California Innovation @ Work
REGIONAL INNOVATION HUBS
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 federal, state and local legislative matters that are mutually aligned between Inland Southern California and the Port of Los Angeles.
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.
Economic Development Assets – Riverside County

Office of Foreign Trade

Riverside County EDA 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 lead 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, Koman and Quicksilver,
- FTZ #236, which now covers the Palm Springs Airport, to include the Cities of the Coachella Valley, Hemet, San Jacinto and City of Banning,
- FTZ #254, to include the cities of Corona, Eastvale, J benpa, Moreno Valley, Norco, Perris, Riverside and surrounding unincorporated areas, and the ongoing effort to expand the.

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>
</tr>
</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>
</tr>
<tr>
<td>Office</td>
<td>33,111,075</td>
<td>5,118,057</td>
<td>41,623</td>
<td>11.6%</td>
<td>$1.35</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 938,300
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
San Bernardino

There are three Foreign Trade Zone (FTZ) designations in San Bernardino County:

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

There are four Recycling Market Development Zones (RMDZ) in San Bernardino County:

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

EB-5 Visa Program availability at regionalized local EB-5 centers

As an incentive to investing within the County and the American economy in general, foreign nationals may receive permanent resident status through qualified investments in new commercial enterprises. A foreign national may obtain an EB-5 Visa through the U.S. Citizenship and Immigration Services after a qualified investment of at least $1,000,000; or, $500,000, and creation of a minimum of 10 jobs, if invested in a designated Regional Center.

Site Selection Assistance, Custom Site Tours & Community Introductions

An important concierge level service San Bernardino County Economic Development Agency provides is customized site selection tailored to a business prospect’s needs. If desired, a tour of the county and buildings/properties is provided in order to facilitate selection of the appropriate site. Introductions are provided to land owners, developers, brokers, and city representatives as needed. Business to business meetings are arranged as needed if desired.

Business Assistance Programs

The Workforce Development Department programs can assist with hiring and training new employees, as well as develop customized programs to meet your current workforce needs. Services include worker recruitment and advertising, tax credit verification for hired applicants, and space to conduct interviews. Services include:

• Recruitment services to post job openings, find qualified candidates, and access a variety of information designed to help a business succeed.
• Labor Market Information services provide access to information about labor market trends, statistics, and economic and demographic data.

Employer Incentives assist the employers to find out if the business qualifies for local, state, or federal incentives, such as Work Opportunity Tax Credits.

Educational Services provide information on suitable training or educational programs to assist employer’s workforce needs, and information on local training providers and schools.

Additional Services include providing information on HR-related topics, Equal Employment Opportunity topics, and resources to access labor relations laws, practices and issues.

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

Millions of square feet of new office, industrial and commercial development real estate

Developers with investments and assets include Majestic Realty; Hillwood; DCT Industrial; Alere; Panattoni, and many others. Current available industrial, retail and office space (as of Dec 2013):

<table>
<thead>
<tr>
<th>Industry</th>
<th>Existing SF</th>
<th>Total SF Available</th>
<th>12 Month Deliveries</th>
<th>Vacancy Rate</th>
<th>Rent per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>329,052,986</td>
<td>26,047,850</td>
<td>5,755,140</td>
<td>4.9%</td>
<td>$0.40</td>
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<tr>
<td>Retail</td>
<td>89,168,709</td>
<td>10,425,582</td>
<td>362,722</td>
<td>8.8%</td>
<td>$1.26</td>
</tr>
<tr>
<td>Office</td>
<td>37,544,582</td>
<td>5,732,290</td>
<td>98,898</td>
<td>12.5%</td>
<td>$1.50</td>
</tr>
</tbody>
</table>

Demographics and Other Data:

Geographic area covers over 20,000 square miles
Averages 340 days of sunshine a year
A skilled and abundant workforce of over 900,000
24 cities and 60 unincorporated areas
More than 20 universities and colleges
A $1 trillion local GDP with access to 23 million within a 3-hour drive
Home to a nationally recognized entrepreneurship program at California State University San Bernardino
Population over 2 million
Median age of 31.6
Median home value of $224,500
Median household income of $53,496
2015 projected median household income of $60,971

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 region is the nation’s leading logistics, warehouse, and distribution market for a multitude of Fortune 500 firms thanks to a location of approximately 40 miles from the seaports of Los Angeles/Long Beach, which are known as the nation’s busiest and among the most bustling in the world.

The County and its businesses also benefit from three large airports with spare capacity and available space nearby LA/Ontario International Airport (ONT); San Bernardino International Airport (SBIA); and Southern California Logistics Airport (SCLA). ONT is a medium-hub, full-service airport with commercial passenger service to major U.S. cities. ONT is also a major cargo airport and serves as the UPS West Coast air hub.
For more information on iHubs, visit our website: http://bit.ly/CAiHubs or email GoBiz.Innovation@gov.ca.gov