ECONOMIC IMPACT ANALYSIS

Prepared for:
SPECIFIC PLAN AREA

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CHAPTER I

INTRODUCTION

The purpose of this report is to summarize a complicated set of projections of the impact on Imperial Valley's economy of anticipated increase in crossborder truck traffic at the Calexico Port of Entry from the 1994 level (176,825 truck crossings per year) to a projected level of 2,000 truck crossings a day - 730,000 truck crossings per year.

Estimates of the increase in employment directly related to increase in crossborder truck activity is predicated on an analysis of employment change by specific employment category in Ports of Entry communities with extensive crossborder truck traffic. The same procedure was employed to estimate the potential increase in demand for developed industrial and commercial facilities related solely to increased crossborder truck traffic. These primary economic effects induce secondary growth in employment and population as a result of the introduction of new payrolls (created from outside the local economy) which recirculate within Imperial Valley's economy, creating new jobs in retailing, government, services, etc.

Calculation of the economic an multiplier effect in Imperial Valley is complicated by several unusual structural characteristics of the Valley's economy - the considerable prison population, for example, has little impact on the retail sector. It affects the local economy through the vehicle of correctional officers' salaries which are a conduit to introduce funds into Imperial Valley's economy.

The retirement sector in Imperial Valley is an important economic base element. Retirees also have a primary economic impact on Imperial Valley's economy. Expenditures of retirement incomes (derived from outside the local economy) support

local jobs which in turn have a further economic multiplier effect as the newly employed local residents make local expenditures, etc., etc.

In order to calculate the economic multiplier applicable solely to expanded operations of the Port of Entry, it was necessary also to isolate economic multipliers applicable to the prison operation as well as the economic multiplier implicit in Imperial Valley's retirement population.

CHAPTER II

SUMMARY AND CONCLUSIONS

1. Projected increase in annual level of crossborder truck activity from the 1994 level of 176,825 truck crossings to 730,000 truck crossings per year is projected to have a significant impact on Imperial Valley's population, employment base, housing inventory, retail sector, and overall economic environment.

2. A projected 6,350 new jobs are anticipated to result directly from commercial activity at the Port of Entry with the attainment of 730,000 truck crossings per year. These jobs, along with the additional local jobs that will be induced by the payroll effects of the job base related to the Port of Entry, will add a total of 12,680 nonagricultural wage and salary jobs to Imperial Valley's total employment base, supporting a population increase of approximately 33,995 new residents.

3. The implications of these economic effects is summarized as follows:

Assumption:

Increase in annual crossborder truck traffic from 176,825 a year in 1994 to 730,000 a year at the horizon planning date.

Primary Impact:

Demand for 4.26 million square feet of new industrial floor area, 245 to 310 acres of new industrial development.
Demand for development of 65 acres for new commercial facilities.
Increase employment of 6,350 jobs.
Increase annual payroll (1994 prices) of $205,930,500

Total Impact - Primary and Induced:

Employment (Permanent)	12,680 Jobs
Population	33,995

Construction:

Primary:	
Industrial	4.26 Million Sq. Ft.
Commercial	65.0 Acres
Secondary:	
Housing Including Vacant	9,300 to 9,700 D.U.
Retail	1.10-1.34 Million Sq. Ft.
Other Commercial	0.4 Million Sq. Ft.
Increased In-Store Taxable Retail Sales	$175 to 186 Million Per Year in 1994 Prices
Construction Employment	23,386 Job Years

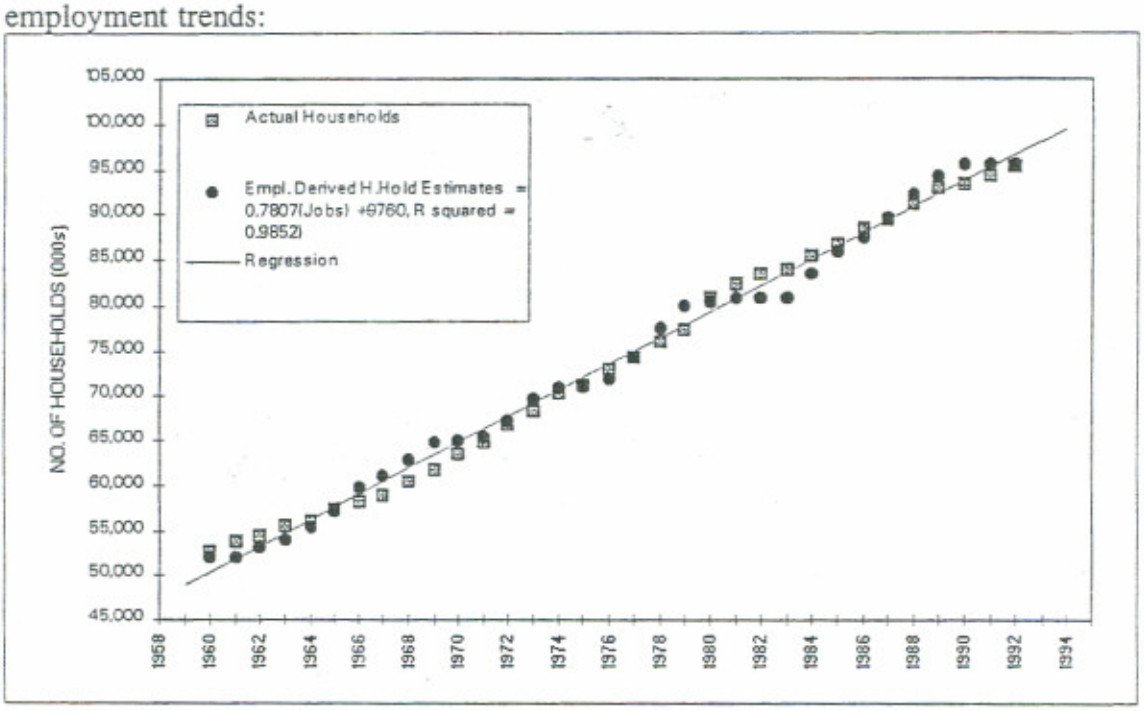
CHAPTER III

IMPERIAL COUNTY POPULATION, HOUSING, EMPLOYMENT AND ECONOMIC BACKGROUND

HOUSING DEMAND

General Applications

Statistical analyses of housing demand relative to economic growth are based largely on employment data. The correlation analysis illustrated below defines a close relationship between actual U.S. household formation and statistical estimates of the number of U.S. households based on national nonagricultural wage and salary employment trends:



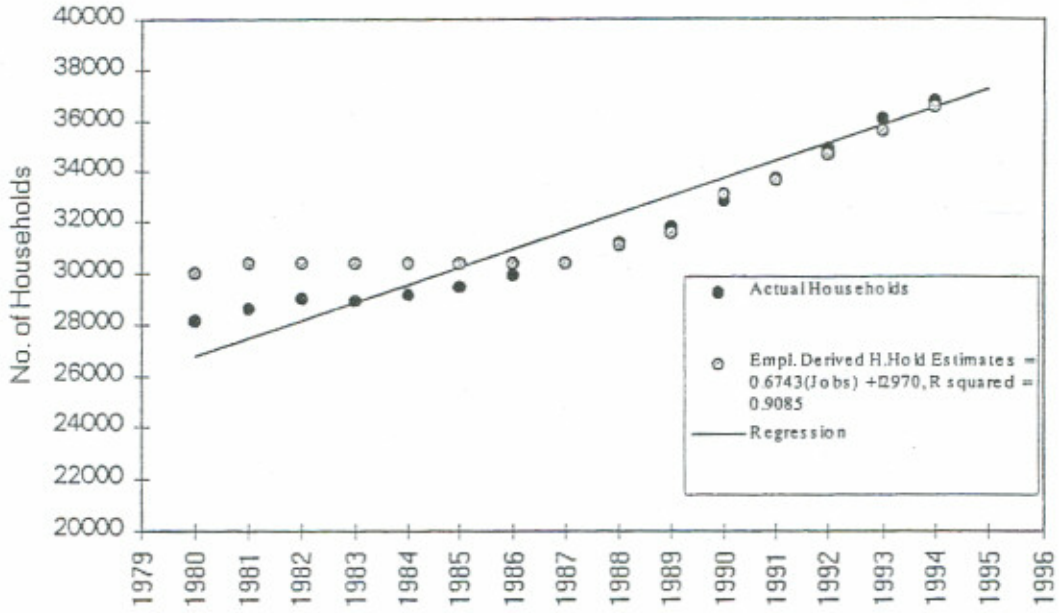
The simple linear equation described above has effectively simulated the number of U.S. households over a 32-year period with an R^2 coefficient of 0.9852. During periods of economic growth, employment-based estimates of potential households typically lead actual U.S. household levels by one or more years, suggesting that the

exceptionally close statistical relationship between employment and household formation is an effective basis for evaluating demand for housing.

Employment data are available in several formats from a variety of sources. The definition of employment that best correlates with households is nonagricultural wage and salary jobs. The large component of agriculture jobs in Imperial Valley, however, requires special treatment of these employment and household interrelationships. An alternate concept of employment (based on self-reported employment data collected as part of the Census process every ten years) is useful in tracing trends and also (in this instance) dealing with the ambiguity of agricultural employment in Imperial Valley. This broader Census definition of employment has not, however, correlated with household formation as effectively as the nonagricultural wage and salary employment time series data available from State agencies and the U.S. Department of Labor. In order to overcome this limitation, it was necessary to meld the two basic sources of employment data into a specific time series employment definition.

Imperial Valley Applications

Nonetheless, estimates of the number of households in Imperial Valley based only on nonagricultural wage and salary employment levels have replicated the actual number of households in Imperial Valley fairly accurately as illustrated by the following graphic comparison of the actual number of households in Imperial Valley relative to estimates based only on nonagricultural wage and salary employment:



A more finite definition of the relationship between employment and households in the context of the substantial, and until recently, increasing proportion of retired households in Imperial Valley is discussed in a subsequent section of this chapter.

IMPERIAL COUNTY, CA SOCIO-ECONOMIC, POPULATION, AND HOUSING CHARACTERISTICS

Exhibits III-1 and III-2 summarize the key socio-demographic data for Imperial County from the 1980 and 1990 Censuses. Exhibit III-3 compares the profile of Imperial County's housing in 1990 with the characteristics of the housing stock ten years earlier.

Changing Socio-Economic Conditions

Between 1980 and 1990, median value of owner-occupied housing in Imperial Valley increased at a slightly slower percentage rate than median household income as shown below:

	1980 Census	1990 Census	Change	Annual Growth Rate
Median Housing Value	$47,841	$72,528	$24,687	4.25%
Median Household Income	$14,749	$22,442	$7,693	4.29%
Value-to-Income Ratio	3.24	3.23	3.21	-

A comparison of change in employed population in Imperial Valley between 1980 and 1990 with change in the number of households shows the number of employed persons per household declined as follows:

	1980 Census	1990 Census	Change
Total Number of Workers	33,778	36,613	2,835
Total Number of Households	28,157	32,842	4,685
Workers Per Household	1.20	1.11	0.61

The decline in jobs per household was primarily the result of a fairly large increase in the proportion of Imperial Valley's population age 65 and over during the 1980's decade. The following tabulation illustrates the level of employed population in Imperial Valley relative to the number of households in which the head of household is less than 65 years old (mainstream households).

