2005 ECONOMIC ROUNDTABLE REPORT

GAVEA
GREATER ANTELOPE VALLEY ECONOMIC ALLIANCE

Labor, Lifestyle and Los Angeles all within your reach!
January 1, 2005

Greater Antelope Valley Economic Alliance

I am pleased to offer my appreciation for your contributions to the economy in California.

The backbone of our Golden State is found in the devotion of people and groups to serving their communities, and I salute your collaborative efforts to build and support economic development in the cities of the Greater Antelope Valley.

Since 1998, you have played an instrumental role in bringing more than 8,000 new jobs to the region. Your exceptional efforts showcase the collaboration and ingenuity of dedicated community advocates. I applaud your efforts to promote economic growth and foster collaboration among businesses through innovative partnerships with educational institutions, county governments and private industry.

On behalf of all Californians, please accept my best wishes for every continued success.

Sincerely,

Arnold Schwarzenegger
The Greater Antelope Valley

This addition of the Economic Roundtable Report is presented by the Greater Antelope Valley Economic Alliance (GAVEA) to provide economic, demographic and quality of life information specific to our region.

Unlike other reports, which follow political boundaries or cover entire counties, this report focuses exclusively on the Greater Antelope Valley economic region which encompasses over 3,000 square miles and includes both Northern Los Angeles County and Eastern Kern County! This publication is a tool in our economic development efforts, intended to serve as a resource to businesses considering our region for their future and to local businesses considering expansion within our area.

In 2004, the Greater Antelope Valley continued its dynamic growth! Retail sales extended a growth trend with over $3 billion in sales taking place within the five major cities in our economic region! Existing home sales continued its growth with over 10,000 units sold in 2004, and new home sales surged to over 1,200 units, an increase of 47% over 2003! Industrial construction will accelerate in 2005 with several hundred thousand square feet of new industrial space expected to be completed and available in 2005 and plans for well over 1 million square feet in years to come!

The Antelope Valley provides a fertile environment for economic growth and offers a wide range of benefits to businesses seeking to re-locate or expand into our area. The tax savings and incentives provided within our Enterprise and Foreign Trade Zones along with available land at affordable prices will offset the impact of relocation or start-up costs to businesses and provide them better profit margins in the years that follow. These forward thinking companies will also benefit from a supportive, pro-growth attitude from our cities and an available, educated work force!

Now home to some 430,000 residents with a growing and diversifying commercial and industrial base, the Greater Antelope Valley is fast becoming the destination of choice for individuals, families and companies seeking prosperity and a high quality of life! The Greater Antelope Valley has, “Labor, Lifestyle and Los Angeles all within your reach!”

This report is made possible through the efforts and support of the GAVEA membership and I would like to acknowledge and thank each of them for their continued support and participation!

Melvin Layne  
Interim President  
Greater Antelope Valley Economic Alliance

Harvey Holloway  
Chairman of the Board  
Greater Antelope Valley Economic Alliance

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“Labor, Lifestyle and Los Angeles all within your reach!”

see page 12 for a comprehensive comparison with other areas
Greater Antelope Valley Economic Alliance

The Greater Antelope Valley Economic Alliance (GAVEA) is committed to supporting new and existing businesses throughout the Greater Antelope Valley. GAVEA is a non-profit organization funded through the generous support of local businesses, government agencies, health care providers, educational agencies, local utilities and others. Most services are provided free of charge or obligation, but specific studies may require remuneration. A sister 501-C3 organization, the Antelope Valley Economic Research and Education Foundation (AVEREF), has been formed to accommodate those desirous of participating in promoting a Better Quality of Life and Economic Prosperity for the citizens of the Antelope Valley.

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Lancaster, CA 93534
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www.aveconomy.org

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The Gas Company, a Sempra Energy Utility
Southern California Edison
Lockheed Martin Company
Cingular Wireless

Contributing editors:
Mel Layne, GAVEA
Harvey Holloway, Valley Realty

A special thanks to John Hultsman and Jenny Holland, CSUB for their assistance in data collection and editing.
GREATER ANTELOPE VALLEY ECONOMIC ALLIANCE
BOARD OF DIRECTORS

Officers
Harvey Holloway
Valley Realty
Chairman of the Board
Jim Vose
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Vice-Chair
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City of Tehachapi
Greg Whitney
Los Angeles Economic Development Co.
Gary Parsons
City of Ridgecrest

GREATER ANTELOPE VALLEY ECONOMIC ALLIANCE
GENERAL MEMBERSHIP

Affiliated Computer Services, Inc.
Air Force Flight Test Center
Antelope Valley College
Antelope Valley East Kern Water Agency
Antelope Valley Escrow
Antelope Valley Press
Antelope Valley Union High
School District
Applied Web Engineering
Atkinson and Associates
Burkey, Cox, Evans & Manning
California Bank & Trust
Cingular Wireless
City of California City
City of Lancaster
City of Palmdale
City of Ridgecrest
City of Tehachapi
East Kern Airport

Essex House Hotel & Convention Center
Fidelity National Title Co.
First Capital Consultants, Inc.
Four Star Printing
Frank Visco & Associates
Greater Antelope Valley
Association of Realtors
H.W. Hunter Dodge
Hughes Land Company
ISU Insurance Services, Vinsa
Kaiser Permanente
Kern County Economic
Development Corporation
Lancaster Community Hospital
Lancaster School District
Lockheed Martin Company
Los Angeles County Supervisor, Antonovich
Los Angeles County Economic
Development Corporation
Los Angeles World Airports
Millennium Development
Palmdale Water District
Ridgecrest Chamber of Commerce
Royal Investors Group, LLC
Southern California Edison
The Gas Company
Valley Realty
Vose Properties
Walsh, Delaney & Yep
Waste Management
Wells Fargo Bank
Western Pacific Roofing

New Members
Cingular Wireless
Four Star Printing
Lancaster Community Hospital
Royal Investors Group, LLC

For more information on our members, please visit our website
www.aveconomy.org
Demographics

AREA PROFILE
TOTAL POPULATION GREATER ANTELOPE VALLEY REGION 432,294*

<table>
<thead>
<tr>
<th>Annual Growth</th>
<th>Projected 2004-2009</th>
<th>465,603</th>
<th>8.60%</th>
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<td>Estimated 2000-2004</td>
<td>432,294</td>
<td>7.54%</td>
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<td>Census 1990-2000</td>
<td>398,681</td>
<td>20.25%</td>
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</table>

Gender
- Female: 50.04%
- Male: 49.96%

Median Age: 32

Ethnicity
- Primary English speaking: 300,216 (75.87%)
- Spanish speaking: 76,332 (19.27%)
- Other speaking: 19,481 (4.91%)

Housing
- Average Family Household Income: $64,505
- Median Household Income: $47,735
- Housing Units: 153,602
- Persons Per Household: 3.01
- Median Home Price: $141,426
- Owner Occupied: 67.47%
- Average Length of Residence: 11

Safety Range
- AV Crime Rate per 100K pop: 2,082-2,163
- US Crime Rate above 100K pop: 11,130
- US Crime Rate 25K to 50K pop: 8,035
- US Crime Rate 10K to 25K pop: 7,622

Economy
- Cost of Doing Business: Low to Moderate
- Major Retail Sales (in thousands): 3,332,828,000
- Cost of Living Index: 96.60%
- Job Growth 03-04: 3,530
- Major Economic Impact Areas:
  - Antelope Valley Mall: 150 Stores
  - Air Force Plant 42 Payroll: $458,964,374
  - Local Contract: $54,081,475
  - Employees: 6,701
  - Edwards Air Force Base: 310,000 Acres
  - Employees: 12,270
  - Officer: 778
  - Enlisted: 2,933
  - Civilian: 8,559
  - China Lake: 1,100,000 Acres
  - Civilian Employees: 4,950
  - Military: 800
  - Employed in Aerospace 1990: 22%
  - Employed in Aerospace 2003: 7%

EDUCATION

Professional School Degree: 4.27%
Graduate Degree/Doctorate: 1%
Associates Degree: 8%
Bachelors Degree: 29%
No High School Diploma: 21.53%
Completed High School: 26%
### POPULATION DETAIL

#### North Los Angeles County

<table>
<thead>
<tr>
<th>City</th>
<th>50,000</th>
<th>60,000</th>
<th>70,000</th>
<th>80,000</th>
<th>90,000</th>
<th>100,000</th>
<th>120,000</th>
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<td>92,291</td>
<td>118,718</td>
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#### East Kern County

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### GROWTH FORECAST

#### North Los Angeles County

<table>
<thead>
<tr>
<th>City</th>
<th>2004</th>
<th>2009</th>
<th>2020</th>
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<tbody>
<tr>
<td>Palmdale</td>
<td>131,300</td>
<td>146,145</td>
<td>207,592</td>
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<tr>
<td>Lancaster</td>
<td>129,200</td>
<td>141,495</td>
<td>200,598</td>
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<td>68,587</td>
<td>72,085</td>
<td>168,025</td>
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<tr>
<td>Totals</td>
<td>329,087</td>
<td>359,725</td>
<td>576,215</td>
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#### East Kern County

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<thead>
<tr>
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<th>2004</th>
<th>2009</th>
<th>2020</th>
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<tr>
<td>California City</td>
<td>11,300</td>
<td>11,146</td>
<td>14,876</td>
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<td>Ridgecrest</td>
<td>25,850</td>
<td>25,895</td>
<td>35,123</td>
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<td>11,700</td>
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<tr>
<td>Totals</td>
<td>103,207</td>
<td>105,878</td>
<td>143,841</td>
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#### Total North Los Angeles County and East Kern County

<table>
<thead>
<tr>
<th>2004</th>
<th>2009</th>
<th>2020**</th>
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<tbody>
<tr>
<td>432,294</td>
<td>465,603</td>
<td>720,056</td>
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</tbody>
</table>

*California Department of Finance

Sources: Claritas Inc., California Department of Finance, US Census Bureau. **Southern California Association of Governments.
Lancaster

"We Appreciate Your Business"

"Our firm controls over one million square feet of industrial property throughout Southern California, so we understand the market well. We see Lancaster as one of the best emerging opportunities around. Our major commitment to over 20 new buildings in Fox Field is testament to our confidence in the community."

— Greg St. Clair, Executive VP and COO of Larwin Investment, Co.

2004 MILESTONES

■ Lancaster opens new $3.5 million University Center
■ Countrywide Home Loans occupies the second phase of its 13-acre 206,000 square foot loan processing center campus
■ Lowe’s Home Improvement Center begins construction
■ A 117,000 square foot Fortune 100 distribution center enters into escrow in the Fox Field Industrial Corridor
■ Regent Aerospace begins construction on an 80,000 square foot manufacturing facility
■ The City approves Northeast Gateway Corridor Project (NGCP)
■ Over 1,000,000 square feet of multi-tenant industrial space is planned in the Lancaster Business Park and the Fox Field Industrial Corridor
■ City sells its last lot in the Lancaster Business Park
■ The Antelope Valley Fair and AlfaFest holds its first Fair at the new fairgrounds.
■ Lance Camper occupies 40,000 square foot facility to house parts and service business
■ Avenue G is reconstructed to six lanes from the Freeway to 50th St. West
■ Camille’s Sidewalk Cafe and Starbucks open to the public

Population 129,200
White, non-Hispanic 46%
Hispanic 28%
African American 18%
Asian/Pacific Islander 3.9%
Native American 7%
Other 3.0%
Median Age 31.7
Male 50.6%
Female 49.4%

Median Family Income $60,134
93536 $80,013
93535 $52,619
93534 $50,998

Public Safety
2003 Crime rate per 100,000 2,163
U.S. Average 100-250K pop 11,130

Housing
2004 Median (all homes) $232,000
Affordability Index 43%
Housing Units 43,584
Homeowners 61.4%

Elected Officials
Mayor Frank C. Roberts
Vice Mayor Bishop Henry W. Hearn
Councilmembers
Jim Jeffra
Ed Sileo
Andrew D. Visokey

Contacts
City Manager Robert LaSala
661/723-6000
Economic Development Mark Bozigian
661/723-6128

44933 Fern Avenue
Lancaster, CA 93534
www.cityoflancasterca.org
www.colra.org

Growth Rate 2000 2001 2002 2003 2004
Population 118,718 120,800 123,100 125,900 129,200
Growth Rate .......................... 2.6%
% of Change 2000-2004 .......................... 8.8%
State Rank in Growth .......................... 132
State Rank in Size .......................... 41

Sources: Claritas, Inc., California Department of Finance, California Association of Realtors, Federal Bureau of Investigation.
Palmdale

"A Place to Call Home"

"A Mayor and City Council with vision and expert staff make Palmdale a great place to do business. Palmdale is not just a pro-development city, it is a city that partners in the economic development process, striving toward economic prosperity and increased quality of life for its residents."

