



MUNICIPAL INVESTMENT IN DEVELOPMENT TO ACHIEVE SUCCESS

\$500,000,000 ECONOMIC REVITALIZATION(ER) PROGRAM

A MESSAGE FROM THE CITY MANAGER

The City of Grand Terrace is a unique community within the Inland Empire. Its borders touch Riverside and San Bernardino counties. Grand Terrace is known for its exceptional quality of life (safe neighborhoods, pristine parks and clean streets) and was ranked by Money Magazine as one of the top 100 small cities in the nation (2007). It is also a great place to conduct business.

Grand Terrace is in the middle of an Economic Renaissance (ER), with over \$500,000,000 (1/2 billion) of public and private investment in the community from 2010-2022. The investment in education, roads and commercial/retail infrastructure will lead to a Grand (ER) Terrace.

In addition to new infrastructure, other advantages to businesses include; no Utility User Taxes (UUT); lowest sales tax in region; capped business license fees; expedited development review; incentives to fill retail sales leakage; and one of the highest average incomes in the East Valley Region of the Inland Empire.

As the City Manager with over 25 years of experience in government, I am committed to cultivate partnerships with developers and retailers to ensure Grand Terrace is a great investment for commercial and retail development.

\$92,300,000 ENTRYWAY



The City of Grand Terrace is scheduled for a new look on Barton Road with the start of the \$92,300,000 Barton Road, I-215 interchange project. The project will start in the summer of 2017 and will conclude in 2019. The project is fully funded from State and Federal Highway funds and is warranted because the current onramp capacity of 28,000 cars per day is expected to increase to 40,000 cars per day by 2040.

A key traffic feature in the project will be a round-about on the west end of Barton Road for southbound traffic exiting and merging onto I-215. In addition, the bridge will expand to 4 lanes. Barton Road from Grand Terrace Road to Vivienda Avenue will also receive an overlay.

Other enhancements to the project include the cul-de-sac off of Michigan and Barton Road and the extension of Commerce Way to Barton Road and Vivienda Avenue. An additional side street will be developed between Grand Grand Terrace Road and Vivienda Avenue, southeast of Grand Terrace Fitness Park, providing residents improved access between the two streets.

TOTAL FUNDED PROJECTS 2010-2022

Project	City /Government Funds	Private Funds
Stater Bros Shopping Center	\$ 1,300,000.00	\$ 8,000,000.00
Grand Terrace High School	\$ 154,000,000.00	\$
I-215 Barton Road Interchange Project	\$ 92,300,000.00	\$
Lewis Master Plan Project Phase I	\$ 2,000,000.00	\$ 100,000,000.00
Lewis Master Plan Project Phase II (Additional Property)	\$ 1,000,000.00	\$ 100,000,000.00
Dr. McDuffee Emergency Clinic	\$ 100,000.00	\$ 2,400,000.00
City Owned Property Project A (Next to Towne Square)	\$ 2,000,000.00	\$ 25,000,000.00
City Owned Property Project B (Across from Towne Square)	\$ 100,000.00	\$ 10,000,000.00
City 5-Year Road CIP	\$ 4,000,000.00	\$
City Dog Park	\$ 225,000.00	\$ 50,000.00
City Blue Mountain Trail	\$ 498,000.00	\$ 70,000.00
Grand Terrace Center (Former Stater Bros)	\$ 20,000.00	\$ 1,000,000.00
Walgreens Development	\$ 20,000.00	\$ 2,000,000.00
Surgical Center	\$ 20,000.00	\$ 1,000,000.00
Medical Office Building	\$ 10,000.00	\$ 5,000,000.00
Jacobsen Project	\$ 100,000.00	\$ 5,000,000.00
Total	\$ 257,693,000.00	\$ 259,520,000.00
Project Total	\$	517,213,000.00



Grand Terrace High School is a \$154 million dollar, state-of-the-art campus which includes:

- 98 Classrooms for Grades 9-12
- A complete football stadium with synthetic field and running track
- Gymnasium (2,500 capacity) with 3 full basketball courts, dance, health & fitness classrooms
- Varsity baseball field, tennis courts, outdoor basketball courts
- 25-meter competition pool
- 500 seat Performing Arts Theater
- Top-performing high school in the District



LEWIS PROJECT

The City of Grand Terrace recently reached agreement with the Lewis Group for the Purchase and Sale of 53 acres near the I-215 Freeway. The former Redevelopment Land is adjacent to an additional 38.5 acres owned by private parties. The Disposition and Development Agreement (DDA) between the City of Grand Terrace and the Lewis Group, calls for the Lewis Group to develop a Specific Plan for the entire 91.5 acres along the I-215 freeway.

The Specific plan will address infrastructure needs for the Lewis project in addition to property currently owned by private land owners. The City will assist the project by facilitating the development of a new road from Commerce Way to Main Street. The estimated road improvement cost is approximately \$4,000,000. The City will receive a 60% match from San Bernardino Associated Governments' (SANBAG) Major Road Fund.

The new road will alleviate traffic from Michigan Street and allow commercial vehicles to travel on a new, wider, 4-lane road, constructed to accommodate more commercial and passenger vehicles. The City will utilize Measure I, Major Road Funds to assist in the Lewis Project to connect Commerce Way from Michigan to Main St. and achieve its overall goal of improved circulation throughout the City. The project value for the Lewis Group Specific Plan Area is approximately \$200,000,000. Lewis's Master Plan Development is estimated at \$100,000,000 and the private land within the Specific Plan is estimated at \$100,000,000 at build out. The project could easily double in value, should adjacent property owners join in the development or independently develop and market their properties.



