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# INLAND EMPIRE business journal

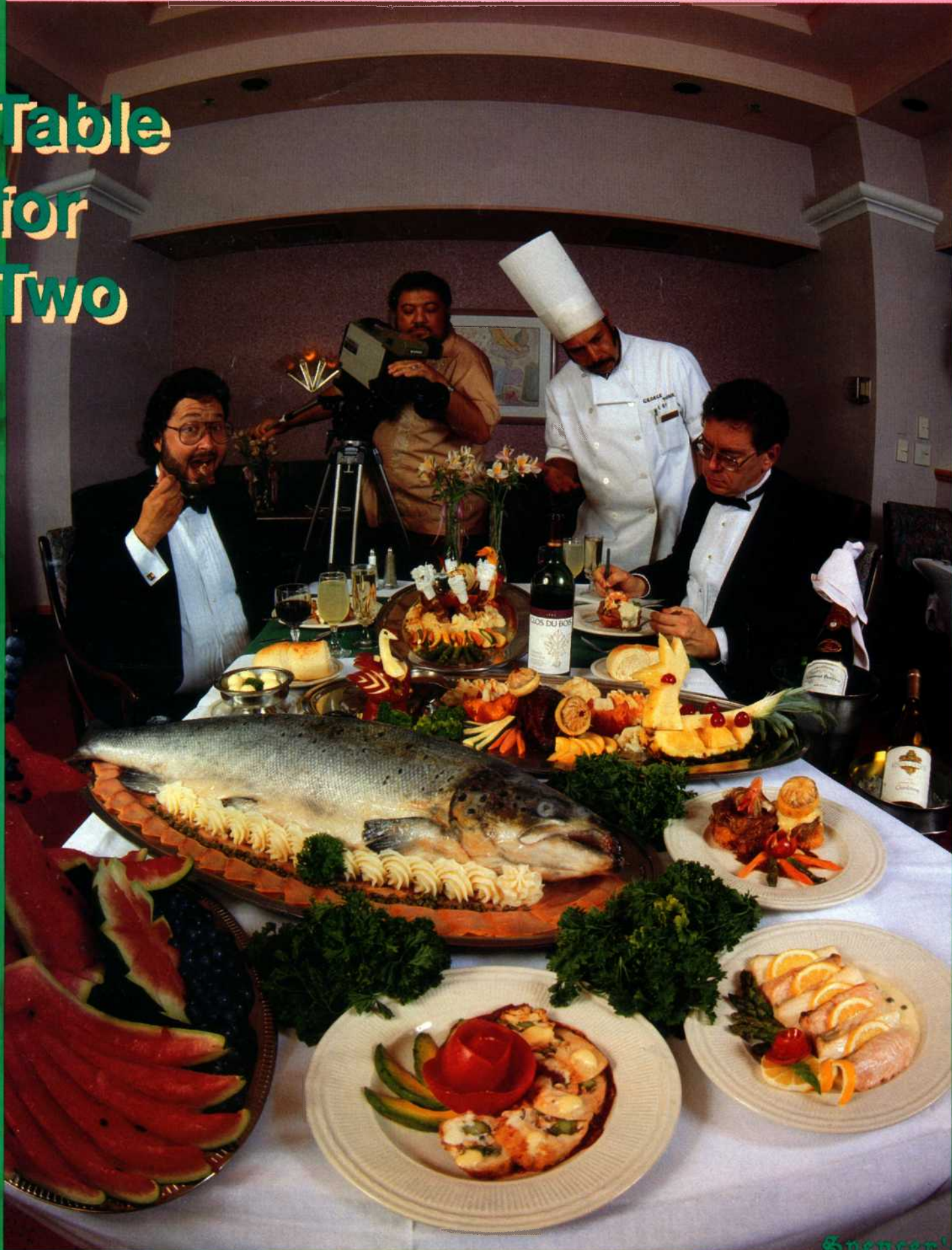
VOLUME 3, NUMBER 8

Focus

SEPTEMBER 1991 • \$1.50

## INLAND EMPIRE BANKING

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for  
Two



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# INLAND EMPIRE business journal

"NO ONE COVERS INLAND EMPIRE BUSINESS LIKE THE BUSINESS JOURNAL"

VOLUME 3, NUMBER 8

SEPTEMBER 1991

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## Culbertson Winery Battles Fiscal Woes

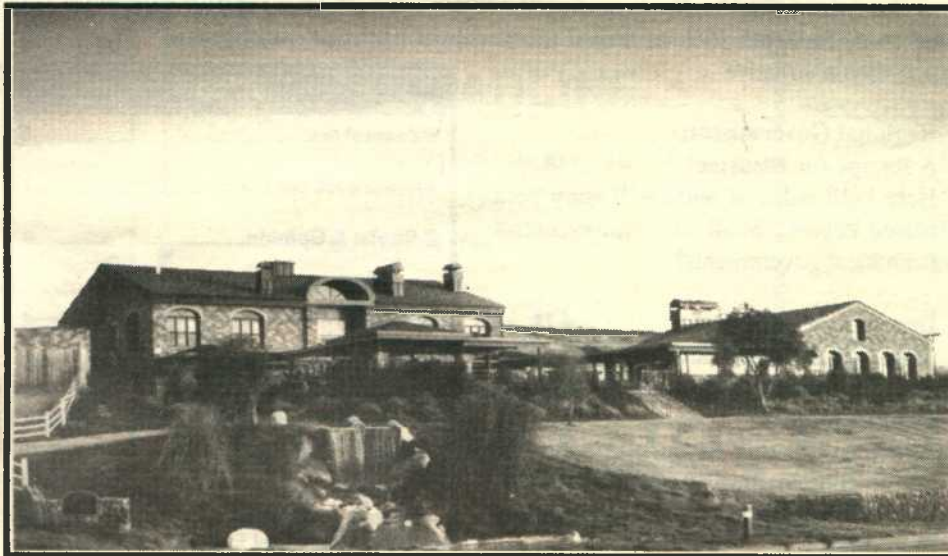
by **Patt Grantham O'Neill**  
*Inland Empire Business Journal*

**F**our miles east of Temecula, warmed by the sun and cooled by the ocean breezes that drift inland through the Rainbow Gap, the French Mediterranean-style buildings of the John Culbertson Winery decorate the hillside and belie the bitter fight for control of the business that is occurring there.

Once friends, now opposing parties in lawsuit and counter-suit, winery founders John C. and Martha Culbertson and financial partners John and Sally Thornton are locked in an acrimonious battle royal. Repercussions have spread through San Diego high society, where both couples are prominent figures.

Culbertson filed suit in July alleging that Thornton, a venture capitalist,

*Once they were friends...now they're locked in a battle royale*



manipulated events that have ruined the business so he could take it away. Further alleging slander, that usurious and illegal interest rates were charged on loans, that Thornton may have evaded

the tax laws and backdated important documents. Culbertson is asking for \$2 million in damages. Recently another cause of action was added to the suit alleging conflict of interest when

Thornton involved a lawyer from a previous Thornton enterprise in the winery business.

Saying that he feels "very, very hurt that what I'm saying occurred," Thornton filed a countersuit alleging fraud, deceit and betrayal, that Culbertson faked expense accounts and misappropriated \$40 thousand from the corporation when his personal home mortgage went into default.

**The sad thing is that no one is going to win...**  
-John Culbertson

Only the bitter dregs of a promising relationship are left. Each party claims the other made the initial move for Thornton to invest in the winery.

In 1986, Culbertson was becoming well known in wine making circles. He had expanded a hobby into a small business making sparkling wines at Rancho Regalo del Mar in Fallbrook, vintages which were winning major

*Please see Page 35*

### At Deadline

*Chino Valley Bank President and CEO John Cavalucci has announced the appointment of his successor, D. Linn Wiley to chief executive officer. Wiley was previously the executive vice president of Wells Fargo Bank's Inland Valley Division.*  
*see complete profile in October*

## Good Grief! What Happened to My Bank?

by **Phillip L. Diment**  
*Inland Empire Business Journal*

Money is like manure. If you spread it around it does a lot of good. But if you pile it up in one place it stinks like hell.

-Clint Murchison, Jr.  
Time, June 16, 1961

**U**nder a new tide of uncertainty, Inland banks, thrifts and credit unions

*is name changing the new game for those who want to float in a "survival of the biggest" financial market.*

are peeping with caution at a new landscape. One that's battered with regulation, slammed with mergers and greased with provocation from "has been" lenders. It's all happened in a

few short months and the worst of the reform is still to come.

Murchison's 1961 money-pile comment is no more true than today, and who smells it worse than small Inland Empire banks struggling to defend their turf in a market where the spreads between borrowing and lending are razor thin.

*Please see Page 12*

## Health care Choices to be Limited: Hospitals to Close by the Hundreds

The 1990s offer no immediate relief from the health care crisis for Inland Empire employers and individual consumers.

Health care's share of U.S. gross national product is expected to rise to at least 13 percent by 1996. More than \$1 trillion-- \$3,900 per person--will be spent by our nation for health care in 1996. Also, more consumers will enroll in managed-care plans that place tighter controls on costs and utilization but afford more freedom of provider selection.

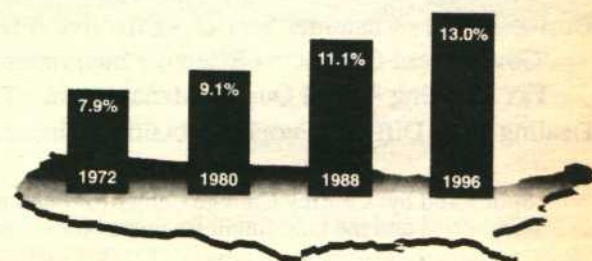
According to Arthur Anderson & Co., consumers will be willing to accept some cutbacks and modifications in the delivery of health care services; however, they will not tolerate restrictions on access to advanced

medical technology. The tragedy of the situation is that more than 400 hospitals may close between 1991 and 1996.

According to a recent Arthur Anderson Delphi study, payors will attempt to control their cost of providing health care by requiring home care services to replace inpatient services, shorter hospital stays, greater use of non-physician health care professionals, and patients travel to "centers of excellence" for complex procedures. In addition, payors will attempt to limit access to advanced medical technology--a strategy few consumers are willing to accept.

As health care costs continue to cut into corporate profitability, employers may resort to significantly

Health care Percent of GNP to Keep Rising



trimming health benefits. Financial pressures on American businesses are expected to increase as the federal government shifts a large portion of health care costs to the private sector. Δ



*This Month in the Inland Empire Business Journal*

(cover) Table for Two!  
See story on Page 29

Already in its third successful season, "Table For Two" is the ultimate in eating entertainment. Food critics Allen Borgan and David Cohen may not agree on everything they bite into, but it's "thumbs up" for informative reviews on the Inland Empire's best restaurants.



**About the Cover...**

Cover design provided by Christopher Polantz, Polantz Studios in Pasadena. Photography by Bud Coiner of Coiner Photography in Riverside. Type and composition by Terryll Smith. The setting for this review took place at Spencer's restaurant at the Maruko Hotel in San Bernardino.

**Culbertson Winery Battles Fiscal Woes** 3  
Once good friends, now John Culbertson and John Thornton are locked in a battle royale. Who's money is at stake? Will Culbertson's famous champagne trickle down the drain?

**Good Grief! What Happened to My Bank?** 3  
In a feature editorial report, Phillip Diment uncovers tough realities facing Inland Empire financial services executives. Why will service be the key to bank survival in the Inland Empire?

**Coachella Valley Firm Nets State Workers Comp Contract** 5  
If you've never heard of Hospital Billing Analysis, you may soon. This Palm Desert firm now handles over \$5 billion in state funds.

**End of the Commute--Employees Have Offices Brought to Them** 7  
You've heard about "telecommuting," now find out if it's really going to work as the *Inland Empire Business Journal* takes an in depth look at a new transportation alternative.

**Regional Government: A Recipe for Disaster?** 8, 9  
Here both sides of what will soon be a heated debate. Shall we remove control from local governments?

**Drugger on Banking** 11  
In an exclusive interview with the *Inland Empire Business Journal*, Robert Drugger, chief economist for the American Banking Assoc. offers insights on the complexities of financial reform. Can Inland Empire banks face giants from Japan?

**Focus on Telecommunications and the High-tech Office** 16, 17  
Discover what the newest trends are in office telecommunications. Why are laptops hot? Can voice-message technology take your company off hold?

**Attention I.E. Hotels: Travel Tops Baseball** 33

**Can Outside CPAs be a Part of Your Business?** 34  
Not just score keepers, a CPA can provide you with the knowledge.

**The Missing Link** 36  
The initiative to act! Find out about a new decision-making theory.

**Technology no Longer a Luxury: It's a Requirement!** 38  
What design considerations are today's Inland Empire businesses looking at to improve efficiency and effectiveness?

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**For The Record**

To amend our error in the August issue of the *Inland Empire Business Journal*, the new address of Dames & Moore is as follows:  
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## Health Insurance for Minimum Wage Employees

Today, a large part of our workers cannot afford the luxury of health insurance, so they rely mainly on the inadequate forms of public emergency care provided largely by counties. In recent years our national government has transferred responsibility for such "social services" to states in order to reduce "big government" and increase local control over everyday life. This has overlooked tax bases, and we all see the decline of urban centers into which so many minimum wage workers have moved in recent years. Even comparatively wealthy states like California are close to insolvency, so they are cutting back on all social programs in order to relieve pressure for new taxes which the public resists.



*Julian Nava, Ph. D. is the Former U.S. Ambassador to Mexico.*

Where does the solution lie to the sad state of affairs in which many millions of adults, and children, find themselves without preventative as well as remedial medical attention? Of course, we can make a solid argument that this situation is not really a social concern, and that each must look out for himself — even the children, presumably.

This writer believes California must re-think the issue of public health in "a no-holes barred" manner. Such an approach would avoid the two extremes of the political right (to each his own) or the left (the state owes each full protection).

Let's remind ourselves of that minimum wage workers are a very large number in our population, who's dependents are innocent of the families plight. Employers of minimum wage workers resist footing the bill for financial reasons and because these workers are more transient, health insurance issues have been addressed largely on the basis of vested interests, like labor, management, the medical profession and political theory.

The will to devise a workable and adequate health insurance policy will stem from the conviction that basic health care is a vital part of our national interest. Productivity and creativity will be found at random among our people, and it is in the interest of everyone that the rest live in good health (to the extent... that poverty in itself does not determine the state of personal health). Ultimately, it can be argued that everyone pays more for bad public health than they would for good health. Conversely, prevention costs less than a cure, be it personal health or maintenance of our car or plant equipment.

Minimum wage workers are growing in numbers as

### Quote of the Month

#### Why is it?...

... a man wakes up in the morning after sleeping under an advertised blanket on an advertised mattress and pulls off advertised pajamas. Takes a bath in an advertised tub, shaves with an advertised razor, washes with an advertised soap, puts on advertised clothes, sits down to a breakfast of advertised coffee, puts on an advertised hat, rides to his office in an advertised car, writes with an advertised pencil...then, he refuses to advertise, says advertising doesn't pay, and then, if a business isn't good enough to advertise...he advertises it for sale.

# COMING SOON

## ... Sneak Preview ...

### FOCUS

**OCTOBER...**  
 Small Business Guide  
 World Trade  
 Mortgage Banking  
 Hotels and Lodging

**NOVEMBER...**  
 Office Products  
 Health Care  
 Executive Retreats & Resorts

### THE LISTS

**OCTOBER...**  
 Inland Empire Office Projects  
 Suite Hotels  
 Interconnect Vendors

**NOVEMBER...**  
 Retail Malls  
 Auto Luxury Dealers  
 CPA Firms

### AD DEADLINE

For October Issue is  
 September 21st  
 For Information Call

**391-1015**

Is your company on OUR list? It should be!! If you think your company qualifies to be included on any of the above lists and you have not received a simple questionnaire from the *Inland Empire Business Journal*, please contact Jo Ann Hensley at

## Coachella Valley Firm Nets State Workers Comp. Contract

The California Department of Health Services has awarded a three year contract for the recovery of all new claims of reimbursement of Medi-Cal expenditures from workers' compensation cases in Southern California to a team of Coachella Valley residents.

A contract approved by the Department of Health Services was executed last week by Tom Suitt, Chairman of Hospital Billing Analysis of Palm Springs and attorney Roberto De Aztlan of Indio, as joint contractors.

Under the terms of the contract, Hospital Billing Analysis and De Aztlan will seek recoveries in workers' compensation cases where Medi-Cal has provided medical expenditures to an injured worker.

Hospital Billing Analysis and De Aztlan will be authorized to settle disputed claims on behalf of the Department of Health Services and to appeal adverse rulings of the Workers' Compensation Appeals Board.

Bruce Burton of Indian Wells will serve as the Project Director for the HBA/De Aztlan team. Burton commented that the state of California provides significantly more workers' compensation benefits than any other state, paying out more than \$5 billion.

"All California taxpayers should be aware that we are out in the trenches trying to recover taxpayer funds to ease our current budget deficit," said Burton.

Burton said that workers' compensation is big business in California.

"There are roughly eleven million workers in Cal-



*Bruce D. Short (left) is president of Hospital Billing Analysis, Inc. and Bruce F. Burton (right) is project director for worker's compensation Recoveries for Medi-Cal, Southern California.*

ifornia, and each year there are about as many as one-and-a-half million industrial injuries, approximately 500,000 of which are 'lost time' injuries."

Burton pointed out that HBA/De Aztlan for Southern California will be sending reminders of statutory notice obligations to all workers' compensation attorneys and insurance companies providing such coverages. Δ



## NEWSMAKERS

**Partners Buy Out SDC Development**

Joseph Seitz  
SDC Investments, Inc.

Two senior vice presidents of Newport Beach-based SDC Development, James Watson and Joseph Seitz, have purchased the assets of the company in a management buyout.

In a major restructuring of the firm, SDC Development has become SDC Investments Inc., which has acquired the development firm's assets. The portfolio acquisition includes retail land, shopping centers, industrial parks and office buildings in California, Nevada and Arizona.



James Watson  
SDC Investments, Inc.

Sunwest Asset Management Company, which manages more than 15-million-square-feet of space around the country, is a wholly-owned subsidiary and is also being acquired by Watson and Seitz.

In addition, the two principals have entered into a management agreement with The Koll Company, which provides for SDC to relocate to the Koll headquarters building in Newport Beach. The agreement also provides that accounting and other support services will be provided by Koll on a fee basis.

James Watson and Joseph Seitz joined SDC Development as development partners in 1983. In 1986, Watson became senior vice president and development partner in charge of all industrial development and operations and Seitz became senior vice president responsible for SDC's retail division. Δ

**Jay Moss 5th in World Precision Machining: SBVC-Trained Student Back From Holland Skills Olympics**

Jay Moss, 20, of Fontana has become the world's fifth ranking precision machinist in competition with top-ranking students from 25 countries in Amsterdam.

