ) #243. Foreign Trade Zones provide unique financial savings to businesses involved in international trade. Some of the benefits obtained through the use of FTZ #243 include: Foreign merchandise may be admitted without filing a formal customs entry and without paying U.S. Customs duties and government excise taxes. Merchandise may be exhibited, stored, tested, sampled, relabeled, repackaged, mixed, manipulated and destroyed. Coupled with Southern California Logistics Airport's bonded warehouse, certain bonded merchandise may be transferred to SCLA, canceling the bond or time limit applicable to traditional bonded warehouses, resulting in immediate recovery of taxes previously paid

With the expanding regional economy, the City of Hesperia is ideally positioned to capture a sizeable share of retail and non-retail economic growth. Planning for economic development, including improving transportation accessibility to highways, rail line, and air cargo, will facilitate the City of Hesperia's future capture of economic growth.

Figure 1-1
City of Hesperia General Plan Update
City of Hesperia and High Desert ESA



Source: Stanley R. Hoffman Associates, Inc.

1.3 Definition of Market Area

- Demographic, market and economic data for this study has been assembled and analyzed for the City of Hesperia and the High Desert ESA of the County of San Bernardino in the immediate vicinity of the City.
- The High Desert Economic Sub-area comprises of the cities of Hesperia, Adelanto, Apple Valley, Barstow, and Victorville, and the surrounding County unincorporated areas.

1.4 Sources of Information

This study is based upon information from several sources including:

- A field survey of the City of Hesperia and surrounding areas;
- Taxable sales data for the City of Hesperia and nearby communities, for 1995 and 2004, from the California State Board of Equalization.
- Demographic and labor force data from Claritas provided by the City of Hesperia.
- Economic and demographic data from the U.S. Bureau of the Census, 1990 and 2000, and the California Department of Finance, 2005;
- Population, Household and Employment projections for 2000 – 2030 from the Southern California Association of Governments (SCAG) Regional Transportation Plan, 2004;
- Building activity data for the City of Hesperia from the Construction Industry Research Board (CIRB) for 1992- 2005;
- Published literature regarding retail activity, including the National Research Bureau's 2003 Shopping Center Directory and the Urban Land Institute's Dollars and Cents of Shopping Centers, 2004.
- Employment data for the City of Hesperia provided from the California Employment Development Department.

1.5 Organization of Report

The following chapters of the report address the existing demographics and market conditions in the City, as well as economic trends.

- Chapter 2 presents historic demographic trends from 1990 to 2006 for the City, the High Desert and the County of San Bernardino;
- Chapter 3 presents information on prevailing market conditions including information on taxable retail sales, retail inventory, and lodging and tourism;
- Chapter 4 examines the economic base of the City and the High Desert based on data provided by the California Employment Development Department;
- Chapter 5 projects alternative growth scenarios for the City's General Plan taking into account demographic and economic trends, and local inputs on newly planned or proposed developments.
- Appendix A presents support data for the employment analysis including the ZIP code definition used to collect the EDD data, and summary of detailed employment breakdown

by NAICS major industry categories for the City, High Desert, County of San Bernardino and Southern California.

- Appendix B presents the SCAG RTP 2004 growth projections from 2005 to 2030 for the City, the High Desert ESA and County of San Bernardino. Also, presented are the SCAG growth projections benchmarked to DOF 2005 population and household numbers.
- Appendix C is the list of contacts and references used for the completion of this report.

Chapter 2 DEMOGRAPHIC CHARACTERISTICS

This chapter provides a descriptive profile of socio-economic characteristics and trends for the City of Hesperia. Data for the High Desert Economic Subarea (ESA) and the County of San Bernardino is presented for comparison. The data presented includes historic growth trends for population, households, household income, and development activities.

2.1 Existing Demographic Profile of Hesperia and the High Desert Economic Subarea

- Table 2-1 presents the most recent demographic information available as provided by the California State Department of Finance. As shown, as of January 2006, the City of Hesperia had an estimated population of 80,268. The High Desert Economic Subarea (ESA) had an estimated population of 336,607.
- The City of Hesperia is the second largest incorporated city in the High Desert ESA, representing about 23.8 percent of the total ESA population.
- As shown, Hesperia has an average household size of 3.31 persons per household. This is larger than the average for the ESA at 3.19 but lower than the County average of 3.41. Adelanto had the highest persons per household ratio amongst the High Desert Cities of 3.90 persons per household.

Table 2-1
City of Hesperia General Plan Update
Demographic Profile: 2006

	Population	% of ESA	Occupied Units	% of ESA	Persons Per Household
Hesperia	80,268	23.8%	24,268	23.0%	3.31
Adelanto	24,880	7.4%	6,377	6.1%	3.90
Apple Valley	67,507	20.1%	21,888	20.8%	3.08
Barstow	23,599	7.0%	8,147	7.7%	2.90
Victorville	95,145	28.3%	28,300	26.9%	3.36
Unincorporated ESA	<u>45,208</u>	<u>13.4%</u>	<u>16,379</u>	<u>15.5%</u>	<u>2.76</u>
Total High Desert ESA ¹	336,607	100.0%	105,359	100.0%	3.19
San Bernardino County	1,991,829		583,493		3.41

1. Estimated based on the year 2006 High Desert Economic Sub-area to San Bernardino County projected population and household ratios as shown in SCAG RTP 2004.

Sources: Stanley R. Hoffman Associates, Inc.
California State Department of Finance, January 1, 2006.

2.2 Population and Household Growth: 1990 to 2000

The following section presents data on population and households for the City, the High Desert ESA and San Bernardino County.

Population and Households

- As shown in Table 2-2, the City's population increased by 24.1 percent from 1990 to 2000, higher than households, which grew by 20.6 percent. This resulted in an increase in the number of persons per household from 3.05 in 1990 to 3.13 in 2000.
- The City's population increased from 50,418 in 1990 to 62,582 in 2000. This represents an annual average growth rate of 2.2 percent. By 2006, population grew to 80,268, as shown in Figure 2-1, at an average annual growth rate of 4.2 percent from 2000 to 2006.
- Population in the High Desert ESA increased by 23.5 percent from 233,357 in 1990 to 288,153 in 2000. Population in the County of San Bernardino increased by 20.5 percent from 1,418,380 in 1990 to 1,709,434 in 2000 at an average annual growth rate of 2.1 percent.

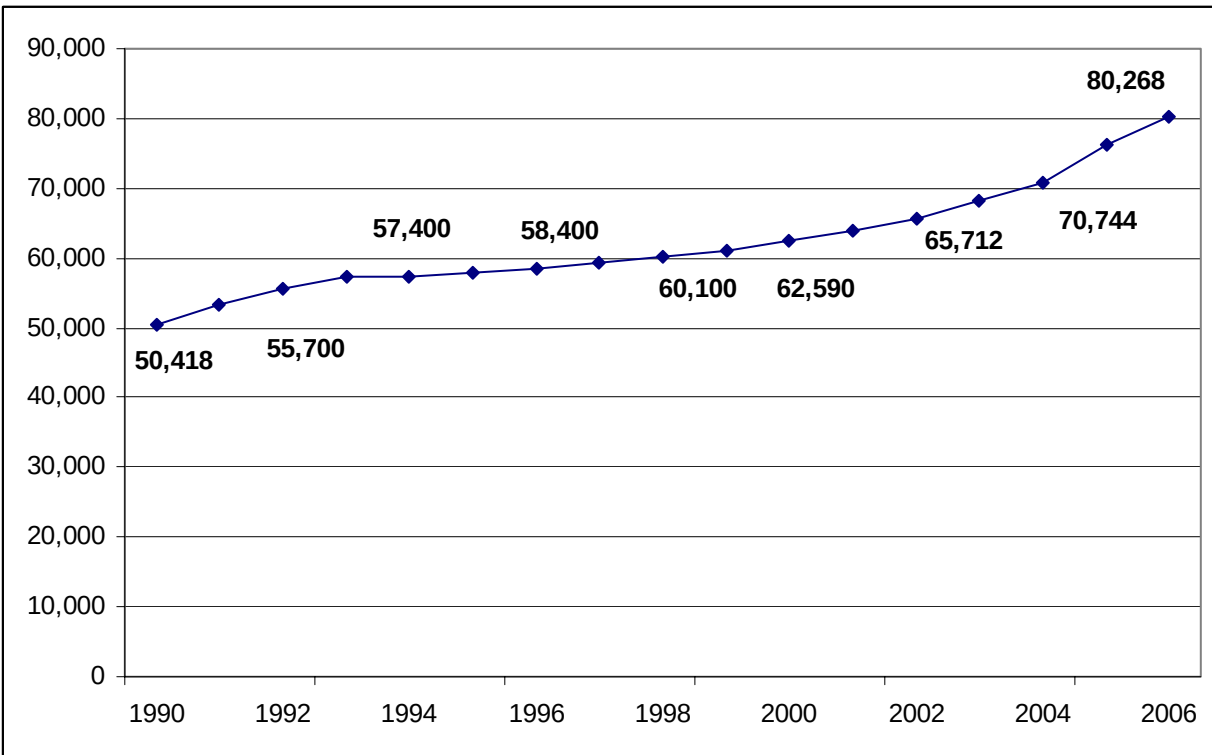
Table 2-2
City of Hesperia General Plan Update
Population, Households and Employment: 1990 - 2000
(In constant 2005 Dollars)

Jurisdiction	1990	2000	Numerical Change	% Increase	1990 - 2000 Avg. Annual Growth
Population					
Hesperia	50,418	62,582	12,164	24.1%	2.2%
High Desert ESA	233,357	288,153	54,796	23.5%	2.1%
Households					
Hesperia	16,551	19,966	3,415	20.6%	1.9%
High Desert ESA	78,999	95,839	16,840	21.3%	2.0%
Avg. Household Size					
Hesperia	3.05	3.13			
High Desert ESA	2.95	3.01			
Median Age					
Hesperia	30.5	31.0			
High Desert ESA	30.3	32.4			
Aggregate HH Income¹					
Hesperia	\$853,803,042	\$1,113,625,449			
High Desert ESA	\$4,218,907,002	\$5,244,735,590			
Average HH Income¹					
Hesperia	\$51,586	\$55,776	\$4,190	8.1%	0.8%
High Desert ESA	\$53,405	\$54,724	\$1,320	2.5%	0.2%

1. In constant 2005 Dollars.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

Figure 2-1
City of Hesperia General Plan Update
Population Growth Trends: 1990- 2006



Note: Population for 2006 is California Department of Finance estimate as of 1/1/06.
Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance.

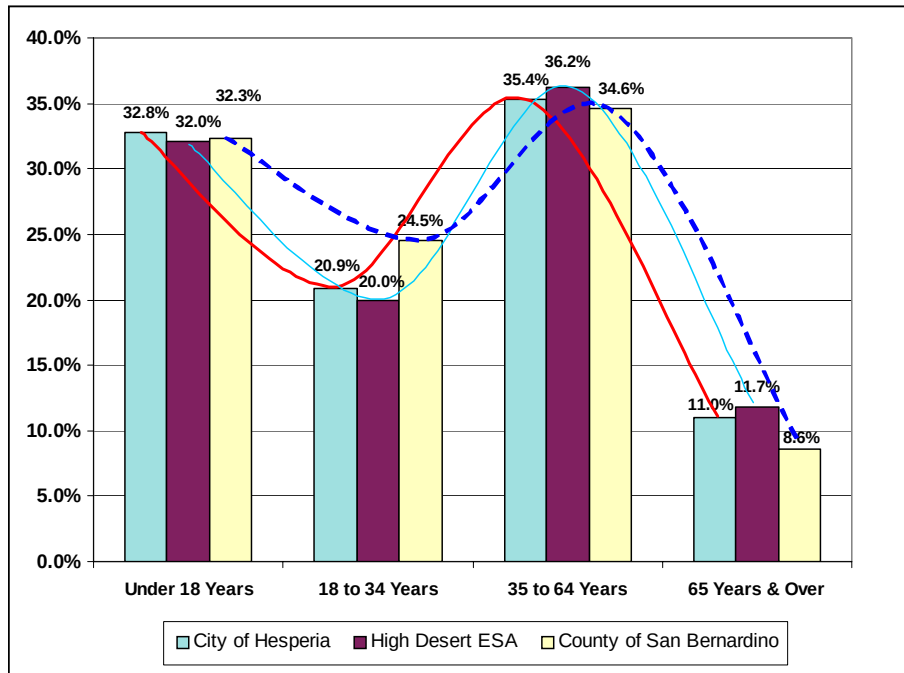
2.3 Age and Sex Distribution of Population

- As shown in Table 2-3 and Figure 2-2, the City's largest population grouping is those in age-group 35 to 64, at 35.4 percent of the total population. The age-group 18 years and under formed the second largest group in the year 2000, at 32.8 percent of the total population.
- This is similar to the High Desert ESA and the County of San Bernardino where the population age 35-64 was about 36.2 percent and 34.6 percent, respectively, of the total population in 2000 for each area. The population age 18 years and under was about 32 percent in both the High Desert ESA and the County.
- In 2000, the age-group 65 years and above comprised only 11.0 percent of the total population in the City. In comparison, population in this age-group in the High Desert Economic Sub-area and San Bernardino County was 11.7 percent and 8.6 percent, respectively.
- The above analysis indicates that the City, the ESA and the County have a high proportion of working-age population, about 56 percent, a crucial factor for economic growth.

Table 2-3
City of Hesperia General Plan Update
Age Distribution: 1990-2000

	1990	Percent Distribution	2000	Percent Distribution
City of Hesperia				
Under 18 Years	16,672	33.1%	20,496	32.8%
18 to 34 Years	12,744	25.3%	13,074	20.9%
35 to 64 Years	15,283	30.3%	22,124	35.4%
65 Years & Over	<u>5,719</u>	<u>11.3%</u>	<u>6,888</u>	<u>11.0%</u>
Total	50,418	100.0%	62,582	100.0%
Median Age	30.5		31.0	
High Desert ESA				
Under 18	73,580	31.5%	92,352	32.0%
18 to 34	63,115	27.0%	57,595	20.0%
35 to 64	72,743	31.2%	104,351	36.2%
65 and over	<u>23,919</u>	<u>10.2%</u>	<u>33,855</u>	<u>11.7%</u>
Total	233,357	100.0%	288,153	100.0%
Median Age	30.3		32.4	
County of San Bernardino				
Under 18	439,223	31.0%	552,047	32.3%
18 to 34	426,381	30.1%	418,828	24.5%
35 to 64	427,876	30.2%	592,100	34.6%
65 and over	<u>124,900</u>	<u>8.8%</u>	<u>146,459</u>	<u>8.6%</u>
Total	1,418,380	100.0%	1,709,434	100.0%
Median Age	29.3		29.4	
Sources: Stanley R. Hoffman Associates, Inc. U.S. Bureau of the Census, 1990 and 2000.				

Figure 2-2
City of Hesperia General Plan Update
Age Distribution: 2000



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 2000.

Table 2-4
City of Hesperia General Plan Update
Population Distribution by Sex: 1990-2000

	1990	Percent Distribution	2000	Percent Distribution
City of Hesperia				
Male	25,133	49.8%	30,865	49.3%
Female	25,285	50.2%	31,717	50.7%
Total	50,418	100.0%	62,582	100.0%
Females per 100 Males	101		103	
High Desert ESA				
Male	117,351	50.3%	142,769	49.5%
Female	116,006	49.7%	145,384	50.5%
Total	233,357	100.0%	288,153	100.0%
Females per 100 Males	99		102	
County of San Bernardino				
Male	710,807	50.1%	853,024	49.9%
Female	707,573	49.9%	856,410	50.1%
Total	1,418,380	100.0%	1,709,434	100.0%
Females per 100 Males	100		100	

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

- As shown in Table 2-4, in 2000, females constituted 50.7 percent of the total population, compared to 50.2 percent in 1990.
- This resulted in the females per 100 males ratio changing from 101 in 1990 to 103 in 2000; this is similar to the trend in the High Desert ESA.
- In comparison, in 2000, the High Desert ESA and the County had ratios of 102 and 100 females per 100 males.

2.4 Race and Ethnicity

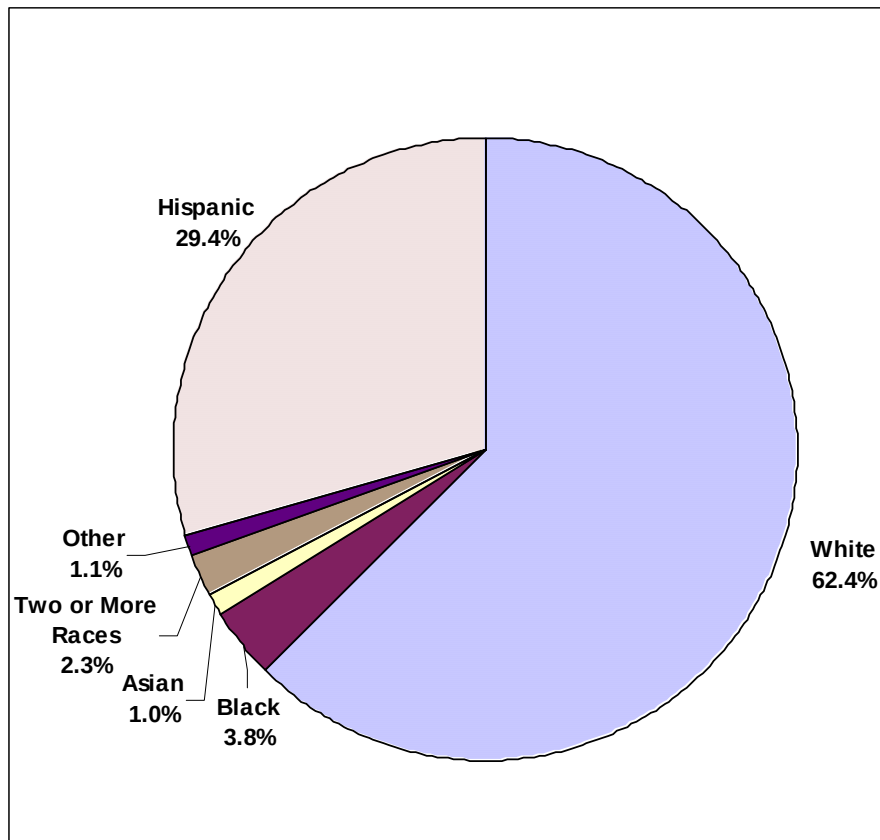
- As shown in Table 2-5 and Figure 2-2, the City's racial composition is similar to the High Desert ESA, but different from the County. In 2000, the white non-Hispanic population comprised 62.4 percent of the City's population, compared to 59.3 percent in the ESA and 44.0 percent in the County.
- Hispanic population at 29.4 percent of the City's population was similar to the ESA at 27.5 percent but lower than the County at about 39.2 percent. Other races make up smaller portions of the population in all three geographic areas.

Table 2-5
City of Hesperia General Plan Update
Race and Ethnicity : 2000

	City of Hesperia	Percent Distribution	High Desert ESA	Percent Distribution	County of San Bernardino	Percent Distribution
White	39,057	62.4%	170,898	59.3%	752,222	44.0%
Black	2,388	3.8%	20,619	7.2%	150,201	8.8%
Asian	619	1.0%	5,765	2.0%	78,154	4.6%
Two or More Races	1,456	2.3%	8,015	2.8%	42,240	2.5%
Other	662	1.1%	3,667	1.3%	17,230	1.0%
Hispanic	<u>18,400</u>	<u>29.4%</u>	<u>79,189</u>	<u>27.5%</u>	<u>669,387</u>	<u>39.2%</u>
Total	62,582	100.0%	288,153	100.0%	1,709,434	100.0%

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

Figure 2-2
City of Hesperia General Plan Update
Race and Ethnicity 2000



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

- As shown in Table 2-6, in 2000, Hesperia had a slightly lower proportion of households earning less than \$50,000 in comparison to the ESA. About 61.8 percent of Hesperia households earned below \$50,000, compared with 62.8 percent in the ESA and 57.9 percent in the County.
- The median household income for the City in 2000 at \$46,828 in constant 2005 dollars was slightly higher compared to the ESA at \$45,140, but lower than that for the County at \$49,398.
- As shown in Figure 2-3, the average household income in the City grew from \$51,028 in 1990 to \$55,743 in 2000, in constant 2005 dollars, a growth of 8.5 percent; the average household income in 2000 was slightly higher than the ESA average and slightly lower the County.