STATEMENT FROM RICHARD A. LEWIS, PRESIDENT OF THE LEWIS GROUP COMPANIES

The Lewis family is delighted to participate in making Grand Terrace an even greater city. The Lewis Group is the oldest and largest real estate developer in the Inland Empire. For over 62 years we have developed more real estate in terms of volume than any other developer in the region, a trend that continues to this day. The Company has built more than 57,000 homes, 12,000 apartments and approximately 14,000,000 square feet of retail, commercial and industrial space. Notable developments include the highly acclaimed "Victoria Gardens" in Rancho Cucamonga.

The Lewis Group is in Grand Terrace because of the pro-business environment of the City leadership and staff plus the warm welcome we have received from the community. The Company welcomes the opportunities that the strategic location of Grand Terrace offers in the Inland Empire and the visibility that our site possesses.

We are very excited to be working in Grand Terrace.

Richard A. Lewis, President of the Lewis Group of Companies



GRAND TERRACE TOWN SQUARE



Grand Terrace Town Square is currently the center of commerce for the City, with approximately \$17,000,000 in annual taxable sales. The Center is anchored by one of the top 10 performing Stater Bros. grocery stores in the region. In addition, McDonald's, Miguel's Jr. and Auto Zone are meeting or exceed corporate expectations in this market. The Center has six undeveloped pads, which can be developed individually or in conjunction with adjacent City property. Three of the Centers' pads, east of Stater Bros., are adjacent to vacant retail land owned by the City. The City would look favorably on development proposals that combine Town Square Pads and City-owned property, thereby accomplishing the City's Barton Road Specific Plan goal to consolidate parcels and allow shoppers easy ingress and egress to new retail opportunities.

The City's overall goal is to increase retail opportunities in the Grand Terrace Town Square to capture retail sales leakage (local money spent in other communities). The City is willing to incentivize developers that bring retailers to the community that add value and reduce its retail sales leakage. The City is interested in partnering with developers with a history of placing national retailers in local shopping centers like the Grand Terrace Town Square Center.

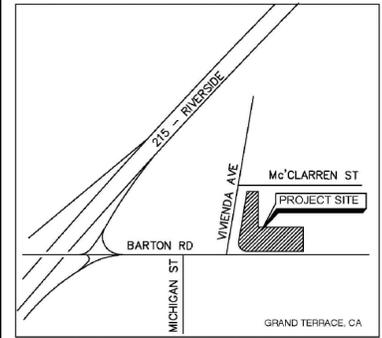
The overall performance of existing merchants in the Grand Terrace Town Square Center indicates that the Center's current retail offerings are serving the Greater Urban Area of Grand Terrace. It also indicates that the 28,000 vehicles passing the Center on a daily basis are looking for additional local retail offerings. The Grand Terrace Town Square Center, at build out, will offer a safe and cost effective alternative for residents in the metropolitan region to acquire daily household goods. Our data indicates that consumers feel they do not have that opportunity, unless they travel to Riverside, Redlands or Ontario/Rancho Cucamonga.

GRAND TERRACE TOWN SQUARE FEATURES:

- Prime visibility and access from the I-215 Freeway.
- Strategically located to serve the Greater Grand Terrace Urban Area (Est. pop. 57,348)
- Anchored by Stater Bros., McDonald's, Miguel's Jr. and AutoZone.
- Retail and coffee shop proposed north of Barton Road (site overview on next page).
- \$64.5 million in annual retail gap to fill within Grand Terrace and \$435 million of retail demand within a 3-mile radius.



BARTON & VIVIENDA



VICINITY MAP

SITE SUMMARY:

Parcel A: 24,430 S.F.,
0.56 AC
Parcel B: 34,999 S.F.,
0.80 AC
Parcel C: 17,751 S.F.,
0.40 AC

Total: 76,751 S.F.

Land/Building Ratio:
7.22/1

Building Coverage: 12.2%

22172 Barton Road
Grand Terrace, California

PARKING SUMMARY:

Parcel A, Parcel C

Parking Required:
Restaurant: 28 Stalls
Gross Floor Area
(1,884 S.F./100): 19 Stalls
Patio Area (650 S.F./75):
9 Stalls
Parking Provided: 31 Stalls

Parcel B

Parking Required
(7,453/200): 37 Stalls
Parking
Provided:
37 Stalls

In another Public-Private Partnership, the City has partnered with the property owner on the corner of Barton Road and Vivienda Avenue to jointly develop a retail project across from the Town Square Center. Parcel B is owned by the City of Grand Terrace, with an estimated value of approximately \$500,000. The project proposes to develop the City Parcel along with two additional private parcels. The major tenants include a national coffee retailer, medical offices and another retailer/restaurant.