His longtime coach and instructor from San Bernardino Valley College, William Clarke, who accompanied Moss to Holland last month, called his student's placement in the 31st International Youth Skill Olympics "a special honor" against tough competitors. The gold medal for first place went to a student from Germany, the silver to Japan, and the bronze to Taiwan. An Austrian



Samuel Pfaff  
Social Security Attorney

student came in fourth.

Moss began winning gold medals when he was a 16-year-old student at Fontana High School under Clarke's tutelage. His three-week-long trip to the Netherlands was sponsored by General Dynamics Air Defense Division in Rancho Cucamonga, where he is a machinist. Δ

**Job Shopping!!**

"One-stop shopping" reaches a new level at Tyler Mall. As of July 15, people can shop for a job.

Tyler Mall will re-open in October as The GALLERIA at Tyler, a two-level, super-regional shopping center. The 195 new and renovated shops will create hundreds of jobs in Riverside County.

The Employment Development Department (EDD) is joining with Tyler Mall to match prospective employees with stores. The Tyler Mall Job Placement Center located at the Information Center near J.C. Penney opened on July 15.

Shopping for a job? A Job Placement Center has been established to help you with your search. Operated by The State of California Employment Development Department (EDD), the Job Placement Center is equipped to match prospective employees with retail-store employers at the Galleria at Tyler.

Joann Fraser, an EDD representative, is on-site to provide employment information, applications, and interviews. For more information call (714) 358-0525. Δ

**Pfaff Discusses Social Security Changes in D.C. Meetings**

The Coachella Valley was recently represented in Washington, D.C. by Social Security Attorney Samuel Pfaff, where he discussed changes in procedures used to evaluate Social Security claims for children and disabled widows.

Pfaff indicated that since attending



Samuel Pfaff  
Social Security Attorney

the conference with other members of the National Organization of Social Security Administration, he is now far better informed and equipped to help local families who may need assistance in securing their Social Security benefits.

The first area of consideration during the conference was this development in the area of children's benefits under the supplemental security income provisions of the Social Security Act.

A 1990 United States Supreme Court ruling may potentially give retroactive benefits as far back as 1980 to disabled children whose "parents have limited income and resources... even though that child's claim was previously denied," said Pfaff. There are approximately 450,000 children who may now qualify for benefits which were previously denied them under the old system, he also stated.

The second agenda during the Washington conference involved changes in procedures used to evaluate the claim's of disabled widows who apply for benefits under the deceased husband's account.

A new test to determine disability in such cases has been mandated by the courts. This mandate greatly enhances the widows' chances of success. The Social Security Administration will be

required to re-examine some prior decisions as a result of this change.

As with the changes in the disabled children's SSI benefits' procedures, this could also result in a previously denied applicant being entitled to substantial sums in past due benefits. Δ

**Del Webb Pledges \$100,000 Support to College of the Desert**

A pledge of \$100,000 to the Endowment for Educational Excellence Campaign of College of the Desert was recently announced by Del Webb. Marking the occasion at the COD campus are (from left to right): COD president Dr. David A. George, Frank Pankratz of Del Webb, campaign chairman William Bone of Sunrise Company, and Terry L. Green, campaign director and COD dean of community education.

Del Webb has pledged \$100,000 to College of the Desert as part of the company's corporate contributions program. The pledge was announced by Del Webb California Corp. chairman and president Frank Pankratz.

The six-figure pledge was made in response to the college's Endowment for Educational Excellence Campaign, a major initiative currently underway to ensure the academic enterprise of the college. Δ

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## End of the Commute -- Inland Empire Employees Have Their Offices Brought to Them

Every morning at 7:30 a.m., history repeats itself. Brake, stop. Brake, stop. Knuckles are white, fists clenched and wrapped tightly around the steering wheel. Brake, stop. Brake, stop... Brake... Go! Taillights ahead flicker off, and you begin to roll. 10 mph... 20 mph. Ahead on the shoulder, you see the cause of this 15 minute delay—a police officer giving a ticket. Not bodies being pulled from wreckage, not a "sig alert," just some guy doing something wrong. The anger in you swells as you envision a screaming boss waiting at the office. Just another rush hour in Southern California.

As California's population increases and

more cars merge onto freeways, commuters see no end to congestion in sight. But, some key players in the state are banking on a fairly new system that many believe can significantly reduce freeway traffic. That system is called "telecommuting."

According to Senator Bill Leonard (R-Upland), telecommuting would keep an average of .85 cars per worker off freeways.

"We need to improve traffic efficiency by 17 per-



**Telecommuting is not telecomputing. Telecommuting doesn't necessarily mean you have to have a computer.**

*John Kershaw  
Riverside County Deputy Administrative Officer.*

cent," says Leonard. "It is very likely that telecommuting will considerably reduce traffic congestion. If telecommuting helps to achieve that 17 percent goal, then we will make progress."

According to The San Bernardino Associated Governments Board, telecommuting pilot project centers are the result of a state bill co-authored by Senator Leonard, Assemblyman Steve Clute (D-Riverside), and

Assemblyman Jerry Eaves (D-Rialto), intended to relieve traffic and allow Inland Empire residents to work one or more days a week away from their offices, which are often located in Orange or Los Angeles Counties.

Currently in the Inland Empire, there are telecommuting centers in the Ontario Commerce Center, the Inland Telebusiness Center in Ontario, and the Comm Center in Richmond. Additionally, a center will open in October in the Riverside/Corona area.

Costs to businesses will vary in each center, and each will have everything an office needs, such as phones and computers.

What is telecommuting? "Telecommut-

*Please See Page 40*

## ?? ANSWERS FOR THE INLAND EMPIRE ??

### Is Telecommuting a practical solution to traffic congestion on the freeways of Southern California?



**Kay Cenicerros  
Supervisor 3rd  
District, Riverside  
County**

With adequate affordable technology and a growing need to reduce automotive commuting, telecommuting has become practical. The remaining question deals with personnel issues of span of control, employee motivation, and employee interaction. I believe telecommuting can "fit" many personnel units. It is also possible that a supervised telecommuter site can introduce a greater range of work situations.

Interest in telecommuting has lagged because of reluctance to try new approaches and because of gaps in technology. The increased interest is stimulated by new congestion management laws, reduced mobility, and improved technology. Teleconferencing, fax machines, and computers that talk to each other over long distances make teleconferencing far more attractive today than in 1985!

No single component of our program to reduce smog and congestion is a silver bullet. Telecommuting will supply a part of the solution. We think there is now a fertile field to explore telecommuting. Δ

If private companies and government agencies were to adopt telecommuting programs at the same rate that normally occurs for sociological changes, the United States would save about 50 billion passenger-miles (1.2 billion gallons of gasoline) by the end of the century. However, if telecommuting were to be adopted at an accelerated rate, the annual savings would be about 150 billion passenger-miles (more than 4 billion gallons of gasoline by the year 2000).

Telecommuting has gained widespread attention for a variety of reasons: in today's modern world people appreciate flexibility; telecommuting offers flexibility, especially to a family in which both parents work.

With smog getting worse by the minute, Californians wasting more than \$1,100 per year by sitting in traffic jams, the cry for alternative modes of transportation logically leads to concepts such as telecommuting. Telecommuting is an option that can generally reduce every cost associated with traveling to work. As such, it is an option that cannot be ignored and deserves a great deal of attention. Δ



**Assemblyman  
Jerry Eaves**



**Bob Varshay, CEO  
Los Angeles Dis-  
trict Associated  
General Contrac-  
tors of California**

Telecommuting is a good strategy for some professionals but not all. In construction, one has to be at a jobsite to perform the work, deliver materials or inspect completed projects.

On the other hand, some attorneys, professional engineers, public utility and government workers may benefit from working at home one or two days a week. Yet, we all know professionals who function better when they can see and talk with several colleagues at the same time.

Any reduction in traffic is to be applauded but telecommuting will be realistic for perhaps less than five percent of the commuters. A more realistic solution is to continue to invest in a balanced transportation system—highways, transit, rail, vanpools, carpools, and telecommuting. Δ

I believe that not enough companies are looking into telecommuting as an alternative. I believe that it will slowly gain momentum. If enough companies became involved, I am sure it would have a tremendous impact on traffic congestion and smog.

Telecommuting has gained attention because of the many benefits it offers the employee. In my case, I am much closer to my territory from home than from the office. I can respond much quicker to customers' needs. Another benefit is that you are not gone from home ten hours per day. Because of this, you are better able to keep an eye on your children when they come home. If I am home, my kids come into my office at home and "report" in. This gives me a good feeling to know that I can work full time and still keep an eye on my kids most days after school. Δ



**Mary Hernandez  
Account  
Executive AT&T  
Telecommuter**



**Nilda R. Weglar  
AT&T Telecommuter**

I work at home two days a month, and I've discovered that the benefits of telecommuting are numerous, including less stress, increased productivity (fewer interruptions), and reduced wardrobe and travel expenses (no need to dress up or drive the car).

While I don't believe telecommuting is the only solution to this huge (traffic) problem, I believe it's a step in the right direction. I, like a lot of other people, am aware of and increasingly concerned about the fact that daily driving to and from work results in tons of auto emissions spewing into the air every day. From an environmental perspective, telecommuting offers a viable way to cut down on traffic congestion and harmful auto emissions.

There's no doubt that telecommuting is a growing trend. The explosive growth in the communication's industry has made the concept of moving information instead of people a reality. Technology once reserved for the office is now readily available and easily installed in the home. Affordable home office tools such as copiers, computers, modems and facsimile machines allow people to communicate regardless of where they're located. Δ

The transportation/telecommunications linkage evidenced by concepts such as telecommuting has not been sufficiently explored to permit conclusive statements about air quality or traffic management impacts. However, we have conducted limited research on telecommuting as part of a state of California pilot program under the auspices of the Department of General Services. Telecommuting has great promise as a transportation management strategy. How substantial or considerable is yet to be determined on a systemwide basis. The findings in the above mentioned pilot are: Two commute trips reduced and 40 mile overall travel reduction per telecommuting day.

Telecommuting is gaining much attention because it appears to address such important problems as air pollution and traffic congestion and may also be linked to broader issues such as worker productivity and international economic competitiveness. Will it solve the "traffic nightmare?" Not by itself in the short term, although its implementation could occur over a shorter period than other congestion relief measures. If neighborhood work centers spread, telecommuting could have a profound impact on both congestion and air quality. Δ



**John P. Wolf, Chief  
Office of Traffic  
Improvement, Dept.  
of Transportation**



## Editorial

### Norton...A Pot of Gold?

Norton Air Force Base scheduled to close in 1994 is a 2,000-acre site to become either a major asset or a mammoth liability as the base undertakes a redevelopment program. The Inland Valley Development Agency (IVDA) composed of elected persons of the county of San Bernardino, city of San Bernardino, Colton and Loma Linda under the management of its Executive Director, Robert R. Mitchell must, in our opinion, develop a master plan and then seek bids from experienced and financially capable developers for the plan's implementation. Last December the IVDA granted an exclusive development agreement and then an extension to a developer who was unable to perform. The contract was cancelled.

A San Bernardino County supervisor said, "it is a wasted year in retrospect." And David Ariss, managing director of the California Commerce Center, is quoted as saying, "IVDA lost a lot of good faith. They lost a lot of good P.R., and they got a lot of egg on their face..."

Despite the major toxic problem over this past year, it is our belief that Norton Air Force Base can be a 2,000-acre "pot of gold...at the end of the rainbow..." That is, if IVDA develops the master plan and then plays a fair ball game with responsible proven developers. Δ

### Enough!!!!.is...Enough!!!

Many California businesses can be heard shouting, "enough is enough" as they exit California. Companies at one time sang..., "California Here We Come," now they shout in anger, "Adios," "Good-bye." The Economic Development Authority of Western Nevada recently placed an ad in *California Business Magazine* which read: "People are discovering the best place to do business in California: Western Nevada." There are similar ads proclaiming the advantages for California business to move to Utah and Idaho. California business simply cannot endure the increase in state taxes, as well as the proposed new taxes for health care and air quality. We are losing jobs in aerospace, electronics, construction, and manufacturing. What must we do? We must get these businesses back to California. How? We must cancel the "Wilson" tax increase. We must also cut some old taxes. We must cut the sales tax, corporate income tax, capital-gains tax and we must also cut individual income tax rates. Yes, we want clean air, but clean air must be economical, feasible and without job losses.

How can we cut these taxes and still balance a reasonable state, city and county budget? Privatize a wide range of public services with efficient, less expensive private companies performing the tasks. Sell our airports. The Reason Foundation, a Santa Monica based-research institute claims that the sale of L.A.X. and Ontario Airports could add \$2 billion to Los Angeles City and County coffers and would earn over \$200 million a year in property taxes alone. Think possibilities. Δ

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## Regional Government: Recipe For Disaster

*Local government is the most cost effective and responsive level of government*

There is currently a proposal before the Legislature which would add another layer of bureaucracy to California's already bulging governmental waistline. AB 3 (W. Brown), would create seven regional development and infrastructure agencies (RDIA's) to prepare plans for air quality, water quality, transportation, housing, and open space issues. In addition, it would create subregional authorities on a county or multi-county level and a state Growth Management Commission which would prepare conservation and development plans every ten years.

While California's tremendous growth requires effective short and long-term planning, this will not be accomplished by creating another layer of bureaucracy. No one is more sensitive to the needs of a local community than the community itself. For this reason, the authority for local planning decisions must rest with local communities, not Sacramento.

The current debate in support of expanded regional government ignores the fact that a host of coordinating agencies to address regional issues already exists. In the Inland Empire, for example, the Southern California Association of Governments (SCAG), the San Bernardino Association of Governments (SAN-BAG), and several regional water and air quality control districts deal with regional issues. And, because these organizations are made up of local representatives, they are sensitive to local concerns when making regional decisions.

Local government is the most cost effective and responsive level of government. If there has been failure to deal with growth, it is because the state has not adequately dealt with growth issues such as the increased demand for schools, roads and water. California does not need more government; it needs to better organize

and utilize existing resources. AB 3 will not solve this problem—it will only reduce the authority of local governments while increasing regulations, paperwork, and confusion.

If regional government were to be implemented, it is likely that the counties of San Bernardino, Orange, and Los Angeles would be in the same region.

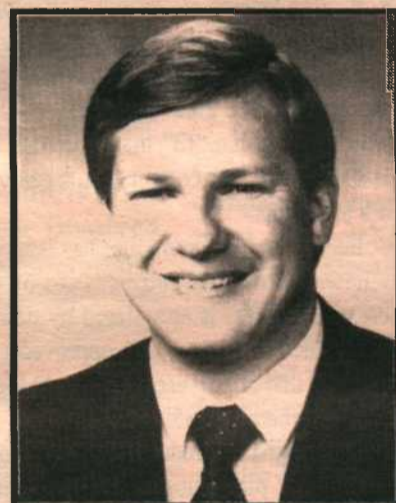
This would prove disastrous for San Bernardino County, virtually guaranteeing that it would bear an increased burden of unwanted facilities such as waste disposal sites and prisons. For example, San Bernardino County currently houses more than 12,000 prison inmates while Los Angeles County does not have a single state prison. Under Speaker Brown's proposal, this trend would most likely continue.

One must also question the logic of any system which would place cities like Los Angeles in the same region as Barstow or Needles. As the concerns of these areas—traffic, pollution, water, etc.—are different, it is illogical to have the same set of regulations for both. Instead, communities must have the authority to address specific, and often unique, local needs. Cities in San Bernardino County have fought hard for local control and cannot afford to have this authority undercut.

Prudent and effective planning is essential to ensure California's stability in the coming years. However, such planning must be coordinated by local authorities sensitive to the unique concerns of their community. For this reason, AB 3 should be defeated. Δ

Assemblyman Paul Woodruff is a member of the Transportation and the Ways and Means Committees. He represents the San Bernardino area.

*While California's tremendous growth requires effective short and long-term planning, this will not be accomplished by creating another layer of bureaucracy.*



*California does not need more government; it needs to better organize and utilize existing resources.*



# I.E.B.J. Close-Up: Sheila Brown

## "The Luck of the Irish"

**IEBJ:** How long have you been in the radio business? What events led to your current success?

**Brown:** September will be the start of my 32nd year in broadcasting, starting as a receptionist in 1959, then spending 12 years as a traffic manager...the art of balancing commercial schedules along with all other programming elements...a job where you must literally please everyone from the client to the on-air personnel.

I had always thought of work as just a job until the 70s. Our general manager at the time asked me when I was going to start thinking about a "career." Once I set goals for myself, my career took off. I went into radio sales . . . after three years, an opportunity arose to become a local sales manager. From that I progressed to national sales manager then general sales manager. I became an assistant general manager for one year and have been the general manager of KCKC-AM and KBON-FM for the past six years. Any success I have achieved is due in large part to belief of others, in my abilities, my strong belief in the power of radio, a strong work ethic and "the luck of the Irish."

**IEBJ:** What's unique about KCKC/KBON?

**Brown:** The personalities are what have made the stations unique. We're not just a dial position that plays music. We have become an integral part of people's everyday lives. Listeners, who have moved out of the area have described it best. They write and/or call and tell us what they miss most about the area is their "Radio Family."

**IEBJ:** How do you decide what country hits or what oldies to play? Do you adhere to a strict schedule, or play whatever the listeners request?

**Brown:** KCKC bases its selections on the success from our "rate a record." Contin-

## Up Close...

**Occupation:** General Manager of KCKC-am and KBON-fm.

**Family:** My husband, John (November will mark our 38th wedding anniversary). Two grown children, son John, daughter Laura, and two grandchildren, Marlana and Drew.

**Affiliations:** President, Riverside/San Bernadino Radio Broadcasters Assoc.; Board of Directors of Southern California Broadcasters Assoc.; American Women in Radio and Television; Pacific Pioneer Broadcasters; Soroptimist International; American Business Women's Assoc.; Advisory Board - Senior Companion Program; San Bernardino Executive Assoc. - Publishers Advisory Board, Inland Empire Business Journal.



Sheila Brown talks with the KBON "Morning Man" Mike Williams

ued play and advancement are based on phone requests from listeners and the "feel" we get about a song's potential for growth, we also have selections on staff music meetings, plus keeping an eye on the trade magazine *Radio and Records* as to national play trends.

KBON's music selection is based on the billboard list of hits from past charts from the 50s to early 70s. Sticking to songs that were in the top five. Our program director has worked with stations that were syndicated oldies formats. He researched these formats to appeal to our target demographic of 25-54. This input gives him an edge in selecting music for KBON in the Inland Empire.

**IEBJ:** What advances have radio stations seen as a means of improving efficiency?

**Brown:** Advances in technology are happening so quickly that what was state-of-the-art a year ago, can often be obsolete. The winner is the listener, as the advances enhance the quality of what is heard. Satellite-delivered formats have helped small

stations to operate without expensive overhead. Higher efficiency AM transmitters can significantly reduce energy consumption.

**IEBJ:** What technological advances do you expect to see in the future?

**Brown:** There is currently a lot of hullabaloo about digital audio broadcasting in our industry. Research is being conducted for both satellite and terrestrial transmission systems and a combination of the two. While there is no question to the benefits of digital radio signals, there are also many problems yet to be resolved.