	1980 Census	1990 Census
Total Households	28,157	32,842
Households With Head of Household 65 and Over	5,541	7,389
Employed Population	33,778	36,613
Non 65+ Households	22,616	25,453
Employed Persons Per Non 65+ Household	1.49	1.44

In 1980, 8,330 residents of Imperial Valley were age 65 or over - 9.15 percent of the non-institutionalized population. By 1990, 11,108 residents were age 65 or over representing 10.39 percent of the non-institutionalized population in the Valley. The non-institutionalized population of the Valley increased by 15,802 persons. People age 65 or over represented 17.6 percent of this population growth (16.2 percent of population growth including residents of group quarters) and 39.4 percent of net increase in households. The key ratio illustrated above is the relationship between the

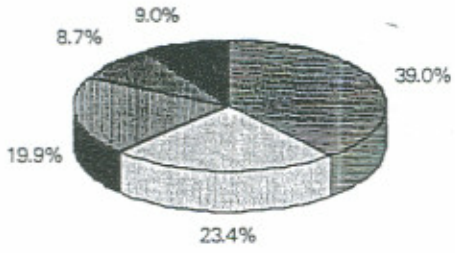
employed population of the Valley and the number of households that were not headed by someone age 65 or over (mainstream households).

This ratio declined from 1.49 employed persons per household in 1980 to 1.44 per household in 1990. Projection of continued decline in this ratio is a basis for converting employment projections to projections of housing demand.

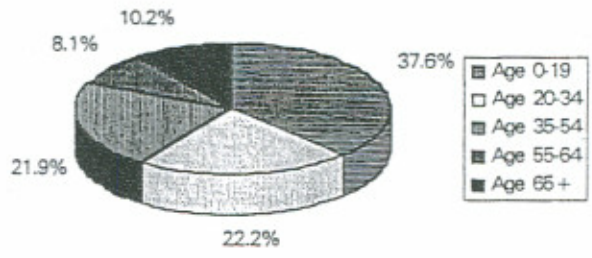
Changing Population Characteristics

The age profile of Imperial Valley's population (including institutionalized residents of the County) at the date of the two Census is illustrated in the following pie charts:

1980 POPULATION DISTRIBUTION BY AGE



1990 POPULATION DISTRIBUTION BY AGE



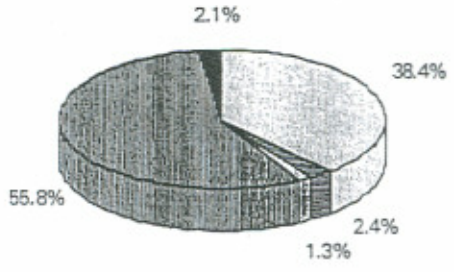
These comparisons are made more explicit (total population including those living in group quarters) in the following tabulation:

	1980		1990		Change	
	Number	Percent	Number	Percent	Number	Percent
Age 0 to 19	35,895	39.0%	41,098	37.6%	5,203	30.3%
Age 20 to 34	21,522	23.4%	24,304	22.2%	2,782	16.2%
Age 35 to 54	18,359	19.9%	23,907	21.9%	5,548	32.3%
Age 55 to 64	8,004	8.7%	8,886	8.1%	882	5.1%
Age 65 & Over	8,330	9.0%	11,108	10.2%	2,778	16.2%
Total	92,110	100.0%	109,303	100.0%	17,193	100.0%

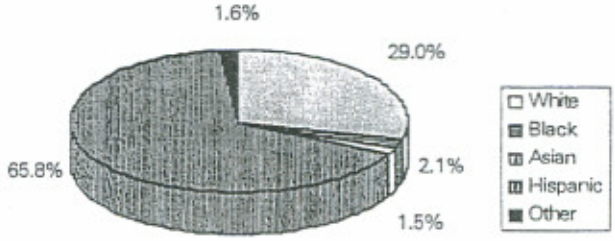
While the total population increased by 17,193 persons, the non-institutional or household population increased by 15,802 - 8.1 percent of population growth over this period was people living in group quarters.

A similar graphic comparison of change in the ethnic composition of Imperial Valley's population between the dates of the two Censuses is shown below:

1980 POPULATION DISTRIBUTION BY RACE



1990 POPULATION DISTRIBUTION BY RACE



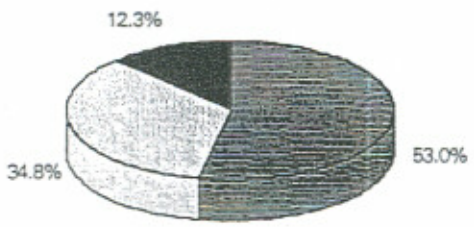
As indicated above, Hispanics accounted for all of the population growth on a net basis in Imperial Valley between the dates of the two Censuses. This trend is expressed more explicitly in the following tabulation:

	1980		1990		Change	
	Number	Percent	Number	Percent	Number	Percent
Non-Hispanic White	35,411	38.4%	31,742	29.0%	-3,669	-21.3%
Hispanic	51,384	55.8%	71,935	65.8%	20,551	119.5%
Black	2,188	2.4%	2,272	2.1%	84	0.5%
Asian/Pacific Islander	1,178	1.3%	1,632	1.5%	454	2.6%
American Indian	1,024	1.1%	1,563	1.4%	539	3.1%
Other	925	1.0%	159	0.1%	-766	-4.5%
Total	92,110	100.0%	109,303	100.0%	17,193	100.0%

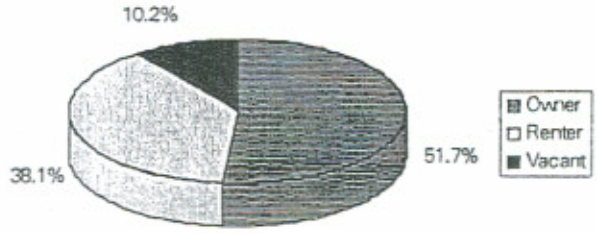
Housing and Household Size Characteristics

Vacant housing became a decreasing proportion of the Valley's total housing stock during the decade of the 1980s as shown below:

1980 DISTRIBUTION OF HOUSING UNITS



1990 DISTRIBUTION OF HOUSING UNITS



The ratio of homeownership among permanent residents of Imperial Valley declined during the 1980s. In 1990, 57.6 percent of Imperial Valley's households were homeowners. Nationwide at that time, 64.2 percent of all households were homeowners. Despite the low cost of housing in Imperial Valley and the modest rate of increase in value, the homeownership ratio declined from 1980 to 1990.

Change in Imperial Valley's housing inventory between 1980 and 1990 summarized from Exhibits III-1 and III-2 was as follows:

	Dwelling Units		Average Annual
	1980	1990	Change
Detached	18,551	20,458	191
Attached	8,539	8,719	18
Mobile Homes & Other	3,749	7,382	363
Total	30,839	36,559	572
Total Stick-Built			209

Housing tenure patterns in the Valley in 1980 and 1990 were as follows:

	1980		1990		Change	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	16,993	60.4%	18,907	57.6%	1,914	40.9%
Renter-Occupied	11,164	39.6%	13,935	42.4%	2,771	59.1%
Total Occupied	28,157	100.0%	32,842	100.0%	4,685	100.0%

Exhibit III-3 summarizes change in population, housing stock, tenure patterns, etc., for Imperial Valley between the 1980 and 1990 Census. Exhibit III-4 includes

year-by-year estimates of Imperial Valley's population provided by the California State Department of Finance. As can be seen in Exhibit III-4 and illustrated graphically in Exhibit III-5, Imperial County's population growth increased after 1990 - especially after 1991. This reflects the impact on local jobs and population of the opening of new prison facilities after 1991. Calipatria's population became an increased percentage of Imperial Valley population after 1991. The City of Imperial also accounted for an increasing proportion of the County's population base. Much of the Valley's population increase since 1990 has been related to increase in the inmate population which has virtually no direct impact on the economy (retail sales, housing demand, etc.) except secondarily through employment of correction officers which does affect the local economy.

EMPLOYMENT TRENDS

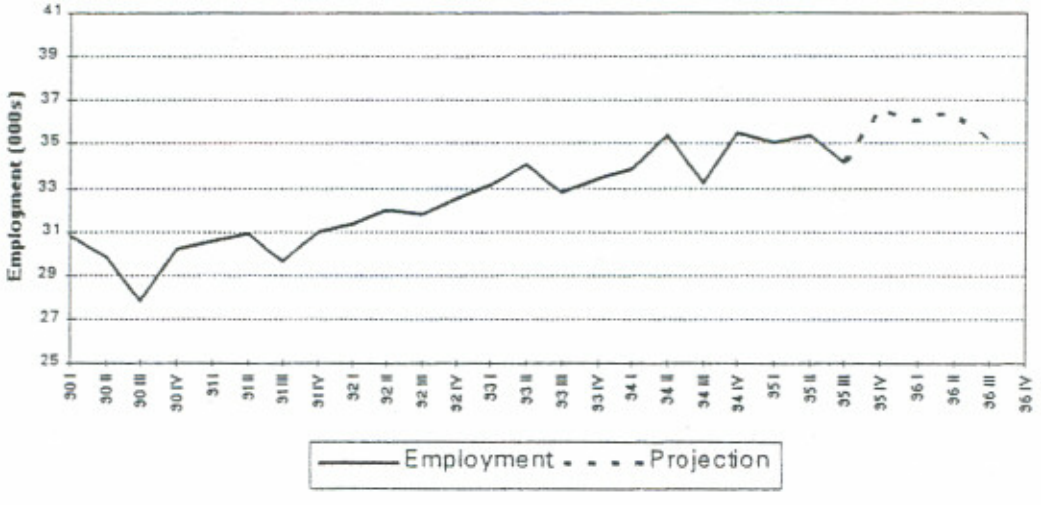
Historical and Anticipated Employment Trends

Because employment data are reported on a monthly basis by the Employment Development Department (EDD) in the State of California, this source of employment data is used most frequently as input to economic analyses. As noted in the introduction of this chapter, however, Imperial Valley's employment structure is unique in terms of a large component of relatively volatile agricultural employment, much of which staffed by nonresident workers of Mexicali. For example, as shown in Exhibit III-6, the EDD reported 42,000 jobs in Imperial Valley in 1980. As noted above, however, the 1980 Census found only 33,778 residents of Imperial Valley were employed. By 1990, the Employment Development Department of the State of California reported 44,800 jobs in Imperial Valley. At that time, the Census found 36,613 local residents employed (including agricultural workers). Over this interval, the number of local residents who identified themselves as being employed in agriculture increased only marginally - from 4,935 farm workers in 1980 to 4,985 farm

workers in 1990 - while at the same time the number of agricultural jobs in the Valley decreased from 16,725 to 15,000. Over 11,000 agricultural jobs in Imperial Valley were not directly tied to local residents. Volatility of employment levels in agriculture in the Valley, therefore, appear to have relatively little impact on the number of employed residents of the Valley - the differences being absorbed by workers from Mexico.

This unique characteristic requires a special definition of employment that has significant implications for the local economy - nonagricultural wage and salary employment plus a core of local residents employed in agriculture - ±5,000 local residents employed in the local agricultural enterprise.

The general trend of nonagricultural wage and salary employment (the key component of the most analytically useful definition of employment) has been as follows:



Recent changes in nonagricultural wage and salary employment in Imperial Valley are summarized below:

	1993	1994	1995	93-94 Change	94-95 Change
January	33,100	33,900	35,000	800	1,100
April	34,000	35,400	35,400	1,400	0
July	32,800	33,200	34,100	400	900
October	33,400	35,500	-	2,100	-
Jan. - Oct.	300	1,600	-		

Recently, nonagricultural wage and salary employment in the Valley has been fairly volatile.

