

CITY OF BANNING

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) 2021-2026



DECEMBER 2021

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1.0 Introduction

This five-year Comprehensive Economic Development Strategy (“CEDS”) has been developed under the guidance and direction of the City of Banning (“City” or “Banning”) and its CEDS Committee. The CEDS is designed to build from the region’s economic strengths and recommended strategies to build on opportunities, and solutions to address the region’s challenges and threats. It will provide a roadmap to help achieve economic prosperity and resiliency for the City. It is understood that the City must update their CEDS at least every five years in order to qualify for U.S. Economic Development Administration (“EDA”) assistance under its Public Works and Economic Adjustment Assistance programs. Additionally, a CEDS is a prerequisite for designation by the EDA as an Economic Development District (“EDD”)

Economic Resilience

The CEDS recognizes the importance of EDA’s focus on resilience initiatives within local economies to withstand and recover from natural disasters and economic shocks. The CEDS includes a wide range of strategic themes for City of Banning economic resiliency including:

- Improve City fiscal health through a diversified tax base
- Invest in infrastructure that can take advantage of Regional, State and Federal funding
- Encourage entrepreneurs and small business development
- Strengthen and diversify business / employment base
- Integrate economic development efforts with environmental initiatives

CEDS Committee

The CEDS will be implemented through a committee partnership between the City, Chamber of Commerce, Banning Electric Utility, Banning Unified School District, County of Riverside, Mt. San Jacinto College, Tri-Point Homes, and owners of local establishments, such as the Fox Theater and Xenia Printing. The CEDS committee members (chart below) represent business interests, employment and training, education, public leadership, women, and minorities.

Organization	CEDS Committee Members
Banning Chamber of Commerce	<ul style="list-style-type: none">• Ruben Gonzales, Executive Director
Banning Electric Utility	<ul style="list-style-type: none">• Thomas Miller, Director
Banning Unified School District	<ul style="list-style-type: none">• Dr. Natasha Baker, Superintendent
City Council Economic Development Ad Hoc Committee	<ul style="list-style-type: none">• Colleen Wallace, Mayor• Kyle Pingree, Councilmember
County of Riverside	<ul style="list-style-type: none">• Rob Moran, Economic Development Deputy Director
Fox Theater	<ul style="list-style-type: none">• Damon Rubio, Owner
Mt. San Jacinto College	<ul style="list-style-type: none">• Morris Myers, Director of Business Development
Riverside County Workforce Development	<ul style="list-style-type: none">• Leslie Trainor, Deputy Director
Tri-Pointe Homes	<ul style="list-style-type: none">• Jeff Chambers, Director Forward Planning
Xenia Printing	<ul style="list-style-type: none">• Oleg Ivaschuck, Owner

Additional community input was obtained through a series of stakeholder workshops conducted in July 2021 and subsequent interviews with City staff, City Council members and the community. Eighty-five (85) stakeholders were invited to participate in the workshops and thirty-three (33) attended. A list of attendees of the stakeholder workshop can be found in the Appendix. Additional input on vision, goals and objectives was obtained through a public City Council presentation.

The next task of the CEDS Committee will be to discuss their respective economic development projects and ideas to identify additional opportunities for collaboration. Over the five-year span of this strategy, the CEDS Committee should meet at least annually to review progress. This will work to build a growing collaboration with institutions from Riverside to Palm Springs .

Evaluation Framework & Performance Metrics

The CEDS identifies key performance metrics that will allow the CEDS Committee to monitor the progress being attained in the implementation of the strategies. The metrics focus on readily available data sources to enable preparation of annual performance reports.

2.0 Executive Summary

This CEDS builds from the 2019 County of Riverside CEDS, providing a profile of the City, primarily using 2010 and 2019 American Community Survey data, as background to the Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis. The region is experiencing phenomenal residential growth that brings the need for more job opportunities and municipal services. Banning's motto, "Endless Opportunities" reflects the benefits of this future growth, and the CEDS represents the plan to accomplish the City's goals and objectives.

Geographic and Socio-Economic Profile

The City is located in Riverside County's San Gorgonio Pass region, approximately 49 miles southeast of Ontario and 23 miles northwest of Palm Springs. Adjacent to Banning is the city of Beaumont to the west and the census-designated place of Cabazon to the east. The City is comprised of an area of 23.2 square miles and is the twenty-first most populous city in Riverside County. Banning has a relatively low population density of 1,337 persons per square mile.

The racial and ethnic composition of Banning is 47 percent Hispanic, 36 percent non-Hispanic white, 7.8 percent non-Hispanic black, 4.7 percent non-Hispanic American Indian or other races, and 4.5 percent non-Hispanic Asian/Pacific Islander. The City's median age of 41.5 is higher than Riverside County and California. About 27.5 percent of Banning's population is 65 years or older, double that of Riverside County and California.

In 2019, the average household size for Banning was 2.72 persons, lower than Riverside County (3.28) and California (2.95). Sixty-one percent (61%) of housing in Banning is owner-occupied, a proportion slightly higher than that of Riverside County (57%) and higher than California (51%). A large portion of the housing stock in Banning and Riverside County is newer. Approximately 21 percent of the housing stock in Banning and 31 percent of the housing stock in Riverside County was built in the last 20 years. While it appears that there has been significant building and development opportunities countywide, Banning had seen little development following the 2008 recession, until recently with the approval of four new major housing developments in 2020. There are several development opportunities within Banning, since the City owns 2,590 acres of undeveloped vacant land.

The City's median household income is among the lowest in Riverside County in 2019 at \$41,000, 44 percent less than the median County income of \$73,200. The City's two-year average unemployment rate was 5.1 percent for 2018-2019, compared to 4.4 percent for Los Angeles County, 4.2 percent for the state of California, and 3.8 percent for the United States.

Industrial and Employment Profile

The largest industries in the City (by number of establishments) are health care and social assistance (65), retail trade (56), and accommodation and food services (55). Compared to Riverside County, Banning has a higher concentration of jobs in the health care and social assistance sector and to a lesser extent in other services. The City has a similar concentration of jobs in the hotel/accommodation, food services and retail trade industries.

Infrastructure

The City operates its own water/wastewater and electric utilities. Gas is provided by the Southern California Gas Company. Existing water/wastewater, electricity, and gas systems are adequate for projected usage following buildout of new communities. Banning also owns and operates a small general aviation airport on the eastern end of the City and provides a busing system (Banning Connect) that provides fixed route bus service along three routes. Larger commercial airports that service Banning include Ontario International Airport (45 miles northwest) and Palm Springs International Airport (25 miles southeast). There are four primary east-west and four primary north-south roads in the City. Interstate 10 passes through Banning in an east-west direction. Although Banning does not currently offer passenger rail service, the City does have rail infrastructure for freight rail service that runs parallel to Interstate 10. At-grade railroad crossings are located on the eastern end of town and are a significant source of traffic delays.

Economic Development Initiatives

The City has a variety of State and Federal policy tools that can be utilized to pursue economic development including special districts (e.g., Community Revitalization and Investment Authorities [CRIAs]), Federal Opportunity Zones, Grant Financing (e.g., Affordable Housing and Sustainable Communities [AHSC], Infill Infrastructure Grants [IIG], and Multifamily Housing Program [MHP]), and California Infrastructure Bank (I-Bank) programs.

Major Development Projects

The City recently approved four large housing projects. Atwell is a master-planned community under construction and features ~4,400 new single-family homes. Diversified Pacific contains 98 units, Rancho San Gorgonio contains 3,385 new residential units, and Arrowhead Estates offers 143 new homes.

Logistics property Company is under construction on a 5-star 1 million SF industrial facility at Hargrave and John St. with completion expected in summer 2022.

The City is negotiating a Development Agreement (“DA”) for a \$200 million Grandave Studios comprised of a new movie studio with 16 sound stages, outdoor Brownstone sets and water tank for underwater filming and ancillary development on land adjacent to the Banning Municipal airport. Ruben Islas, principal of the Developer, has indicated a plan to produce films oriented to the Latino community, and the new project is to be modeled after the Tyler Perry studios in Atlanta, which started in 2006 and has helped the film industry in Georgia grow to \$3 billion in production value per year.

Strengths, Weaknesses, Opportunities, & Threats (SWOT) Analysis

An analysis was done of the strengths, weaknesses, opportunities, and threats to the economic health of Banning and its ability to achieve economic resilience.

Strengths include the following:

- Available and affordable land throughout the City and key sites for development,
- Strong local labor options,

- Mt. San Jacinto College and San Gorgonio Hospital are major providers of education and employment opportunities,
- Banning Chamber of Commerce is very active and meets with businesses regularly,
- Low cost single-family housing compared to County and State,
- New major housing developments under construction,
- In the path of major industrial growth
- City serves as a gateway to the Coachella Valley, Cabazon Outlets, Desert Hills Premium with over 175 stores, and the Morongo Resort and Casino, and
- Banning operates its own water/wastewater and electric utilities, providing low cost and reliable service.

Weaknesses to the economic health of the City include:

- Abandoned/blighted buildings and uninterested/absentee landowners,
- Shortage of fresh food grocers on the eastern end of the City,
- Outdated zoning that does not precisely consider current land use trends,
- Concentration of County Services and Banning Municipal Airport present financial challenges to the City,
- Limited job base forcing long commutes for many workers
- General “Not In My Backyard” (NIMBY) mentality among residents stalled development for years (lack of residential development and permits in nearly a decade),
- General image of Sun Lakes Village as an inactive retirement community, and
- At grade railroad crossing on eastern end of the City at San Gorgonio Avenue and Hargrave Street create significant traffic bottlenecks.

Opportunities for economic development in the City include:

- Substantial land available for attracting new industries and employment
- Potential joint ventures with Riverside County thru CRIA and infrastructure investment sharing with Morongo Mission Indians
- A broader marketing effort and rebranding of the City with “Endless Opportunities” including creating more events to attract younger visitors to Banning,
- Development of new master-planned housing need community shopping centers,
- Development of the Grandave Studios project,
- Utilizing Federal Opportunity Zones and CRIA to spur additional investment and finance economic development projects, and
- The potential regional rail service connecting the Coachella Valley to Los Angeles.

Threats to Banning’s future economic health include:

- Major traffic congestion at Highland Springs Avenue and Interstate 10 that will take years to reconfigure and lack of funding sources,
- Supply shortages of construction materials and labor due to the ongoing COVID-19 pandemic, and
- The uncertainty of economic conditions such as Federal Reserve providing liquidity for the national economy to recover and prosper.

Vision, Goals & Objectives

Banning is embarking upon a major growth spurt, with thousands of new homes in process, providing job opportunities and also creating challenges for municipal services. The Banning CEDS is designed to enable the City to leverage State and Federal grants, loans and policy tools; help strengthen the local economic base and fiscal health of the City; provide a wide range of employment and educational opportunities for its residents, and achieve more resiliency in light of the Covid-19 pandemic.

Core Objectives:

1. Increase fiscal revenue generation
2. Enhance Banning's commercial and residential market by attracting a healthy balance of local and national businesses and developing a wide range of housing options;
3. Enhance employment, educational and business opportunities;
4. Market Banning opportunities for younger generations;
5. Fund critical physical improvements to infrastructure

Strategies

Eleven major strategies have been identified to help achieve economic resilience within the economic goals and objectives for the City of Banning:

- Strategy 1: Establish Community Revitalization Investment Authority (CRIA)
- Strategy 2: Create Quality Gathering Places on Ramsey Street and Downtown
- Strategy 3: Ramsey Street as I-10 Business Route
- Strategy 4: Expand and Diversify Industrial Uses
- Strategy 5: Expand Workforce Development Programs
- Strategy 6: Provide Critical Grocery to East End / Farmer's Market
- Strategy 7: Marketing Strategies with Beaumont and Morongo
- Strategy 8: Develop Hotel / Tourism District
- Strategy 9: Underground Hargrave RR crossing
- Strategy 10: Support / Leverage Grandave Studio Project
- Strategy 11: Attract Quality Retail Developer for Atwell and San Gorgonio Master Planned Communities

3.0 Analysis: Background & Existing Conditions

3.1 History / Geographic Profile

Banning was founded as a stagecoach stop by Phineas Banning, developer of the Port of Los Angeles. As a result of the 1862 gold rush in Yuma, Arizona, stagecoach service was replaced by train service in the 1860's. The Gilman Ranch Museum and Historic Park honors that legacy. Banning is located in Riverside County's San Gorgonio Pass, between Mt. San Gorgonio to the north and Mt. San Jacinto to the south. Both peaks are accessible via the Pacific Crest Trail that crosses the I-10 Freeway in Cabazon.

