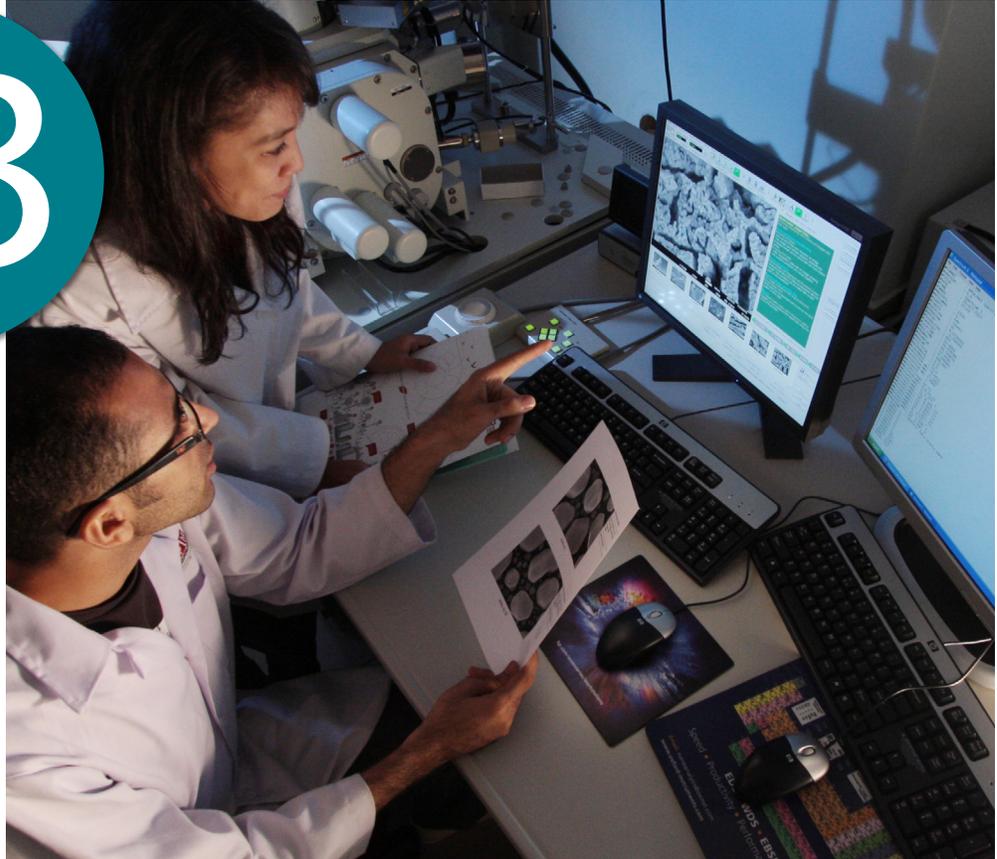


# 13



## Economy, Education, and Workforce Development





# Economy, Education, & Workforce Development

Economic development encompasses actions to enhance prosperity and economic well-being. It includes creating and retaining jobs and businesses, growing incomes, and improving the tax base. From the 1980s to today, while Fontana focused on residential development of its large undeveloped acreage, the City's economic development efforts emphasized fiscal benefits and providing retail and services to the residential population. Local government, the Fontana Unified School District, and Kaiser Permanente are the largest employers, but the vast majority of Fontana residents work outside the city. Fontana's population more than doubled between 1990 and 2016, when its 210,000 residents made it the twentieth-largest city in the State of California. Fontana's population puts the city just outside the 100 most populous cities in the United States. It makes it comparable in population size to cities such as Richmond [VA], Boise [ID], Des Moines [IA], Spokane [WA], and Rochester [NY], and bigger in population than state capitals such as Salt Lake City [UT] and Little Rock [AK]. Fontana in 2016 is still largely a bedroom community.

Within the twenty-year time horizon of this General Plan, a number of changes will likely occur that suggest a need for new economic development goals and strategies starting now. Fontana's two

generations of “greenfield” development will begin to transition, and growth will have to come through redevelopment of underutilized or older properties. The millennial generation that already makes up the majority of the workforce wants new choices within a suburban environment. Technological change, ranging from the increasing use of robots to consumer acceptance of self-driving cars, will bring new opportunities and new challenges. Participants in the Fontana Forward planning process consistently said they would like to see more Fontana jobs for Fontana residents, making the city less of a bedroom suburb and more of a complete community.

## A. Economy, Education, and Workforce Development in the Fontana Forward Vision and Principles

### VISION

In 2035...

- **Fontana is the Inland Empire’s opportunity city.** With welcoming neighborhoods, diverse job opportunities and housing choices, excellent parks, and a lively downtown, we are prosperous, safe, healthy, and thriving. Once a pioneer community, an agricultural center, a steel town, and a bedroom community, Fontana has built its fifth identity as a live-work-play-learn city of opportunity where families, young adults, and older residents can all flourish: Fontana 5.0.
- **Our diversified economy has good jobs for Fontana residents, so they can work where they live.** Fontana promotes a strong and viable local economy that balances the economic, environmental, sustainability and social needs of the city. We partner with major employers to connect Fontanans to local jobs and encourage employees to live in Fontana. Our business-friendly policies help small businesses and start-ups thrive. Our location on three interstate highways, freight and commuter rail, and public transit helps Fontana attract new businesses while continuing to support our health care, services, manufacturing, and logistics industries.
- **Fontana embraces lifelong learning.** Our community promotes and supports educational achievement to create a highly qualified work force for 21st-century jobs. Working with our schools and educators, our civic partnership of government, business, nonprofits, human services organizations, and faith-based organizations has made Fontana a leader in educational achievement.

- **Our revitalized downtown is a neighborhood, an arts, culture and entertainment center, and a walkable district of shopping and services.** Downtown’s renaissance is anchored by new residents who want to live in a walkable center close to amenities, activities, and transportation options.

## PRINCIPLES



Be business-friendly. Support business growth and entrepreneurship while protecting environmental resources and quality of life.



Pursue goals through partnerships. Connect city government with businesses, institutions, regional agencies, nonprofits, and citizens to accomplish goals.



Prepare students for good jobs. Establish a citywide focus on educational achievement to create a skilled and well-educated workforce through vocational programs and partnerships with major employers and educational programs for all ages in Fontana.



Act transparently. Promote civic engagement and keep everyone informed about community conditions, options, and opportunities to participate in decision making.



Be cost-effective. Establish cost-effective best practices and systems to support ongoing city services and infrastructure.