— Daniel E. Otter, President, Sierra Development Group

2004 MILESTONES

- Delta Scientific Corporation opens in Fairway Business Park
- Construction begins for new $23.9 million Sheriff's Station
- Construction begins for $9.8 million Palmdale Transportation Center
- Construction begins for two "Vision for the Future" park projects, which will include a family aquatics water park on the eastside of Palmdale and an amphitheater on the westside of Palmdale
- Palmdale's Foreign-Trade Zone expands to include 91.38 acres at the Mojave Airport in the East Kern Airport District
- Downtown Revitalization Facade and Parking Lot Improvement Program completes first phase of Palmdale Boulevard renovation between 3rd Street East and 5th Street East
- Palmdale celebrates 100% occupancy in the three City-owned Boulders Mobile Home Parks.
- Home sales begin in Ana Verde Master Planned Community
- Kohl's opens new 96,226 sq. ft. store
- Ground broken for 224,000 sq. ft. Super Walmart
- Home Gallery Furniture opens 30,250 sq. ft. store

Population 131,300
White, non-Hispanic 33.9%
Hispanic 43.0%
African American 16.5%
Asian/Pacific Islander 3.7%
Native American 0.6%
Other 2.7%
Median Age 28.8
Male 49.2%
Female 50.8%
Avg. Family Income $64,210
93550 $50,555
93551 $93,277
93552 $64,810

Public Safety
2003 Crime rate per 100,000 2,082
U.S. Average 100-250K pop 11,130

Housing
2004 Median Home Price $268,000
Affordability Index 36%
Housing Units 39,946
Homeowners 71%

Elected Officials
Mayor James C. Ledford, Jr.
Mayor Pro Tem James A. "Jim" Root
Councilmembers
Mike Dispensa
Steven D. Hofbauer
Richard J. Loa

Contacts
City Manager Robert W. Toone, Jr.
661/267-5100
Assistant Executive Director/CRA Danny R. Roberts
661/267-5125

38300 N. Sierra Highway
Palmdale, CA 93550
www.cityofpalmdale.org

WORKFORCE
(16+)
Management/Professional
28.83%
Service/Sales Office
15.67%
Transportation
12.45%
Manufacturing
43.55%
Construction

Spanish Speaking 28%

EDUCATION
(age 25 & up)
Graduate Degree
3.11%
Professional Degree
79%
Associates Degree
7.12%
Bachelors Degree
9.55%
Completed
High School
24.81%
Some College
28.83%
No High School
Diploma
25.79%

Growth Rate
2000 2001 2002 2003 2004
Population 116,670 119,900 123,700 127,100 131,300
Growth Rate ........................................... 3.3%
% of Change 2000-2004 ................................ 12.5%
State Rank in Growth .................................. 75
State Rank in Size ....................................... 40

Sources: Claritas, Inc., California Department of Finance, California Association of Realtors, Federal Bureau of Investigation.

Economic Roundtable Report 2005 | 7
California City
"Classic Desert Living"

"California City is a small friendly city with a great sense of community pride. We are business oriented and people minded. It is safe, affordable, and recreationally rich. We offer the very best in rural desert living."

— Larry M. Adams
Mayor, California City

2004 MILESTONES

- Hyundai-Kia America Technical Center completes and opens $50 million auto test track facility creating new jobs in California City
- New California City High School and Elementary School approved, funded and under construction
- Major retailer Blockbuster Video to open in new retail neighborhood center
- New 103 room Microtel Hotel to begin construction in Ellison Plaza
- Over $30 million in new construction and home building permits issued in 2004
- The Villages at Tierra Del Sol under construction with forty-five new custom homes to finish the Villages sub-division
- North Loop Estates, a brand new 190-single-family home sub-division, is under construction
- Oceanside Development under construction on new Copper Sky sub-division development of 81-single-family homes
- Fairways at Tierra Del Sol a beautiful new 18-acre gated golf course community under construction
- Local companies such as Alta One Federal Credit Union, Friends Tire, Ramons Restaurant and California City Veterinary clinic are expanding and creating new employment opportunities

Population 11,300
White, Non-Hispanic 59.5%
Hispanic 19.4%
African American 11.8%
Asian/Pacific Islander 3.8%
Native American 1.3%
Other 4.3%
Median Age 36.1%
Male 50%
Female 50%
Avg. Family Income $62,909
95505 $62,991

Public Safety

2003 Crime Rate 5,312
U.S. Average Crime Rate 10-25K pop 7,622

Housing

2004 Median Home Price $147,000
Affordability 53%
Housing Units 3,612
Homeowners 67%

Colorado

Elected Officials

Mayor Larry Adams
Councilmembers
Bill Dempsey
Mike Edmiston
Nicholas Lessenevitch
Kevin Schafer

Contacts
City Manager William W. Way, Jr.
760/373-8661
Economic Development Kari Tapia
760/373-7129

21000 Hacienda Boulevard
California City, CA 93505
www.city.california-city.ca.us

Growth Rate 2000 2001 2002 2003 2004
Population 8,375 9,200 10,850 11,150 11,300
Growth Rate ........................................ 1.3%
% of Change 2000-2004 ......................... 34.9%
State Rank in Growth ......................... 11
State Rank in Size ................................. 347

Sources: Claritas, Inc., California Department of Finance, California Association of Realtors, Federal Bureau of Investigation.
Ridgecrest
"The place to be!"

"Our company benefits substantially from our location in Ridgecrest. Not only do we have the opportunity for contracts with China Lake, but the presence of highly skilled people allows us to hire great folks!"

— Beth Hays-Sumners
Quoin International

2004 MILESTONES
- New buildings begin to appear at the Ridgecrest Business Park
- Downtown Merchants Association is formed and begins events
- Cerro Coso College opens both a new digital library and Media Center
- New restaurants opening
- Viewfinders 31st Annual Motocross race

2004 MILESTONES

| Population | 25,850 |
| White, non-Hispanic | 75.6% |
| Hispanic | 13.2% |
| African American | 3.2% |
| Asian/Pacific Islander | 4.4% |
| Native American | .8% |
| Other | 2.8% |
| Median Age | 35.8 |
| Male | 50.04% |
| Female | 49.96% |
| Avg. Family Income | $66,118 |
| 93555 | $67,458 |
| Public Safety | 2001 Crime Rate | 3,003 |
| 2003 US Crime Rate | 10-25K pop | 7,622 |
| Housing | 2004 Median Home Price | $130,250 |
| Affordability | 58% |
| Housing Units | 11,382 |
| Homeowners | 63.8% |

WORKFORCE

- Manufacturing/Transportation 13%
- Construction 10.41%
- Management/Professional 40.39%
- Services/Sales Office 40.20%
- Spanish Speaking 8%

EDUCATION

- Graduate Degree 7.82%
- Professional Degree 12.55%
- Some College 39.78%
- Completed High School 23.64%

Growth Rate

<table>
<thead>
<tr>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>24,927</td>
<td>25,200</td>
<td>25,550</td>
<td>25,800</td>
</tr>
<tr>
<td>Growth Rate</td>
<td>0.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Change 2000-2004</td>
<td>3.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Rank in Growth</td>
<td>250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Rank in Size</td>
<td>329</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Elected Officials
Mayor Marshall "Chip" Holloway
Mayor ProTem Richard "Duke" Martin
Vice Mayor Daniel Clark
Councilmembers
Ronald Carter
Steven Morgan

Contacts
City Manager Harvey M. Rose
760/499-5000
Community & Economic Development Gary Parsons
760/499-5061

100 West California Avenue
Ridgecrest, CA 93555
www.ci.ridgecrest.ca.us

Sources: Claritas, Inc., California Department of Finance, California Association of Realtors, Federal Bureau of Investigation.

Economic Roundtable Report 2005 | 9
Tehachapi*

"The Right Environment for the Right Company"

"Woodward Camp has become the world-renowned mecca for gymnasts and action sports athletes of every caliber. Although our original camp in Pennsylvania, founded over 30 years ago, hosts over 10,000 campers each summer from 27 countries and 49 states, we had been looking to make a West Coast expansion for more than a decade.

Given the nature and audience of our sports, Tehachapi offers the perfect balance. Four mild seasons, proximity to Southern California’s major Metropolitan areas, easy access, and the comforts of urban life—all wrapped in a beautiful town that has retained its rural flavor. We’re proud to bring people here from all over the world to share what Tehachapi has to offer.”

— Gary Ream
Woodward West, LLC

---

**2004 MILESTONES**

- Completion of the Tehachapi Village Market Place, includes Rocky Mountain Chocolate Factory, Kohmen’s Bakery and Fuller and Fuller Gifts
- Second phase of Tehachapi Crossing Commercial Center opens adding an additional 21,000 square feet of retail space
- Tehachapi Junction Retail Center begins construction on the southeast corner of Tehachapi Blvd. and Tucker Rd. which will add an additional 24,000 square feet of retail space
- First phase of Downtown Master Plan implementation is completed
- City of Tehachapi takes over building inspection from Kern County
- New Best Western Country Park Hotel opens new Best Western upscale prototype with 60 executive suites
- 1,000 new single family residential lots approved with four different subdivisions
- First Tehachapi Business Outlook Conference held

---

**Population**

- **Region**: 30,486
- **City**: 11,707

- **White, Non-Hispanic**: 48.2%
- **Hispanic**: 35.7%
- **African American**: 12.8%
- **Asian/Pacific Islander**: 8%
- **Native American**: 1.0%
- **Other**: 1.4%
- **Median Age**: 32.9
- **Male**: 71.5%
- **Female**: 28.5%

- **Average Family Income**: $49,750
  - 93561: $67,469
  - 93531: $59,142

- **Housing**
  - 2004 Average Home Price: $210,000
  - Affordability: 36%
  - Housing Units: 10,694
  - Homeowners: 54.5%

---

**Elected Officials**

- Mayor Mariana Teel
- Vice Mayor Ed Grimes
- Councilmembers Debora Hand, Philip Smith

**Contacts**

- City Manager Jason Caudle
  661/822-2200 ext. 108
- Community Development Director David James
  661/822-2200 ext. 119

115 South Robinson Street
Tehachapi, CA 93561
www.tehachapicityhall.com

---

**Growth Rate**

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>11,125</td>
<td>11,400</td>
<td>11,100</td>
<td>11,450</td>
<td>11,700</td>
</tr>
<tr>
<td>Greater Tehachapi Region</td>
<td>29,484</td>
<td>30,832</td>
<td>30,486</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**% of Change 2000-2004** 4.9%