I also expect more radio stations to program different varieties of "all talk." For example, all entertainment, all news and all sports. Also, I wouldn't be surprised to see more than one station in a market-sharing sales staffs or programming to stay cost effective.

**IEBJ:** How are the demographics changing in this area?

**Brown:** With the major growth of the past five years, the area has become much more ethnically, diverse and radio stations will constantly re-evaluate what is offered and how to serve the niche markets. With so many media choices available, the era of mass-media marketing is disappearing and effective marketing and advertising strategies will need to be designed to reach the consumer of the 90s "the individual."

**IEBJ:** Tell us a little about your personal life. How do you like to spend your time away from work?

**Brown:** I love to travel and meet new people. When at home, I am constantly re-decorating or changing something in or around the house we lived in for 25 years. I tell my husband it's cheaper than owning five or six different homes. I also love to putter around the yard. I do some of my best thinking then.

**IEBJ:** What do you foresee as your greatest challenge?

**Brown:** As the number of media choices continues to proliferate, the greatest challenge will be to stay as competitive as possible in an ever-changing and growing marketplace, yet still continue to serve our core audience.

**IEBJ:** If you could name three people who have made a significant impact on the growth of business in the Inland Empire, who would they be?

**Brown:** Jack Brown of Stater Brothers is the only name that comes immediately to mind. But there are others! A consortium of local businesses and government leaders from the various Inland communities have worked together, such as the Inland Empire Coalition which is a cooperative effort of Riverside County and San Bernadino County; the Inland Empire Economic Council, the Economic Development partnership and the State Department of Commerce are having significant impact on the business area. Δ

## State Assembly Office of Research Calls Regional Government a "Good Idea"

*In an exclusive interview with the Inland Empire Business Journal, Mr. Todd Kaufman, principal consultant to the State Assembly Office of Research explains why regional government is more efficient than people think.*

by Phillip L. Diment  
Inland Empire Business Journal

**IEBJ:** Mr. Kaufman, why do you think regional government is a good idea?

**Kaufman:** We did a report about a year ago called, 'California 2,000.' We discovered that many of the state's problems like abortion, affordable

housing, traffic congestion and agriculture were regional in scale. They required solutions that could be solved beyond city and county boundaries. Local governments are doing their jobs well and they try hard...but the fact is that they don't have the geographical coverage or authority to deal with these problems. Often, when they try to do so, they end up shifting their problems to another region and then a fight starts.

**IEBJ:** For example?

**Kaufman:** In the 1970s, Riverside enacted a series of growth-control measures. It was well intended, but what happened? People were "chased" out

of the city to outlying areas like Moreno Valley. Now those people have to commute farther to work. The problem really wasn't solved...it just became someone else's problem.

**IEBJ:** What about the Southern California Association of Governments (SCAG) and the San Bernardino Association of Governments (SANBAG). Are not these organizations doing their job?

**Kaufman:** We looked at their ability to deal with a host of growth related problems and found many short-comings. They work well on single-issue mandates...but when they discover that issues, like transportation and air quali-

ty are inter-related they have trouble integrating them...and that's what regional government will do.

**IEBJ:** How?

**Kaufman:** Speaker Willie Brown's bill AB 3, would consolidate regional agencies to serve a single purpose. Seven major regions each with a number of reporting sub-regions. It folds up into some pretty significant savings.

**IEBJ:** What about authority?

**Kaufman:** I'd say there will be fewer talkers and a lot more doers. It will be a stream-lining process. I think a lot of the state's inconsistencies will be reconciled with compact and concentrated patterns of growth. More than anything, it's an anti-sprawl policy that provides vision for how growth should occur. Δ





# Ideas For The Inland Empire




## Getting an MBA in the Inland Empire

Mike Clarke

If you've been thinking about getting your MBA but don't want to leave the Inland Empire, you don't have to. There are plenty of schools and programs to choose from right here. Most university business graduate programs cater to the working professional and offer only evening classes. Some schools offer off-campus programs, in addition to on-campus, to facilitate convenient, commute-free graduate business education.

The first thing you should do as you contemplate the move from full-time work to full-time school, or at least to part-time school, is to evaluate your motives for seeking the MBA. If you're tired of the corporate track you seem to be running on, the MBA can be your ticket to a challenging and exciting new job and can also substantially increase your salary out of the gate. Keep in mind that a MBA is not as unique as it used to be. There's been a 30% increase in MBA grads since 1980. And statisticians estimate that as many as 200,000 students are currently studying for their MBAs.

Given this kind of growth in advanced business degree holders, the school you choose is more important than ever. You should seriously consider the ratio of educational investment to return. The evenings and weekends you sacrifice (for up to five years, seven in some cases, for part-time MBA programs) and the salary you forego for full-time school may not be worth it, unless you carefully research the program you enroll in. You wouldn't recommend an acquisition or merger for your company unless you'd done your homework and knew what you were talking about, right? Think of your career as your company and research accordingly. Here are some questions you should be asking about the schools you might want to attend:

- What kind of reputation does the school have amongst your co-workers, managers, friends? Word of mouth may convey more about a school than a college catalog.
- Is the school accredited by the American Assembly of Collegiate Schools of Business? (This accreditation guarantees only the most minimum standards of quality instruction. No accreditation doesn't mean it isn't a good school but be very thorough in your research.) Is the school ranked nationally in any business publications?
- If you start part-time, can you transfer to full-time later in the program to finish sooner? How long does a part-time and full-time program take?
- What kinds of jobs and salaries do graduates typically garner after graduation? Will the school give you a list of alumni you can contact for their impressions?
- MBA programs have changed over the last five years; ask for the most recent alumni info.
- If the program is off-campus, what is the percentage of full-time, regular faculty to part-timers?
- What is the cost for the entire program? How likely is it that the tuition will be increased before you graduate?
- What sorts of emphases are available? What makes the school unique? Are there any faculty members who are corporate "stars"?

While many universities offer programs in or around the Inland Empire, only the Claremont Graduate School's Peter F. Drucker Graduate Management Center is listed in the regional business schools section in Business Week's Guide to the Best Business Schools. The Drucker Center has both an MA in management and an MBA in advanced executive management. Be warned that this school is private and tuition can be steep, but if you're looking for relocation, as well as advancement, through an MBA, a nationally-known school like the Drucker Center might be worth exploring. But this certainly doesn't mean the other area schools aren't as well known for their quality instruction within this region and

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Ray Maghroori



## Capitalists and the Thousand Points of Light - Doing Good in the Inland Empire

Kitt Irwin

On June 22, 1989, President Bush envisioned those thousand points of light - a "vast galaxy of people and institutions working together to solve problems in their own backyard." The role of individual volunteers, foundations and public charitable agencies is pretty obvious in this plan, but what about those pure-hearted capitalists among us? After all, the primary role of business is to make the bottom line shine and that's no small task - especially now. Adam Smith essentially said "Act in your own self-interest." What then is the advantage to capitalists to expend resources in support of community services and volunteerism? Upon examination, quite a lot.

It's not hard to decide to do business in the Inland Empire. We have a relatively low cost of living and corresponding overhead and a great deal of people out here. And for now, we've got space. Those people will work and produce and they will consume goods and services. There are more people coming from all directions. We like that. We'd like those people to do business for us and with us in all that space at low overhead. We get all that and rows of palm trees lined up against the mountains to look at too!

### There are more people coming from all directions.

There is a catch, of course. The dynamic growth of the region combined with monumental government spending cuts and current economic conditions are laying siege upon our health and human services. In the most critical cases, people who previously were "making it" in the margin can't keep house and home and family together. New groups are in the margin wondering what unseemly event will hurtle them into the breach.

What's all this got to do with business? Community problems translate into business problems: Lost productivity, increased costs and lost business. Why? Employee inattention, stress, absenteeism, turnover, accidents, increased health costs, crime, pilferage. Can you think of more? If you are a real capitalist at heart, you know that conditions in your community have a lot to do with the bottom line.

Not many of us are prepared to single-handedly provide the range and depth of services required to sustain a stable pool of employees and consumers - even for our own operations. These services include health education, free or low cost childcare, employment placement and counselling, handicapped training and counselling, a host of family counselling including services for both sides of the families experiencing intense anger, violence or abuse, drug and alcohol rehabilitation services, emergency food and assistance, and temporary shelter. So what's a capitalist to do? Where does one begin?

In their enlightened self-interest, many businesses of the Inland Empire have found not only an avenue of providing for the long haul, but also a means of achieving additional, shorter term business objectives.

Last year our local United Ways collectively raised around 10.5 million dollars in support of their respective community needs. How does business take pride in the efforts of a charitable organization? The central forum for United Way fundraising and information is in the workplace. Without an open door from business, United Ways don't function. Businesses decide whether or not to permit an employee campaign, where the real generosity of the community is realized. Those decisions are being made now, as the United Way annual campaigns begin to run full force.

We in management sometimes say our employees can't afford to contribute to a huge fundraising effort and we want to protect them. Occasionally we offer a corporate gift but refuse to permit an employee campaign. Our underestima-

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## Rolling Out the Welcome Mat: Moreno Valley Strengthens Relations With Developers

Judith A. Nieburger  
Moreno Valley Mayor

This editorial has been written in response to misperceptions by a recent columnist regarding the financial health of Moreno Valley and its relations with the development community.

Our city has attained national recognition over the past year as the fastest growing city in both the state and nation. Much publicity has been generated about Moreno Valley's phenomenal 318% population growth in the past decade, largely spurred by the availability of high-quality affordable houses and the city's suburban, family-oriented appeal.

There has also been considerable media attention devoted to the fact that Moreno Valley is primarily a commuting community, because residential growth has outdistanced the rate of business and economic development. Finally, this city, like many others across the nation, has faced very serious economic challenges over the past year, largely due to impacts from the dramatic downturn of the national economy—particularly on the housing construction industry.

In addressing these challenges, the Moreno Valley City Council has made some very difficult and unpopular decisions in recent months—the most controversial of which dealt with the general fund budget. To avoid a \$10.6 million budget deficit this year, the Council took a number of bold actions: We reduced the operating budget by \$3.5 million (which included staff layoffs); began restructuring the organization to maximize operational efficiency; and enacted revenue-enhancement measures to put the City on a sound financial footing. These measures included a temporary utility user tax and a business license tax, which quite predictably drew criticism from many sectors of the community.

No one likes taxes, and no one on the Council took delight in voting for the new taxes. Based on the low tax status of the City (the lowest per-capita tax base in Riverside County) and the limited ways of raising revenue, our options were very limited.

I can say unequivocally that the City is on the road to economic recovery. To ensure this, the Council and staff are moving forward with cost-cutting and efficient ways to maintain a balanced budget.

Foremost on the Council agenda at this point is to proactively and aggressively attain our economic development goals. Most specifically, we want to bring jobs to Moreno Valley!

The potential for goal achievement is very great, as noted by a recent MIT study which identified the greater Moreno Valley areas as a national pacesetter in job creation: over 70,000 new local jobs by the year 2000.

Our intent is to attract a diverse array of companies to Moreno Valley, including industrial, commercial and corporate employers. And we are currently structuring our development process to make it more "user-friendly," informative, and streamlined to better serve developers.

This does not mean, however, that Moreno Valley will do business at any sacrifice to building standards. When the City was incorporated in 1984, we rebound against the perceived lax development standards of Riverside County. The Council enacted higher standards to assure that only quality development would come into Moreno Valley. Some may view this as being overly restrictive, but the results have been quality development that our residents are proud of.

To further stimulate industrial development and community redevelopment initiatives, the City recently hired a new, progressive Economic Development Director, Linda Guilles. She will spearhead the overall effort to attract and retain businesses in the city and to develop marketing and incentive programs to interest companies in relocating and staying here.

Already we are seeing outstanding results from our pro-

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# Dugger on Banking: Survival in the "New World Order"

by Phillip L. Diment  
Inland Empire Business Journal

In an exclusive interview with the *Inland Empire Business Journal*, Robert Dugger, chief economist of the American Banks Association, offers his insights on the "new banking order."

**IEBJ:** Will small banks survive in this new world of mega-mergers?

**Dugger:** There's no doubt about the future of community banks — small "mom and pop" banks across the country. Community banks appear to have a competitive advantage in the personal service that they are able to provide through their local contacts in a community. Whether the example is upstate New York, when the big money center banks tried to move into that region in the 1970s, or in California, where in-state branching has been permitted for many years, the story is the same — community banks are alive and doing well, and in many instances, flourishing and expanding.

**IEBJ:** With today's mergers, are we putting too much power in a few hands?

**Dugger:** It is very unlikely with the U.S. anti-trust laws and concentration limits contained in interstate branching laws, that any banking company become unduly large. What is extremely important to keep in mind is the fact that when we look at banking competition, we have to take into consideration all the competitors of banks. These include: everything from the smallest credit unions and savings and loans, finance companies both consumer and commercial finance companies, to the largest corporate lenders such as Westinghouse, General Electric, Merrill Lynch, American Express and the like. Additionally, we have to keep in mind that U.S.



banks throughout the United States are competing against foreign financial companies of all kinds. When all of these financial competitors are considered together, U.S. banks, even the largest of them, are relatively small.

**IEBJ:** How will these large institutions insure their deposits? Do you foresee a cooperative insurance mechanism amongst them?

**Dugger:** The largest institutions will continue to insure their smaller domestic deposits the way they are insured now through FDIC. As for foreign branch deposits, the new legislation is likely to provide that those deposits are not insured by any agency of the United States government; however, if the government is required to protect those deposits for any reason, the banks, which have foreign branch deposits, will reimburse the government for providing that protection. What this means is that for foreign branch deposits, the large banks will be protecting themselves. For all other deposits, the current system is likely to be the system that prevails in the future.

**IEBJ:** How will Congress act to bring banking up to speed? How will Congress deal with issues like interstate banking?

**Dugger:** Congress is actively considering narrow legislation to modernize U.S. banking laws. It is expected that, in this phase, some modernization will take place particularly in the key areas of deposit insurance reform and interstate branching. Interstate branching is likely to be permitted, thereby enabling companies to branch interstate and reduce costs and enhance services.

**IEBJ:** How do we stack up against Japan?

**Dugger:** We are probably ahead of Japan but behind Europe. The key thing to keep

in mind is that the Japanese banking system was modeled after World War II on the U.S. banking system that existed at that time. The most appropriate comparison is not with Japan but with Europe, and there we see clear recognition of the advantages of permitting insurance, securities, investment and banking activities to be integrated within a financially-sound corporate structure.

**IEBJ:** What, in your opinion, will be the key to survival in the "new banking order?"

**Dugger:** The keys to survival in the banking order are three. First, financial soundness. In the future, there will be less reliance on the government's guarantee and greater reliance on a company's own financial strength. Second, service — here success will depend on providing customers what they want and when they want it.

Third, pricing. The key here will be to provide products and services that the customer wants at the lowest cost.

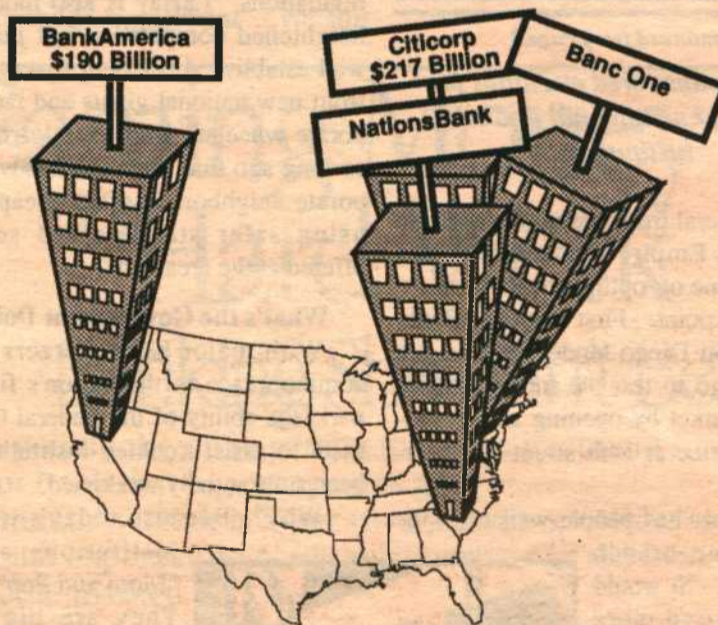
**IEBJ:** Is California immune to bank failures like those on the East Coast?

**Dugger:** I may be located on the East Coast, but over the past decade and a half, I have witnessed banking problems in the Southwest, the Midwest and now the East Coast. As for the future of California's banks, an important source of their strength lies in their relationship to the Pacific basin, an economically potent and vital region of the world. California banking has also benefited from a relatively progressive banking environment — remember California itself is larger than most countries in the world, and with its in-state branching opportunities, banks have been able to develop in California in a way that enhances financial stability. Δ

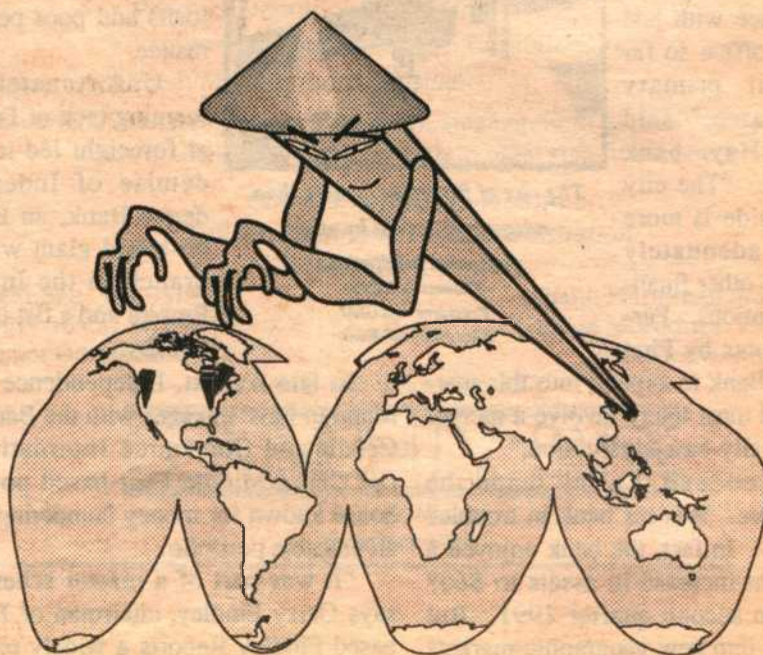
*Banks throughout the United States are competing against foreign financial companies of all kinds, banks and non-bank companies, insurance companies, security firms, and widely diversified "universal banks." When all of these financial competitors are considered together, U.S. banks, even the largest of them are relatively small.*

## SURVIVAL OF THE BIGGEST

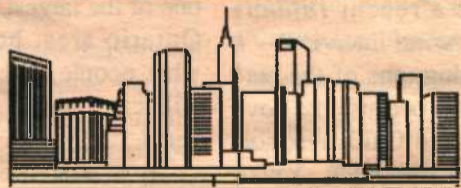
Will the Nation's Top Survive...