## ***B. Goals and Policies***

GOALS	POLICIES
Promote a diversified economy that builds on existing business sectors and develops, attracts and retains future job-creating sectors.	<ul style="list-style-type: none"> <li>• Support resources for the City's economic development department to develop and implement strategies to attract and grow businesses that provide tax revenue and opportunities for diversified and high-paying jobs for Fontana residents.</li> <li>• Support initiatives for entrepreneurship in potential growth sectors.</li> <li>• Leverage the resources of organizations such as the San Bernardino County Economic Development Agency and the Workforce Investment Board to help Fontana businesses promote in-city jobs and help residents find local job opportunities</li> </ul>
Support education and workforce development programs in Fontana to foster educational achievement and skill development that prepares students and workers for the higher-paying jobs of the future.	<ul style="list-style-type: none"> <li>• Make school completion and educational achievement a high civic priority with broad community support.</li> <li>• Promote educational programs that provide the skills and training necessary to fill jobs for Fontana employers.</li> <li>• Encourage youth to develop entrepreneurial talents.</li> <li>• Balance responding to immediate employer demand with the need to plan for longer-term changes in the labor market.</li> </ul>
Plan Fontana as a "complete community" with a balance of diverse neighborhoods, amenities, services, and infrastructure that supports a qualified workforce and attracts business.	<ul style="list-style-type: none"> <li>• Strengthen community institutions and development patterns that provide a high quality of life and that correspond to the values of the millennial generation—the majority of workers starting in 2016.</li> <li>• Ensure that essential support services, such as child care, enable workers to seek and maintain employment.</li> <li>• Seek partnerships with other government agencies to provide planning and funding resources to support infrastructure and other improvements to support new development.</li> </ul>
Revitalize Fontana's downtown and Sierra Avenue corridor to provide an attractive area for new businesses to locate and create a lively center of government, education, medical care, arts, culture and entertainment, restaurants and new housing.	<ul style="list-style-type: none"> <li>• Implement a comprehensive Downtown Area Plan [Chapter 14 in this General Plan].</li> <li>• Establish a position for a downtown manager with the experience needed to implement the Downtown Plan.</li> <li>• Work with the education and medical institutions downtown to maximize their positive presence.</li> <li>• Promote initiatives to attract housing in the downtown vicinity for households of all types, as a way to support new retail, restaurant, and entertainment options in downtown.</li> </ul>

# C. Findings and Challenges

## FINDINGS: OVERVIEW

- **Fontana has direct access to three major highway corridors** including Interstates 10 and 15 and State Route 210.
- Fontana’s geographic position along the major goods movement corridors from the ports of Los Angeles and Long Beach has allowed the city to expand its **logistics and warehousing businesses**.
- **Relative to other surrounding cities, Fontana has higher amounts of vacant land to expand both residential and business development, but much of that land is already entitled** and is expected to be developed by 2025.
- **Fontana is a maturing suburban bedroom community**, and growth over the next 20 years will increasingly be characterized by redevelopment and revitalization rather than greenfield development.
- The California Department of Finance estimated a January 1, 2016 population of **209,895 people in 51,517 households** and an average household size of 4.07 persons.
- **The median 2015 household income** in Fontana was \$64,824, slightly above the state median of \$64,500. Median household income in Fontana is expected to grow 2.73% annually between 2015 and 2020, a slower pace than the expected 3.36% projected income growth rate for the State.
- Since the recession of 2008-2009, Fontana’s **unemployment rate** has generally followed the recovery trend at the state and county levels. Fontana’s unemployment rate fell from 14.7% in 2010 to 5.5% in 2016. However, that rate remains slightly higher than California’s and San Bernardino County’s unemployment rate of 5.2%.

**EXHIBIT 13.1  
CITY, COUNTY, STATE UNEMPLOYMENT**

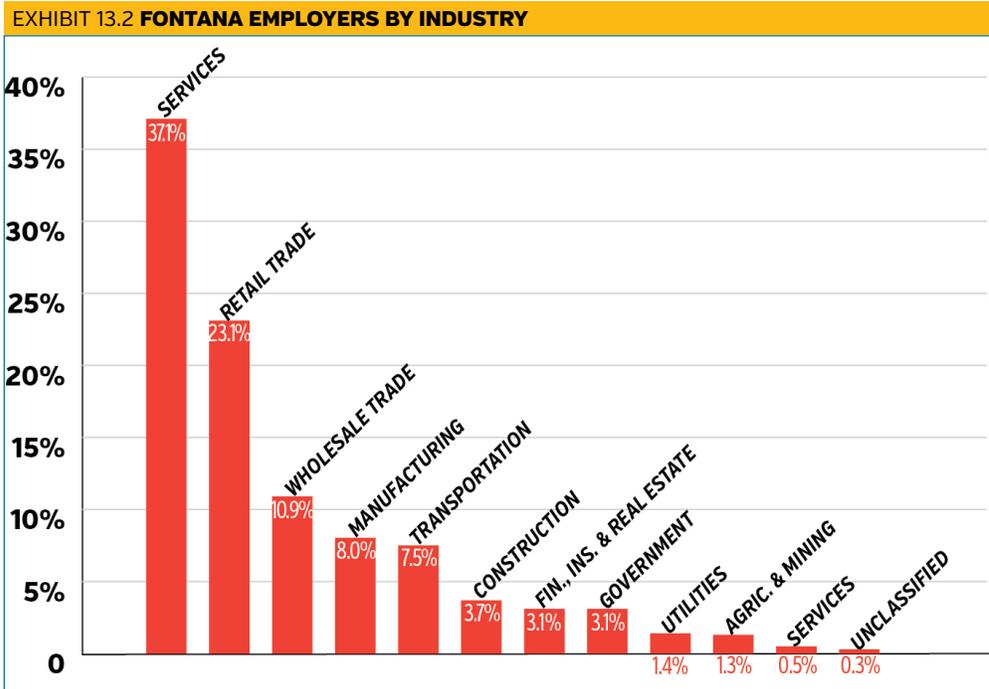
	FONTANA	SB COUNTY	STATE
2004	5.2%	5.7%	6.2%
2005	4.7%	5.2%	5.4%
2006	4.7%	4.8%	4.9%
2007	6.2%	5.6%	5.4%
2008	10.3%	8.0%	7.3%
2009	13.9%	12.7%	11.2%
2010	14.7%	13.5%	12.2%
2011	13.1%	12.9%	11.7%
2012	11.3%	11.4%	10.4%
2013	9.2%	9.8%	8.9%
2014	7.8%	8.1%	7.5%
2015	6.3%	5.7%	5.8%
2016	5.5%	5.2%	5.2%

Source: US Bureau of Labor Statistics (2017)

## EMPLOYERS

- **Services (37.1%), retail trade (23.1%), and wholesale trade (10.9%) represent the top three employers in Fontana by industry.** Exhibit 13.3 shows the top ten employers in Fontana in 2016. Kaiser Hospital employed 5,430 employees or 5.61% of total city employment in 2016. Two government agencies, Fontana Unified School District and the City of Fontana, collectively employed approximately 6,030 employees or 6.34% of all city employment. Sierra Aluminum Company, a manufacturer of custom aluminum extrusions

and products represented the eighth largest employer at 312 employees. The remainder of the top ten employers constituted distribution and logistics (#4 Target Distribution Center), retail (#10 Walmart Foothill Boulevard and #9 Target Summit Avenue), and trucking/transportation (#6 USF Reddaway and #7 Estes West). Collectively the top ten employers provided 13,950 jobs or 14.5% of total city employment. However, while the trucking companies have their base of operations in Fontana, their drivers travel to a variety of locations across the state and nation during the work week.