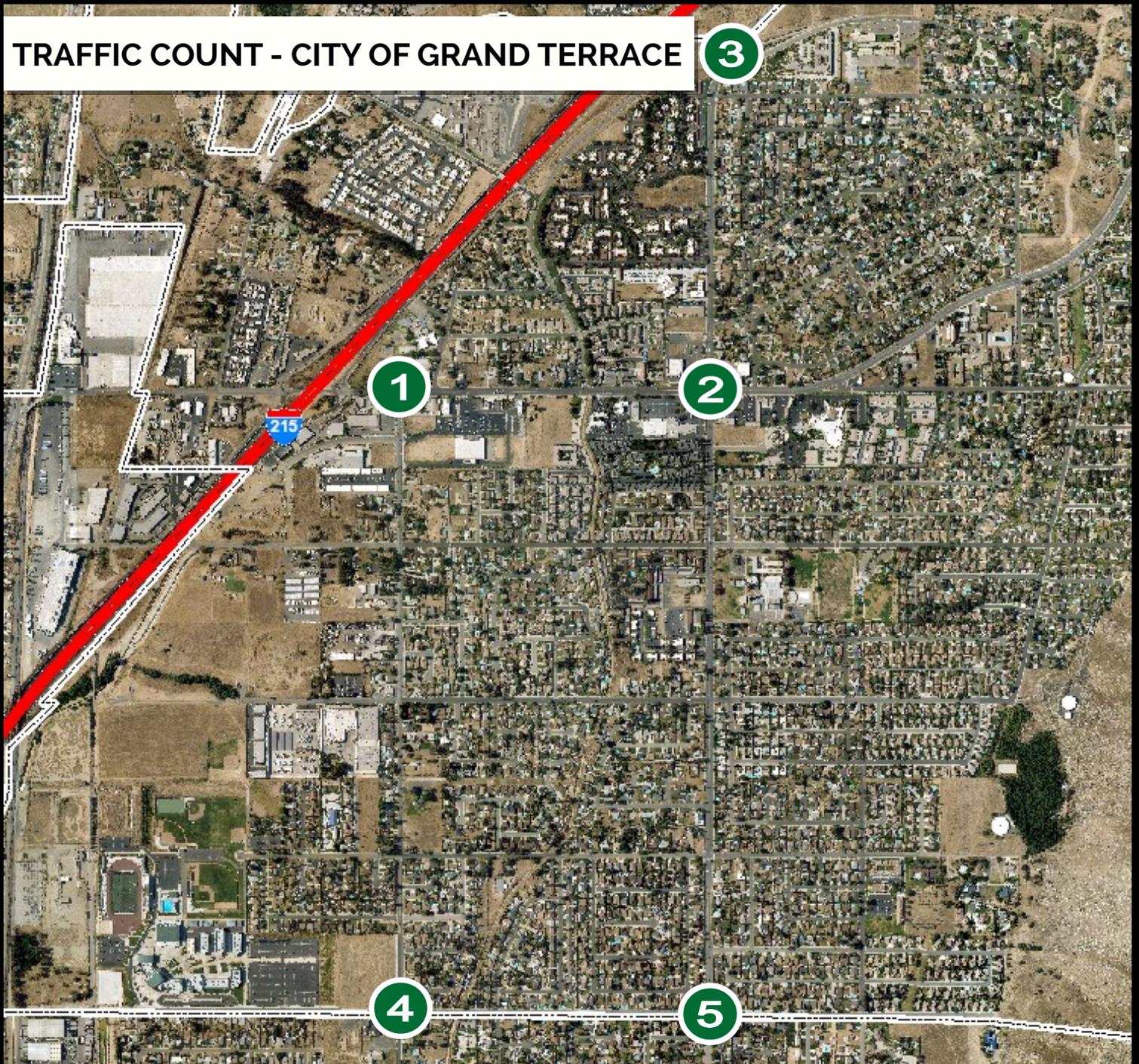
This project will be dramatically enhanced as the City's new \$92,300,000 I-215 Barton Road interchange will push all traffic traveling north on Michigan Street to a new signalized intersection in front of this development. The total estimate of this project is approximately \$10,000,000. The City also offers incentives for the property owners and incentives for the retailers.

The developer is mindful of this project's close proximity to neighborhoods and a local school. The developer proposes to place a park next to the coffee house. The park will serve as a buffer between commerce and the adjacent residential neighborhood.

* Projects must demonstrate that incentives are warranted because of the market. Incentives cannot be used to subsidize above market leases or rents.