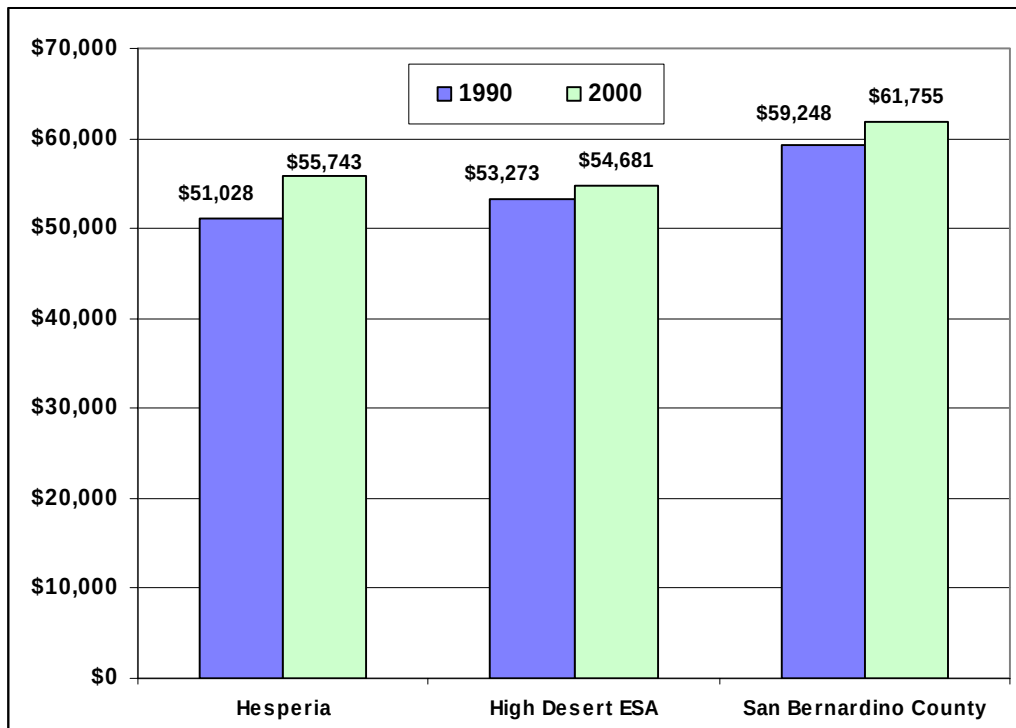
Table 2-6
City of Hesperia General Plan Update
Income Distribution of Households:1990-2000
(in constant 2005 dollars)

	1990	Percent Distribution	2000	Percent Distribution
<u>City of Hesperia</u>				
Less than \$10,000	2,280	13.6%	1,626	8.1%
\$10,000-\$24,999	4,492	26.8%	4,449	22.3%
\$25,000-\$49,999	6,266	37.4%	6,265	31.4%
\$50,000-\$99,999	3,380	20.2%	6,321	31.6%
\$100,000 +	<u>314</u>	<u>1.9%</u>	<u>1,317</u>	<u>6.6%</u>
Total	16,732	100.0%	19,978	100.0%
% Less than \$50,000 Income		77.9%		61.8%
Median Household Income¹	\$45,551		\$46,828	
Average Household Income¹	\$51,028		\$55,743	
<u>High Desert ESA</u>				
Less than \$10,000	10,902	13.8%	9,298	9.7%
\$10,000-\$24,999	21,035	26.6%	21,536	22.5%
\$25,000-\$49,999	29,526	37.3%	29,431	30.7%
\$50,000-\$99,999	15,662	19.8%	28,654	29.9%
\$100000 +	<u>2,069</u>	<u>2.6%</u>	<u>6,997</u>	<u>7.3%</u>
Total	79,194	100.0%	95,916	100.0%
% Less than \$50,000 Income		77.6%		62.8%
Median Household Income¹	\$45,161		\$45,140	
Average Household Income¹	\$53,273		\$54,681	
<u>County of San Bernardino</u>				
Less than \$10,000	58,079	12.5%	47,943	9.1%
\$10,000-\$24,999	111,954	24.0%	103,603	19.6%
\$25,000-\$49,999	164,572	35.3%	154,752	29.3%
\$50,000-\$99,999	113,232	24.3%	164,596	31.1%
\$100000 +	<u>18,040</u>	<u>3.9%</u>	<u>57,945</u>	<u>11.0%</u>
Total	465,877	100.0%	528,839	100.0%
% Less than \$50,000 Income		71.8%		57.9%
Median Household Income¹	\$49,469		\$49,398	
Average Household Income¹	\$59,248		\$61,755	

1. In constant 2005 Dollars.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

Figure 2-3
City of Hesperia General Plan Update
Average Annual Household Income: 1990-2000
(In constant 2005 dollars)



Source: Stanley R. Hoffman Associates, Inc.
U.S. Bureau of the Census, 1990 and 2000.

2.5 Labor Force Profile

- As shown in Panel A in Table 2-7, the City of Hesperia had an estimated labor force (age 16 years and over) of 30,146 in 2005.
- Labor force is defined as the resident population that is working or actively seeking work; many may commute to locations outside the community in San Bernardino or neighboring counties.
- Labor force in Sales and Office occupations formed around 26 percent of the total, followed by Production, Transportation and Material Moving at 20 percent. Labor force in Management and Professional occupations together formed about 21 percent of the total.
- As shown in Panel B in Table 2-7, labor force employed in White Collar occupations were estimated to form about 47 percent of the total in 2005.

Table 2-7
Hesperia General Plan Update
City of Hesperia Labor Force Characteristics

Occupation Category	Labor Force 2005	Percent Distribution
Panel A		
Management, Business and Financial Operations	2,474	8.2%
Professional and Related Occupations	3,988	13.2%
Service	4,507	15.0%
Sales and Office	7,867	26.1%
Farming, Fishing and Forestry	55	0.2%
Construction, Extraction and Maintenance	5,144	17.1%
Production, Transportation and Material Moving	<u>6,111</u>	<u>20.3%</u>
Total	30,146	100.0%
Panel B		
Blue Collar	11,255	37.3%
White Collar	14,302	47.4%
Service and Farm	<u>4,589</u>	<u>15.2%</u>
	30,146	100.0%

Source: Stanley R Hoffman Associates, Inc.
Claritas Inc.2005.

Chapter 3 MARKET CONDITIONS AND TRENDS

3.1 Taxable Sales Trends

Total Taxable Sales

As a major municipal General Fund revenue source, sales tax is a significant contributor to the economic vitality of the City. Taxable sales data is obtained from the California State Board of Equalization.

- As shown in Table 3-1 and Figure 3-1 in 2003, Service Stations contributed the highest taxable sales at \$102.9 million and 26.7 percent of the total in 2004. Eating and drinking related sales were another significant contributor \$57.6 million or 14.9 percent of the total. A high proportion of these sales are probably from the traveling population along Interstate 15.
- Table 3-1 shows that Building Materials & Farm Implements had the largest increase from 1995-2004 at 245.6 percent. Also, the average annual rate of growth is the highest for this category at 14.8 percent.
- Retail as a percentage of the total taxable sales has also increased from 1995 to 2004 with an increase from 70.2 to 74.1 percent.
- As shown in Figure 3-1, apparel stores and general merchandise stores comprise the lowest percentage of total taxable sales at 0.6 and 7.4 percent in 2004 indicates a significant shortage of regional retail type sales.

Table 3-1
City of Hesperia Taxable Sales by Retail Category: 1995 and 2004
(in 000's of constant 2005 dollars)

Retail Group	1995	2004	1995-2004 Change	1995-2004 Percent Change	Average Annual Rate of Growth
Apparel Stores	\$1,289	\$2,187	\$898	69.7%	6.0%
General Merchandise ¹	13,732	\$28,645	14,912	108.6%	8.5%
Food Stores	36,669	\$45,046	8,377	22.8%	2.3%
Eating & Drinking Places	31,268	\$57,664	26,397	84.4%	7.0%
Home Furnishings & Appliances	2,483	\$8,414	5,930	238.8%	14.5%
Building Materials & Farm Implements	15,870	\$54,855	38,985	245.6%	14.8%
Auto Dealers & Auto Supplies	17,585	\$41,593	24,008	136.5%	10.0%
Service Stations	45,517	\$102,957	57,440	126.2%	9.5%
Other Retail Stores ²	<u>19,530</u>	<u>\$44,477</u>	<u>24,948</u>	<u>127.7%</u>	9.6%
Retail Subtotal	\$183,943	\$385,837	\$201,894	109.8%	8.6%
All Other Outlets ³	<u>\$78,024</u>	\$134,682	<u>\$56,657</u>	<u>72.6%</u>	6.3%
Total Taxable Sales	\$261,968	\$520,519	\$258,551	98.7%	7.9%
Retail Taxable Sales as % of Total	70.2%	74.1%			

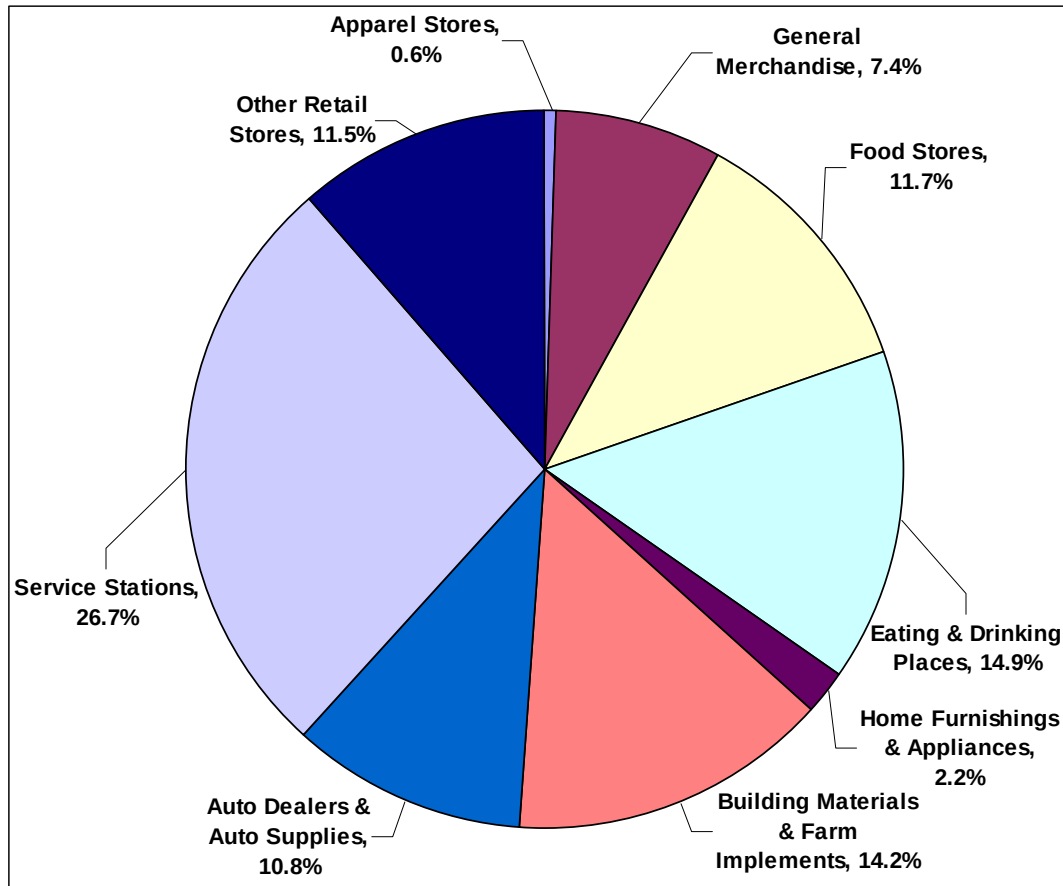
1. Includes Drug Stores

2. Includes Packaged Liquor Stores

3. All other outlets includes Business/Personal services.

Source: Stanley R. Hoffman Associates, Inc.
CA State Board of Equalization, 1995, 2004

Figure 3-1
City of Hesperia
City of Hesperia Distribution of Taxable Sales: 2004
(in thousands of constant 2005 Dollars)



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

Taxable Retail Sales Per Capita

- As shown in Table 3-2, the City's per capita taxable retail sales grew from \$3,166 in 1995 to \$5,454 in 2004 in constant 2005 dollars, at an average annual rate of 6.2 percent.
- Taxable retail sales per capita were the highest in the service stations category, which grew from \$783 in 1995 to \$1,455 in 2004, in constant 2005 dollars.
- Home Furnishings & Appliances and Building Materials & Farm Implements had a significant higher average annual rate of growth of around 12 percent compared to other retail outlet categories.
- Retail sales from "All Other Outlets", or non-retail taxable sales, grew at an average annual rate of only 4.0 percent.

Table 3-2
City of Hesperia Taxable Sales: Per Capita 1995-2004
(in constant 2005 dollars)

Retail Group	1995	2004	1995-2004 Change	1995-2004 Percent Change	Average Annual Rate of Growth
Apparel Stores	\$22	\$31	\$9	39.3%	3.8%
General Merchandise ¹	236	405	169	71.3%	6.2%
Food Stores	631	637	6	0.9%	0.1%
Eating & Drinking Places	538	815	277	51.5%	4.7%
Home Furnishings & Appliances	43	119	76	178.2%	12.0%
Building Materials & Farm Implements	273	775	502	183.9%	12.3%
Auto Dealers & Auto Supplies	303	588	285	94.3%	7.7%
Service Stations	783	1,455	672	85.8%	7.1%
Other Retail Stores ²	<u>336</u>	<u>629</u>	<u>293</u>	<u>87.0%</u>	7.2%
Retail Subtotal	\$3,166	\$5,454	\$2,288	72.3%	6.2%
All Other Outlets ³	<u>1,343</u>	<u>\$1,904</u>	<u>561</u>	<u>41.8%</u>	4.0%
Total Taxable Sales	\$4,509	\$7,358	\$2,849	63.2%	5.6%
Retail as % of Total	70.2%	74.1%			

1. Includes Drug Stores

2. Includes Packaged Liquor Stores

3. All other outlets includes Business/Personal services.

Source: Stanley R. Hoffman Associates, Inc.

California State Board of Equalization, 1995 and 2004.

Comparative Taxable Retail Sales

- Table 3-3 presents the comparative taxable sales statistics for the City of Hesperia, the High Desert ESA, and the total County of San Bernardino for the year 2004 in constant 2005 dollars.
- As shown in Table 3-3, taxable retail sales in the High Desert ESA cities constituted nearly 86.8 percent of the total taxable sales in the area at nearly 2.71 billion dollars in 2004 in constant 2005 dollars, higher than Hesperia at 74.1 percent.
- As shown in Table 3-3, taxable retail sales in Hesperia in 2004 constituted about 14.2 percent of the total taxable retail sales in the ESA.
- The City of Victorville formed the largest share at nearly 60.2 percent or \$1.8 billion of the taxable retail sales in the ESA, while Adelanto constituted only 0.7 percent of the ESA total.

Table 3-3
City of Hesperia and Nearby Cities Taxable Sales: 2004
(in 000's constant 2005 dollars)

Retail Group	Adelanto	Apple Valley	Barstow	Victorville	City of Hesperia	High Desert ESA Cities	San Bernardino County
Apparel Stores	\$0	n/a	\$47,297	\$62,605	\$2,187	\$112,089	\$775,230
General Merchandise	\$0	\$103,230	n/a	\$321,518	\$28,645	\$453,393	\$3,107,504
Food Stores	\$0	\$28,818	\$21,047	\$56,998	\$45,046	\$151,909	\$1,077,591
Eating & Drinking Places	\$0	\$35,965	\$62,719	\$152,453	\$57,664	\$308,801	\$1,973,260
Home Furnishings & Appliances	\$0	\$2,228	\$3,575	\$76,497	\$8,414	\$90,714	\$687,434
Building Materials & Farm Implem.	\$0	\$13,173	\$27,666	\$186,246	\$54,855	\$281,940	\$2,019,005
Auto Dealers & Auto Supplies	\$0	\$6,624	\$47,459	\$446,675	\$41,593	\$542,350	\$4,221,775
Service Stations	\$0	\$50,905	\$155,345	\$128,736	\$102,957	\$437,944	\$2,258,228
Other Retail Stores	\$0	\$21,676	\$67,864	\$202,109	\$44,477	\$336,127	\$3,170,072
Retail Subtotal	\$18,793	\$262,620	\$432,972	\$1,633,837	\$385,837	\$2,715,266	\$19,290,099
All Other Outlets ¹	\$85,191	\$21,986	\$27,264	\$166,284	\$134,682	\$413,421	\$8,082,596
Total All Outlets	\$103,983	\$284,606	\$460,236	\$1,800,122	\$520,519	\$3,128,687	\$27,372,694
Retail as % of Total	18.1%	92.3%	94.1%	90.8%	74.1%	86.8%	70.5%
City Retail Sales as % of the High Desert ESA	0.7%	9.7%	15.9%	60.2%	14.2%	100.0%	

1. All other outlets includes Business/Personal services.

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2004

Taxable per Capita Retail Sales and Retail Leakage Index

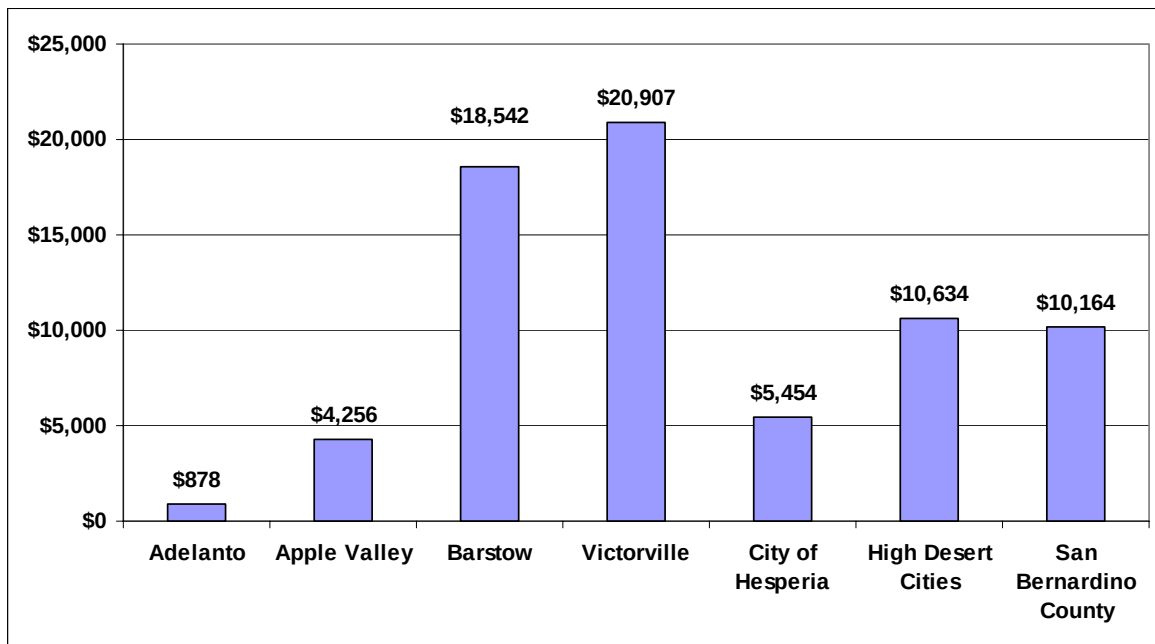
- As shown in Table 3-4 and Figure 3-2, in 2004, per capita taxable retail sales in Hesperia were \$5,454, around 49 percent lower than the High Desert ESA at \$10,634 and 46 percent lower than the County at \$10,164.
- However, Hesperia was about 83 percent lower than Victorville and 70 percent lower than Barstow which had the highest per capita taxable retail sales amongst the High Desert cities at \$20,907 and \$18,542, respectively.
- As shown in Table 3-5, taxable retail per capita sales by city have been converted into an index relative to the High Desert ESA total for each retail category. This “leakage index” is an indicator of the relative strengths and weaknesses, among the cities by retail category.
- Based on this analysis, Hesperia’s low overall index of 0.54 indicates that Hesperia captures significantly less retail sales compared to the average for the High Desert ESA.
- The only retail categories in Hesperia that are performing almost as well or better than the High Desert per capita average are Service Stations (0.89) and Food Stores (1.12).
- The less-than-average per capita taxable retail sales factors in other retail categories -- such as apparel, general merchandise, home furnishings, auto dealers and other retail stores-- is an indication of large amounts of retail sales leakage from the City.

Table 3-4
City of Hesperia General Plan Update
Nearby Cities Per Capita Taxable Retail Sales: 2004
(in constant 2005 dollars)

Retail Group	Adelanto	Apple Valley	Barstow	Victorville	Hesperia	High Desert ESA Cities	San Bernardino County
Apparel Stores	na	na	\$2,025	\$801	\$31	\$420	\$408
General Merchandise	na	1,673	na	4,114	405	1,700	1,637
Food Stores	na	467	901	729	637	570	568
Eating & Drinking Places	na	583	2,686	1,951	815	1,158	1,040
Home Furnishings & Appliances	na	36	153	979	119	340	362
Building Materials	na	213	1,185	2,383	775	1,057	1,064
Auto Dealers & Auto Supplies	na	107	2,032	5,716	588	2,033	2,224
Service Stations	na	825	6,653	1,647	1,455	1,642	1,190
Other Retail Stores	na	351	2,906	2,586	629	1,260	1,670
Retail Subtotal	\$878	\$4,256	\$18,542	\$20,907	\$5,454	\$10,634	\$10,164
Population 2004	21,395	61,712	23,351	78,147	70,744	255,349	1,897,950

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization
California Department of Finance, 2004.