**EXHIBIT 13.3 TOP TEN EMPLOYERS IN FONTANA**

RANK	EMPLOYER	EMPLOYEES	% TOTAL CITY EMPLOYMENT
1	Kaiser Hospital	5,430	5.63%
2	Fontana Unified School District	5,000	5.19%
3	City of Fontana (includes part-time employees)	1,030	1.07%
4	Target Distribution Center	621	0.64%
5	Costco Wholesale	333	0.35%
6	U S F Reddaway	320	0.33%
7	Estes West	317	0.33%
8	Sierra Aluminum Company	312	0.32%
9	Crown Technical Systems	297	0.31%
10	Walmart Store [17251 Foothill Boulevard]	290	0.28%
	<b>Total</b>	<b>14,202</b>	<b>15.18%</b>

Source: City of Fontana Comprehensive Annual Financial Report, FY 2014-2015.

## JOBS IN FONTANA AND WORKERS RESIDING IN FONTANA

- The majority of Fontana’s working population commutes outside of the city each day to work.** Data from the US Census Bureau’s Center for Economic Studies pertaining to worker inflows / outflows show that Fontana has 64,640 workers that live in the City but are employed elsewhere; businesses in Fontana employ 6,214 workers who also live in the city and 40,358 employees that live outside of the city. Workers who live and work in Fontana represent 13.3% of the total number of people employed in Fontana (regardless of where the employee lives) and only 8.8% of the total workers that live in Fontana.
- More than two-thirds of Fontana residents work in three broad occupational sectors: management, business, science and arts; services; and sales and office.** Almost one in five is employed in educational services/health care/social assistance, which also accounts for over 10% of the jobs in Fontana and includes higher-paying, unionized jobs. The transportation/warehousing and manufacturing sectors that are prominent in Fontana in terms of business real estate development account for 10% and 13% of Fontana residents’ jobs respectively. However, retail trade (14%) represents the second highest percentage of employed Fontana residents, where average wages generally tend to be low.

EXHIBIT 13.4 WORKER INFLOW & OUTFLOW

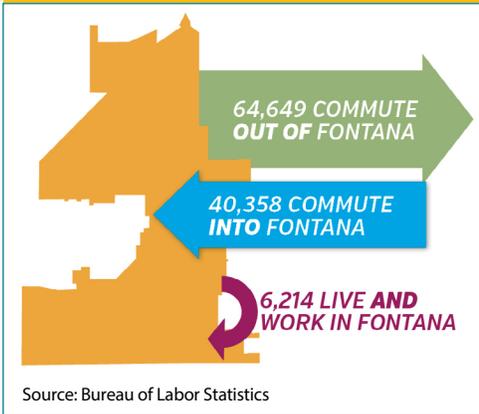
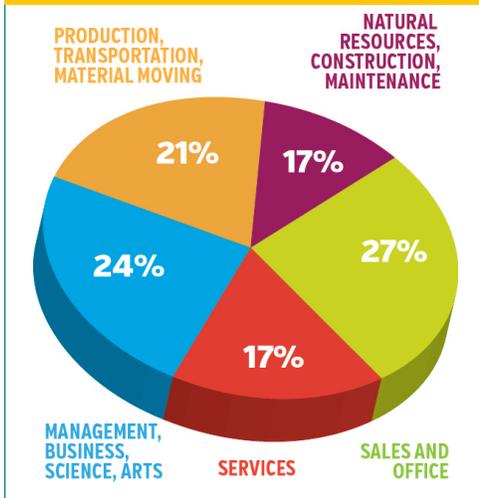
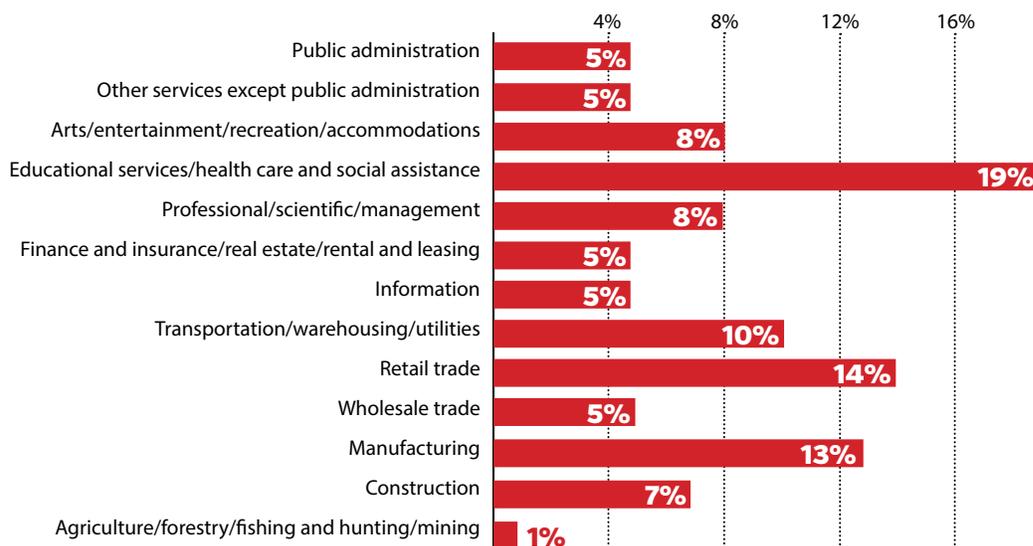


EXHIBIT 13.5 OCCUPATIONS OF FONTANA RESIDENTS



Source: US Census ACS 2009-2013

EXHIBIT 13.6 JOB SECTORS THAT EMPLOY FONTANA RESIDENTS



Source: US Census ACS 2009-2013

## PROJECTED JOB-CREATING SECTORS

- The Southern California Association of Governments (SCAG) identified the **top five sectors as most likely to create the most jobs** in the six-county SCAG area over the next 20 years:
  1. Transportation and Warehousing (21.3% of projected jobs created 2016-2035 in the SCAG area)
  2. Construction (19.2% of projected jobs created)
  3. Healthcare (11.7% of projected jobs created)
  4. Retail Trade (9.3% of projected jobs created)
  5. Accommodation and Food Service (6.5% of projected jobs created)

Most of these sectors tend to have lower-wage jobs. Transportation and warehousing, construction, retail trade, and accommodation and food service have median annual wages below Fontana’s and California’s median household incomes of approximately \$64,000. The health care sector has a range of jobs from lower-wage occupations to highly compensated work.