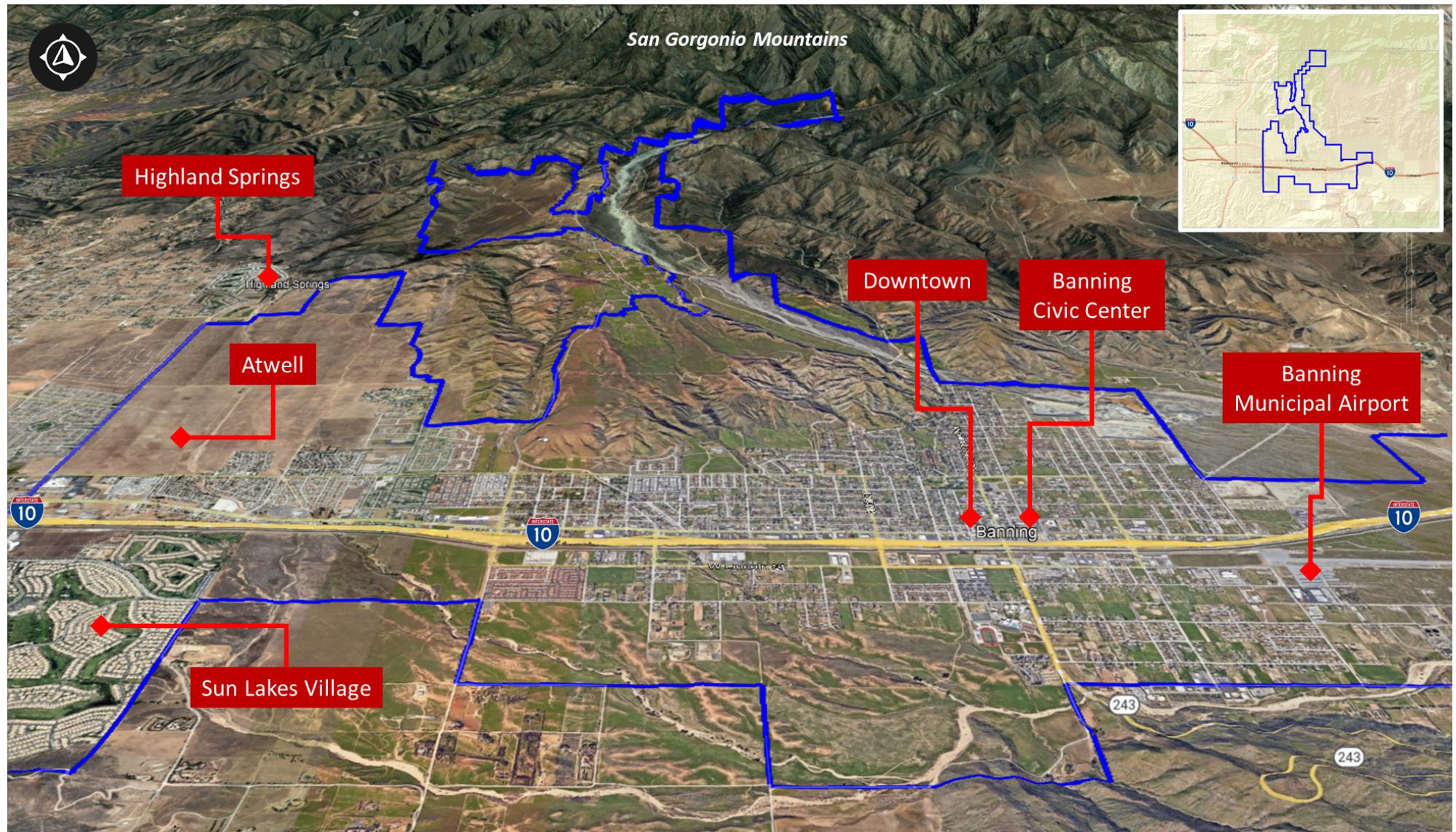
The City was incorporated on February 6, 1913 and saw little growth until U.S. Route 60/70 was built in the late 1930's. During World War II, Banning was home to a 1,000 bed hospital that served the Army's Desert Training Center. Following completion of I-10 Freeway, Banning grew steadily from 10,250 population in 1960 to 14,020 in 1980. The late 1980's and 1990's saw a significant boom as population grew 50% to over 20,000. This was followed by another spurt in the early 2000's, as housing developers were expanding into exurban areas throughout the State. This rapid growth resulted in a community backlash that combined with the Great Recession of 2008-09 resulted in little or no growth in the City.

Banning is strategically located close to the intersection of CA-60 and I-10 at the entrance to the Coachella Valley, Outlet Malls and Morongo Casino Resort, Palm Springs, and Joshua Tree National Park. The City of Beaumont is located just west of Banning and the census-designated place Cabazon is located to the east.

The City is bisected east-west by I-10 and the Union Pacific rail corridor and is in close proximity to several state highways, including CA-60, CA-79, and CA-210 to the west, CA-243 to the south, and CA-62 and CA-111 to the east of the City. Wilson, Ramsey, and Lincoln Streets and Sun Lakes Boulevard/Westward Avenue serve as major east-west arterial roads while Highland Springs, Sunset, and San Gorgonio Avenues and Hargrave Street. are major north-south arterials.

Banning also owns and operates the Banning Municipal Airport, a general aviation airport on the eastern end of the City that is a financial burden. Commercial airports that serve this region include Ontario International Airport (45 miles northwest) and Palm Springs International Airport (25 miles southeast).

Figure 3.1: City of Banning



3.2 Demographic & Socio-Economic Information

3.2.1 Population

Banning is the twenty-first most populous city in Riverside County according to the 2019 American Community Survey. Between 2000 and 2019, the City's population grew from 23,562 to 31,072, a 31.9% increase over the 20-year period. The City's population increased by 7.0% between 2010 and 2019. (Figure 3.2.1.1)

Figure 3.2.1.1: Population and Households Growth Rate from 2010 to 2019

Population	2010	2019	Growth Rate
City of Banning	29,030	31,072	7.0%
County of Riverside	2,109,464	2,411,439	14.3%
State of California	36,637,290	39,283,497	7.2%
Households	2010	2019	Growth Rate
City of Banning	11,871	10,991	-7.4%
County of Riverside	666,906	724,893	8.7%
State of California	12,392,852	13,044,266	5.3%

Source: US Census Bureau "Decennial Census" and "American Community Survey 5-Year Estimates" (Accessed July 2021)

3.2.1.1 Population Density

Banning has a population density of 1,337 persons per square mile, more than the neighboring communities of Calimesa and Cabazon. The cities of Beaumont, San Jacinto, and Yucaipa have higher population densities compared to Banning.

3.2.1.2 Households

The number of households in Banning decreased by 7.4% from 11,871 in 2010 to 10,991 in 2019. In 2019, the average household size for Banning was 2.72 people, which is lower than Riverside County (3.28) and California (2.95). (**Error! Reference source not found.**).

Household sizes have increased for all geographies between 2010 and 2019. While household sizes are larger among households in the State who own their own homes versus renters, the opposite is true in Banning. Households who rent are larger in size than those who own their homes.

Figure 3.2.1.1: Household Size (2010 and 2019)

Average HH Size	2010	2019	Growth Rate
City of Banning	2.61	2.72	4.2%
County of Riverside	3.14	3.28	4.5%
State of California	2.90	2.95	1.7%
Owner-Occupied Units	2010	2019	Growth Rate
City of Banning	2.37	2.42	2.1%
County of Riverside	3.10	3.28	5.8%
State of California	2.95	3.01	2.0%
Renter-Occupied Units	2010	2019	Growth Rate
City of Banning	3.12	3.29	5.4%
County of Riverside	3.22	3.28	1.9%
State of California	2.83	2.88	1.8%

Source: US Census Bureau “Decennial Census” and “American Community Survey 5-Year Estimates” (Accessed July 2021)

3.2.2 - 3.2.4 Race & Ethnicity / Age / Housing Stock

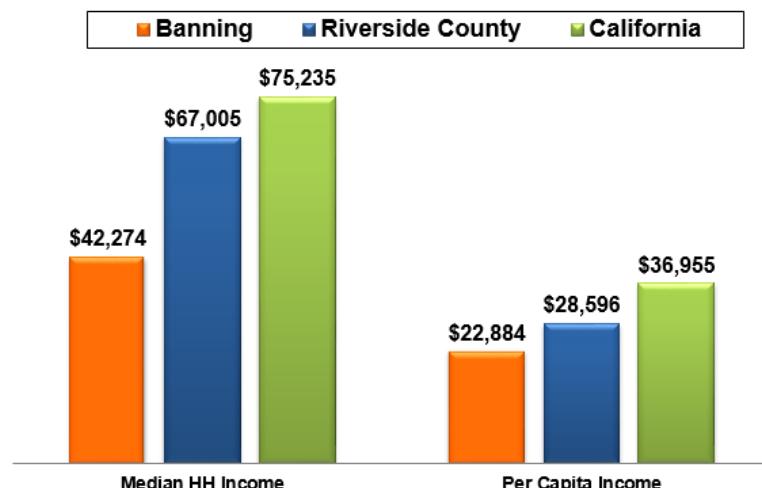
See Figures 7.1.1.1- 7.1.3.5 in Appendix

3.2.5 Economic Profile

3.2.5.1 Income

According to the 2019 American Community Survey (“ACS”), the median household income in Banning is \$42,274, which is 37 percent less than the median for Riverside County and 44 percent below California’s. Banning’s per capita income in 2019 was \$22,884, which is 20 percent less than Riverside County’s \$28,596.

Figure 3.2.5.1: Median Household Income and Per Capita Incomes (2019)



Source: US Census Bureau “American Community Survey 5-Year Estimates” (Accessed July 2021)

Approximately 58 percent of Banning households earn less than \$50,000 annually compared to 38 percent of Riverside County households and 34 percent of households in the State. Conversely, just 14.5 percent of Banning households earn greater than \$100,000 annually.

Figure 3.2.5.2: Household Income Characteristics (% of Households)

2019 Annual Household Earnings	City of Banning	County of Riverside	State of California
< \$25,000	25.9%	17.7%	16.4%
\$25,000 - \$50,000	32.4%	20.2%	18.0%
\$50,000 - \$100,000	27.2%	30.2%	27.9%
\$100,000 - \$150,000	9.8%	16.9%	16.6%
\$150,000 +	4.7%	15.0%	21.1%

Source: US Census Bureau "American Community Survey 5-Year Estimates" (Accessed July 2021)

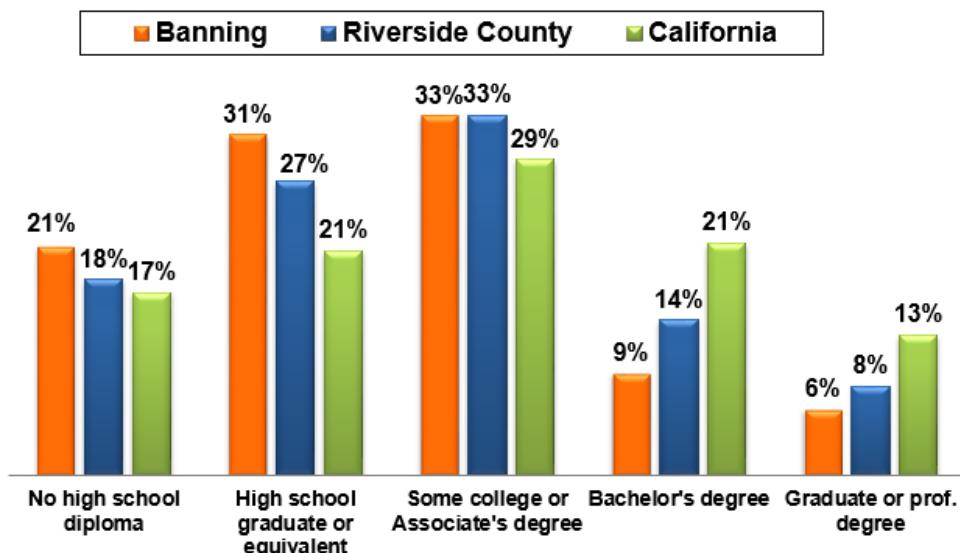
3.2.5.2 Poverty

In 2019, 20.6 percent of the City's population was below the poverty level. Both Riverside County and California had lower poverty rates (13.7% and 13.4%, respectively). Poverty rate data in the year 2010 was unavailable at the City level. Thus, only current data is shown.

3.2.6 Education

According to the 2019 ACS, approximately 52 percent of the population in Banning aged 25 years and older had high school education or lower, while 15 percent had earned a Bachelor's degree or higher. Riverside County and California featured higher college attainment (22 percent and 34 percent, respectively). This lack in educational attainment suggests that a sizable proportion of the labor force may not have the education required to compete in the labor market for higher-skilled jobs with higher wages.

Figure 3.2.6: Educational Attainment of Population 25 Years and Over (2019)



Source: US Census Bureau "Decennial Census" and "ACS 5-Year Estimates"

3.2.7 Labor Force & Employment

3.2.7.1 Labor Force

The labor force participation rate in 2019, i.e. the ratio of labor force (employed residents) to total population aged 16 and older, was 45 percent in Banning, significantly lower than the County (60 percent) and the State (64 percent). This is likely a reflection of a significant retirement community living in the City.

Figure 3.2.7.1: Labor Force Participation and Unemployment Rate

2019	City of Banning	County of Riverside	State of California
Labor Force Participation Rate (%)	44.5%	59.9%	63.7%

Source: US Census Bureau "American Community Survey 5-Year Estimates" (Accessed July 2021)

3.2.7.2 Employment by Industry

Figure 3.2.7.2 shows resident employment by industry in the City according to the 2019 ACS. The largest percentage of residents work in educational services (24.0 percent); retail trade (15.0 percent); arts/entertainment, accommodation, food services (14.8 percent); and professional, scientific, and management services (8.8 percent).

Banning has a slightly higher proportion of residents that work in educational services; retail trade; and arts/entertainment, accommodation, and food services, as compared to the County and the State. Riverside County and the State have more residents employed in professional, scientific, and management services (10.2 percent and 13.7 percent, respectively).

Figure 3.2.7.2: Employment by Industry (2019)

Industry	% Employed Residents	Industry	% Employed Residents
Educational Services	24.0%	Other, Except Public Admin.	5.6%
Retail Trade	15.0%	Finance and Insurance	3.3%
Arts/Entertainment; Hotel and Food Services	14.8%	Wholesale Trade	3.1%
Professional, Scientific, Mgmt. Services	8.8%	Public Admin.	3.1%
Construction	7.7%	Agriculture, Forestry, Fishing	1.1%
Transportation/Warehouse	7.1%	Information Services	0.3%
Manufacturing	6.1%		

Source: US Census Bureau "Decennial Census" and "ACS 5-Year Estimates" (Accessed July 2021)

3.2.7.3 Employment by Occupation

Figure 3.2.7.3 shows the percent of employed residents and their occupation areas. Service occupations employ the highest percentage of residents in Banning (26.4 percent) compared to Riverside County (20.8 percent) and California (18.5 percent). Management, business, science, and arts occupations employ the most residents in Riverside County (30.2 percent) and California (39.3%), while just 20.4 percent of residents in Banning work in such occupations.