---

**Workforce**

- Manufacturing/Transportation: 25%
- Service/Sales Office: 32%
- Construction: 11.7%
- Other: 9.8%
- Management/Professional: 32%
- Spanish Speaking: 23%

---

**Education**

- Professional School Degree: 1%
- Graduate Degree: 4%
- Associates Degree: 8.6%
- Bachelors Degree: 10.4%
- No High School Diploma: 18.6%
- Completed High School: 28.4%
- Some College: 29.1%

Sources: Claritas, Inc., California Department of Finance, California Association of Realtors, Federal Bureau of Investigation.
## RURAL COMMUNITIES OF THE ANTELOPE VALLEY

<table>
<thead>
<tr>
<th></th>
<th>2000 Census</th>
<th>2004 Estimate</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acton</td>
<td>2,390</td>
<td>2,523</td>
<td>74,392</td>
</tr>
<tr>
<td>Lake Los Angeles</td>
<td>11,523</td>
<td>11,755</td>
<td>40,777</td>
</tr>
<tr>
<td>Lake Communities</td>
<td>2,828</td>
<td>2,803</td>
<td>62,865</td>
</tr>
<tr>
<td>Littlerock</td>
<td>1,402</td>
<td>1,504</td>
<td>46,476</td>
</tr>
<tr>
<td>Quartz Hill</td>
<td>9,890</td>
<td>10,295</td>
<td>58,435</td>
</tr>
<tr>
<td>Green Valley</td>
<td>1,859</td>
<td>2,105</td>
<td>90,074</td>
</tr>
<tr>
<td>Other</td>
<td>35,944</td>
<td>37,602</td>
<td></td>
</tr>
<tr>
<td><strong>Total North Los Angeles County Unincorporated</strong></td>
<td><strong>65,836</strong></td>
<td><strong>68,587</strong></td>
<td></td>
</tr>
<tr>
<td>East Kern County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boron</td>
<td>2,025</td>
<td>1,810</td>
<td>37,062</td>
</tr>
<tr>
<td>Edwards</td>
<td>5,909</td>
<td>6,060</td>
<td>42,412</td>
</tr>
<tr>
<td>Mojave</td>
<td>3,836</td>
<td>3,752</td>
<td>24,723</td>
</tr>
<tr>
<td>Rosamond</td>
<td>14,349</td>
<td>15,511</td>
<td>48,403</td>
</tr>
<tr>
<td>Bear Valley Springs</td>
<td>4,232</td>
<td>4,414</td>
<td>72,912</td>
</tr>
<tr>
<td>Randsberg</td>
<td>77</td>
<td>69</td>
<td>52,500</td>
</tr>
<tr>
<td>Stallion Springs</td>
<td>1,522</td>
<td>1,787</td>
<td>59,475</td>
</tr>
<tr>
<td>N. Edwards</td>
<td>1,227</td>
<td>1,201</td>
<td>38,454</td>
</tr>
<tr>
<td>Inyokern</td>
<td>984</td>
<td>864</td>
<td>41,029</td>
</tr>
<tr>
<td>Other</td>
<td>19,027</td>
<td>18,889</td>
<td></td>
</tr>
<tr>
<td><strong>Total East Kern County Unincorporated Area</strong></td>
<td><strong>53,188</strong></td>
<td><strong>54,357</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 2003 REPORTED BUSINESS LOANS UNDER $1 MILLION IN THE ANTELOPE VALLEY

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>Percentage of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$100,000 or less</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>7,072</td>
<td>7,481</td>
<td>5.8%</td>
</tr>
<tr>
<td>Amount (in millions)</td>
<td>$60</td>
<td>$63</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Greater than $100,000 but less than $250,000</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>97</td>
<td>95</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Amount (in millions)</td>
<td>$17</td>
<td>$17</td>
<td>-1.9%</td>
</tr>
<tr>
<td><strong>Greater than $250,000 but less than 1 Million</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>77</td>
<td>89</td>
<td>15.6%</td>
</tr>
<tr>
<td>Amount (in millions)</td>
<td>$41</td>
<td>$44</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>7,246</td>
<td>7,665</td>
<td>5.8%</td>
</tr>
<tr>
<td>Amount (in millions)</td>
<td>$118</td>
<td>$124</td>
<td>5.2%</td>
</tr>
<tr>
<td><strong>Loans to Firms with Revenues less than $1 Million</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of loans</td>
<td>1,761</td>
<td>2,671</td>
<td>51.7%</td>
</tr>
<tr>
<td>Amount (in millions)</td>
<td>$46</td>
<td>$51</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

In L.A. County approximately 71% of the businesses have five (5) or less employees with approximately 82% of the businesses having ten (10) or less employees. In an effort to measure the economic growth and monitor the inflow of capital into the area the following chart has been prepared. Under the Community Reinvestment Act the Federal Reserve requires banks to report business loans which are tracked on a census tract basis. The following chart is a summation of the report for the Antelope Valley indicating a 51.7% increase in the number of loans and a 11.4% in the dollar amount.

Sources: Claritas, Inc. California Department of Finance, San Fernando Research Center.
### COMPARISON WITH OTHER AREAS

<table>
<thead>
<tr>
<th>Population</th>
<th>2004</th>
<th>Workforce (November)</th>
<th>2004</th>
<th>Housing Affordability Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antelope Valley</td>
<td>432,294</td>
<td>Lancaster/Palmdale</td>
<td>86,790</td>
<td>Ridgecrest</td>
</tr>
<tr>
<td>Atlanta</td>
<td>423,019</td>
<td>Santa Clarita</td>
<td>75,600</td>
<td>Lancaster</td>
</tr>
<tr>
<td>Miami</td>
<td>376,815</td>
<td>Burbank</td>
<td>57,160</td>
<td>California City</td>
</tr>
<tr>
<td>St. Louis</td>
<td>332,223</td>
<td>Carson</td>
<td>47,640</td>
<td>Palmdale</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>317,361</td>
<td></td>
<td></td>
<td>Bakersfield</td>
</tr>
</tbody>
</table>

#### 2009 Growth Projection Percentage

| Palmdale | 12.29 |
| Bakersfield | 10.72 |
| Lancaster | 7.90 |
| Santa Clarita | 9.67 |
| Moreno Valley | 7.85 |
| Phoenix | 7.54 |
| Ontario | 6.41 |
| Long Beach | 3.73 |

#### Median Household Income

| Santa Clarita | $74,149 |
| Palmdale | $50,790 |
| California City | $50,303 |
| Ridgecrest | $47,687 |
| Las Vegas | $47,235 |
| Lancaster | $43,749 |
| Bakersfield | $43,575 |
| Long Beach | $39,763 |
| Los Angeles | $39,512 |
| Tehachapi | $32,626 |

#### Median All Houses Values

**Includes condos, etc.**

| Santa Clarita | $291,689 |
| Los Angeles (City) | $290,473 |
| Long Beach | $274,802 |
| Las Vegas | $164,311 |
| Palmdale | $156,335 |
| Bakersfield | $149,016 |
| Lancaster | $137,632 |
| Tehachapi | $128,029 |
| California City | $117,316 |
| Ridgecrest | $95,723 |

#### Property Tax Rate Percentage

| Lancaster | 1.102 |
| Palmdale | 1.125 |
| San Bernardino | 1.197 |
| Bakersfield | 1.149 |
| Victorville | 1.233 |
| Portland, OR | 2.100 |
| Tucson, AZ | 2.250 |
| Chandler, AZ | 3.258 |
| Reno, NV | 3.520 |

### Crime Rate Per 100,000 Population

<table>
<thead>
<tr>
<th>California</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>Percentage of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>4,173</td>
<td>4683</td>
<td>2946</td>
<td>3233</td>
<td>9.7%</td>
</tr>
<tr>
<td>Lancaster</td>
<td>3,971</td>
<td>4214</td>
<td>2046</td>
<td>2163</td>
<td>5.7%</td>
</tr>
<tr>
<td>Palmdale</td>
<td>3,665</td>
<td>4511</td>
<td>2262</td>
<td>2082</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Riverside</td>
<td>6,853</td>
<td>5821</td>
<td>2750</td>
<td>2749</td>
<td>0%</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>5,670</td>
<td>7713</td>
<td>4073</td>
<td>3631</td>
<td>-10.8%</td>
</tr>
<tr>
<td>Ridgecrest</td>
<td>3,462</td>
<td>3003</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Victorville</td>
<td>4,948</td>
<td>5511</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

#### Nevada

| Las Vegas Metro | 4,548 | 4948 | 6471 | 6794 | 5% |
| Reno | 5,799 | 5955 | 3052 | 3043 | -2.9% |

#### Arizona

| Glendale | 6,398 | 6689 | 3037 | 3215 | 5.8% |
| Phoenix | 7,713 | 7859 | 3927 | 3883 | -1.1% |
| Tucson | 9,954 | 9756 | 4891 | 5007 | 2.4% |

### AIR QUALITY

#### 2004 Air Quality Data

<table>
<thead>
<tr>
<th>Air Quality Index</th>
<th>Number of Days</th>
<th>Number of Days</th>
<th>Number of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Antelope Valley</strong></td>
<td>Over Federal Standard</td>
<td>2002</td>
<td>2003</td>
</tr>
<tr>
<td>Lancaster</td>
<td>3</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Palmdale</td>
<td>47</td>
<td>68</td>
<td>27</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>119</td>
<td>133</td>
<td>110</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>33</td>
<td>37</td>
<td>9</td>
</tr>
<tr>
<td>Victorville</td>
<td>123</td>
<td>112</td>
<td>105</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>112</td>
<td>130</td>
<td>104</td>
</tr>
<tr>
<td>Tucson, AZ</td>
<td>37</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>Chandler, AZ</td>
<td>9</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Sacramento</td>
<td>3</td>
<td>40</td>
<td>35</td>
</tr>
<tr>
<td>Reno, NV</td>
<td>3</td>
<td>52</td>
<td>26</td>
</tr>
</tbody>
</table>

**Sources:** Population: Claritas, Inc.; Workforce: California Employment Development Department (EDD), 2000 Census; 2009 Growth: Claritas; Median Household Income: Claritas, Inc.; Median All House Values: Claritas, Inc.; Property Tax Rate: Various Cities; Crime Rate: Federal Bureau of Investigation; Air Quality: AV Air Management; Affordability Index: California Association of Realtors.
LARGEST EMPLOYERS

1. Edwards Air Force Base 12,270
2. Lockheed Martin 4,200
3. China Lake NWC 3,985
4. County of Los Angeles 3,383
5. Palmdale School District 2,986
6. Antelope Valley Hospital 2,300
7. AV High School District 1,876
8. Lancaster School District 1,800
9. Northrop-Grumman 1,750
10. Walmart (# stores) 1,496
11. CA State Prison 1,348
12. Countrywide Corporation 1,120
13. Rite Aid Distribution Center 1,063
14. Boeing 996
15. Antelope Valley Mall 918
16. Westside School District 905
17. U.S. Borax 845
18. Antelope Valley College 825
19. Federal Aviation Admin. 700
20. Lancaster Community Hospital 530
22. Calif. City Correctional Center 493
23. High Desert Hospital 470
24. Keppel School District 450
25. Anderson-Barrons 398
26. AV Convalescent Hospital 375
27. City of Lancaster 370
28. Home Depot 365
29. GE Wind Energy 356
30. Starwood 355
31. Ridgecrest Regional Hospital 350
32. Eastside Union School District 350
33. High Desert Medical Group 335
34. Desert Christian Schools 330
35. Lance Campers 320
36. Deluxe Corporation 313
37. Target Stores 299
38. City of Palmdale 297
39. Desert Haven 284
40. U.S. Pole 270
41. Senior Systems Technology 268
42. Costco 260
43. Mojave Unified School District 260
44. Wilsona School District 250
45. Michaels 237
46. Muroc Joint Unified School Dist. 236
47. Antelope Valley Press 218
48. Rally Chevrolet 202
49. BAE Flight Systems 200
50. PRC DeSoto 181

TOTAL 54,893

Sources: 2003 and 2004 GAWA Research.

