

EDC KERN ECONOMIC DEVELOPMENT CORPORATION *Connections*

A Quarterly Publication



Small Cities Make Economy Big!

International Trade Zone for booming aerospace industry and off-road tourism boost economic development in California City

Editor's Note: *This article is part of a series taking a look at what individual cities throughout Kern County are doing to develop their own economic climates. While Kern's smaller cities don't always get the recognition that Bakersfield does, they are working just as hard to bring economic growth and stability to their own areas. This article will look at the economic development efforts in California City and will be followed by the final feature on Ridgecrest. Previous issues of Kern EDC Connections looked at the economic development strategies of Wasco, McFarland, Delano, Shafter, Taft and Arvin.*

California City Building Official Daulton Oliver (left), Land Use Manager Mike Garcia (center) and City Manager Linda Lunsford discuss the plumbing at the City's new youth center.



Linda Lunsford, California City's new city manager, has an exciting vision for this community of 13,000 people spread over 204 square miles. With limited industries for its residents, she is looking to capitalize on its existing off-road industry and actively searching to bring new businesses to this community.

A growing off-road community that spends weekends in the area is already proving to be a huge economic boost to California City.

"We have many graded roadways and trails for off-road enthusiasts and because of that we have a large influx of people coming to ride in the winter, spring and fall months," Lunsford says. "We estimate that over the Thanksgiving weekend we attract around 60,000 off-roaders and because they are guests in our community, buying supplies, food and fuel, that one weekend has a significant impact on our economy."

Helping to maximize the impact of off-roaders to the city coffers is a \$40 permit fee recently established by the City. During the recent sunny Spring Break week, the city sold 800 permits to off-roaders visiting the area—an \$8,000 boost to the local economy just from permits alone.

Excited about the opportunity the permitting fees bring, Lunsford hopes to continue to build on the off-road attractions to bring in the retail base the city so badly needs.

Continued on page 2

Message From the President



Richard Chapman

Economic Vitality in Recessionary Times

First impressions

According to the National Bureau of Economic Research, a recession is defined as “three consecutive quarters of falling real gross domestic product.” Indeed, it was evident at the kickoff of last month’s Kern County Economic Summit that an overwhelming majority of attendees believed that the U.S. was in the throes of a recession. The palpable excitement of the previous years’ events seemed like a distant memory.

Calm amidst the chaos

Despite gloomy predictions specifically related to the weakness of the regional and national housing markets and the recent credit crisis, it quickly became impossible to ignore the cautiously optimistic words of the forum’s presenters:

- Dr. Abbas Grammy of California State University, Bakersfield forecasted regional job growth of 2.5% for 2008 and a slight up tick in the County’s Quality of Life Index. He predicted that high prices for crude petroleum and commodities such as fruit, vegetables, milk and grain will bolster Kern’s economic growth and therefore the local economy was less likely to follow the national trend for falling into a recession.
- Dr. Christopher Thornberg of Beacon Economics echoed Grammy’s point that

Continued on page 4

Continued from page 1

International Trade Zone

“Our biggest assets are the people, dirt, clean air and sunshine,” Lunsford says.

She is also searching for new businesses to replace those that left in the 1980s because of the struggles of statewide economic struggles.

“We are actively trying to bring back the services we once had and then some,” Lunsford explains.

The City has met and contracted with a consultant who began work in April to develop a formal economic plan that will take the city forward. Foremost in that plan will be meeting the needs of the community by attracting a new grocery store.

“We have a Rite-Aid but the closest grocery store is in Mojave which is 15 miles each way,” Lunsford says. “Our residents really need and deserve a grocery store in town.”

The consultant will also be working to market the California City airport within the aviation industry because infrastructure, including several hangars, is already in place and available for new tenants. In addition, city leaders are working with the consultant to establish an international trade zone and expand the existing enterprise zone on 150 acres of land located north west of town already slated to become an industrial park. Lunsford believes the park’s international trade zone designation is important. “It will definitely help California City capitalize on the booming aerospace industry,” she says.