Figure 3.2.7.3: Employment by Occupation (2019)

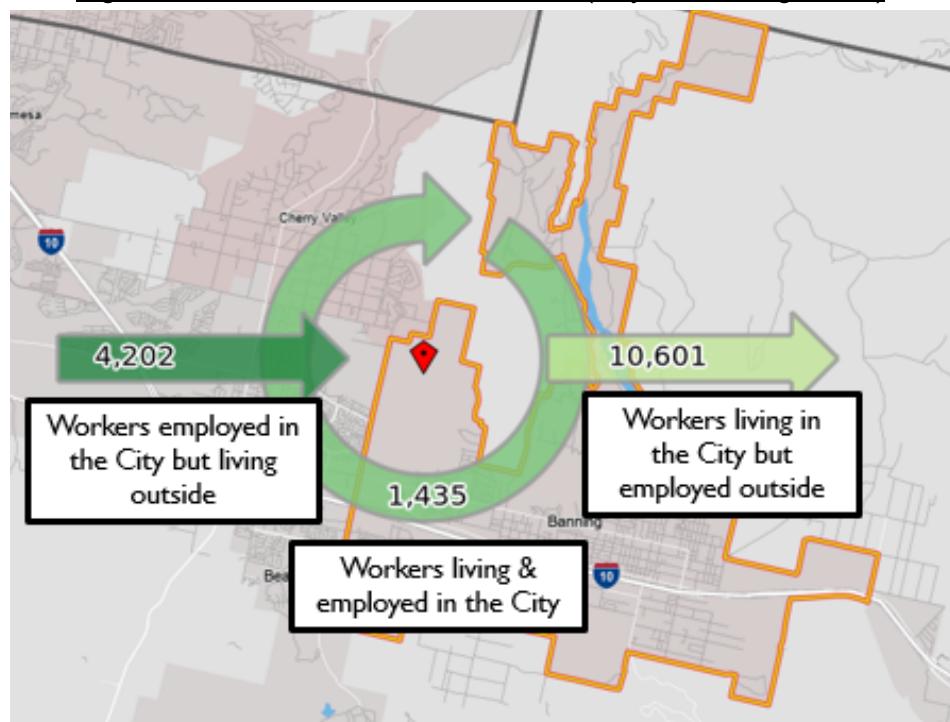
Occupation	Percent of Employed Residents		
	City of Banning	County of Riverside	State of California
Mgmt., business, science, and arts occupations	20.4%	30.2%	39.3%
Service occupations	26.4%	20.8%	18.5%
Sales and office occupations	25.5%	22.9%	21.2%
Natural resources, construction, and maintenance	11.9%	11.3%	9.0%
Production, transportation, and material moving	15.8%	14.8%	12.0%

Source: US Census Bureau "Decennial Census" and "ACS 5-Year Estimates" (Accessed July 2021)

3.2.7.4 Worker Inflow / Outflow

According to the U.S. Census Bureau Center for Economic Studies, 88% of Banning's resident workforce commuted outside of the City in 2018 (-6,399 jobs). (Figure 6) Most residents of Banning work in the following areas: San Bernardino, Riverside, Beaumont, Los Angeles, and Palm Springs.

Figure 3.2.7.4: Worker Inflow / Outflow (City of Banning, 2018)



Source: US Census Bureau Center for Economic Studies (2018, Accessed July 2021)

3.2.7.5 Major Employers

The largest ten employers within the City are listed below:

- Banning Unified School District (570 employees)
- San Gorgonio Memorial Hospital (286 employees)
- Cherry Valley Healthcare (178 employees)
- Green Thumb Produce (173 employees)
- City of Banning (150 employees)
- Beaver Medical Group (125 employees)
- Lawrence Equipment (114 employees)
- Banning Healthcare (98 employees)
- County of Riverside Dept. of Social Services (82 employees)
- Mt. San Jacinto College (79 employees)

3.2.8 Business Profile

The data on businesses located in the City (zip code 92220) is derived from the 2019 U.S. Census Bureau County Business Patterns.

Figure 3.2.8: Establishments by Industry (2019)

North American Industrial Classification Sector (NAICS)	Establishments in Banning
<i>Total surveyed for all sectors</i>	401
<i>Health care and social assistance</i>	65
<i>Retail trade</i>	56
<i>Accommodation and food services</i>	55
<i>Other services</i>	46
<i>Construction</i>	33
<i>Real estate and rental/leasing</i>	30
<i>Finance and insurance</i>	20
<i>Manufacturing</i>	19
<i>Professional, scientific, and tech. services</i>	19
<i>Admin./Support and waste mgmt.</i>	19
<i>Transportation and warehousing</i>	15
<i>Wholesale Trade</i>	13
<i>Information</i>	5
<i>Utilities</i>	3
<i>Arts, entertainment, recreation</i>	3

Source: US Census Bureau "2019 County Business Patterns" (Accessed July 2021)

3.2.9 Crime

See Section 7.1.4 in Appendix

3.3 Greater Economic Conditions

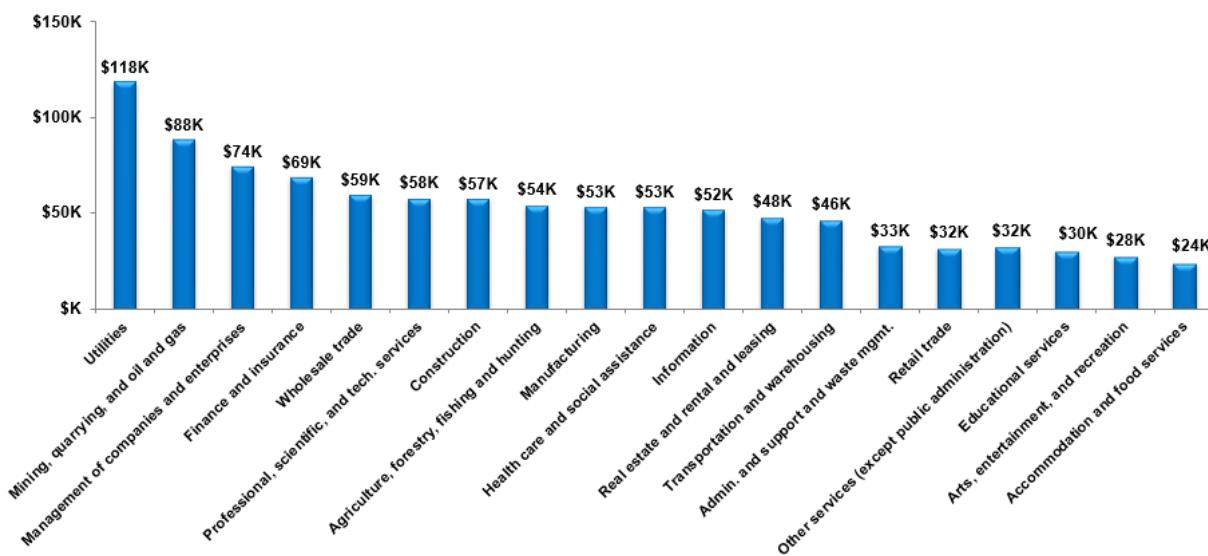
3.3.1 Regional and Local Economy

The 2021 spread of the Covid-19 Delta variant is slowing California's job growth, keeping the unemployment rate at the nation's highest rate of 7.5%. September saw growth of only 47,400 jobs statewide, less than half of the previous eight months average.

The Inland Empire—the metropolitan area comprising of Riverside and San Bernardino counties—is one of the nation's fastest growing job markets and is one of the largest hubs for logistics and distribution, given its proximity to the ports of Los Angeles and Long Beach as well as international airports and freight rail lines. This industrial market has seen consistent growth: declining vacancy rates, increasing rents, and increasing industrial space inventory.

According to the California Employment Development Department (EDD), total nonfarm employment in the Inland Empire was 1,532,000 in September 2021, with an unemployment rate of 6.6%, slightly higher than the statewide unemployment rate of 6.4%. According to the EDD 2018 – 2028 Industry Sector Employment Projections, the Inland Empire is expected to add 162,600 jobs between 2018 and 2028; the industries with the largest share of these job gains are Transportation and Warehousing (30%), Healthcare and Social Assistance (22%), Accommodation and Food Services (12%) and Construction (9%). Figure 13 illustrates the County's average annual wage by industry.

Figure 3.3.1.1: Riverside County Average Annual Wage by Industry (2019)



Source: US Census Bureau "2019 County Business Patterns" (Accessed July 2021)

This economic expansion is also associated with significant population increases. According to the 2020 Decennial Census, Riverside County population increased 10.4% from 2,189,640 in

2010 to 2,418,185 in 2020, outpacing the state of California's growth of 6.1% over the same time period. The California Department of Finance estimates that Riverside County will also see the greatest population increase of any county in the state over the next decade, with a projected increase of 11% between 2020 and 2030, representing nearly 13% of the population growth in the state of California.

The Inland Empire has a robust residential market, due to the high demand for housing and low housing production in recent decades. According to California Department of Finance Population and Housing Estimates, Riverside and San Bernardino Counties increased from 1,500,344 housing units in 2010 to 1,594,592 housing units in 2021, representing ~12.4% of statewide housing unit creation during that time period. The Inland Empire residential market is more affordable compared to other areas in California, and demand is supported by migration from the expensive housing markets in Los Angeles, Orange, and San Diego counties.

After a decade of stagnant growth, the City and Riverside County is experiencing significant growth, as new residential communities are built and industrial development expands significantly. Banning needs an effective strategy to capture its share of that growth.

Industrial Trends

To better illustrate the opportunity for capturing new job creation, Figure 3.3.1.2 on the following page shows how Riverside County has seen 80 million square feet of new industrial development in the past decade (50% growth). In addition to the new development, the occupancy rate has also improved dramatically over that same period reaching 98% in 2021. This compares to a 4 million square foot growth in the Beaumont / Hemet submarket and zero growth in Banning. But with several hundred acres available, and annual countywide absorption averaging 13 million square feet, Banning has potential of a major expansion.

Figure 3.3.1.2: Industrial Comparison 2010 to 2021 YTD

Year	Inventory SF			Vacant Percent % Total			Net Absorption SF Total			NNN Rent Overall		
	City of Banning	Beaumont / Hemet Submarket	Riverside County Market	City of Banning	Beaumont / Hemet Submarket	Riverside County Market	City of Banning	Beaumont / Hemet Submarket	Riverside County Market	City of Banning	Beaumont / Hemet Submarket	Riverside County Market
2021 YTD	980,827	10,491,125	241,215,365	10.7%	1.8%	1.7%	(45,245)	162,511	7,703,859	\$22.94	\$22.77	\$11.79
2020	980,827	10,431,111	237,841,816	6.1%	2.8%	3.5%	39,054	906,684	13,116,304	\$12.39	\$12.39	\$9.80
2019	980,827	10,431,111	228,295,637	10.1%	11.5%	5.2%	(87,904)	1,441,258	14,374,280	\$8.76	\$8.33	\$9.28
2018	980,827	7,855,726	215,064,717	1.1%	0.8%	6.1%	25,144	56,383	12,398,213	\$25.21	\$24.59	\$9.03
2017	980,827	7,847,726	200,020,249	3.7%	1.4%	5.2%	(24,727)	709,171	4,843,934	\$7.95	\$4.16	\$6.96
2016	980,827	7,127,726	191,324,035	1.2%	1.4%	3.5%	15,305	488,797	7,151,122	\$10.38	\$3.95	\$5.82
2015	980,827	7,112,700	184,946,201	2.7%	8.1%	4.1%	6,491	217,016	4,600,952	\$4.44	\$3.94	\$5.69
2014	980,827	7,112,700	180,793,506	3.4%	11.1%	4.5%	24,986	147,302	9,907,551	\$4.63	\$4.79	\$5.40
2013	980,827	7,112,700	171,574,038	5.9%	13.2%	5.1%	7,248	24,914	6,720,226	\$4.56	\$3.76	\$4.62
2012	980,827	6,512,700	168,383,634	6.7%	5.6%	7.3%	16,415	491,237	3,646,966	-	\$4.51	\$5.02
2011	980,827	6,512,700	165,335,760	8.3%	13.1%	7.8%	19,791	88,896	6,435,608	-	\$5.45	\$4.46
2010	980,827	6,512,700	162,953,303	10.4%	14.5%	10.4%	(23,137)	(24,267)	4,239,890	\$3.99	\$4.41	\$4.34

Source: CoStar (Accessed October 2021)

3.3.2 Regional Comparison

This section compares the percentage share of establishments in multiple industries between Banning and Riverside County.

Banning contains only 400 business establishments included in the U.S. Census Bureau County Business Patterns versus 50,000 in the County. Figure 3.3.2 compares the percentage of establishments by industry type to Riverside County.