TRAFFIC COUNT - CITY OF GRAND TERRACE



1 Barton Rd & Michigan St
Square Footage:
Daily Bi-Directional Traffic Volume:
27,354

2 Barton Rd & Mt. Vernon Ave
Square Footage:
Daily Bi-Directional Traffic Volume:
28,313

3 Mt. Vernon Ave & Grand Terrace Rd
Square Footage:
Daily Southbound-Only Traffic Volume:
6,685

4 Main St & Michigan St
Square Footage:
Daily Bi-Directional Traffic Volume:
7,676

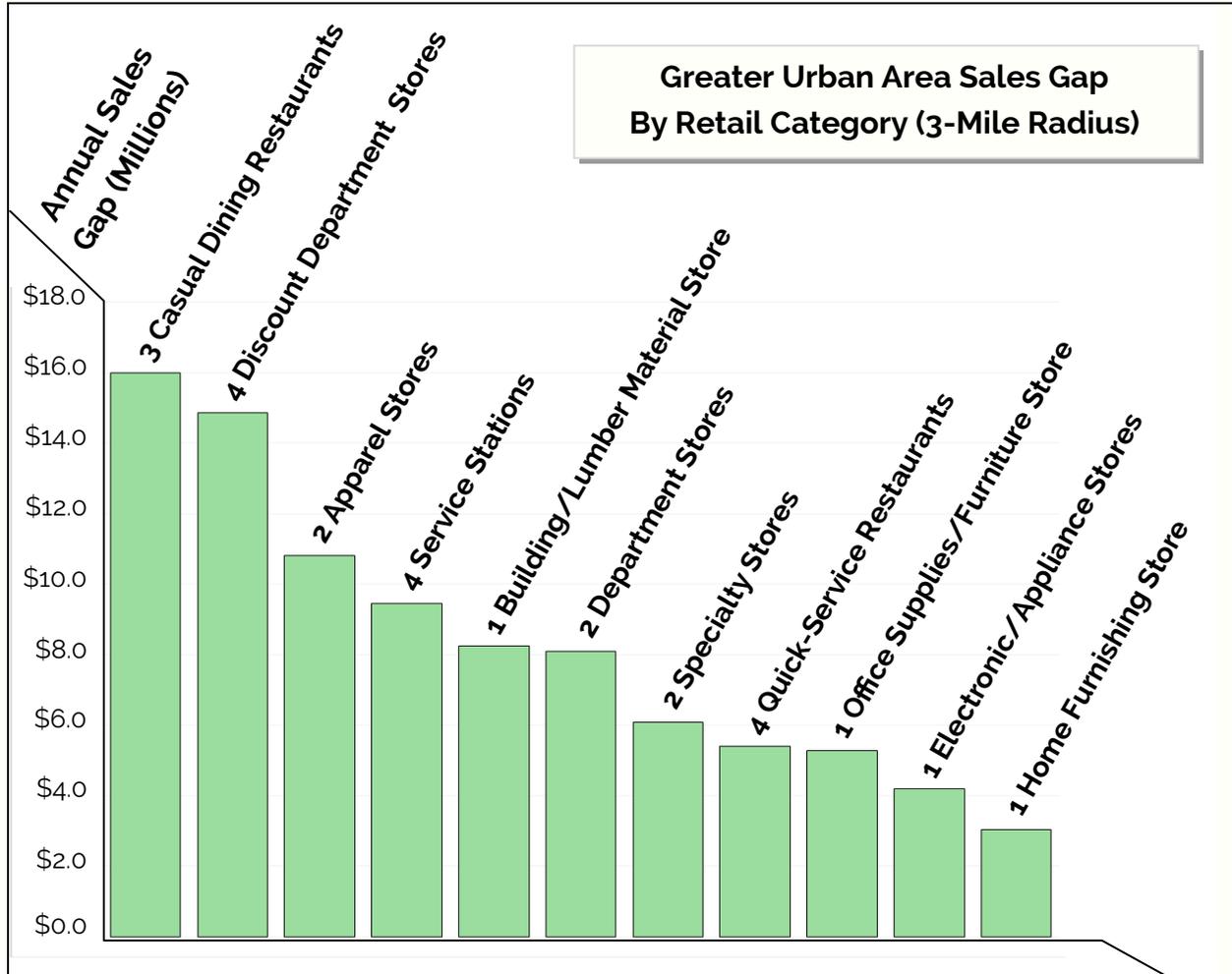
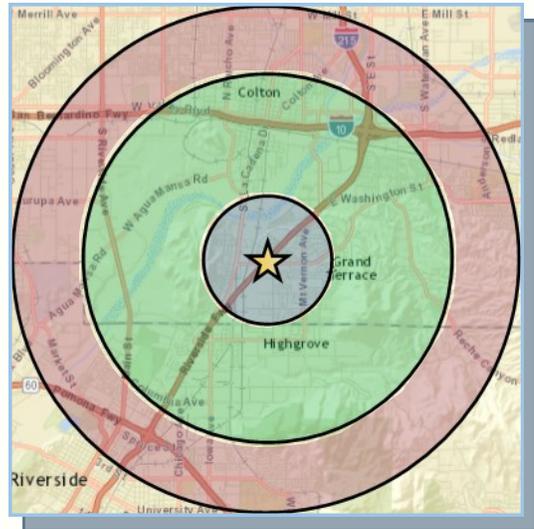
5 Main St & Mt. Vernon Ave
Square Footage:
Daily Bi-Directional Traffic Volume:
8,760



CURRENT RETAIL OPPORTUNITIES

Trade Zones	Radius (Miles)	Population	Average Income	Retail Opportunity
City	1	12,761	\$69,241	\$64.5 Million Retail Gap
Greater Urban Area	3	57,348	\$64,241	\$435 Million Retail Demand
Metropolitan Region	5	224,576	\$58,153	\$1.44 Billion Demand

-  Trade Zone: City (1-Mile Radius)
-  Trade Zone: Greater Urban Area (3-Mile Radius)
-  Trade Zone: Metropolitan Region (5-Mile Radius)



CURRENT RETAIL OPPORTUNITIES

The following chart indicates the **Greater Grand Terrace Urban Area's (3-Mile Radius)** total sales gap in various retail categories.

Retail Category	Internal Capacity	Greater Urban Area	Total	Current Annual Sales Gap (in Millions)
Casual Dining Restaurants	1.5	1.5	3	\$ 16.0
Discount Department Stores	2	2	4	\$ 14.9
Apparel Stores	1	1	2	\$ 10.8
Service Stations	2	2	4	\$ 9.5
Lumber/Building Materials Store	0	1	1	\$ 8.2
Department Stores	1	1	2	\$ 8.1
Specialty Store	1	1	2	\$ 6.1
Quick-Service Restaurants	2	2	4	\$ 5.4
Office Supplies/Furniture Store	0	1	1	\$ 5.3
Electronic/Appliance Stores	0	1	1	\$ 4.2
Home Furnishing Store	0	1	1	\$ 3.0
Total Economic Incentives Available for Business Filling Local Retail Sales Leakage:				\$ 91.5

