Inland SoCal Link iHub

What is the Inland SoCal Link iHub?

In the Spring of 2010, the State of California launched its new, forward-thinking Innovation Hub (iHub) program in an effort to harness and enhance California’s innovative spirit. The iHubs leverage assets such as research parks, technology incubators, universities and federal laboratories to provide an innovation platform for startup companies, economic development organizations, business groups and venture capitalists. The iHub will promote economic development and innovation based opportunities in the Inland SoCal Link Corridor.

The Port of Los Angeles has joined with the County of Riverside and the County of San Bernardino to cooperatively promote economic development and attract foreign direct investment for job creation and retention. The purpose of the Inland SoCal Link iHub is to maximize the opportunities within the transportation and distribution corridor linking the Los Angeles port gateway with the Inland Southern California region.

The iHub will promote economic development and innovation based opportunities in the Inland SoCal Link corridor.

It will also boost the area’s effort to create additional programs and institutions that will foster new research and knowledge centers with a focus on advanced logistics.

These goals include:

- Promoting collaboration and industry development in the advanced manufacturing and logistics sectors
- Expanding the volume and value of exports through the Port of Los Angeles that are manufactured or produced from Inland Southern California
- Encouraging foreign direct investment as a mechanism for regional job creation
- Forming a sustainable platform to support mutually aligned federal, state and local legislative matters between Inland Southern California and the Port of Los Angeles
Economic Development Advantages – Los Angeles

The size of Los Angeles’ markets, transportation access to the world, the breadth of resources, quality of the region’s labor pool and the great climate – these are just some of the reasons why businesses of all kinds come here, stay here and thrive.

LA’s economic strengths stem from numerous factors, including the explosive growth of international trade between the US and Asia, making this America’s #1 Gateway to the Pacific Rim and the global economy.

The Case for LA

1. Access to Markets
   - Very large local consumer market
   - Quick access to northern California and the southwestern US
   - Best access to US and international markets

2. R & D Expertise
   - World class universities, think tanks and research labs
   - International creative and design centers

3. Access to Workforce
   - Large and diverse labor pool
   - Talented, well-educated and multi-lingual professionals
   - Government funded training programs

4. Extensive Transportation Network
   - Largest Port in the Western Hemisphere
   - World’s 6th largest Airport
   - Extensive rail system and highway system

5. Diverse Industry Clusters
   - Aerospace
   - Architecture and Engineering
   - Automotive Design and Wholesaling
   - Education
   - Entertainment
   - Environmental Sciences and Management
   - Fashion and Accessories
   - Financial Services
   - Food and Beverage Products and Services
   - Furniture and Home Furnishings
   - Health, Medical and Dental Services
   - Jewelry
   - Tourism and Hospitality
   - Toys
6. LA Business Friendly Incentives and Assistance
   • Department of Water and Power electrical rate discount for new businesses
   • Site Plan Review Fee Waiver
   • Reduced Parking Requirements
   • Business Site Selection Assistance
   • Workforce Training Assistance
   • Mayor’s Office of International Trade assists foreign companies interested in locating locally

Size and Reach
   • LA County has a population of 10 million which is larger than many States with a rich diversity which is second to none.
   • LA has a $670 billion GDP (19th largest worldwide) which is larger than Belgium, Saudi Arabia, Norway or Taiwan.
   • There is a large consumer base in the region which consumes more than half of all goods imported through the LA Customs District.
   • LA County has the largest manufacturing base in the U.S.
   • LA has a diverse demographic (46% are foreign born): 96 languages spoken, 49 foreign language publications and hundreds of foreign language radio and TV stations.
   • Outside of their countries of origin, LA is home to the world’s largest communities of Koreans, Armenians, Persians, Filipinos, Japanese, Mexicans and Salvadorians.
   • LA is a world leader in aerospace, clean technology, entertainment, fashion, healthcare and tourism.

Where East Meets West and North Meets South Trade and Transportation Advantages:
   • US Customs District is the largest in the nation with a record $414 billion of trade in 2013
   • 1.7 billion sq. ft. of warehousing and distribution facilities within the region
   • Talented and skilled professionals with multi-language and multi-cultural experience.

Port
   • Foreign Trade Zone 202 serves our region, including Los Angeles, Riverside, San Bernardino and Orange Counties.
   • 100 trains per day to and from the port complex via the Alameda Corridor, the busiest freight corridor in the nation.
   • 80 + weekly sailings to and from the Pacific Rim.
   • Widest variety of destination ports.
   • 53’ deep draft waterways to accommodate the world’s largest ships.
   • On dock and near dock rail facilities for trains to and from 14 key U.S. markets.
   • Trade Connect program educates businesses on how to export.
   • PortTech LA is a maritime technology and business incubator.