Breakdown of Employment by Type

The profile of nonagricultural wage and salary jobs in Imperial Valley and change in employment in this sector between September 1994 and September 1995 is summarized below:

Industry	09/94	09/95p	Percent Increase	Change 9/94-9/95p Total	Change 9/94-9/95p Percent
Mining	100	100	0.0%	0	0.0%
Construction	1,600	1,400	-12.5%	-200	100.0%
Manufacturing	1,800	1,800	0.0%	0	0.0%
Trans., Comm., Utilities	1,600	1,700	6.3%	100	-50.0%
Trade	9,700	9,500	-2.1%	-200	100.0%
Finance, Ins., Real Estate	1,100	1,100	0.0%	0	0.0%
Services	6,000	5,900	-1.7%	-100	50.0%
Government	12,800	13,000	1.6%	200	-100.0%
Total	34,700	34,500	-0.6%	-200	100.0%

The most volatile nonagricultural employment sectors are construction and trade. Construction employment in Imperial Valley is affected by initiation and completion of large projects ranging from a low of 1,050 jobs in 1982 to 2,500 jobs in 1991. The recent decline in trade employment is probably a manifestation of devaluation of the Peso. Continued growth in government jobs in part reflects the impact on the local job base of correctional institution employees which are included in the government sector. Government is a larger share of local nonagricultural employment in Imperial County than it is nationally - by more than double.

Industry	Nonagricultural Jobs September 1995		Percent Of United States
	Number	Percent	
Mining	100	0.3%	0.5%
Construction	1,400	4.1%	4.3%
Manufacturing	1,800	5.2%	15.9%
Trans, Comm, Utilities	1,700	4.9%	5.2%
Trade	9,500	27.5%	23.2%
Finance, Ins, Real Estate	1,100	3.2%	6.0%
Services	5,900	17.1%	28.0%
Government	13,000	37.7%	16.8%
Total	34,500	100.0%	100.0%

Government employment represents 16.8 percent of all nonagricultural wage and salary employment nationwide but 37.7 percent in Imperial Valley. Manufacturing is only 5.2 percent of Imperial Valley's nonagricultural wage and salary employment base. It is 15.9 percent of the U.S. employment base. Trade represents a larger proportion of nonagricultural wage and salary jobs in Imperial Valley than it does nationwide - in part due to crossover border traffic but also as a response to retired consumers who support jobs in the trade sector. Jobs in finance, insurance, and real estate as well as in the services are a relatively small proportion of the local nonagricultural wage and salary employment base. Imperial Valley's economy is not yet of sufficient scale to support home offices for banks, insurance companies, etc., nor is it past the threshold to support the full range of business services found in larger economies.

Trends in employment (jobs in Imperial Valley but not necessarily employed residents of Imperial Valley) are illustrated graphically in Exhibit III-7. Change in the occupational profile of employed local residents between 1980 and 1990 is summarized in Exhibit III-8, showing an increase in most white-collar occupations (except for clerical jobs) and increases in all blue-collar occupations - only a marginal increase, however, in farm worker residents of Imperial Valley.

The composition of Imperial Valley's job base (as distinct from the profile of employed Imperial Valley residents) is illustrated in Exhibit III-9. Government

increased from 21.0 percent of total local employment in 1990 to 27.0 percent in 1995 - a direct reflection of prison facilities. Agriculture is a smaller proportion of the job base in 1995 than it was in 1990 as is the case also with regard to mining and construction employment. Construction employment figures for 1990 and 1991 were influenced by the major construction projects underway at that time. Construction employment increased from 1,800 jobs in 1989 to 2,500 jobs in 1991, followed by a subsequent decline to 1,500 construction jobs in mid-1995.

CONSTRUCTION TRENDS

Economic growth implies increased demand for housing, retail facilities, offices, government facilities, etc. The largest dollar volume of construction activity typically is in the residential sector. Residential development in Imperial Valley reflected in building permit activity has been volatile since 1990, as illustrated below:

	Building Permit Units			Building Permit Value Per Unit		
Year	Single Family	Multi-Family	Total	Single Family	Multi-Family	Total
1980	253	260	513	$42,938	$24,511	$33,599
1981	160	166	326	49,539	27,510	38,322
1982	155	243	398	42,604	26,646	32,861
1983	245	66	311	49,920	38,920	47,586
1984	309	126	435	58,789	25,723	49,211
1985	311	121	432	61,245	39,833	55,248
1986	409	350	759	67,392	29,357	49,853
1987	314	108	422	62,793	28,883	54,115
1988	451	171	622	73,320	36,021	63,066
1989	474	297	771	78,425	35,218	61,781
1990	500	587	1,087	83,804	38,758	59,478
1991	672	165	837	88,210	34,537	77,629
1992	837	164	1,001	90,811	50,181	84,154
1993	528	99	627	99,231	42,485	90,271
1994	657	177	834	96,704	46,086	85,962
1/95 - 9/95p	281	64	345	94,459	49,125	86,049

From 1990 to 1994, an average of 877 new residential units a year was authorized by permit. Building permit activity for housing construction understates increase in housing inventory. It does not include mobile homes. Between 1980 and 1990, mobile homes increased from 11.7 percent of Imperial Valley's housing stock to

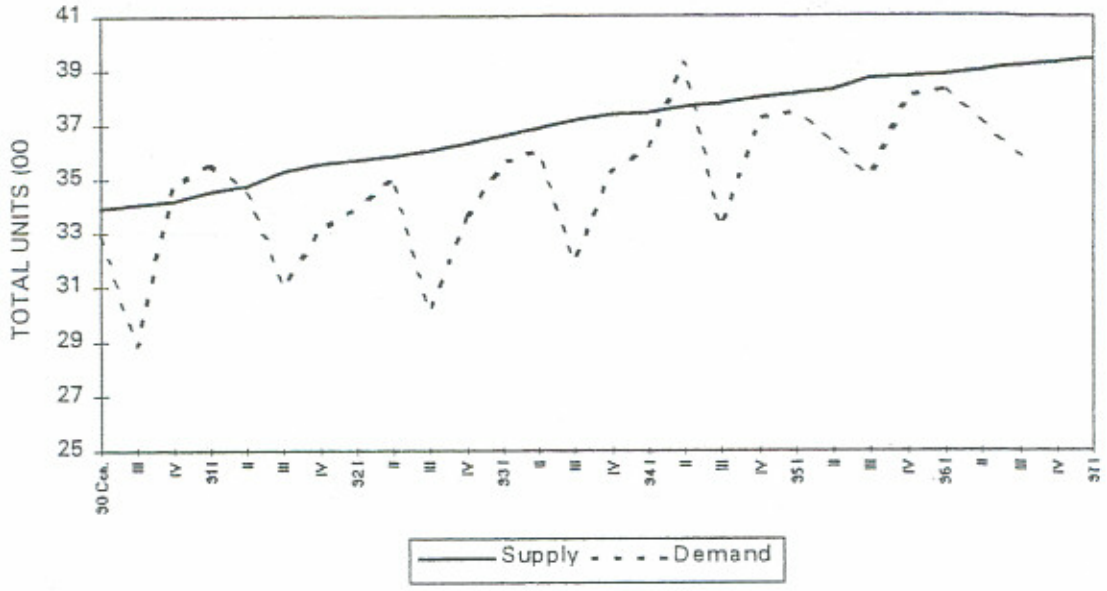
18.7 percent. Over the decade of the 1980s, an average of 499 new units of stick-built housing were authorized for construction each year. Net change in the housing inventory in Imperial Valley between 1980 and 1990 was considerably less than the combined impact of increase in mobile home units and the level of building permit activity. These two components imply increase in housing inventory at an average of 806 units a year. Net increase was an average of 572 units a year, suggesting demolitions, etc., removed an average of about 230 units a year of housing from Imperial Valley's housing stock.

Assuming mobile home units continued to represent 18.7 percent of the Valley's housing stock (as they did in 1990), the average of 877 new units a year authorized for construction in the Valley between 1990 and 1994 would have constituted average annual increase in housing inventory (assuming no significant additional demolitions) of 1,080 units a year. Retirees represented demand potential for about 230 units a year. Assuming an effective vacancy rate of 5.0 percent, mainstream housing market absorption was ±800 units a year, implying economically effective employment of 1.37 jobs per occupied mainstream housing unit. This estimate is within 3.5 percent of the statistically projected ratio of jobs to mainstream housing occupancy for 1995.

HISTORICAL AND ANTICIPATED SUPPLY AND DEMAND

Simulated Supply and Demand Conditions

The Consultant's basic ongoing statistical system for estimating housing demand related to increase in employment produces the following comparison of estimated increase in demand relative to estimated increase in supply of housing in Imperial Valley since 1990:



These two trends have paralleled one another reasonably well except for seasonal volatility.

Exhibit III-10 is a summary of building permit activity in Imperial Valley from 1975 through Third Quarter 1995, showing that between 1975 and 1984 a substantial proportion of the permit value of new development in Imperial Valley was for new retail facilities - a response to consumer support for local retailers from residents of Mexico. From 1985 to 1989, industrial development was a large proportion of building permit activity - over 50.0 percent. Historically, office development has been a small proportion of new local construction activity. Since 1989, as reflected in the graph in Exhibit III-11, residential development has accounted for the largest share of new construction activity authorized by permit. This is expected to change as a result of increased demand for industrial facilities resulting from the projected increase in crossborder truck traffic from its 1994 level of about 175,000 crossings per year to a projection horizon of 730,000 crossings a year.

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EXHIBIT III-1

1990 POPULATION PROFILE

IMPERIAL COUNTY, CALIFORNIA

Population	109,303	Households	32,842	Average HH Size	3.26
Group Quarters	2,382	Families	26,003		

AGE DISTRIBUTIONS

Age 0 - 4	9,986	9.1%
Age 5 - 9	10,665	9.8%
Age 10 - 14	10,606	9.7%
Age 15 - 19	9,841	9.0%
Age 20 - 24	7,456	6.8%
Age 25 - 29	8,118	7.4%
Age 30 - 34	8,730	8.0%
Age 35 - 39	7,973	7.3%
Age 40 - 44	6,513	6.0%
Age 45 - 49	4,916	4.5%
Age 50 - 54	4,505	4.1%
Age 55 - 59	4,291	3.9%
Age 60 - 64	4,595	4.2%
Age 65 - 69	4,088	3.7%
Age 70 - 74	2,972	2.7%
Age 75 - 79	1,993	1.8%
Age 80 - 84	1,239	1.1%
Age 85 +	816	0.7%
Median Age	**28.8**	

ORIGIN BY RACE

	Hispanic		Non-Hispanic	
White	41,873	38.3%	31,742	29.0%
Black	350	0.3%	2,272	2.1%
Native American	296	0.3%	1,563	1.4%
Asian/PI	503	0.5%	1,632	1.5%
Other Race	28,913	26.5%	159	0.1%
TOTAL	71,935	65.8%	37,368	34.2%

RACE DISTRIBUTIONS

WHITE	**73,615**
BLACK	**2,622**
NATIVE AMERICAN	**1,859**
American Indian	1,840
Eskimo	15
Aleut	4
ASIAN/PACIFIC ISLANDER	**2,135**
Chinese	614
Filipino	727
Japanese	131
Asian Indian	228
Korean	261
Vietnamese	31
Cambodian	12
Hmong	0
Loatian	0
Thai	11
Other Asian	61
Pacific Islanders	59
Hawaiian	28
Samoan	10
Tongan	0
Other Polynesian	0
Guamanian	13
Other Micronesian	0
Melanesian	1
Other Pacific Islander	7
OTHER	**29,072**

Prepared By: Alfred Gobar Associates

EXHIBIT III-1 (Cont'd)

1990 HOUSING PROFILE

IMPERIAL COUNTY, CALIFORNIA

		% of Total	% of Occup.
Total Housing Units	**36,559**	100.0%	
Occupied Housing Units	**32,842**	89.8%	100.0%
Owner Occupied Housing Units	18,907	51.7%	57.6%
Renter Occupied Housing Units	13,935	38.1%	42.4%
Vacant Housing Units	**3,717**	10.2%	
Vacant For Sale	314	0.9%	
Vacant For Rent	738	2.0%	
Not Yet Occupied	294	0.8%	
For Seasonal/Recr. Use	1,722	4.7%	
For Migrant Workers	45	0.1%	
Other Vacant	604	1.7%	
Boarded Up	114	0.3%	