Figure 3-2
City of Hesperia General Plan Update
City of Hesperia Per Capita Taxable Sales by Jurisdiction: 2004
(in thousands of constant 2005 Dollars)



Source: Stanley R. Hoffman Associates Inc.
California State Board of Equalization
California Department of Finance, 2004

Table 3-5
Taxable Retail Sales Per Capita Sales Relative to the High Desert ESA
Leakage Factors 2004
(in constant 2005 dollars)

Retail Group	Adelanto	Apple Valley	Barstow	Victorville	Hesperia	High Desert ESA Cities
Apparel Stores	na	na	4.82	1.91	0.07	1.00
General Merchandise	na	0.98	na	2.42	0.24	1.00
Food Stores	na	0.82	1.58	1.28	1.12	1.00
Eating & Drinking Places	na	0.50	2.32	1.68	0.70	1.00
Home Furnishings & Appliances	na	0.11	0.45	2.88	0.35	1.00
Building Materials & Farm Implem.	na	0.20	1.12	2.25	0.73	1.00
Auto Dealers & Auto Supplies	na	0.05	1.00	2.81	0.29	1.00
Service Stations	na	0.50	4.05	1.00	0.89	1.00
Other Retail Stores	<u>na</u>	<u>0.28</u>	<u>2.31</u>	<u>2.05</u>	<u>0.50</u>	<u>1.00</u>
Retail Subtotal	0.09	0.42	1.82	2.05	0.54	1.00

1. The index is calculated as the ratio of taxable retail sales per capita for each retail category divided by the High Desert sales per capita for that same retail category.

Source: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization
California Department of Finance, 2004.

3.2 Retail Market Inventory

- As shown in Table 3-6, a selected inventory of 5.2 million square feet of retail centers in the High Desert ESA has been identified.
- About 8.9 percent of this space, or about 470,000 square feet, has been identified in Hesperia; Victorville has over 60 percent of the estimated retail space.
- As shown in Table 3-9, Hesperia has two major retail chain stores (big box stores) comprising around 93,000 square feet of retail space.
- Victorville has 14 of the 20 big box retail stores listed in Table 3-8 located in that city.
- Some of the key shopping centers and “Big Box” retail are mapped in Figure 3-3 and Figure 3-5, respectively. The “Big Box” labels used in Figure 3-4 are shown in Table 3-9.
- Of the 1.4 million square feet of big box space in the market area, Hesperia had only 93,422 square feet or 7 percent; Victorville had 901,635 square feet or 64 percent.

Table 3-6
City of Hesperia General Plan Update
Taxable Retail Sales Per Capita Sales Relative to the High Desert ESA
Leakage Factors 2004
(in constant 2005 dollars)

	Square Feet	Percent of Total
City of Hesperia	469,820	8.9%
Apple Valley	560,200	10.7%
Phelan	132,553	2.5%
Victorville	3,206,802	61.1%
Barstow	<u>881,070</u>	<u>16.8%</u>
<i>High Desert Total</i>	<i>5,250,445</i>	<i>100.0%</i>

Source: Stanley R.Hoffman Associates, Inc.

Table 3-7
City of Hesperia General Plan Update
Retail Centers in 2005

Center Name	Intersection/Address ¹	Year Built	Total Square Feet ²	Anchor Stores	Center Type ³	Occupancy	Condition
<u>City of Hesperia</u>							
Hesperia Marketplace	SEC 11th st and Main St	1991	105,000	El Sol Market	C	98	2
Hesperia Stater Bros Shopping Center	SEC Main St and G-Ave	1977	50,160	Stater Bros Supermarket	N	100	2
Hesperia Town Center	Main Street and I-Ave	1981	94,660	Vons	N	92	2
Midtown Square	NEC Ave-C and Main St.	1987	220,000	Kmart, Albertsons	C	0	2
Subtotal			469,820				
Sub-total as percent of High Desert			8.9%				
<u>Neighboring Areas</u>							
<u>Apple Valley</u>							
Rancherias Center	Rancherias Rd & Hwy 18	1991	110,000	Longs, Ralphs	C	100	2
Kiowa Plaza	Bear Valley Rd & Kiowa	1990	177,000	Big Kmart	C	97	2
The Village at Bass Hill	Hwy 18 & Rancherias	1996	250,000	Wal-Mart, Albertsons	C	100	1
Alpha Beta Shopping Center	NWC US Hwy 18 & Apple Valley Rd	1975	23,200		N	100	2
Subtotal			560,200				
Sub-total as percent of High Desert			10.7%				
<u>Phelan</u>							
Phelan Village	SWC Phelan & Sheep Creek Rds.	1990	132,553	Rite Aid, Stater Bros	C	96	2
Subtotal			132,553				
Sub-total as percent of High Desert			2.5%				
<u>Victorville</u>							
The Mall Of Victor Valley	NWC Bear Valley Rd and I-15, Victorville	1986	504,000	Sears, JC Penney, Gottschalks	R	100	1
Valley Center	I-15 and Roy Rogers Dr., Victorville	1988	309,203	Costco	R	66	2
Victor Town Center	Seven St. & LaPaz St.	1968	168,151		C	25	3
Hi Desert Plaza	NWC Bear Valley Rd & Hesperia Rd	1983	111,000	Furniture Mart, Dollar Tree	C	95	2
Target Center	Palmdale Rd & Park Dr	1982	123,300	Target	C	97	2
Victor Valley Town Center	Hesperia Rd & Bear Valley Rd	1987	213,164	Ross Dress for Less, Vons, Longs Drugs	C	95	2
The Village Center	Armagosa Rd & I-15	1990	275,000	OfficeMax	C	0	NA
Victor Valley Home Center	I-15 & Roy Rogers Dr	1988	309,203	Circuit City, Staples	C	86	NA
Unnamed Shopping Center	NEC Bear Valley Rd & 5th St	1990	52,000	Food for Less, 24 Hour Fitness	C	100	2
Bear Valley Center	NWC Bear Valley Rd & Amethyst	1990	178,000		C	99	2
Liberty Village	NEC Bear Valley & Amethyst	1992	135,000	Stater Bros, Rite Aid	C	100	2
El Evado	Palmdale Rd & El Evado	1995	75,000	Ralphs	C	98	2
Wimbledon Business Center	Hesperia Rd & Bear Valley Rd		123,225		C	96	2
Victorville Pavilion	North-side of Bear Valley Rd about 1/8 mile west of I-15.	2005	260,000	Future development (Marshalls and Linen and Things).	C	0	NA
Desert Knoll Plaza	Desert Knoll Dr. & 7th St.	1986	18,389		C	0	NA
Desert Valley Shopping Center	Seventh St. btwn. Desert Knoll Dr. & Victor St.	1974	87,714		C	52	NA
Western Shopping Center	Seventh St.				C	0	NA
Victor Valley Shopping Center	Seventh St. & Circle Dr.		183,704		C	0	NA
Hughes Center	Cottonwood & Bear Valley Rd.	1987	80,749	Staples, Michaels	C	76	2
Subtotal			3,206,802				
Sub-total as percent of High Desert			61.1%				

Continued.....

Table 3-7
City of Hesperia General Plan Update
Retail Centers in 2005

Barstow

Factory Merchants At Barstow	I-15 and Lenwood, Barstow	1989	330,310 Polo/ Ralph Lauren	R	52
Barstow Mall	I-15 & I-40	1976	134,000	C	0
Barstow Road Center	Barstow Rd. & Virginia Way	1992	170,000 Big Kmart, Food For Less	C	100
Tanger Outlet Center	I-15 & Lenwood Rd.	1994	105,950	C	0
Barstow Station	I-15 & E. Main St.	1975	31,469	C	0
Stater Bros Barstow	Armory Rd & Muriel Dr	1982	<u>109,341</u> Stater Bros	C	0
Subtotal			881,070		
Sub-total as percent of High Desert			16.8%		
Total High Desert ESA			5,250,445		
Percent of Total			100.0%		

1. NEC: North East Corner; SEC: South East Corner; NWC: North West Corner; SWC: South West Corner

2. Includes shopping centers with over 90,000 square feet of retail space.

3. C = Community (90,000 to 300,000 sq. ft.) , N = Neighborhood (30,000 to 100,000 sq. ft.),
R = Regional (300,000 to > 1,000,000 sq. ft.), SR = Super Regional (> 1,000,000 sq. ft.)

Source: Stanley R.Hoffman Associates, Inc.

Shopping Center Directory-West 2003, National Research Bureau.
CB Richard Ellis.

Table 3-8
City of Hesperia General Plan Update
City of Hesperia and Neighboring Cities - Big Box Stores Inventory

Map Label	Store	Gross Leasable Area (Sq.Ft)	Address	City	Intersection	Distance from Hesperia Rd. and Main Street (Miles)	Center Name	Contact
HE	H & E Home Imprv. Center	33,422	16968 Main Street, Hesperia	Hesperia	NEC Ave. C & Main St.	0.8	Midtown Square	(760) 244-7801
KM1	Kmart store #7606	<u>60,000</u>	16968 Main Street, Hesperia	Hesperia	NEC Ave. C & Main St.	0.8	Midtown Square	(760) 244-7800
	Total	93,422						
KM2	Kmart store #3699	86,479	20777 Bear Valley Road, AppleValley	Apple Valley	Bear Valley Rd & Kiowa	8.0	Kiowa Plaza	(760) 240-1488
T2	Target	122,388	19201 Bear Valley Rd , Apple Valley	Apple Valley	Bear Valley Rd & Apple Valley Rd	6.1	Jess Ranch Marketplace	(760) 961-6943
W2	Wal-Mart Store #2333	<u>105,000</u>	20251 Hwy 18, Apple Valley	Apple Valley	Hwy 18 & Rancherias	14.8	The Village At Bass Hill	(760) 946-2030
	Total	313,867						
BB	Best Buy	38,000	12550 Armagosa Rd, Victorville	Victorville	Armagosa Rd & I-15	8.3	The Village Center	260-424-6290
CO2	Costco Wholesale	124,500	14601 Valley Center Dr, Victorville	Victorville	I-15 & Roy Rogers Dr	8.1	Valley Center	(972)490-5400
CC1	Circuit City	23,980	14250 Bear Valley Rd, Victorville	Victorville	Bear Valley Rd & I-15	5.8	Victorville Pavilion	(310) 659-7999
HD	Home Depot	114,895	15150 Bear Valley Rd,Victorville	Victorville	Bear Valley & Mariposa	5.4	Free Standing	(760) 955-2999
JC	JCPenny	49,965	14400 Bear Valley Rd, Victorville	Victorville	SWC Bear Valley Rd & I-15	5.8	The Mall Of Victor Valley	(760) 241-3144
KO	Kohl's	90,804	14305 Bear Valley Rd, Victorville	Victorville	Bear Valley Rd & Mall Blvd.	5.8	Free Standing	(760) 949-8717
L	Lowes	135,792	14333 Bear Valley Rd., Victorville	Victorville	Bear Valley Rd & Mall Blvd.	5.8	Free Standing	
MV	Mervyns	74,850	14370 Bear Valley Rd, Victorville	Victorville	SWC Bear Valley Rd & I-15	5.8	The Mall Of Victor Valley	(760) 241-2600
O	OfficeMax	23,500	12550 Armagosa Rd, Victorville	Victorville	Armagosa Rd & I-15	8.3	The Village Center	(260) 424-6290
R	Ross Dress for Less	30,187	17180 Bear Valley Rd, Victorville	Victorville	Hesperia Rd & Bear Valley Rd	3.4	Victor Valley Town Center	(714) 545-1400
S	Sears	78,212	14400 Bear Valley Rd, Victorville	Victorville	SWC Bear Valley Rd & I-15	5.8	The Mall Of Victor Valley	NA
ST	Staples	16,950	12353 C-1 Mariposa Rd.	Victorville	Mariposa Rd & Cottonwood St	5.7	Victor Valley Home Center	(760) 955-2288
T1	Target	100,000	15321 Palmdale Rd , Victorville	Victorville	Palmdale Rd & Park Dr	7.9	Target Center	(760) 241-3357
W1	Wal-Mart Store #1588	<u>127,296</u>	15272 Bear Valley Road, Victorville	Victorville	Bear Valley Rd & Balsam Rd	5.0	Free Standing	(760) 951-5005
	Total	901,635						
KM3	Big Kmart	<u>100,000</u>	510-570 E. Virginia, Barstow	Barstow	Barstow Rd & I-15	41.6	Barstow Road Center	(760) 241-521
	Total	100,000						
Market Area Total		1,408,924						

Source: Stanley R.Hoffman Associates Inc.
CB Richard Ellis.
In individual store websites.

Figure 3-3
City of Hesperia General Plan Update
City of Hesperia and Neighboring Cities
Location of Shopping Centers

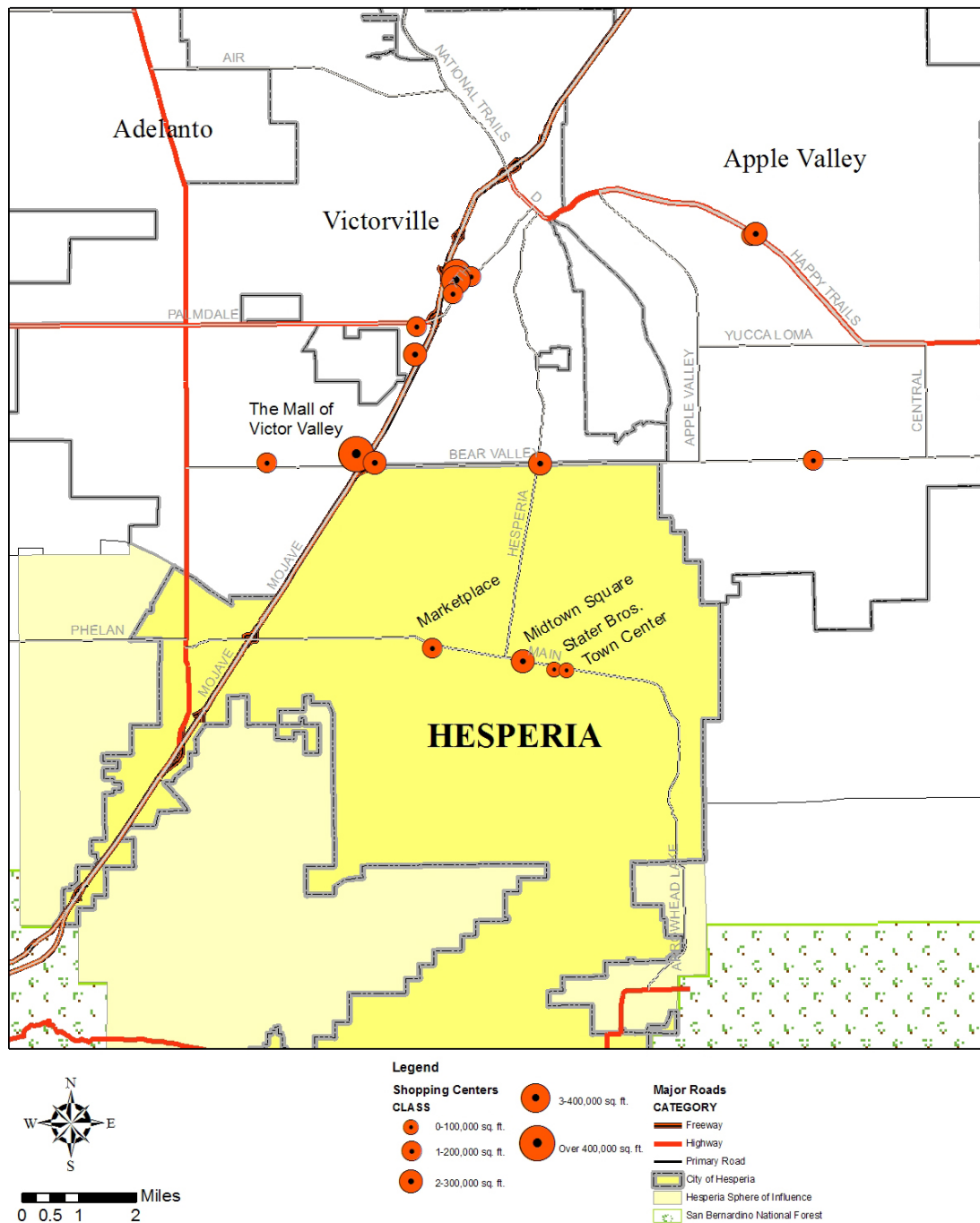
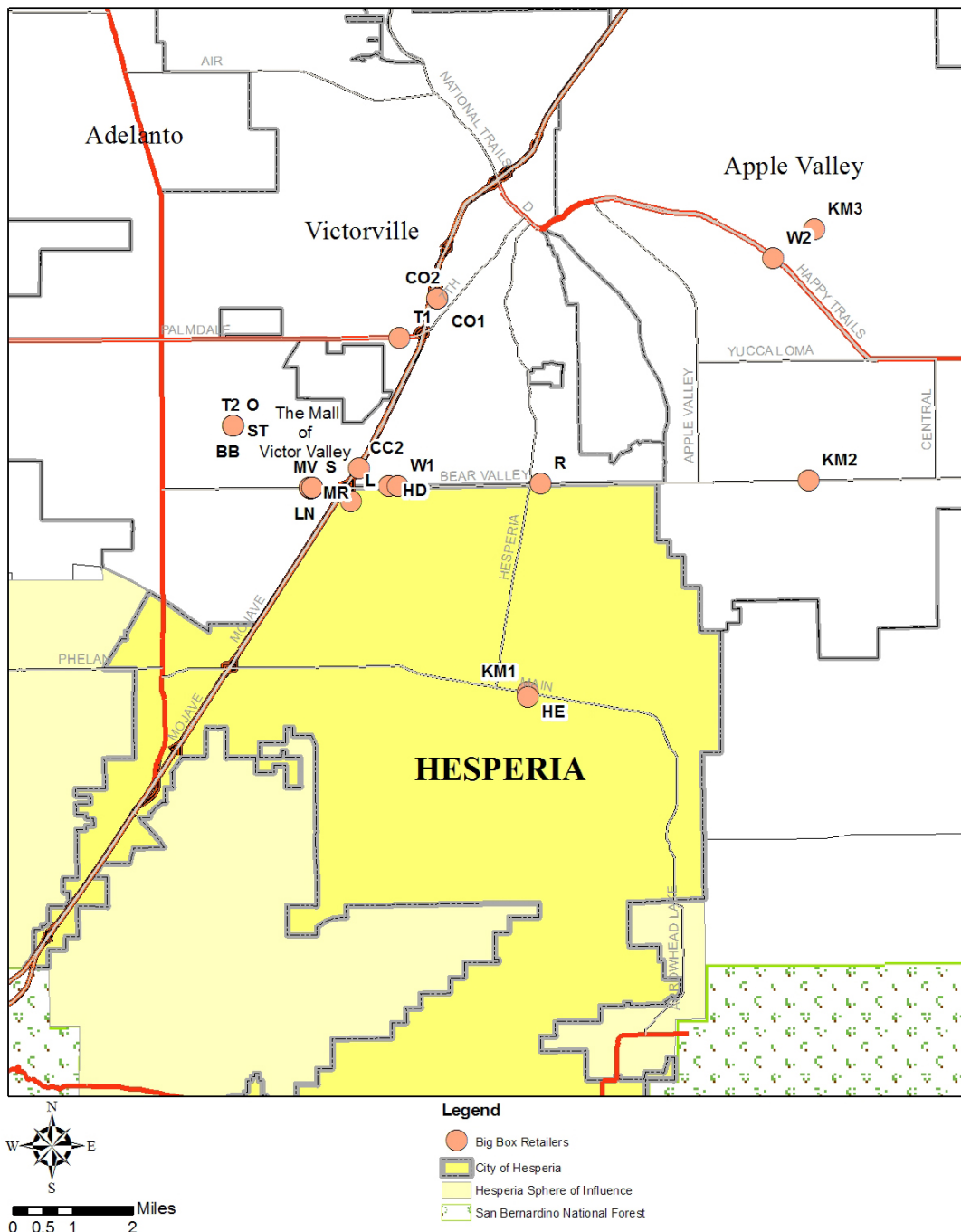


Figure 3-4
City of Hesperia General Plan Update
City of Hesperia and Neighboring Cities
Location of Big Box Retail¹



1. Names of Stores as shown on legend in Table 3-9 on next page.

Table 3-9
City of Hesperia General Plan Update
Legend for Big Box Map (Figure 3-5)

Map Label	Store	City
HE	H & E Home Imprv. Center	Hesperia
KM1	Kmart store #7606	Hesperia
KM2	Kmart store #3699	Apple Valley
T2	Target	Apple Valley
W2	Wal-Mart Store #2333	Apple Valley
BB	Best Buy	Victorville
CO2	Costco Wholesale	Victorville
CC1	Circuit City	Victorville
CC2	Circuit City	Victorville
HD	Home Depot	Victorville
JC	JCPenny	Victorville
KO	Kohl's	Victorville
LN	Linen n Things (empty lot)	Victorville
L	Lowes	Victorville
MR	Marshalls (empty lot)	Victorville
MV	Mervyns	Victorville
O	OfficeMax	Victorville
R	Ross Dress for Less	Victorville
S	Sears	Victorville
ST	Staples	Victorville
T1	Target	Victorville
W1	Wal-Mart Store #1588	Victorville
KM3	Big Kmart	Barstow

Source: Stanley R. Hoffman Associates Inc.

3.3 Historic Building Permit Activity

Data from the Construction Industry Research Board (CIRB) on non-residential and residential building activity in the City of Hesperia for the time period 1995 to 2005 is presented as a comparative measure for growth trends.