Airport
   • Los Angeles International Airport (LAX) has more than 1000 flights per day with cargo capacity.
   • The world’s 6th largest airport linking Los Angeles to every corner of the world.
   • LAX is home to a 12,700 sq. ft. refrigeration facility, the largest of any West Coast airport.
Riverside County Economic Development Agency manages California’s only full-time Office of Foreign Trade (OFT). The OFT has helped thousands of business clients from around the globe with exclusive services for the international investor, importers, exporters, academics, and researchers. Since 2009, the OFT has assisted in the creation of billions of dollars in investment and thousands in new job creation.

Bilateral Trade Agreements have been executed with the nations of Canada, Japan and Croatia. Riverside County is the United States’ first county to approve bilateral trade agreements that led to two-way trade and investment resulting in mutual benefit to all parties.

There are four Foreign Trade Zone (FTZ) designations in Riverside County and more on the way:

- FTZ #153, to include the cities of Murrieta and Temecula.
- FTZ #202, where Riverside County hosts Site 20, including companies such as Kwikset, Black & Decker, Komar and Quicksilver.
- FTZ #244, to include the cities of Corona, Eastvale, Jurupa Valley, Moreno Valley, Norco, Perris, Riverside and surrounding unincorporated areas.
- FTZ #236, which now covers the Palm Springs Airport. In the future, it will include the cities of the Coachella Valley, and the cities of Hemet, San Jacinto and Banning.

Recycling Market Development Zone (RMDZ)

The Riverside County Recycling Market Development Zone strives to attract businesses using recycled materials in their manufacturing process. The state has established a low-interest rate revolving loan fund which may be used for land acquisition, leasehold improvements, equipment purchases, and working capital for up to 75 percent of the project cost to a maximum of $2 million.

Fast Track Permit Processing

Under the direction of the Board of Supervisors and Executive Office and with the support and partnership of the County’s development review departments, EDA is able to reduce the time-to-market for customers in the program. This is an important benefit to reducing the time-to-market and costs associated with development and permitting.

Industrial Development Bonds

EDA provides tax-exempt Industrial Development Bond (IDB) financing to manufacturing businesses. IDBs are tax-exempt securities issued by a government entity that provides money for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies.
Export-Import Bank (Ex-Im Bank) of the United States

Riverside County is an Exclusive Agent and has a partnership with the Ex-Im Bank of the United States. Together, we provide export underwriting, lines of credit, insurance services and loan guarantees for Riverside County businesses that export to over 180 countries around the world. In 2013, Riverside County and the Ex-Im Bank provided $110 million in loans and other assistance to dozens of small businesses in Riverside County and its 28 cities.

EB-5 Program

Riverside County is the nation’s leader in EB-5 Regional Centers and international investment. Dollars from international investors through the EB-5 program have an attached requirement to create ten U.S. Jobs for every half million invested in regions with high unemployment, like parts of Riverside County. For the international investor the EB-5 program provides Work Visas for the investor and his/her immediate family. Each applicant is fully vetted by Homeland Security before a Visa is issued.

The EB-5 regional centers in Riverside County had little trouble finding willing investors to lend money for building projects like a resort project in Palm Desert, a medical clinic in Murrieta, a 300 bed and board care facility in Moreno Valley and an office building in Temecula. International investors have pumped an estimated $1.8 billion into our Regional Centers in Riverside County since 2009, and we have the distinction of hosting more EB-5 Regional Centers than 49 states.

Current available industrial, retail and office space (as of Dec 2013):

<table>
<thead>
<tr>
<th>Sector</th>
<th>Existing SF</th>
<th>Total Available SF</th>
<th>1 Year Deliveries</th>
<th>Vacancy Rate</th>
<th>Rent per SF</th>
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</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>176,750,415</td>
<td>18,947,762</td>
<td>1,158,550</td>
<td>5.9%</td>
<td>$0.47</td>
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<tr>
<td>Office</td>
<td>33,111,075</td>
<td>5,118,057</td>
<td>41,623</td>
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<td>$1.66</td>
</tr>
<tr>
<td>Retail</td>
<td>98,750,492</td>
<td>10,952,716</td>
<td>261,988</td>
<td>8.7%</td>
<td>$1.35</td>
</tr>
</tbody>
</table>

Demographics and Other Data

- Geographic area covers over 7,300 square miles
- A skilled and abundant workforce of 939,300
- More than 20 universities and colleges
- 2011 GDP of 52 billion with access to 23 million within a 3-hour drive
- 2013 Population of 2,265,252
- Median age of 33.9
- Median home value of $275,000 (Nov. 2013)
- 2013 Median household income of $57,777
- 2018 Projected median household income of $68,161

Riverside County EDA/Workforce Development Division

Business Resource Programs

EDA programs can assist with hiring and training new employees, as well as customized programs to meet your workforce needs.