While the city has big plans for future economic development, some elements of the plan have already come to fruition with the opening of a new high school and a private prison which brought approximately 600 much-needed jobs.

Lunsford also notes that a new hotel attached to a planned strip mall is already under construction. She hopes that mall will attract the much-needed grocery store to complete the project.

For residents, California City is expanding recreational activities with a 10,000 square foot sports center scheduled to open this summer. The facility will give families a comfortable place to enjoy basketball, volleyball and other community activities. ♦

Your Benefits as a Kern EDC Investor

Kern EDC investors were recently mailed information packets outlining benefits by investment level. Please review your packet closely and take advantage of all your investment perks. Feel free to call us at (661) 862-5150 if you have any questions regarding your investment level.

Kern EDC Board Profile



Marie Walker

Marie Walker, president and CEO for Fiberset, Inc., brings the voice of Kern County's high desert communities and the East Kern Airport District (EKAD) to the Kern EDC board of directors.

During her six years as a member of the EKAD board and now as a Kern EDC board member, Walker has placed a high priority on getting involved in the economic future of her community.

"The Mojave Air and Space Port has about 40 businesses ranging from very small to multi-billion dollar corporations,"

says Walker. "These businesses, along with my own, have created job opportunities that we have been able to build upon as companies grow and expand.

"Being a member of the Kern EDC allows us access to resources we would not otherwise have," says Walker. "It gives us exposure for our business and exposure for the airport itself. That alone makes our involvement with Kern EDC very valuable."

Additionally some of these same companies have garnered world recognition for the airport in recent years because they are helping pave the way for space tourism in the future.

"The Mojave airport has more than 3,000 acres of land and is a huge part of the infrastructure of eastern Kern County," says Walker.

Walker's company, Fiberset, Inc., has been a leader in fabrication of composite products and components for numerous industries, including aerospace and defense, since 1983.

"A lot of companies out here have been through some tough times but the airport was always there with its 'can-do' business philosophy," Walker explains. "Between the airport, Kern EDC and the leadership of the Kern County Board of Supervisors and the planning department, we have an incredible business-friendly environment you don't find everywhere."

They're Here!

Our 2008 Market Overviews have arrived, putting Kern County facts and statistics at your fingertips. Please give us a call at (661) 862-5150 or drop by Kern EDC today for your copies.



New Investors

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Gitesh Patel 661-862-7113

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Patrick Bustos 661-327-1621



Save the Date

June 26, 2008

Kern EDC's 20th Anniversary Celebration

You won't want to miss Kern EDC's 20th Anniversary Celebration on Thursday, June 26 at the Tejon Ranch Equestrian Center – similar to our regular annual dinner, but we're kickin' things up a notch! Think denim and diamonds! Boots and bling! You get the idea. Mark your calendar now and watch for your invitation in the mail.



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*Summit Speaker
Chris Thornberg.*

Continued from page 2

Economic Vitality in Recessionary Times

Kern County is one of few places of strength across California, and one of the few areas that were actually adding jobs because of the strong local presence of the commodities industries. In addition, another big economic driver was the in-migration of new residents. Stabilizing housing costs, relative to other California markets, will not slow the influx of Southern Californians.

- Bruce Freeman of Castle & Cooke further commented that the region's retail, office space, and industrial markets were doing well, and have absorbed some of the displaced employees from the residential side.
- Finally, Kent Foster of Opus Northwest, the nation's third-largest industrial developer, and Michael Gottlieb, editor of the California Real Estate Journal, both reflected on Kern County's strategic location and significant "opportunity sites" to offer to Fortune 500 clients.

2008 and beyond

The 2008 Kern County Economic Summit provided a frank and unyielding assessment of the economic situation of the County, State and U.S. And the clear winner is.....Kern County.



Barry Zoeller, emcee of the Eighth Annual Kern County Economic Summit, introduces a panel of real estate experts.



More than 500 people attended the Economic Summit.