Historic Non-residential Building Activity

- As shown in Table 3-10 and Figure 3-6, non-residential commercial building activity in the City, in terms of valuation, fluctuated during the 1995-2005 time period, with \$3.8 million in 2005, in constant 2005 dollars.
- As shown in constant 2005 dollars, most of the building activity in terms of valuation over this time period was New Other, with an annual average of \$8.9 million for New Other non-residential building permit valuations in the City during 1995-2005. The New Other category contains a private schools, medical buildings, religious buildings, and agricultural sheds.
- The City of Hesperia as a percentage of the ESA has 67.9 percent of the New Other building permit valuations.
- The City of Hesperia's share of the High Desert ESA is 24.2 percent of the total non residential building permit valuations.
- As shown in Table 3-11, the City of Hesperia's share of the High Desert ESA for New Commercial is 17.2 percent and 13.5 percent for New Industrial.

Table 3-10
City of Hesperia General Plan Update
Nonresidential Building Permit Valuations: 1995 - 2005
(In Thousands of Constant 2005 Dollars)

Year	New Commercial	New Industrial	New Other	Alterations and Additions	Total Non Residential
1995	\$1,906,774	\$739,825	\$6,359,895	\$1,028,213	\$10,034,707
1996	\$16,541,422	\$274,166	\$6,261,180	\$1,948,100	\$25,024,868
1997	\$1,254,862	\$1,503,937	\$4,771,691	\$8,174,208	\$15,704,698
1998	\$4,463,719	\$1,105,958	\$6,169,623	\$978,834	\$12,718,135
1999	\$928,406	\$1,617,061	\$8,108,914	\$900,362	\$11,554,744
2000	\$1,959,215	\$2,295,611	\$8,482,424	\$370,372	\$13,107,623
2001	\$10,296,299	\$2,046,781	\$4,572,094	\$512,579	\$17,427,753
2002	\$2,772,735	\$3,479,981	\$11,227,780	\$1,835,184	\$19,315,680
2003	\$11,004,988	\$405,197	\$10,693,973	\$510,398	\$22,614,556
2004	\$9,746,826	\$0	\$10,943,504	\$1,444,710	\$22,135,041
2005	\$3,809,113	\$3,181,183	\$21,062,352	\$3,252,333	\$31,304,981
Annual Average	\$5,880,396	\$1,513,609	\$8,968,494	\$1,905,027	\$18,267,526

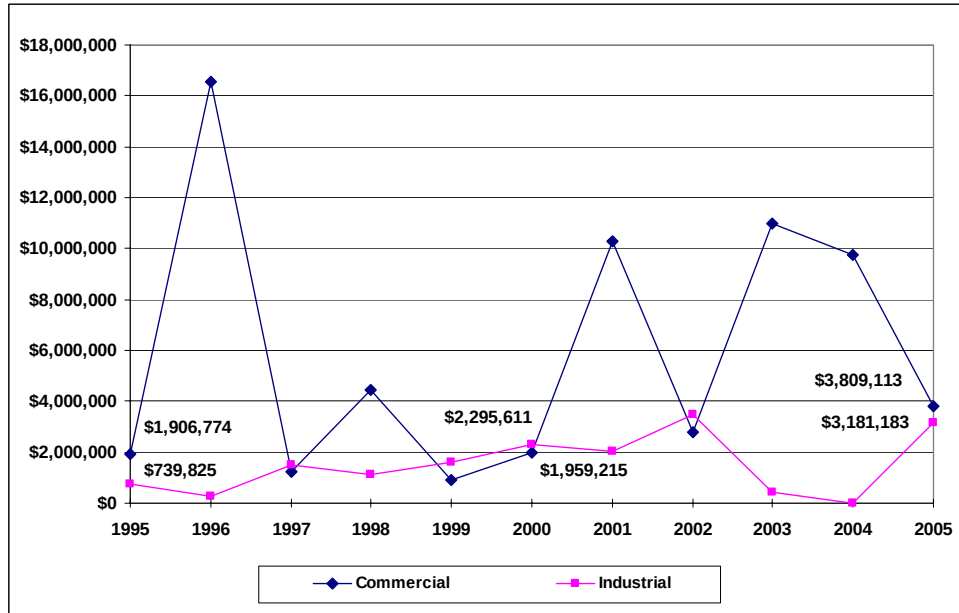
Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board.

Table 3-11
City of Hesperia General Plan Update
Nonresidential Building Permit Valuations High Desert ESA
(In Thousands of Constant 2005 Dollars)

Year	New Commercial	New Industrial	New Other	Alterations and Additions	Total Non Residential
1995	\$8,476,566	\$2,176,926	\$10,738,431	\$7,811,238	\$29,203,161
1996	\$39,331,151	\$274,166	\$10,363,064	\$8,978,077	\$58,946,458
1997	\$11,448,724	\$8,477,781	\$9,343,654	\$17,541,932	\$46,812,091
1998	\$17,969,267	\$6,358,507	\$7,903,692	\$9,889,782	\$42,121,246
1999	\$16,241,198	\$3,222,622	\$10,006,142	\$11,848,986	\$41,318,948
2000	\$51,427,189	\$2,295,611	\$10,325,283	\$11,573,018	\$75,621,102
2001	\$46,829,664	\$3,643,831	\$10,394,093	\$15,091,161	\$75,958,748
2002	\$71,410,587	\$22,169,232	\$15,566,634	\$17,025,384	\$126,171,837
2003	\$26,807,529	\$1,017,670	\$13,604,129	\$12,862,587	\$54,291,915
2004	\$39,014,727	\$70,747,529	\$17,345,535	\$31,077,689	\$158,185,480
2005	\$47,828,700	\$3,181,183	\$29,654,891	\$39,857,528	\$120,522,302
Annual Average	\$34,253,209	\$11,233,187	\$13,204,141	\$16,687,035	\$75,377,572
Hesperia Annual Average	\$5,880,396	\$1,513,609	\$8,968,494	\$1,905,027	\$18,267,526
Hesperia % of High Desert ESA	17.2%	13.5%	67.9%	11.4%	24.2%

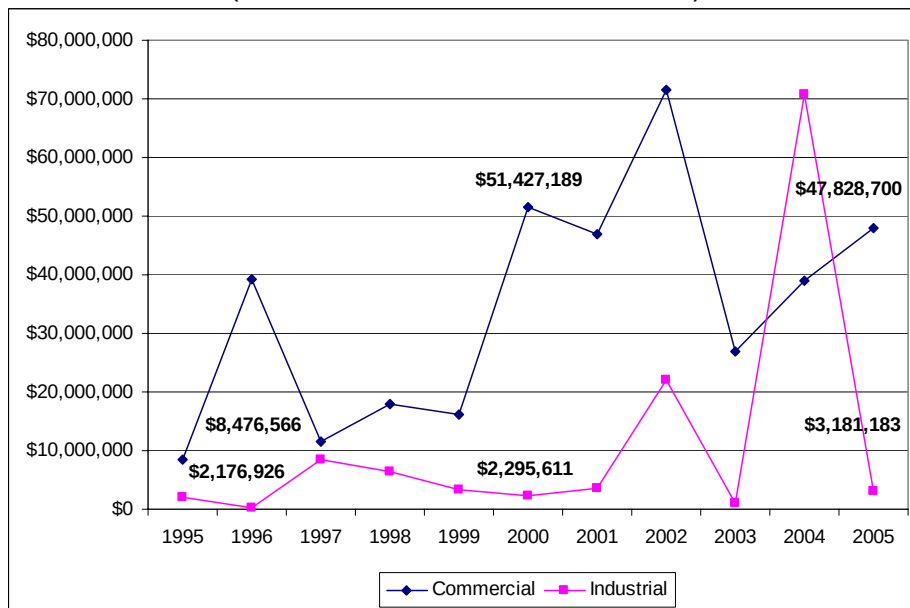
Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board.

Figure 3-5
City of Hesperia General Plan Update
Non-Residential Building Activity: 1995-2005
 (in '000s of Constant 2005 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
 Construction Industry Research Board, 2005.

Figure 3-6
City of Hesperia General Plan Update
Nonresidential Building Permit Valuations High Desert ESA
 (In Thousands of Constant 2005 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
 Construction Industry Research Board, 2005.

Historic Residential Building Activity

- As shown in Table 3-12 and Figure 3-8, new residential building activity in the City, has increased rapidly over the last four years. This is in keeping with the recent growth trends in the City.
- The total number of new residential units per year increased from 165 in 1995 to 210 in 2000 reaching 1,983 in 2005, at an annual average of 655 new units over the ten year period.
- As shown, single-family homes comprised on an average 582 or 88.8 percent of the total new residential units per year, between 1995 and 2005.
- As shown in Table 3-12, between 2001 and 2005 there is an annual average of 1,041 single-family and 99 multi-family residential units per year.
- As shown in Table 3-13, the City of Hesperia's percentage of the High Desert ESA is 25.1 percent for single-family and 42.5 percent for multi-family.

Table 3-12
City of Hesperia General Plan Update
New Residential Building Activity: 1995 to 2005

Year	Single-Family	% of Total	Multi-Family	% of Total	Total Units
1995	165	100.0%	0	0.0%	165
1996	205	100.0%	0	0.0%	205
1997	216	100.0%	0	0.0%	216
1998	188	67.9%	89	32.1%	277
1999	212	48.6%	224	51.4%	436
2000	210	100.0%	0	0.0%	210
2001	540	97.6%	13	2.4%	553
2002	469	100.0%	0	0.0%	469
2003	965	88.7%	123	11.3%	1,088
2004	1478	92.0%	129	8.0%	1,607
2005	<u>1752</u>	88.4%	<u>231</u>	<u>11.6%</u>	<u>1,983</u>
Total	6,400		809		7,209
1995 - 2005 Annual Average					
	582	88.8%	74	11.2%	655
2001 - 2005 Annual Average					
	1,041	91.3%	99	8.7%	1,140

Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board

Table 3-13
City of Hesperia General Plan Update
High Desert ESA New Residential Building Activity: 1995 to 2005

Year	Single-Family	% of Total	Multi-Family	% of Total	Total Units
1995	776	100.0%	0	0.0%	776
1996	908	100.0%	0	0.0%	908
1997	683	100.0%	0	0.0%	683
1998	681	69.2%	303	30.8%	984
1999	851	71.1%	346	28.9%	1,197
2000	906	100.0%	0	0.0%	906
2001	1653	99.2%	13	0.8%	1,666
2002	2331	92.7%	183	7.3%	2,514
2003	4079	91.3%	391	8.7%	4,470
2004	6132	95.5%	291	4.5%	6,423
2005	<u>6468</u>	94.5%	<u>375</u>	5.5%	<u>6,843</u>
Total	25,468		1,902		27,370
Annual Average					
	2,315	93.1%	173	6.9%	2,488
Hesperia Annual Average					
	582	88.8%	74	11.2%	655
Hesperia as % of High Desert ESA					
	25.1%		42.5%		26.3%

Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board

Figure 3-7
City of Hesperia General Plan Update
New Residential Building Activity: 1995-2005

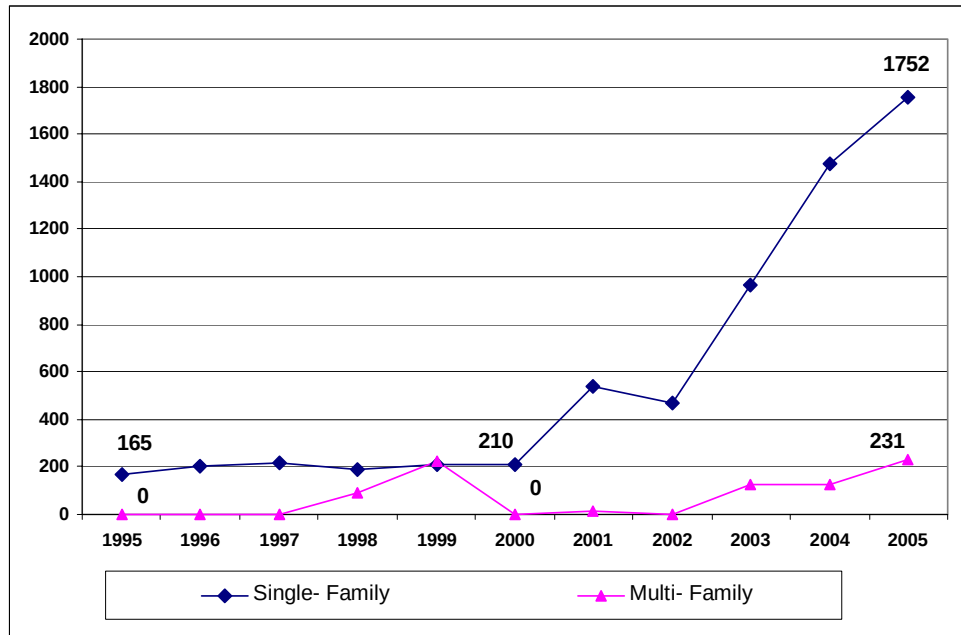
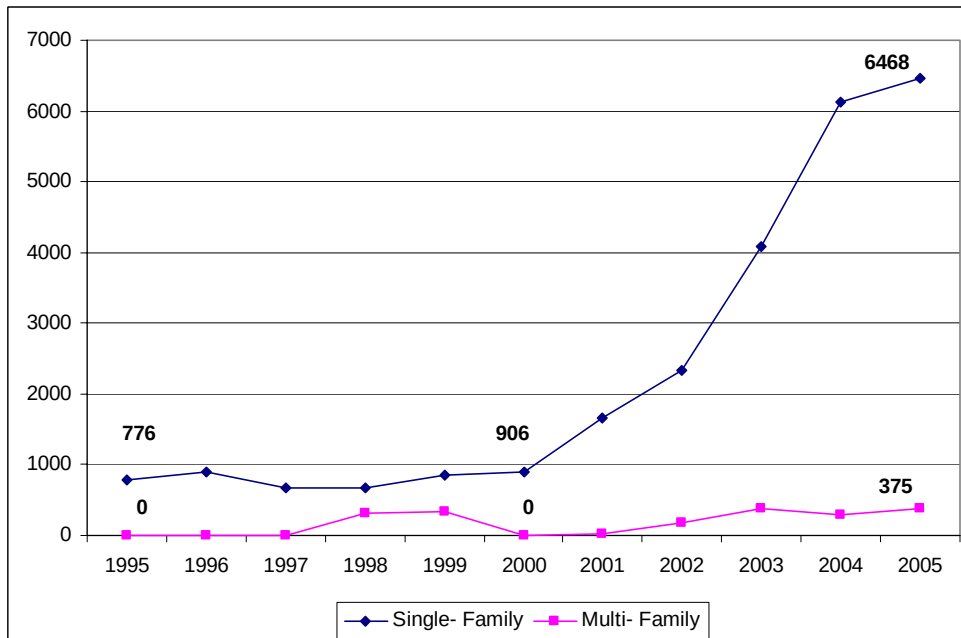


Figure 3-8
City of Hesperia General Plan Update
High Desert ESA New Residential Building Activity: 1995 to 2005



3.4 Development Activity

The City of Hesperia has 40.2 percent of the High Desert ESA as planned or proposed retail development activity.

Projects Planned, Proposed and Under Construction

Retail

- As shown in Table 3-14, there is an estimated 2,287,000 square feet of retail space that has been planned or proposed in the City of Hesperia.
- One major project will be the Home Depot and Wal-Mart that are anticipated to be completed by the End of 2006. There will be 450,000 square feet of retail space associated with this project.
- Gateway Center is a large scale retail project with 370,000 square feet of space that is estimated to be completed in March 2007.
- By way of competition, the Town of Apple Valley has about 2.74 million square feet of retail projects planned or proposed.

Industrial

- As shown in Table 3-15 there is approximately 2.8 million square feet of industrial space either planned or proposed in the High Desert ESA, but none has actually been identified in the City of Hesperia.

Table 3-14
City of Hesperia General Plan Update
High Desert ESA Cities
Projects Planned, Proposed and Under Construction Development
Retail

Development	City	Location	Description	Square Feet	Completion Date
City of Hesperia					
Linnex Plaza	Hesperia	Bear Valley Road, east of Balsam	Retail/Business Center	50,000	End of '06
Gateway Center	Hesperia	Interstate 15 & Main Street	Retail	370,000	March '07
Unnamed Shopping Center - Home Depot & Wal-Mart	Hesperia	SEC Escondido & Main Street	Retail	450,000	End of '06
Revolutions Family Entertainment Center	Hesperia	Avenal Street and Mariposa Road	Entertainment Center	62,000	End of '07
Hesperia Power Center	Hesperia	Main & Mariposa	Retail/Entertainment	300,000	End of '07
Unnamed Shopping Center	Hesperia	Escondido & South of Main Street	Retail	511,000	Winter '06
Redevelopment of the Downtown	Hesperia	Downtown Hesperia	Retail	544,000	Winter '08
Total				2,287,000	
Percent of Market Area				40.2%	
City of Victorville					
Unnamed Shopping Center	Victorville	SWC of I-15 and Mojave Drive	Shopping Center	10,400	Just Finished
Costco	Victorville	La Paz Drive	Retail	160,000	February '07
Retail Center - Sam's Club & Super Wal-Mart	Victorville	SWC of Bear Valley Rd. & Amargosa Rd.	Retail	363,504	Plan Check
Total				533,904	
Percent of Market Area				9.4%	
Town of Apple Valley					
Apple Valley Commons - Target	Apple Valley	NWC Highway 18 & Dale Evans Parkway	Retail	479,100	Spring '07
Unnamed Shopping Center	Apple Valley	SEC Bear Valley and Jess Ranch Parkway	Retail	312,909	Pending
Wal-Mart	Apple Valley	South of Dale Evans Parkway, East of Highway 18	Retail	125,000	Pending
Apple Bear Investment	Apple Valley	NEC Apple Valley and Pimlico Roads	Retail/Fast Food	733,500	Pending
Unnamed Shopping Center - Home Depot	Apple Valley	NWC Bear Valley and Apple Valley Roads	Retail	159,710	Fall '08
Unnamed Shopping Center	Apple Valley	SWC Apple Valley Road and Bear Valley	Retail	87,140	Fall '07
New Century/ Summers LLC	Apple Valley	SWC of Bear Valley and Jess Ranch Parkway	Retail	424,700	Approved
Apple Valley Plaza	Apple Valley	22311 Bear Valley Road/ SWC of Bear Valley and Central	Retail	158,855	Summer '07
Unnamed Shopping Center	Apple Valley	NEC Apple Valley and Bear Valley Road	Retail	258,631	Fall '06
Total				2,739,545	
Percent of Market Area				48.2%	
City of Barstow					
Home Depot	Barstow	Avenue L and Interstate 15	Retail	124,000	End of '06
Total				124,000	
Percent of Market Area				2.2%	
Grand Total				5,684,449	

Source: Stanley R. Hoffman Associates Inc.

Table 3-15
City of Hesperia General Plan Update
High Desert Market Area Cities
Projects Planned, Proposed and Under Construction Development
Industrial

Development	City	Location	Description	Square Feet	Completion Date
City of Victorville					
Corporate Headquarters	Victorville	12694 Baldy Mesa Road	Manufacturing/Office Complex	126,258	Plan Check
Home Depot - Commercial / Home Improvement	Victorville	15855 Roy Rogers Dr.	Industrial	206,915	End of '06
Manufacturing / Warehouse Facility	Victorville	13243 Nutro Way	Industrial	649,395	Permits Issued
Warehouse / Distribution Facility	Victorville	12979 Enterprise Way	Industrial	282,300	Permits Issued
Commercial Center	Victorville	14150-90 Bear Valley Road	Commercial Center	203,000	Plan Check
Home Depot - Commercial / Home Improvement	Victorville	15855 Roy Rogers Dr.	Industrial	206,915	End of '06
Self-Service & RV Storage Facility	Victorville	14598 Palmdale Rd.	Industrial	146,128	Permits Issued
Total				1,820,911	
Town of Apple Valley					
Percent of Market Area					
A.V. Cal Properties - Distribution Center	Apple Valley	NEC Navajo Road and La Fayette St.	Industrial	70,000	Approved
Total				70,000	
City of Barstow					
Percent of Market Area					
Wal-Mart Distribution Center	Barstow	Lenwood Road & North Side of Hwy. 66	Industrial	880,000	Jan '08
Total				880,000	
Percent of Market Area					
Grand Total				31.8%	
				2,770,911	

Source: Stanley R. Hoffman Associates Inc.

3.5 Lodging and Tourism

- As shown in Table 3-16, as of September 2006, the City has a lodging capacity of about 400 rooms spread over 6 lodging facilities.
- The average per night room rate ranges from \$59 to \$116, with an area-wide average of \$88.
- A recent survey by City Staff estimated occupancy rates as quite strong in the range of 85 percent to 90 percent.
- The City of Hesperia's market share of estimated lodging rooms is 20.9 percent of the market area.