Figure 3.3.2: Percent of Establishments by Industry – Comparison to County (2019)

North American Industrial Classification (NAICS)	City of Banning	County of Riverside
<i>Total surveyed for all sectors</i>	100.0%	100.0%
<i>Health care and social assistance</i>	16.2%	12.5%
<i>Retail trade</i>	14.0%	13.2%
<i>Accommodation and food services</i>	13.7%	10.4%
<i>Other services (except public admin.)</i>	11.5%	8.6%
<i>Construction</i>	8.2%	12.4%
<i>Real estate and rental/leasing</i>	7.5%	6.3%
<i>Finance and insurance</i>	5.0%	4.7%
<i>Manufacturing</i>	4.7%	3.9%
<i>Professional, scientific, and tech. services</i>	4.7%	9.5%
<i>Admin./Support and waste mgmt.</i>	4.7%	6.0%
<i>Transportation and warehousing</i>	3.7%	4.0%
<i>Wholesale Trade</i>	3.2%	4.8%
<i>Information</i>	1.2%	1.4%
<i>Utilities</i>	0.7%	0.2%
<i>Arts, entertainment, recreation</i>	0.7%	1.7%
<i>Mining, quarrying, and oil and gas extraction</i>	0.0%	0.0%
<i>Management of companies and enterprises</i>	0.0%	0.3%
<i>Industries not classified</i>	0.0%	0.1%

Source: US Census Bureau "2019 County Business Patterns" (Accessed July 2021)

The industries with the greatest number of establishments in Banning are health care and social assistance, retail trade, and accommodation and food services. Retail trade and health care and social assistance also fall within the top three industries with the largest number of establishments in Riverside County. The most significant contrasts are Banning's larger share of establishments in health care and social assistance and accommodation and food services. Conversely, Riverside County features a higher percentage of establishments in the construction and professional, scientific, and technical services industries.

3.3.3 Location Quotient

Location quotients (LQ) are ratios that aid in assessing a region's specialization in an industry. In this report, LQ are used to compare Banning's share of employment in an industry to the shares in Riverside County and the State. If the LQ is equal to one, employment is proportional. If the LQ is greater than one, then Banning has a higher concentration of employment, and therefore the industry has a regional specialization. If the LQ is less than one, employment is less concentrated and does not show regional specialization due to location or other factors. Employment in Banning has been compared to Riverside County and the State. The analysis is based on the NAICS codes for 2017.

Figure 3.3.3: Establishments by Industry – Location Quotient

North American Industrial Classification Sector (NAICS)	Location Quotients	
	Banning / Riverside County	Banning / California
	2017	2017
Accommodation and food services	1.0	1.5
Administrative and support and waste mgmt.	0.4	0.3
Arts, entertainment, and recreation	(X)	(X)
Construction	(X)	(X)
Educational Services	(X)	(X)
Finance and insurance	0.9	0.5
Health care and social assistance	2.5	2.8
Information	0.4	0.1
Management of Companies	(X)	(X)
Manufacturing	(X)	(X)
Mining	(X)	(X)
Other services (except public administration)	1.5	1.7
Professional, scientific, and technical services	0.7	0.4
Real estate and rental and leasing	1.1	1.0
Retail trade	1.0	1.6
Transportation and warehousing	0.3	0.4
Utilities	(X)	(X)
Wholesale trade	1.2	1.0

(X): No employment or number withheld due to confidentiality

Source: US Census Bureau "2017 Economic Census" (Accessed July 2021)

Banning maintains a higher concentration of jobs in the health care and social assistance sector. Banning has a similar concentration of jobs as Riverside County in the accommodation, food services and retail trade. The City shows the least specialization in the following industries: transportation and warehousing; administrative, support, and waste management; information; and professional, scientific, and technical services.

3.4 Economic Development Administration Eligibility

The U.S. Department of Commerce's EDA places certain requirements for cities to receive funding based on per capita income and unemployment. As described below and in Figure 3.3.4, Banning is eligible for EDA funding by both per capita income and by unemployment rate.

Figure 3.3.4: EDA Eligibility

	2018-2019 Average			
	Per Capita Income	Civilian	Unemployed	Unemployment Rate
<i>City of Banning</i>	\$21,652	11,135	572	5.1%
<i>Riverside County</i>	\$27,869	1,097,917	47,811	4.4%
<i>California</i>	\$35,988	19,308,819	812,354	4.2%
<i>United States</i>	\$33,362	162,290,720	6,137,352	3.8%

Source: US Census Bureau "ACS"; United States Dept. of Labor, Bureau of Labor Statistics (Accessed July 2021)

Note: For economic distress levels based on per capita income requirements, EDA bases its determination using data from the ACS. For economic distress levels based on unemployment rate, EDA bases its determination using data from the Bureau of Labor Statistics.

3.4.1 Per Capita Income Eligibility

The City's 2018-2019 two-year average per capita income was \$21,652. The national average for the same time period was \$33,362. Given the City's per capita income is 80 percent or less than the national average, the City meets the EDA funding requirements by per capita income. While the EDA typically invests up to 50 percent project costs in an eligible area, additional funds can be used if a city meets further requirements. In Banning's case, per capita income is just under 65 percent of the national average. This, in turn, allows for up to 60 percent investment from the EDA for future economic development projects.

3.4.2 Unemployment Eligibility

The City's 2018-2019 two-year average unemployment rate was 5.1%, while the national average unemployment rate was 3.8%. Given that Banning's average unemployment rate is at least 1 percent greater than the national average unemployment rate, the City meets the eligibility requirements for EDA funding by unemployment rate.

3.5 Land Use

This section is adapted from the City's General Plan, which was last updated in 2006.

The City contains a diverse mix of land uses and several acres of vacant land, much of which is located in mountainous areas that are not feasible for development. The majority of the developed land in Banning is primarily concentrated in the southern half of the City between Wilson St. on the north and Charles St. on the south. Figure 14 presents a map of existing land uses as described in the City's 2006 General Plan.

Figure 3.5.1: Existing Land Use



Source: City of Banning General Plan (Adopted 2006, Accessed July 2021)

Figure 3.5.2 shows the number of acres in the City that are developed and vacant/undeveloped. Approximately 32 percent of the City's total land has been developed, while 68 percent has remained vacant. Thus, there is a significant amount of area available for potential development.

Figure 3.5.2: Existing Land Use

	Acres (Developed)	Acres (Vacant)	Total Acres
<i>Residential</i>	2,705.5	5,310.9	8,016.4
<i>Commercial (retail and office uses)</i>	507.4	581.4	1,088.8
<i>Industrial</i>	376.8	396.0	772.8
<i>Open Space</i>	369.3	3,535.8	3,905.1
<i>Public Facilities</i>	680.8	259.3	940.1
Total	4,639.8	10,083.4	14,723.2

Source: City of Banning General Plan (Adopted 2006)

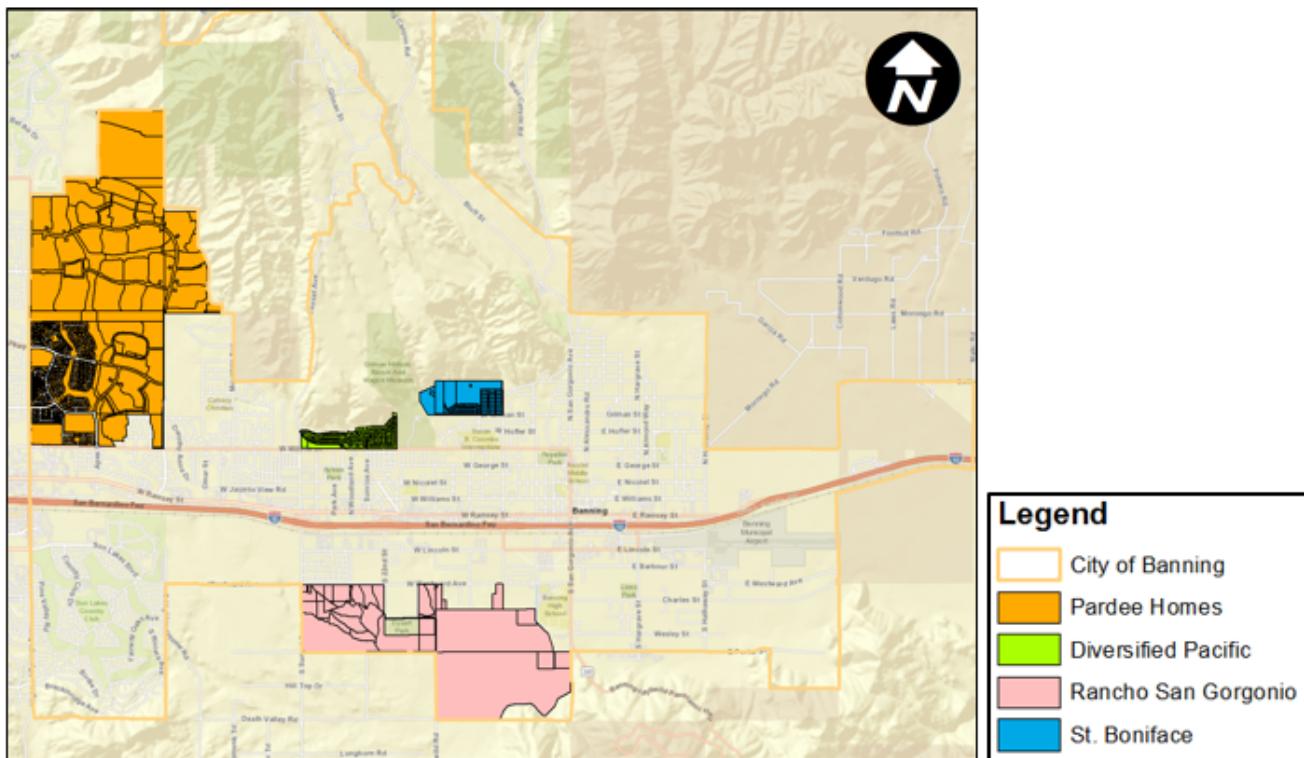
Notes: Open space includes parks and resources. Public facilities includes airport, cemetery, fire station, hospitals, municipal buildings, railroad and interstate land, and schools.

Residential-zoned land makes up 53 percent of all the vacant land in the City, while open space comprises 35 percent. The remaining 12 percent of land is zoned commercial, industrial, and public facilities. Of all the developed land in the City, 58 percent is residential, with only 11 percent is zoned commercial and 8% industrial.

The City recently approved several major housing projects. A description is provided below along with an accompanying map (Figure 3.5.3)

- Atwell (Pardee) is a master-planned community by Tri Pointe Homes that will feature ~4,400 new single-family homes across 5 different collections on 1,543 acres of land
- Diversified Pacific has 98 units approved on 34.6 acres (low density residential)
- Rancho San Gorgonio is a master-planned community with 3,385 new residential units with varying densities on 831 acres south of the I-10 freeway
- Arrowhead Estates has 143 new homes on 65-acre site

Figure 3.5.3: Major Housing Developments in Banning



3.5.1 – 3.5.6 Commercial / Industrial / Residential / Open Space / Public Facilities

For more detailed information see Section 7.2.1 – 7.2.6 in Appendix

3.6 Infrastructure

3.6.1 Water

According to the recently published 2020 Water Quality Summary, the City sources its water from 19 potable wells located from groundwater sources located over the Beaumont, Banning, Water Canyon, Banning Bench, and Cabazon basin areas. Discussions with Public Works indicates the City has sufficient supply to accommodate the significant residential growth under construction and in planning. The City sometimes receives water supplies from three separate wells that are jointly operated by Beaumont Cherry Valley Water District and the City. (Source: City of Banning Department of Public Works “2020 Water Quality Summary”, Accessed October 2021)

3.6.2 Sewer System

The City owns and operates a Water Reclamation Facility located at 2242 East Charles Street in the City. The collection system includes 115 miles of gravity sewer mains, five miles of force mains, and four sewer lift stations. (Source: City of Banning “Sewer System Management Plan”, Accessed October 2021)

3.6.3 Gas & Electricity

The City owns and operates its own electric utility (“Banning Electric”). Banning Electric has been operating since 1922 and provides carbon-free power to over 13,500 City businesses and residents via six distribution substations and 134 miles of power lines. The City utility provides power at discount rates as much as 30% less than Southern California Edison. Banning Electric is a member of the Southern California Public Power Authority. As of December 2019, 70 percent of Banning’s electricity portfolio was sourced from California Renewable Portfolio Standard (“RPS”) certified facilities. The City is considering a public-private partnership with a company that was planning to bring a 500-megawatt solar photo-voltaic and battery storage project that would allow the City to create 100 percent of its electricity through renewable resources.

(Source: “Banning, California No More Tough Times” Business View Magazine, <https://businessviewmagazine.com/banning-california-no-tough-times/>)

Banning receives its gas services from The Southern California Gas Company (“SoCalGas”). SoCalGas is a subsidiary of Sempra Energy and is the nation’s largest natural gas distribution utility and provides gas services to more than 500 communities in central and southern California, including Banning. The gas utility’s office is located at 60 E. Ramsey Street. (Source: City of Banning and SoCalGas)

3.6.4 Transportation

Airports

Banning owns and operates a small general aviation airport on 295 acres in the eastern end of the City south of Interstate 10. Banning Municipal Airport contains one runway and saw 5,495 operations (arrivals/departures) in 2020. Only sixteen aircraft are based at the airport, with the primary business use being parachuting lessons.

The closest commercial aviation airports are Palm Springs International Airport (25 miles southeast of Banning) and Ontario International Airport (45 miles northwest of Banning). (Source: Federal Aviation Administration “Airport Master Record”, Accessed October 2021)

Streets

The primary east-west roads in the City include Wilson Street, Ramsey Street, Lincoln Street, and Sun Lakes Boulevard/Westward Avenue. Primary north-south roads are Highland Springs Avenue, Sunset Avenue, San Gorgonio Avenue, and Hargrave Street. Interstate 10 provides regional access that bisects Banning in an east-west direction. The significant concentration of commercial development surrounding the Highland Springs Avenue offramp/onramp to Interstate 10 attracts thousands of vehicles and causes significant traffic delays.