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## Inland Empire Savings &amp; Loan Scoreboard

Bank Name	City	Stars	Tangible Assets	Tangible Net Worth	Tangible Cap. Ratio	Risk-based Cap. Ratio	First Qtr. 1991 Income
Pomona FS & LA	Pomona	****	1432.291	89.880	6.25	9.390	2.294
Redlands Federal Bank, F.S.B.	Redlands	***	839.023	47.763	5.693	7.632	1.701
Hemet FS & LA	Hemet	****	586.221	32.187	5.491	12.574	0.600
Provident Savings Bank, FSB	Riverside	*** ½	518.119	29.749	5.742	9.319	0.671
Palm Springs Savings Bank	Palm Springs	***	143.836	5.333	3.708	7.904	0.183
First FS & LA of San Bernardino	San Bernardino	**	119.72	2.559	2.147	4.519	0.161
Inland S & LA	Hemet	**	108.130	3.608	3.337	5.674	0.135
Life Savings Bank	San Bernardino	*** ½	75.733	3.706	4.894	8.658	0.099
Secure Savings Bank, FSB	Fontana	*****	52.212	4.109	7.870	11.301	0.037
Mission S&LA A FA	Riverside	****	39.274	2.227	5.670	10.754	0.098

Data Courtesy of Bauer Financial Reports, Inc., Coral Gables, Florida, for period ending March 31, 1991. Researched by Phillip Diment, ©1991 Inland Empire Business Journal

## About the List...

### Definitions:

**Stars:**  
Bauer Inc. proprietary rating

**Tangible Assets:**  
Total Assets measured by Tangible Accounting Principles (TAP).

**Tangible Net Worth:**  
Net Worth measured by TAP

**Tangible Cap. Ratio:**  
TAP NW/TAP ASSETS. (Thrifts are required to maintain a tangible capital ratio of 1.5%.)

**Risk-based Cap. Ratio:**  
Total Cap./Risk-adjusted assets (Thrifts are required to a minimum ratio of 7.2%.)

**First Qtr. 1991 Income:**  
Profit or loss for the first quarter 1991).

### The Star Rating:

The star ratings classify each thrift based upon a formula which factors in relevant data including, but not limited to: historical trends, loan delinquencies, repossessed assets, reserves and asset quality. Negative trends are projected forward one quarter to compensate for data lag time. BFR employs conservative measures when assigning these ratings and consequently these ratings may be lower than that supplied by the institutions themselves. As a general guideline, the following groups were used:

\*\*\*\*\*  
Thrifts with an adjusted tang. cap. ratio (TAP CR) exceeding 6%. These institutions are on Bauer's Safest Thrift List.

\*\*\*  
Thrifts with an adj. TAP CR between 4.5% and 6%.

\*\*\* ½  
TAP CR between 3% and 4.5%

\*\*  
Thrifts or banks that do not or would not meet regulatory capital requirements.

## Good Grief...

Continued from Page 3

Many unanswered questions for regional and national financial institutions.

The general trend we now witness in the Inland Empire financial services market is one of optimism.

Case in point: First National Bank, a major San Diego lender decided not too long ago to test the Inland Empire lending market by opening a loan production office at 14th street in Riverside.

No sooner had people walked in the doors-- the branch shut down. "It would have required more money than we felt it wise to spend to establish a satisfactory presence with just a single office so far from our primary market area," said Tom LaHay, bank president. "The city of Riverside is more than adequately served by other financial institutions. Further attempts by First



The city of Riverside is more than adequately served by other financial institutions  
-Thomas L. LaHay  
President and CEO  
First National Bank

National Bank to expand into this market would most likely involve a merger with a locally-based institution."

Sadly enough, LaHay made the safest move. Was his bank in trouble? Not at all. In fact, the bank enjoyed a 12 percent increase in assets to \$607 million in second quarter 1991. But venturing into new geographic markets

will be the furthest thing from Tom's mind as he views tough new federal regulations. LaHay is also monitoring heightened competition not just from well-established banks in Riverside, but from new national giants and large corporate wheelers who have learned, not so long ago that trading notes with corporate neighbors is often cheaper than using safer standardized services offered at the area bank.

### What's the Government Doing?

With major bank mergers now a commonplace in the nation's financial park, the ability of the Federal Government to assist troubled institutions has been substantially weakened.

Why? Because today's troubled institutions are not "Mom and Pop" banks. They are big warehouses of money--iron skyscrapers that can cover and conceal bad loans and poor performance.

Unfortunately, a seeming lack of Federal foresight led to the demise of Independence Bank, an Encino-based giant with a branch in the Inland Empire and a fist in the tarbaby.

In late August, Independence was found to have linkages with the Bank of Credit and Commerce International (BCCI), a Middle East based powerhouse known for money laundering and an unstable portfolio.

"It was part of a master scheme," says Gerry Findley, chairman of Brea-based Findley Reports a widely recog-

nized authority on California Banks. "They kept it pretty secret and finally our government has put an end to it."

Unfortunately, that end came a little too late. Jobs will be lost, and the failure makes another dent in the economy.

"Independence is up for sale now," says Findley. "But I don't know who wants it...their loan delinquencies are massive...the bank is very shaky." The sad truth

is that most employees of the failed institution, including branch managers, were never made aware of any connections with the BCCI. "Neither any employee, and member of the board or management knew that there was any linkage of ownership between Independence Bank and BCCI," said CEO Gaith Dubrich in a recent *Inland Empire Business Journal* interview. "I can tell you one thing, one of the reasons I took this job is because the government had approved Gaith Pharaon as a 100 percent shareholder. I was present at the meeting with FDIC regulators and he had to have their permission to purchase...It certainly reassured me in my own naive way that indeed these people had checked him out. I wouldn't have taken the job otherwise.

According to Findley, there have long been reasons to suspect that Independence Bank was in trouble. The question remains, why didn't the Fed act sooner?

Today, the Fed has already provided assistance to over 500 troubled banks, 90 percent of these institutions failed.

Currently the House Banking Committee is desperately brainstorming for "too generous to fail you" policies, like bolstering the FDIC by \$70 billion. That's a fine idea, but it's aimed at bandaging an illness...not preventing it. BankAmerica, and CitiCorp have combined asset values that exceed \$400 billion. That's for two banks alone. What will the Fed do if they fail?

More and more it seems like the Federal Reserve is losing its focus. But so is America. It used to be we could confide in the home town loan officer...now we confide with a 1-800 number.

According to Nancy Sinclair, director of marketing for First Trust Bank, one of the largest lenders to the greater Ontario area, hometown service is what people will want and what they will continue to want in the next 10 years.

But will they get the service? Will First Trust survive what seems to be a no-win marketing battle where new national giants stronghold consumers through overly aggressive televised and direct mail campaigns?

Today in America there are over 12,000 banks that are undercapitalized. Why? Because an increasing number of U.S. businesses no longer want to utilize the services their banker offers. When area banks see the shortfall, they look for new profit alternatives. They can offer high-risk loans at high-risk

Please see Page 13

*More and more it seems like the Federal Reserve is losing its focus. But so is America. It used to be we could confide in the hometown loan officer...now we confide with a 1-800 number*



**Inland Empire Independent Bank Scoreboard**

Bank Name	City	Assets		Loans		Non Performing Loans				Income		Capital
		Total Assets \$(000)	% Change Since Dec. '89	Total Loans \$(000)	% Change Since Dec. '89	Total N.P. Loans \$(000)	% Change Since Dec. '89	As a % of Gross Loans	As a % of Total Assets	Income Before Extra Items \$(000)	Ann. Return on Avg. Assets (R.O.A.)	Primary Cap. Assets
Chino Valley Bank	Chino	520302	1.6	357009	-2.9	8508	-7.4	2.38	1.64	2039	1.58	7.39
First Trust Bank	Ontario	409363	-1.4	269719	1.0	7447	5.4	2.76	1.82	241	0.23	6.45
Riverside NB	Riverside	238050	2.8	161451	-4.1	1614	33.9	1.00	0.68	485	0.83	7.78
Vineyard NB	Rancho Cucamonga	128704	0.1	107826	-1.2	658	-49.1	0.60	0.51	119	0.37	6.32
Bank of Hemet	Hemet	103697	-0.6	86547	-3.5	61	****	0.07	0.06	340	1.31	8.71
Palm Desert NB	Palm Desert	84188	12.5	58890	-1.0	690	29.2	1.17	0.82	206	1.04	6.33
Western Community Bk Corona	Corona	76063	9.9	54622	4.9	372	****	0.66	0.49	221	1.22	9.21
Inland Empire NB	Riverside	74819	11.4	54268	2.9	1703	-43.7	3.13	2.28	117	0.66	9.19
Overland Bank	Temecula	69012	9.1	50980	-1.9	1441	240.7	2.82	2.09	22	0.13	5.87
Bank of San Bernadino	San Bernadino	68784	-4.1	41866	2.0	151	504.0	0.36	0.22	250	1.42	10.93
Desert Community Bank	Victorville	62583	6.9	39813	13.3	350	84.2	0.87	0.56	140	0.92	8.22
Valley Bank	Moreno Valley	62409	-0.5	35128	1.8	139	****	0.39	0.22	242	1.55	10.58
Upland Bank	Upland	60888	7.3	47010	1.1	1355	51.1	2.86	2.23	84	0.57	8.58
De Anza Nb	Riverside	57174	5.2	44972	-0.5	65	****	0.14	0.11	160	1.15	7.12
First Community Bank	Yucca Valley	55522	2.0	32622	4.5	1	-96.9	0.00	0.00	-40	-0.29	8.65
High Desert Bank	Hesperia	49501	4.7	33360	-0.6	0	****	0.00	0.00	124	1.02	7.96
Golden Pacific Bank	Ontario	38738	1.8	28236	-1.4	298	21.1	1.05	0.77	33	0.34	8.52
Gateway Western Bank	Beaumont	36205	-3.0	23523	-12.8	519	-65.7	2.21	1.43	-624	-6.79	3.04
Temecula Valley NB	Temucula	35128	0.3	24562	4.5	0	****	0.00	0.00	-39	-0.44	9.64
First Bank of Palm Desert	Palm Desert	34040	4.6	22855	-4.1	277	174.3	1.21	0.81	53	0.67	6.19
Bank of Desert NA	La Quinta	29175	9.6	19813	-8.7	90	18.4	0.45	0.31	55	0.79	7.81
Fontana First NB	Fontana	29155	0.2	20830	-5.2	0	****	0.00	0.00	124	1.02	7.96
First Mountain Bank	Big Bear Lake	28366	-4.3	19215	1.5	245	-43.3	1.27	0.86	100	1.38	9.14
Cal-West NB	Moreno Valley	26725	-2.1	14979	-4.3	246	27.5	1.63	0.92	77	1.14	15.13
Redlands Centennial BK	Redlands	12931	27.9	5040	156.5	0	0.0	0.00	0.00	-119	-4.13	29.94
Valley Merchants BK NA	Hemet	12269	9.6	6335	78.5	0	0.0	0.00	0.00	-91	-3.10	24.73
Sun Country BK	Rialto Valley	8708	28.1	2239	84.6	0	0.0	0.00	0.00	-174	-8.98	37.66
Inland Community BK NA	Rialto	8642	53.8	4062	26.4	0	0.0	0.00	0.00	-156	-8.75	28.77

Data Courtesy Sheshunoff Data Services for period ending March 31, 1991 Researched by Phillip Diment, ©1991 Inland Empire Business Journal

**Good Grief...**

*Grant Thornton, an accounting firm, expects one in every six banks will be bought out in the next two years.*

Continued from Page 12

rates, or they can look to strengthen their market position by teaming up with other financial institutions.

**Can I Trust My Local Bank?**

With newly merged national giants, the ability of Inland Empire independent banks to play the rate game with national banks and or large corporations with crisp balance sheets will be tough. Small bank success will be determined by the ties they have within the communities they serve.

Most Inland Empire banks who have established strong rapport with individuals and small businesses will no doubt make it through the major financial services overhaul.

Shrewd Inland Empire bankers will avoid testing new geographic markets. They will look to survive by competing where national giants often cannot... personalized service and community support will spell success.

A lean, well-trained staff will also be a marked characteristic at Inland banks for the duration of the 90s. This comes at a time where (aside from interest) wages and benefits can account for as much as 70% of a bank's expenses. Yes, costs will be cut.

What about mergers? Already the Inland Empire's largest independent bank, Chino Valley Financial Corp. has

announced plans to consolidate with Foothill Independent in an effort to bolster market strength. Mergers will happen.

Grant Thornton, an accounting firm, expects one in every six banks will be bought out in the next two years. Employment in the industry will drop drastically.

But we must learn to live with it. Some banks will win, others will loose many will change names. But the bottom line for established Inland Empire banks will be service, more service, determination, a firm handshake...and a smile.

**A NOTE TO THOSE WHO READ THIS EDITORIAL**

*The views expressed in this story are based on current actual market trends besieging the banking industry. Inland Empire Banks have consistently out-performed similar institutions across the nation. Without the support of our banks, thrifts, credit unions and insurance companies, many of the area's fastest growing companies would not exist today. To those bankers who have worked to see the Inland economy out perform the nation I say "well done" and best wishes. May your integrity, service and determination see you through.*

*-Phillip L. Diment*

First National's LaHay sums his Inland Empire outlook nicely...

"The extended recession and decreasing spreads within the banking industry made it necessary to cut short our Riverside 'experiment' ...We still

believe the Inland Empire is a strong candidate for continued growth, and we hope to return...at some time in the future."

Tom, the storm's not over yet...Δ

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## The Health of Inland Empire Financial Institutions

### Orange National Bank Names Earhart Vice President



Orange National Bank has named Joan K. Earhart as vice president and manager of its newly-formed SBA Loan Department. The appointment was announced by

Wayne F. Miller, president and chief executive officer.

Earhart comes to Orange National Bank with 16 years of SBA experience, most recently with Eldorado Bank, serving there as vice president and manager of the Small Business Administration Loan Department. She will be responsible for business development and department management.

Earhart is on the board of directors for the Santa Ana Economic Development Corp. and the Riverside County Certified Development Corp. She is a member of Women in Commercial Real Estate and was awarded the 1990 Lender of the Year by the Riverside County Certified Development Corp.

Earhart resides in Orange with her husband Don, and two children, Michael and Jerry.

Orange National Bank, an independent, full-service commercial bank, is entering its twelfth year of service. The bank has four offices located throughout the Orange area with its corporate offices located at 1201 E. Katella Avenue. Δ

### Henrich Promoted to CEO of Rancon Securities

Judy Henrich has been promoted to chief executive officer of Rancon Securities Corporation, announced Daniel L. Stephenson, chairman and founder of the Rancon Group of Companies.



Henrich has served as the firm's executive vice president since 1988 and also performed duties as chief operating officer. As CEO, she is responsible for overseeing all of Rancon Securities Corporation's money-raising efforts, marketing services and public relations, as well as managing the company's regional wholesale representatives.

Prior to joining Rancon in 1981, Henrich was manager of public relations and advertising for Kaiser Development Com-

pany in Temecula.

Henrich is also past president of the Temecula Valley Chamber of Commerce, and the past president and founder of the Rancho California Toastmasters. Δ

### Bank of California Elects Campbell Vice President

The board of directors of The Bank of California elected Joyce M. Campbell vice president in its business banking unit in Riverside.

Campbell will manage a portfolio of existing middle-market business clients, as well as help develop new clientele.

Campbell, who joined the bank in March of 1990, has seven years of experience in

the commercial lending and real estate construction fields.

Campbell lives in Riverside with her husband and three children. She is a member of the board of directors for Concilio for the Spanish-Speaking of Riverside County, a non-profit, social-services-type group that serves the underprivileged Spanish community. Δ

### Inland Officer to Head Western Bank Marketing Assoc.

Community Bank's Jack Cummings was recently elected president of the Bank Marketing Association, Western Chapter, at their Spring Conference in San Diego.

Cummings has been a member of the



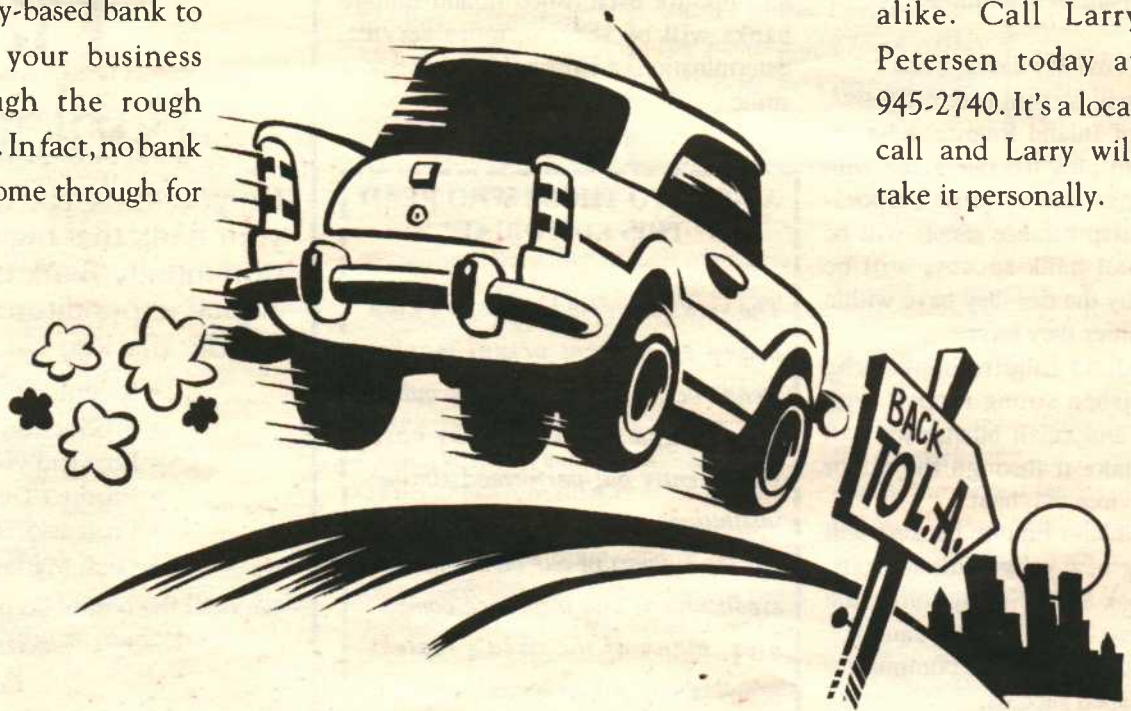
BMAWC executive committee for two years and has served this year as program chairman for the organization's Fall and Spring conferences in San

Francisco and San Diego.