Table 3-16
City of Hesperia General Plan Update
City of Hesperia and Neighboring Cities Hotel and Lodging Inventory

Name	Type ¹	Address	Rooms	Average Per Night Room Rate
<u>City of Hesperia</u>				
Days Inn Suites	M	14865 Bear Valley Road	29	\$80
EconoLodge	M	11976 Mariposa Rd	54	74
Holiday Inn Express	H	9750 Key Pointe Ave	127	94
La Quinta Inn and Suites	H	12000 Mariposa Road	53	74
Springhill Suites	H	9625 Mariposa Avenue	63	119
Super 8 Motel	M	12033 Oakwood Ave.	<u>71</u>	<u>76</u>
Total			397	\$88
<u>Surrounding Communities</u>				
<u>Victorville</u>				
Best Western Green Tree Inns	M	14173 Green Tree Blvd.	168	\$100
Comfort Suites Hotel	H	12281 Mariposa Rd	77	\$95
Ramada Inn Victorville	H	15494 Palmdale Road	162	\$65
Red Roof Inn	H	13409 Mariposa Road	94	\$64
Travelodge Victorville	M	12175 Mariposa Road	43	\$51
La Quinta Inn and Suites	H	12000 Mariposa Rd	53	\$100
Quality Inn and Suites	H	14173 Green Tree Blvd	168	\$89
Howard Johnson Inn of Victorville	H	16868 Stoddard Wells Road	<u>97</u>	<u>\$54</u>
Total			862	\$56
<u>Adelanto</u>				
Days Inn - Adelanto	M	11628 Bartlett Ave.	<u>36</u>	<u>\$66</u>
Total			36	\$66
<u>Barstow</u>				
Holiday Inn Express	H	1861 West Main Street	65	\$91
Holiday Inn Express	H	2700 Lenwood Road	110	\$116
Days Inn	M	1590 Coolwater Ln	113	\$60
Best Western	M	1984 E Main Street	95	\$91
Econo Lodge	M	1230 E. Main St.	50	\$53
Red Roof Inn	H	2551 Commerce Parkway	<u>110</u>	<u>\$60</u>
Total			543	\$80
<u>Apple Valley</u>				
American Hotel & Suites	H	15000 Glazier Ave.	<u>63</u>	<u>\$86</u>
Total			63	\$86
Market Area Total			1901	
Share of Hesperia in Market Area			20.9%	

Note: 1. "H" denotes Hotel, "M" denotes Motel, and "A" denotes Extended-stay Apartments.

Sources: Stanley R. Hoffman Associates, Inc.
Hotel/Motel Websites.
Phone Conversations with Hotel/Motel representatives.
<http://www.tripadvisor.com>
<http://www.expedia.com>
<http://www.metrotravelguide.com>

Chapter 4

ECONOMIC BASE ANALYSIS

Employment and wage data for the City of Hesperia, the High Desert ESA, the County of San Bernardino and other counties in the Southern California region (Los Angeles, Orange, Riverside, and Ventura) for 2001 and 2005 was provided by the California Employment Development Department (EDD). All EDD data for years 2001 and after is organized on the North American Industry Classification System (NAICS) basis, a system that has replaced the Standard Industrial Classification (SIC) following the signing of the North American Free Trade Area (NAFTA) agreement.

Further, data from EDD is provided at two levels-- the ZIP code level and the County level. In order to estimate the employment and wage numbers for Hesperia and the High Desert ESA, ZIP codes coterminous with the City and the High Desert ESA boundaries were selected as shown in Figure 4-1. The selected ZIP codes by different geographies are shown in Appendix Table A-1.

4.1 Overall Employment Growth Trends: 2001 – 2005

- As shown in Table 4-1, according to the EDD, employment in the City of Hesperia grew from 9,117 in 2001 to 11,644 in 2005 at an annual average growth rate of 6.3 percent.
- Employment growth rate in the City was higher in comparison to the High Desert ESA (4.1 percent), the County of San Bernardino (3.9 percent) and the Southern California region (1.0 percent), as shown in Figure 4-2.
- The higher growth rate in the City indicates the impact of additional jobs on the City's small job base, compared to the relatively stabilized employment base of the County and Southern California region.
- The City's share of employment as percent of the High Desert ESA grew from 16.5 percent in 2001 to 18.0 percent in 2005, as shown in Table 4-1.

At the same time the share of the High Desert ESA as percent of San Bernardino County held steady at around 10 percent during this time period.

Figure 4-1

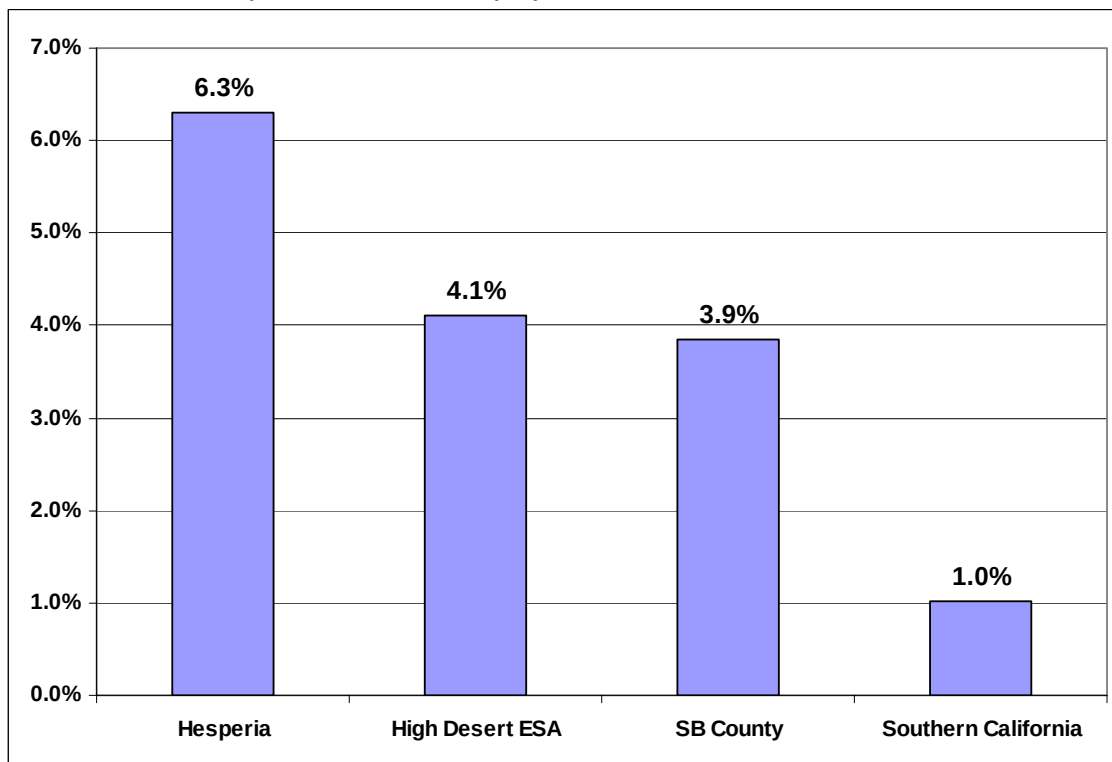


Table 4-1
City of Hesperia General Plan Update
Employment Historic Growth Trends: 2001 - 2005

			2001-2005		
	2001	2005	Change	%Change	AAGR
Hesperia	9,117	11,644	2,527	27.7%	6.3%
High Desert ESA	55,214	64,851	9,637	17.5%	4.1%
<i>Hesperia as % High Desert</i>	16.5%	18.0%			
SB County	545,520	634,678	89,158	16.3%	3.9%
<i>High Desert as% SB County</i>	10.1%	10.2%			
Southern California	6,846,721	7,130,789	284,068	4.1%	1.0%

Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department (EDD).

Figure 4-2
City of Hesperia General Plan Update
Comparative Annual Employment Growth Rates: 2001 - 2005



Source: Stanley R. Hoffman Associates, Inc.

4.2 Employment Growth by NAICS Categories: 2001 and 2005

City of Hesperia and Sphere

- As shown in Table 4-2, though the overall employment growth rate for the City between 2001 and 2005 was 6.3 percent, growth rates varied significantly by NAICS categories during this time period.
- The largest employment categories in the City in 2005 were Local Government (2,099), Construction (1,961), Retail Trade (1,580), and Accommodation and Food Services (1,571) accounting for nearly 62 percent of the total jobs in the City.
- Employment in the Construction sector, which varies with seasonal and market cycles, fluctuated marginally from comprising about 16 percent of the total in 2001 to about 17 percent in 2005, indicating a slight increase in construction activity.
- The manufacturing base in the City is expanding, with employment in this sector increasing by an additional 328 jobs between 2001 and 2005, at an annual average rate of 6.9 percent.

Table 4-2
City of Hesperia General Plan Update
Employment Distribution by NAICS Classification

INDUSTRY	2001		2005		2001 - 2005
	Employment	% Distribution	Employment	% Distribution	AAGR ¹
ACCOMMODATION & FOOD SERVICES	1,185	13.0%	1,571	13.5%	7.3%
ADMIN & SUPPORT & WSTE MGMT & REMED	329	3.6%	365	3.1%	2.6%
CONSTRUCTION	1,426	15.6%	1,961	16.8%	8.3%
EDUCATIONAL SERVICES	13	0.1%	243	2.1%	107.9%
FEDERAL GOVT	40	0.4%	76	0.7%	17.4%
FINANCE & INSURANCE	280	3.1%	256	2.2%	-2.2%
HEALTH CARE & SOCIAL ASSISTANCE	545	6.0%	430	3.7%	-5.8%
LOCAL GOVT	1,903	20.9%	2,099	18.0%	2.5%
MANUFACTURING	1,069	11.7%	1,397	12.0%	6.9%
OTHER SERVICES	371	4.1%	459	3.9%	5.5%
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	157	1.7%	316	2.7%	19.1%
REAL ESTATE & RENTAL & LEASING	265	2.9%	128	1.1%	-16.6%
RETAIL TRADE	1,032	11.3%	1,580	13.6%	11.2%
TRANSPORTATION & WAREHOUSING	143	1.6%	374	3.2%	27.2%
WHOLESALE TRADE	209	2.3%	298	2.6%	9.3%
OTHER ²	150	1.6%	91	0.8%	-11.7%
TOTAL	9,117	100.0%	11,644	100.0%	6.3%

1. Annual average growth rate from 2001 to 2005.

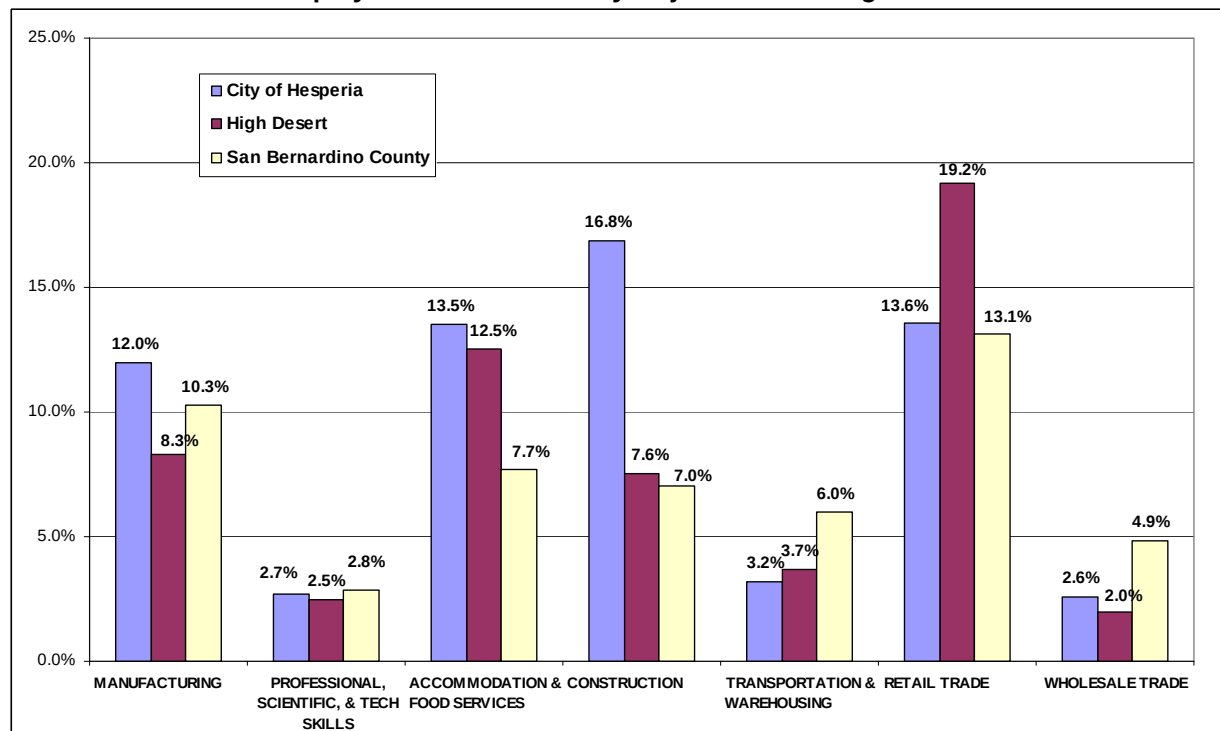
2. Includes Agriculture, Arts and Entertainment, Information, Non-Classified and Utilities, as shown in Appendix Table A-2.

Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department (EDD).

City of Hesperia and Regional Comparisons

- As shown in Figure 4-3, manufacturing jobs formed only about 8 percent to 12 percent of the total employment in the City, High Desert and the County.
- The High Desert had the lowest share of manufacturing jobs in relation to the total jobs at around 8 percent in 2002.
- As shown in Table 4-3, a decline in the relative share of manufacturing is also observable in the Southern California economy, with manufacturing employment declining from nearly 14 percent in 2001 to about 11 percent in 2005.
- The City had a higher share of construction related jobs, at 16.8 percent of the total in 2005, in comparison to the region.
- Employment in important Southern California sectors, including Arts and Entertainment, and Information and Management are grouped under Other, as employment in these sectors is negligible in Hesperia, the High Desert and the County.
- Regional comparison using the location quotient index method is presented in Table 4-4, where the employment distribution of the City, the High Desert, and the County is benchmarked to that of the Southern California region. This method allows for an assessment of relative specializations by geographies.

Figure 4-3
City of Hesperia General Plan Update
Employment Distribution by Major NAICS Categories: 2005



Source: Stanley R. Hoffman Associates, Inc.

Table 4-3
City of Hesperia General Plan Update
Distribution of Employment by NAICS Classification: 2001 and 2005

INDUSTRY	City of Hesperia		High Desert		San Bernardino County		Southern California	
	2001	2005	2001	2005	2001	2005	2001	2005
ACCOMMODATION & FOOD SERVICES	13.0%	13.5%	11.3%	12.5%	7.6%	7.7%	7.5%	8.0%
ADMIN & SUPPORT & WSTE MGMT & REMED	3.6%	3.1%	3.2%	3.4%	7.0%	8.0%	6.8%	6.9%
CONSTRUCTION	15.6%	16.8%	7.1%	7.6%	6.4%	7.0%	4.7%	5.5%
EDUCATIONAL SERVICES	0.1%	2.1%	0.9%	1.0%	1.1%	1.1%	1.6%	1.7%
FEDERAL GOVT	0.4%	0.7%	0.2%	0.7%	1.9%	2.0%	1.3%	1.3%
FINANCE & INSURANCE	3.1%	2.2%	2.2%	2.3%	2.3%	2.7%	3.9%	4.5%
HEALTH CARE & SOCIAL ASSISTANCE	6.0%	3.7%	11.1%	11.1%	9.5%	9.2%	8.1%	8.6%
LOCAL GOVT	20.9%	18.0%	18.6%	16.9%	14.8%	13.5%	11.2%	10.8%
MANUFACTURING	11.7%	12.0%	7.6%	8.3%	12.3%	10.3%	13.8%	11.3%
OTHER SERVICES	4.1%	3.9%	3.4%	2.8%	3.7%	4.2%	4.1%	4.8%
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	1.7%	2.7%	1.7%	2.5%	2.4%	2.8%	5.8%	5.7%
REAL ESTATE & RENTAL & LEASING	2.9%	1.1%	1.6%	1.7%	1.4%	1.5%	1.8%	2.0%
RETAIL TRADE	11.3%	13.6%	17.0%	19.2%	12.8%	13.1%	10.4%	10.9%
TRANSPORTATION & WAREHOUSING	1.6%	3.2%	4.9%	3.7%	5.1%	6.0%	3.3%	3.1%
WHOLESALE TRADE	2.3%	2.6%	1.8%	2.0%	4.5%	4.9%	5.2%	5.1%
OTHER ¹	1.6%	0.8%	7.2%	4.4%	7.3%	5.9%	10.4%	9.8%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Includes Agriculture, Arts and Entertainment, Information, Management, Mining, State Government, Non-Classified as shown in Appendix Table A-2.

Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department (EDD).

Table 4-4
City of Hesperia General Plan Update
Employment Location Quotients

INDUSTRY	City of Hesperia		High Desert		San Bernardino County		Southern California	
	2001	2005	2001	2005	2001	2005	2001	2005
ACCOMMODATION & FOOD SERVICES	1.73	1.68	1.51	1.56	1.01	0.96	1.00	1.00
ADMIN & SUPPORT & WSTE MGMT & REMED	0.53	0.45	0.48	0.50	1.02	1.16	1.00	1.00
CONSTRUCTION	3.34	3.07	1.52	1.38	1.36	1.28	1.00	1.00
EDUCATIONAL SERVICES	0.09	1.24	0.58	0.57	0.73	0.64	1.00	1.00
FEDERAL GOVT	0.33	0.51	0.16	0.53	1.46	1.52	1.00	1.00
FINANCE & INSURANCE	0.78	0.49	0.56	0.51	0.59	0.62	1.00	1.00
HEALTH CARE & SOCIAL ASSISTANCE	0.74	0.43	1.37	1.29	1.17	1.07	1.00	1.00
LOCAL GOVT	1.87	1.66	1.66	1.56	1.32	1.25	1.00	1.00
MANUFACTURING	0.85	1.06	0.55	0.73	0.89	0.91	1.00	1.00
OTHER SERVICES	0.99	0.82	0.83	0.59	0.91	0.89	1.00	1.00
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	0.30	0.47	0.30	0.43	0.41	0.50	1.00	1.00
REAL ESTATE & RENTAL & LEASING	1.58	0.56	0.85	0.88	0.76	0.77	1.00	1.00
RETAIL TRADE	1.09	1.25	1.63	1.77	1.23	1.21	1.00	1.00
TRANSPORTATION & WAREHOUSING	0.47	1.02	1.49	1.17	1.53	1.91	1.00	1.00
WHOLESALE TRADE	0.44	0.50	0.36	0.39	0.88	0.95	1.00	1.00

1. Employment distribution of the City, High Desesrt and the County has been indexed to the distribution of employment in Southern California.

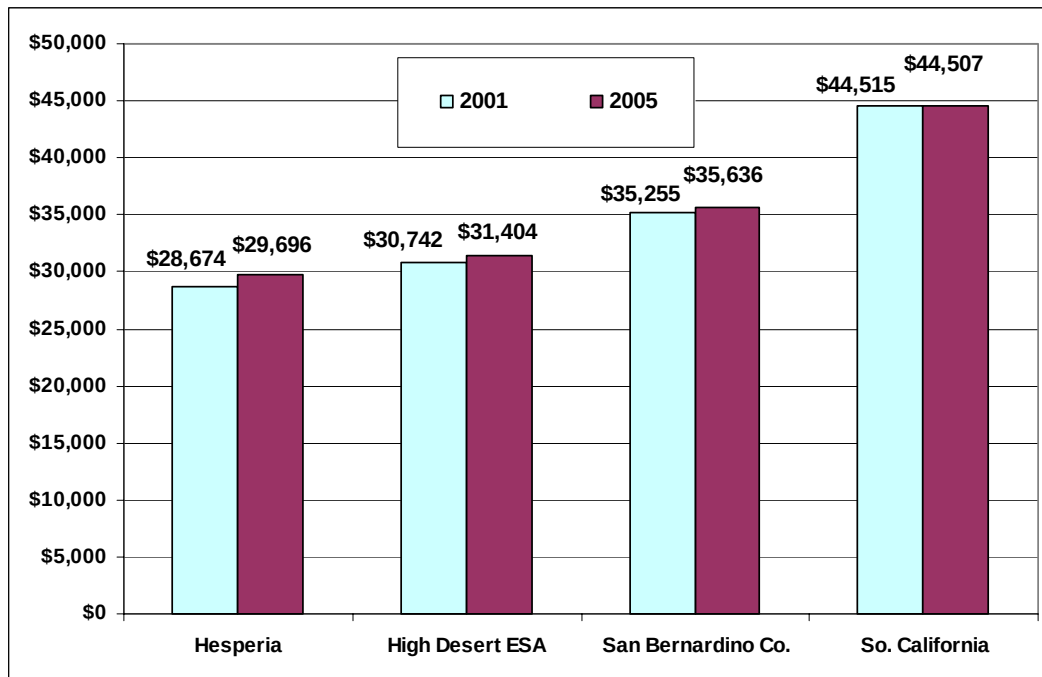
Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department (EDD).

- The location quotient analysis indicates that in 2005, in comparison to all other areas, the City of Hesperia had the highest concentrations of employment in Construction (3.07), Local Government (1.66) and Accommodation and Food Services (1.68).
- Further, concentration of employment in Manufacturing in the City (1.06) is comparable to that of the Southern California economy, but higher compared to the High Desert (0.73) and the County (0.91).
- Though, the concentration of jobs in Professional, Scientific and Technical Skills is similar in the City (0.47), High Desert ESA (0.43) and County (0.50), this is much lower compared to Southern California.
- In 2005, the High Desert was relatively more specialized in Retail sector employment compared to the City, County and Southern California; the County was more specialized in Transportation and Warehousing activities.