Examples of Targeted Businesses:

Dining



Retailers for Infill Properties



Barton Road New Construction



Mixed Use Development Also Welcome



FEATURED INFILL SITES



Commerce Way & Michigan St.
Square Footage Available: 9,992
Broker: Animal Emergency Clinic of Grand Terrace
Phone Number: 909-824-6621, Ext. 212



Barton Rd. & Mt. Vernon Ave. (Former Stater Bros.)
Square Footage Available: 25,559
For Lease: Tjene Inc.
Phone Number: 949-697-2247



Mt. Vernon Ave. & Grand Terrace Rd.
Square Footage Available: 15,881
Broker: JK Group
Phone Number: 909-206-0080



Barton Rd. & Mt. Vernon Ave. (Former Hollywood Video)
Square Footage Available: 4,040
For Lease: Tjene Inc.
Phone Number: 949-697-2247



Barton Rd. & Mt. Vernon Ave.
Acreage Available: 0.95
Broker: Lee & Associates
Phone Number: 909-989-7771



City Center Ct.
Acreage Available: 1.66
Broker: (Medical Office Complex)
Phone Number: 909-824-6621, Ext. 212





A BUSINESS FRIENDLY CITY

NO UTILITY USER TAXES

NO ADD ON SALES TAXES

LOW IMPACT FEES

READ ON FOR MORE INFORMATION



Follow the QR Code above to access
this information on the web.



A BUSINESS FRIENDLY CITY

Locating your business in Grand Terrace could save you thousands of dollars annually. There are a minimum of 146 cities in the state of California that have Utility User Taxes (UUT). The UUT is charged to residents and businesses for consumption of utilities. In Grand Terrace, we have no UUT, thereby reducing your business overhead. In addition, the City has capped Business License Fees and no voter approved parcel taxes.

Utility User Taxes to Businesses						
Utility Tax Charges	San Bernardino	Redlands	Grand Terrace	Moreno Valley	Rialto	Riverside
Communications	7.5%	0	0	5.75%	8%	6.5%
Electricity	7.5%	0	0	5.75%	8%	6.5%
Gas	7.5%	0	0	5.75%	8%	6.5%
Water	0	0	0	5.75%	8%	6.5%

Business License Fees*						
Gross	San Bernardino**	Redlands	Grand Terrace	Moreno Valley	Rialto***	Riverside
\$10 Million	\$7,560	\$6,076	\$1,200	\$2,561	\$4,115.60	\$1,753.75
\$1 Million - \$4.52 Million	\$810 - \$3,450	\$676 - \$2,788	\$320 - \$1,200	\$311 - \$1,191	\$515.60 - \$1,923.60	\$583.75 - \$1,041.35
\$700,000 - \$999,999	\$585 - \$810	\$496 - \$676	\$320	\$236 - \$311	\$395.60 - \$515.60	\$544.75 - \$583.75
\$500,000 - \$699,999	\$435 - \$585	\$376 - \$496	\$270	\$186 - \$236	\$315.60 - \$395.60	\$518.75 - \$544.75
\$300,000 - \$499,999	\$285 - \$435	\$256 - \$376	\$220	\$136 - \$186	\$235.60 - \$315.60	\$350.75 - \$518.75
\$200,000 - \$299,999	\$210 - \$285	\$196 - \$256	\$170	\$111 - \$136	\$195.60 - \$235.60	\$266.75 - \$350.75
\$150,000 - \$199,999	\$172.50 - \$210	\$166 - \$196	\$120	\$98.50 - \$111	\$175.60 - \$195.60	\$224.75 - \$266.75
\$100,000 - \$149,999	\$135 - \$172.50	\$136 - \$166	\$70	\$86 - \$98.50	\$155.60 - \$175.60	\$182.75 - \$224.75
\$50,000 - \$99,999	\$97.50 - \$135	\$106 - \$136	\$50	\$73.50 - \$86	\$135.60 - \$155.60	\$140.75 - \$182.75
MIN	\$60	\$79	\$30	\$61	\$121.60	\$119.75

* Fees listed apply to general retail business categories unless further specified.

** Fees listed apply to San Bernardino Retail Merchants (*Other than Food*) Business Licenses.

*** Fees listed apply to Rialto Retail - Non-Food Business Licenses.

Customer Sales Tax						
	San Bernardino	Redlands	Grand Terrace	Moreno Valley	Rialto	Riverside
8.25%	x					
8%		x	x	x	x	x

Cost of Development in Grand Terrace					
Business	Square Footage	Traffic Signal Improvement Fees	Arterial Improvement Fees	Operational Improvement Fees	Total Impact Fees
McDonald's	4,345	\$ 2,324.27	\$ 39,594.64	\$ 2,324.27	\$ 43,614.76
Autozone	7,842	\$ 4,194.92	\$ 71,461.71	\$ 3,060.73	\$ 78,717.36
Stater Bros.	44,280	\$ 23,686.70	\$ 403,509.91	\$ 17,282.48	\$ 444,479.09





STATE & FEDERAL ECONOMIC DEVELOPMENT PROGRAMS

EIFD

FEDERAL NEW MARKET TAX CREDITS

CAP AND TRADE

READ ON FOR MORE INFORMATION



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this information on the web.