He has been a marketing officer for 37 years, the last 10 with Bank of Redlands and Community Bank. He is a former mayor of Redlands, past president of the Redlands Chamber of Commerce, and is active in community affairs that include the Redlands Area United Way, The San Bernardino County Museum Foundation Board of Directors, Kiwanis International, and the First United Methodist Church. Δ

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People Places & Events

**Koll Company Promotes Bernard, Keith and Yahr to Vice Presidents**

Promotion of Scott S. Bernard, Ronald J. Keith and Gerald O. Yahr to vice president, development, for the Koll Company's Southern California division has been announced by Richard M. Ortwein, president of the division which covers Orange, Riverside and San Diego Counties.



Bernard, whose title was development manager, is developing projects for The Koll Company in Riverside and San Diego Counties and was responsible for Koll Center Irvine's southwest sector. Δ

**Leslie Shell and Beverly Carpenter Are Together Again!!**

It's official, Leslie Shell, well known interior designer has joined Beverly Carpenter at her beautiful design showroom in Palm Desert.



Shell, known as the *Leslie Shell* designer's designer, first met up with Carpenter at La Mirage Interiors, where both received the designer of the year awards. A graduate of the University of Georgia, who completed graduate work at UCLA, Leslie is the first lady of the industry showrooms: Kreiss Collection, Rapport International, Rick Hechtman, Italmond and others. As a licensed Realtor Associate, Shell knows what great interior design can do to achieve a sale. Her preferred projects are total renovations expressing the desert colors and natural designs of stone, marble and iron mixed with the contemporary.

Shell's signature can be found on estate homes, hotels, and showrooms, the world over. She's versatile, switching from contemporary to Santa Fe or Malaga to Morro Bay. Some of her Desert successes include homes at Morningside, Vintage and The Springs. Δ

**She Did It!**



The Greater Ontario Visitors and Convention Bureau announces that Kim Cagle, GOVCB director of sales, has recently been selected "Supplier of the Year" by the Sacramento chapter of the Society of Gov-

ernment Meeting Planners (SGMP).

Cagle, who is the first recipient of this coveted award, has been a member of SGMP for over three years. One of three nominees, Cagle was elected by a five-person committee consisting of both suppliers and meeting planners. "I'm very honored to have this recognition and acknowledgement," says Cagle, "and I realized it takes a team - the bureau and its members!"

Cagle was awarded this honor for her outstanding service to the community, performance in her Bureau position and participation in SGMP.

According to Bureau President, Art Bean, Cagle's achievement brings great pride to the Bureau. "Kim's honor is a shining example of the type of professionalism and service the Bureau offers, as well as a reflection of her efforts and hard work!"

A seven-year veteran of the hotel industry, Cagle has been employed by the GOVCB since 1988. Prior to her current position she worked in the sales and marketing departments of Red Lion, Hilton and Trusthouse Forte hotels. Δ

**New Officers and Member Elected to Riverside Community Hospital Foundation**

At its recent annual meeting, the Board of Directors of Riverside Community Hospital Foundation elected Roger W. Ridley, M.D. as its Chairman. Dr. Ridley is a long-time resident of Riverside and a retired physician (Anesthesiologist). Through the years he has served the RCH Foundation in many leadership capacities. Δ



**Formal wear Company Dresses-up Riverside County**

Mike Corrao, president of Gingiss International, Inc., the world's largest company specializing in the rental and sale of men's formalwear, recently announced their plans to formally dress-up Riverside County by opening 15 new locations. Currently there are 44 locations in Riverside County. With over 240 Gingiss Formalwear Centers nationwide in 36 states, the company reported sales last year of \$66 million, which accounts for approximately 10 percent of the entire formalwear industry. Δ



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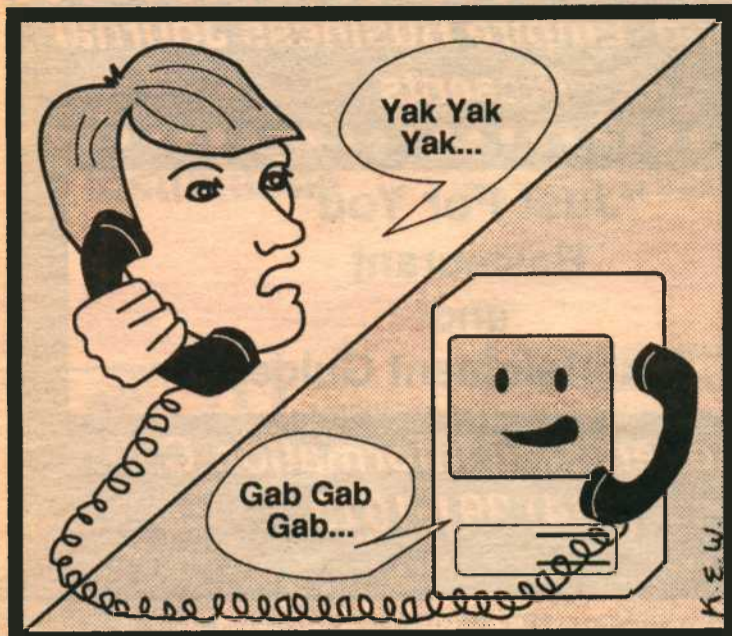


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## Technological Breakthrough Turns Telephone Into An Advertising Tool



The newest concept to hit the communications industry is a series of music-quality micro-chip units, designed to work with your phone system, to provide your callers with information about your organization's products and services, while they're waiting "on-hold." These new digital marketing units boast an internal download feature, unlike the early digitals which were called message repeaters.

In the early 80s, many companies decided that they needed to give waiting callers something to listen to besides silence. Some installed radio and others put endless loop or auto-reverse tape units on the line. Because of continuous wear and unpredictable playback function, these tape units have given way to the digital equipment that features volume and tone flexibility and memory capacity up to 32 minutes. Companies who already market the message-on-hold program are now experienc-

ing improved customer relations and reduced caller abandonment. They find it increases the effect of their current advertising efforts by reinforcing audibly, what their caller has already seen, read or heard. They're able to introduce new products and services, thereby showing an increase in their profits, as well as reinforcing the company image.

Most electric phone systems, developed after 1986, are already MOH (music on hold) capable. Nearly every touch tone phone system, not already MOH capable, can be made so with the addition of an MOH card, or peripheral equipment. The digital playback unit is then easily connected to the MOH feature of the phone system and stands ever ready to provide waiting callers with vital and thought provoking information about the company they are calling.



This new concept can be utilized by anyone, anywhere, regardless of type or size of business.

There are many reasons callers are placed "on-hold" (1) a generally large volume of calls, (2) "cluster calls," where certain times of the day become very busy, (3) transferring calls, or (4) placing the caller "on-hold" while you find an answer to their question or check on their order. If you do any of the above, you can expect to reduce caller frustration and paint a more profitable picture for your company through the use of marketing-on-hold.

Currently there are several companies nationwide offering "on-hold" services. They will provide the digital equipment and produce the program including script writ-

ing, voice talent, music background and studio time and they pay the music licensing fees. Productions are based on what you want your caller to hear.

In today's competitive marketplace, companies need to explore every avenue available to them to promote their products and services, and the benefits of doing business with their company. With the advent of the digital playback unit, they can now make full use of the most frequently used piece of equipment in the office... the telephone.

Ron Knowles, a San Bernadino native is President of Creative Audio Marketing (CAM), a company which specializes in voice message technology. For more information call (714) 550-9550. Δ

## Inland Empire People

Cathedral City is a city on the move," according to Michael Daly, the city's first economic development director.

"During our first years," (Cathedral City was incorporated in 1981), "we have gone from a 10,000 population to over 32,000. We are one of California's fastest growing cities."

Daly has been an economic development professional for 20 years, having worked in Nevada and Colorado before moving to California to take a position with the Redevelopment Agency of the city of San Jose. Daly was appointed Cathedral City's first Economic Development Director in November 1990.

Since arriving in the Coachella Valley, he has accomplished several economic development firsts for Cathedral City, including the production of an Economic Development Demographic Overview for investors and developers. Daly also drafted an Economic Development Strategic Plan which was unanimously adopted by the City Council in January, and helped create the Coachella Valley Economic Development Association comprised of the nine desert cities, College of the Desert and Riverside County.

Cathedral City is the third most populated city and the third biggest revenue producer in the Coachella Valley. If it continues to grow as planned, Cathedral City will be the largest city in the valley by the year 2000. "We need to plan for growth and have a clear vision for our future," adds Daly.

In order to generate a stable tax base, Daly plans to build on the current diverse sales tax of the community, while attracting new commercial and industrial development. Δ



Nancy Sinclair is the vice president and director of marketing for First Trust Bank in Ontario. Sinclair is involved in market planning, research, product development, public relations and customer service.

Her major career accomplishment was the design and implementation of a sales training program for the bank's new account position.

With all the mergers and acquisitions within today's banking industry, Sinclair sees the ability to maintain integrity and tradition as a major challenge facing banks. "I think our hometown attitude will differentiate us from the rest."

Also involved as vice president with the California Inland Counties American Marketing Association, and as a member of the Western Chapter Bank Marketing Association Sinclair is sometimes hard-pressed to find time for her hobbies (walking, reading and skiing). She enjoys supporting community groups like the Ontario-Pomona Association for Retarded Children (OPARC), where she serves on the board of directors of the Children's Fund.

"I have a real concern for children," says Sinclair. "Crime, drug use, welfare dependence and homelessness are on the rise and unfortunately, the victims are often our children...they are our future and we need to keep them safe, healthy and happy."

Sinclair was born in San Diego. She is married to Charles Sinclair and they have two teenage sons, Matthew and Brian. Sinclair received her BS degree from San Diego State University and her Masters Degree in Management from the Claremont Graduate School. Nancy and Charles make their home in Rancho Cucamonga. Δ



-by Phillip Diment

-by Phillip Diment





An Inland Empire Focus

In an exclusive interview to the Inland Empire Business Journal, Jose Gama explains why laptop computers are more than just the wave of the future.

A civil engineering and land surveying firm by its nature must stay abreast of high technology. For example, when the City of Rancho Cucamonga hired Psomas and Associates to map the entire city, computerized measuring instruments were used to capture and

## • • • Laptops Are The Link! • • •

computerized mapping database called a Geo-based Information System (GIS) was developed. With this GIS, the agency can make "Measure A" funds go farther by providing an enormous amount of mapped data for use by public and private organizations.

Today, modern offices bristle with computers and telecommunications equipment, used for surveying and designing projects, directing field crews, project management and many other functions. Indeed, technology has helped many firms help serve their clients more effectively. Today, systems are available that can display 125 layers of mapped infrastructure such as water systems and streets.

This high powered equipment enables civil engineering firms to better manage the services provided to clients. Outside the office, significant improvements in efficiency have been accomplished by providing survey crews with laptop computers.



### Laptops in the field

Whether working on the Pomona Freeway transportation improvement

program or the Palm Springs Airport renovation, Psomas survey crews spend 100 percent of their time out in the field, using sophisticated measuring

*Please See Page 43*

### Three Ways Laptops Have Helped

\* First, the computers enable crews to process data collected at the jobsite—whether it be for a construction survey or mapping project—and perform calculations previously done at the office. That way, if adjustments of any kind are required, the crew needn't return to the office or wait for new calculations to be sent to them. Adjustments done on site can save time, money and assure greater quality.

\* Second, the laptops can be combined with other sophisticated electronic instruments for maximum efficiency. For example, software can be developed for the laptop to use alongside the Hewlett Packard HP-48 SX programmable calculator. The new HP-48 is a cross between a very powerful calculator and a very small computer that replaces hand-written field notes with an accurate up-to-the-minute print out. Crews also use laptops to process and report data from sophisticated surveying instruments known as total stations. The resulting reports are easier to produce and provide a fuller account of survey crew findings.

\* Third, laptops ensure faster communications. Site superintendents often are surprised when a survey team member walks into a construction trailer, holds up a laptop to the telephone jack and sends or receives important data to or from an office. Transmitting by modem quickly puts the information in the hands of the decision-maker, whether project manager, field team member or in-house engineer.

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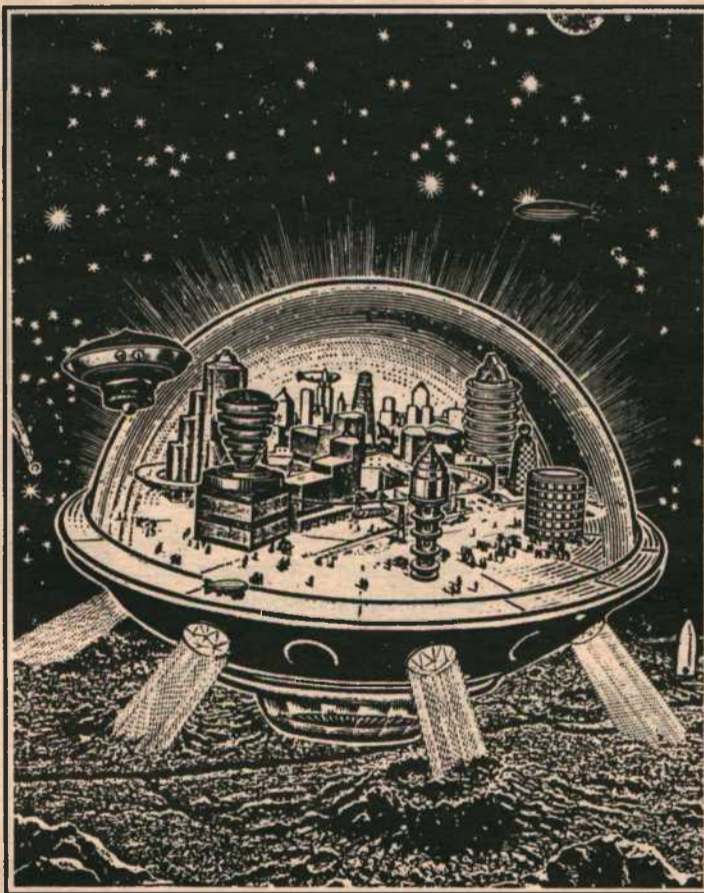
And because we monitor the performance of this system 24 hours a day, 7 days a week, you get superior reliability along with superior technology.

But the biggest advantage of a SmartPark business center isn't what you can do today.

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process data from U.S. Department of Defense satellites.

More recently, under the direction of Mark Massman, a Bechtel project manager working for the Riverside County Transportation Commission (RCTC) on the "Measure A" transportation improvement program, a



## Weekend Time Out



**A MODERN "GARDEN OF EDEN" IS RIGHT AROUND THE CORNER AND DOWN THE ROAD**

**S**uddenly you catch the "love bug" and the "wonderlust" together. A delightful feeling—but what do you do, and, better yet, where do you escape to in order to satisfy these wishes?

Your first thought would be to find

**Your hunt and search is over when you discover that intimate retreat is right around the corner.**

your passport and head to the nearest travel agency. But wait—hold on—what were you really thinking about? You sheepishly admit that you don't want to spend that much money, and you don't have the extra time to spend on such a whim. This abruptly dashes your dreams about an exotic holiday to the south of France or a quick fling to Mexico. Yet, you still insist on searching for that special place.

Your hunt and search is over when you discover that intimate retreat is right around the corner—just 25 miles north of downtown San Diego. Hidden, among rolling hills overlooking the San Dieguito Valley in Rancho Santa Fe, is John Gardiner's newest resort, Rancho Valencia. This hideaway beckons you to enjoy their exquisite and peaceful surroundings—just hop in your car and you're almost there.

In Andrew Harper's *Hideaway*

*Report* (a connoisseur's guide to peaceful and unspoiled places), Rancho Valencia is listed as one of the best 1990 new resort sanctuaries in the United States. CBS-TV "This Morning" called it one of the country's top three romantic getaways. Most would agree just upon arrival.

Along with an elegant Southwestern decor, peace and serenity would be the best words to describe John Gardiner's Rancho Valencia Resort.

A very low-key and private resort, unlike its neighboring La Costa Resort which can host hundreds, Ranch Valencia can provide the privacy for romantics that only a smaller resort can offer. This hideaway has only 21 secluded "casitas" with 43 spacious suites located on 40 acres of rolling hills and accented by beautiful bougainvillea and hibiscus bushes.

Each luxurious suite includes a secluded patio, a sunken living room complete with an adobe fireplace and wet bar, and an extra large bathroom with a spacious closet area. Your first thought upon seeing this cozy suite is, "I definitely will enjoy my stay here, even if I don't leave this room." Each morning guests are greeted with fresh-squeezed orange juice, a newspaper and rosebud. Not a bad way to begin the day! You could stay there all day, but when you peek outside the windows,

you are coaxed to wander around to explore the marvels of this area. Rancho Valencia is a delightful combination of many worlds. Southwestern and Spanish in its ambiance, it also offers you the feeling that you could actually be in the south of France. This resort has been the inspiration of developer Harry Collins and architect Jim Morton. Along with interior designer Hank Milan, their vision made Rancho Valencia what it is today—a carefully-planned resort.

First and foremost, Rancho Valencia is known for its tennis facilities, boasting 18 championship tennis courts and offering clinics and private lessons. Golf can also be arranged on nearby courses. The professional croquet lawn, two pools, Jacuzzis and spas emphasizes the serenity of this resort. If you are still in doubt that you're not reliving the modern-day version of the Garden of Eden (substituting oranges, of course, to the tempting apple), your last test would be to witness the floating hot-air balloons wandering over the hills at sunset. You later stroll to the

indoors next to the warmth of the cozy fireplace. Chef Claude Segal (who replaced Wolfgang Puck when he left Ma Maison to open Spago) carefully oversees each dish that leaves his kitchen. From the homemade tortilla chips to the ravishing desserts, a labor of love is clearly in evidence in the preparation of all La Tapenade's savory delights.

So well planned is Rancho Valencia, that it even offers the executive business conference and unique meeting rooms to accommodate from 20 to 100 people. These facilities include "The Library," a deluxe 22-seat board room and "The Terrace Room" which can service up to 100 people. For a truly intimate conference, a three-bedroom, four-bath executive hacienda is available. The hacienda is also well suited for small weddings.

Yes, Rancho Valencia is a tempting resort for those who desire the perfect getaway which includes a romantic setting. An ideal retreat for those enjoy professional tennis. A unique place for the executive, and a heavenly spot for a demanding gourmet. John Gardiner's Rancho Valencia Resort has it all! A piece of heaven is right here.

John Gardiner's Rancho Valencia Resort is located at 5921 Valencia Circle in Rancho Santa Fe. Call (619) 756-1123 for further details.

By Ingrid Anthony

## VACATION

main clubhouse and sample the gourmet delights offered by La Tapenade Restaurant. A French-California menu entices the guests who dine either outdoors by the hacienda-styled patio or

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## PJs Hires New Chef



They say he can cook fish so tender and so succulent the aroma alone can entice the desires of any finicky gourmet buff. He's the cousin of famed Palm Springs Mayor, Sony Bono. With roughly 15 years experience in the preparation of a wide range of entrees, Victor V. Gaglio knows how to please.