Consistent with national trends, the proportion of all employed household members tabulated in the 2003 survey that work in manufacturing sector, including aerospace manufacturing activities, continues to decline. Since the beginning of the last decade, the aerospace manufacturing industry has gone through a critical period of consolidation strongly influenced by cutbacks in defense spending which led to sharp declines in related manufacturing employment between 1990 and 2000. As the pie charts suggest, the local aerospace industry underwent significant structural changes between 1990 and 2003 and now employs a smaller share of working residents. A reduction of 22% in 1990 to 7% in 2003.

Gawar Research, 2004 Labor Base Analysis.
COMMUTERS

The Antelope Valley is home to thousands of people who have chosen to commute lengthy distances to work in order to have the home of their dreams and to provide their families with a high quality of life. These educated, highly motivated employees are from every background and occupation.

Lancaster/Palmdale Commuter Job Locations
- Santa Clarita 8,921 5.4%
- East San Fernando Valley 6,134 3.7%
- West San Fernando Valley 9,088 5.5%
- San Gabriel Valley 661 0.4%
- Central Los Angeles 13,879 8.4%
- South Bay 1,157 0.7%
- No fixed area 1,157 0.7%
- Other Locations 11,401 6.9%
Total 52,398
2003 Total Commuter Pop 52,398
2000 Total Commuter Pop 56,900

Commuter Survey:
42% of all commuters indicated that they would be “very likely” to change jobs in order to work in the Antelope Valley.

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Workers Employed in AV</td>
<td>69%</td>
<td>68%</td>
<td>66%</td>
<td>66%</td>
<td>68%</td>
</tr>
<tr>
<td>Workers Employed Outside AV</td>
<td>31%</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>Commute Time – All Workers</td>
<td>32 min.</td>
<td>34 min.</td>
<td>33 min.</td>
<td>31 min.</td>
<td>32 min.</td>
</tr>
<tr>
<td>Commute Time – Commuters</td>
<td>n/a</td>
<td>n/a</td>
<td>62 min.</td>
<td>58 min.</td>
<td>61 min.</td>
</tr>
</tbody>
</table>

Traffic Condition Comparison for Workers Commuting Outside AV
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Better</td>
<td>4%</td>
<td>17%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>About the Same</td>
<td>12%</td>
<td>29%</td>
<td>10%</td>
<td>40%</td>
</tr>
<tr>
<td>Worse</td>
<td>84%</td>
<td>52%</td>
<td>57%</td>
<td>48%</td>
</tr>
</tbody>
</table>


14 | GAVEA
The highly respected Kosmont Cost of Doing Business Study compares the cost of doing business in a wide range of cities throughout the United States which have populations of over 100,000. The study compares a number of costs imposed by local government such as business taxes, gross receipt taxes, utility taxes, property taxes, sales tax, state income tax, fees and other costs that may apply.

Listed is the Kosmont 2004 Rating, for Lancaster and Palmdale, along with a comparison with other popular business locations:

**Key Categories**
1) Cost Rating, (see legend)
2) Charges a Gross Receipts tax
3) Indicates rate of Utility Users Tax, if applicable. "No" indicates that the city does not charge this tax
4) Business tax rate comparison per $1,000 in Receipts
5) Property Tax
6) Sales Tax

### Cost Rating Legend

- **Very Low Cost** $ The lowest possible rating
- **Low Cost** $$ Cities that charge low fees and charges
- **Moderate Cost** $$$ Cities that charge moderately high fees and charges
- **High Cost** $$$$ Cities with high costs
- **Very High Cost** $$$$$ The highest possible costs

### Antelope Valley

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lancaster</td>
<td>$$$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>No</td>
<td>$0.01</td>
</tr>
<tr>
<td>Palmdale</td>
<td>$$$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>No</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

### Los Angeles County

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$$$$$</td>
<td>Very High Cost</td>
<td>Yes</td>
<td>12.5%</td>
<td>$1.18-5.91</td>
</tr>
<tr>
<td>Long Beach</td>
<td>$$$$</td>
<td>High Cost</td>
<td>No</td>
<td>6.0%</td>
<td>$0.09-.228</td>
</tr>
</tbody>
</table>

### San Bernardino

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Valley</td>
<td>$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>No</td>
<td>$0.02</td>
</tr>
<tr>
<td>Hesperia</td>
<td>$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>No</td>
<td>$0.01</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>$$$$</td>
<td>Very High Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Riverside

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indio</td>
<td>$$$$</td>
<td>High Cost</td>
<td>Yes</td>
<td>5.0%</td>
<td>$0.12</td>
</tr>
<tr>
<td>Riverside</td>
<td>$$$$</td>
<td>High Cost</td>
<td>Yes</td>
<td>6.5%</td>
<td>$0.07-.84</td>
</tr>
</tbody>
</table>

### Central Valley

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakersfield</td>
<td>$</td>
<td>Low Cost</td>
<td>Yes</td>
<td>No</td>
<td>$0.17</td>
</tr>
<tr>
<td>Stockton</td>
<td>$$$$</td>
<td>Very High Cost</td>
<td>Yes</td>
<td>8.0%</td>
<td>$0.90</td>
</tr>
<tr>
<td>Tulare</td>
<td>$$</td>
<td>High Cost</td>
<td>Yes</td>
<td>7.0%</td>
<td>$0.35</td>
</tr>
</tbody>
</table>

### Inland Empire

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fontana</td>
<td>$$$$</td>
<td>High Cost</td>
<td>Yes</td>
<td>5.0%</td>
<td>$1.00</td>
</tr>
<tr>
<td>Victorville</td>
<td>$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>No</td>
<td>$0.02</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>$$$$$</td>
<td>Very High Cost</td>
<td>Yes</td>
<td>8.0%</td>
<td>$0.52</td>
</tr>
</tbody>
</table>

### Arizona

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandler</td>
<td>$$$$</td>
<td>High Cost</td>
<td>(1) No</td>
<td>9.1%</td>
<td>$0.00</td>
</tr>
<tr>
<td>Phoenix</td>
<td>$$</td>
<td>High Cost</td>
<td>(3) No</td>
<td>7.1%</td>
<td>$0.01</td>
</tr>
<tr>
<td>Tucson</td>
<td>$$$$</td>
<td>Very High Cost</td>
<td>(2) No</td>
<td>6.25-9.5%</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

### Nevada

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henderson</td>
<td>$</td>
<td>Low Cost</td>
<td>Yes</td>
<td>5.0%</td>
<td>$0.56</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>$</td>
<td>Low Cost</td>
<td>Yes</td>
<td>5.0%</td>
<td>$0.56</td>
</tr>
<tr>
<td>Reno</td>
<td>$</td>
<td>Low Cost</td>
<td>Yes</td>
<td>No</td>
<td>$0.75</td>
</tr>
</tbody>
</table>

### Oregon

<table>
<thead>
<tr>
<th>City</th>
<th>Cost</th>
<th>Cost Rating</th>
<th>Tax</th>
<th>Sales Tax</th>
<th>Business Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland</td>
<td>$$$$</td>
<td>Moderate Cost</td>
<td>No</td>
<td>5.0%</td>
<td>$2.20</td>
</tr>
</tbody>
</table>

(1) 1.5% on first $10M in receipts — Commercial, Residential; (2) on 35% of values: 1.0268 Primary Net; (3) Except Commercial $19.00 and Residential at $18.19.

Source: Kosmont-Rose Institute
ANTEROPE VALLEY ENTERPRISE ZONE

www.avez.org

- The Enterprise Zone is a California Income Tax Incentive Program.
- Covers approximately 61 square miles and encompasses Industrial and Commercial Property in Palmdale, Lancaster and unincorporated Los Angeles County.
- Carries refund potential for companies currently residing in the zone and reduced or eliminated state income tax opportunities prospectively for businesses located in the zone.
- Four different tax incentives available:
  1. **Hiring Credit**
     A business may save over $31,000, per employee, in state income taxes, over 5 years;
  2. **Sales and Use Tax Credit**
     On the purchase of up to $1 million of qualified manufacturing equipment, corporations up to $20 million;
  3. **Business Expense Deduction**
     Partial cost of certain property may be deducted as a business expense;
  4. **Net Interest Deduction for Lenders**
     A deduction from income on loans made to a trade or business in the zone.

For more information contact John Brooks, EZ Manager, City of Palmdale at 661/267-5125; or Cheryl Rose, EZ Manager, City of Lancaster at 661/723-6034.

<table>
<thead>
<tr>
<th>MANUFACTURING BUSINESS WITH 10 EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales &amp; Use Tax Credit</strong></td>
</tr>
<tr>
<td><strong>Hiring Credit</strong></td>
</tr>
<tr>
<td><strong>Cumulative Total</strong></td>
</tr>
<tr>
<td>Year 1</td>
</tr>
<tr>
<td>Year 2</td>
</tr>
<tr>
<td>Year 3</td>
</tr>
<tr>
<td>Year 4</td>
</tr>
<tr>
<td>Year 5</td>
</tr>
</tbody>
</table>

Assumptions: Company is a corporation. $50,000 of qualifying equipment purchased. Ten eligible full-time employees hired 1st year. Maximum 2004 hiring benefit applied ($10.12/hr). Sales tax rate is 8.25%.

<table>
<thead>
<tr>
<th>MANUFACTURING BUSINESS WITH 100 EMPLOYEES</th>
<th>Sales &amp; Use Tax Credit</th>
<th>Hiring Credit</th>
<th>Cumulative Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$165,000</td>
<td>$789,360</td>
<td>$954,360</td>
</tr>
<tr>
<td>Year 2</td>
<td>$82,500</td>
<td>$894,608</td>
<td>$1,931,468</td>
</tr>
<tr>
<td>Year 3</td>
<td>$684,112</td>
<td>$2,615,580</td>
<td>$3,299,796</td>
</tr>
<tr>
<td>Year 4</td>
<td>$473,616</td>
<td>$3,089,196</td>
<td>$3,562,812</td>
</tr>
<tr>
<td>Year 5</td>
<td>$263,120</td>
<td>$3,352,316</td>
<td>$3,615,436</td>
</tr>
<tr>
<td>Year 6</td>
<td>$52,624</td>
<td>$3,404,940</td>
<td>$3,457,564</td>
</tr>
</tbody>
</table>

Assumptions: Company is a corporation. Qualifying equipment purchased 1st year is $2 million. Qualifying equipment purchased 2nd year is $1 million. 75 eligible full-time employees hired 1st year, 25 eligible full-time employees hired 2nd year. Maximum 2004 hiring benefit applied ($10.12/hr). Sales Tax is 8.25%. This example is intended as an illustration of the potential savings to businesses located within the Enterprise Zone. It is recommended that you obtain professional advice to determine the potential benefits.