UNITS IN STRUCTURE

1, Detached	20,458
1, Attached	1,291
2	1,072
3 - 4	1,836
5 - 9	1,255
10-19	1,452
20-49	1,157
50 or more	656
Mobile Home/Trailer	6,823
Other	559

HOUSING VALUE DISTRIBUTIONS

Specified Owner Occupied Housing Units

Under $20,000	320
$20,000- $39,999	849
$40,000- $59,999	2,659
$60,000- $74,999	3,528
$75,000- $99,999	3,510
$100,000- $124,999	1,281
$125,000- $149,999	512
$150,000- $174,999	352
$175,000- $199,999	192
$200,000- $249,999	169
$250,000- $299,999	95
$300,000- $399,999	50
$400,000- $499,999	15
$500,000 or More	17
Total:	13,549
Median Value:	$72,528
Average Value:	$82,142

RENTAL VALUE DISTRIBUTIONS

Specified Renter Occupied Housing Units

No Cash Rent	762
Under $200	2,801
$200- $299	3,090
$300- $349	2,058
$350- $399	1,850
$400- $449	1,062
$450- $499	666
$500- $549	479
$550- $599	308
$600- $649	174
$650- $699	131
$700- $749	67
$750- $999	127
$1,000 or More	22
Total:	13,597
Median Value:	$313
Average Value:	$317

HOUSING STOCK

Year Householder Moved In

1985-90	52.0%
1980-84	13.7%
1970-79	18.7%
1960-69	9.0%
< 1959	6.6%

Year Housing Unit Built

	Owner	Renter
1985-90	12.4%	15.6%
1980-84	8.4%	14.4%
1970-79	25.9%	24.2%
1960-69	19.0%	14.1%
< 1959	34.4%	31.6%

EXHIBIT III-1 (Cont'd)

1990 SOCIO-ECONOMIC PROFILE

IMPERIAL COUNTY, CALIFORNIA

OCCUPATION

White Collar	**17,517**	**47.8%**
Executive, Managerial, Admin.	3,308	9.0%
Professional/Technical	4,876	13.3%
Sales	4,041	11.0%
Administrative Support	5,292	14.5%
Blue Collar	**19,096**	**52.2%**
Service	5,076	13.9%
Farming, Forestry, Fishing	4,985	13.6%
Production, Craft, Repair	3,793	10.4%
Operatives	3,483	9.5%
Handler, Helper, Laborer	1,759	4.8%

EDUCATION LEVEL

Population Age 25+	60,749
Less than 9th Grade	29.2%
Some High School	17.6%
High School Graduate	20.1%
Some College	16.4%
Associate Degree	6.9%
Bachelor Degree	6.2%
Graduate Degree	3.6%

VEHICLES PER HOUSEHOLD

None	3,708	11.3%
One	11,657	35.5%
Two	11,492	35.0%
Three	4,269	13.0%
Four	1,251	3.8%
Five+	465	1.4%

HOUSEHOLDS BY INCOME

Less than $5,000	2,175	6.6%
$5,000- $9,999	5,181	15.8%
$10,000- $14,999	4,183	12.7%
$15,000- $19,999	3,442	10.5%
$20,000- $24,999	2,859	8.7%
$25,000- $29,999	2,629	8.0%
$30,000- $34,999	2,213	6.7%
$35,000- $39,999	1,954	6.0%
$40,000- $49,999	2,738	8.3%
$50,000- $74,999	3,562	10.8%
$75,000- $99,999	1,091	3.3%
$100,000- $124,999	398	1.2%
$125,000- $149,999	167	0.5%
$150,000 or More	251	0.8%
Total:	32,842	100.0%
Median:	$22,442	
Average:	$30,303	

CHARACTERISTICS OF FAMILIES

Total Family Households	**26,003**
Married Couple Families	19,618
Male/No Wife	1,454
Female/No Husband	4,931
Total Non-family Hshlds	**6,839**
Male Alone	2,801
Female Alone	3,104
<u>Families with....</u>	
0 Workers	15.5%
1 Worker	32.0%
2 Workers	39.8%
3+ Workers	12.7%
Households w/ Person 65+	
1 Person Household	2,833
2+ Person Family	5,081
2+ Person Non-Family	216

Prepared By: Alfred Gobar Associates.

Source: Information Decision Systems.

EXHIBIT III-2

1980 POPULATION PROFILE
IMPERIAL COUNTY, CALIFORNIA

Population	92,110	Households	28,157	Average HH Size	3.24
Group Quarters	991	Families	22,272		

AGE DISTRIBUTIONS

Age 0 - 4	8,404	9.1%
Age 5 - 9	8,459	9.2%
Age 10 - 14	9,238	10.0%
Age 15 - 19	9,794	10.6%
Age 20 - 24	8,156	8.9%
Age 25 - 29	7,262	7.9%
Age 30 - 34	6,104	6.6%
Age 35 - 39	4,959	5.4%
Age 40 - 44	4,406	4.8%
Age 45 - 49	4,337	4.7%
Age 50 - 54	4,657	5.1%
Age 55 - 59	4,347	4.7%
Age 60 - 64	3,657	4.0%
Age 65 - 69	3,064	3.3%
Age 70 - 74	2,472	2.7%
Age 75 - 79	1,450	1.6%
Age 80 - 84	855	0.9%
Age 85 +	489	0.5%
Median Age	**26.4**	

RACE DISTRIBUTIONS

White	51,467
Black	2,310
Native American	1,375
Asian/Pacific Islander	1,774
Other	35,184

ORIGIN BY RACE

	Hispanic		Non-Hispanic	
White	16,056	17.4%	35,411	38.4%
Black	122	0.1%	2,188	2.4%
Other Race	35,206	38.2%	3,127	3.4%
TOTAL	51,384	55.8%	40,726	44.2%

Prepared By: Alfred Gobar Associates.

Source: Information Decision Systems.

EXHIBIT ...1-2 (Cont'd)

1980 HOUSING PROFILE

IMPERIAL COUNTY, CALIFORNIA

		% of Total	% of Occup.
Total Housing Units	**30,839**	100.0%	
Occupied Housing Units	**28,157**	91.3%	100.0%
Owner Occupied Housing Units	16,993	55.1%	60.4%
Renter Occupied Housing Units	11,164	36.2%	39.6%
Vacant Housing Units	**2,682**	8.7%	
Vacant For Sale/Rent	1,209	3.9%	
For Seasonal Use	1,473	4.8%	

UNITS IN STRUCTURE

1, Detached	18,551
1, Attached	1,030
2	905
3 - 4	1,562
5 or more	5,042
Mobile Home/Other	3,749

HOUSING VALUE DISTRIBUTIONS

Specified Owner Occupied Housing Units

Under $20,000	1,335
$20,000- $29,999	1,327
$30,000- $39,999	1,692
$40,000- $49,999	2,256
$50,000- $99,999	4,927
$100,000- $149,999	527
$150,000- $199,999	127
$200,000 or More	55
Total:	12,246
Median Value:	$47,841
Average Value:	$55,417

RENTAL VALUE DISTRIBUTIONS

Specified Renter Occupied Housing Units

No Cash Rent	720
Under $100	830
$100- $149	1,457
$150- $199	1,881
$200- $249	2,021
$250- $299	1,606
$300- $399	1,449
$400- $499	455
$500 or More	231
Total:	10,650
Median Value:	$220
Average Value:	$230

Prepared By: Alfred Gobar Associates.

EXHIBIT III-2 (Cont'd)

1980 SOCIO-ECONOMIC PROFILE

IMPERIAL COUNTY, CALIFORNIA

OCCUPATION

White Collar	**15,708**	**46.5%**
Executive, Managerial, Admin.	2,843	8.4%
Professional/Technical	3,883	11.5%
Sales	3,398	10.1%
Administrative Support	5,584	16.5%
Blue Collar	**18,070**	**53.5%**
Service	4,604	13.6%
Farming, Forestry, Fishing	4,935	14.6%
Production, Craft, Repair	3,520	10.4%
Operatives	3,266	9.7%
Handler, Helper, Laborer	1,745	5.2%

EDUCATION LEVEL

Population Age 25+	48,059
Less than 9th Grade	35.5%
Some High School	14.0%
High School Graduate	24.7%
Some College	16.3%
College Degree	9.5%

VEHICLES PER HOUSEHOLD

None	2,793	9.9%
One	9,719	34.5%
Two	9,209	32.7%
Three+	6,436	22.9%

HOUSEHOLDS BY INCOME

Less than $5,000	3,855	13.7%
$5,000- $9,999	5,258	18.7%
$10,000- $12,499	2,778	9.9%
$12,500- $14,999	2,432	8.6%
$15,000- $17,499	2,357	8.4%
$17,500- $19,999	1,751	6.2%
$20,000- $22,499	1,649	5.9%
$22,500- $24,999	1,265	4.5%
$25,000- $29,999	2,355	8.4%
$30,000- $34,999	1,385	4.9%
$35,000- $39,999	1,004	3.6%
$40,000- $49,999	955	3.4%
$50,000- $74,999	642	2.3%
$75,000 or More	471	1.7%
Total:	28,157	100.0%
Median:	$14,749	
Average:	$18,389	

CHARACTERISTICS OF FAMILIES

Total Family Households	**22,272**
Married Couple Families	18,526
Male/No Wife	843
Female/No Husband	2,903
Total Non-family Hshlds	**5,885**
Male Alone	2,646
Female Alone	2,566

Prepared By: Alfred Gobar Associates.

Source: Information Decision Systems.

EXHIBIT III-3

CENSUS CHANGE DATA
IMPERIAL COUNTY, CALIFORNIA

	1980 CENSUS		1990 CENSUS		CHANGE 1980-90	
TOTAL POPULATION	92,110		109,303		17,193	
	Units	%	Units	%	Units	%
HOUSING UNITS	30,839	100.0%	36,559	100.0%	5,720	100.0%
Occupied	28,157	91.3%	32,842	89.8%	4,685	81.9%
Owner-Occupied	16,993	55.1%	18,907	51.7%	1,914	33.5%
Renter-Occupied	11,164	36.2%	13,935	38.1%	2,771	48.4%
Vacant	2,682	8.7%	3,717	10.2%	1,035	18.1%
HOUSING VALUE						
$0 -$19,999	1,335	10.9%	320	2.4%	-1,015	-77.9%
$20,000 -$29,999	1,327	10.8%	344	2.5%	-983	-75.4%
$30,000 -$39,999	1,692	13.8%	505	3.7%	-1,187	-91.1%
$40,000 -$49,999	2,256	18.4%	943	7.0%	-1,313	-100.8%
$50,000 -$99,999	4,927	40.2%	8,754	64.6%	3,827	293.7%
$100,000 -$149,999	527	4.3%	1,793	13.2%	1,266	97.2%
$150,000 -$199,999	127	1.0%	544	4.0%	417	32.0%
$200,000 or More	55	0.4%	346	2.6%	291	22.3%
Total:	12,246	100.0%	13,549	100.0%	1,303	100.0%
Median Value:	$47,841		$72,528		$24,687	
Average Value:	$55,417		$82,142		$26,725	
RENTAL VALUE						
No Cash Rent	720	6.8%	762	5.6%	42	1.4%
$0 -$99	830	7.8%	557	4.1%	-273	-9.3%
$100 -$149	1,457	13.7%	1,071	7.9%	-386	-13.1%
$150 -$199	1,881	17.7%	1,173	8.6%	-708	-24.0%
$200 -$249	2,021	19.0%	1,444	10.6%	-577	-19.6%
$250 -$299	1,606	15.1%	1,646	12.1%	40	1.4%
$300 -$399	1,449	13.6%	3,908	28.7%	2,459	83.4%
$400 -$499	455	4.3%	1,728	12.7%	1,273	43.2%
$500 or More	231	2.2%	1,308	9.6%	1,077	36.5%
Total:	10,650	100.0%	13,597	100.0%	2,947	100.0%
Median Value:	$220		$313		$93	
Average Value:	$230		$317		$87	

Source: Alfred Gobar Associates; Information Decision Systems; 1980 Census; 1990 Census.