Buses

The Banning Connect Transit System provides fixed route bus service along three routes (two in Banning, one in Cabazon). The City owns five compressed natural gas buses – three of which are in revenue service and two are in reserve. (Source: City of Banning www.banning.ca.us, Accessed October 2021)

Trains

There are no current passenger rail services available in Banning, however freight rail (Union Pacific) lines pass through the City parallel to Interstate 10. Regional freight transfer facilities are located in West Colton. It is important to note, however, the Riverside County Transportation Commission, Caltrans, and the Federal Railroad Administration are currently studying a 144-mile passenger rail service (“Coachella Valley-San Gorgonio Pass Rail Corridor Service”) that will connect Los Angeles with either Indio or Coachella. The service would utilize existing freight tracks and possibly contain a potential station in Banning or neighboring Beaumont.

Note that not all railroad crossings are separated from major roadways. At grade railroad crossings are located on the eastern end of town at San Gorgonio Avenue and Hargrave Street and are a significant source of traffic delays. (Source: Riverside County Transportation Commission, www.rctc.org)

3.7 Economic Development Tools

Banning has a variety of policy tools that can be utilized to pursue economic development including:

- Special Districts;
- Opportunity Zones;
- Grant Financing; and
- California Infrastructure Bank (I-Bank) Programs

3.7.1 Special Districts: Tax Increment Financing and Community Facilities Districts

On February 1, 2012, Governor Brown dissolved redevelopment agencies, removing a powerful property tax increment financing tool from a local municipality's economic development toolbox. Since then, a variety of new special district tools were created to offer a new platform to finance an array of economic development projects, including sustainable infrastructure and affordable housing.

By 2015, California law allowed the creation of various specialized districts that apply to an area-wide scale versus site-specific level, which may use taxes, assessments, exactions, and other funding sources for projects in the district. Special districts may include: parking districts/parking authorities, business improvement districts (BID), community facilities districts (CFD), tourism improvement districts (TID), Enhanced Infrastructure Financing Districts (EIFD), and Community Revitalization and Investment Authorities (CRIA).

Enhanced Infrastructure Financing Districts (EIFDs)

The purpose of an EIFD is to finance construction of regional infrastructure, transit projects, projects that implement a Sustainable Communities Strategy, and other projects of "communitywide significance."

EIFDs are formed as independent government entities, by a vote of property owners. They are governed by a Public Financing Authority (PFA) with participating governments that are authorized to use property-based Tax Increment Financing (TIF) within specifically defined geographic areas. EIFDs do not increase property taxes.

Community Revitalization and Investment Authorities (CRIAs)

CRIAs are a specialized tax increment financing (TIF) District that incorporates certain sections of former California Redevelopment Law as a means to accomplish economic development and affordable housing in disadvantaged communities. CRIAs can be created in areas where 80% of the households have annual median incomes less than 80% of statewide annual median income, and must also meet three of the following four conditions: non-seasonal unemployment at least 3% higher than statewide average, crime rates at least 5% higher than statewide median, deteriorated or inadequate infrastructure, deteriorated commercial or residential structures. Banning qualifies for CRIA.

Some fundamental characteristics of CRIAs include:

- **Term:** 30 years to issue debt; 45 years to repay
- **Governance:** Public agency separate from the city, county that created it; implements governing document (CRIA Plan)
- **Eligibility:** City or County that meets disadvantaged community definitions (median income, unemployment, crime, deterioration)
- **Public Approvals:** Mandatory public hearings for formation (includes protest opportunity); no public vote to issue debt
- **Eligible Projects:** Infrastructure, affordable housing, acquire and transfer property (incl. via eminent domain), loans and grants to property owners and businesses; 25% affordable housing set aside

The CRIA district's commitment of tax increment to catalytic projects can help induce private sector investment and essential infrastructure improvements. CRIA districts also work well with other funding sources, such as Federal / State grants or loans.

CRIAs come with a number of advantages, such as: no encumbrance of existing city/county resources; ability to attract tax increment contributions from other taxing entities; increased priority for grant funding; ability to demonstrate commitment to multiple infrastructure (and/or affordable housing) projects to catalyze private sector development; no additional taxes to property owners / residents / businesses; and ease of voter approval. CRIAs have unique ability to acquire non-residential property through eminent domain for the first 12 years, enabling them to address blighted rundown buildings owned by absentee landlords.

For Banning, potential opportunities exist for CRIAs to leverage the substantial increase in property tax expected from major new developments south of I-10 freeway for necessary infrastructure improvements, commercial revitalization along Ramsey, and new housing in the downtown area.

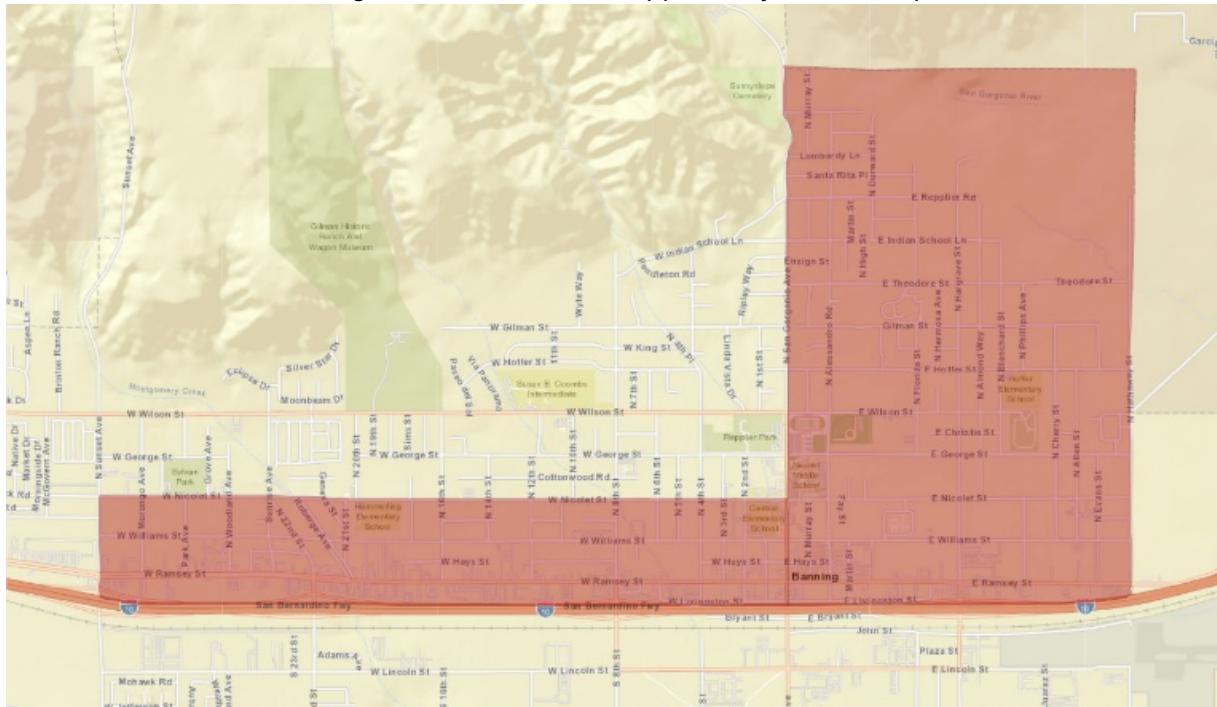
3.7.2 Opportunity Zones

The Opportunity Zone (OZ) program was enacted as part of the Federal Tax Cuts and Jobs Act of 2017. In 2018 the Governor identified 879 Opportunity Zones in California in economically distressed census tracts. Private investors receive tax deferral on capital gains invested in a property or business located in an OZ, plus tax free capital gains for property held 10 years. As of April 2021, more than \$16.34 billion has been raised by 700 funds nationwide.

In Banning, two contiguous census tracts located north of the I-10 Freeway were designated as Qualified Opportunity Zones. The area totals approximately 2.2 square miles and includes blighted commercial areas along Ramsey St., as well as commercially underserved residential neighborhoods. The Opportunity Zone investor benefits are important to attract investors and developers to invest in catalytic projects in these deserving areas.

Figure 17 on following page shows the Qualified Opportunity Zones (in red) within the City of Banning.

Figure 3.7.2: Qualified Opportunity Zones Map



3.7.3 California Grant Financing Programs

There are a variety of California grant programs that can assist the City with financing for infrastructure, residential, and mixed/blended-use projects:

Affordable Housing and Sustainable Communities (AHSC) Program

- The AHSC Program assists project areas by providing grants and/or loans to a locality, public housing authority, JPA, developer, or facilities districts, that will achieve greenhouse gas (GHG) emissions reduction and benefit Disadvantaged communities (most of Santa Fe Springs falls within SB 535 census tracts) through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation
- Assistance terms: Minimum award (\$1M), maximum award (\$30M)
- Eligible activities: new construction, acquisition, or rehab of affordable housing; housing infrastructure; sustainable transportation infrastructure and related amenities, program costs (active transportation)
- Affordability threshold: 20% of homes at 80% median household income (MHI)

Infill Infrastructure Grant (IIG) Program

- IIG provides grants for capital improvement projects for qualifying infill projects or qualifying infill areas
- Used for gap funding to infrastructure improvements for residential or mixed-use developments
- Eligible activities: construction, rehab, demolition, relocation, preservation, and acquisition of infrastructure

- Affordability threshold: No less than 15% of units as “affordable” units (e.g. affordable units for sale should be sold to a household earning no more than 120% area median income (AMI))
- Assistance terms: Minimum award (\$1M), maximum award (\$7.5M)

Multifamily Housing Program (MHP)

- MHP assist the new construction, rehab, and preservation of permanent and transitional rental housing for lower income households, or the conversion of a non-residential to rental housing
- Eligible activities include land lease payments, construction and rehabilitation work, offsite improvements (e.g. sewer, utilities, and streets directly related to housing development)
- Assistance terms: Maximum loan amounts range from \$95,000 to \$550,000 per unit, not to exceed a total of \$20 million per project

3.7.4 California Grant Financing Programs

The California Infrastructure and Economic Development Bank (“I-Bank”) operates within the Governor’s Office of Business and Economic Development (“GO-Biz”) and has the authority to issue revenue bonds, provide financing to public and private agencies, and leverage State and Federal funds. I-Bank offers multiple programs that provide low-cost financing for infrastructure and environmental preservation / energy efficiency projects. However, while I-Bank bonds can fund infrastructure and clean energy projects, they cannot be used to fund any housing projects. These programs include:

Infrastructure State Revolving Loan Fund (ISRF)

- Provides low-cost public financing to state and local government entities for public infrastructure and economic expansion projects
- Financing is available in amounts ranging from \$50K to \$25M
- Loan terms: Maximum of 30 years
- Can also issue municipal bonds for infrastructure projects

California Lending for Energy and Environmental Needs (CLEEN)

- The CLEEN center provides public financing to municipalities, universities, schools, to help meet the State’s goals for GHG reduction, water conservation, and environmental preservation
- Aimed at three areas: energy generation, conservation, and storage
- Also offers other programs – Climate Tech Finance Program (for climate tech projects deemed too uncertain for traditional lenders) and Climate Catalyst Revolving Loan Fund (offering flexible low-cost credit and credit support to stimulate commercial investment)

California Rebuilding Fund

- Recently created to address capital needs of small businesses, particularly as they re-open after being shut during the COVID-19 pandemic
- Maximum loan amount is \$100K with a fixed interest rate of 4.25% over a 60-month period

3.8 SWOT Analysis

An analysis was done of the strengths, weaknesses, opportunities, and threats to the economic health of the City of Banning. Major observations are included below.

3.8.1 Strengths

Strengths include the following:

- Available and affordable land throughout the City and key sites for development,
- Strong local labor options,
- Mt. San Jacinto College and San Gorgonio Hospital are major providers of education and employment opportunities,
- Banning Chamber of Commerce is very active and meets with businesses regularly,
- Low-cost single-family housing compared to County and State. Affordable single-family housing with median price of \$319,000 vs. \$489,000 in Riverside County and \$668,000 in California,
- In the path of Southern California population growth – resulting in new attractive housing developments under construction (“Atwell”),
- Excellent health care facilities,
- In the path of tremendous regional industrial growth,
- City serves as a gateway to the major tourist attractions: Coachella Valley, Cabazon Outlets, Desert Hills Premium with over 175 stores, and the Morongo Resort and Casino, and
- Banning operates its own water/wastewater and electric utilities and providing low cost and reliable service, with ample supply to cover new residential and commercial/industrial development.

3.8.2 Weaknesses

Weaknesses to the economic health of the City include:

- Abandoned/blighted buildings and uninterested/absentee landowners,
- Shortage of fresh food grocers on the eastern end of the City,
- Outdated zoning that does not precisely consider current land use trends,
- Concentration of County Services and Banning Municipal Airport present financial challenges to the City,
- Limited job base forcing most workers to commute long distances
- General “Not In My Backyard” (NIMBY) mentality among residents stalled development for years (lack of residential development and permits in nearly a decade),
- General image of Sun Lakes Village as an inactive retirement community, and
- At grade railroad crossing on eastern end of the City at San Gorgonio Avenue and Hargrave Street create significant traffic bottlenecks.

3.8.3 Opportunities

Opportunities for economic development in the City include:

- Substantial land available for attracting industrial development,
- Potential partnership with Riverside County and Morongo Mission Indians to build freeway offramp/onramp on east end,
- A broader marketing effort and rebranding of the City with “Endless Opportunities” including creating more events to attract younger visitors to Banning,
- Development of new master-planned housing communities need commercial centers,
- Development of the Grandave Studios project provides wide range of job skills
- Utilizing Federal Opportunity Zones and CRIA to spur additional investment and finance economic development projects, and
- The potential regional rail service connecting the Coachella Valley to Los Angeles.