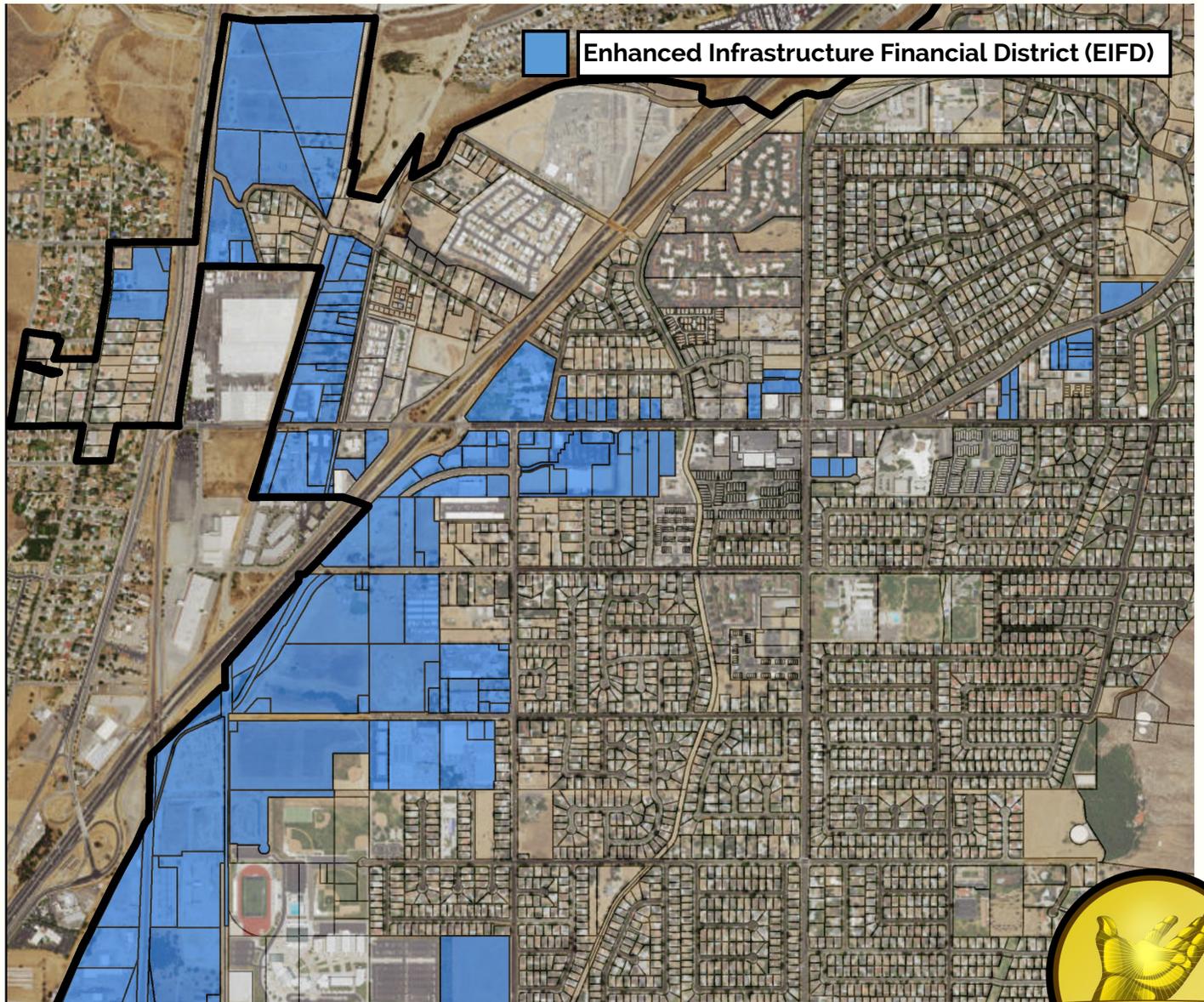


ECONOMIC DEVELOPMENT IN THE 21ST CENTURY

Enhanced Infrastructure Financial District (EIFD)

The City of Grand Terrace is establishing an Enhanced Infrastructure Financial District (EIFD). The EIFD is the newest and most innovative way to secure bond funding for Public and Private Development. It allows property owners to access future Property Tax Increments to help with development. Although an EIFD uses the same funding mechanism as Redevelopment, Tax Increments from schools cannot be a part of an EIFD. While other Agency's are not automatically included in an EIFD, they can voluntarily commit some or all of their future Tax Increment.

Agencies like the City of Grand Terrace understand how important a tool like an EIFD can be to improve vacant and underutilized assets. The City's goal is to develop land at its highest and best use to generate more property taxes and other revenue, like sales or Transit Occupancy Taxes (TOT). The revenue generated from an EIFD can be used within any area of the EIFD's boundary. The EIFD area within the City of Grand Terrace could yield from \$2,500,000 to \$10,000,000 annually to be used to increase development and maintain the City's quality of life.