EXHIBIT III-4

POPULATION BY CITY

Imperial County, California

City	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Brawley	15,075	15,330	16,030	16,675	16,775	16,900	17,200	17,525	17,950	18,525	19,200	19,975	20,900	21,625	21,900
Calexico	14,550	14,840	15,160	15,470	15,780	16,325	17,025	17,500	17,775	18,175	18,900	19,800	21,250	23,000	24,200
Calipatria	2,635	2,620	2,595	2,560	2,515	2,495	2,470	2,470	2,595	2,695	2,710	2,820	4,873	7,025	7,263
El Centro	24,400	25,070	25,635	26,110	26,470	26,850	27,325	28,175	29,450	30,625	32,025	33,950	35,700	36,625	37,675
Holtville	4,420	4,440	4,465	4,475	4,465	4,515	4,615	4,685	4,730	4,760	4,835	5,018	5,300	5,525	5,638
Imperial	3,450	3,440	3,435	3,420	3,425	3,460	3,515	3,610	3,810	4,000	4,200	4,445	5,040	5,838	6,400
Westmorland	1,570	1,515	1,485	1,480	1,475	1,430	1,350	1,310	1,305	1,295	1,345	1,445	1,545	1,610	1,645
Unincorporated	26,645	26,825	26,600	26,175	26,370	26,625	26,450	26,275	26,125	26,550	27,550	28,600	30,325	32,200	34,025
Total County	92,735	94,080	95,405	96,355	97,250	98,550	99,950	101,550	103,700	106,600	110,750	116,050	124,950	133,450	138,700

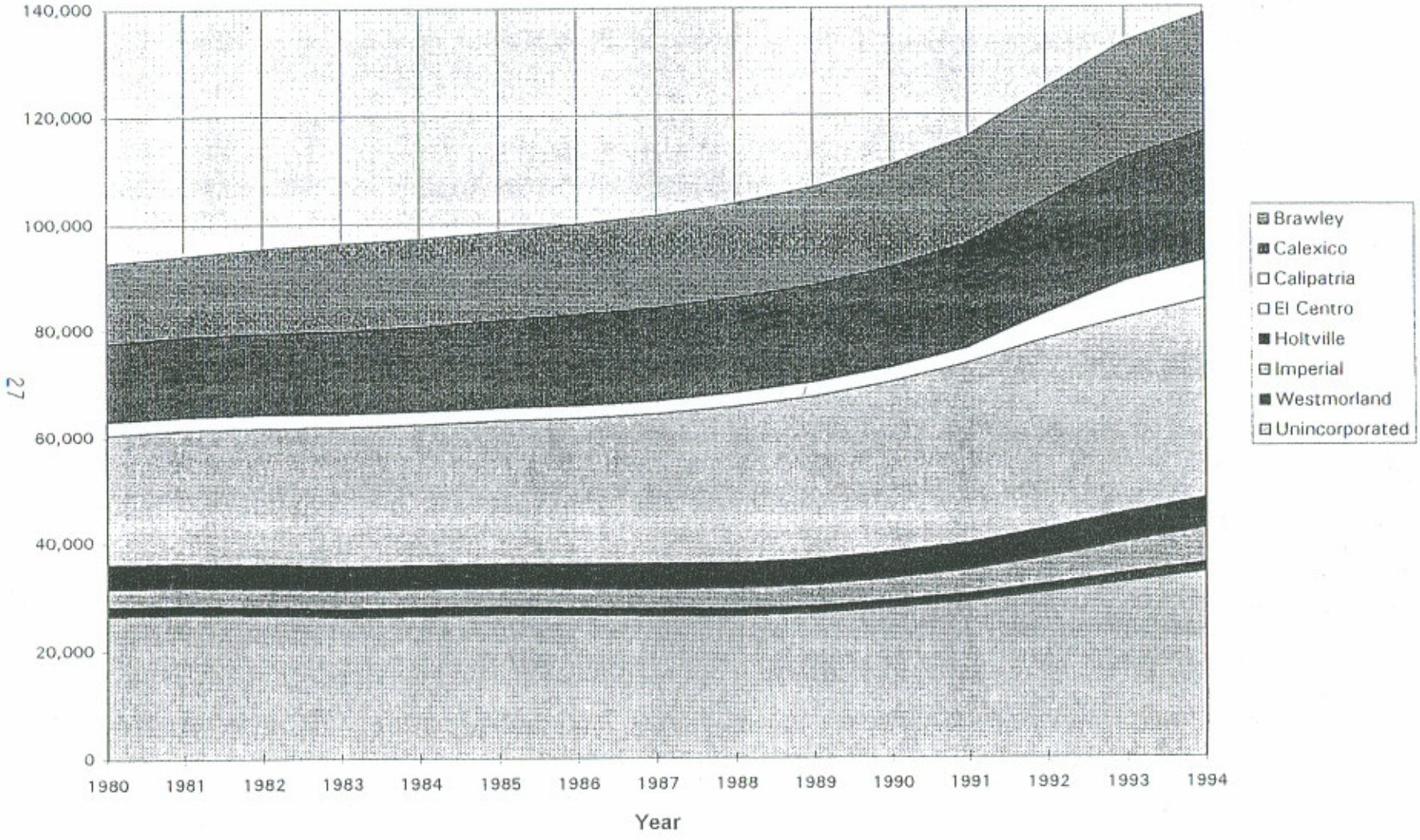
Percent of County

City	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Brawley	16.3%	16.3%	16.8%	17.3%	17.2%	17.1%	17.2%	17.3%	17.3%	17.4%	17.3%	17.2%	16.7%	16.2%	15.8%
Calexico	15.7%	15.8%	15.9%	16.1%	16.2%	16.6%	17.0%	17.2%	17.1%	17.0%	17.1%	17.1%	17.0%	17.2%	17.4%
Calipatria	2.8%	2.8%	2.7%	2.7%	2.6%	2.5%	2.5%	2.4%	2.5%	2.5%	2.4%	2.4%	3.9%	5.3%	5.2%
El Centro	26.3%	26.6%	26.9%	27.1%	27.2%	27.2%	27.3%	27.7%	28.4%	28.7%	28.9%	29.3%	28.6%	27.4%	27.2%
Holtville	4.8%	4.7%	4.7%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.5%	4.4%	4.3%	4.2%	4.1%	4.1%
Imperial	3.7%	3.7%	3.6%	3.5%	3.5%	3.5%	3.5%	3.6%	3.7%	3.8%	3.8%	3.8%	4.0%	4.4%	4.6%
Westmorland	1.7%	1.6%	1.6%	1.5%	1.5%	1.5%	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Unincorporated	28.7%	28.5%	27.9%	27.2%	27.1%	27.0%	26.5%	25.9%	25.2%	24.9%	24.9%	24.6%	24.3%	24.1%	24.5%
Total County	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: California State Department of Finance; Alfred Gobar Associates.

Exhibit III-5

POPULATION BY CITY
Imperial County



Source: California State Department of Finance; Alfred Gobar Associates.

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EXHIBIT III-6

IMPERIAL COUNTY WAGE AND SALARY EMPLOYMENT

Number of Employees

INDUSTRY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995p
Agriculture	16,725	13,750	14,300	14,100	12,700	10,700	11,600	11,900	12,000	16,400	15,000	13,800	12,000	12,700	13,600	13,800
Mining & Const.	1,100	1,200	1,050	1,100	1,300	1,600	1,500	1,500	1,900	1,800	2,400	2,500	2,200	2,000	1,700	1,500
Manufacturing	1,800	1,625	1,375	1,200	1,200	1,300	1,400	1,500	1,400	1,500	1,600	1,700	1,700	1,700	1,900	1,900
TCU	1,200	1,150	1,150	1,100	1,100	1,100	1,100	1,200	1,500	1,300	1,100	1,000	1,400	1,600	1,600	1,700
Trade	7,425	7,725	7,300	6,600	6,800	7,000	6,700	7,200	7,800	8,500	8,700	9,000	9,400	9,800	9,900	9,500
Fin., Ins., & R/E	875	900	950	800	800	800	800	800	800	800	900	900	1,000	1,100	1,100	1,100
Services	3,750	3,950	3,925	3,500	3,800	3,900	4,300	4,900	4,800	4,900	5,600	6,500	5,700	5,600	5,900	6,100
Government	9,125	9,300	8,950	7,800	8,000	7,900	8,200	8,200	8,600	8,800	9,500	9,100	10,800	11,700	12,700	13,400
Total Nonag:	25,275	25,850	24,700	22,200	23,000	23,600	24,000	25,200	26,900	27,600	29,900	30,700	32,100	33,500	34,900	35,200
Total W&S:	42,000	39,600	39,000	36,200	35,700	34,300	35,600	37,200	38,800	44,000	44,800	44,500	44,200	46,200	48,400	49,000

Percent of Total W&S Employment

INDUSTRY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995p
Agriculture	39.8%	34.7%	36.7%	39.0%	35.6%	31.2%	32.6%	32.0%	30.9%	37.3%	33.5%	31.0%	27.1%	27.5%	28.1%	28.2%
Mining & Const.	2.6%	3.0%	2.7%	3.0%	3.6%	4.7%	4.2%	4.0%	4.9%	4.1%	5.4%	5.6%	5.0%	4.3%	3.5%	3.1%
Manufacturing	4.3%	4.1%	3.5%	3.3%	3.4%	3.8%	3.9%	4.0%	3.6%	3.4%	3.6%	3.8%	3.8%	3.7%	3.9%	3.9%
TCU	2.9%	2.9%	2.9%	3.0%	3.1%	3.2%	3.1%	3.2%	3.9%	3.0%	2.5%	2.2%	3.2%	3.5%	3.3%	3.5%
Trade	17.7%	19.5%	18.7%	18.2%	19.0%	20.4%	18.8%	19.4%	20.1%	19.3%	19.4%	20.2%	21.3%	21.2%	20.5%	19.4%
Fin., Ins., & R/E	2.1%	2.3%	2.4%	2.2%	2.2%	2.3%	2.2%	2.2%	2.1%	1.8%	2.0%	2.0%	2.3%	2.4%	2.3%	2.2%
Services	8.9%	10.0%	10.1%	9.7%	10.6%	11.4%	12.1%	13.2%	12.4%	11.1%	12.5%	14.6%	12.9%	12.1%	12.2%	12.4%
Government	21.7%	23.5%	22.9%	21.5%	22.4%	23.0%	23.0%	22.0%	22.2%	20.0%	21.2%	20.4%	24.4%	25.3%	26.2%	27.3%
Total Nonag:	60.2%	65.3%	63.3%	61.3%	64.4%	68.8%	67.4%	67.7%	69.3%	62.7%	66.7%	69.0%	72.6%	72.5%	72.1%	71.8%
Total W&S:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Alfred Gobar Associates; Employment Development Department.