3.8.4 Threats

Threats to Banning’s future economic health include:

- Major traffic congestion at Highland Springs Avenue and Interstate 10 that will take years to reconfigure,
- Potential traffic congestion at Hargrave following completion of new industrial projects near the airport,
- Significant lack of funding for economic development and transportation infrastructure
- Supply shortages of construction materials and labor due to the ongoing COVID-19 pandemic, and
- The uncertainty of economic conditions such as Federal Reserve providing liquidity for the national economy to recover and prosper.

4.0 Vision, Goals & Objectives

The following section outlines the vision, mission, values and guiding principles and core strategies for economic development in the City.

Vision:

Banning is on the cusp of a major growth spurt, with thousands of new homes in process, creating challenges for municipal services and job opportunities. The Banning CEDS is designed to enable the City to leverage State and Federal grants, loans and policy tools; helping to strengthen the local economic base, fiscal health of the City, provide a wide range of employment and educational opportunities for its residents, and achieve more resiliency in light of the Covid-19 pandemic.

Values and Guiding Principles:

1. Fiscal responsibility
2. Environmental stewardship
3. Economic vitality
4. Community participation
5. Infrastructure Improvements

Core Objectives:

- Increase fiscal revenue generation
- Enhance Banning's commercial and residential market by attracting and retaining a healthy balance of local and national businesses and developing a wide range of housing options;
- Enhance employment, educational and business opportunities;
- Market Banning opportunities for younger generations;
- Fund critical physical improvements to infrastructure

The following section highlights the economic development strategies that support the aforementioned core objectives:

1. Increase Fiscal Revenue Generation

- Attract quality retail development at Atwell and San Gorgonio master planned communities
- Ramsey Street as I-10 Business Route
- Diversify and Expand Industrial Uses
- Develop Hotel tourism district in conjunction with Morongo Resort (e.g., attract Marriott flag)

2. Enhance Banning Commercial and Residential Opportunities

- Utilize CRIA to eliminate blighted buildings
- Assemble quality commercial development sites
- Ramsey Street pedestrian improvements and attract new development
- Revitalize downtown with housing development
- Support Grandave Studios growth to create more service jobs

- Relocate County Social Services facility and restore building as a grocery store serving the East end. At a minimum, open Farmer's Market in downtown on weekends

3. Enhance Employment, Educational, and Business Opportunities

- Work with schools and businesses on Workforce Development programs
- Seek new industrial uses
- Morongo job training
- Entrepreneurship programs

4. Market Banning Opportunities for Younger Generations

- Expand high speed broadband availability
- Create quality gathering places and promote special events (Market Nights with Comic Con, Film Festival, etc)
- Coordinate programs with adjacent communities

5. Fund Critical Physical Infrastructure

- Utilize CRIA to help attract State grants to fund improvements
- Highland Springs Intersection improvements
- Underground Hargrave Railroad crossing
- Landscape and other improvements on Ramsey Street

5.0 Strategies & Plan of Action

Eleven major strategies integral to economic resilience have been identified in order of priority to help achieve the goals and objectives for the City. The following section describes the plan of action for each strategy, responsible organization and estimated cost range as coded below:

\$ = \$50,000 to \$150,000
\$\$ = \$200,000 to \$750,000
\$\$\$ = \$1 million to \$5 million
\$\$\$\$ = \$10 million to \$75 million

- Establish Community Revitalization Investment Authority (CRIA)
- Create Quality Gathering Places on Ramsey Street and Downtown
- Ramsey Street as I-10 Business Route
- Expand and Diversify Industrial Uses
- Expand Workforce Development Programs
- Provide Critical Grocery to East End
- Marketing Strategies with Beaumont and Morongo
- Plan for / Develop Hotel / Tourism District
- Underground Hargrave RR crossing
- Support / Leverage Grandave Studio Project
- Attract Quality Retail Developer for Atwell and San Gorgonio Communities

Strategy 1: Establish CRIA – City Economic Development – Cost \$

Critical to establish Community Revitalization Authority base year as soon as possible (2022) to provide a major financing source from the new tax increment generated on new master planned development south of I-10 Freeway. Work with Riverside County to identify mutually beneficial investments to encourage sharing of a portion of County tax increment.

Strategy 2: Create Quality Gathering Places – City Economic Development – Cost \$\$\$

Ramsey Street is the main commercial corridor connecting downtown to the major shopping centers at Highland Springs intersection. Utilizing CRIA funds, a development strategy should

be used to plan for revitalizing this key commercial corridor and various nodes with office, retail, housing and mixed/blended-use development, as well as landscaping and public access.

A development strategy should also focus on adding housing and improving the aesthetics of downtown area, helping to attract additional commercial investment. City should work with the Chamber of Commerce to expand special events in downtown area, both in conjunction with Market Nights and stand-alone events.

Strategy 3: Ramsey Street as I-10 Business Route – Public Works – Cost \$\$\$

Ramsey Street is an excellent bypass to the traffic congestion on I-10 Freeway with on/off ramp at the far east edge of town, as well as connecting through 6th Street in Beaumont to I-60 and I-10 interchange. By utilizing CRIA tools and funding to acquire and demolish blighted buildings, the City can solicit commercial development, as well as build parkway improvements to encourage pedestrian and bicycle travel along Ramsey Street.

Strategy 4: Expand and Diversify Industrial Uses – City Economic Development – Cost \$\$

The City can reinvent itself with businesses that represent diverse industrial sectors and provide a wide range of quality employment opportunities. The City should work to rebrand, redevelop and expand both the breadth and variety of its industrial core and jobs base. Potential growth opportunities include construction and building materials, motion picture production, food production, furniture, industrial recycling, chemicals, distribution/logistics.

The region has several significant incubator/accelerator programs. The University of Riverside Campus has ExCITE Riverside, facilitating successful acceleration of startup companies in advanced technologies and UCR Wet Lab Incubator, facilitating new companies in AgTech, Biomedical and Medical Chemistry. The Coachella Valley Economic Partnership has developed IHub, a 43,000 SF accelerator campus to help small manufacturing companies grow through business counseling and venture capital formation.

Target Industries

Considering these strengths, weaknesses and opportunities there are a few key target industry groupings for the City to pursue:

- Local serving businesses that will capitalize on strong population growth in the coming decade.
- Warehouse/distribution facilities are in high demand
- Select manufacturing facilities for food and beverage can capture businesses fleeing high cost areas of Los Angeles and Orange County
- Healthcare industry can build on established retirement communities

Strategy 5: Expand Workforce Development Programs – MSJC, City, C of C – Cost \$\$

Workforce development provides skills training for local residents so that they gain access to higher paying jobs. The goal of this strategy is to reduce the income gap between City residents and support higher standards of living. It also provides a skilled labor force for new jobs through partnership with traditional economic development efforts to attract new businesses. A more skilled, stable, and productive pool of workers would be able to fill a larger number of the City's many jobs in sectors such as sales, health care, teaching, maintenance operations, and transportation-related occupations.

The City, Mt. San Jacinto College, Banning Unified School District, and Banning Chamber of Commerce should coordinate with local/regional educational and workforce-development organizations to ensure that available workforce training resources are in sync with the City's business development efforts.

Strategy 6: Critical Grocery on East End - Relocate County Social Services - Planning

The east side of Banning has no fresh food store. The County converted a former grocery store several decades ago into a Social Services facility. Its centralized location, proximity to major transportation and transit routes, population density, coupled with potential retailer interest, creates an opportunity to re-cast that section of Ramsey Street as the area's shopping and dining district leading into the downtown. At a minimum, open a Farmer's Market in downtown on weekends.

Strategy 7: Co-Marketing with Beaumont / Morongo – Economic Development – Cost \$

Develop research-based materials that demonstrate market advantages for both developing real estate and locating businesses in Banning. Coordinate messages promoting real estate development and industry targeting (for both local-serving businesses and employers).

Review options for retaining a marketing consultant to develop a commercial marketing/attraction program for the region and related collateral materials. Review marketing programs and materials used by economic development partners, locally and regionally, for message-consistency.

Strategy 8: Develop Hotel/Tourism District – City Economic Development – Cost \$\$

The Desert Hills Premium Outlets and Morongo Resort represent outstanding tourist attractions, for which Banning can provide affordable hotel accommodations. Marriott flagged hotel is desirable along with a potential high quality RV park. Should consider adding EV charging stations to attract high income travelers to stop for lunch or dinner.

Strategy 9: Underground Hargrave RR Crossing – Public Works – Cost \$\$\$\$

The development of Banning's one million SF industrial project at Hargrave and the Grandave Studio will soon require better access to I-10 on/off ramps. An I-10 bypass road connecting to Cabazon will also benefit from such improvements. It is important to work with the County, Cal Trans and other agencies to facilitate construction of this critical improvement.

Strategy 10: Support / Leverage Grandave Studio Project – City Council – Cost \$\$

The Grandave Studio can provide a wide range of job opportunities for the residents of Banning, as well as generate substantial tax revenues. Because of the adjacency to the municipal airport, the City is seeking FAA approval. City is also in negotiations with developer on terms for a multi-year development agreement.

Strategy 11: Select Quality Retail Developer for New Centers – Atwell Developer – Cost \$

The San Gorgonio and Atwell master planned communities represent tremendous opportunities for attracting skilled labor force, providing affordable workforce housing and providing quality commercial services to the west and southeast areas of the City. Atwell has a major 20-acre site identified for a commercial center on east side of Highland Springs, north of Ramsey Street. This site is suited to provide up to 200,000 SF of retail/commercial. The San Gorgonia MPC should also set aside approximately 20 acres for a neighborhood commercial center to service those new residents, as well as existing homes on south side.

6.0 Performance Metrics

This section outlines a range of economic performance metrics that will facilitate preparation of annual performance reports, allow the Banning CEDS Committee to monitor the progress being attained in the implementation of the various strategies, and achieving the Core Objectives outlined below.

- Increase fiscal revenue generation
- Enhance Banning's commercial and residential market by attracting and retaining a healthy balance of local and national businesses and developing a wide range of housing options;
- Enhance employment, educational and business opportunities;
- Market Banning opportunities for younger generations;
- Fund critical physical improvements to infrastructure

The most important item for successful implementation of the CEDS is to establish the Community Revitalization Investment Authority (CRIA) that gives the City unique tools to revitalize commercial areas and provide critical funds for infrastructure and affordable housing.

Another important item that needs immediate attention is to establish working relationship with Beaumont and Morongo leaders to improve regional marketing and job training

Performance Metrics

The following metrics are recommended to be measured each calendar year and compared to the prior year's results:

1. Annual Reports on CRIA Funding – will identify the revenues received and specify the planned investments
2. Annual meetings of advisory committee members to identify success and challenges
3. Commercial Building Permits on Ramsey – will measure new commercial development
4. No. of Business Licenses – will measure new business formations
5. Sales Tax Revenues by geographic district – will measure success in attracting commercial businesses
6. Hotel Tax Revenues – will measure success in attracting more visitors
7. Hotel Visitor Survey – will identify types of visitors, short term vs longer term stays, and success of Morongo affiliation

8. Assessed value of commercial and industrial property – show increased private sector investment
9. Annual Survey of Business Owners on City Permitting/Zoning Process – will inform City staff of progress/shortcomings
10. Employment by Industry – will show success in commercial and industrial business attraction and employment growth
11. Number of Market Days special events – will show success of community outreach efforts
12. Attendance at Market Night events - will show success of outreach efforts
13. Attendance at Hot Rodeo and Stagecoach Days – growth in attendance will show success of downtown revitalization and general marketing
14. Loans for business improvements / current - will show amount of City investment
15. Has the City of Banning been able to find suitable space in another section of the City for County Social Services?

Responses to the surveys will allow the CEDS Committee to discuss progress made and to determine what barriers to economic development continue to exist, what responses have proven successful or otherwise, and which projects are scheduled for development.

7.0 Appendices

7.1 Demographic and Socio-Economic Information

7.2 Land Use Breakdown

7.3 Stakeholder Workshop Attendees

7.1 Demographic and Socio-Economic Information

7.1.1 Race & Ethnicity

Banning is an ethnically diverse community with the majority of residents being Hispanic or non-Hispanic White. 2019 Census data reveals a decline in the non-Hispanic White and non-Hispanic American Asian/Pacific Islander populations of 21.7% and 18.8%, respectively. The decline in the non-Hispanic White population mirrors that of Riverside County and the State. In the same period, however, the Hispanic population increased in the City by 41.8% and those of two or more or other races increased by 43.4%.

The Hispanics comprise the largest share of the population in the City, County, and State.

Figure 7.1.1.1: Race and Ethnicity (2010 & 2019)

	City of Banning			County of Riverside			State of California		
	2010	2019	Change '10-'19	2010	2019	Change '10-'19	2010	2019	Change '10-'19
Hispanic	10,299	14,605	41.8%	933,529	1,179,478	26.3%	13,456,157	15,327,688	13.9%
Non-Hispanic White	14,285	11,181	-21.7%	863,965	851,702	-1.4%	15,107,042	14,605,312	-3.3%
Non-Hispanic Black	1,882	2,416	28.4%	124,715	147,160	18.0%	2,163,955	2,169,155	0.2%
Non-Hispanic American Indian & Native Alaskan	379	815	115.0%	9,870	10,362	5.0%	153,430	140,831	-8.2%
Non-Hispanic American Asian & Pacific Islander ¹	1,733	1,407	-18.8%	123,808	158,818	28.3%	4,815,333	5,751,719	19.4%
Other Races	452	648	43.4%	53,577	63,919	19.3%	941,373	1,288,792	36.9%
Total	29,030	31,072	7.0%	2,109,464	2,411,439	14.3%	36,637,290	39,283,497	7.2%

Source: US Census Bureau “Decennial Census” and “ACS 5-Year Estimates” (Accessed July 2021)

¹ Non-Hispanic American Asian and Pacific Islander includes people with Native Hawaiian ancestry.