Amazon warehouse robots (Source: “Amazon unveils its new army of warehouse robots but still needs humans,” December 1, 2014, TNW (thenextweb.com))

New technologies, such as warehouse robots and self-driving vehicles are expected to have significant penetration in the economy and impacts on the logistics industry and transportation starting in the 2030s, toward the end of the time horizon of this General Plan.<sup>1</sup> In 2016, Amazon brought warehouse robots to Southern California.

<sup>1</sup> Michelle Bertonecello and Dominik Wee, “Ten ways autonomous driving could redefine the automotive world,” McKinsey & Company Automotive & Assembly, June 2015 ( <http://www.mckinsey.com/industries/automotive-and-assembly/our-insights/ten-ways-autonomous-driving-could-redefine-the-automotive-world> )



### EXHIBIT 13.7 MEDIAN ANNUAL PAY BY SELECT OCCUPATION TYPES IN THE INLAND EMPIRE, 1ST QUARTER, 2015

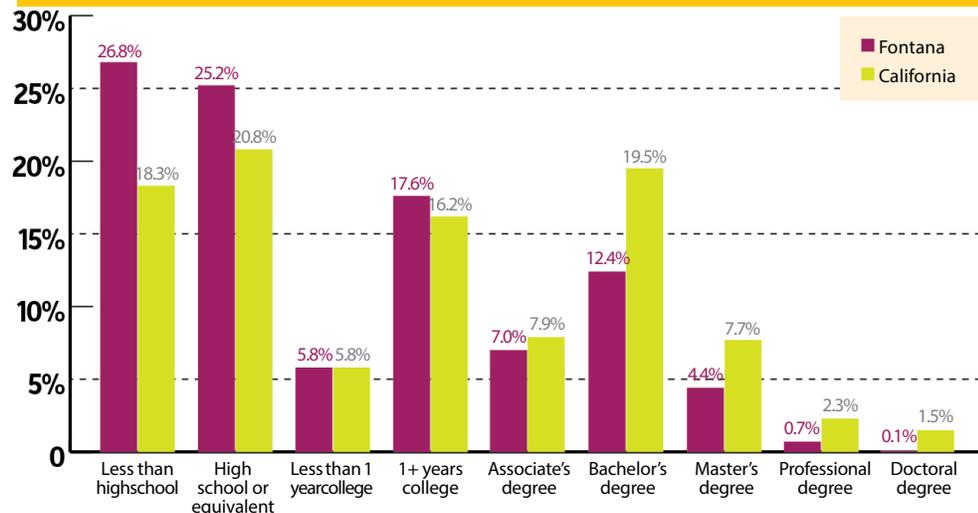
Management occupations	\$105,270
Healthcare practitioners and technical	\$83,713
Architecture and engineering	\$81,077
Education, training and library	\$59,013
Office and administration support	\$53,542
Construction and extraction	\$51,145
Community and social services	\$50,901
Installation, maintenance, repair	\$47,399
Sales and related	\$35,668
Transportation and material moving	\$34,590
Production	\$33,537
Healthcare support	\$31,749
Building, grounds and maintenance	\$27,242
Personal care and service	\$25,240
Food preparation and serving	\$22,511

Source: California Employment Development Department, Median Pay Level by Sector, Inland Empire, First Quarter 2015

## EDUCATION

- **Fontana has lower levels of average educational achievement than state averages.**
- **Fifty-two percent of Fontana residents 25 years or older have only a high school diploma or less education.** However, it is likely that the generation in its teens and twenties as this plan is being written will have higher rates of high school and college completion. Moreover, if the high cost of housing coastal communities continues, Fontana will be attracting more residents with higher educational achievement in the future.

EXHIBIT 13.8 EDUCATIONAL ATTAINMENT OF RESIDENTS 25 AND OLDER



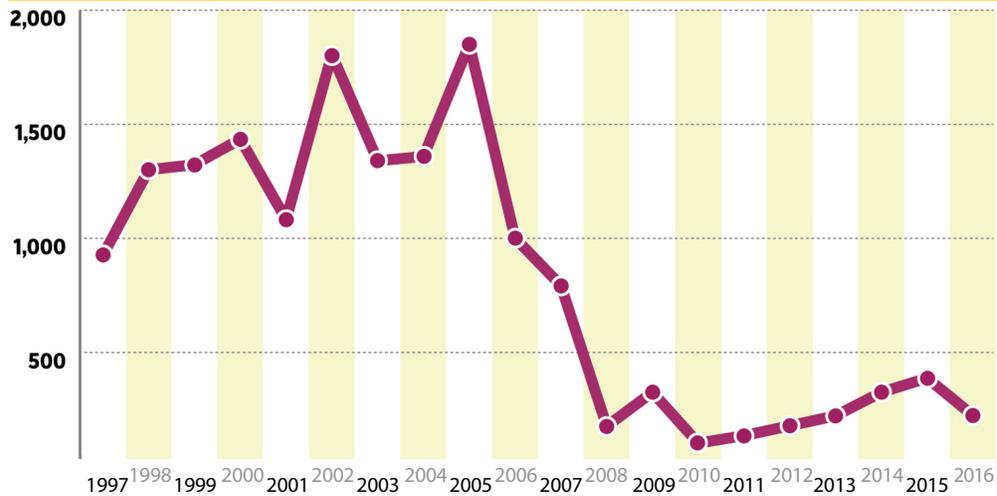
- **Well-paying jobs increasingly require not only a high school diploma but some kind of post-secondary certification at a minimum.** For example, at least 80% of the jobs at Kaiser Hospital require some kind of post-secondary certificate or higher education.
- **Adults with low educational attainment often need training to enter the workforce.** Adult Basic Education (ABE), English as a Second Language (ESL), classes to prepare for a GED or high school diploma, vocational courses, and other courses are available at the Chaffey Adult School location in Ontario. In ABE courses, students improve basic reading, writing and math skills and can then transition to GED or high school courses. The Fontana Unified School District (FUSD) offers adult education courses for those who wish to pursue a GED.
- **Post-secondary training in Fontana is available at Chaffey Community College's downtown campus,** part of the state community college system.
- **In addition to academic, college prep courses, FUSD offers career training in a number of areas** including automotive technician, game design, medical assistant, customer service occupations, certified nurse assistant, veterinary assistant, welding technology, bakery operations, stagecraft construction, law enforcement, and restaurant occupations.

- **In March 2016, the Industrial Technical Training Center for advanced manufacturing occupations opened at California Steel** in Fontana’s Sphere of Influence. The federally funded center was created by Chaffey College and a consortium of partners.

### RESIDENTIAL CONSTRUCTION

- **Despite a general rebound in home prices, homebuilding permits have not returned to pre-recession levels in Fontana.** Housing permits issued in Fontana peaked in 2005 when the City issued 1,851 single-family building permits. From 1998 to 2006, the city issued no fewer than 1,001 single family permits annually. Housing permits fell from a peak of 1,851 permits in 2005 to a low of 103 permits in 2010. Permit activity has slowly increased from 2010 levels. The City issued 424 single-family permits in 2016, but this figure represents an approximately 77% drop from peak permit activity in 2005.