Exhibit III-7

WAGE & SALARY EMPLOYMENT
Imperial County

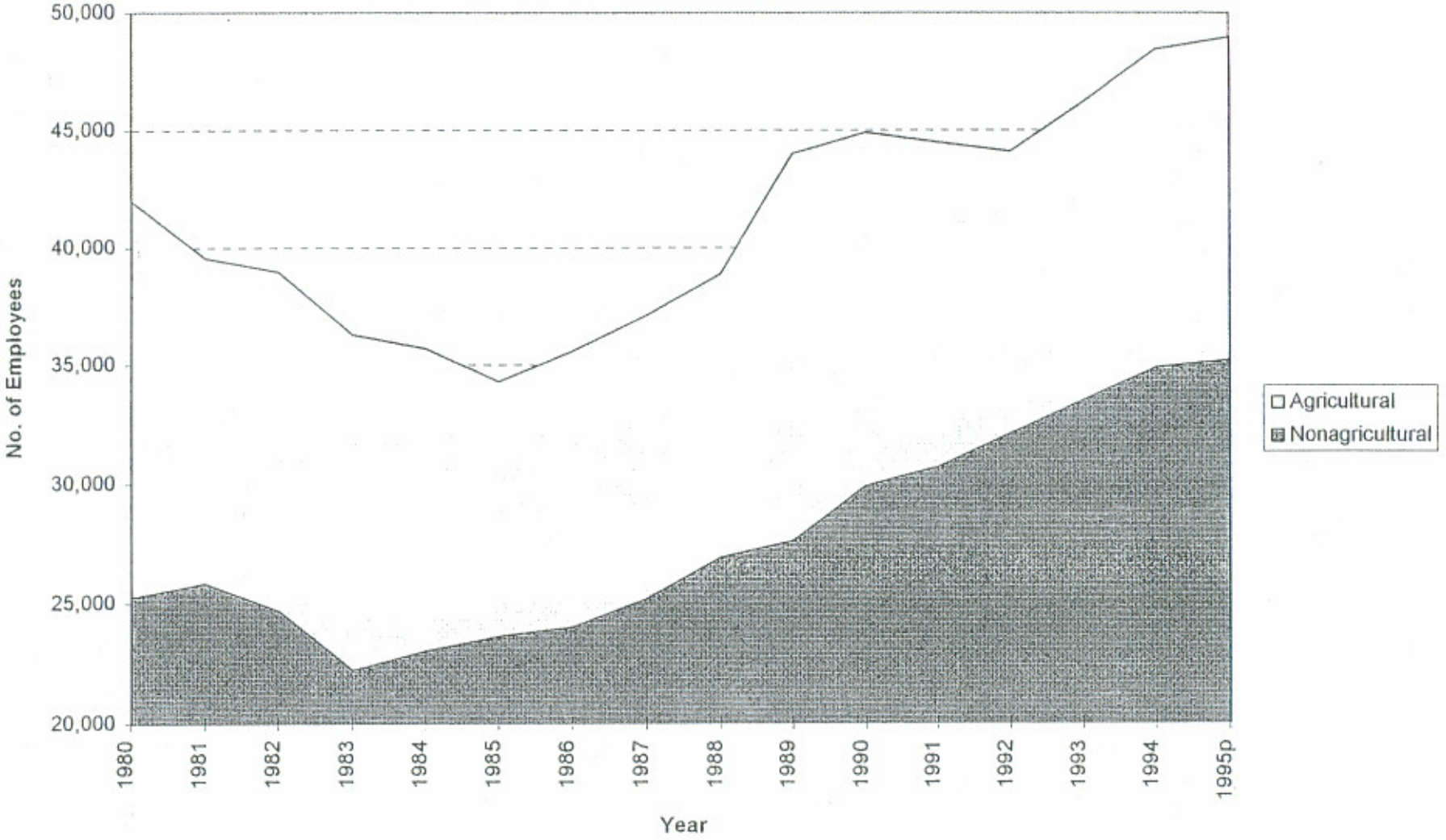

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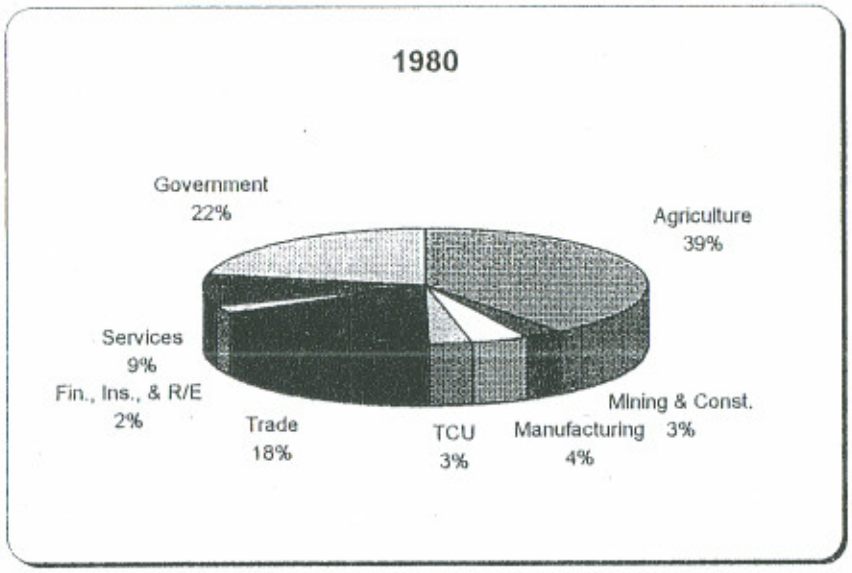
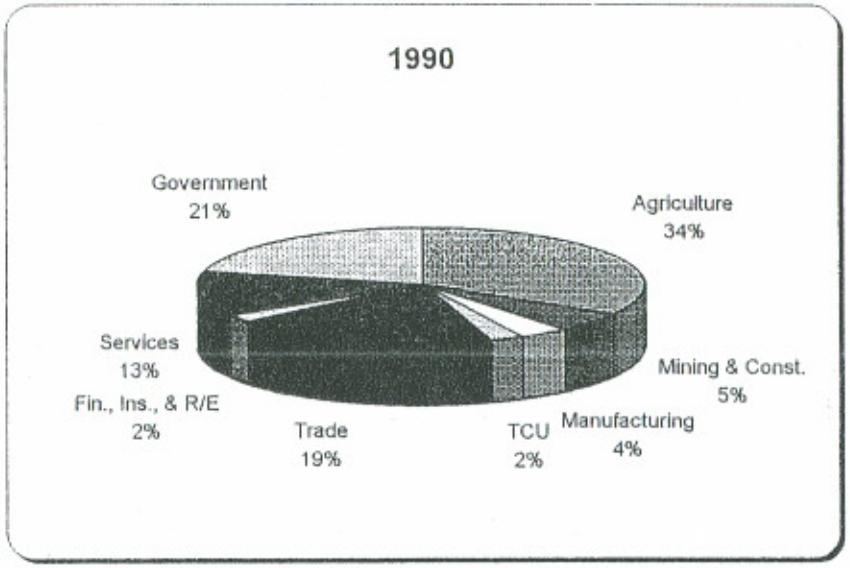
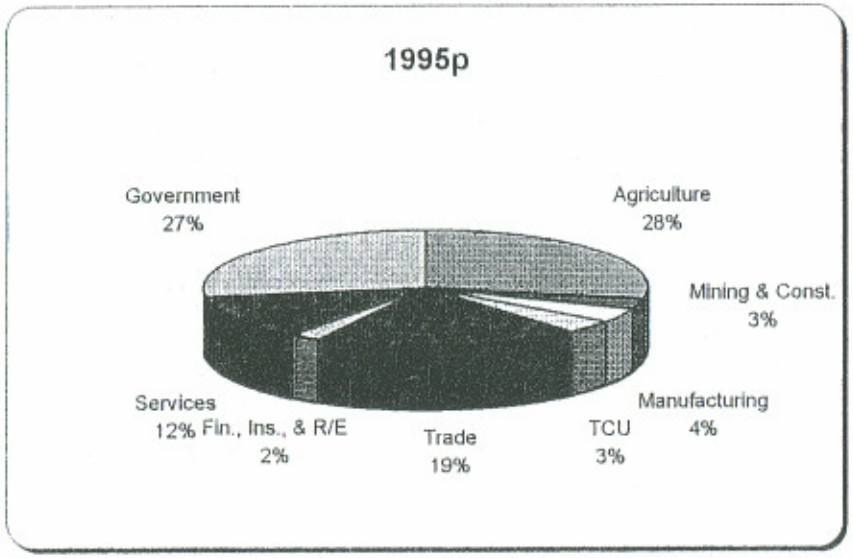
Exhibit III-9

WAGE AND SALARY EMPLOYMENT BY INDUSTRY
Imperial County







Source: Alfred Gobar Associates; Employment Development Department.

EXHIBIT III-10

VALUE OF NEW CONSTRUCTION AUTHORIZED BY PERMIT
IMPERIAL COUNTY, CALIFORNIA
($000)

						Percent of Total				
Year	Retail	Office	Industrial	Residential	Total	Retail	Office	Ind.	Res.	Total
1975	5,214	150	2,239	1,222	8,825	59.09	1.70	25.37	13.84	100.00
1976	696	369	499	2,593	4,157	16.75	8.87	11.99	62.38	100.00
1977	882	321	874	11,274	13,350	6.61	2.40	6.54	84.45	100.00
1978	3,566	430	555	8,429	12,980	27.47	3.32	4.28	64.94	100.00
1979	3,972	1,694	3,657	21,087	30,410	13.06	5.57	12.02	69.34	100.00
1980	3,810	2,085	1,331	17,236	24,463	15.58	8.53	5.44	70.46	100.00
1981	11,041	829	2,310	12,493	26,672	41.39	3.11	8.66	46.84	100.00
1982	4,519	1,901	2,106	13,078	21,605	20.92	8.80	9.75	60.53	100.00
1983	2,571	535	2,935	14,799	20,841	12.34	2.57	14.08	71.01	100.00
1984	6,205	60	10,327	21,407	37,999	16.33	0.16	27.18	56.34	100.00
1985	4,563	184	61,726	23,867	90,340	5.05	0.20	68.33	26.42	100.00
1986	3,004	12	22,787	37,838	63,641	4.72	0.02	35.80	59.46	100.00
1987	4,908	1,440	78,578	22,836	107,762	4.55	1.34	72.92	21.19	100.00
1988	3,076	849	62,109	39,227	105,261	2.92	0.81	59.00	37.27	100.00
1989	8,200	6,394	8,319	47,633	70,547	11.62	9.06	11.79	67.52	100.00
1990	15,079	638	1,054	64,653	81,425	18.52	0.78	1.29	79.40	100.00
1991	9,276	2,231	1,172	64,976	77,654	11.95	2.87	1.51	83.67	100.00
1992	31,731	1,141	471	84,239	117,582	26.99	0.97	0.40	71.64	100.00
1993	15,594	1,069	2,035	56,600	75,297	20.71	1.42	2.70	75.17	100.00
1994	4,130	2,735	1,811	71,692	80,368	5.14	3.40	2.25	89.21	100.00
CURRENT YEAR-TO-DATE:										
1/95-9/95	1,798	1,276	9,360	29,687	42,120	4.27	3.03	22.22	70.48	100.00
1975-79	14,330	2,964	7,822	44,606	69,722	20.55	4.25	11.22	63.98	100.00
1980-84	28,147	5,411	19,009	79,014	131,580	21.39	4.11	14.45	60.05	100.00
1985-89	23,751	8,880	233,518	171,402	437,551	5.43	2.03	53.37	39.17	100.00
1990-94	75,809	7,813	6,544	342,159	432,326	17.54	1.81	1.51	79.14	100.00
TOTAL	142,435	25,453	268,810	638,061	1,074,758	13.25	2.37	25.01	59.37	100.00