Figure 7.1.1.2: Percentage Share of Population (2010 & 2019)

	<u>City of Banning</u>		<u>County of Riverside</u>		<u>State of California</u>	
	2010	2019	2010	2019	2010	2019
Hispanic	35.5%	47.0%	44.3%	48.9%	36.7%	39.0%
Non-Hispanic White	49.2%	36.0%	41.0%	35.3%	41.2%	37.2%
Non-Hispanic Black	6.5%	7.8%	5.9%	6.1%	5.9%	5.5%
Non-Hispanic American Indian & Native Alaskan	1.3%	2.6%	0.5%	0.4%	0.4%	0.4%
Non-Hispanic American Asian & Pacific Islander ¹	6.0%	4.5%	5.9%	6.6%	13.1%	14.6%
Other Races	1.6%	2.1%	2.5%	2.7%	2.6%	3.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

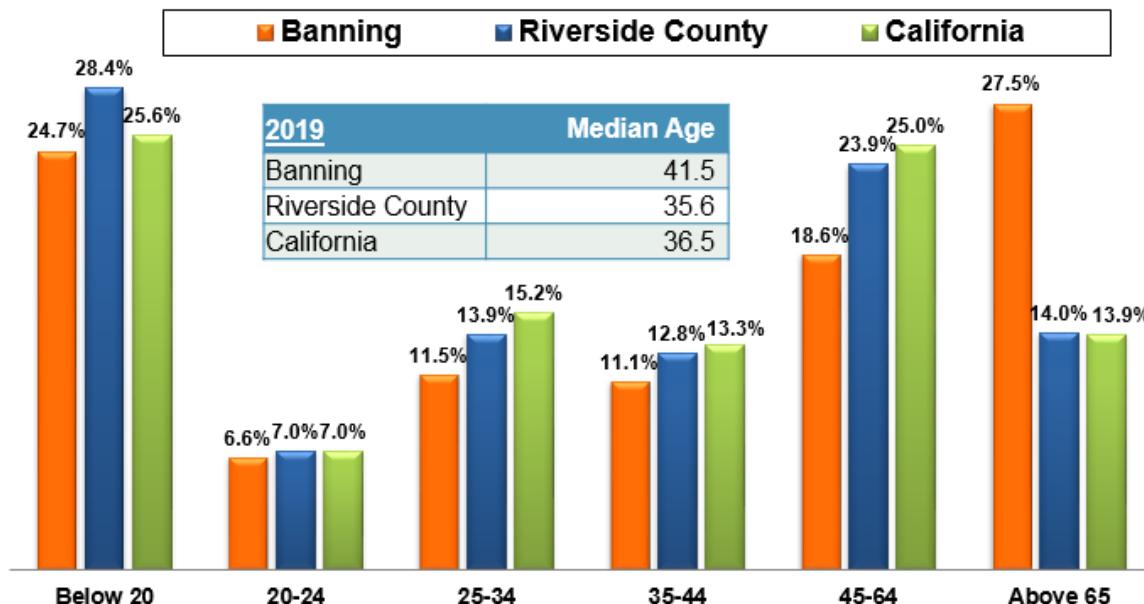
Source: US Census Bureau “Decennial Census” and “American Community Survey 5-Year Estimates” (Accessed July 2021)

¹ Non-Hispanic American Asian and Pacific Islander includes people with Native Hawaiian ancestry.

7.1.2 Age

Banning’s population is older than the County and State. As of 2019, the median age in the city was 41.5, compared to 35.6 in Riverside County and 36.5 in California. About 27.5% of Banning’s population was older than 65 years old, reflecting the Sun Lakes Retirement community, nearly double that of Riverside County and California.

Figure 7.1.2: Population by Age (2019)



Source: US Census Bureau “Decennial Census” and “American Community Survey 5-Year Estimates” (Accessed July 2021)

7.1.3 Housing

According to 2019 California Department of Finance data, there was minimal growth in the number of housing units over the last 10 years in the City. The total number of housing units in Banning was 12,150, virtually unchanged from 12,144 in 2010. By comparison, the number of housing units grew six percent in Riverside County and four percent statewide.

Figure 7.1.3.1: Housing Characteristics

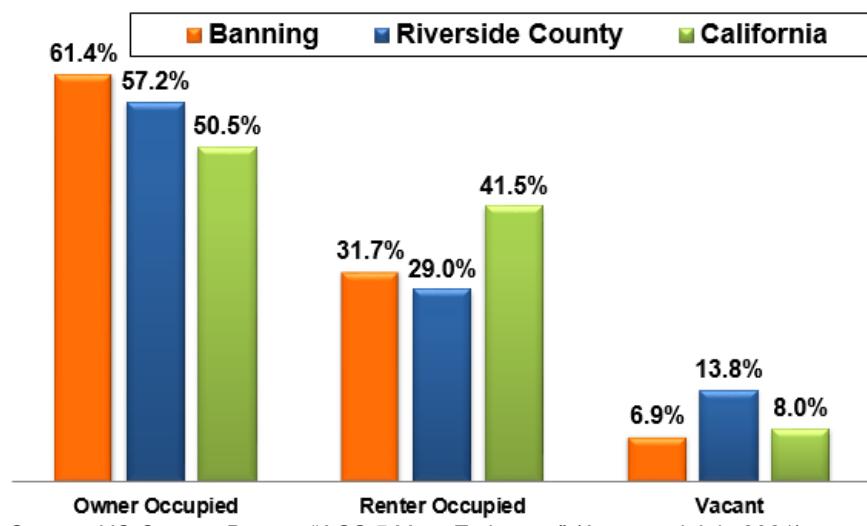
	City of Banning			County of Riverside			State of California		
	2010	2019	Change '10-'19	2010	2019	Change '10-'19	2010	2019	Change '10-'19
Total Units	12,144	12,150	0.0%	800,707	847,851	5.9%	13,670,304	14,235,201	4.1%
Total Occupied Units	10,838	11,028	1.8%	686,260	737,020	7.4%	12,568,167	13,157,084	4.7%
Total Vacant Units	1,306	1,122	-14.1%	114,447	110,831	-3.2%	1,102,137	1,078,117	-2.2%

Source: California Dept. of Finance "Population and Housing Estimates" (Accessed July 2021)

Owner-occupied housing units accounted for 61.4 percent of the total number of housing units, while renter-occupied units were 31.7 percent of the housing stock in the City, with 6.9 percent of housing units were vacant. The levels of home ownership in Banning is higher than Riverside County and greater than the State.

Approximately 51 percent of the occupied housing units were settled into since 2010, indicating recent population growth trends in the City.

Figure 7.1.3.2: Housing by Tenure (2019)



Source: US Census Bureau "ACS 5-Year Estimates" (Accessed July 2021)

The majority of the housing units in Banning are single-family (77.4%). The remainder are either multi-family units (11.6%) and mobile homes/other (11.0%) as shown in Figure 7.1.3.3. This pattern of development is similar to Riverside County but differs significantly from the State. The State of California features a much larger percentage (31.4%) of multi-family housing units compared to Banning and Riverside County.

Figure 7.1.3.3: Units in Structure (2019)

	City of Banning	County of Riverside	State of California
Single Family (%)	77.4%	73.7%	64.7%
Multi-Family (%)	11.6%	17.4%	31.4%
Mobile Home & Other (%)	11.0%	8.9%	3.9%

Source: US Census Bureau “Decennial Census” and “American Community Survey 5-Year Estimates” (Accessed July 2021)

Approximately 20.6% of Banning’s housing units were built in the last 20 years compared to 14.6% in California and 30.9% in Riverside County.

Figure 7.1.3.4: Age of Housing Units (2019)

	City of Banning	County of Riverside	State of California
Built between 2000-present (%)	20.5%	30.9%	14.6%
Built between 1980-2000 (%)	37.0%	37.1%	26.0%
Built pre-1980 (%)	42.5%	32.0%	59.4%

Source: US Census Bureau “American Community Survey 5-Year Estimates” (Accessed July 2021)

Table 8 shows the estimated home value for properties in Banning, Riverside County, and California. Both Banning and Riverside County are growing areas for housing and are more affordable compared to other areas of the State. The average home values in Banning and Riverside County are 52 percent and 27 percent less than the State, respectively.

Figure 7.1.3.5: Estimated Home Value (May 2021)

	Estimated Home Value	% Gain Year over Year
City of Banning	\$318,900	17.8%
County of Riverside	\$488,701	19.2%
State of California	\$668,300	15.4%

Source: Zillow Home Value Index (Accessed July 2021)

7.1.3.1 Overcrowding

A household is considered “overcrowded” when there are more than 1.51 occupants per room, excluding bathrooms. Banning’s overcrowding rate of 2.7% is slightly less than the State’s overcrowding rate (2.9%), but higher than the County’s (1.8%). Thus, residents in Banning are not living in overcrowded conditions.

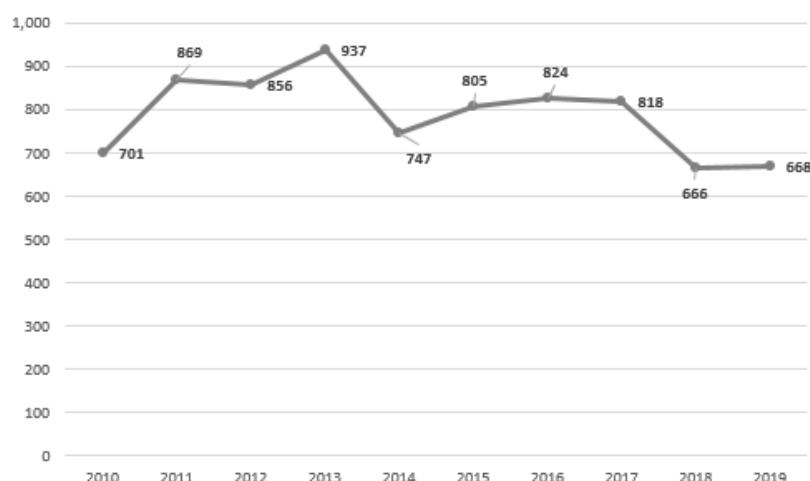
7.1.4 Crime

An important indicator of quality of life and economic stability is the crime rate. Two types of crime indices are typically measured: the violent crime rate and the property crime rate.

The violent crime rate includes homicide, rape, robbery, and aggravated assault, and the property crime rate includes burglary, motor vehicle theft, and larceny-theft. The violent crime rate tends to affect one's feeling of safety, whereas the property crime rate tends to affect business operations more often. It is observed that property crime makes up the majority of the crime in the City (81 percent on average) and County (90 percent on average).

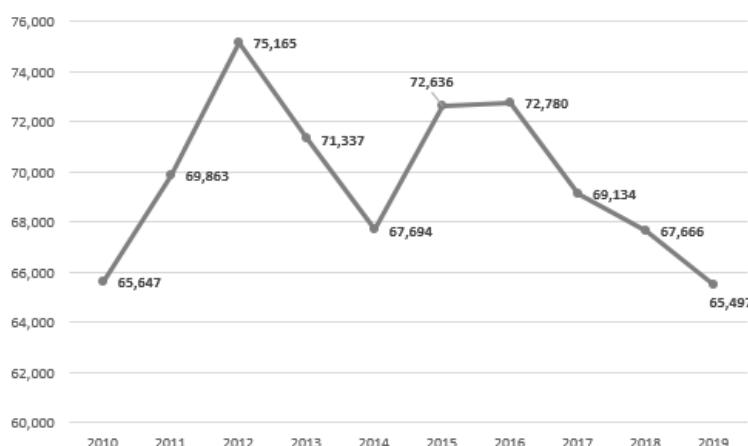
Overall crime rate for both Banning and Riverside County have been declining since 2013.

Figure 7.1.4.1: Overall Crime in Banning (2010-2019)



Source: US Department of Justice, State of California Dept. of Justice

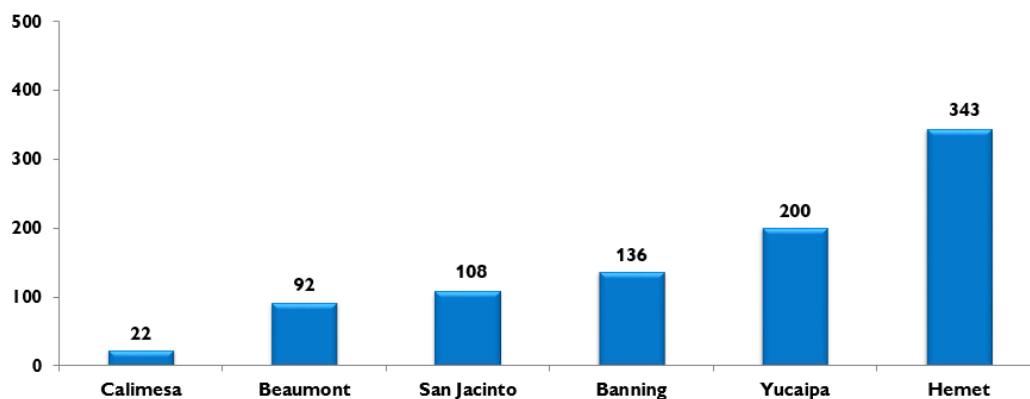
Figure 7.1.4.6: Overall Crime in Riverside County (2010-2019)



Source: US Department of Justice, State of California Dept. of Justice

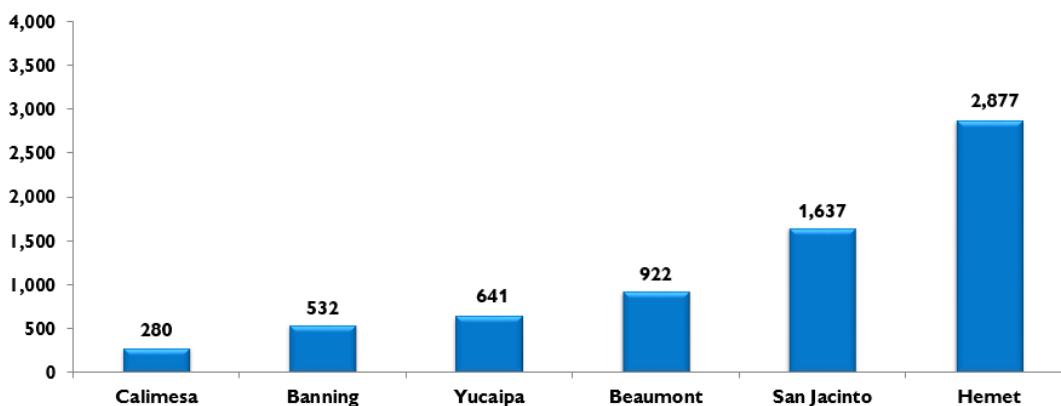
A regional comparison of crime rates in 2019 is shown in Figures 12. Banning's violent crime rates are in the "middle of the pack", but property crime rates are lower when compared with neighboring cities. Given that property crimes make up the majority of the crime in Banning, the overall (violent and property crime) levels in Banning are relatively low compared to the region. Lower crime levels not only provide a better quality of life for residents, but also support the attraction of new businesses to the City.