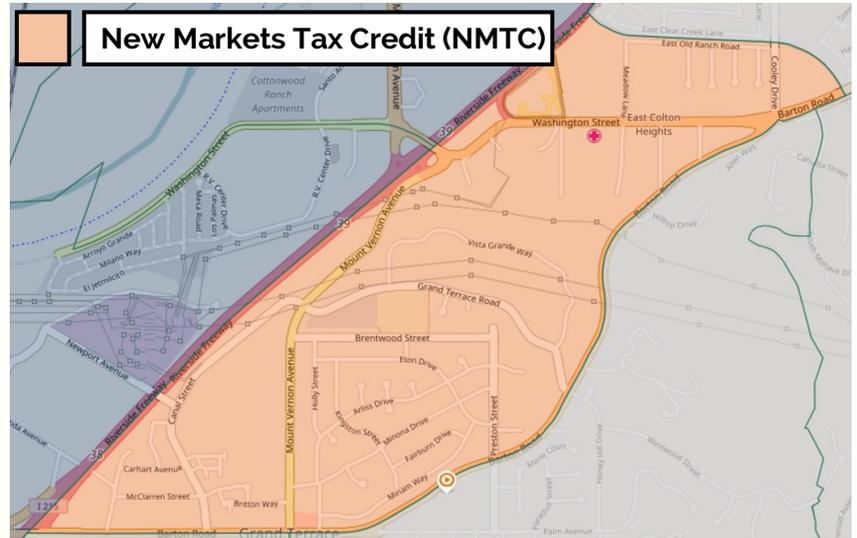


ECONOMIC DEVELOPMENT IN THE 21ST CENTURY

Federal New Markets Tax Credit (NMTC)

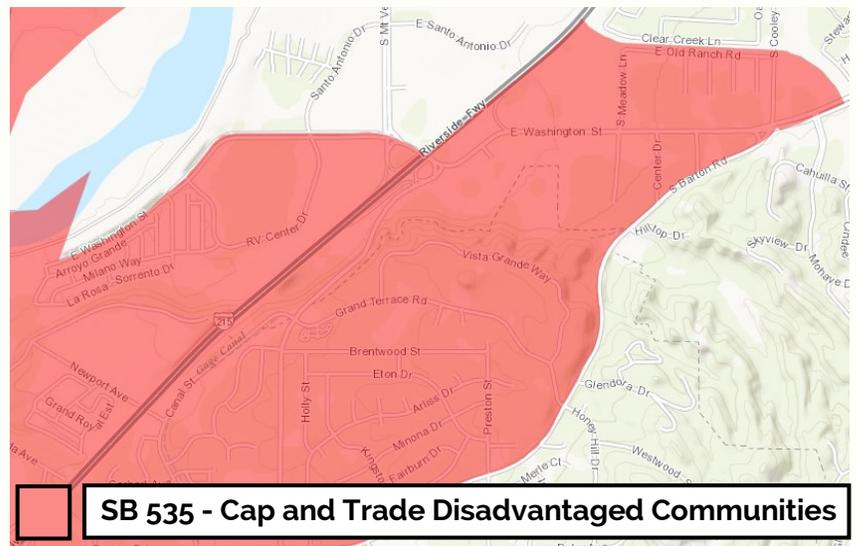
The New Market Tax Credit (NMTC) program was created by the U.S. Federal Government in 2000 as part of the Community Renewal Tax Relief Act, to encourage investment in low-income communities. In the last 13 years, the CDFI Fund (Community Development Financial Institutions Fund of the U.S. Department of the Treasury) has awarded \$50.5 billion in tax credit authority to certified CDEs (financial intermediaries called Community Development Entities). The California Statewide Community Development Authority (CSCDC) is a CDE and was awarded a \$35 million NMTC allocation in 2013, a \$38 million NMTC allocation in 2014, and a \$70 million NMTC allocation in 2016.

Although Grand Terrace is clearly not a low income community, there are census tracts within the City that qualify for NMTC because family income levels are 80% or less of the area's median family income. In addition, a significant portion of underutilized commercial and industrial land to the west of the I-215 freeway qualifies for NMTC as Severely Distressed Qualified Census Tract. NMTC Funds can be used for manufacturing, food retail, housing, health and technology, energy, education and childcare programs. A general rule of thumb is that NMTCs can generate net proceeds that are equal to almost 20%.



State Cap and Trade

The same census tract (6071007109) that qualifies Grand Terrace for NMTC, is also eligible for California Cap and Trade funds (California's Greenhouse Gas Reduction Program). Various state agencies annually distribute approximately \$800,000,000.00 in Cap and Trade proceeds to communities across the state. \$80,000,000 (10% of all proceeds) is required to be used in census tracts like 601007109, in an attempt to improve public health, quality of life and economic opportunities while reducing pollution resulting in climate change.



Developments in Grand Terrace within census tract 6071007109 are eligible for grants to assist with housing, transit-oriented development, transportation and environmental justice programs. However, even developments not in census tract 6071007109 that demonstrate a benefit to residents in 6071007109 can access Cap and Trade Grants. City staff will proactively review each development and assess if additional resources can be secured from the State's Cap and Trade program.