Source: U.S. Department of Commerce - Construction Statistics Division

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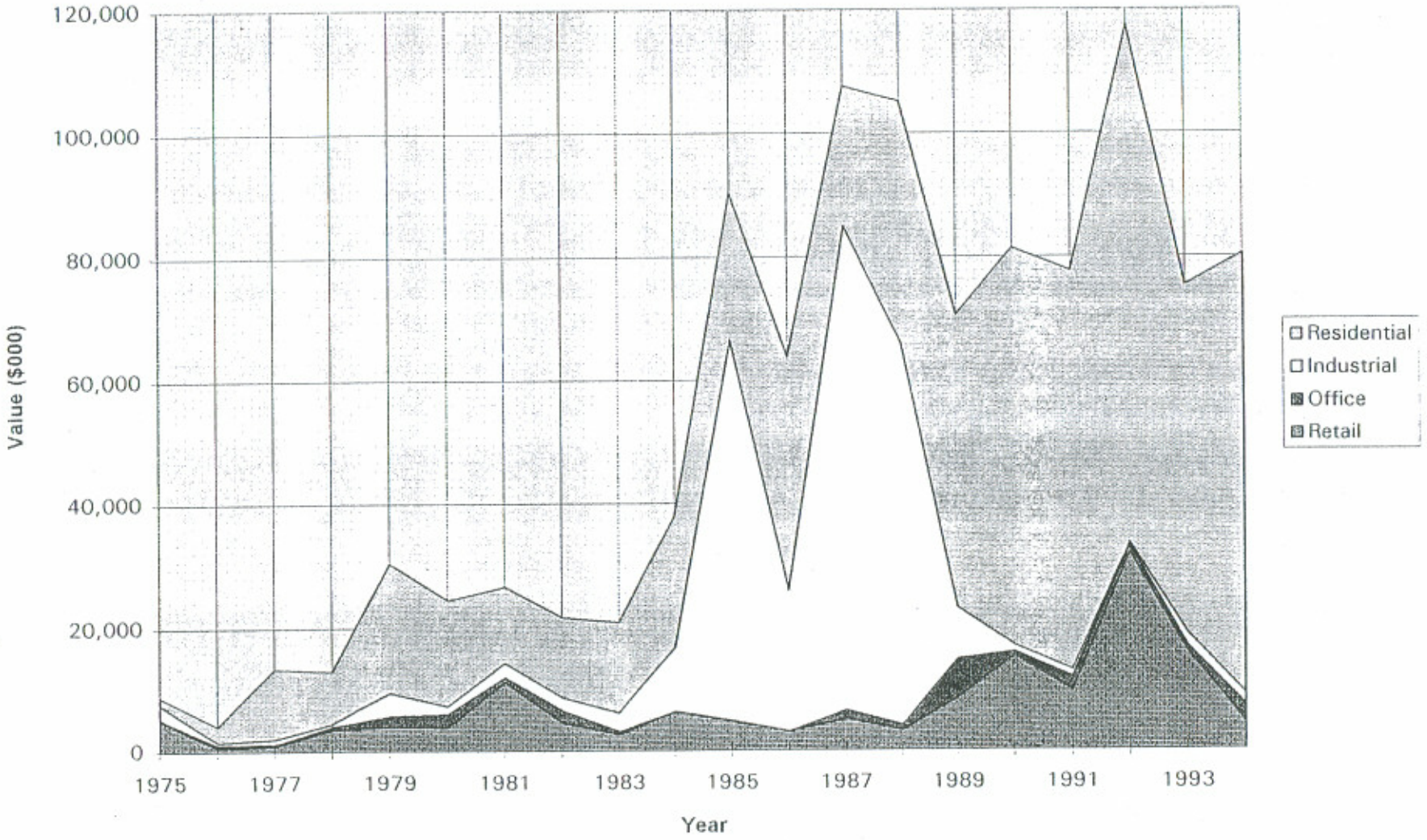
Exhibit III-11

BUILDING PERMIT TRENDS
Imperial County, California



Source: Bureau of the Census - Construction Statistics Division; Alfred Gobar Associates.

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CHAPTER IV

OVERALL ECONOMIC IMPACT

This section of the report discusses the overall impact on Imperial Valley's economy of an expected increase in crossborder truck traffic at the Calexico Port of Entry from 176,825 crossings in 1994 to an estimated 2,000 truck crossings per day, or 730,000 truck crossings per year in the future - an increase of 553,175 truck crossings per year over an undefined time frame. In order to lend perspective to the potential for increase in truck crossings, the fastest growing Port of Entry surveyed is the Laredo Port of Entry, where between 1990 and 1994, increase in truck crossings was 114,147 per year.

Direct Economic Impact

Analysis of development of industrial and commercial facilities at other Ports of Entry coincident with increase in the level of annual truck crossings defined a conservative ratio of 7.7 square feet of new industrial development per unit increase in annual truck crossings. On this basis, increase of 553,175 truck crossings per year in Calexico would induce development of 4,259,500 square feet of new industrial floor space. At a floor area ratio (FAR) of 0.4 (40.0 percent lot coverage), 4.26 million square feet of industrial floor area represent absorption potential for development of 244.45 acres directly related to the anticipated increase in crossborder traffic.

Concurrently, increase in support activity primarily in the trade sector constitutes absorption potential for another 65 acres of commercial development directly responsive to the assumed increase in crossborder truck traffic - total development potential on these assumptions of ±310 acres. Allowance for roads, streets, and other service facilities suggests absorption potential for approximately 385

acres as a result of an assumed increase in crossborder traffic from 176,825 crossings a year in 1994 to 730,000 truck crossings at a future date

This increase in crossborder activity will stimulate directly related employment of 11.45 new jobs per 1,000 of increase in annual truck crossings, or 6,334 jobs (rounded to 6,350 jobs) directly related to increased annual level of truck crossings.

In addition, the development of facilities to respond to increased crossborder truck activity at the Calexico Port of Entry is projected to generate 3,160 job years of construction jobs.

Induced Economic Effects

The 6,350 new primary jobs directly related to increase in annual crossborder truck traffic will generate an increase in population. These new consumers will require second and tertiary increases in employment to provide a wide range of consumer goods and services. Increased scale of the consumer support base in Imperial Valley will induce new jobs in retailing, banking, personal services, auto repair, churches, entertainment, health services, legal services, charitable institutions, other professions, and government.

Total impact in terms of increased population and employment (allowing for the economic multiplier effect) stimulated by an expansion of demand for consumer services is estimated to be 12,680 jobs - 6,350 primary jobs and 6,330 induced jobs.

This level of increased employment is consistent with a concomitant new population of 34,995. The economic multiplier to be applied to the primary jobs in Imperial Valley (defined by the scale of its economy, the volatility of agricultural and construction employment, and the significant economic impact of retirees) is 1.997. Other estimates of the appropriate economic multiplier range from 1.94 to as much as 2.21; i.e., it could be argued that total increase in employment derivative of an increase of 6,350 primary jobs could be as much as 14,033 jobs, supporting population increase

of 37,623. Much recent population growth in Imperial County has not had a significant impact on retail and other types of consumer-related employment. Prison inmates are essentially isolated from most typical impact on the local economy except for correction employment related to the operations of the prison and some support services. Retirees, which are part of the consumer population but not part of the labor force, have a job inducement effect equivalent to about 0.17 local jobs per retired resident. These characteristics of Imperial Valley's unusual economic structure were taken into account in determining the appropriate employment multiplier in order to reflect only the effect on increase in mainstream households (non-retired, non-institutional population) derivative of an increase of 6,350 permanent primary jobs directly stimulated by an increase in annual crossborder truck traffic.

In an effort to be conservative, the substantial volume of construction employment (basically a one-time employment event) related to requirements for new facilities, not only in regard to the border crossing but also relative to housing for the induced population, etc., was not subjected to an economic multiplier. These jobs, though a substantial factor, are not a permanent result of the economic stimulus assumed to be derivative of the new Port of Entry facility. Projections of overall economic impact of the assumed increase in crossborder traffic are, therefore, conservative.

Income Implications

The primary jobs stimulated by assumed increase in annual crossborder traffic (6,350 jobs) will be principally in transportation and warehousing and in trade-related activities. Both these categories of employment are typified by above-average income. An index of average income per employee by industry in the U.S. illustrates this relationship as follows:

Industry	Index of Annual Earnings Per Employee by Industry
Agriculture	0.55
Mining	1.47
Construction	1.02
Manufacturing	1.13
Transportation	1.10*
Communication	1.47
Utilities	1.50
Wholesale Trade	1.19*
Retail Trade	0.61
Finance, Insurance, and Real Estate	1.26
Services	0.94
Government and Related	1.07

* New primary jobs will generally be in this sector.

Source: U.S. Bureau of Economic Analysis.

The secondary jobs (6,330 induced local jobs) will be lower paid because of the large component of retail and services employment implicit in this type of induced employment growth. The estimated impact on payrolls of the primary and secondary (induced) anticipated job growth is summarized below:

	Annual Income		
	Per Job	Per Household	Total
Primary Jobs	$32,430	$46,634	$205,930,500
Induced Jobs	$28,647	$41,194	$181,335,500
Total			$387,266,000

Average Income:
Per Employee - $30,541
Per Household - $43,918

Total increase in payrolls of nearly $400.0 million a year provides economic support for a significant amount of new secondary or induced development.

Fairly conservative estimates of the average price of new owner-occupied housing compatible with the pay scales of the new employees (basically a 2.5 multiplier on average income) along with similarly conservative estimates of the supportable value of rental units (demand for which will be generated by the new employment) indicate that the 33,995 new residents that will eventually result from the direct and indirect

effects of the assumptions regarding increased levels of crossborder traffic support $799,087,160 in new housing value at a ratio of 65.0 percent ownership and 35.0 percent rental occupancy.

Allowing for a fairly low assumed ambient vacancy rate, projected population and employment growth will support $825.0 million of new residential construction.

Consumer expenditures of 8,818 to 9,200 new local households supportable by the cumulative economic impact of the assumed increase in annual crossborder traffic represents conservatively estimated potential for development of $94.1 million of new retail facilities and $33.0 million in other types of commercial real estate including medical facilities, offices, entertainment facilities, etc.

The $952.0 million of new private sector development apart from the facilities directly related to the Port of Entry constitutes support for 16,414 job years of construction employment.

The expanded population base will also induce development of new public sector facilities for schools and related activities - an estimated $22.1 million - represents 3,812 additional job years of construction employment.

Construction of new industrial and commercial facilities directly related to Port of Entry activities represents support for another 3,160 job years of construction employment - a total of primary and secondary construction employment coincident with the increase in crossborder traffic from the 1994 level of 176,825 crossings per year to 730,000 truck crossings per year of 23,386 job years of construction employment.

Independent estimating techniques define the amount of new retail floor area development likely to be induced by the expanded population base of between 1.2 and 1.34 million square feet. Another 400,450 square feet of nonresidential floor area will be developed for offices, theatres, bowling centers, churches, medical facilities, etc.

Projected increase in in-store taxable retail sales resulting from the projected increase in consumer population, as well as new inter-business retail activity base, ranges from $175.0 to $186.0 million a year in terms of 1994/95 prices.

Summary

Expected growth in population in Imperial Valley due to the primary and secondary effects of the anticipated level of increase in crossborder truck traffic at the Calexico Port of Entry is 33,995 new residents and a total of 12,680 new jobs. Derivative effects of this increase in economic activity in terms of new housing development, construction of new retail and other commercial facilities, etc., is summarized below:

Assumption:
Increase in annual crossborder truck traffic from 176,825 a year in 1994 to 730,000 a year at the horizon planning date.