4.3 Wage Trends: 2001 and 2005

- As shown in Figure 4-4, the average wage in Hesperia grew marginally from \$28,674 in 2001 to \$29,696 in 2005, in constant 2005 dollars.
- In 2005, the average wage in Hesperia was relatively lower compared to the High Desert ESA (\$31,404) and the County of San Bernardino (\$35,636), and significantly lower compared to the Southern California region (\$44,507).

Figure 4-4
City of Hesperia and High Desert ESA Comparison
Average Wage: All Industries 2001 and 2005
(In Constant 2005 Dollars)



Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department.

Table 4-5
Hesperia General Plan Update
Wage Trends: 2001 and 2005
(Constant 2005 Dollars)

INDUSTRY	HESPERIA			HIGH DESERT ESA			SAN BERNARDINO COUNTY			SOUTHERN CALIFORNIA		
	2001	2005	2005 as % of 2001	2001	2005	2005 as % of 2001	2001	2005	2005 as % of 2001	2001	2005	2005 as % of 2001
ACCOMMODATION & FOOD SERVICES	\$12,323	\$11,773	95.5%	\$12,667	\$12,625	99.7%	\$13,493	\$13,529	100.3%	\$16,764	\$16,769	100.0%
ADMIN & SUPPORT & WASTE MGMT & REMED	\$16,066	\$23,011	143.2%	\$22,164	\$28,480	128.5%	\$20,724	\$22,435	108.3%	\$27,621	\$28,136	101.9%
CONSTRUCTION	\$33,787	\$34,646	102.5%	\$33,142	\$36,143	109.1%	\$41,246	\$40,955	99.3%	\$45,121	\$44,514	98.7%
EDUCATIONAL SERVICES	\$11,333	\$34,637	305.6%	\$27,124	\$28,725	105.9%	\$31,728	\$34,644	109.2%	\$34,999	\$35,031	100.1%
FEDERAL GOVT	\$53,987	\$54,271	100.5%	\$48,123	\$45,260	94.0%	\$50,293	\$49,641	98.7%	\$57,326	\$59,753	104.2%
FINANCE & INSURANCE	\$33,418	\$31,452	94.1%	\$36,163	\$37,936	104.9%	\$47,970	\$53,211	110.9%	\$75,845	\$83,055	109.5%
HEALTH CARE & SOCIAL ASSISTANCE	\$23,760	\$30,314	127.6%	\$32,434	\$36,625	112.9%	\$38,649	\$41,156	106.5%	\$41,089	\$42,739	104.0%
LOCAL GOVT	\$41,443	\$39,297	94.8%	\$40,230	\$38,828	96.5%	\$44,288	\$43,518	98.3%	\$48,205	\$47,840	99.2%
MANUFACTURING	\$30,567	\$31,823	104.1%	\$39,445	\$38,860	98.5%	\$38,491	\$39,192	101.8%	\$47,752	\$49,395	103.4%
OTHER SERVICES	\$22,151	\$21,960	99.1%	\$22,093	\$22,685	102.7%	\$22,032	\$22,022	100.0%	\$24,116	\$22,543	93.5%
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	\$23,324	\$26,645	114.2%	\$33,026	\$36,844	111.6%	\$45,443	\$45,873	100.9%	\$68,860	\$66,473	96.5%
REAL ESTATE & RENTAL & LEASING	\$17,283	\$25,180	145.7%	\$24,149	\$32,964	136.5%	\$33,040	\$40,470	122.5%	\$43,773	\$47,254	108.0%
RETAIL TRADE	\$23,158	\$23,109	99.8%	\$23,169	\$24,338	105.0%	\$27,447	\$26,723	97.4%	\$30,933	\$28,924	93.5%
TRANSPORTATION & WAREHOUSING	\$31,158	\$42,395	136.1%	\$39,180	\$33,316	85.0%	\$36,707	\$37,724	102.8%	\$43,113	\$42,215	97.9%
WHOLESALE TRADE	\$33,958	\$40,902	120.5%	\$38,791	\$43,947	113.3%	\$44,182	\$44,106	99.8%	\$52,735	\$52,624	99.8%
OTHER	\$35,238	\$45,023	127.8%	\$37,678	\$43,806	116.3%	\$41,891	\$44,755	106.8%	\$62,363	\$64,226	103.0%
ALL CATEGORIES	\$28,674	\$29,696	103.6%	\$30,742	\$31,404	102.2%	\$35,255	\$35,636	101.1%	\$44,515	\$44,507	100.0%

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD).

- As shown in Table 4-5, among the private sector jobs in Hesperia in 2005, average wages were the highest in Transportation and Warehousing (\$42,395) and Wholesale Trade (\$40,902), followed by Construction (\$34,646) and Manufacturing (\$31,823).
- In comparison, High Desert ESA wages were highest for Wholesale Trade (\$43,947), Manufacturing (\$38,860), and Finance and Insurance (\$37,936).
- Wages in the Professional and Scientific, and Finance and Insurance sectors were by far the highest amongst the private sector enterprises in the County and the Southern California region.
- Table 4-6 compares the increase in wages in actual dollars by industry from 2001 to 2005 indexed to inflation between 2001 and 2005 (as shown in Panel A in Table 4-6).
- Dividing the wage ratio by the inflation factor, as shown in Panel B of Table 4-6, indicates that increase in wages between 2001 and 2005 kept pace with inflation in most industries during this period in all the four comparison areas.

Table 4-6
Hesperia General Plan Update
Increase in Wage Compared to Inflation

A. Change in Consumer Price Index from 2001 to 2005

	2001	2005
CPI	177.3	201.8
INFLATION FACTOR	1.14	

B. 2001 to 2005 Wage Increase in Actual Dollars Relative to 2001 to 2005 Inflation

INDUSTRY	HESPERIA	HIGH DESERT ESA	SB COUNTY	SOUTHERN CALIFORNIA
ACCOMMODATION & FOOD SERVICES	0.96	1.00	1.00	1.00
ADMIN & SUPPORT & WSTE MGMT & REMED	1.43	1.28	1.08	1.02
CONSTRUCTION	1.03	1.09	0.99	0.99
EDUCATIONAL SERVICES	3.06	1.06	1.09	1.00
FEDERAL GOVT	1.01	0.94	0.99	1.04
FINANCE & INSURANCE	0.94	1.05	1.11	1.10
HEALTH CARE & SOCIAL ASSISTANCE	1.28	1.13	1.06	1.04
LOCAL GOVT	0.95	0.97	0.98	0.99
MANUFACTURING	1.04	0.99	1.02	1.03
OTHER SERVICES	0.99	1.03	1.00	0.93
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	1.14	1.12	1.01	0.97
REAL ESTATE & RENTAL & LEASING	1.46	1.37	1.22	1.08
RETAIL TRADE	1.00	1.05	0.97	0.94
TRANSPORTATION & WAREHOUSING	1.36	0.85	1.03	0.98
WHOLESALE TRADE	1.20	1.13	1.00	1.00
OTHER	1.28	1.16	1.07	1.03
ALL CATEGORIES	1.04	1.02	1.01	1.00

Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department (EDD).

4.4 Growth of Establishments: 2001 to 2005

- Though aggregate employment trends are good indicators of the economy's overall growth, examining the types of establishments in the City provides another perspective to structure and composition of the economy-- for example, the presence of large firms versus small firms, and the concentration of employment in select establishments.
- As shown in Table 4-7, private sector establishments comprised around 85 percent of all establishments in the City in 2005.
- Retail Trade, Accommodation and Food Services, and Manufacturing establishments form around 32 percent of the total.
- Jobs per establishment in the private sector are highest in Accommodation and Food Services (22), Manufacturing (19), Retail (11), and Transportation and Warehousing (11).
- Establishments in the Professional, Scientific and Technical Skills category formed nearly 6 percent of the total in 2005, and employed, on average, 6 workers per establishment.
- Government establishments remain major concentrations of employment in the City, with both Federal and Local Government establishments employing 72 to 75 workers per establishment, on average.
- Average jobs per manufacturing units increased from 14 to 19 per establishment between 2001 and 2005, indicating an expanding manufacturing base in the City. Thus, from a policy point of view, encouraging the manufacturing sector is likely to create a diversity job opportunities for the City's labor force.

Table 4-7
Hesperia General Plan Update
Distribution of Establishments by NAICS Classification

INDUSTRY	2001			2005		
	Establishments	Distribution of Establishments	Jobs per Establishment	Establishments	Distribution of Establishments	Jobs per Establishment
ACCOMMODATION & FOOD SERVICES	66	8.0%	18	71	7.8%	22
ADMIN & SUPPORT & WSTE MGMT & REMED	34	4.1%	10	37	4.0%	10
CONSTRUCTION	162	19.5%	9	206	22.5%	10
EDUCATIONAL SERVICES	4	0.5%	3	7	0.8%	35
FEDERAL GOVT	1	0.1%	40	1	0.1%	76
FINANCE & INSURANCE	37	4.5%	8	29	3.2%	9
HEALTH CARE & SOCIAL ASSISTANCE	60	7.2%	9	57	6.2%	8
LOCAL GOVT	25	3.0%	76	29	3.2%	72
MANUFACTURING	75	9.0%	14	73	8.0%	19
OTHER SERVICES	94	11.3%	4	91	10.0%	5
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	40	4.8%	4	51	5.6%	6
REAL ESTATE & RENTAL & LEASING	36	4.3%	7	32	3.5%	4
RETAIL TRADE	121	14.6%	9	150	16.4%	11
TRANSPORTATION & WAREHOUSING	23	2.8%	6	35	3.8%	11
WHOLESALE TRADE	37	4.5%	6	36	3.9%	8
OTHER ²	15	1.7%	10	9	1.0%	10
TOTAL	830	100.0%	11	914	100.0%	13

1. Annual average growth rate from 2001 to 2005.

2. Includes Agriculture, Arts and Entertainment, Information, Non-Classified and Utilities, as shown in Appendix Table A-2.

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD).

Chapter 5– General Plan Growth Projections

5.1 Key Sources of Future Demographic Growth

Future land use demand has been projected based on the following:

Population and Household Growth

- Growth in population and households drives local demand for goods and services based on increased household expenditures;
- Future retail land use development prospects in the City will hinge upon the successful capture of the growing local and regional household expenditures.

Employment Growth and Economic Base Transformation

- Projected growth in industrial, research and development, and professional and technical employment will drive industrial and office/business park land use demand;
- Demand by different land use types (industrial/business park, retail/commercial and office-related land uses) will depend on the evolving structure of the economy and the diversification of the industrial base.

5.2 Population, Households and Employment Growth Projections

- Future land use development scenarios are based on population, households, and employment growth projections for the City of Hesperia over the next 25 years – 2005 to 2030.
- As shown in Appendix Tables B1 and B2, projections provided by the Southern California Association of Governments' (SCAG) Regional Transportation Plan (RTP) 2004 suggest that the City of Hesperia will experience a relatively higher rate of growth in population, households and employment over the period 2000-2030 in comparison to the ESA and the County.
- The projections from SCAG RTP 2004 are currently being updated for release in 2007. Since, the SCAG projections are in five year increments from 2000 to 2030, population, households and employment numbers for 2005 will need to be benchmarked to reflect historic 2005 numbers as estimated by the California Department of Finance (DOF).
- As shown in Appendix Table B-3, population and household forecasts for the year 2005 in SCAG RTP 2004 differ from the actual historic estimates by cities provided by DOF for the year 2005.
- The benchmarked SCAG RTP 2004 projections are shown in Appendix Table B-4. Further, these projections are summarized in Table 5-1, and discussed in the following section.

Table 5-1
City of Hesperia General Plan Update
SCAG RTP 2004 Benchmarked Projections
Population, Households and Employment: 2000 to 2030

	2000	2005	2010	2020	2030	Percent Change 2000-2030	AAGR 2000-2030
City of Hesperia							
Population	62,582	76,298	93,604	136,853	177,187	183.1%	3.53%
Households	19,966	22,971	28,513	41,976	55,451	177.7%	3.46%
Employment	14,998	17,150	20,109	44,088	68,765	358.5%	5.21%
Persons per Household	3.13	3.32	3.28	3.26	3.20		
Jobs per Household	0.75	0.75	0.71	1.05	1.24		
High Desert ESA w/o Barstow							
Population	264,966	321,319	361,156	461,505	555,228	109.5%	2.50%
Households	87,142	99,407	113,426	150,578	188,068	115.8%	2.60%
Employment	68,550	81,105	98,373	152,405	207,847	203.2%	3.77%
Persons per Household	3.04	3.23	3.18	3.06	2.95		
Jobs per Household	0.79	0.82	0.87	1.01	1.11		
High Desert ESA							
Population	286,085	344,923	386,259	493,422	593,501	107.5%	2.46%
Households	94,789	107,505	122,350	162,220	202,447	113.6%	2.56%
Employment	81,500	96,289	116,629	176,938	238,812	193.0%	3.65%
Persons per Household	3.02	3.21	3.16	3.04	2.93		
Jobs per Household	0.86	0.90	0.95	1.09	1.18		
County of San Bernardino							
Population	1,709,434	1,950,806	2,091,011	2,429,300	2,744,740	60.6%	1.59%
Households	528,594	569,043	620,653	758,511	899,610	70.2%	1.79%
Employment	594,923	669,028	770,877	972,243	1,178,890	98.2%	2.31%
Persons per Household	3.23	3.43	3.37	3.20	3.05		
Jobs per Household	1.13	1.18	1.24	1.28	1.31		

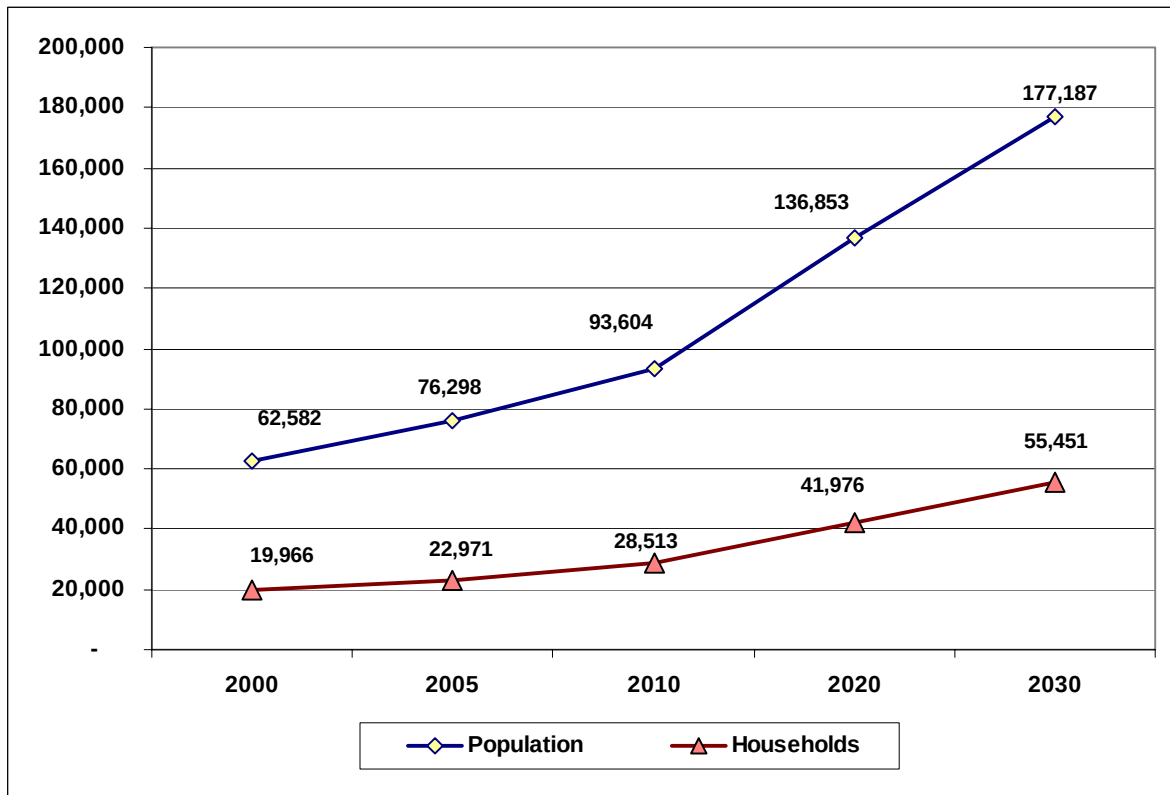
Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments (SCAG), RTP 2004.

Population and Households

City of Hesperia

- Based on the benchmarked SCAG 2004 RTP forecasts, as shown in Table 5-1 and Figure 5-1, population is projected to reach about 177,187 in 2030, representing an annual average annual growth rate of about 3.5 percent over the 2000 to 2030 period.
- In comparison, population is expected to grow at slower rates in the High Desert ESA and the County of San Bernardino, at 2.5 percent and 1.6 percent, respectively.
- Households are projected to grow in the City at rate slightly lower than 3.5 percent over the 2000 to 2030 period

Figure 5-1
City of Hesperia General Plan Update
City of Hesperia
Projected Population and Households Growth: 1990-2030

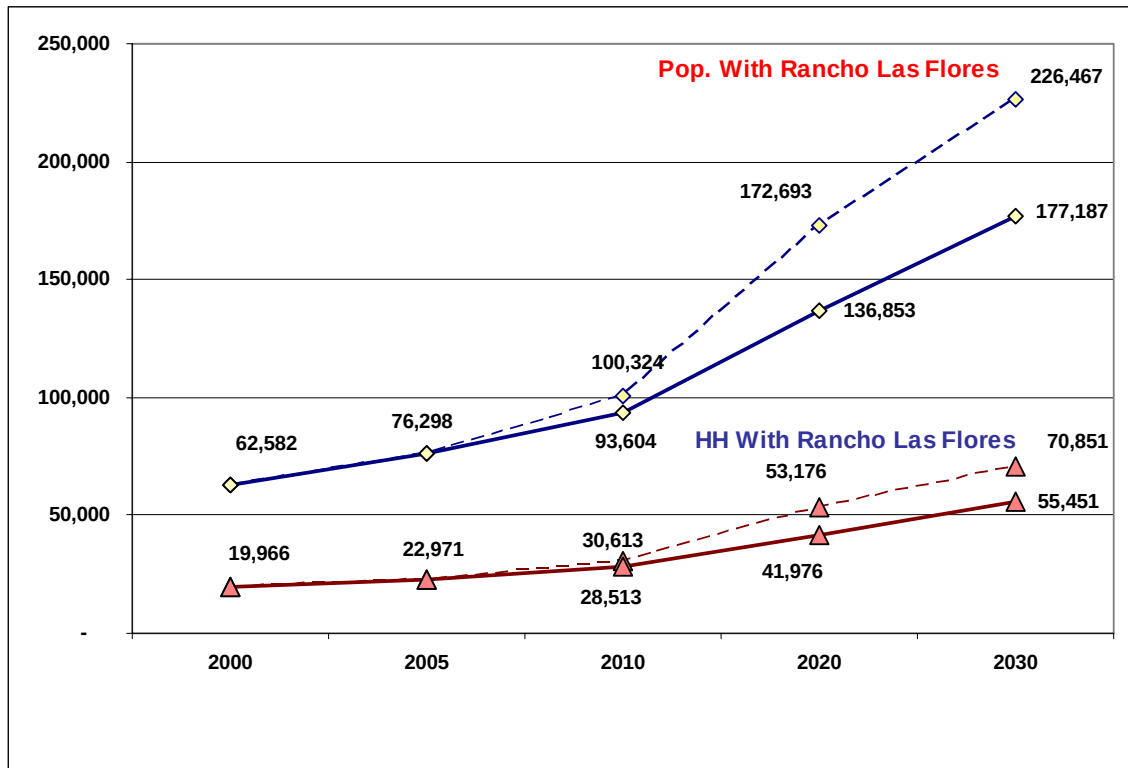


Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments (SCAG), RTP 2004.

City of Hesperia with the Proposed Rancho Las Flores Development

- Since the SCAG 2004 RTP forecast does not account for Rancho Las Flores, an alternative projection scenario, as shown in Figure 5-2, has been prepared to show the potential population and households at buildout in Hesperia when this planned residential development occurs.
- Rancho Los Flores is estimated to add an additional 49,280 residents to the City of Hesperia by 2030, taking the SCAG benchmarked population for Hesperia to 226,467.
- Consequently, an additional 15,400 households are projected for the City of Hesperia, with the benchmarked SCAG projections reaching 70,851 by 2030.

Figure 5-2
City of Hesperia General Plan Update
City of Hesperia with Rancho Las Flores
Projected Population and Household Growth: 2000 to 2030



Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments.

