



State of the Economy For Inland Empire

According to Ontario California's Gateway News it was reported that Inc. magazine ranked the Inland Empire as the fifth hottest metro for growth in the Country-and the highest ranking in California.

The Inland Empire office market is now the 3rd hottest in the country. Factors contributing to the ranking include overall affordability, construction costs, available land and population increases. Currently, Ontario has 2.3 million square feet off office space under development.

Paul Hiller executive office of the Inland Empire Economic Partnership as reported by the Daily Bulletin in an article written by Michael Rappaport pointed out that there has been tremendous population migration within the country, with many Sun Belt areas - including the Inland Empire - gaining population and some cities in the Midwest actually losing people.

"Southern California is one of 12-15 areas where population growth has been substantial the last 10 years," he said. "We're going to continue to see that, and literally at some point in time, the availability of housing is going to become very important."

With the emphasis on growth the Non-profit sector of our society in the Inland Empire is likely to expand with the same rate as the commercial and residential growth factors.

Non-Profit Entities Partner with For-Profit Entities

Land prices today have created a dilemma for Churches and Private Schools through out California. When the church and or school determine the time has come to relocate the costs are beyond the ability to purchase and build leaving the vision unfulfilled.

As a result NAI Capital Non-Profit has been able to assist by developing a team which includes the NAI team, a strong developer or an investor who purchase large parcels subdividing the property to allow a buildable pad for

the church. This is accomplished through a partnership with the church and or school and the developer and or investor. This partnership allows the church and or school to ultimately have their building pad for considerably less than if they were to attempt to purchase without the partnership.

Should you have any interest in this type of program please feel free to contact Bill Lowder, Manuel Mancha or Dawn Lowder at 1-800-313-0335 or 909-945-2339



From This...



...To This

In the last quarterly issue, we discussed Remodel vs Rebuild vs Relocate and the reasons to support each one. This quarter, we'll address two other important entitlement issues—design review board hearings and the process of obtaining use permits.

While not always required, depending on your individual jurisdiction, you quite probably will be required either appearing before a design review board or obtaining a use permit -- but, fortunately, you won't have to do both.

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In working with any local governmental jurisdiction, it is important for your building committee to conduct careful research on your property and the local entitlement process requirements that will determine in advance to what level -- if any -- you'll have to comply. If you're required to go through one of these two processes, be prepared for a long and costly endeavor that will help your property comply with local governmental regulations.

Design Review Boards—Lengthy and Sometimes Costly

Composed of community volunteers and members of the local municipal staff, a design review board (DRB) is a commission that will dictate to your building committee and contractor what your church's buildings will look like, including every color, every light fixture, outdoor signage and other important aspects of the physical plant.

Design review boards wield tremendous authority over every aspect of your design, requiring you to "jump through a large number of hoops" to satisfy their mandates. Always keep in mind that DRBs are charged with focusing solely on design issues, refraining from making decisions on use permit issues or zoning disputes.

During the years, our firm has fought many design review board battles that have seen local neighbors (and the board itself) distracted by the use of a property as a church, as opposed to focusing on how to make the design of the church compatible to the three impacted parties: the church, the neighborhood and the municipality.

A DRB case can typically last from three to eight months, depending on the number of issues that are deemed controversial. In a DRB application, your design team will typically be asked to submit a number of items focusing on the design of the facility. They include: site plans, floor plans, building elevations and sections, grading and drainage design, landscape design, lighting plans, lighting site photometrics, and material and color boards.

It's an unfortunate fact of the entitlement process that you'll have to spend a tremendous amount of time, resources and professional fees before you even apply for the DRB process. Simply put, the process is a lengthy one.

Typically, the process begins with a pre-application meeting with the City Planning Staff that will determine the level of submission requirements that will apply to your case. Once these requirements have been identified, you and your design team, and often a zoning attorney, will complete the submissions and exhibits, and your church will make a formal application

to the city and pay a fee. The application will then be routed to all major departments within the local jurisdiction, including, zoning, planning, site engineering, fire department, police, arts council, etc.

Following the departmental routing of the application, the local staff will prepare a report with a recommendation for approval or denial (often with stipulations) and will schedule a public hearing in front of the design review board

Following the public process—which usually includes a rebuttal phase—the members of the design review board will weigh in with their comments on the proposed project, and eventually vote to support or deny the request. Typically, a design review case will then be put on a consent agenda for an upcoming city council meeting, or into a short public-appeals timeframe (15 to 30 days) before final approval is obtained.

Use Permits: Defining Exactly What You Can Build

Use Permits—often referred to as conditional use permits (CUP) or special use permits (SUP)—can, in reality, entail a more lengthy public process than design review board hearings because they scrutinize every aspect of your church's development plan.