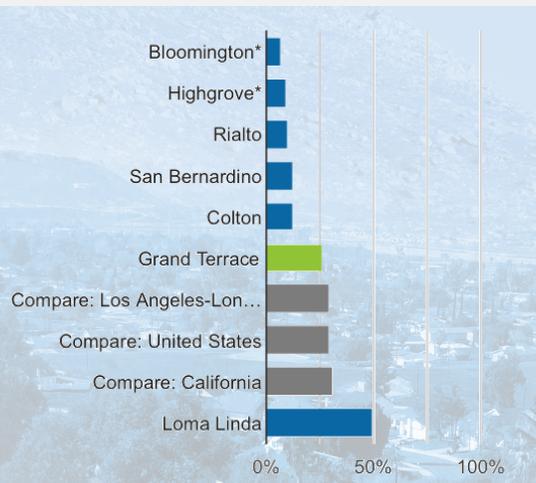


MARKET AREA AND BUSINESS PROFILE



“Top 100 Best Places to Live in America for Small Towns.” - *Money Magazine*

Education Bachelors Degree or Higher



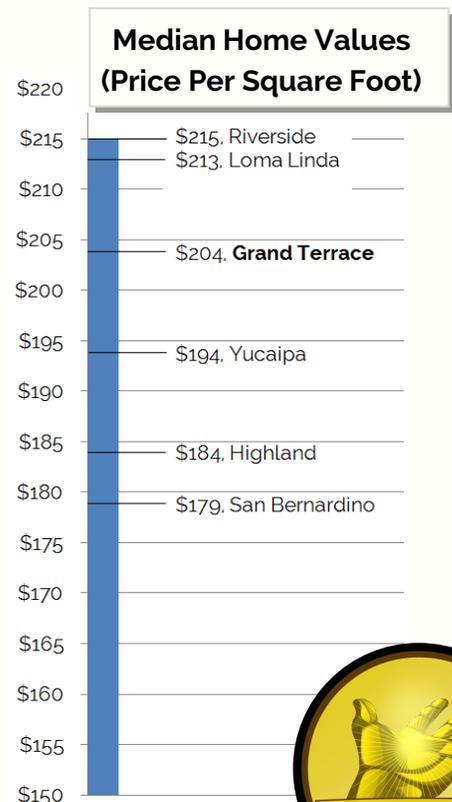
Median Age In Grand Terrace

37.1 Years Old

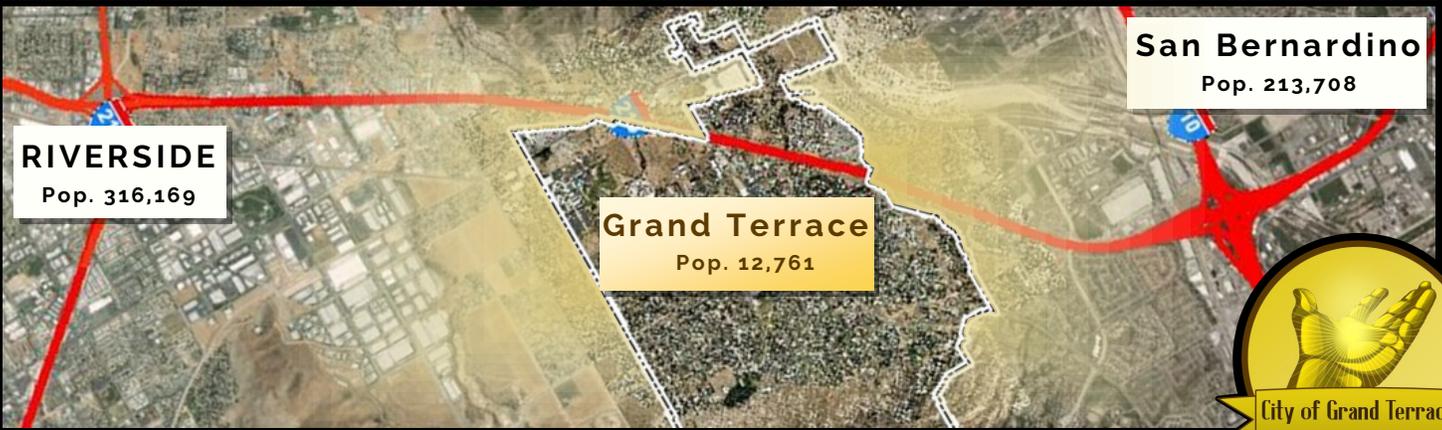
Top 25 Producers

Home Values

- | | |
|--------------------------|-------------------------|
| Arco | GT Auto Sales |
| AutoZone | Inland Business Forms |
| Balloon Team Promotions | Little Caesars Pizza |
| Chevron | McDonalds |
| CVS Pharmacy | Miguel's Jr. |
| Dollar Tree | Nu Ray Metal Products |
| Dominos Pizza | One Source Distributors |
| Elegant Stones | Riverside Winnelson |
| Food Connection | Smart Time Food Store |
| Get Loaded (Guns & Ammo) | Stater Bros |
| Grand Royal Estates | Thai Kitchen |
| Grand Terrace Liquor | Walgreens |
| Grand Terrace Shell | |



GRAND TERRACE TRULY THE CENTER OF THE INLAND EMPIRE



RIVERSIDE
Pop. 316,169

San Bernardino
Pop. 213,708

Grand Terrace
Pop. 12,761



City of Grand Terrace 2030 Vision Goals 3 & 4

3. Promote Economic Development

Develop Proactive Economic Development Plan to Attract New Businesses

Invest in Infrastructure Needed to Support Business Attraction and Retention

Prepare for Development by Updating Zoning and Development Codes including the Sign Code

4. Develop and Implement Successful Partnerships

Work Collaboratively with Community Groups, Private and Public Sector Agencies to Facilitate the Delivery of Services Benefitting Youth, Seniors & Our Community

Work with Local, Regional and State Agencies to Secure Funding for Programs and Projects



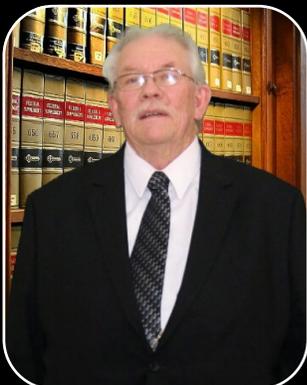
Mayor Pro Tem Sylvia Robles



Mayor Darcy McNaboe



Council Member Brian Reinartz



Council Member Doug Wilson



Council Member Bill Hussey