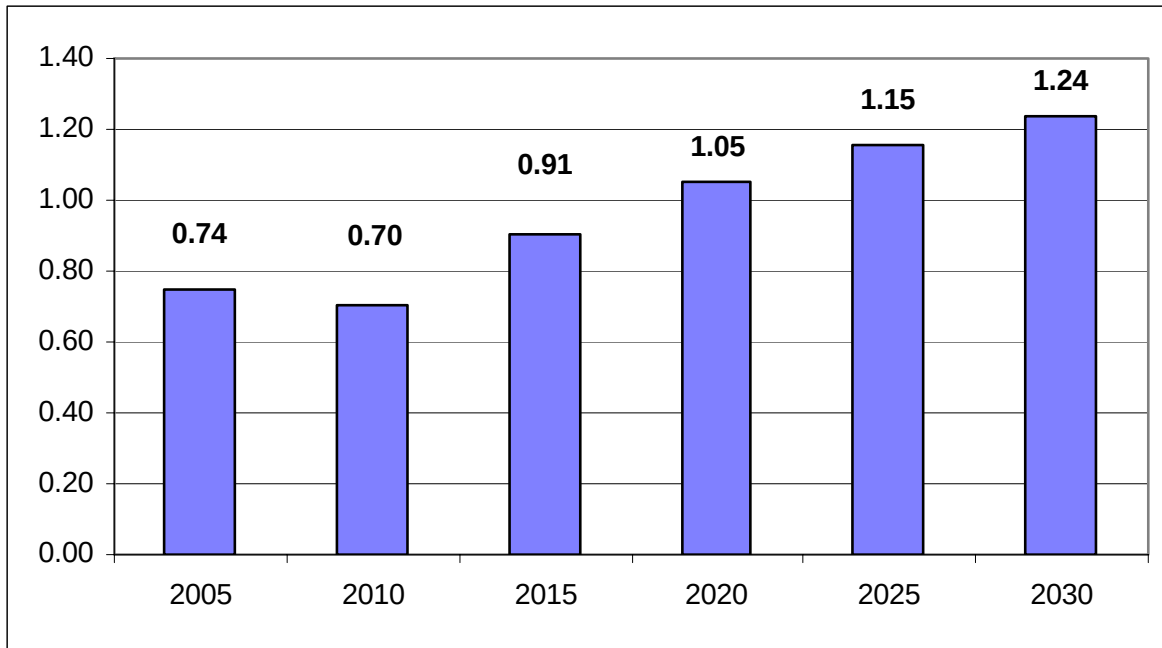
Employment

- Employment in Hesperia, according to SCAG, is projected to grow at an average annual rate of about 5.20 percent from 14,941 in 2000 to 68,447 in 2030, as shown in Table 5-1.
- Employment in the High Desert ESA and the County is projected to grow at a relatively slower annual average rate of 3.65 percent and 2.31 percent, respectively.

Jobs per Household

- As shown in Figure 5-3, according to SCAG projections, the faster growth of employment in the City relative to the growth in households between 2000 and 2030 results in an increase in the jobs per household ratio from 0.74 in 2005 to 1.24 in 2030.
- Jobs per household ratios are similarly projected to increase in the ESA and the County, reaching 1.18 and 1.31, respectively, by 2030.

Figure 5-3
City of Hesperia General Plan Update
Jobs per Household: 2000-2030



Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments.

5.3 Land Use Demand based on Growth in Household Expenditures

Land use demand has been projected based on growth in households and household retail expenditures. Household retail expenditures have been modeled on two factors—household income and household size. As shown in Table 5-2, while household income in constant 2005 dollars is projected to increase by 0.5 percent per year over the 2005 to 2030 period, this is partially offset by a decrease in household size from 3.41 in 2005 to 3.23 in 2030 (based on SCAG forecasts). The net result is that average household retail expenditures increase by about 3 percent from \$25,886 to \$26,732 over the 25 year forecast period.

As shown in Table 5-2, based on growth in households from 22,917 in 2005 to 55,451 in 2030, the total household retail expenditures are projected to increase from around \$595 million in 2005 to about \$1.5 billion in 2030, in constant 2005 dollars

Land use demand has been projected for two scenarios—Scenario A and Scenario B. Scenario A assumes a 65 percent capture rate of the household retail expenditures from the benchmarked SCAG-2030 household growth projections for the City. Scenario B takes into account, in addition to the benchmarked SCAG projections for the City, retail expenditures of households from the Rancho Las Flores development planned over the 2005 to 2030 time period.

Scenario A: 65 percent Capture Rate

- Using a capture rate of household expenditures at 65 percent between 2005 and 2030, the City is projected to have potential for about 5.50 million retail square feet of retail space by 2030.
- The above calculated retail space can then be used to project retail commercial employment for the City. Using a factor of 500 square feet per employee, retail employment is about 11,010 by 2030.

Table 5-2
City of Hesperia General Plan Update
City of Hesperia: Household Retail Expenditure at 65 percent Capture
(Constant 2005 Dollars)

	2005	2010	2020	2030
Household Income	\$58,893	\$60,380	\$63,468	\$66,713
Persons per Household	3.41	3.35	3.31	3.23
Retail Expenditures per Household	\$25,886	\$25,956	\$26,394	\$26,732
Households	22,971	28,513	41,976	55,451
Total Household Retail Expenditures	\$594,621,267	\$740,086,828	\$1,107,921,344	\$1,482,323,889
Retail Sales per Sq. Ft.	\$175	\$175	\$175	\$175
Projected Retail Sq. Ft.	3,397,836	4,229,068	6,330,979	8,470,422
Capture Rate	65.0%	65.0%	65.0%	65.0%
Projected Retail Sq. Ft./Hesperia	2,208,593	2,748,894	4,115,136	5,505,774
Square Feet per Employee	500	500	500	500
Projected Employment	4,417	5,498	8,230	11,010

Source: Stanley R.Hoffman Associates, Inc.

Scenario B: City of Hesperia including Rancho Las Flores

- Scenario B takes into account retail expenditures of households from the Rancho Las Flores development, planned over the 2005 to 2030 time period, in addition to the household retail expenditures discussed in Scenario A.
- As shown in Table 5-3, again, using a capture rate of 65 percent of household expenditures, the City is projected to have potential for about 7.0 million square feet of retail space by 2030.
- Retail commercial employment under this scenario is projected at about 14,070 by 2030.

Table 5-3
City of Hesperia General Plan Update
City of Hesperia: Household Retail Expenditure at 80 percent Capture
(Constant 2005 Dollars)

	2005	2010	2020	2030
Household Income	\$58,893	\$60,380	\$63,468	\$66,713
Persons per Household	3.41	3.35	3.31	3.23
Retail Expenditures per Household	\$25,886	\$25,956	\$26,394	\$26,732
Households	23,020	30,641	53,181	70,836
Total Expenditures	\$595,889,668	\$795,321,450	\$1,403,667,930	\$1,893,597,861
Retail Sales per Sq. Ft.	\$175	\$175	\$175	\$175
Projected Retail Sq. Ft.	3,405,084	4,544,694	8,020,960	10,820,559
Capture Rate	65.0%	65.0%	65.0%	65.0%
Projected Retail Sq. Ft./Hesperia	2,213,304	2,954,051	5,213,624	7,033,363
Square Feet per Employee	500	500	500	500
Projected Employment	4,427	5,908	10,427	14,070

Source: Stanley R.Hoffman Associates, Inc.

5.4 Land Use Demand based on Non – Retail Employment Growth

Methodology for Projections

- In order to project employment by different growth sectors, Standard Industrial Classification (SIC) employment categories were combined to appropriate land use groupings as show in Table 5-4.
- Employment growth for the City of Hesperia over the period 2005 to 2030 was projected under two scenarios: Scenario A and Scenario B.
- Scenario A represents a stronger industrial growth focus and assumes a growth rate for retail employment that is about mid-point between the historic County and City growth rates.
- Scenario B takes into account retail and non-retail job growth attributable to additional households from the Rancho Las Flores development.
- The two scenarios differ in the composition of the employment structure by 2030 due to differential sectoral growth rates based on a combination of the historic City, High Desert ESA and County growth rates, as shown in Table 5-5.

Table 5-4
City of Hesperia General Plan Update
SIC Employment Categories to Land Use Groupings Cross-Walk

SIC	INDUSTRY	LAND USE CATEGORY
1-14	AGRICULTURE & MINING	Other
15-17	CONSTRUCTION	Other
20-39	MANUFACTURING	Industrial/Business Park
41- 49	TRANSPORTATION & PUBLIC UTILITIES	Industrial/Business Park
50-51	WHOLESALE TRADE	Industrial/Business Park
52-59	RETAIL TRADE	Retail
60-67	FINANCE, INSURANCE & REAL ESTATE	Office/Services
70-89	SERVICES	Office/Services
90-97	PUBLIC ADMINISTRATION	Other

Source: Stanley R.Hoffman Associates, Inc.

Table 5-5
City of Hesperia General Plan Update
Historic Employment Growth Rates: 1992 to 2002

LANDUSE EMPLOYMENT CATEGORY	City of Hesperia	High Desert ESA	San Bernardino County	City/County Ratio
Industrial/Business Park	3.4%	3.5%	4.9%	0.70
Retail	5.7%	2.9%	2.3%	2.52
Office/Services	3.6%	5.6%	4.0%	0.90
Other	<u>2.5%</u>	<u>2.8%</u>	<u>3.3%</u>	<u>0.75</u>
TOTAL	3.9%	4.0%	3.7%	1.04

Source: Stanley R.Hoffman Associates, Inc.
California Employment Development Department.

Scenario A

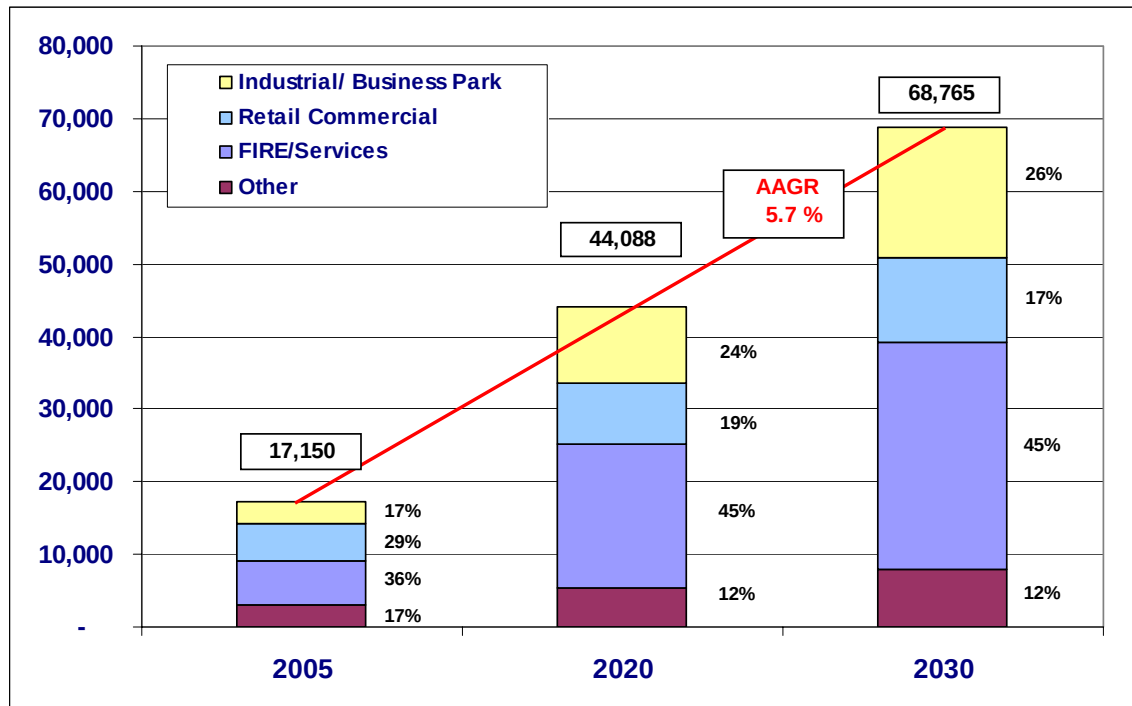
- Retail employment under Scenario A was projected at an annual average growth rate of 3.5 percent between 2005 and 2030 based on a combination of historic County and City retail growth rates (2.3 percent and 5.7 percent, respectively), and an estimated 65 percent capture of retail expenditures made by households in the City, as shown earlier in Table 5-2.
- All other employment categories in the City have been projected forward at the historic County growth rates and then controlled to the SCAG RTP 2004 totals for the City in 2020 and 2030.
- As shown in Table 5-6 and Figure 5-4, under this scenario Industrial and Business Park, and Office Commercial and Service employment are projected to constitute 71 percent of the total employment in the City by 2030.
- Retail employment constitutes about 17 percent of the total employment by 2030 under Scenario A, as shown in Table 5-6.

Table 5-6
City of Hesperia General Plan Update
Employment Projections: Scenario A

	2005	2020	2030	2030 Employment Distribution	Annual Average Growth Rate 2005-2030
Industrial/Business Park	3,026	10,588	17,913	26%	7.4%
Retail	4,948	8,290	11,693	17%	3.5%
Office/Services	6,245	19,798	31,217	45%	6.6%
Other	<u>2,931</u>	<u>5,412</u>	<u>7,942</u>	<u>12%</u>	<u>4.1%</u>
Total	17,150	44,088	68,765	100%	5.7%

Source: Stanley R.Hoffman Associates, Inc.

Figure 5-4
City of Hesperia General Plan Update
Employment Projections: Scenario A



Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments.

Scenario B

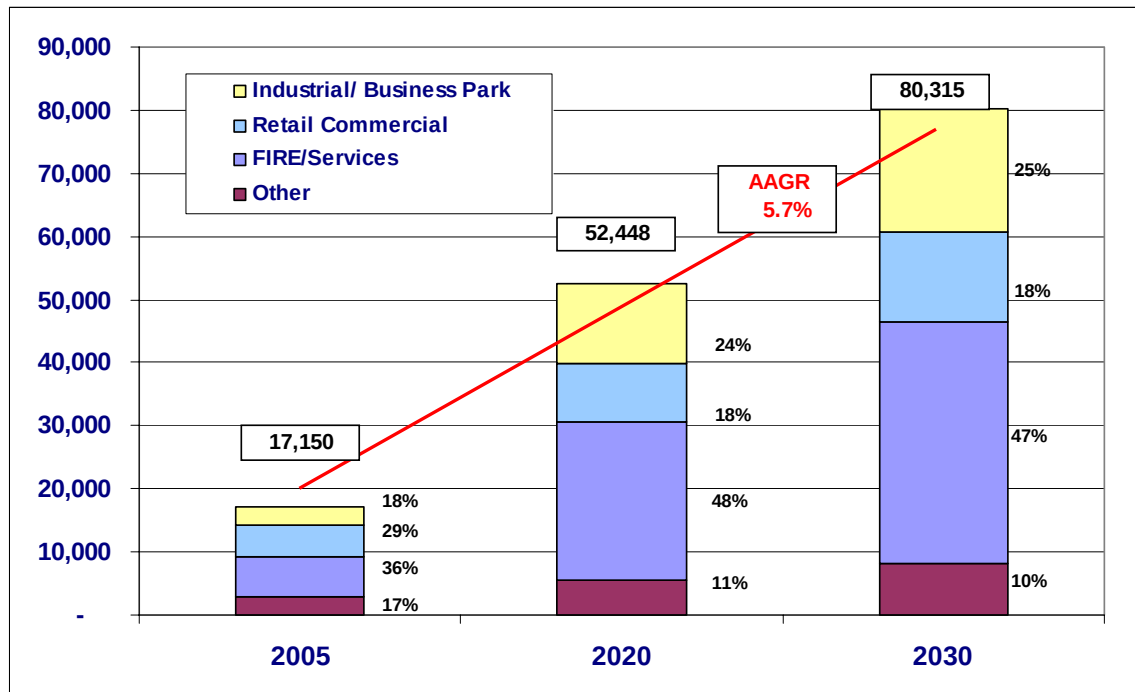
- Scenario B, as shown in Table 5-7 and Figure 5-5, takes into account growth in new jobs resulting from additional households in Rancho Las Flores in addition to the jobs projected under Scenario A,
- Applying Hesperia's 2005 benchmarked SCAG ratio of 0.75 jobs per household, additional households in Rancho Las Flores are estimated to increase the total employment in the City to 80,315 by 2030.
- Retail employment was adjusted to grow at a more aggressive 4.3 percent annual average rate compared to Scenario A, at a midpoint between the historic City and High Desert ESA growth rates (5.1 percent and 2.9 percent, respectively).
- As before, the remaining employment sectors have been projected forward at their respective historic County growth rates and then controlled to the adjusted projection totals in 2020 and 2030 for the City, including employment from Rancho Las Flores.
- Retail employment is projected to constitute about 18 percent of the total employment by 2030, as shown in Table 5-7. These are consistent with the projected retail employment in Scenario B of the household retail expenditure.

Table 5-7
City of Hesperia General Plan Update
Employment Projections: Scenario B

	2005	2020	2030	2030 Employment Distribution	Annual Average Growth Rate 2005-2030
Industrial/Business Park	3,026	12,550	19,693	25%	7.8%
Retail	4,948	9,353	14,300	18%	4.3%
Office/Services	6,245	24,972	38,127	47%	7.5%
Other	<u>2,931</u>	<u>5,613</u>	<u>8,195</u>	<u>10%</u>	<u>4.2%</u>
Total	17,150	52,488	80,315	100%	6.4%

Source: Stanley R.Hoffman Associates, Inc.

Figure 5-5
City of Hesperia General Plan Update
Employment Projection: Scenario B



Source: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments.

5.5 Land Use Development Scenarios

Assumptions

- The two employment growth scenarios (A and B) for the City of Hesperia, presented in the previous section, result in two alternative land use development scenarios.
- The land use demand analysis projects potential increment in building square feet and land use acres from 2005 to 2030 for the City of Hesperia based on land use development factors, as shown in Table 5-8.
- The base year 2005 square footages for retail, industrial and office uses in the City of Hesperia were estimated based on current data from the Bradco Company.

Table 5-8
City of Hesperia General Plan Update
Land Use Development Factors

SIC	DESCRIPTION	Sq. Ft. / Employee	Floor Area Ratio
20-39	MANUFACTURING	1,000	0.40
41- 49	TRANSPORTATION & PUBLIC UTILITIES	1,500	0.45
50-51	WHOLESALE TRADE	2,200	0.45
52-59	RETAIL TRADE	500	0.23
60-67	FINANCE, INSURANCE & REAL ESTATE	250	0.30
70-89	SERVICES		
	Business and Professional Services	250	0.30
	Personal Services	500	0.23

Source: Stanley R.Hoffman Associates, Inc.

Scenario A

- As show in Table 5-9, based on employment Scenario A, the City of Hesperia is projected to add a total of 17.46 million sq.ft of Industrial/Business Park, 3.37 million sq.ft of Retail and 2.79 million sq.ft of Office space.
- Of this, the proposed I-15/ Main Street Corridor Specific Plan area is expected to gain 75 percent of the total development, resulting in 13.02 million sq.ft of Industrial/ Business Park, 2.53 million sq.ft of Retail, and 2.08 million sq.ft of Office space.
- Based on factors shown in Table 5-8, the total projected development for the City results in 337 acres of Retail, 933 acres of Industrial/Business Park and 379 acres of Office/Services under Scenario A for a total of 1,649 acres for the City's General Plan area.

Scenario B

- As show in Table 5-9, based on employment Scenario B, the City of Hesperia is projected to add 16.21 million sq.ft of Industrial/Business Park, 4.7 million sq.ft of Retail and 3.43 million sq.ft of Office space.
- Of the projected development for the City, the proposed I-15/ Main Street Corridor Specific Plan area is expected to gain 9.20 million sq.ft of Industrial/ Business Park, 3.51 million sq.ft of Retail, and 1.98 million sq.ft of Office space.
- Based on factors shown in Table 5-8, the total projected development for the City results in 467 acres of Retail, 1,042 acres of Industrial/Business Park and 473 acres of Office/Services under Scenario B for a total of 1,981 acres for the City's General Plan area

Table 5-9
City of Hesperia General Plan Update
City of Hesperia Projected Land Use Development Scenarios

	2005	2030	City of Hesperia Growth Increment 2005-2030	Specific Plan Growth Increment	Specific Plan Percent Capture
SCENARIO A					
<u>Building Square Feet</u>					
Industrial/Business Park	3,641,400	21,098,244	17,456,844	13,019,496	75%
Retail	2,474,000	5,846,500	3,372,500	2,529,501	75%
Office	513,828	3,306,027	2,792,199	2,082,796	75%
<u>Acres</u>					
Industrial/Business Park	198	1,131	933	696	75%
Retail	247	584	337	252	75%
Office/ Services	<u>79</u>	<u>457</u>	<u>379</u>	<u>283</u>	<u>75%</u>
Total Acres	523	2,172	1,649	1,231	75%
SCENARIO B					
<u>Building Square Feet</u>					
Industrial/ Business Park	3,641,400	19,847,579	16,206,179	9,196,033	57%
Retail	2,474,000	7,150,000	4,676,000	3,507,000	75%
Office	513,828	3,942,246	3,428,418	1,983,075	58%
<u>Acres</u>					
Industrial/ Business Park	198	1,240	1,042	596	57%
Retail	247	714	467	350	75%
Office/ Services	<u>79</u>	<u>551</u>	<u>473</u>	<u>272</u>	<u>58%</u>
Total Acres	523	2,505	1,981	1,219	62%

Source: Stanley R.Hoffman Associates, Inc.