Primary Impact:
Demand for 4.26 million square feet of new industrial floor area, 245-310 acres of new industrial development.
Demand for development of 65 acres for new commercial facilities.
Increase employment of 6,350 jobs.
Increase annual payroll (1994 prices) of $205,930,500

Total Impact - Primary and Induced

Employment (Permanent)	12,680 Jobs
Population	33,995

Construction

Primary:	
Industrial	4.26 Million Sq. Ft.
Commercial	65.0 Acres
Secondary:	
Housing Including Vacant	9,300-9,700 D.U.
Retail	1.10-1.34 Million Sq. Ft.
Other Commercial	0.4 Million Sq. Ft.
Increased In-Store Taxable Retail Sales	$175-186 Million Per Year in 1994 Prices
Construction Employment	23,386 Job Years

It should be borne in mind that these projections deal only with the impact of increased crossborder truck traffic. Concurrently, continued expansion of Imperial Valley's retirement population will also contribute to economic growth as will increases in local jobs supported by nonlocal sources of revenue such as the prisons.

APPENDIX A

IMPERIAL VALLEY RETAIL SECTOR

APPENDIX A

IMPERIAL VALLEY RETAIL SECTOR

Exhibit A-1 compares in-store taxable retail sales per capita population in Imperial County with comparable figures for Southern California in its entirety as well as the State of California. As would be expected in relationship to consumer income levels and the large households typical of Imperial County's population, expenditure levels are disproportionately low relative to population in the apparel sector, drug stores, liquor stores, restaurants, the furniture and appliance sector, the auto sector, service stations, and other retail stores. They are higher than typical in general merchandise stores - supported in part by crossborder consumer traffic.

Also shown in Exhibit A-1 is a comparison of taxable retail sales per establishment in Imperial County with comparable figures for Southern California and the State. In most instances except for liquor stores, merchants in Imperial County have lower average sale volume per establishment than typical of either Southern California as a whole or the State.

Exhibit A-2 compares actual taxable sales in Imperial County in 1994 with the level that would have been achieved had residents of Imperial County spent as much per capita in each category of merchandise as the average of all residents of the State of California. Taxable sales in general merchandise stores, food stores, and building materials and farm implements dealers were more than would be projected on the basis of the assumption of comparable average annual expenditures per capita. This difference primarily reflects support from Mexicali residents.

The history of in-store taxable retail sales in the County (expressed in constant dollars) included in Exhibit A-3 shows fairly consistent growth even after discounting for the impact of inflation. Part of this, however, is the result of increasing population.

The population effect can be controlled by comparing year-to-year sales relative to the County's population base. These calculations provided in Exhibit A-4 show a decrease in average per capita in-store taxable retail sales in Imperial County after 1990. This is almost certainly the result of the observation that much recent increase in population is related to inmates of local prisons who have no impact on in-store taxable retail sales in the Valley.

A comparable history of taxable retail sales per establishment in Imperial County is included in Exhibit A-5. In most cases, the number of establishments has increased faster than the available consumer expenditures (after allowance for inflation) which is indicative of a competitive local retail sector.

EXHIBIT A-1

TAXABLE RETAIL SALES PER CAPITA AND PER ESTABLISHMENT

YEAR 1994

IMPERIAL COUNTY, CALIFORNIA

Type of Retail Establishment	Taxable Retail Sales Per Capita			Taxable Retail Sales Per Establishment (000)		
	County	So. Cal.	State	County	So. Cal	State
Apparel Stores	$275.68	$358.22	$330.34	$97.54	$368.65	$370.12
General Merchandise	1,541.15	849.26	888.63	1,474.19	3,608.86	3,699.52
Drug Stores	87.82	132.17	153.18	812.00	916.02	1,111.37
Food Stores	532.22	411.17	445.52	519.85	611.35	590.67
Packaged Liquor Stores	39.60	53.10	53.22	305.11	300.27	318.96
Eating and Drinking Stores	537.01	756.71	763.08	288.69	364.87	350.74
Home Furnishings and Appliances	99.03	294.73	292.04	123.74	459.21	414.41
Building Materials and Farm Impl.	464.63	401.30	456.17	591.23	1,565.04	1,359.51
Auto Dealers and Auto Supplies	695.70	949.30	969.88	643.29	1,641.26	1,615.19
Service Stations	393.50	525.74	516.74	1,010.70	1,811.23	1,676.80
Other Retail Stores	494.29	891.81	950.79	71.19	249.35	235.30
All Retail Stores	5,160.61	5,623.51	5,819.59	303.68	584.68	561.90

Source: Alfred Gobar Associates; California State Board of Equalization

EXHIBIT A-2

TAXABLE RETAIL SALES FLOWS

YEAR 1994

IMPERIAL COUNTY, CALIFORNIA

Type of Retail Establishment	Taxable Retail Sales ($000)		Inflow or (Outflow) of Taxable Retail Sales	
	Actual	Potential*	($000)	% of Potent.
Apparel Stores	$38,237	$49,686	($11,449)	(23.04%)
General Merchandise	213,757	117,792	95,965	81.47%
Drug Stores	12,180	18,332	(6,152)	(33.56%)
Food Stores	73,819	57,029	16,790	29.44%
Packaged Liquor Stores	5,492	7,364	(1,872)	(25.42%)
Eating and Drinking Stores	74,483	104,956	(30,473)	(29.03%)
Home Furnishings and Appliances	13,735	40,880	(27,145)	(66.40%)
Building Materials and Farm Impl.	64,444	55,660	8,784	15.78%
Auto Dealers and Auto Supplies	96,494	131,668	(35,174)	(26.71%)
Service Stations	54,578	72,920	(18,342)	(25.15%)
Other Retail Stores	68,558	123,694	(55,136)	(44.57%)
All Retail Stores	715,777	779,981	(64,204)	(8.23%)

*Based on the overall average per capita retail sales for the State of California and the estimated mid-1994 population base for the county.

County population est. for mid-94 138,700 persons.

Source: Alfred Gobar Associates; California State Board of Equalization

EXHIBIT A-3

TAXABLE RETAIL SALES BY STORE TYPE

YEARS 1985 - 1994

IMPERIAL COUNTY, CALIFORNIA

(Constant 1994 Dollars in Thousands)

Type of Retail Establishment	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Compounded Growth
Apparel Stores	$23,270	$24,765	$23,792	$29,447	$33,350	$32,177	$32,815	$33,652	$33,849	$38,237	5.67%
General Merchandise	82,422	81,972	92,581	110,317	120,943	123,846	139,528	175,601	208,147	213,757	11.17%
Drug Stores	17,578	17,384	17,637	17,181	16,574	15,842	14,672	14,849	12,210	12,180	(3.99%
Food Stores	68,372	69,505	73,087	82,923	89,978	83,858	87,578	92,884	77,148	73,819	0.86%
Packaged Liquor Stores	7,296	7,732	7,154	6,837	6,029	6,093	5,776	5,781	5,484	5,492	(3.11%
Eating and Drinking Stores	59,125	53,623	56,276	63,913	67,057	67,920	68,649	70,916	71,119	74,483	2.60%
Home Furnishings and Appliances	9,231	8,276	10,701	13,557	13,821	15,404	15,736	14,677	13,969	13,735	4.51%
Building Materials and Farm Impl.	51,278	56,971	49,532	57,639	67,325	63,996	63,323	57,310	63,640	64,444	2.57%
Auto Dealers and Auto Supplies	67,600	66,536	79,917	93,535	103,022	95,371	91,045	86,867	98,066	96,494	4.03%
Service Stations	61,884	65,797	55,877	77,862	58,507	53,862	51,386	54,706	56,861	54,578	(1.39%
Other Retail Stores	44,172	43,628	46,293	55,157	68,384	60,854	60,615	53,487	61,558	68,558	5.01%
All Retail Stores	492,228	496,190	512,848	608,368	644,991	619,223	631,124	660,731	702,049	715,777	4.25%

Source: Alfred Gobar Associates; California State Board of Equalization

EXHIBIT A-4

TAXABLE RETAIL SALES PER CAPITA BY STORE TYPE

YEARS 1985 - 1994

IMPERIAL COUNTY, CALIFORNIA

(Constant 1994 Dollars)

Type of Retail Establishment	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Compounded Growth
Apparel Stores	$220.05	$231.99	$216.99	$259.56	$283.83	$291.72	$285.23	$269.33	$255.46	$275.68	2.54%
General Merchandise	779.40	767.88	844.33	972.38	1,029.30	1,122.81	1,212.76	1,405.37	1,570.92	1,541.15	7.87%
Drug Stores	166.22	162.85	160.85	151.44	141.06	143.63	127.53	118.84	92.15	87.82	(6.84%)
Food Stores	646.55	651.11	666.55	730.92	765.77	760.27	761.22	743.37	582.25	532.22	(2.14%)
Packaged Liquor Stores	68.99	72.43	65.24	60.26	51.31	55.24	50.20	46.26	41.39	39.60	(5.98%)
Eating and Drinking Stores	559.10	502.32	513.24	563.36	570.70	615.77	596.69	567.55	536.75	537.01	(0.45%)
Home Furnishings and Appliances	87.29	77.53	97.60	119.49	117.62	139.65	136.78	117.47	105.42	99.03	1.41%
Building Materials and Farm Impl.	484.90	533.69	451.73	508.05	572.98	580.20	550.40	458.66	480.30	464.63	(0.47%)
Auto Dealers and Auto Supplies	639.25	623.29	728.84	824.46	876.78	864.65	791.36	695.22	740.12	695.70	0.94%
Service Stations	585.19	616.37	509.59	686.31	497.93	488.32	446.64	437.82	429.14	393.50	(4.31%)
Other Retail Stores	417.70	408.69	422.19	486.18	581.99	551.71	526.86	428.07	464.59	494.29	1.89%
All Retail Stores	4,654.64	4,648.15	4,677.13	5,362.43	5,489.29	5,613.99	5,485.65	5,287.97	5,298.49	5,160.61	1.15%

Source: Alfred Gobar Associates; California State Board of Equalization

EXHIBIT A-5

TAXABLE RETAIL SALES PER ESTABLISHMENT BY STORE TYPE

YEARS 1985 - 1994

IMPERIAL COUNTY, CALIFORNIA

(Constant 1994 Dollars in Thousands)

Type of Retail Establishment	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Compounded Growth
Apparel Stores	$173.66	$149.19	$151.54	$135.08	$107.93	$77.16	$83.50	$82.08	$91.73	$97.54	(6.21%)
General Merchandise	1,373.69	1,389.35	1,268.23	1,071.04	795.68	836.80	900.18	1,111.40	1,253.90	1,474.19	0.79%
Drug Stores	1,034.00	1,022.59	1,037.47	1,010.64	974.95	990.13	917.02	928.09	813.98	812.00	(2.65%)
Food Stores	538.37	569.72	604.02	708.75	749.82	655.14	729.82	673.07	567.26	519.85	(0.39%)
Packaged Liquor Stores	347.44	454.83	447.12	488.35	463.74	435.24	444.27	385.37	342.74	305.11	(1.43%)
Eating and Drinking Stores	261.62	222.50	241.53	279.10	300.71	295.30	298.47	277.01	271.45	288.69	1.10%
Home Furnishings and Appliances	188.39	147.79	187.74	176.06	141.03	143.96	135.66	122.31	118.38	123.74	(4.56%)
Building Materials and Farm Impl.	589.40	662.46	626.99	670.22	739.84	609.48	575.66	489.83	513.22	591.23	0.03%
Auto Dealers and Auto Supplies	814.46	821.43	929.27	984.57	936.56	851.53	641.17	599.09	681.01	643.29	(2.59%)
Service Stations	847.72	901.33	821.71	1,145.03	847.93	828.64	856.44	943.21	932.14	1,010.70	1.97%
Other Retail Stores	196.32	178.80	182.26	174.55	175.34	123.69	101.87	72.57	73.37	71.19	(10.66%)
All Retail Stores	446.67	427.01	441.73	454.01	405.15	337.64	323.65	304.48	312.02	303.68	(4.20%)

Source: Alfred Gobar Associates; California State Board of Equalization