<table>
<thead>
<tr>
<th></th>
<th>Hiring Vouchers Issued</th>
<th>Average Hourly Wage</th>
<th>Number of Participating Employers</th>
<th>Potential Savings Over 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>226</td>
<td>$7.30</td>
<td>41</td>
<td>5,394,168</td>
</tr>
<tr>
<td>1998</td>
<td>626</td>
<td>$10.52</td>
<td>40</td>
<td>16,835,644</td>
</tr>
<tr>
<td>1999</td>
<td>563</td>
<td>$7.10</td>
<td>49</td>
<td>15,141,322</td>
</tr>
<tr>
<td>2000</td>
<td>784</td>
<td>$9.04</td>
<td>48</td>
<td>21,084,896</td>
</tr>
<tr>
<td>2001</td>
<td>953</td>
<td>$11.52</td>
<td>67</td>
<td>27,860,002</td>
</tr>
<tr>
<td>2002</td>
<td>888</td>
<td>$7.71</td>
<td>68</td>
<td>28,037,712</td>
</tr>
<tr>
<td>2003</td>
<td>2,041</td>
<td>$9.46</td>
<td>120</td>
<td>64,442,534</td>
</tr>
<tr>
<td>2004</td>
<td>326</td>
<td>$10.57</td>
<td>43</td>
<td>10,293,124</td>
</tr>
<tr>
<td>Total</td>
<td>6,407</td>
<td>n/a</td>
<td>476</td>
<td>189,089,402</td>
</tr>
</tbody>
</table>

The chart illustrates the actual number of AV Employers utilizing the Enterprise Zone benefits since 1997 demonstrating the potential savings.

PALMDALE/CALIFORNIA CITY/Mojave

Foreign Trade Zone- (FTZ)

- Located in Palmdale, California City, and at the Mojave Airport. The flexible zone allows potential coverage in areas not currently covered.
- The Foreign Trade Zone continues to represent a competitive advantage for import/export companies operating in the zone.
- Trade authorities believe the zones will continue to have great value as an attractant to foreign investors seeking safe havens for capital.
- The FTZ arrangement mirrors the trend of multinational companies locating manufacturing and distribution centers closer to their markets.

**Tax Liability in the FTZ**

Being in an FTZ allows sophisticated manufacturers and importers to manufacture, assemble, process, store, test, re-label, repack or process imported materials without paying customs duties or government excise taxes. If the final product is exported from the U.S., there is no tax liability. Therefore, a company currently importing components for final assembly here will likely find significant duty savings being in the FTZ.

Among those benefits are:

- Duty reductions fall on the finished goods to a greater degree than the parts and components that make up the finished product
- Duty rate reduced to the ZERO Rate on the finished goods, down from the higher rates levied upon on the sum of the components
- Flexibility and compatibility with international trans-shipment
- Elimination of delays in customs clearances and duty drawback procedures
- Discounts on insurance rates due to FTZ security
- Opportunity to hold merchandise subject to U.S. quotas until the quotas reopen
- Elimination of duties on labor

For information on ways in which the Foreign Trade Zone might benefit your company, contact John Brooks, FTZ Manager, at 661/267-5125.

Sources: City of Lancaster, City of Palmdale.
**PUBLIC TRANSPORTATION**

*Antelope Valley Transit Authority*

July 2003-June 2004

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Commuter</strong></td>
<td>21,916</td>
<td>22,281</td>
<td>188,672</td>
<td>190,977</td>
<td>3,054</td>
<td>2,859</td>
<td>1,225</td>
<td>1,738</td>
<td>1,228</td>
<td>1,759</td>
</tr>
<tr>
<td><strong>Ridership</strong></td>
<td>21,992</td>
<td>22,235</td>
<td>186,522</td>
<td>20,2460</td>
<td>3,143</td>
<td>2,808</td>
<td>1,228</td>
<td>1,759</td>
<td>1,228</td>
<td>1,759</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td>21,201</td>
<td>24,402</td>
<td>212,808</td>
<td>20,4227</td>
<td>2,666</td>
<td>2,243</td>
<td>1,188</td>
<td>1,762</td>
<td>1,188</td>
<td>1,762</td>
</tr>
<tr>
<td><strong>Ridership</strong></td>
<td>24,815</td>
<td>25,672</td>
<td>242,051</td>
<td>22,3222</td>
<td>3,079</td>
<td>2,718</td>
<td>1,428</td>
<td>1,773</td>
<td>1,428</td>
<td>1,773</td>
</tr>
<tr>
<td><strong>Dial-a</strong></td>
<td>19,963</td>
<td>19,237</td>
<td>196,489</td>
<td>17,8542</td>
<td>2,519</td>
<td>2,372</td>
<td>1,301</td>
<td>1,553</td>
<td>1,301</td>
<td>1,553</td>
</tr>
<tr>
<td><strong>Ridership</strong></td>
<td>19,223</td>
<td>20,562</td>
<td>187,911</td>
<td>18,0225</td>
<td>2,554</td>
<td>2,610</td>
<td>1,323</td>
<td>1,718</td>
<td>1,323</td>
<td>1,718</td>
</tr>
<tr>
<td><strong>January</strong></td>
<td>21,968</td>
<td>22,050</td>
<td>201,921</td>
<td>19,4337</td>
<td>3,041</td>
<td>2,697</td>
<td>1,392</td>
<td>1,646</td>
<td>1,392</td>
<td>1,646</td>
</tr>
<tr>
<td><strong>February</strong></td>
<td>20,093</td>
<td>22,687</td>
<td>174,523</td>
<td>18,9583</td>
<td>2,775</td>
<td>2,682</td>
<td>1,442</td>
<td>1,740</td>
<td>1,442</td>
<td>1,740</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>22,916</td>
<td>27,184</td>
<td>207,565</td>
<td>23,2640</td>
<td>3,179</td>
<td>3,029</td>
<td>1,706</td>
<td>2,290</td>
<td>1,706</td>
<td>2,290</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>23,344</td>
<td>24,425</td>
<td>205,759</td>
<td>18,6559</td>
<td>3,133</td>
<td>2,754</td>
<td>1,735</td>
<td>2,294</td>
<td>1,735</td>
<td>2,294</td>
</tr>
<tr>
<td><strong>May</strong></td>
<td>22,467</td>
<td>22,776</td>
<td>219,886</td>
<td>21,6036</td>
<td>3,056</td>
<td>2,736</td>
<td>1,707</td>
<td>2,185</td>
<td>1,707</td>
<td>2,185</td>
</tr>
<tr>
<td><strong>June</strong></td>
<td>22,186</td>
<td>23,940</td>
<td>205,253</td>
<td>20,5445</td>
<td>2,902</td>
<td>2,813</td>
<td>1,599</td>
<td>2,077</td>
<td>1,599</td>
<td>2,077</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>262,084</td>
<td>277,451</td>
<td>2,429,360</td>
<td>2,404,453</td>
<td>35,101</td>
<td>32,321</td>
<td>17,274</td>
<td>22,535</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AVTA business office hours are Monday through Friday from 8:00 am to 5:00 pm.
We are located at 42210 6th Street West • Lancaster, CA 93534 • 661/945-9445 • Fax 661/729-2615
Source: Antelope Valley Transit Authority.

**Metrolink**

<table>
<thead>
<tr>
<th>A.V. Line</th>
<th>Number of Trains</th>
<th>Average Daily Ridership</th>
<th>Average Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weekday</td>
<td>Weekend</td>
<td>Weekday</td>
</tr>
<tr>
<td>July-Sept.2004</td>
<td>24</td>
<td>8</td>
<td>6,670</td>
</tr>
<tr>
<td>2003</td>
<td>24</td>
<td>8</td>
<td>5,733</td>
</tr>
<tr>
<td>2002</td>
<td>24</td>
<td>8</td>
<td>5,979</td>
</tr>
</tbody>
</table>

For personalized commute planning and Metrolink information, call the Customer Service Center at 800/371-LINK(5465). Recorded Metrolink schedules are available 24 hours a day and operators are available Monday through Friday from 6:00 am to 8:00 pm and Saturday 8:00 am to 5:00 pm.

**Palmdale Regional Airport**

Owned and operated by Los Angeles World Airports under a Joint-Use Agreement with the United States Air Force, (LAWA) a self-supporting branch of the city of Los Angeles, has provided air transportation to millions of people since 1928. Scenic Airlines now offering commuter flights.
There is a new game in town and it is spec industrial buildings under construction or in the planning stages, from industrial condos to larger buildings, are being engineered and designed with zero lot lines for ease of expansion, leasing and ownership. Total space in the design, planning and construction stages is estimated to be about 1.5-1.8 million square feet. Developers indicate that space is 80-90% pre-leased before construction is completed.

The recently completed 2004 Antelope Valley Industrial Base Market & Vacancy Report, sixth in a series of reports, is the most extensive compilation of empirical information to date regarding the industrial market in the Antelope Valley and is designed to give a summary of the area's economy. (Download or read at www.aveconomy.org) The report is serving its purpose and is being used extensively by developers and lenders as a guide to making an intelligent and informed decision for building additional industrial space. In summary, it concluded that an astounding 40% of all industrial space (non-military) has been built in the Lancaster/Palmdale area since 1997. And yet the vacancy rate continued its decline from 14.6% in 1997 to 10.5% in 2004 with only one older building over 15,000 square feet available.

Historically, higher paying industrial jobs provide a higher standard of living. Economic statisticians calculate that for every industrial job added to the area, two additional jobs are created in the area. This compares to point one (.1) jobs created for every retail job added to the area. The combined effort of the cities, developers and their lenders to provide industrial space is vital to maintaining sustainable growth in the region's economy. Now businesses wanting to expand or relocate in the area can do so with confidence that adequately zoned lands and industrial buildings will be coming on line or immediately available.
BUSINESS/ INDUSTRIAL PARKS

Palmdale

Palmdale Trade & Commerce Center
Location: 10th West and Rancho Vista Blvd.
Total Acreage: 746
Zoning: Industrial and Commercial

Antelope Valley Business Park
Location: 10th West and Avenue M
Total Acreage: 121
Zoning: Business Park

California City

Airport Business Park
Location: California City Municipal Airport
Total Acreage: 40
Zoning: Industrial and M1

Mojave

Mojave Airport
Location: SR 58 and Flight Line
Total Acreage: 3,300
Zoning: Industrial and Airport Uses

Ridgeway

Ridgeway Business Park
Location: China Lake Bl. & Ward Avenue
Total Acreage: 63
Zoning: Professional/Light Industrial

Ridgecrest

Ridgeway Business Park
Location: West Ridgeway
Total Acreage: 81
Zoning: Light Industrial/Mixed

Inyokern

Inyokern Airport Industrial Dist.
Location: Inyokern Blvd.
Total Acreage: 40
Zoning: Light Industrial/Mixed

Tehachapi

Goodrich Business Park
Location: Dennison Rd Parkway/Goodrich Rd.
Total Acreage: app. 110
Zoning: M-2

Capital Hills Business Park
Location: Capital Hills Pkwy/Mills Road
Total Acreage: app. 122
Zoning: C-3

UTILITIES

Electricity
Southern California Edison
1-800-655-4555
www.sce.com

Natural Gas
The Gas Company
Sempra Energy
1-800-427-2200
www.socalgas.com

Cable Television
Adelphia
661-265-6637
www.adelphiagasc.com

Telephone
Pacific Bell
1-800-310-2355
www.sbc.com

Verizon
1-800-483-4000
www.verizon.com

Air Quality
Antelope Valley
Air Quality Management District
661-723-8070
www.avaqmd.ca.gov

Kern County
Air Pollution Control District
661-862-5250
www.kcapcd.org

Trash
Waste Management
661-945-5944

Source: CAGEA Research, 2004 Industrial Base and Market Study.
### Retail Sales Tax