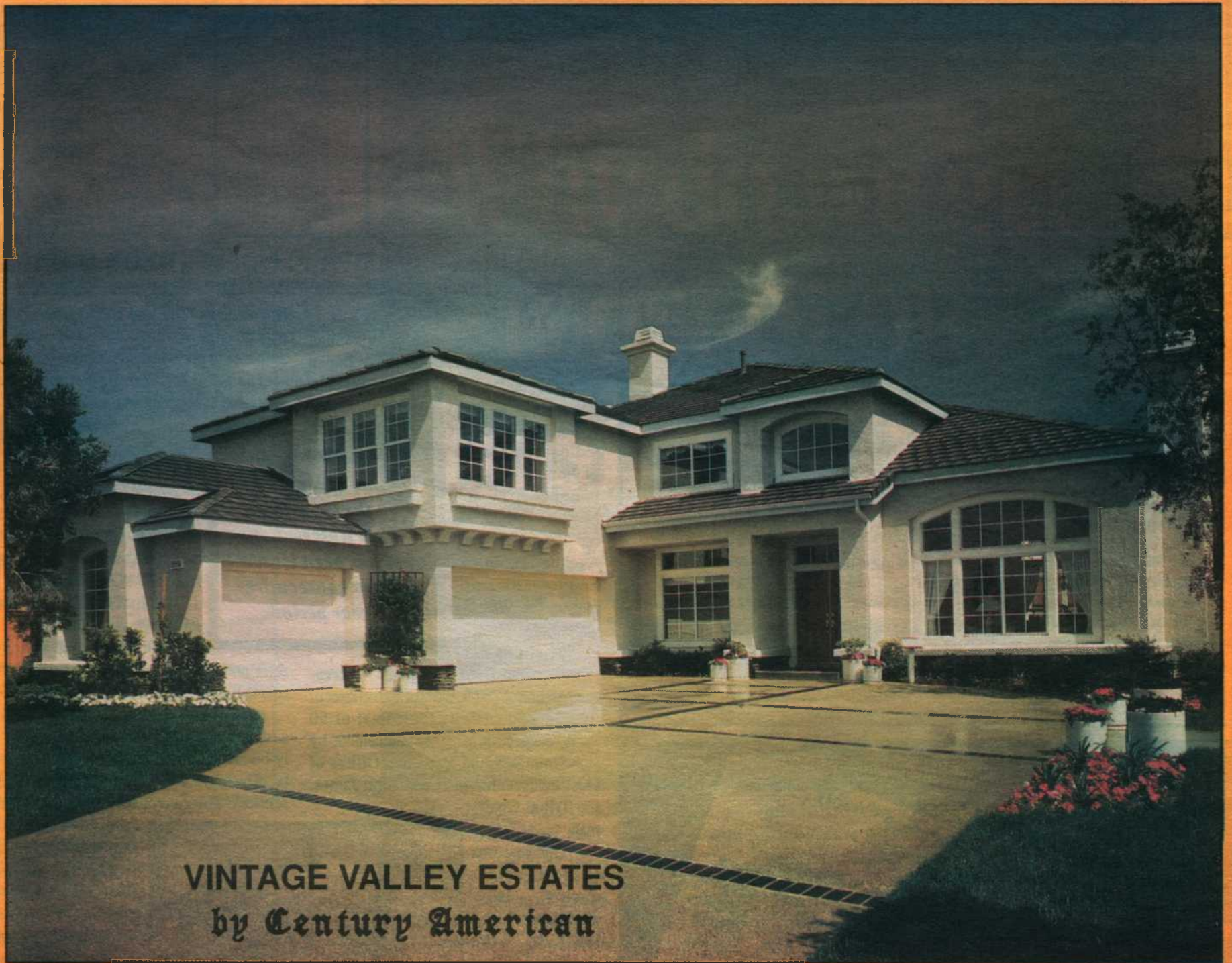
Gaglio's new kitchen is at PJs cafe in the Inn Suites Hotel Ontario, located at 3400 Shelby Street. "He has a flair for plate presentation," says hotel manager Ken Sliwa. Δ



INLAND EMPIRE  
business journal

# TAKEOUT

INLAND EMPIRE  
**RESIDENTIAL HOMES and COMMUNITIES**



VINTAGE VALLEY ESTATES  
by Century American

Ride  
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# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Ride Sharing Plans For the Inland Empire

June 30th was the deadline for Inland Empire companies, with more than 100 employees, to submit ride share plans to the Southern California Air Quality Management District. The carpool plans are the first component of Regulation XV, the 1987 ruling that requires major employees to increase the number of commuters per vehi-

cle by 50 percent.

The majority of plans have been approved; however, a number of companies are facing potential settlement fees for failing to submit initial plans by the June 30th deadline. The AQMD reports also show that several plans have been rejected, with some companies receiving second disapprovals,

for not meeting AQMD specifications.

Within the plans, companies must include specific strategies they will use to decrease single-occupancy vehicles. Companies may offer employees incentives for carpooling or using public transportation. Flexible work hours or telecommuting may also be offered. In addition to the initial plan, companies have to show progress later towards an average goal of three workers for

every two cars.

Penalties for submitting late plans, or no plans, have been harsh. Settlements reported by the AQMD have been as high as \$245,000 in the Los Angeles region. However, settlements are typically more modest, ranging from \$5,000 to \$10,000 in the Inland Empire. Southern California Auto Auction in Fontana settled at \$7,800, while Chaffey College agreed to pay \$6,000. Δ

### Status Report on Regulation XV Notices of Violation

Company Name Company ID#	City	NOV Dates	Reasons for Violation	Status	Settlement Amount & Date
Alumax Mills Products Inc. 012247	Riverside	6-18-91	Failure to submit approved Regulation XV Plan (second Disapproval)	Pending	
La Sierra University 043326	Riverside	6-06-91	Failure to implement Regulation XV Plan	Pending	
Williams Furnace Co. 001303	Colton	6-12-89 7-18-89	Failure to submit initial Regulation XV Plan	Pending	
Southern Calif. Auto Auction 056299	Fontana	8-01-90	Failure to submit initial Regulation XV Plan	Settled	\$7,800.00 4-25-90
Corona Clipper 019049	Corona	4-24-91	Failure to submit initial Regulation XV Plan	Pending	
Costco 082514	Rancho Cucamonga	11-08-90	Failure to submit initial Regulation XV Plan	Pending	
Anita's Mexican Food 032076	San Bernadino	11-05-90	Failure to submit initial Regulation XV Plan	Pending	
L.A. Gear 082563	Ontario	3-27-91	Failure to submit initial Regulation XV Plan	Pending	
Desert Hospital 005872	Palm Springs	3-20-89	Failure to submit initial Regulation XV Plan	Settled	\$500.00 5-26-89
Radison Palm Springs Resort 065560	Palm Springs	4-12-90	Failure to submit initial Regulation XV Plan	Settled	\$2,000.00 2-28-91
Chaffey College 034389	Rancho Cucamonga	5-03-90	Failure to submit initial Regulation XV Plan	Settled	\$6,000.00 8-28-90

### Riverside & San Bernardino Counties Wage & Salary Employment & Civilian Labor Force Estimates: May 1991

The following estimates are prepared and released monthly. Quarterly summaries of data, and analyses of labor market trends and developments and other information on industries and occupations significant to the area are published in the quarterly Labor Market Bulletin.

#### LABOR FORCE: EMPLOYMENT AND UNEMPLOYMENT

Labor Force, Employment & Unemployment	May-91	Apr-91	Mar-91	May-90
Civilian Labor Force a/	1,092,200	1,101,000	1,093,200	1,069,400
Employment	991,700	1,002,800	993,400	1,002,900
Unemployment	100,500	98,200	99,800	66,500
Unemployment Rate (%) b/	9.2	8.9	9.1	6.2

a/ Labor Force is by place of residence. Employment includes persons involved in labor/management disputes. Data revised to March 1990 benchmark.

b/ The unemployment rate is computed from unrounded data. Therefore, it may differ from rates using the rounded figures in this table.

\* Current month preliminary, past months revised.

Note: Because of a change in methods, current labor force data (Nov. 1989 forward) are again comparable to the data for January 1983 - March 1988. However, these data are not strictly comparable to the data for April 1988 - Oct. 1989.

## Indians Negotiate... Homes to be Built

Ocotillo Development Corporation will break ground in October for Indian Sands, a "new town" residential community of approximately 1,100 homes on a 230 acre site between Coachella and Indio. The offering of homes will be bounded on the North by Avenue 48, on the South by Avenue 50, on the East by Tyler Street and on the West by Oates Lane.

The site is contained on the Cabazon Indian Reservation, and has been leased for two consecutive 25 year periods for a total of 50 years, according to an announcement by Bob Holmes, Chief Executive Officer of Ocotillo Development and John James, the Tribal Chairman.

"Our goal was to provide high-quality, truly affordable housing in the Coachella Valley that entry-level buyers could readily afford," said Holmes. "The solution appeared to be leased land, and the Cabazon Tribal Council were very supportive of our efforts."

Holmes said a letter of understanding

between his firm and the Cabazon was executed in November of 1990, after a nine month period of negotiation.

The \$130 million project on a site appraised at \$9.2 million has been master-planned as a resort style residential village offering six floorplans and twelve architectural treatments. Approximately 103 homes will be built in Phase One construction and be offered at prices ranging from \$69,900 to \$95,900.

The Indian Sands homes will range in size from 1,000 to 1,600 sq. ft. and feature three and four bedroom construction with two to two-and-one-half baths.

Holmes said market studies pointed to a high demand for affordable single family-homes in a luxurious, resort community offering a full range of features and services. The gate-guarded new town will

maintain its own private security force, in addition to in-home security systems.

Holmes said sales would officially open in early October, but that a reservation list was currently being compiled.

Information on Indian Sands is available by contacting Ocotillo Development Corporation in Indian Wells or Century 21 Emery in Palm Desert. Δ

*The site is contained on the Cabazon Indian Reservation, and has been leased for two consecutive 25 year periods*



Bob and Valeries Holmes, principals of Ocotillo Development Corporation.

### Riverside & San Bernardino County Resale Housing Starts

1991	Riverside # Sold	Avg. \$	San Bernardino # Sold	Avg. \$
January	1427	127078	1634	121882
February	1229	133242	1447	126240
March	1580	134900	1808	133634
April	1851	137124	2264	134658
May	2098	136655	2303	134278
June	1909	132621	2593	131828

Source: TRW Marketing Services, Property Data



# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES



## From the Car to the House

### Metal Framing Moves From Commercial to Home Building

House builder Daryl Frazier, president of Nice Homes in Cathedral City, has already created quite a stir with the first metal frame house he is building in Desert Hot Springs, one of the first in this area and the first in 20 years. Every building inspector in the Coachella Valley has been to his site — not to inspect, but to learn. Is this the future of house building? Frazier seemed uncertain of how his plan to



build the next metal frame house with an all-female building crew would be interpreted. He is just trying to make a point: metal framing is so much lighter than wood that women can handle it.

For example, a wooden garage door header (18 feet X 14 inches X 4 inches) is 300 pounds of solid wood that takes three or four men to put in place. The same house member of the galvanized steel Frazier uses only weighs 75 pounds (it's hollow). Two women can do the job. Frazier said, "This opens a lot of doors to people who don't have a place in the home building industry now."

Just because the houses are lighter does not mean they are not as strong as wood frame houses; steel is seven times as strong as wood, according to Frazier. A steel house frame will weigh less than half of a wood frame because steel has the highest strength-to-weight ratio of any building material, which means builders can do more with less material.

It is much easier to engineer steel for seismic requirements than any other material. The homes are designed for the highest risk rating area, which is seismic four. Wooden

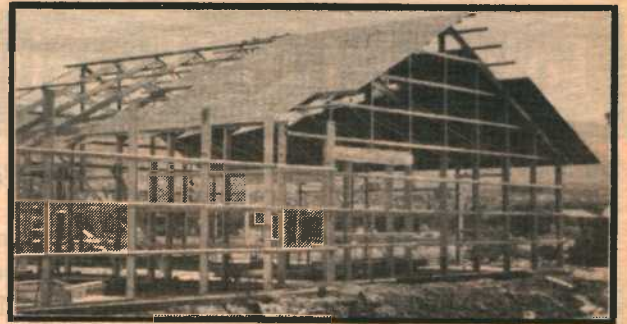
houses can be gotten up to seismic four, but it takes a lot more bracing and strapping. It is much more expensive to make a wooden house seismic resistant than it is to do the same for a metal frame house.

As a bonus, steel framing is impervious to the \$309 million damage done in California every year by termites.

Rust has been eliminated in two ways. In order to rust, the metal must be exposed to the elements over a long period of time. Steel studs are inside, covered up, and galvanized materials are used.

### Environmental Advantages

There is less waste and no deforestation involved with using steel studs. The difference lies in a system designed home, which is what a steel structure is. If the building plan calls for a piece to be 8'6" long, the factory will cut it that length and send it to the job site



instead of selling the builder a 10' piece of lumber which he must cut, then throw away the remaining 1'4". Steel is value-engineered in a manufacturing environment, not in the field one board at a time. In most wood frame housing, builders are allowing at least a 10-15% factor of waste in wood that they either have cut off, or in cracks, warps or splits in

*Please See Page 22*

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# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Inland Job Housing Balance Unlikely by End of Decade

by Phillip L. Diment

*Inland Empire Business Journal*

### Complex Program Changes Name and Focus

**T**he Inland Empire currently holds a job-housing imbalance of 300,000 people. "That's 300,000 commuters who travel outside the two-county region each day," says Steve Albright, director of Riverside's Economic Development Partnership.

But the jobs are here! "Over the course of the last 12 months, despite the recession, the Inland Empire showed positive job growth in every single sector," says John Husing, chief economist for the Inland Empire Economic Council. "This is the only labor market in the state where this is true. We're up 15,000 jobs from 1990 whereas Los Angeles, Orange, Ventura and San Diego are off by 80,000. That's one reason why our unemployment rate is around nine percent now...much of our labor force still works in these counties."

Nevertheless, the whole concept of balancing jobs and housing is quite difficult to monitor and measure. "You

can move your job closer to your residence or move your home closer to your job and make the balance change, but then the next week you're back to a commute," says Albright.

The question that most ask is "WILL THERE BE A SOLUTION?" Will there ever be enough labor intensive companies locating in this area to keep people off the freeways?

The SCAQMD no longer plays ring master in the job-housing balancing act. Instead, they've contracted the Southern California Association of Governments (SCAG) to help manage the mayhem.

"Basically what we've done is change the name of the program," says Claudia Keith, a spokes person for the AQMD.

"The original goal of our regulation was to see a nine percent shift from job-rich areas into affordable housing areas...that has since transformed into a program that SCAG now handles. It's called 'A REDUCTION OF VEHICLE MILES TRAVELLED.'"

Despite the popularity of the VMT reduction program in regulatory circles,

unexpected population spurts projected to the end of this decade have many economists cross-eyed and wondering if balancing jobs and housing isn't altogether an unreality.

"Right now the number we're looking at for the year 2000 is a growth of 1,250,000 people in the Inland Empire alone," says Husing. "It grew by 1,033,000 in the 80s; now we're looking at a quarter more people in the 90s...that alone indicates there will continue to be an imbalance...yes, Inland Empire business growth is fast, but people come first...then businesses, and eventually comes the infrastructure."

While building transportation infrastructure does not weigh heavy in Husing's immediate forecasts, the Southern California Association of Governments (SCAG) may be looking to dump a load of tax and bond revenues into a future east-west system overhaul.

"In 1988 policy makers asked us to project how much it would cost to integrate a complex infrastructure includ-

ing new highways, new lanes, and new methods," says Arnold Sherwood a director of SCAG's transportation division. "The bill totaled more than \$110 billion dollars. I don't have to tell you what elected officials had to say to that. One thing is for sure the funds were simply not available."

But since SCAG's initial 1988 funding projection, they have taken a tremendous capital infusion. "Today we're looking at some \$34 billion. That's money raised from a nearly doubled gas tax, increased sales taxes in areas like the Inland Empire and revenues generated from the sale of large scale bond programs."

Does money solve problems? Sherwood thinks it will certainly help. "In developing the Vehicle Miles Travelled reduction program, state policy makers have encouraged us to look for ways to kill the demand...obviously it's too expensive to constantly 'build our way out of our problems.' Yes, roads will be built, in newer, heavily congested east-west corridors, but changes will also have to be made at the business

*Please See Page 25*

**In developing the Vehicle Miles Travelled reduction program, state policy makers have encouraged us to look for ways to kill the demand.**

**Right now the number we're looking at for the year 2000 is a growth of 1,250,000 people in the Inland Empire alone.**



## From the Car to the House

*Continued From page 21*

**The recession and building slump hasn't hurt the residential steel framing business.**

lumber that they can't use. The average waste in a steel frame house can be put in a wheelbarrow, versus one and a half pickup loads of scrap lumber.

Frazier admits that he is using the environmental advantages as a marketing approach. For example, the steel used is recycled. A 3,630 square foot metal house frame weighs 15,000 pounds. Given that an average car contains 2,125 pounds of steel, there are 4.9 cars in that house frame. Seventy percent of the steel produced in the U.S. today is recycled from old automobiles, refrigerators, etc.

### Crossing Over From Commercial Building

Gary Payton, president of Los Angeles-based California Building Systems, Inc., says that in the past steel framing in

residential units has been an oddity. "I've been in this business for 14 years," he said, "and this is the first time I can remember that residential steel framing has been other than a novelty. There is genuine interest from the top builders, not only in California, but across the nation. This time steel framing is here to stay and it is going to get a larger percentage from now on. We have finally developed a system to utilize the advantages of steel and make it cost-effective."

Payton's company is associated with Angeles Metal Systems, the first company west of the Mississippi to do light gauge metal roll forming. California Business Systems came here a year and a half ago and has been putting a prototype infrastructure together that will address this market long-term.

He said that there are three questions developers ask: 1. What is the cost per square foot? 2. Who is going to put it up? 3. Can I get it approved? The answers are that cost-wise it is competitive with wood. Wood framers are going to put it up. It will meet any building code requirement anywhere in the world.

### Help From the Housing Slump

The recession and building slump hasn't hurt the residential steel framing business. "Resistance is less than at any time that I can remember in my 14 years in the business," said Payton.

Daryl Frazier took advantage of the slump to retrain his building crew and overcome human nature's resistance to

change. To do steel framing, a wood framer learns to use a screw gun instead of a nailer (or hammer or stapler), and to use a chop saw which is similar to a skill saw. It doesn't take long to cross-train. Cabinet-makers will still be used because steel frame builders are not taking all of the wood out of the house, just what is used for framing.

Add to the pain of the building slump a volatile lumber market over the last six months. "You can't bid a job and be sure lumber prices will be the same when you are ready to build," said Frazier.

