



Business

Not if I-215 growth will continue, but how fast

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The Inland region is the place for Southern California's current and future growth, economist John Husing said Wednesday, and not even a correction in the housing market or a series of devastating fires will stop it.

"The question is not whether the area will grow, because that's a virtual certainty," Husing said at a conference on the future of the south Interstate 215 corridor Wednesday. "The question is 'how fast.'"

The fires spreading through Southern California won't harm the area's long-term status as the most logical area for future commercial and industrial growth, he said after the conference.

"What I'm describing is the long-term context within which the 215 south corridor will develop," Husing said. "The fires just a blip on the radar screen."

He said businesses won't see the fires as reason to turn away.

"We've been having fires in Southern California as long as I've been here," Husing said.

Short-term, he said, the fires, as natural disasters tend to do, will have a positive impact, as people who lost their homes and businesses rebuild, creating employment in the construction sector.

"The classic example of that was the Northridge earthquake, where billions were spent on infrastructure," he said.

Jack Kyser, chief economist for the Los Angeles County Economic Development Corp. chief economist agreed the Inland region should rebound from wildfires. The region is poised to see new industrial and commercial development, and the prospect of fires will have little weight in companies' decisions to move or expand here.

"They will forget it after six months," Kyser said. "Something else will happen, and they will forget it."

Kyser said insurance companies may increase rates substantially or deny policies to homeowners in certain fire-prone areas, as has happened recently in hurricane-prone areas on the east and Gulf coasts.

Kyser said companies have figured out how to operate in natural-disaster prone areas.

Husing said drops in home sales and prices were caused by speculation and subprime bubbles, but that the underlying economy in the area is healthy and will have a bright future.

That pronouncement was given left later at the summit with the announcement that Whirlpool will move into 1.7 million square feet in Perris.

The I-215 corridor has a population of 770,000, Husing said, which will grow to 800,000 by 2010, and by 2025 will be equivalent to Riverside County's 1990 population of about 1.17 million.

The housing slump has delayed, not canceled, the corridor's growth, he said. Those fearing a repeat of the 1990s housing slump in the region have several reasons to relax, he said.

The key difference, Husing said, is that unemployment was 11 percent then and lower than 5 percent today, he said.

There are several reasons the corridor has a bright future, Husing said. Its strategic location lies at the intersection of the Los Angeles and San Diego metropolitan areas, educated workers are moving to the area, and relatively inexpensive space is available.

The corridor's future growth industry, Husing said, will be logistics, which he said should be embraced. Both Riverside and San Bernardino counties have majorities of residents who've no college experience. Husing said wages in the industry can extend beyond \$60,000 a year.

He said the Inland region is destined for success as a logistics hub, with the number of containers shipped into the country through the ports of Los Angeles and Long Beach expected to triple to 42.5 million by 2024.

March GlobalPort, at the corridor's north end, will reap plenty of benefit from that growth, Husing said.

Also at the conference, pollster Adam Probolsky said most residents of the corridor agree or strongly agree that the housing slump is affecting their families and neighbors, while more than a third showed concern about their future ability to pay their mortgages.

Poll respondents also said they'd like developers and city officials to consult them on projects, beyond obligatory notices, with informational meetings.

Probolsky said the poll also showed two-thirds support for construction of a tunnel between western Riverside County and Orange County.

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