EXHIBIT 13.9 FONTANA SINGLE-FAMILY RESIDENTIAL BUILDING PERMITS, 1997-2016



Source: City of Fontana

### INDUSTRIAL SPACE

- **Fontana’s industrial construction expanded significantly 2015-2016.** In the first quarter of 2016, Fontana had 2,510,599 SF of industrial buildings under construction versus 902,926 feet under construction in the first quarter of 2015. Also in the first quarter of 2016, Fontana had the third highest amount of industrial space under construction in the Inland Empire, behind the cities of Rialto and Ontario. Some newly completed projects were built without tenants first identified, likely accounting for some of the increase in vacancy rates. Average rents in Fontana in the first quarter of 2016 were 51 cents per square foot, slightly lower than the Inland Empire West average of 53 cents.

**EXHIBIT 13.10  
VACANCY RATES FOR INDUSTRIAL SPACE IN INLAND EMPIRE SUBMARKETS**

SUBMARKET	TOTAL INDUSTRIAL INVENTORY (SF)	DIRECT VACANT SQUARE FOOTAGE	DIRECT VACANCY RATE	TOTAL SF VACANT WITH SUBLET	VACANCY RATE WITH SUBLET
Fontana	51,669,756	1,460,808	2.8%	1,621,341	3.1%
Chino	43,552,998	1,557,363	3.6%	1,693,077	3.9%
Mira Loma	24,782,158	483,238	1.9%	583,238	2.4%
Montclair/Upland	8,180,497	374,300	4.6%	374,300	4.6%
Ontario	102,441,848	5,210,659	5.1%	5,564,413	5.4%
Rancho Cucamonga	38,047,464	1,259,077	3.3%	1,271,047	3.3%
Rialto	17,419,602	1,589,484	9.1%	1,589,484	9.1%
<b>Total Inland Empire West</b>	<b>286,094,323</b>	<b>11,934,929</b>	<b>4.2%</b>	<b>12,696,900</b>	<b>4.4%</b>
Colton	8,034,596	387,971	4.8%	387,971	4.8%
Corona/Norco	31,302,538	1,558,684	5.0%	1662477	5.3%
Moreno Valley	18,064,732	1,145,965	6.3%	1145965	6.3%
Perris	14,935,092	1,036,731	6.9%	1036731	6.9%
Redlands	21,060,918	2,212,410	10.5%	2342202	11.1%
Riverside	47,661,881	2,007,978	4.2%	2015672	4.2%
San Bernardino	32,949,695	2,229,130	6.8%	2271360	6.9%
<b>Total Inland Empire East</b>	<b>174,009,452</b>	<b>10,578,869</b>	<b>6.1%</b>	<b>10,862,378</b>	<b>6.2%</b>
<b>Inland Empire Totals</b>	<b>460,103,775</b>	<b>22,513,798</b>	<b>4.9%</b>	<b>23,559,278</b>	<b>5.1%</b>

Source: Daum Real Estate Analytics (2016)

**EXHIBIT 13.11  
RENTAL RATES FOR INDUSTRIAL SPACE IN INLAND EMPIRE SUBMARKETS**

SUBMARKET	AVERAGE INDUSTRIAL RENT/SF	SQUARE FEET BUILT IN 2015	SQUARE FEET UNDER CONSTRUCTION	GROSS ABSORPTION SF 1Q 2015
Fontana	\$0.50	0	902,926	752,931
Chino	\$0.50	0	2,896,530	1,204,194
Mira Loma	\$0.46	0	254,378	275,051
Montclair/Upland	\$0.53	0	129,928	71,497
Ontario	\$0.46	416,640	664,399	2,558,487
Rancho Cucamonga	\$0.46	0	1,751,976	1,104,271
Rialto	\$0.43	927,696	1,974,178	216,844
<b>Total Inland Empire West</b>	<b>\$0.47</b>	<b>1,344,336</b>	<b>8,574,315</b>	<b>6,183,275</b>
Colton	\$0.32	0	0	111,920
Corona/Norco	\$0.55	10,331	168,093	166,698
Moreno Valley	\$0.41	0	366,698	13,296
Perris	\$0.41	0	3,512,038	14,411
Redlands	\$0.45	425,940	1,669,648	48,217
Riverside	\$0.44	0	171,619	264,358
San Bernardino	\$0.41	0	1,293,590	257,436
<b>Total Inland Empire East</b>	<b>\$0.44</b>	<b>436,271</b>	<b>7,181,686</b>	<b>876,336</b>
<b>Inland Empire Totals</b>	<b>\$0.46</b>	<b>1,780,607</b>	<b>15,756,001</b>	<b>7,059,611</b>

Source: Daum Real Estate Analytics (2016)

EXHIBIT 13.12 FONTANA RETAIL VACANCY AND ABSORPTION TRENDS					
YEAR	NUMBER OF BUILDINGS	TOTAL SQUARE FEET	VACANCY RATE	NET ABSORPTION SF	SF UNDER CONSTRUCTION
2007	677	6,789,746	3.0%	522,072	69,739
2008	687	6,989,184	6.0%	-16,006	32,354
2009	695	7,029,668	7.3%	-50,260	5,100
2010	698	7,050,426	6.7%	56,106	0
2011	690	7,092,061	6.6%	46,963	21,753
2012	691	7,105,784	5.6%	88,835	6,878
2013	692	7,107,262	5.2%	27,218	10,820
2014	694	7,118,082	4.9%	30,067	8,100
2015	692	7,079,465	4.8%	-28,768	11,700
2016	691	7,074,965	5.9%	-81,371	11,700

Source: Costar Analytics (2016)

## RETAIL

- Retail vacancies receded from a peak of 7.3% in 2009 to 5.9% in 2016.** However, vacancy rates increased from 4.8% in 2015 to 5.9% in 2016. After five years of positive net absorption trends, Fontana experienced a -28,768 SF net absorption in 2015. By mid-2016, Fontana had a -81,731 SF net absorption rate.

Exhibits 13.13 and 13.14 summarize Fontana’s retail “leakage/surplus” analysis. The leakage analysis uses retail sales data for Fontana and compares it to the “retail potential,” or the estimated amount that consumers will spend in retail establishments in Fontana. The “retail gap” is the difference between retail sales and retail potential. A positive number (shown in green in Exhibit 13.14) shows that the city’s retail sales within the city are less than the estimated retail potential and that retail sales are “leaking” to other cities. A negative number (shown in red in Exhibit 13.14) shows that retail sales in the city are more than the estimated retail potential, and that the city has a “surplus” of retail sales, and customers may be drawn in from other cities. The City of Fontana overall has well-balanced retail sales, showing slight leakages in total retail trade and in food and drink. However, this general balance does not mean that the retail mix is what Fontana residents would necessarily prefer. Fontana’s retail sales total of \$1,951,975,633 is slightly lower than the \$2,051,494,155 of estimated retail potential. These figures represent a \$99,518,522 or 2.5% retail leakage. The food and drink sector also shows an 11.7% leakage factor, suggesting that restaurant sales are leaking to surrounding cities.