#### Summary (in Thousands)

<table>
<thead>
<tr>
<th>City</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lancaster</td>
<td>$1,176,832</td>
<td>$1,246,456</td>
<td>$1,649,350</td>
<td>32.32%</td>
<td></td>
</tr>
<tr>
<td>Palmdale</td>
<td>$1,013,648</td>
<td>$1,197,865</td>
<td>$1,310,118</td>
<td>9.37%</td>
<td></td>
</tr>
<tr>
<td>Ridgecrest</td>
<td>$197,392</td>
<td>$206,748</td>
<td>$216,536</td>
<td>$240,303</td>
<td>10.97%</td>
</tr>
<tr>
<td>Tehachapi</td>
<td>$74,403</td>
<td>$74,834</td>
<td>$77,980</td>
<td>$101,307</td>
<td>29.91%</td>
</tr>
<tr>
<td>California City</td>
<td>$17,220</td>
<td>$16,369</td>
<td>$16,975</td>
<td>$21,750</td>
<td>28.13%</td>
</tr>
<tr>
<td>Total</td>
<td>$289,015</td>
<td>$2,448,431</td>
<td>$2,755,812</td>
<td>$3,332,828</td>
<td>20.57%</td>
</tr>
</tbody>
</table>

#### Lancaster Retail Sales Tax

- Apparel: $27,878, $31,120, $198,617, $350,247
- General Merchandise: $52,279, $61,126, $112,948, $175,616
- Food Stores: $54,802, $63,841, $87,566, $123,332
- Eating & Drinking: $54,802, $63,841, $87,566, $123,332
- Furniture/Appliances: $54,802, $63,841, $87,566, $123,332
- Building Materials: $54,802, $63,841, $87,566, $123,332
- Auto Dealers: $54,802, $63,841, $87,566, $123,332
- Service Stations: $54,802, $63,841, $87,566, $123,332
- Other Retail: $54,802, $63,841, $87,566, $123,332
- Other Outlets: $54,802, $63,841, $87,566, $123,332

**2003 Totals:** $1,246,456  **2004 Totals:** $1,649,350

#### Palmdale Retail Sales Tax

- Apparel: $246,308, $298,876, $134,447
- General Merchandise: $564,454, $713,817, $297,134
- Food Stores: $506,644, $528,964, $126,279
- Eating & Drinking: $506,644, $528,964, $126,279
- Furniture/Appliances: $506,644, $528,964, $126,279
- Building Materials: $506,644, $528,964, $126,279
- Auto Dealers: $506,644, $528,964, $126,279
- Service Stations: $506,644, $528,964, $126,279
- Other Retail: $506,644, $528,964, $126,279
- Other Outlets: $506,644, $528,964, $126,279

**2003 Totals:** $1,197,865  **2004 Totals:** $1,310,118

Sources: City of California City, City of Lancaster, City of Palmdale, City of Ridgecrest, City of Tehachapi, Board of Equalization.
MOTION PICTURE AND TELEVISION PRODUCTION

Despite long-running challenges of runaway production and rumors of looming strikes by directors, writers, and actors, the Antelope Valley showed a surprising increase over the same period as last year.

ACTIVITIES RECAP —
July 2003 to June 2004
The Antelope Valley Film Office assisted and tracked an estimated 250 projects, generating an estimated economic impact of $3.5 million dollars. Projects included 110 films, 62 commercials, and 49 stills; balance of projects are due to reality shows which do not need permits.

For additional information on filming in the Antelope Valley, contact:

The Antelope Valley Film Office at 661/723-6090 and The Palmdale Film, Convention & Visitors Bureau at 661/267-5120

Movie set “Terminal” starring Tom Hanks.

Source: Antelope Valley Film Office.

AGRICULTURE AND THE ANTELOPE VALLEY

- Antelope Valley farmland is estimated at almost 21,000 acres, based upon the 2003 Los Angeles County Crop Report. Eastern Kern County was not estimated due to insufficient data.
- Some of the top crops grown in Los Angeles County, such as carrots, peaches and dry onions are grown in the Antelope Valley. 2003 almost doubled their root crops.
- Antelope Valley growers produce 100% of many other Los Angeles County crops. The chart below indicates crop, percentage of that crop produced for Los Angeles County in the Antelope Valley, the acreage for that crop and the revenue generated.

<table>
<thead>
<tr>
<th>Fruit &amp; Nut Crops</th>
<th>2003 Total Value</th>
<th>2002 Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peaches</td>
<td>$9,271,100</td>
<td></td>
</tr>
<tr>
<td>Cherries</td>
<td>$390,000</td>
<td></td>
</tr>
<tr>
<td>Misc.*</td>
<td>$3,952,000</td>
<td></td>
</tr>
<tr>
<td>Total Fruit &amp; Nut Crop</td>
<td>$13,613,000</td>
<td>$15,279,000</td>
</tr>
</tbody>
</table>

*Includes nectarines, pistachios, plums & pears

<table>
<thead>
<tr>
<th>Vegetable &amp; Field Crops</th>
<th>2003 Total Value</th>
<th>2002 Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root*</td>
<td>$74,834,000</td>
<td></td>
</tr>
<tr>
<td>Dry Onions</td>
<td>$18,212,000</td>
<td></td>
</tr>
<tr>
<td>Alfalfa Hay</td>
<td>$5,290,000</td>
<td></td>
</tr>
<tr>
<td>Grain Hay</td>
<td>$1,100,000</td>
<td></td>
</tr>
<tr>
<td>Total Vegetable &amp; Field Crop</td>
<td>$99,436,000</td>
<td>$63,734,000</td>
</tr>
</tbody>
</table>

Source: Los Angeles County Crop Report.
Housing

The Antelope Valley continues to offer residents some of the most affordable housing in the state of California. Far from the typical perception of affordable housing, the Antelope Valley offers a large variety of spacious homes in an assortment of settings including gated communities and country club sites as well as equestrian estates and low density developments with lot sizes ranging from 1/2 to 2 1/2 acres. All this at some of the most affordable prices around!

Our housing market is not just about price, it is about value! As demonstrated in the comparison below, last September an Antelope Valley home buyer paid $20,000 less for a home that is 40 years newer than and nearly 3 times as large as one purchased in nearby Santa Clarita!

Being one of the most affordable markets does not mean a slow growth market. As shown on the home sales chart on the following page, the average sales price of an Antelope Valley home in 2004 was $224,588, up 34% from 2003 and up over 100% from the average price in 2000, $111,764!

Despite these increases, the Antelope Valley continues to offer some of the most affordable housing in California where the median price of an existing home was reported as $473,260 by the California Association of Realtors in November of 2004. The average price of a home in nearby Valencia is $504,031, more than twice the average price of a home in Lancaster and 1.9 times the average price in Palmdale!

According to Department of Finance estimates, the population of Los Angeles County has grown by more than 615,000 since 2000. Along with this growth, housing construction continues to lag behind demand in most of the county. With available land and infrastructure, the Greater Antelope Valley is well poised for continued growth!

DARE TO COMPARE!

This 982 square foot 3 bedroom 2 bath home built in 1961 in Santa Clarita sold in September for $375,000.

This 2,654 square foot 6 bedroom, 3 bath home built in 2001 in West Lancaster sold in September for $355,000.

Sources: Assessor's Records for each County, First American Real Estate Solutions.
### ANTELOPE VALLEY HOME SALES 2004

<table>
<thead>
<tr>
<th>AREA</th>
<th>NUMBER OF UNITS SOLD</th>
<th>AVERAGE PRICE PER SQ FT</th>
<th>AVERAGE SALE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2004</td>
<td>% OF CHANGE</td>
</tr>
<tr>
<td>Mojave, Cal City</td>
<td>385</td>
<td>399</td>
<td>4%</td>
</tr>
<tr>
<td>Ridgecrest</td>
<td>644</td>
<td>660</td>
<td>2%</td>
</tr>
<tr>
<td>Rosamond Area</td>
<td>407</td>
<td>372</td>
<td>-9%</td>
</tr>
<tr>
<td>Tehachapi Area</td>
<td>778</td>
<td>734</td>
<td>-6%</td>
</tr>
<tr>
<td>Antelope Acres</td>
<td>71</td>
<td>74</td>
<td>4%</td>
</tr>
<tr>
<td>Lake Los Angeles</td>
<td>334</td>
<td>464</td>
<td>39%</td>
</tr>
<tr>
<td>East Lancaster</td>
<td>1,323</td>
<td>1,446</td>
<td>9%</td>
</tr>
<tr>
<td>West Lancaster</td>
<td>1,728</td>
<td>1,982</td>
<td>15%</td>
</tr>
<tr>
<td>West Palmdale</td>
<td>1,116</td>
<td>1,037</td>
<td>-7%</td>
</tr>
<tr>
<td>East Palmdale</td>
<td>2,191</td>
<td>2,432</td>
<td>11%</td>
</tr>
<tr>
<td>Little Rock</td>
<td>277</td>
<td>355</td>
<td>28%</td>
</tr>
<tr>
<td>Leona Valley</td>
<td>73</td>
<td>119</td>
<td>63%</td>
</tr>
<tr>
<td><strong>All Areas</strong></td>
<td>9,327</td>
<td>10,074</td>
<td>8%</td>
</tr>
</tbody>
</table>

Although 3 of our submarkets ended the year with slight declines in the number of units sold, total sales throughout our region increased 8% exceeding 10,000 units sold! The average sales price for our region as a whole increased 34% with each submarket increasing at rates of 11% to 41%.

### AVERAGE SALES PRICE 2000 THROUGH 2004

![Average Sales Price Graph](image)

The average sales price of homes in each of our region's submarkets has been trending upward over the past 4 years with a noticeable jump in 2004!
ANTELope VALLEY NEW HOME SALES

<table>
<thead>
<tr>
<th>AREA</th>
<th>UNITS SOLD</th>
<th>2003</th>
<th>2004</th>
<th>% CHANGE</th>
<th>AVERAGE SALES PRICE</th>
<th>2003</th>
<th>2004</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Lancaster</td>
<td>64</td>
<td>56</td>
<td>-13%</td>
<td></td>
<td>$179,906</td>
<td>$246,343</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>West Lancaster</td>
<td>127</td>
<td>562</td>
<td>343%</td>
<td></td>
<td>$258,000</td>
<td>$345,275</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>West Palmdale</td>
<td>446</td>
<td>293</td>
<td>-34%</td>
<td></td>
<td>$309,884</td>
<td>$416,669</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>East Palmdale</td>
<td>204</td>
<td>329</td>
<td>61%</td>
<td></td>
<td>$228,399</td>
<td>$307,037</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>841</td>
<td>1,240</td>
<td>47%</td>
<td></td>
<td>$243,297</td>
<td>$328,831</td>
<td>35%</td>
<td></td>
</tr>
</tbody>
</table>

New home sales in the Lancaster and Palmdale markets were up 47% from 2003 with an average price of $328,831, up 35%.

**AVERAGE SALES PRICE**

Although the average sales price for Antelope Valley homes has been steadily increasing over the past several years, homes in the Antelope Valley are still a bargain! The average price of a home in Lancaster is only 45% of the average price of a home in Valencia and Palmdale's average is just 52%! Lancaster and Palmdale both offer an affordable alternative to Santa Clarita homes as well!

**AVERAGE PRICE PER SQUARE FOOT**

Sources: Assessors Records for each County, First American Real Estate Solutions.
Health care services in the Antelope Valley are provided by a network of hospitals, major physicians groups, free standing surgical facilities, long term care hospitals, home care, public health agencies, public and private paramedic services and local ambulance services.

The major hospital institutions are:

**Antelope Valley Hospital (AVH)**

**Lancaster Community Hospital (LCH)**

**Antelope Valley Hospital (AVH)** is a full service hospital with 380 licensed beds and is owned and operated by the Antelope Valley Health Care District, a public, not-for-profit agency. Services: Critical Care, Neonatal Intensive Care, Definitive Observation, Emergency Department, Medical Surgical, Obstetrics, Pediatrics, Surgery including open Heart, Cardiac Catheterization Laboratory, Home Health, Physical Therapy, Occupational Therapy, Laboratory, Radiology, CT Scan and MRI, Nuclear Medicine, Outpatient clinics. Call 661/949-5000 for information.