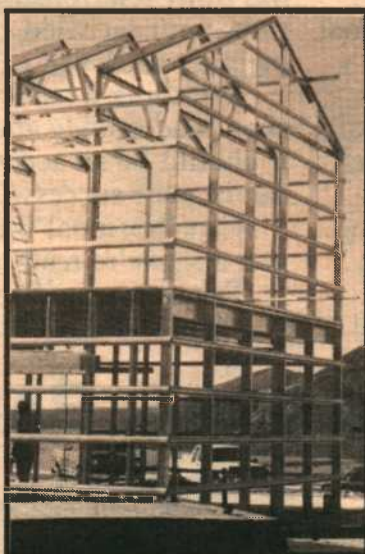
Del Webb California Corp. agrees. Operations Manager Bob Permyan said, "Del Webb is in the process of designing a prototype metal frame home in Las Vegas. Because of the erratic and unpredictable lumber market, we consider it a very strong possibility that in the next ten years many builders may consider steel an alternative."

### Erector Set Homes in the Future

Daryl Frazier's dream is to design metal frame homes that owner/builders can put together from kits to earn "sweat equity" that will help them make the down payment on a first home. Labor costs to frame a house run three to four thousand dollars. With the kits Frazier has in mind, an owner and a few friends or family members could put up the house frame in a weekend, leaving the contractor, working with the lender, to finish the home.

California Business Systems will give a free steel framing cost estimate to any builder within three days of receiving a copy of the floor plan. For more information, contact Gary Payton at (213)260-5380. Δ

*by Patt Grantham O'Neill*





# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## San Bernardino Rent Control: A Bad Idea and Unconstitutional as Well

The Mayor of San Bernardino and the majority of the city Council are leading the taxpayers down a primrose path of rent control under circumstances that could cause taxpayers immense losses.

### Here's the Situation

A city (like San Bernardino) passes a rent control law prohibiting the increase in rents of spaces in mobile home parks when the tenants sell their coach. The land increases in value, the rental value increases commensurately, and the departing tenant is able to sell the coach for a premium because they sell not only the coach, but the right to occupy the space at a reduced rent.

Coaches are like used cars, they depreciate in value, there is a Kelly Blue Book on them, and each year they are worth less than the year before. Nevertheless, in California where cities passed rent control, coaches increased dramatically in value.

The consequences of some rent control ordinances were absolutely stunning. In one case handled by this office against the city of Los Angeles, a tenant testified that she purchased a junker coach for \$75,000. During her deposition she stated, "I bought the space, not the coach."

The problem is that the space belongs to the park owner and not the departing tenant who received the \$75,000.00.

This office brought the landmark case of Hall v. city of Santa Barbara in the federal court, and it is now a matter of unanimous federal decision, that the premium value belongs to the park owner, not the tenant, and that the city passing the ordinance is liable for all damages incurred. The damages are measured by the cumulative value of the premiums received by the departing tenants.

With unanimous federal appellate decisions in place, the leading politicians in the city of San Bernardino, nevertheless, caved into special interest pressure by the mobile home tenants group, and passed a rent control law which is precisely the same as that condemned by the federal courts.

Now, the city's taxpayers stand in harm's way because of a collective decision made by the local politicians to advance their political careers at taxpayers' cost.

Recently, an action on behalf of 13 park owners in the city of San Bernardino was filed against the city for \$25,000,000.00. It is expected that the balance of the park owners will join the litigation at some point in the near future, raising the potential damage claim to in excess of \$40,000,000.00.

The city of San Bernardino does not seem to learn its lessons well. It just was the victim of an \$11,500,000.00 verdict because of bad decision making by the city and legal judgment employed on its behalf. Now, it faces a lawsuit of far greater dimensions

because it pays homage to special interest groups while abandoning the well-being of the average citizen taxpayer.

The citizens of the cities of Santa Barbara and Los Angeles faced \$300,000.00 and \$1,000,000.00 judgments respectively, and their rent control laws for mobile home parks were declared unconstitutional to the extent that they did not permit rents to be raised at the time of the sale of the coach. Those damages were obtained on behalf of single parks.

Add to the risk of judgment, the inescapable defense costs which will be in the range of \$300,000.00 to \$500,000.00, as well as the hundreds of thousands of dollars involved in operating the bureaucracy created by rent control, and the conclusion is inescapable. Rent

control in a mobile home park is not only a bad idea, it is unconstitutional as well. Δ

Robert J. Jagiello is a senior partner in the law firm of Jagiello & Pech, a firm specializing in real estate and business litigation and is currently representing approximately 35 mobile home parks throughout the State of California challenging various local rent control ordinances.



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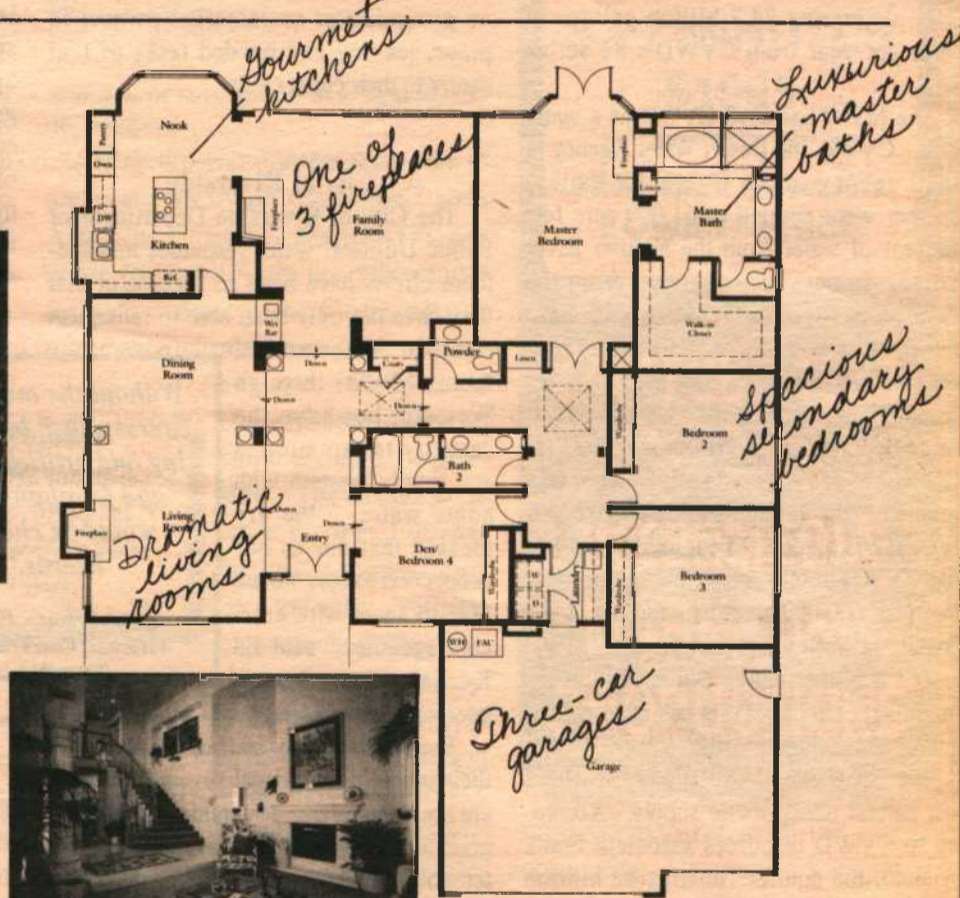


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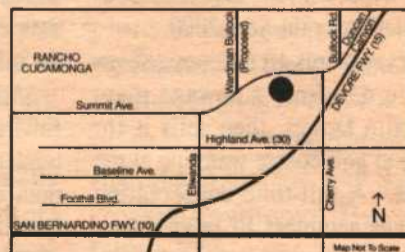
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# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Inland Water Tycoons Cut Supplies and Plan for Drought

*Districts Implement Creative Plans to Quench Thirst for Over a Million People*

by **Patt Grantham O'Neill**  
Inland Empire Business Journal

**I**t's astonishing is how many layers of bureaucracy your water supply must trickle through before it reaches your faucet. Given a rather Byzantine regulatory situation, and a prospect of more drought some of the larger water districts in the Inland Empire are preparing for the future with optimism and long-term strategies.

### Coachella Valley Water District

The Coachella Valley Water District (CVWD) serves almost all of the Coachella Valley from the southern half of Cathedral City to La Quinta and resumes past Indio and Coachella, which have their own separate supply, down to Imperial County. The district covers 1000 square miles and a population of just over one million people. Water is pumped from the 700-1200 foot level, delivering 24.7 billion gallons of water per year from CVWD's 81 active wells.

The MWD has used CVWD as a water bank. CVWD and Desert Water Agency (a small agency in the Coachella Valley) together were entitled to 61,000 acre feet per year of water from the Feather River Project, an aqueduct that runs from the Sacramento River delta and stops at Lake Hemet. However, if Coachella Valley residents wanted that water, they had to pay for the plumbing. Rather, they went to MWD and traded their River Project allotment for water from the Colorado River Aqueduct (running right through the Coachella Valley). MWD agreed. Then, in 1984, MWD told CVWD to take a ten year allotment at one time, 600,000 acre feet, and put it into Coachella Valley aquifers in case MWD needed it in the future. Since 1986, when the drought struck, MWD has been able to call on this savings account.

The Coachella Valley is blessed with a vast natural underground supply. According to CVWD resources associate Frank Orlando, the aquifer contains 32 million acre feet, or enough water to last into the next century even with an expected doubling of population by the year 2000.

The district reclaims 10 millions gallons of water each day from a sewage plant located in Palm Desert, then sells it for landscaping and golf course watering at the major resorts. A full-time conservation specialist gives seminars to large users, encouraging them to save money on a water bill --a big chunk of overhead in tourist-dependent Valley.

Are these resorts squandering precious water resources? Without the many golf courses, lush landscaping and artificial lakes and fountains, "we would be chasing lizards," says Orlando. Some might prefer that, but the economy would lag.

### Western Municipal Water District

Covering Jurupa near Riverside to Temecula (Corona, Rancho California, Elsinore Valley), 510 square miles and 500,000 people in all, the Western Metropolitan Water District has experienced substantially less growth in the July 90-July 91 period of 7.6% than it did with the previous year's 20.5%. Blame it on the economy and the building slump — the hookups were not happening. Western has 8,500 individual retail customers and ten cities which are wholesale customers.

All of Western's water supplies are imported from MWD, although the cities, and Western now requires developers to submit landscape plans for approval of their projects showing water efficient techniques and landscaping, according to Renae Hinchey, manager of administration and public affairs.

During the drought, MWD cut Western's supplies by 36%, back from 89,953 acre feet to 57,911. Even so, Western has no groundwater reclamation project in place, leaving any needed tasks of that nature to their client cities.

### City of Riverside

The City of Riverside Department of Public Utilities' water resources management efforts have been so successful that they have not only been able to relinquish rights to 5000 acre feet from MWD through Western, but have the capacity to turn around and supply Western with some water. "We are pleased that due to our production excess we are able to share with adjacent agencies," said Ed Kostjal, principal engineer with the department.

Even though they are comfortable with their supply now, Kostjal stressed that they are not complacent. Riverside is facing the potentially devastating issue of groundwater pollution. Water quality is declining due to contaminants appearing in ever-increasing levels in their wells, although to date concentrations are within guidelines for safety.

Add to creeping pollution levels the Environmental Protection Agency's recent tendency to lower acceptable concentrations of pollutants, and Riverside could be forced to shut down all of its wells. "We are looking at having to purchase a water treatment facility. Even if water quality remains the same...this is a delicate balance."

### Eastern Municipal Water District

To hear Peter Odencrans, community relations director, tell it, Eastern is awash with water due to excellent water resources management. The district has two sources



*A view of the wetlands, with snow-capped Mt. San Geronio and the San Bernardino Mountains in the distance.*

of water, 20% from local supplies and 80% imported from MWD. They supply approximately 30-50% of their eight client agencies' needs, the rest made up from groundwater and surface sources. Eastern covers 534 square miles with a population of 328,000, from Moreno Valley south to the San Diego County line, and San Jacinto/Hemet to Mead Valley/Good Hope adjacent to Perris.

Conservation efforts have extended to repairing leaks in their own system that could save 1,600 acre feet per year, and working with the Federal Soil Conservation Service to study how efficiently large users manage their water and counseling them on ways to improve. This district also requires developers to submit plans for approval of water efficient design.

Better water management will occur with a new task force making it easier for the different client agencies within this district to know what is going on with the other agencies so that future growth can be more effectively planned.

Included in this area are several individuals and farms with their own wells. In fact, the district itself is aiming to be self-sufficient by expanding groundwater resources through recharging the aquifers and by de-salting naturally mineralized groundwater with a planned de-salting unit near Sun City. It will provide 3,000 acre feet of water a year.

Their five wastewater treatment plants have the capacity to reclaim 40 million gallons of water each day. The district wants to tie these plants together into a large grid that will be able to provide reclaimed water to more people and can be better managed by shifting water to where it is needed, something that they cannot do with five autonomous units. Every drop of their

reclaimed water is used, either by selling it for landscaping, parks, golf courses, etc., or by recharging groundwater supplies. Last year, they sold 15,700 acre feet of reclaimed water.

Working with the state wildlife people, wetlands are being created using reclaimed water. The San Jacinto Wildlife Area is 3,500 acres east of Lake Perris. It is on the Pacific flyway bird migration route. The Department of Fish and Game is managing the preserve and Eastern is providing reclaimed water, for ponds and for irrigation to grow food plants for the birds.

"We want to continue doing projects like that," said Odencrans. The district would like to take this project one step further by running reclaimed water through more wetland area, allowing natural life processes of water plants, sunshine and bacteria to clean and balance the water further (tertiary treatment). The district hopes to expand this to a potential of 120,000 acre feet or more to use for future drought. As a comparison, Lake Perris has a 130,000 acre feet capacity. Thus, the district feels that it has the capacity to store underground more than a one year supply.

Under the right conditions, they can even take their reclaimed water and store it in aquifers. The tertiary reclamation effect and dilution with existing aquifer water could make this water suitable for domestic consumption.

MWD is looking at putting in a large above-ground reservoir, which will be called Eastside Reservoir, to store 800,000 acre feet. This will double the total storage capacity for MWD and the state south of the Tehachapi Mountains. Three sites are being considered for this new reservoir, all within Eastern's service area: Vail Lake might be enlarged, or Domenigoni Valley or Potrero Canyon could be dammed and flooded. Feather River Project water would be used to fill the new reservoir.

*Without the many golf courses, lush landscaping and artificial lakes and fountains, "we would be chasing lizards."*

*- Frank Orlando, Resources Associate, Coachella Valley Water District*

*Please see Page 30*



# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Letters to the Editor



### We Get Letters!

Dear Editor:

Articles about McDonalds' first GOLDEN ARCHES always interest me.

My husband LUTHER OLNEY helped to raze the original McDonald building. The old tin building once used as their warehouse & office is located at 2325 Blake St., Muscoy area Bernardino. We used it for our Shuffleboard shop where we refinished shuffleboards (1952-1978).

McDonald acted as his own contractor and hired my husband to build the first

Golden Arches. We have the working plans around here now. McDonald designed the utensils he would use for the hamburgers. Luther made the models in wood.

They were later taken to be fashioned out of metal.

Later on, McDonald bought the old colonial house on a hill in San Bernardino that burned and Luther rebuilt that. One of the carpenters cut a finger off. Our brother in law and nephew hurt their backs when a gust of wind caught plywood they were carrying. Dick McDon-

ald fell into a hole and broke his leg.

And me...I had a gas bill of \$3.00 because I burned all of that nice wood in my fireplace.

Sincerely,

Adelle Olney

Dear Editor:

Referring to your editorial in the August issue - you may be rightly proud of your new format of the publication. I'm surprised you haven't received letters immediately about the design of the title "Inland Empire Business Journal." Your poor excuse for a 'J' is so close to the 'o' it pastes itself to the 'o' to become a 'p'. Not good! At least put the proper hook at the bottom of that stroke to make it more readable! (J)

Otherwise — no complaint — it's great!

Sincerely,

Mary M. Moser

## Balancing Jobs, Housing...

*Continued from Page 22*

level."

A few of the key areas the VMT reduction program intends to attack are companies with large parking lots. With the AQMD's ride-sharing program now in full swing small and large companies should look to pay stiff penalties unless they develop immediate plans to reduce the number of vehicles to and from their facilities.

According to Sherwood, SCAG will look to encourage businesses to develop flexible hourly schedules for their employees. "On a large scale, this would help greatly in spreading out peak commute hours."

For the short term, the SCAQMD,

*By and large, most people that move here will continue to commute, and will do so for quite some time*

SCAG, state policy makers, federal bureaucrats and a few large companies are looking to dent congestion by implementing expensive telecommuting programs. The concept includes utilizing high-tech telecommunication tools at regional satellite centers. A Riverside resident who works in Orange County could walk down the street to a fax-filled office rather than

battling the 91 Freeway.

Widespread support from large firms is still yet to be seen, but the concept is nifty and it fits well with SCAG and SCAQMD's Vehicle Miles Travelled reduction package (see related story in this issue). So while the telecommuting program may clutter a few extra phone lines, it will do little to counteract a population growth of 1,250,000 by the end of the decade.

"By and large, most people that move here will continue to commute, and will do so for quite some time," says Husing. Not only that, but Riverside economist Steve Albright looks for congestion to worsen as a new wave of LA citizens dodge to the Inland Empire for new found work. "I also look to see a lot of cross-county commuting...people who live in Riverside will travel to San Bernardino to work and vice versa," concludes Albright.

The problem worsens. Another twist to the complex issue balancing jobs and housing is California's new regulatory nature. Already hundreds of large and small businesses have packed up for other towns like Salt Lake City, Seattle, Phoenix and scattered Mexican villages where labor is cheap and air-water regulations are

unheard of.

"Sometimes it doesn't seem fair to undertake so much regulation," says Albright. "Small businesses are going to be hit hard, but one cannot point a finger at any one of our regional governing agencies. If you ask me, the Federal Government needs to show stronger leadership. They need to be more flexible, utilizing control technologies that are now available to reduce pollution.

Right now we face a national double-standard...there are certain areas of the country that have more pollution than others and are negatively impacted by the regulations regardless of geographic circumstances beyond their control. To me it's not right to be able to go out into the middle of Kansas and pollute all you want."

Again, WILL THERE EVER BE A SOLUTION?

"In the Inland Empire, there really isn't a solution in the immediate future," says Husing. "We are going to be an area that people move to, and when they move (at least initially), they will be commuting back."

According to Husing, during the 80s Inland areas began to see evidence of additional jobs as companies found that wages were somewhat lower and properties were cheaper. "But I don't think that was a great

*The problem worsens. Another twist to the complex issue balancing jobs and housing is California's new regulatory nature*

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motivation...even with the recession continuing, I expect to see manufacturing and warehousing firms locating here, simply because it's a better place to do business, but even with these trends, the population growth for the balance of the 90s will continue to support long-distance commuting...that's just the way Southern California develops. Housing comes before jobs.

According to Steve Pontell, director of the Inland Empire Economic Council, balancing jobs and housing is not even the issue. "Just look at Orange County," quips Pontell. "They have absolutely the best job-housing in the state but their traffic congestion is still unsurmounted."Δ



## TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

# New Homeowners Beware...You're Gonna Get Stuck!

### Is \$16,000 Too Much to Charge a Builder For a House?

We are now fighting legislation which will unfairly tax new homeowners and hurt the economy and job base of local cities.