The term "entitlements" is actually derived from the use permit process because the eventual final outcome of this public forum will define what you are "entitled" to build, exactly what the project will look like, and the requirements that it will have to meet from a construction standpoint.

While many parcels of property under current zoning allow for the construction of churches, there are many jurisdictions that label a church as "an allowable use, subject to a use permit." In a nutshell, this verbiage means "you can build a church campus on the property, but your neighbors and your governing jurisdiction will have a large say in how your property is planned, how it looks, and (most importantly) how and when you can use your property to minister to your congregation.

Use permits place a high level of restrictions on property use. For this reason, you need to be "armed to the teeth" to understand how this process will affect every event that will ever take place on your property. Don't take this process lightly, and don't underestimate how long it can take. Throughout the years, our firm has processed numerous use permits for church clients, the longest taking more than four years and several taking up to two full years. If all goes well, the average use permit case will last from six to nine months.

Under a CUP process, the municipal staff has discretion to grant minor zoning ordinance changes without requiring a variance, thereby

eliminating a separate set of public hearings. For many churches, this can be a great advantage. For example, because the CUP process is comprehensive in scope and addresses the totality of the design and use of the property, we have successfully argued height increases, set back reductions and lot coverage increases under the CUP umbrella.

Real estate is a precious asset that must retain its value. In the case of a church, it's not typically the monetary value that's precious, but rather how the property can be used. Conditional use permits will dictate hours of use for your church, and place extremely strict uses on its facilities, such as limiting attendance at worship services or disallowing an Easter sunrise vigil held outside of its buildings. Parking restrictions can cause many CUP requests to be rejected, or scope of size requested to be altered. These restrictions will apply to your real estate in perpetuity, unless they can be modified in the future. In addition, these restrictions can also apply to a potential buyer of your property. For these reasons, it's important to remember that the value of your church is at stake every time you go through a public hearing process.

Like all public processes, the best outcomes are the result of effective planning and hard work. Typically, the hardest constituents to please in a CUP or DRB case are your immediate neighbors. Go out of your way to involve your neighbors into your solutions; meet with them and listen to their concerns long before filing your applications. If you can accommodate your neighbors' requests in your design solution, they'll stand up and publicly proclaim support for your application, thank you for improving their neighborhood, and ultimately play an important role in the successful approval and completion of your project.

Brian Cassidy , AIA, is president of CCBG Architect at (619) 234-2212 with offices in Phoenix and San Diego. The firm specializes in the planning and design of religious campuses, with an emphasis on worship spaces.

NAI CAPITAL NON-PROFIT DIVISION has experienced professionals who can help you with your entitlement issues and conditional use permits. We serve churches, schools and other non-profits throughout Southern California for over 25 years.

When You Need to Move and There Is No Building That Fits The Needs....And the Land is Too Expensive....What Are You to Do?

This is a dilemma facing many churches, schools, hospitals and others. There is a demanding need to relocate in order to support growing school bodies, church congregation and other non-profit entities but the cost of land or land and buildings are far too costly.

NAI Capital Non-Profit have been very successful in partnering the developer and or investor together with the Non-Profit and create a partnership which will allow the Non Profit to develop a property for considerably less than if the Non-Profit were to attempt the development on their own.

NAI Capital Non-Profit recently assisted a church and school in Simi Valley and Pasadena. We are currently working with groups in Riverside, Granada Hills, Victorville, South Fontana and others.

Please give Manuel Mancha, Dawn Lowder or Bill Lowder a call at 1-800-313-0335/ (909) 945-2339 a call should you desire further information.

New Bank Promotion Begun

Inland Empire National Bank has started a new program called Community Care Promotion:

The Goals for this program is to stimulate the loan and deposit growth of the Bank while providing financial support to local 501c3 non profits that have seen reductions in giving due to the chain of natural disasters in 2005.

This promotion is targeted to non profit (501C3 only) organizations. The concept is to incant these organizations to move their relationship to IENB and to refer business from their directors/trustees, the businesses of their directors/trustees, their vendors, their donors, their employees and other contacts. Specifically for every new account or loan referred in, IENB will make donations in honor of the borrower or borrowing entity.



Available For Sale

- City of Orange near the traffic circle:
 - Church which seats 200
 - Studio Apartment
 - Two houses
 - Total sales price is \$3,000,000 for all / or purchase separately
- Montebello
 - Church seats 250 with fellowship hall and kitchen
 - Parsonage
 - Total sales price is \$1,100,000.00
- Montclair
 - Newly remodeled church which seats 500. Has a new roof, HVAC and a new sound system.
 - Has 2+/- acres for sale for \$4,260,000 near the 10 freeway
- Apple Valley
 - 7 +/- acres for sale for church or school in conjunction with a new center development.
 - \$7.00 per square foot for a prepared pad.