**Lancaster Community Hospital (LCH)** is a 117-bed community hospital and is owned and operated by Universal Health Services, a for-profit hospital chain based in King of Prussia, PA. Services: Critical Care, Telemetry, Emergency Department, Medical Surgical, Surgery including Weight-loss surgery, Open Heart, Cardiac Catheterization Laboratory, Physical Therapy, Occupational Therapy, Pediatric Speech Therapy, Acute Rehabilitation Center Laboratory, Radiology, CT Scan, MRI, Nuclear Medicine, Free Senior Advantage Membership, and Free Physician Referral and Health and Information line — 1-800-851-9780.

Universal Health Services is planning the development of a 250-bed full-service hospital in Palmdale on the corner of Tierra Subida and 10th Street West. The new Palmdale facility will be built with all private rooms and open with 171-licensed beds. Planning is currently on schedule to open in December 2006. For more information on LCH programs and services, access the web site at: www.Lancastercommunityhospital.net.

- The major medical groups are:
  - **Kaiser Permanente (K/P)**
  - **High Desert Medical Group (HDMG)**
  - **Sierra Medical Group (SMG)**

**Kaiser Permanente (K/P)** has the largest medical group in California with over 4,000 physicians. In the Antelope Valley there are 62 full time physicians. Services: offered on their Lancaster and Palmdale Campuses—Primary Care areas of OB/GYN, Pediatrics, Internal Medicine and Family Practice. Specialty Care offered at the Lancaster campuses: Allergy, Cardiology, Endocrinology, Gastroenterology, Hematology/Oncology, Infectious Disease, Nephrology, Neurology, Rheumatology, General Surgery, Orthopedic Surgery, Podiatry, Head and Neck Surgery (ENT) Ophthalmology including Retinal Surgery, Urology, Dermatology, Physical Medicine, Psychiatry, Chemical Dependency Rehab and Urgent Care. Additional Services offered on the Kaiser campuses include: Allergy Shots, Audiology, ChemoTherapy, Echocardiogram, EEG, EKG, Holter, Health Education, Home Health, Hospice, Infusion Clinic, Laboratory, Laser Eye Surgery, Mammography, Mental Health Group Programs, Nutrition Counseling, Occupational Therapy, Optical-glasses & contacts, Outpatient Procedural Sedation - GI laboratory and Laparoscopic Surgery, Immunizations, Pharmacy, Physical Therapy, Radiology, Respiratory Therapy, Sigmoidoscopy, Social Services, Speech Therapy, Treadmill, Ultrasound. Call 626/405-5157 for more information.

**High Desert Medical Group (HDMG)** is a physician network with 15 primary care physicians in two locations. As a network, HDMG contracts with community-based primary care and specialists to provide services to its patients. Services: Primary care services for Family Practice Internal Medicine, and Pediatrics. Other services include Laboratory, Radiology, EKG and Urgent Care. Specialty services are provided by contract community based physicians. Call 661/945-5984 for more information.

**Sierra Medical Group (SMG)** is a physician network with 12 primary care physicians in 2 locations. As a network SPC contracts with community-based primary care and specialists to provide services to its patients. Services: Primary care services for Family Practice Internal Medicine, and Pediatrics. Other services include Endocrinology, Laboratory, Radiology, EKG and Urgent Care. Specialty services are provided by contract community based physicians. Call 661/945-9411 for more information.
Freestanding surgical centers
- Antelope Valley Surgery Center
- Regional Valley Surgery Center

Long Term care is provided by
- Antelope Valley Convalescent Hospital
- Antelope Valley Hospital
- Antelope Valley Nursing Care Center
- Lancaster Convalescent Hospital
- Mayflower Gardens Convalescent Hospital

Home Care and Hospice
- Antelope Valley Home Care
- AV Home Care with Love & Care
- Accredited Home Care Services
- Advantage Home Care
- GT Home Health Care Services
- Hoffmann Hospice
- Kaiser Permanente Home & Hospice Care
- Masters Medical Home Care
- ProCare Hospice
- St. Jude Home Care
- Sun Alliance Hospice
- Sun Plus Home Care

Adult Day Health Care Centers
- AV Adult Day Health Care
- Chateau La Petite
- Lancaster Adult Day Health Care
- Ultra Care Adult Day Health Care

Dialysis Centers
- AV Dialysis Center on AVH campus
- East Palmdale Dialysis
- Fresenius Dialysis Center (Kaiser Permanente)
- High Desert Hemodialysis
- Palmdale Regional Dialysis

Chiropractic
There are approximately 82 Chiropractic Doctors in the Antelope Valley. Most are solo practitioners.

Dentists
There are approximately 127 Dentists in the Antelope Valley of which 4 are Oral & Maxillofacial surgeons and 13 are Orthodontists.

Ambulance
- American Medical Response Paramedic and BLS
- Antelope Ambulance BLS

Public Health
- Antelope Valley Health Center
Services: Family Medicine Primary Care, Family Planning Clinic, Immunizations, OB/Gynecology - Prenatal, Pregnancy Test, T.B./Chest Clinic, Walk-In Clinic.

- LA County High Desert Hospital Complex
Services: While the hospital is closed, the facility provides a full spectrum of outpatient services.

Childcare
There are 93 childcare facilities listed in the yellow pages for Lancaster/Palmdale only.
## Education

### PUBLIC SCHOOLS

<table>
<thead>
<tr>
<th>School District</th>
<th>Phone</th>
<th>Students</th>
<th>Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acton-Agua Dulce Unified District (K-12) 32248 Crown Valley Road Acton, CA 93510</td>
<td>269-5999</td>
<td>1,996 (10/04)</td>
<td>5</td>
</tr>
<tr>
<td>Antelope Valley Union High School District 44811 Sierra Highway Lancaster, CA 93534</td>
<td>948-7655</td>
<td>22,692 (12/04)</td>
<td>12</td>
</tr>
<tr>
<td>Eastside Union School District (K-8)* 6742 East Avenue H Lancaster, CA 93535</td>
<td>946-2813</td>
<td>2,830 (12/04)</td>
<td>4</td>
</tr>
<tr>
<td>Gorman School District (K-8) 49847 Gorman School Road, Gorman, CA 93243 (Mailing address: PO Box 104 Gorman, CA 93243)</td>
<td>248-6441</td>
<td>60 (12/04)</td>
<td>2</td>
</tr>
<tr>
<td>Hughes-Elizabeth Lakes Union School District (K-8) 16633 Elizabeth Lake Road Lake Hughes, CA 93532</td>
<td>724-1231</td>
<td>415 (12/04)</td>
<td>1</td>
</tr>
<tr>
<td>Keppel Union School District (K-8) 34004 128th Street East Pearblossom, CA 93553</td>
<td>944-2155</td>
<td>3,059 (12/04)</td>
<td>6</td>
</tr>
<tr>
<td>Lancaster Elementary School District (K-8) 44711 N. Cedar Avenue Lancaster, CA 93534</td>
<td>948-4661</td>
<td>16,074 (12/04)</td>
<td>18</td>
</tr>
<tr>
<td>Palmdale School District (K-8)* 39139-49 10th Street East Palmdale, CA 93550</td>
<td>947-7191</td>
<td>22,730 (12/04)</td>
<td>26</td>
</tr>
<tr>
<td>Westside Union District (K-8) 46809 70th Street West Lancaster CA 93536</td>
<td>948-2669</td>
<td>7,887 (12/04)</td>
<td>10</td>
</tr>
<tr>
<td>Wilsona School District (K-8) 18050 East Avenue O Palmdale, CA 93591</td>
<td>264-1111</td>
<td>2,050 (12/04)</td>
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</table>

### KERN COUNTY DISTRICTS/SCHOOLS

<table>
<thead>
<tr>
<th>School District</th>
<th>Phone</th>
<th>Students</th>
<th>Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mojave Unified School District (K-12) 3500 Douglas Avenue Mojave, CA 93501</td>
<td>824-4001</td>
<td>2,860 (12/04)</td>
<td>7</td>
</tr>
<tr>
<td>Muroc Joint Unified School District (K-12) 17100 Foothill Avenue North Edwards, CA 93523</td>
<td>258-4356</td>
<td>2,376 (12/04)</td>
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<tr>
<td>Southern Kern Unified (K-Adult) 3082 Glendower Street Rosamond, CA 93560</td>
<td>256-5000</td>
<td>3,340 (12/04)</td>
<td>5</td>
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<tr>
<td>Sierra Sands Unified School District 113 W. Felspar Avenue Ridgecrest, CA 93555</td>
<td>760-375-3363</td>
<td>5,700 (12/04)</td>
<td>11</td>
</tr>
<tr>
<td>Tehachapi Unified School District 400 S. Snyder Avenue Tehachapi, CA 93561</td>
<td>822-2100</td>
<td>4,865 (11/04)</td>
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</tr>
</tbody>
</table>

* Year round.

The Ponderosa School (K-6) project in Palmdale is being built by NTD/EDGE Design Builders. The project is located on the northside of Pearblossom Blvd. and 37th Street East. This 16.6 million dollar project includes 5 structural steel and plaster buildings with unique architectural features allowing for both practicality in appearance and utilization. The buildings are separated out as follows: a clear-story administration building, 2-story classroom wing, single story classroom building, multi-purpose building(complete with stage and food preparation amenities), and a separate kindergarten. The buildings comprise a total in excess of 70,000 square feet of space and the overall project sits on a 10 acre site nestled between two existing, adjacent housing tracts of single family dwellings. There is a proposed housing development directly to the north of the project site. The play fields will be of a size and nature to allow ample room for playing and sporting activities. The grounds and site are a mixture of architectural concrete and landscaping features that allow for a pleasant learning experience. This 79,000 square feet K-6 is anticipated to open in October 2004.

Source: GWEA Research, Various included Institutions.
Private & Parochial Schools

The following is only a partial list of private and parochial schools in the Greater Antelope Valley.

<table>
<thead>
<tr>
<th>SCHOOL</th>
<th>PHONE</th>
<th>GRADES</th>
<th>LOCATION</th>
<th>ENROLLMENT</th>
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</thead>
<tbody>
<tr>
<td>Antelope Valley Adventist Academy</td>
<td>661/942-6552</td>
<td>P-10</td>
<td>Lancaster</td>
<td>64</td>
</tr>
<tr>
<td>Antelope Valley Christian</td>
<td>661/943-0044</td>
<td>P-12</td>
<td>Lancaster</td>
<td>298</td>
</tr>
<tr>
<td>Bethel Christian Academy</td>
<td>661/943-2244</td>
<td>P-12</td>
<td>Lancaster</td>
<td>465</td>
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<tr>
<td>Desert Christian School</td>
<td>661/948-5071</td>
<td>P-12</td>
<td>Lancaster</td>
<td>2,934</td>
</tr>
<tr>
<td>Grace Lutheran School</td>
<td>661/948-1018</td>
<td>P-8</td>
<td>Lancaster</td>
<td>175</td>
</tr>
<tr>
<td>Lancaster Christian School</td>
<td>661/942-2137</td>
<td>K-8</td>
<td>Lancaster</td>
<td>150</td>
</tr>
<tr>
<td>Paraclete High School</td>
<td>661/943-3255</td>
<td>9-12</td>
<td>Quartz Hill</td>
<td>769</td>
</tr>
<tr>
<td>Pinecrest School</td>
<td>661/723-0366</td>
<td>P-6</td>
<td>Lancaster/Palmdale</td>
<td>289</td>
</tr>
<tr>
<td>Pearblossom Private School</td>
<td>661/944-0914</td>
<td>K-12</td>
<td>Pearblossom</td>
<td>200</td>
</tr>
<tr>
<td>Sacred Heart Catholic School</td>
<td>661/948-3613</td>
<td>K-8</td>
<td>Lancaster</td>
<td>324</td>
</tr>
<tr>
<td>St. Mary's Catholic School</td>
<td>661/273-5555</td>
<td>K-8</td>
<td>Palmdale</td>
<td>360</td>
</tr>
<tr>
<td>Westside Christian School</td>
<td>661/947-7000</td>
<td>K-8</td>
<td>Palmdale</td>
<td>310</td>
</tr>
</tbody>
</table>

TOTAL ENROLLMENT: 6,338

Source: GAYEA Research. Various included institutions.
COMMUNITY COLLEGES

ANTELOPE VALLEY COLLEGE
Antelope Valley's higher education institutions continue to grow to meet the demands of a fast-growing population.