Access to rail connections, major trucking routes, modern spaces and lower costs for regional distribution and warehouse centers

The County’s local, regional, and national access is highlighted by its strategic positioning as a gateway of key interstate highways (I-10, I-15, I-215) and a network of state highways (SR-91, SR-60).

The busiest rail corridors in the U.S. run through the County, featuring rail service from Union Pacific and BNSF. These rail lines connect the ports of Los Angeles/Long Beach with destinations east of the Rockies providing even more reason that the County is a great location for U.S. regional distribution centers.

The County and its businesses also benefit from three large airports with spare capacity and available space nearby: LA/Ontario International Airport (ONT); Palm Springs International Airport (PSP); and March Air Reserve Base/Global Port. ONT and PSP are full-service airports with commercial passenger service to major U.S. cities and international destinations. ONT is also a major cargo airport and serves as the UPS West Coast air hub.
San Bernardino County Advantages

- Largest county in the U.S. with 20,160 square miles
- Average 340 days of sunshine a year
- A local market of 23 million people
- $1 trillion in gross domestic product
- Total taxable retail sales (food/drink) for 2011 was $18.7 billion
- One of the fastest growing metros in the nation
- Population of 2.1 million with median age of 32.2
- Most affordable housing options in Southern California
- Median home value of $232,000
- Average household income of $64,746
- More than 20 universities and colleges

Infrastructure and U.S. Market Distribution

The County of San Bernardino has unparalleled competitive advantages in logistics. As speed-to-market has become a critical component of the supply chain, close proximity to the ports of Long Beach and Los Angeles; and a network of rail, air and highway infrastructure are major assets. Modern spaces and lower costs make it a highly desirable choice for locating southwest or regional distribution centers for global-companies both large and small.

- Three major airports: Ontario, San Bernardino and Victorville
- Two major rail lines: BNSF and Union Pacific
- Four major highways: I-210, I-10, I-15 and I-40
Quality of Life
Local attractions and tourism are plentiful for residents and the local workforce with access to mountains, beaches, deserts and valleys within a 1 hour drive.

• Four national parks, preserves and forests
• Six major local ski resorts
• Cultural and historic attractions

Workforce Availability

• Employer Incentives – resources to assist the employer to determine eligibility for local, state, or federal incentives
• A skilled local workforce 900,000 strong
• Regional workforce population of 1.8 million

Incentive Zone Designations
There are three Foreign Trade Zones (FTZs) in San Bernardino County:

• FTZ #243 – Victorville, California – This zone includes the Southern California Logistics Airport and various sites in the cities of Ontario, Chino, and Rialto.
• FTZ #50 – Long Beach, California - This zone includes the San Bernardino International Airport and portions of San Bernardino, Los Angeles and Orange Counties.
• FTZ #202 – Los Angeles, California – This zone covers a portion of San Bernardino, Riverside, Los Angeles, and Orange Counties.

The Recycling Market Development Zone (RMDZ) program provides low-interest loans for the purchase of equipment and other relevant business costs associated with markets for recycled-content products.

There are four RMDZs in San Bernardino County:

• San Bernardino County Zone – This includes the cities of Colton, Montclair, Ontario, Rancho Cucamonga, Rialto, San Bernardino, Yucaipa, and adjacent unincorporated communities.
• Chino Valley Zone – This includes the industrial-zoned areas of the cities of Chino and Chino Hills.
• High Desert Zone – This includes the five municipalities of Apple Valley, Barstow, Twentynine Palms, Victorville, and Yucca Valley.
• Hesperia Zone – This includes the city of Hesperia.

Site Selection Assistance and Business Assistance Programs

• Customized site information packets and site tours.
• Fast-track permitting assistance.
• Introductions to appropriate agencies and staff to facilitate site selection (city representatives, brokers, developers, and landowners).
• Customized workforce training programs and hiring assistance.
• Labor market information and industry sector data analysis.
For more information on iHubs, visit our website: http://bit.ly/CAiHubs or email GoBiz.Innovation@gov.ca.gov