EXHIBIT 13.13 FONTANA RETAIL LEAKAGE/SURPLUS SUMMARY				
INDUSTRY	RETAIL POTENTIAL	RETAIL SALES	RETAIL SURPLUS	SURPLUS FACTOR
Total Retail Trade, Food & Drink	\$2,051,494,155	\$1,951,975,633	\$99,518,522	2.5
> Total Retail Trade	\$1,851,814,094	\$1,794,011,119	\$57,802,975	1.6
> Total Food & Drink	\$199,680,061	\$157,964,514	\$41,715,547	11.7

Source: Esri (2016)

**EXHIBIT 13.14 FONTANA RETAIL LEAKAGE/SURPLUS BY CATEGORY**

INDUSTRY GROUP	RETAIL POTENTIAL	RETAIL SALES	RETAIL GAP/SURPLUS	LEAKAGE/SURPLUS FACTOR
Electronics	\$101,478,049	\$19,307,019	\$82,171,030	68.0
Furniture	\$34,762,841	\$7,116,384	\$27,646,457	66.0
Clothing	\$92,732,222	\$23,802,005	\$68,930,217	59.2
Specialty Food	\$4,266,864	\$818,042	\$3,448,822	67.8
Health and Personal care	\$117,732,086	\$74,245,145	\$43,486,941	22.7
General Merchandise	\$287,350,618	\$386,965,462	\$(99,614,844)	-14.8
Auto Dealers	\$334,751,243	\$484,930,365	\$(150,179,122)	-18.3
Motor Vehicles and Parts Dealers	\$408,762,051	\$581,643,469	\$(172,881,418)	-17.5
Gas Stations	\$110,651,279	\$125,670,580	\$(15,019,301)	-6.4
Auto Parts and Tire Stores	\$25,526,405	\$72,636,104	\$(47,109,699)	-48

Source: Esri (2016)

- **Exhibit 13.14 shows selected categories and their respective leakage/surplus factors.** Electronics, furniture and clothing sales show the highest leakage factors, at 68%, 66%, and 59.2% respectively, suggesting that these sales may be leaking into neighboring cities’ retail centers, such as Ontario and Rancho Cucamonga. Fontana shows retail surpluses particularly in the categories of auto dealers, motor vehicles and parts dealers and auto parts and tire stores, reflecting the city’s large number of automotive and trucking businesses.

## D. What the Community Said

### **Public opinion survey conducted September 2015:**

- **Attract businesses with jobs for Fontana residents:** 66.7% of respondents designated this as high priority, the highest percentage in the survey
- **Redevelop and revitalize Valley Boulevard and Foothill Boulevard:** 51.1% of respondents designated this as high priority
- **Provide more housing options for people with average incomes:** 51.3% of respondents designated this as high priority

### **Challenges identified by participants at the October 2015 Visioning Forum:**

- More shopping, restaurants, hotels and entertainment opportunities for all ages desired
- More local jobs needed for Fontana residents
- Better/safer infrastructure to walk within city
- Challenges with blight and dumping on vacant land
- Participants identified a need for infrastructure improvements and general revitalization of Valley Boulevard and Foothill Boulevard
- Participants expressed varied views on housing:
  - > Some expressed need for more affordable housing
  - > Some expressed need for more single family housing with larger lot sizes
  - > Varied views on the need for mixed use/transit-oriented development housing

### **Challenges that participants identified at the March 2016 “Fontana as a Complete Community” workshop:**

- Building restaurant and retail development in areas that are easily accessible to residential communities
- Need for safer and better maintained roads
- Need for more local jobs for Fontana residents
- Need for better higher-educational opportunities for Fontana residents
- Areas of the city should be dedicated to business development and jobs

## **E. Policies and Actions to Achieve the Goals**

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### **Goal 1: Promote a diversified economy that builds on existing sectors and develops, attracts and retains future job-creating sectors.**

#### **POLICIES**

- Support resources for the City’s economic development department to develop and implement strategies to attract and grow businesses that provide tax revenue and opportunities for diversified and high-paying jobs for Fontana residents.
- Support initiatives for entrepreneurship in potential growth sectors.
- Leverage the resources of organizations such as the San Bernardino County Economic Development Agency and the Workforce Investment Board to help Fontana businesses promote in-city jobs and help residents find local job opportunities.

While logistics and distribution centers are key economic and employment drivers in Fontana, especially for workers with a high school diploma or less education, they tend to produce relatively few jobs at relatively lower wages. For example, warehouses typically produce approximately one job for every 3,000 square feet of space, in contrast to office or R&D development, with corresponding figures of 1 job per 250 square feet (office) or 1 job per 1,000 square feet (R&D). Automation of warehouse operations is already underway, and other aspects of the logistics sector, including the trucking industry (which is undergoing consolidation), are also targeted for productivity enhancements through technology. Logistics and distribution could be balanced with other industries, such as advanced manufacturing and supporting businesses (e.g., machine shops, repair facilities, restaurants and retail) as well as emerging sectors and businesses that could provide long-term benefits.

Sectors to explore may include the top five sectors that the Southern California Association of Governments (SCAG) identified as most likely to create the most jobs in SCAG’s service area over the next 20 years: transportation and

warehousing; construction; healthcare; retail; and accommodation and food service. Some of these sectors have cyclical and lower-paying jobs. However, the City can make a conscious effort to target the higher-wage sectors (such as healthcare) and segments of these sectors.

Recent trends indicate that the professional services sector (professional, scientific, technical and management companies), traditionally weak in the Inland Empire because of low educational levels, has been growing, both to serve the region's economy and because some professionals are leaving the expensive coastal communities for more housing value in the Inland Empire. By improving downtown and other mixed-use and commercial environments, Fontana may be able to capture some of this sector's expansion.