Boosted by overwhelming voter support for a $139 million bond measure in 2004, Antelope Valley College will embark on an ambitious building program that will enable the community college to more than double its current enrollment of almost 13,000 students. The college will expand its Lancaster campus and add a second site in Palmdale.

The City of Lancaster in 2004 opened the Lancaster University Center, which has expanded the upper division and graduate level offerings of California State University, Fresno, in the area.

Higher education officials have been working closely on a number of initiatives, including a Joint Engineering program and Pathways, which will promote the training of grade school teachers in mathematics and science.

3041 West Avenue K
Lancaster, CA 93536
661/722-6300 • www.avc.edu

District Size ........................................... 1,945 Square Miles
Lancaster Campus Size .............................. 135 Acres
Number of Buildings ................................. 31
Budget 2004-2005 ...................................... $46 Million
Tuition ................................................... $26 per unit

ACADEMIC CALENDAR
16-week fall and spring semesters
6-week winter intersession
8-week summer session

STUDENTS / PROGRAMS
Fall 2004 Student Enrollment ...................... 12,206
Courses offered, Spring, 2004 ...................... 1,677
Associate Degree Programs ......................... 66
Certificate Programs ................................ 57

FACULTY / STAFF
Total number of full-time faculty .................... 157
Percentage holding Ph.D.s .......................... 20%
Professors/Assistant Professors ..................... 70
Total Number of Employees ......................... 796

CORPORATE AND COMMUNITY EDUCATION PROGRAMS
Antelope Valley College's Corporate and Community Education Division develops, implements, and delivers job training and contract services to community businesses. Contract education is an economic development initiative that is designed to train employees and solve business problems at a substantial savings to local business and industry.

CAREER AND TECHNICAL EDUCATION PROGRAMS

The Class of 2004 was the largest graduating class in Antelope Valley College history, with 1,093 associate degrees and approximately 300 certificates of achievement awarded. The college continues to play a key role in combating the critical shortage of health care professionals in the Antelope Valley with the spring graduation of 53 RN program students and 40 LVN program students. Since the programs' inception, 1,627 RN and 712 LVN students have graduated. AVC had the highest percentage rate of transfer students accepted to UCLA of all the California community colleges for fall 2004. All of the AVC Honors Program students and 54% of AVC students overall who applied for transfer to UCLA were accepted. AVC and California State University, Bakersfield (CSUB) have entered into Dual Enrollment Programs to allow students the opportunity to seamlessly transfer to CSUB after completing two years of study at AVC.

The leased facility in Palmdale is seen as an important first step in establishing a permanent college site in the Palmdale area. The college must have several hundred students enrolled to provide justification to state community college officials for establishing a permanent college site.

CERRO COSO COMMUNITY COLLEGE
3000 College Heights Blvd.
Ridgecrest, CA 93555
760/384-6100 • www.cerrocoso.edu

Ridgecrest Campus Size ................................ 320 Acres

STUDENTS / PROGRAMS
Number of Degree Programs Offered ............... 26
Fall 2004 Student Enrollment ...................... 6,392

FACULTY / STAFF
Number of Assistant Professors .................... 8
Number of Associate Professors .................... 21
Number of Professors ................................ 20
Percentage of full-time male faculty ................ 56%
Percentage of full-time female faculty .............. 44%
Total Faculty ........................................ 52

Instructional Sites
■ Bishop
■ Edwards Air Force Base (South Kern)
■ Kern River Valley
■ Mammoth
■ On-line

Sources: GAVEA Research, Various included Institutions
FOUR YEAR UNIVERSITIES

CALIFORNIA STATE UNIVERSITY,
BAKERSFIELD
ANTELOPE VALLEY CAMPUS
43009 30th Street West
Lancaster, CA 93536
Telephone 661/952-5000
www.csub.edu/AV/

Fall 2004 Student Enrollment .......... 982
Number of courses offered ............. 189

The campus is located on the North Campus of Antelope Valley College.

CSUB-AV's expanding catalog offers Bachelor degree programs in Communications, Criminal Justice, Economics, English, Environmental Resources Management, Liberal Studies, Nursing, Psychology and Sociology. A Bachelor of Science in Engineering is also available through a joint program with Antelope Valley College and CSU Fresno, (fourth year work to be completed off campus), A Masters Degree is also available in Educational Administration as well as in Education Curriculum and Instruction. Teaching credential programs offered are Single Subject Education, Special Education and Elementary Education. CSUB-Antelope Valley also offers certificate programs in three different areas.

CHAPMAN UNIVERSITY
40015 Sierra Hwy., B-160
Palmdale, CA 93550
Telephone 661/267-2001

Fall 2004 Undergraduate Enrollment ....... 160
Fall 2004 Graduate Enrollment ........... 100

Five Bachelor degree programs, three Masters degree programs, five educational credential programs offered in the Antelope Valley.

EMBRY RIDDLE AERONAUTICAL UNIVERSITY
Telephone 866/462-3728

Centers in Palmdale, Edwards Air Force Base and China Lake Naval Base.


LANCASTER UNIVERSITY
Telephone 661/952-5000

Developed by the City of Lancaster as part of the revitalization of the old fairground site, the new 20,000-square-foot University Center includes state-of-the-art classrooms, well-equipped labs and complete administrative facilities. The $3.5 million conversion of Challenger Hall was funded by the Lancaster Redevelopment Agency.

"The is an exceptional facility," noted Cal State Bakersfield President Horace Mitchell on opening day. "We are very excited about having it as a resource for the community."

UNIVERSITY OF LA VERNE
Telephone 800/695-4858 ext. 5220
Bachelor and Master degree programs offered in Palmdale/Lancaster.

UNIVERSITY OF PHOENIX
1202 West Avenue J
Lancaster, CA 93534
Telephone 661/940-6851

Seven Bachelor degree programs offered, along with eleven Master degree programs and two educational credential programs.

WEST COAST BAPTIST COLLEGE
4020 East Lancaster Blvd.
Lancaster, CA 93535
Telephone 661/946-4663
www.westcoastbaptist.edu

Private seminary college offers Bachelor and Master degree programs.
Quality of Life

COST OF LIVING

In August, 2002, the American Chamber of Commerce Research Association released its survey of the cost of living, conducted during the second quarter of the year. Using a wide variety of cost factors including groceries, energy, clothing, home prices, utilities and more, the study ranks areas against the national average. A percentage below 100 indicates a cost of living below the national average.

<table>
<thead>
<tr>
<th>Area</th>
<th>Cost of Living</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANTELOPE VALLEY</td>
<td>97.5%</td>
</tr>
<tr>
<td>U.S. National cost of living</td>
<td>100.0%</td>
</tr>
<tr>
<td>Hemet-San Jacinto</td>
<td>100.5%</td>
</tr>
<tr>
<td>Inland Empire</td>
<td>105.5%</td>
</tr>
<tr>
<td>San Joaquin Valley (Visalia)</td>
<td>106.1%</td>
</tr>
<tr>
<td>Palm Springs (Coachella Valley)</td>
<td>117.9%</td>
</tr>
<tr>
<td>Sacramento</td>
<td>120.0%</td>
</tr>
<tr>
<td>Orange County</td>
<td>128.2%</td>
</tr>
<tr>
<td>San Diego</td>
<td>130.9%</td>
</tr>
<tr>
<td>Los Angeles/Long Beach</td>
<td>137.2%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>176.3%</td>
</tr>
</tbody>
</table>


Public Libraries
12 Public Libraries
Kern County Libraries:
www.kerncountylibrary.org
Los Angeles County Libraries
www.colapubliclib.org
Palmdale Main Library
www.palmdalelibrary.org
Palmdale Youth Library
www.palmdalelibrary.org/youthlib/yservices.shtml

Shopping/Dining
2004
- Antelope Valley Mall, Palmdale
  150 stores (5 Department)
- 1,246 total retail stores & 178 restaurants in Lancaster
- 598 total retail stores & 63 restaurants in Ridgecrest
2003
- 1,077 total retail stores & 162 restaurants in Palmdale

Community Theaters
Lancaster Performing Arts Center
780 seats • 661/723-5950
Palmdale Playhouse
350 seats • 661/267-5685

Museums (partial)
Edwards Air Force Flight Test Museum
Antelope Valley Indian Museum
Kids Time Children's Museum of Antelope Valley (Lancaster)
Lancaster Museum/Art Gallery
Tehachapi Railroad Museum
Western Hotel Museum

Movie Theaters
8 Movie Complexes
22 stadium style screens
46 traditional screens

Professional Sports
Lancaster JetHawks
(Arizona Diamondback affiliate)
661/726-5400; www.jethawks.com

Major Recreation Facilities
Lancaster Soccer Center
Pelona Vista Park, Palmdale
Big Eight Softball Complex, Lancaster
Funland Sports Center, Palmdale

Select Community Events
Edwards Air Show & Open House (October)
Lancaster Poppy Festival (April)
Palmdale Fall Festival (October)
Antelope Valley Fair (August)
Concerts in the Park (Summer)
Desert Empire Fair (September)
Tehachapi Apple Festival (October)
Mojave Gold Rush Days (October)
Labor Day Balloon Festival (September)
Kern County Airshow (April)
California City Heritage Days (September)
AIR QUALITY

Children's Health Study (1993-2001)

Percentage of children found with low lung function due to air pollution

An eight year study published this year in the New England Journal of Medicine provides the most definitive evidence yet that routine exposure to dirty air during childhood actually harms lung development, leading to a permanently reduced ability to breathe. The study was conducted by a team of USC researchers that monitored the lungs of 1,759 schoolchildren in 12 Southern California communities from fourth grade until they graduated from high school. The study found that children living in communities with higher air pollution were more likely to have underpowered lungs. Lancaster was chosen as one of six test communities with low levels of microscopic particles and had the best results with no children found with low lung function.

Source: Antelope Valley Quality Management District, California Air Resources Board

WEATHER

Average Temperatures: Comparison with Southwestern Communities

<table>
<thead>
<tr>
<th></th>
<th>June Day</th>
<th>June Night</th>
<th>July Day</th>
<th>July Night</th>
<th>August Day</th>
<th>August Night</th>
<th>September Day</th>
<th>September Night</th>
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<tr>
<td>Tehachapi</td>
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<td>52</td>
<td>87</td>
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<td>San Bernardino</td>
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<td>75</td>
<td>101</td>
<td>69</td>
</tr>
</tbody>
</table>

Source: The Weather Channel web site
World’s civilian spaceport!

Scenic Airway

“We are delighted that Scenic has chosen Palmdale as one of their service routes to Las Vegas. We think it will be a great boost to PMD and our continuing efforts to attract other carriers to Palmdale.”

—Jim Ledford
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LOCKHEED MARTIN

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