Appendix A: Employment Data

Appendix Table A-1
City of Hesperia General Plan Update
High Desert ESA ZIP Codes for Employment Data

Geography	ZIP Code
City of Hesperia	92345
Remainder of Economic Subarea	92301
	92307
	92308
	92342
	92356
	92368
	92371
	92372
	92392
	92394
	92397
	92311
	92327
	92347
	92398
Source: Stanley R.Hoffman Associates, Inc.	

Appendix Table A-2
City of Hesperia General Plan Update
Detailed Employment Breakdown: 2001 and 2005

INDUSTRY	CITY OF HESPERIA ¹			HIGH DESERT ESA			SAN BERNARDINO COUNTY			SOUTHERN CALIFORNIA		
	2001	2005	AAGR ²	2001	2005	AAGR ²	2001	2005	AAGR ²	2001	2005	AAGR ²
ACCOMMODATION & FOOD SERVICES	1,185	1,571	7.3%	6,263	8,111	6.7%	41,386	48,719	4.2%	514,168	571,984	2.7%
ADMIN & SUPPORT & WASTE MGMT & REMED	329	365	2.6%	1,789	2,226	5.6%	37,915	50,817	7.6%	466,942	492,576	1.3%
CONSTRUCTION	1,426	1,961	8.3%	3,921	4,897	5.7%	34,663	44,715	6.6%	320,663	391,520	5.1%
EDUCATIONAL SERVICES	13	243	107.9%	499	626	5.8%	6,207	6,825	2.4%	106,325	120,273	3.1%
FEDERAL GOVT	40	76	17.4%	119	442	38.8%	10,574	12,382	4.0%	91,126	91,569	0.1%
FINANCE & INSURANCE	280	256	-2.2%	1,211	1,473	5.0%	12,600	17,387	8.4%	268,215	317,434	4.3%
HEALTH CARE & SOCIAL ASSISTANCE	545	430	-5.8%	6,147	7,204	4.0%	51,919	58,390	3.0%	556,384	613,266	2.5%
LOCAL GOVT	1,903	2,099	2.5%	10,244	10,984	1.8%	80,515	85,890	1.6%	766,275	773,380	0.2%
MANUFACTURING	1,069	1,397	6.9%	4,220	5,368	6.2%	66,883	65,241	-0.6%	946,656	807,549	-3.9%
OTHER SERVICES	371	459	5.5%	1,895	1,842	-0.7%	20,398	26,900	7.2%	282,497	341,327	4.8%
PROFESSIONAL, SCIENTIFIC, & TECH SKILLS	157	316	19.1%	961	1,596	13.5%	13,023	18,064	8.5%	396,527	407,469	0.7%
REAL ESTATE & RENTAL & LEASING	265	128	-16.6%	863	1,125	6.9%	7,671	9,591	5.7%	125,913	140,000	2.7%
RETAIL TRADE	1,032	1,580	11.2%	9,363	12,446	7.4%	69,707	83,244	4.5%	712,625	775,311	2.1%
TRANSPORTATION & WAREHOUSING	143	374	27.2%	2,727	2,383	-3.3%	27,555	38,089	8.4%	226,288	223,539	-0.3%
WHOLESALE TRADE	209	298	9.3%	1,019	1,291	6.1%	24,763	30,858	5.7%	353,973	364,106	0.7%
OTHER ³	150	91	-11.7%	3,973	2,837	-8.1%	39,741	37,566	-1.4%	712,144	699,487	-0.4%
TOTAL	9,117	11,644	6.3%	55,214	64,851	4.1%	545,520	634,678	3.9%	6,846,721	7,130,789	1.0%
OTHER												
AGRICULTURE, FORESTRY, FISHING & HUNTING	***	21	n/a	n/a	298	n/a	4,299	3,419	-5.6%	50,911	53,224	1.1%
ARTS, ENTERTAINMENT, & RECREATION	54	24	-18.4%	1,101	n/a	n/a	5,731	5,766	0.2%	115,041	122,536	1.6%
INFORMATION	61	17	-27.3%	n/a	1,045	n/a	8,159	7,041	-3.6%	260,499	259,828	-0.1%
MANAGEMENT OF COMPANIES AND ENTERPRISE	n/a	n/a	n/a	n/a	n/a	n/a	6,927	6,707	-0.8%	138,462	117,387	-4.0%
MINING	n/a	n/a	n/a	n/a	n/a	n/a	666	735	2.5%	12,672	6,432	-15.6%
NON-CLASSIFIED	***	***	n/a	n/a	n/a	n/a	***	86	n/a	n/a	n/a	n/a
STATE GOVT	n/a	n/a	n/a	n/a	n/a	n/a	***	10,147	n/a	102,162	104,359	0.5%
UTILITIES	***	***	n/a	n/a	n/a	n/a	10,403	3,667	-22.9%	27,911	30,941	2.6%
Other Sub-total	150	91	-11.7%	3,973	2,837	-8.1%	39,741	37,566	-1.4%	712,144	699,487	-0.4%

1. The City of Hesperia is defined as ZIP Code 92345 for the EDD data analysis.

2. Annual average growth rate from 2001 to 2005.

3. Includes Arts and Entertainment, Management, Mining, State Government, and Non-Classified.

4. Suppressed information is denoted by the notation "****"

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD).

Appendix B: SCAG Population, Households and Employment Growth

Table B-1
Hesperia General Plan Update
SCAG RTP 2004 Projections: 2000-2030

1. Population

	2000	2005	2010	2015	2020	2025	2030	2005-2030 Increment	2005-2030 Annual Average Growth Rate
Hesperia	62,835	78,494	95,800	117,568	139,049	159,638	179,383	100,889	3.36%
Other High Desert Cities									
Adelanto	18,167	21,888	25,939	30,675	35,351	39,832	44,129	22,241	2.84%
Apple Valley	54,585	63,453	70,873	77,333	83,707	89,815	95,675	32,222	1.66%
Barstow	21,133	23,902	25,401	28,831	32,215	35,460	38,571	14,669	1.93%
Victorville	<u>64,871</u>	<u>75,952</u>	<u>81,592</u>	<u>92,548</u>	<u>103,353</u>	<u>113,711</u>	<u>123,641</u>	<u>47,689</u>	<u>1.97%</u>
High Desert Cities Total	221,591	263,689	299,605	346,955	393,675	438,456	481,399	217,710	2.44%
Unincorporated High Desert	65,986	70,900	76,320	82,905	89,413	95,720	101,768	30,868	1.46%
Total High Desert Region	287,577	334,589	375,925	429,860	483,088	534,176	583,167	248,578	2.25%
County of San Bernardino	1,718,311	1,919,215	2,059,420	2,229,700	2,397,709	2,558,729	2,713,149	793,934	1.39%

2. Households

Hesperia	20,014	23,033	28,575	35,239	42,038	48,775	55,513	32,480	3.58%
Other High Desert Cities									
Adelanto	4,713	5,383	6,545	8,109	9,702	11,280	12,858	7,475	3.54%
Apple Valley	18,636	20,726	24,022	27,199	30,457	33,697	36,958	16,232	2.34%
Barstow	7,645	8,246	9,072	10,414	11,790	13,155	14,527	6,281	2.29%
Victorville	<u>20,978</u>	<u>22,986</u>	<u>24,762</u>	<u>28,621</u>	<u>32,567</u>	<u>36,490</u>	<u>40,427</u>	<u>17,441</u>	<u>2.28%</u>
High Desert Cities Total	71,986	80,374	92,976	109,582	126,554	143,397	160,283	79,909	2.80%
Unincorporated High Desert	23,012	24,015	26,258	29,354	32,550	35,779	39,048	15,033	1.96%
Total High Desert Region	94,998	104,389	119,234	138,936	159,104	179,176	199,331	94,942	2.62%
County of San Bernardino	530,498	567,172	618,782	686,584	756,640	826,669	897,739	330,567	1.85%

3. Persons per Household

Hesperia	3.14	3.41	3.35	3.34	3.31	3.27	3.23
Other High Desert Cities							
Adelanto	3.85	4.07	3.96	3.78	3.64	3.53	3.43
Apple Valley	2.93	3.06	2.95	2.84	2.75	2.67	2.59
Barstow	2.76	2.90	2.80	2.77	2.73	2.70	2.66
Victorville	3.09	3.30	3.30	3.23	3.17	3.12	3.06
High Desert Cities Total	3.08	3.28	3.22	3.17	3.11	3.06	3.00
Unincorporated High Desert	2.87	2.95	2.91	2.82	2.75	2.68	2.61
Total High Desert Region	3.03	3.21	3.15	3.09	3.04	2.98	2.93
County of San Bernardino	3.24	3.38	3.33	3.25	3.17	3.10	3.02

Source: Stanley R. Hoffman Associates, Inc.
SCAG RTP 2004

Table B-2
Hesperia General Plan Update
SCAG RTP 2004 Projections: 2000-2030

1. Households

	2000	2005	2010	2015	2020	2025	2030	2005-2030 Increment	2005-2030 Annual Average Growth Rate
Hesperia	20,014	23,033	28,575	35,239	42,038	48,775	55,513	32,480	3.58%
Other High Desert Cities									
Adelanto	4,713	5,383	6,545	8,109	9,702	11,280	12,858	7,475	3.54%
Apple Valley	18,636	20,726	24,022	27,199	30,457	33,697	36,958	16,232	2.34%
Barstow	7,645	8,246	9,072	10,414	11,790	13,155	14,527	6,281	2.29%
Victorville	<u>20,978</u>	<u>22,986</u>	<u>24,762</u>	<u>28,621</u>	<u>32,567</u>	<u>36,490</u>	<u>40,427</u>	<u>17,441</u>	<u>2.28%</u>
High Desert Cities Total	71,986	80,374	92,976	109,582	126,554	143,397	160,283	79,909	2.80%
Unincorporated High Desert	<u>23,012</u>	<u>24,015</u>	<u>26,258</u>	<u>29,354</u>	<u>32,550</u>	<u>35,779</u>	<u>39,048</u>	<u>15,033</u>	<u>1.96%</u>
Total High Desert Region	94,998	104,389	119,234	138,936	159,104	179,176	199,331	94,942	2.62%
County of San Bernardino	530,498	567,172	618,782	686,584	756,640	826,669	897,739	330,567	1.85%

2. Employment

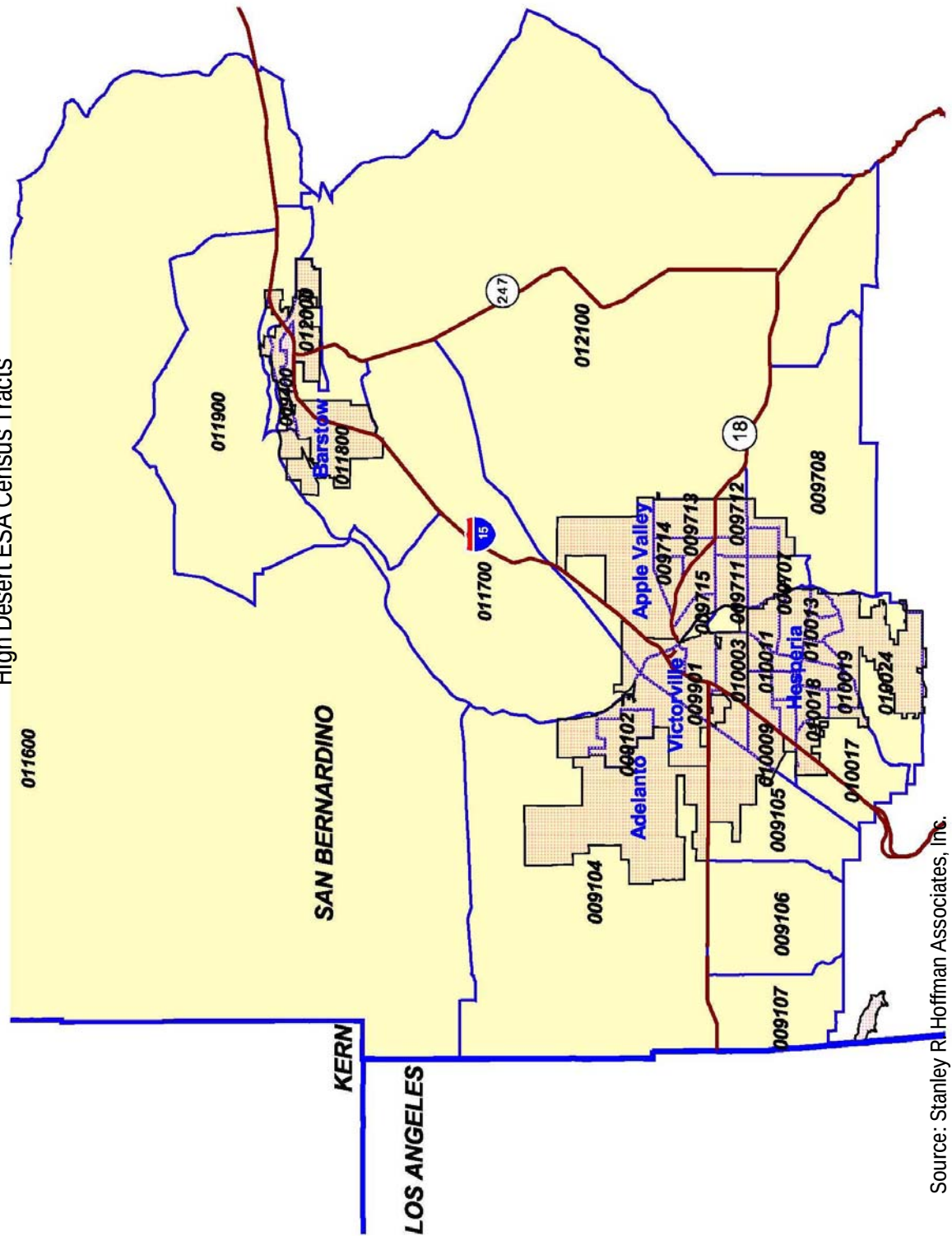
Hesperia	14,998	17,150	20,109	31,957	44,088	56,332	68,765	51,615	5.71%
Other High Desert Cities									
Adelanto	2,500	3,136	4,010	5,321	6,665	8,020	9,394	6,258	4.49%
Apple Valley	13,795	16,130	19,338	21,867	24,443	27,043	29,670	13,540	2.47%
Barstow	12,950	15,184	18,256	21,363	24,533	27,728	30,965	15,781	2.89%
Victorville	<u>31,377</u>	<u>38,108</u>	<u>47,362</u>	<u>57,873</u>	<u>68,611</u>	<u>79,439</u>	<u>90,415</u>	<u>52,307</u>	<u>3.52%</u>
High Desert Cities Total	75,620	89,708	109,075	138,381	168,340	198,562	229,209	139,501	3.82%
Unincorporated High Desert	<u>5,880</u>	<u>6,581</u>	<u>7,554</u>	<u>8,035</u>	<u>8,598</u>	<u>9,025</u>	<u>9,603</u>	<u>3,022</u>	<u>1.52%</u>
Total High Desert Region	81,500	96,289	116,629	146,416	176,938	207,587	238,812	142,523	3.70%
County of San Bernardino	594,923	669,028	770,877	870,491	972,243	1,074,861	1,178,890	509,862	2.29%

3. Jobs per Household

Hesperia	0.75	0.74	0.70	0.91	1.05	1.15	1.24
Other High Desert Cities							
Adelanto	0.53	0.58	0.61	0.66	0.69	0.71	0.73
Apple Valley	0.74	0.78	0.81	0.80	0.80	0.80	0.80
Barstow	1.69	1.84	2.01	2.05	2.08	2.11	2.13
Victorville	1.50	1.66	1.91	2.02	2.11	2.18	2.24
High Desert Cities Total	1.05	1.12	1.17	1.26	1.33	1.38	1.43
Unincorporated High Desert	0.26	0.27	0.29	0.27	0.26	0.25	0.25
Total High Desert Region	0.86	0.92	0.98	1.05	1.11	1.16	1.20
County of San Bernardino	1.12	1.18	1.25	1.27	1.28	1.30	1.31

Source: Stanley R. Hoffman Associates, Inc.
SCAG RTP 2004

Appendix Figure B-1
Hesperia General Plan Update
High Desert ESA Census Tracts



Source: Stanley R. Hoffman Associates, Inc.

Appendix Table B-3
City of Hesperia General Plan Update
Difference between SCAG and DOF 2005

	SCAG 2005	DOF 2005	SCAG-DOF Difference	Difference as % of SCAG
<u>Population</u>				
Hesperia	78,494	76,298	2,196	2.80%
Adelanto	21,888	23,432	(1,544)	-7.05%
Victorville	75,952	86,680	(10,728)	-14.12%
Barstow	23,902	23,604	298	1.25%
Town of Apple Valley	63,453	64,009	(556)	-0.88%
San Bernardino County	1,919,215	1,950,806	(31,591)	-1.65%
<u>Households ¹</u>				
Hesperia	23,033	22,971	62	0.27%
Adelanto	5,383	5,836	(453)	-8.42%
Victorville	22,986	25,920	(2,934)	-12.76%
Barstow	8,246	8,098	148	1.79%
Town of Apple Valley	20,726	20,665	61	0.29%
San Bernardino County	567,172	569,043	(1,871)	-0.33%

1. Occupied Housing Units in DOF 2005 approximate Households in SCAG.

Sources: Stanley R. Hoffman Associates, Inc.
Southern California Association of Governments RTP 2004
California Department of Finance

Table B-4
Hesperia General Plan Update
SCAG RTP Projections with DOF 2005 Benchmark

1. Population

	2000	2005	2010	2020	2030	2005-2030 Increment	2005-2030 Annual Average Growth Rate
Hesperia	62,582	76,298	93,604	136,853	177,187	100,889	3.43%
Other High Desert Cities							
Adalanto	18,130	23,432	27,483	36,895	45,673	22,241	2.71%
Apple Valley	54,239	64,009	71,429	84,263	96,231	32,222	1.64%
Barstow	21,119	23,604	25,103	31,917	38,273	14,669	1.95%
Victorville	<u>64,029</u>	<u>86,680</u>	<u>92,320</u>	<u>114,081</u>	<u>134,369</u>	<u>47,689</u>	<u>1.77%</u>
High Desert Cities Total	220,099	274,023	309,939	404,009	491,733	217,710	2.37%
Unincorporated High Desert	<u>65,986</u>	<u>70,900</u>	<u>76,320</u>	<u>89,413</u>	<u>101,768</u>	<u>30,868</u>	1.46%
Total High Desert Region	286,085	344,923	386,259	493,422	593,501	248,578	2.19%
County of San Bernardino	1,709,434	1,950,806	2,091,011	2,429,300	2,744,740	793,934	1.38%

2. Households

Hesperia	19,966	22,971	28,513	41,976	55,451	32,480	3.59%
Other High Desert Cities							
Adalanto	4,714	5,836	6,998	10,155	13,311	7,475	3.35%
Apple Valley	18,557	20,665	23,961	30,396	36,897	16,232	2.35%
Barstow	7,647	8,098	8,924	11,642	14,379	6,281	2.32%
Victorville	<u>20,893</u>	<u>25,920</u>	<u>27,696</u>	<u>35,501</u>	<u>43,361</u>	<u>17,441</u>	<u>2.08%</u>
High Desert Cities Total	71,777	83,490	96,092	129,670	163,399	79,909	2.72%
Unincorporated High Desert	<u>23,012</u>	<u>24,015</u>	<u>26,258</u>	<u>32,550</u>	<u>39,048</u>	<u>15,033</u>	1.96%
Total High Desert Region	94,789	107,505	122,350	162,220	202,447	94,942	2.56%
County of San Bernardino	528,594	569,043	620,653	758,511	899,610	330,567	1.85%

3. Persons per Household

Hesperia	3.13	3.32	3.28	3.26	3.20
Other High Desert Cities					
Adalanto	3.85	4.02	3.93	3.63	3.43
Apple Valley	2.92	3.10	2.98	2.77	2.61
Barstow	2.76	2.91	2.81	2.74	2.66
Victorville	3.06	3.34	3.33	3.21	3.10
High Desert Cities Total	3.07	3.28	3.23	3.12	3.01
Unincorporated High Desert	2.87	2.95	2.91	2.75	2.61
Total High Desert Region	3.02	3.21	3.16	3.04	2.93
County of San Bernardino	3.23	3.43	3.37	3.20	3.05

Source: Stanley R. Hoffman Associates, Inc.

Table B-5
City of Hesperia General Plan Update
City of Hesperia Growth Increments

A. Growth Increment: 2000 to 2005

Projection Category	SCAG RTP 2000-2005	DOF ¹ 2000-2005	EDD ² 2001-2005	DOF/SCAG	EDD/SCAG
Population	15,659	13,716		0.88	
Households	3,019	3,005		1.00	
Employment	2,152		2,726		1.27

B. Annual Growth Increment

Projection Category	SCAG 2000-2005	DOF 2000-2005	EDD 2001-2005	Building Permits 2001-2005	DOF/SCAG	EDD/SCAG
Population	3,132	2,743			0.88	
Households	604	601		1,140	1.00	
Employment	430		682			1.58

1. Derived from Table B-4.

2. Includes Self-Employment rate for San Bernardino County.

Source: Stanley R.Hoffman Associates, Inc.

Appendix C: Project Contacts

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