## **ACTIONS**

- A. Establish a balance of industrial and manufacturing development along with services, especially in sectors with living-wage jobs.
  - ▶ A living wage provides enough income to meet the basic requirements for a safe, decent standard of living within the community.
- B. Create and implement a work plan for the City's Economic Development Department to focus on retention and attraction of businesses in existing and emerging sectors, with attention to the potential creation of diverse and high-paying jobs for Fontana residents.
- C. Identify existing industries/businesses that the city would like to locate in the city and actively seek them to locate in Fontana.
- D. Research potential emerging sectors and identify target sectors for Fontana.
  - ▶ The Economic Development Department should research emerging sectors (potentially with the assistance of a consultant) to identify Fontana's competitive advantages and potential incentives to attract businesses that, over time, may expand and grow to provide good jobs. Economic Development staff should establish and maintain a list of target sectors and develop and implement strategies to attract these business sectors. The sectors identified could support current industries in Fontana and respond to future job and skill demands in the region. Potential sectors that the City could explore include (but are not limited to):
    - Advanced manufacturing clusters, such as metals
    - Robotics technology to support the logistics industry
    - Energy/fuel efficiency companies that design products to support truck fleets
    - Residential/commercial energy efficiency upgrade installation companies
    - Professional services

- E. Create a business-attraction strategy with incentives (such as expedited plan check) to encourage new retailers and restaurants to locate in the Downtown Area Plan district and other districts targeted for mixed-use development.
  - ▶ Seek retailers in sectors where Fontana has identified retail leakage (e.g. specialty food, restaurants, health and personal care).
- F. Assist in publicizing job openings within Fontana to Fontana residents.
  - ▶ Consider adding a page to the City’s website that provides referrals on where to access information on available jobs in Fontana.
- G. Collaborate with major employers and regional agencies and groups to host a Fontana Jobs Fair on a regular schedule that showcases in-city job opportunities and seeks to employ Fontana residents.
  - ▶ Collaborate with major employers and organizations such as the Chamber of Commerce and the San Bernardino Workforce Development Department to identify how often to have the fair, provide in-city job listings, and to help market the event.
- H. Consider expediting infrastructure improvements at the Southwest Industrial Park (SWIP) to attract a diversified light industrial base that includes manufacturing and research and development as well as logistics firms, and at other Fontana locations targeted for certain business types.
  - ▶ Explore a SWIP infrastructure program, working with the Fontana Water Company, the Inland Empire Utilities Agency, and San Bernardino County to create a financing mechanism such as an enhanced infrastructure finance district (EIFD) to finance water, wastewater, recycled water, and drainage improvements at the SWIP so that the City can attract and direct diversified, appropriate businesses to it.
- I. Explore creating or partnering with others to support a business incubator, co-working space, or business accelerator program that provides low-cost facilities, services, mentorship, marketing and technology support and other assistance to attract new businesses and start-up companies to the city.

A Food Incubator Could Help Grow Downtown Fontana’s Own Restaurant Row

Pasadena’s Chef’s Center of California is one of many incubators for food businesses that have opened across the country. Chef’s Center offers a professional kitchen plus mentoring, assistance in becoming a successful business, access to marketplaces, and so on. Some food incubator businesses end up opening restaurants. [See [www.chefcenter.org](http://www.chefcenter.org) ]

The concept of a Nuevo Street “restaurant row” in the Downtown Area Plan would benefit from a food or restaurant incubator.



- ▶ Many incubators around the country are associated with a university, such as the City of Riverside’s collaborative program with UC Riverside called Riverside EXCITE. Others are stand-alone operations, often with financial assistance from local governments and grants of various types. Incubator or co-working spaces could provide opportunities for young adults who grew up in Fontana, earned a college degree, and are interested in starting their own businesses. Fontana could focus its efforts on attracting

## 15 FOOD ACCELERATORS + INCUBATORS LAUNCH IN 2014



Source: [www.foodtechconnect.com/](http://www.foodtechconnect.com/)

start-ups to support current Fontana industries such as health care and manufacturing, as well as services. Incubators or co-working spaces should be located in the downtown core or along Sierra Avenue or Foothill Boulevard close to downtown.

## **Goal 2: Support education and workforce development programs in Fontana to foster educational achievement and skill development that prepares students and workers for the higher-paying jobs of the future.**

### **POLICIES**

- Make school completion and educational achievement a high civic priority with broad community support.
- Promote educational programs that provide the skills and training necessary to fill jobs for Fontana employers.
- Encourage youth to develop entrepreneurial talents.
- Balance responding to immediate employer demand with the need to plan for longer-term changes in the labor market.
  - ▶ The City of Fontana does not have control over the school districts that serve the city, the Chaffey College campus in Fontana, or regional post-secondary institutions. However, City efforts to retain and attract businesses with higher-wage jobs for Fontana residents will require collaboration and coordination with the educational institutions in the city and the region in order to raise average educational attainment over time. The availability of a qualified workforce is an important criterion in business location decisions.

### **ACTIONS**

- A. Encourage expansion of existing and new educational institutions in Fontana.
- B. Support and promote education-business partnerships and alliances.
  - ▶ Several organizations in the Inland Empire are currently working to prepare students for higher-skill careers, including the Alliance for Education, the Inland Coalition, and the Inland Empire Regional Training Consortium.
    - **The Alliance for Education** is a San Bernardino-based partnership of business, labor, government, community and education to produce an educated and qualified workforce ([www.sballiance.org](http://www.sballiance.org)). The Alliance is particularly focused on a “Cradle to Career Roadmap” to make all students ready for school and for a career, with an emphasis on STEM (science, technology, engineering, math) education.
    - **The Inland Coalition** ([www.inlandcoalition.org](http://www.inlandcoalition.org)) was formed to create more qualified health care workers for the health care industry in the Inland Empire by helping students identify health-related careers and the educational pathways to achieve them.
    - **The Inland Empire Regional Training Consortium** is a partnership of ten community colleges, twenty employers, state and county workforce development organizations (Workforce Investment Boards), and a number of business and education groups (see the box for details).
- C. Collaborate with regional education-business organizations to

Inland Empire Regional Training Consortium and the Industrial Technical Learning Center



Chaffey College, with regional partners, successfully led an effort to win one of 71 federal grants for \$15 million to create the 28,000-square-foot Industrial Technical Learning Center [InTech] located on the California Steel Industries site in Fontana's Sphere of Influence. Expected to train 2,000 workers, the center's initial free training programs are in the areas of Industrial Electrical and Mechanical Maintenance; Machining,

Automation and Robotics; Metal Fabrication; Welding, Engineering Technician; and Cyber Security and Control Systems Technology. Each of these areas includes skills that are needed in specific job categories where labor is in short supply.

Additional courses and certifications are available at other Inland Empire colleges for entrepreneurial technician; automated systems technician; CNC programming; industrial maintenance mechanic technology; welding; and other certificates in architectural technology, industrial maintenance, and other offerings. Chaffey College's Workforce Training Institute also offers customized training for employers. The InTech Center also contains a conference center and café.

[www.intechcenter.org](http://www.intechcenter.org)

#### Our Core Belief

Education equals economics.

#### The Problem

Our region's economic prosperity is at risk.

#### The Approach

Drive systems change and improve student outcomes.

#### The Plan

A regional strategy to prepare children to succeed.

#### The Vision

Improve student outcomes from cradle to career.



I've been in this district and this community for 30 years, and never seen excitement like this. I think we finally have the opportunity to make the changes we need to make.

Yolanda Almendarez, Assistant Superintendent, San Marcos CISD

advance Fontana's ability to attract desired businesses.

- ▶ Designate a City staff person from the Planning or Economic Development departments to serve as a liaison with the regional education-business collaboratives.
- D. Provide a range of age-appropriate career exploration and experience opportunities for children beginning at the elementary level.
- ▶ Bring these experiences directly to schools in addition to offering field trips.
- E. Consider scheduling an annual City Council session with representatives of the school districts, the community college, and other local and regional education groups to communicate about goals, strategies, and activities related to education and workforce readiness.