Figure 7.1.4.7: Violent Crime Rates
Banning and Neighboring Cities (2019)



Source: US Department of Justice, State of California Dept. of Justice (Accessed July 2021)

Figure 7.1.4.8: Property Crime Rates
Banning and Neighboring Cities (2019)



Source: US Department of Justice, State of California Dept. of Justice (Accessed July 2021)

7.2 Land Use

7.2.1 Commercial

Commercial development covers a broad spectrum of uses including retail, office, and service commercial. Figure 7.2.1 shows a breakdown of the commercial uses by type. Overall, only 7.4 percent of the total land (developed and vacant) has a commercial use.

Figure 7.2.1: Commercial Land Use

	Acres (Developed)	% Total Developed Commercial Land	Acres (Undeveloped)	% Total Undeveloped Commercial Land
Total	415.8	100.0%	289.3	100.0%
<i>General Commercial</i>	203.8	49.0%	252.1	87.1%
<i>Highway Serving Commercial</i>	103.0	24.8%	7.3	2.5%
<i>Downtown Commercial</i>	86.0	20.7%	11.3	3.9%
<i>Professional Office</i>	23.0	5.5%	18.6	6.4%

Source: City of Banning General Plan (Adopted 2006, Accessed July 2021)

Much of the commercially zoned space lies north and south of Interstate 10 and along Ramsey Street. Of all the undeveloped commercial land, 87% is zoned general commercial (including retail, restaurant, entertainment, gas station, and general office uses).

7.2.2 Industrial

Industrial development comprises approximately 5.2 percent of the land in the City of Banning and is the smallest land use featured in the City.

Figure 7.2.2 shows a breakdown of the sub-categories of industrial land. A majority of the developed industrial land falls under industrial parks, freestanding industrial buildings, and mining resources, while undeveloped land is primarily suited for business parks, industrial parks, and freestanding industrial.

Figure 7.2.2: Industrial Land Use

	Acres (Developed)	% Total Developed Industrial Land	Acres (Undeveloped)	% Total Undeveloped Industrial Land
Total	468.4	100.0%	688.1	100.0%
<i>Business Park</i>	91.6	19.6%	292.1	42.5%
<i>Industrial (industrial parks and freestanding industrial)</i>	146.7	31.3%	274.1	39.8%
<i>Airport Industrial</i>	41.6	8.9%	94.2	13.7%
<i>Industrial - Mineral Resources</i>	188.5	40.2%	27.7	4.0%

Source: City of Banning General Plan (Adopted 2006, Accessed July 2021)

7.2.3 Residential

Residential comprises the single largest land use category in Banning with 2,706 acres developed totaling 58 percent of the developed land in the City.

Existing residential development in the City is best characterized geographically. Larger lots, have been developed south of the I-10 Freeway and Union Pacific rail corridor, while on the north side of the freeway, single-family residential land uses have developed in lot sizes typically ranging from 7,000 to 15,000 square feet.

A detailed breakdown of the subcategories of residential land uses is shown in Figure 7.2.3.1.

Figure 7.2.3.1: Residential Land Use

	Acres (Developed)	% Total Developed Residential Land	Acres (Undeveloped)	% Total Undeveloped Residential Land
Total	2,705.5	100.0%	5,310.9	100.0%
<i>Ranch/Agriculture (1 du/10 ac.)</i>	0.0	0.0%	77.7	1.5%
<i>Ranch/Agriculture - Hillside (1 du/10 ac.)</i>	121.8	4.5%	351.5	6.6%
<i>Rural Residential (0-1 du/ac.)</i>	124.5	4.6%	471.4	8.9%
<i>Very Low Density Residential (0-2 du/ac.)</i>	230.3	8.5%	1,916.6	36.1%
<i>Low Density Residential (0-5 du/ac.)</i>	1,299.9	48.0%	1,847.5	34.8%
<i>Medium Density Residential (0-10 du/ac.)</i>	656.1	24.3%	362.6	6.8%
<i>High Density Residential (11-18 du/ac.)</i>	156.5	5.8%	213.4	4.0%
<i>Mobile Home Park</i>	116.4	4.3%	14.0	0.3%

Source: City of Banning General Plan (Adopted 2006, Accessed July 2021)

According to the 2019 American Community Survey, the majority (77 percent) of the existing residential housing stock in Banning is comprised of single-family units. The second largest residential housing type is comprised of mobile homes and recreational vehicles (11 percent). A detailed breakdown of the types of residential housing units in Banning is shown in Figure 7.2.3.2.

Figure 7.2.3.2: Residential Housing Units in Structure

Residential Use	Units	Percent of Total Units
<i>Single-Family</i>	9,141	77.4%
<i>Double, Duplex, or Two Units</i>	186	1.6%
<i>Three to Four Units</i>	386	3.3%
<i>Five to Nine Units</i>	327	2.8%
<i>10 to 19 Units</i>	76	0.6%
<i>20+ Units</i>	399	3.4%
<i>Mobile Homes, RVs, etc.</i>	1,294	11.0%
Total	11,809	100.0%

Source: United States Census Bureau “2019 ACS 5-Year Estimates” (Accessed July 2021)

7.2.4 Open Space

Lands designated as public space include areas owned by private or public entities that provide recreational opportunities and preserve valuable natural resources. Approximately 67 percent of the developed open space in the City are parks, while 33 percent are for resource preservation. A majority of the undeveloped open space is currently allocated for resources (75 percent).

Figure 7.2.4: Open Space Land Use

	Acres (Developed)	% Total Developed Open Space	Acres (Undeveloped)	% Total Undeveloped Open Space
Total	369.3	100.0%	3,535.8	100.0%
<i>Open Space - Hillside Preservation</i>	0.0	0.0%	0.0	0.0%
<i>Open Space - Park</i>	246.6	66.8%	877.5	24.8%
<i>Open Space - Resources</i>	122.7	33.2%	2,658.3	75.2%

7.2.5 Public Facilities

Figure 7.2.5: Public Facilities Land Use

	Acres (Developed)	% Total Developed Public Facilities Land	Acres (Undeveloped)	% Total Undeveloped Public Facilities Land
Total	680.8	100.0%	259.3	100.0%
<i>Public Facilities - Government</i>	24.3	3.6%	39.7	15.3%
<i>Public Facilities - School</i>	137.9	20.3%	95.7	36.9%

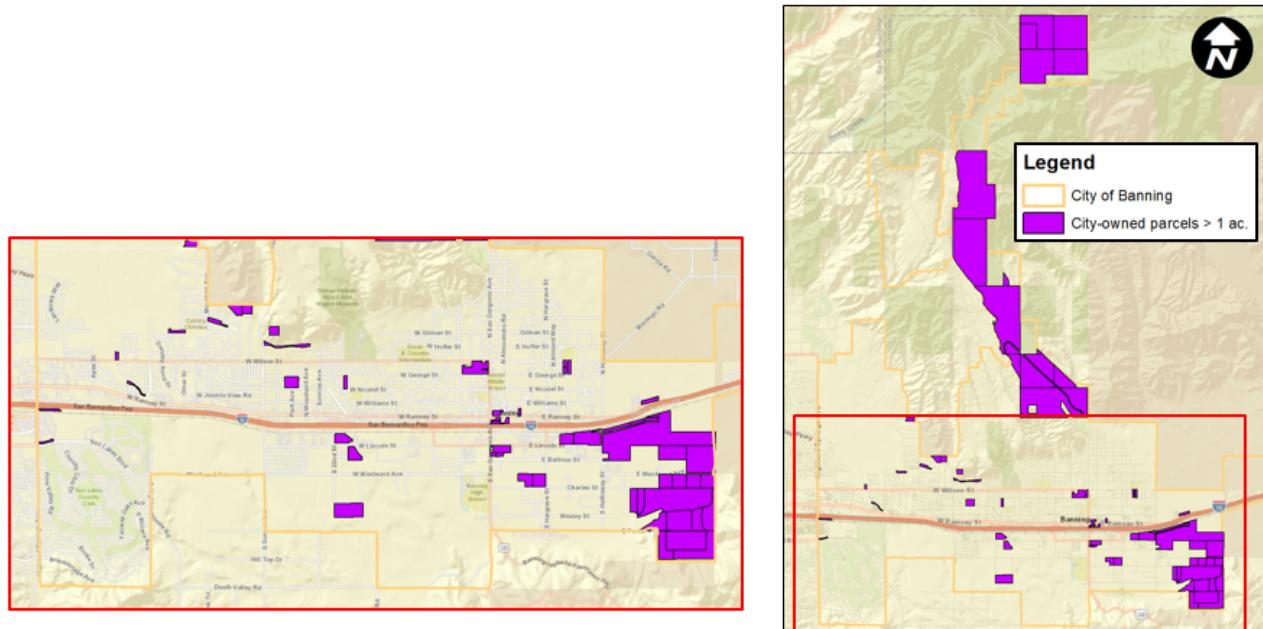
The General Plan highlights multiple uses within areas zoned public facilities, including airport, cemetery, fire station, government buildings, library, hospital, railroad/interstate, and school uses. For purposes of this document, we focused on government buildings and schools. Schools and government buildings comprise just 24 percent of the developed land dedicated for public facilities, however 52 percent of undeveloped land is allocated for government facilities and schools.

Banning Unified School District operates nine schools including four elementary schools, one intermediate school, one middle school, two high schools, and one independent study school, serving roughly 5,000 students. The district is one of the largest employers in the City with approximately 570 employees. Additionally, the San Gorgonio Pass campus of Mt. San Jacinto College, a public community college, is located in Banning. (Source: Banning Unified School District, www.banning.k12.ca.us, Accessed October 2021)

7.2.6 Vacant Land

Approximately 68 percent of the total land in the City is undeveloped. Of those 10,083 acres the City owns 160 parcels totaling 2,590 acres. 71 parcels are one acre or greater in size (~2,560 acres). While many of the larger City-owned parcels are in the north of the City, there are some development opportunities located in the City's core. Some of these sites, shown in Figure 16, present additional opportunities the City can leverage in the future.

Figure 7.2.6: Major City-Owned Development Opportunities in Banning



Source: City of Banning (Accessed August 2021)

7.3 Stakeholder Workshop Attendees

Eighty-five (85) stakeholders were invited to participate in the July 28, 2021 workshops. Thirty-three (33) stakeholders attended the workshops. The attendees are listed in Figure 7.3 below.

Figure 7.3: Stakeholder Workshop Attendees

Name	Position	Company / Organization
Titu Asghar	CEO	Morongo Band of Mission Indians
Diana Behar	Owner	Super Subs
Ralph Berry	Director of Innovation	Mt. San Jacinto College
Scott Brosious	Planning Commissioner	City of Banning
A.J. Cabral	Owner	Finesse Lounge
Chris Campbell	Broker	Better Homes and Gardens Real Estate
Gary Carlton	Owner	Gary Carlton Real Estate
Helen Enriquez	Director	Banning Cultural Alliance
Rueben Gonzales	Executive Director	Banning Chamber of Commerce
Linda Hanley	Senior Vice President	Bank of Hemet
Michael Heischman	Director of Land Devt.	Tripointe Homes
Jeff Horn	Police Captain	City of Banning Police Department
Oleg Ivaschuk	Owner	Xenia Printing
Richard Krick	Planning Commissioner	City of Banning Planning Commission
Steven Lawler	General Manager	Lawrence Equipment
Laura Leindecker	Communications Consultant	LLLeindecker & Associates
Joe Mathews	Member	Riverside Co. Workforce Development
Leroy Miller	Chair	Banning Parks and Rec. Commission
Thomas Miller	Director of Electrical Utilities	Banning Electric
Rob Moran	Executive Director	Riverside County EDA
Morris Myers	Director of Econ. Devt.	Mt. San Jacinto College
Michael O'Neill	Dean of Students	Banning Unified School District
Ron Rader	Board Member	San Gorgonio Hospital
Marco Santana	Planning Commissioner	City of Banning Planning Commission
Paul Smith	Owner	Weldor Supply & Steel
Leslie Trainor	Deputy Director	Riverside County WDC
Mickey Valdivia	Supervisor	San Gorgonio Pass Water
Sasha Waters	Asst. to Karen Woodward	Morongo Band of Mission Indians
Art Welch	District Representative	State Sen. Rocio Bough-Ochoa
Karen Woodward	Realty Administrator	Morongo Band of Mission Indians
Ralph Wright	Director of Parks and Rec.	City of Banning