The E3 Alliance in Central Texas is a good model for business-education partnerships ([www.e3alliance.org](http://www.e3alliance.org)).

### **Goal 3: Plan Fontana as a “complete community” with a balance of diverse neighborhoods, amenities, services, and infrastructure that supports a qualified workforce and attracts business.**

#### **POLICIES**

- Strengthen community institutions and development patterns that provide a high quality of life and that correspond to the values of the millennial generation—the majority of workers starting in 2016.
- Ensure that essential support services, such as child care, enable workers to seek and maintain employment.
- Seek partnerships with other governmental agencies to provide

Characteristics and Values of the Millennial Generation

- Most racially and ethnically diverse generation ever
- Value self-expression and the arts
- Optimistic
- Value urban-style community and amenities
- Less car-oriented than previous generations
- Entrepreneurial spirit
- Looking for authenticity
- Digitally connected

Source: Nielsen, Millennials-Breaking the Myths, 2014 (www.nielsen.com)

planning and funding resources to build infrastructure necessary to support new development.

**ACTIONS**

- A. Refine zoning to encourage mixed-use development where appropriate and create standards and procedures to implement connectivity improvements in new development areas.
- B. Establish mixed-use zoning at key intersections within walking distance of proposed stops, and along designated corridor segments.
- C. Provide a balance of affordable and market-rate housing options for all stages of life.
  - ▶ See General Plan Chapters 4, Community and Neighborhood, and 5, Housing, and the full state-approved 2014-2021 Housing Element in Appendix Three.
- D. Explore the applicability of financing mechanisms such as enhanced infrastructure financing districts (EIFDs), community facilities districts (CFDs) and development opportunity reserves (DORs) to provide infrastructure financing necessary to support new development.
  - ▶ DORs can be used to target higher density to new projects that comply with community objectives designated in an Area Plan or PUD.
- E. Explore cost-saving measures for initial infrastructure developments and long-term maintenance.

**Goal 4: Revitalize Fontana’s downtown and Sierra Avenue corridor to provide an attractive area for new businesses to locate and create a lively center of government, education, medical care, arts, culture and entertainment, restaurants and new housing.**

**POLICY**

- Implement a comprehensive Downtown Area Plan (Chapter 14 in this General Plan).
- Establish a position for a downtown manager with the experience needed to implement the Downtown Plan.
- Work with the education and medical institutions downtown to maximize their positive presence.
- Promote initiatives to attract housing in the downtown vicinity for households of all types as a way to support new retail, restaurant, and entertainment options in downtown.

**ACTIONS**

- A. Implement and build on the comprehensive Downtown Area Plan in

this General Plan (Chapter 14).

- ▶ The Downtown Area Plan includes strategies to revitalize and redevelop downtown with mixed-use development, restaurant, retail and entertainment, a parking district, pedestrian-friendly design, and additional downtown area housing to make downtown a neighborhood whose residents can support new development.
- B. Establish a business enterprise zone in downtown that provides incentives for entrepreneurs and local businesses to locate in downtown.
- ▶ The city currently has a Downtown Overlay District that requires design review. Through this General Plan's change in land use for downtown and selected segments of Sierra Avenue, Foothill Boulevard, and Valley Boulevard, the Downtown Area Plan, and new, form-based zoning that accompanies the Downtown Area Plan, it is recommended that the overlay district be removed. However, incentives will still be needed for the revitalization process, and the reduced development fees in the infill ordinance should be retained. Incentives can also include an assistance program, such as expedited plan checking, access to City-owned property at low rents or prices, and so on.
- C. Create a Downtown Management District and pursue implementation of a business improvement district (BID) in the Downtown Area Plan district.
- ▶ BIDs fund improvements and activities through an annual levy on the entities that will receive the benefits. California has three types of BIDs: property-based BIDs (PBID) assess real property; business-based BIDs (BBID) assess business owners; and tourism-based BIDs assess hospitality and tourism. (See [http://www.clerk.lacity.org/sites/g/files/wph606/f/lacityp\\_025636.pdf](http://www.clerk.lacity.org/sites/g/files/wph606/f/lacityp_025636.pdf) for an explanation of how BIDs function and their relationship to City governments.)
- D. Create a downtown manager position to collaborate with local businesses and Fontana citizens to attract new businesses downtown, plan cultural and entertainment events and market the business opportunities in the downtown
- E. Coordinate existing and recruit new arts, culture and entertainment options in downtown to attract new investment and provide citizens with additional entertainment options for all ages.
- ▶ Focus geographically on the Downtown Area Plan district first and then extend along Sierra Avenue from Foothill Boulevard to Randall Avenue and on Arrow Boulevard from Oleander to Tamarind Avenue. Current and planned amenities such as the Lewis Library, Center Stage Theater, and Miller Park Amphitheater should be leveraged. The Community Services Department organizes and manages many downtown cultural and entertainment events and can work with new entertainment options to attract citizens to downtown.
- F. Create a marketing plan to attract local employees and residents to take advantage of housing, shopping and entertainment opportunities in the

**EXHIBIT 13.15: TOP-TEN EMPLOYERS WITHIN THREE MILES OF DOWNTOWN [MEASURED FROM CITY HALL]**

RANK	EMPLOYER	ADDRESS
1	Walmart	17251 Foothill Boulevard
2	City of Fontana	8353 Sierra Avenue
3	Kaiser Medical Group	9961 Sierra Avenue
4	Fontana USD	9680 Citrus Avenue
5	Target Distribution Center	14750 Miller Avenue

downtown currently and as they increase.

► Collaborate with local business organizations such as the Fontana Chamber of Commerce and educational institutions to assist in marketing downtown opportunities. Five of the top ten employers in the City have operations within three miles of

downtown.

- G. Provide housing options for households across the life cycle in the downtown area.
- H. Implement the Livable Corridor frameworks for Sierra Avenue, Valley Boulevard, and Foothill Boulevard to support downtown revitalization.
- I. Pursue creation of a business improvement district in the Sierra Avenue/Valley Boulevard area around the Kaiser Medical Center as revitalization and redevelopment occur.
- J. Explore infrastructure financing options available to provide connectivity and other improvements necessary to create a vibrant, connected and walkable downtown corridor.
  - Collaborate with mass transit agencies such as Metrolink and Omnitrans to coordinate timing and construction of necessary infrastructure.

## F. Getting Started

ACTION	RESPONSIBLE PARTY
Develop and implement a work plan for focusing on retention and attraction of job-creating, non-retail businesses.	Economic Development
Research emerging sectors and identify target sectors for diversifying the Fontana economy.	Economic Development
Collaborate with school districts and educational institutions to support programs that train Fontana students and adults for well-paying jobs.	Economic Development