Under the title of "development impact fees" the County is planning to charge a New Homeowner Tax ranging from \$1,800 - \$3,500 on every new home built in the unincorporated areas to purchase infrastructure for County use. This proposed infrastructure would include new County offices, libraries, museums, open space, regional parks, and fire service.

Right now, the County can legislate fee collection only in unincorporated areas. This poses a problem to the County because the majority of new development is occurring within the incorporated areas. To get around this, the County plans to solicit the cities to collect the County's fees for its infrastructure.

As the State of California puts the squeeze on the Counties and demands more local expenditures for services which, before Proposition 13, were provided by the State, the Counties are putting more pressure on the cities' budgets to take up the financial slack. As the cities in San Bernardino County fight for their financial survival, the County adds to the strain with proposed new homeowner taxes.

When the County solicits the cities to collect its fees, the County leaves unmentioned several effects fiscally detrimental to the municipalities. However, these fees pose a danger which goes far beyond hurting the finances of the municipalities or the new homeowners. All of the businesses

who make their living from the building industry (banks, building trades, suppliers, truckers, subcontractors, insurance companies, etc.) will also suffer from the effects of the proposed New Homeowner Taxes.

It is important to take a careful look at the County's statement that new homeowners must pay their "fair share." Presently, the current homeowner pays an average of \$800 per year, but a new homeowner pays an average of \$1,300 per year. In its new infrastructure financing proposal, the County is planning that anyone who wants to buy a new home pay fees that will be added to the cost of their home.

It should be noted that during the 1990 calendar year, only 25% of the homes purchased were new homes. However, the County is expecting this small percentage of homeowners to bear the entire cost of new infrastructure. Another misconception presented by the County is that opponents of the new financing proposal want current residents to pay for new infrastructure. On the contrary, critics of the County's new financing proposal have requested a two-step process to determine both infrastructure needs and equitable funding solutions.

First, a careful and prudent review would allow the County's proposal to progress from a bureaucratic "wish list" to a refined list of infrastructure projects which are actually necessary.

Second, a thorough analysis should be completed to determine who would actually benefit from such infrastructure. Then, voters (i.e. the taxpayers who would fund such projects) should be given the opportunity to

vote for the new financing or reject such a proposition.

Some County officials have called this idea of letting the voters decide methods of infrastructure funding "irresponsible and unconscionable." How can the American principle of the vote of the people be labelled irresponsible and unconscionable?

County officials attempt to compare the funds collected from this proposal to the funds collected by the County of Riverside under a similar plan. What San Bernardino County officials fail to consider is that this is a false comparison because no analysis was made of infrastructure needs of the two counties, and further, Riverside County only collects from the unincorporated areas of its county.

Some of the funds to be collected under the County's proposal are to purchase open space. It is curious that the County would propose to spend money collected from residents of the largest county (geographically) in the nation to purchase open space when less than 15% of the County's 22,000 square miles are urbanized. When adding up the "inventory" of park land for recreational use by the residents of the County, the County omitted the tens of thousands of acres available in the San Bernardino National Forest. These park lands are available to County residents without purchasing additional land, which the County reports would cost an average of \$25,000 per acre. They have refused to substantiate this figure, and the Building Industry Association finds this an inflated average.

The County is proposing to build new public facilities to add to the office space the County presently has in its building inventory. In trying to sell-the need for "public facilities"; County officials are stating the need for jails and court houses. Upon review of the public facilities to be built, only 58% of the total square footage

is for courts and jails. The remaining proposed square footage is to expand the County's bureaucracy.

Only six months ago, San Diego's City Council rolled back all proposed new home fees because of concern raised by the Council's Transportation & Land Use Committee. The Committee reported that adding more fees to the cost of building would serve only to hinder the recovery of the local economy.

In these times when all public dollars are being reduced, we need an equitable approach to the financing of public programs which represents the needs (and wants) of the public. The only results of the proposed funding program are an increase in housing costs, an increase in bureaucracy, and the decline of the American Dream of home ownership. Δ

**Right now, the County can legislate fee collection only in unincorporated areas. This poses a problem to the County because the majority of new development is occurring within the incorporated areas.**



Bill Bethel, Executive Officer, Building Industry Association, Baldy View Region

## Interior Design Trends For The 90s

The trend toward "cocooning" (i.e. retreating from a hostile world outside) that started in the 1980s, is clearly escalating in the 1990s.

Stylewise, traditional forms and statements are returning stronger than ever for the upper middle class and the wealthy.

Eclectic style is making its statement

for intellectuals and global minded individuals.

"Discount" will be used only by persons who are unaware of investments and what discount means in regard to quality. In the past 10 years, the "discount world has made a real killing" in the instant-gratification society.

Cooperative living/ i.e.,

grown children returning home, in-law accommodations and single-shared housing will need to be taken into consideration.

In the classes I teach in

the Inland Empire Claremont Human Services, Mission Viejo, and San Clemente, I

stress "personal definition" and "simplicity" so as to create order and beauty. This clarity also supports family energy-levels which produces harmony in the home.

Well defined spaces that are inviting and real, not void of life-celebration "touches," will never go out. I

predict and truly hope the consumer overkill styles (full of confusion and disconnectedness to the grace and style of serving in the home) will fade, with more and more people choosing hearth and home. There is a reconnection occurring



to what is needed in a warm, inviting comfortable HOME. Δ

Jeannette Caress is an award winning interior consultant and designer. She is the recipient of the Design Award for Historical Homes, for her work with the Christmas House Bed & Breakfast on Archibald Ave. in Rancho Cucamonga. Caress has also been published in Designers West magazine for her work with the Showcase House on Euclid Ave. in Upland.



Jeannette Caress



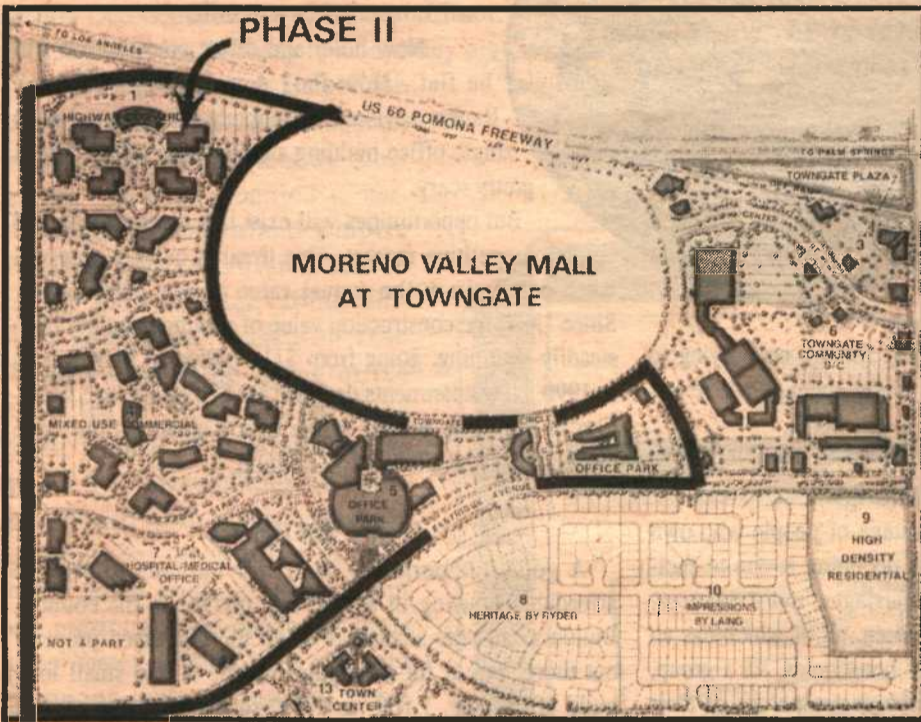
# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## 🏠 Residential News 🏠

### TownGate Announces Groundbreaking for 150 Acre Phase II

**M**oreno Valley, California; July, 1991: The Fritz Duda company has announced groundbreaking for TownGate - Phase II. TownGate, a 650 acre master planned community, is the strategic centerpoint of the Inland Empire and fast becoming the economic heart of the region.

The completion of infrastructure improvements, along with specific site development opportunities, is scheduled to coincide with the grand opening of the Moreno Valley Mall at TownGate in October of 1992. The 1.4 million square foot mall is a joint venture of Homart Development Company and the Fritz Duda Company. Phase II sites are



With 150 acres, Phase II represents approximately 1.8 million square feet of space valued at \$125 million. The master plan includes development opportunities in retail, commercial, restaurant, medical, government and entertainment facilities.

adjacent to the mall, and this location, coupled with the dynamic growth of Moreno Valley and the prestige of the TownGate project, has already generated a high level of interest. Δ

### StoneRidge to Encompass 2,400 Units

**T**emecula-based Rancon Financial Corporation received approval from the Riverside County Board of Supervisors in July for a master-planned community to be located in the Perris Valley of Riverside County.

StoneRidge, a development of Rancon Development Fund VI, is planned to include more than 2,400 residential dwelling units in village-style neighborhoods. The project will include three schools, 78 acres for commercial development and more than 30 acres of parks and open space including a 15-acre regional sports facility.

"We are very excited to be moving ahead with this project," said Daniel L. Stephenson, founder and chairman of Rancon Financial. "This is a milestone for the thousands of investors in our

partnership, for our company and for the future residents of StoneRidge."

StoneRidge is designed to appeal to homebuyers ranging from young families and move-up buyers to seniors by providing a variety of attractive, affordable product types. Named for the surrounding stone-cropped ridgelines, StoneRidge is located just south of the Lake Perris State Recreation Area with frontage on Ramona Expressway and Nuevo Road. The future extension of Antelope Road will be the community's major thoroughfare.

The project will be developed in phases with the first phase anticipated to begin in mid-1992, but will be timed according to the market, said Stephenson. Rancon Development Fund VI will be developing finished lots for merchant builders and may participate in joint ventures. Δ



### Sweeney Named Human Resources Manager by Del Webb

Sue A. Sweeney has been named Human Resources Manager by Del Webb California Corp., developer of the Sun City Palm Springs active adult community.

In her new position, Sweeney will

be responsible for all employee recruitment, training and benefit programs. She will oversee employee relations and serve as liaison between employees and management.

Sweeney's background includes more than five

years in the human resources profession. She has held recruitment positions with Wells Fargo Bank and the University of Southern California in Los Angeles. She has also served as the director of christian education for the Community Church of Palm Springs.

Prior to coming to Del Webb, Sweeney was personnel director for the Harris department store in Indio.

Originally from Ohio, Sweeney earned a

B.A. in psychology and communication and an M.A. in social science at Azusa Pacific University, Azusa, California. Her master's degree included an emphasis in student development and human resources.

Sweeney is a member of the Merchants and Manufacturers Association and the Desert Communities Employer Advisory Group. She and her husband, Tom, live in West Indio. Δ

### Birtcher Construction to Build The Dominion Homes

**B**irtcher Construction Limited, a Laguna Niguel, California-headquartered general contractor is continuing its focus on residential building for developer/clients with the recent contract award to build The Dominion, a housing project located in Apple Valley, California. Construction on the first phase, four models and ten production homes began last month with the second phase scheduled to begin shortly after initial sales of the first phase are completed.

The tract of homes includes 137 ranch-style, single family residences which feature the expandable home design concept. The four floor plans range in size from 1,018 SF to 2,048 SF and are being built on extra large lots (15,000 SF to 20,000 SF). The developer, The Victor Valley Company of Apple Valley, California, expects the homes to sell in the low \$100,000s. The Dominion was designed by Pekarek Crandall of El Toro, California. Phase I is scheduled for completion in December 1991. Δ

### Sale of 328 Apartment Units Marks One of Inland Empire's Largest Residential Transactions

**I**n one of the largest recent residential income transactions in the Inland Empire, the 328-unit Victoria Woods Apartment Complex at 8493 Etiwanda Ave. in Rancho Cucamonga has been purchased by Allmark Inc., Rancho Cucamonga, for approximately \$16 million, Cushman & Wakefield announced recently.

Allmark, which develops, purchases and manages residential income properties, will handle the complex as an investment.

The transaction, which was closed in three weeks, was negotiated by Wolfgang Kupka and Dan Trapp of Cushman & Wakefield's Los Angeles office. The seller is First Interstate Bank of California. Δ





# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Office Market Dead: Master-Planned Communities to See Action

Special  
Feature

**B**ased on current economic and demographic trends, the best opportunities for real estate builders in the early 90s will be in residential rental, then warehouse rental, residential for-sale (particularly in low-price ranges), and some select opportunities in retail, depending on which market you are in. The market for office construction in most areas is dead, and will be for three to five years until demand catches up with supply.

Master-planned communities, in particular, will see plenty of activity in the 90s. In the Inland Empire, there are already several new housing units occurring in large, master-planned communities. On a broader scale, up to half of all new building in the country over the next five to ten years will primarily be in California, Florida, Texas and Arizona. The majority of that development will be in master-planned communities.

Real estate, more than ever, will be driven by economic and demographic trends. To survive this decade and beyond, builders in the Inland Empire must become intimate with demographic and economic trends, and provide the right product in specific regions targeted for growth.

Working with up-to-date, accurate information about where the economy and population are going, and formulating careful, long-range plans about what type of product to bring to market and where to provide it, is critical for survival in this business.

### Impact of Demographic Trends

The introduction of the birth control pill in the early 60s brought a dramatic end to the Baby Boom period (1945 to 1963). As a result, there are about 80 million Baby Boomers — about one out of every three persons in our society. Get to know them because the statistics about this population group directly impact on the real estate industry.

For example, this group is aging, which means there are fewer people under the age of 35, more between 35 and 55, while the 55 to 74 year old age group is stagnant. Those rushing to build retirement communities right now may find themselves with an overabundance of vacant lots. And builders targeting first-time homebuyers will eventually be competing for a shrinking market, although affordability remains a critical issue in many areas.

Although the larger 35 to 55 year old group continues to expand, it does not necessarily signal increasing demand for new housing. In fact, the overall housing market is declining and will continue to do so. In the 1980s, builders were building about 1.3 to 1.4 million households per year. From 1990 to 1994, it will drop to about 1.2 million, and from 1995 to 1999 to about 1.1 million annually.

One reason why this middle-aged group is demanding more new housing is that many households' assets are already tied up in their homes. The tremendous

price appreciation, experienced during the 1950s through the late 1980s, started to slow down in 1989-1990. As prices inflated, demand diminished and appreciation slowed. Most people in their 30s and 40s have already

portion of singles now in the population who will be buying homes. But they won't want an expensive, 2,400-square-foot split-level on a hillside — but rather condominiums and other homes that are affordable so they can get a little equity going for them.



bought homes, and many overpaid, and are now trying to figure out how to get out from under them. They're not interested in, nor can they afford, a new home.

### Socially Speaking

Another reason why the percentage of people who own homes in the middle-age group is declining is due to societal changes. There are fewer marriages, more divorces, and couples are having fewer children, all of which has an impact on the number and type of households. As a group, they are also less likely to be as prosperous as their parents over the course of their lifetime.

What all this means is that out of every three people who are earning a living building homes now, only two will be needed by 1995. The industry has no choice but to fully downsize by one-third.

Also affecting new housing starts is the fact that household formations are extremely subject to economic circumstance. Currently, young adults are staying home longer because they can't get decent jobs or they're priced out of the market. They'll stay put until economic conditions improve. In 1990, for

example, there were about 500,000 household formations, dropping off from more than 1.5 million the year before.

### Affordability Key For Singles

Yet another demographic factor (also influenced by the economy) that has contributed to the declining housing market is the number of new married couples. In 1986, there were 583,000 weddings, 604,000 in 1989 and only 217,000 in 1990.

Keep in mind, however, that there is a much higher pro-

### Ditch Your Hotels

While the biggest real estate opportunities in the Inland Empire this decade will be in residential rental, warehouse rental, residential-for-sale, master-planned communities and, to some extent, retail, other markets will suffer.

New hotel and office construction will be flat. How flat? A quote from Coldwell Banker advises that "nobody should have built a single office building anytime after 1986." That's pretty scary.

But opportunities will exist in a much smaller and more competitive market. This trend is quickly observed when one looks at the annual value of new construction. Since 1987, the construction value of new housing has been steadily declining, going from \$114 billion to \$104 billion in 1990. New apartments declined for \$25 billion to \$17 billion in the same period, while office construction value dipped from \$26 billion to \$23 billion.

### Like Cold Drinks

A golden opportunity exists for builders to provide affordable housing in almost any market in the country. Builders can take advantage of all the distressed property out there; buy it for a bargain; rezone it into small lots; build affordable, 1,100- to 1,500-square-foot homes, and sell them from anywhere between \$90,000 and \$140,000. They would sell like cold drinks on a hot day.

What's the bottom line? What is the key to real estate success in the Inland Empire? First we must understand demographics and economics. This is essential to determining strategies for survival for the next 10 years in real estate. Starve the problems and feed the opportunities. Don't lament the fact that there is economic darkness out there; light a candle and go where the activity is. Accept reality and downsize.

Building and construction today is a much more competitive business, with longer holding periods, higher cost of money and slimmer profit margins. The impact will be different on small, medium and large companies. The small companies will go to niche and service industries. Medium-sized companies will need to maximize flexibility and diversity, and probably become either smaller or larger. Large companies, that have financial reserves to weather the storm, must diversify geographically and in terms of product lines. They will be the only ones with staying power to undertake large master-planned community projects, which will better accommodate environmental requirements and impact fees.

Working with accurate information will help us to formulate detailed, strategic business plans that must outline the mission; the market; the manpower; the money and the questions, "Where are we going and how are we going to get there?" And always remain adjustable and flexible. You need to meet a changing world. Δ

Winston Elton is the principal-in-charge of the real estate consulting group for KPMG Peat Marwick, providing services for large real estate projects across the country and internationally.

*Nobody should have built a single office building anytime after 1986. That's pretty scary.*

*Don't lament the fact that there is economic darkness out there; light a candle and go where the activity is. Accept reality and downsize.*





# TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

## Table For Two

*The cover of this issue was photographed at Spencer's Restaurant in the Maruko Hotel, San Bernardino*

Two of the Inland Empire's leading restaurant writers and critics are embarking on a new venture this month. David Cohen and Allen Borgan, both members of the Southern California Restaurant Writers, together with KVCR Channel 24 launched a television show, *Table For Two*. The new season begins October 2nd (the third season) and will air at 7:30 pm every Tuesday and Saturday night.

David and Allen co-anchor the show and host local restaurateurs, winemakers and others as their guests. They've promised to better acquaint the Inland Empire with various restaurants and to inform the public on various dining situations. Based on Our Town's visit to the taping of the show, they'll succeed in providing a fair amount of entertainment as well. The personalities of Allan and David both clash with, and compliment, each other as they carry on an endless banter about the merits and de-merits of their experiences. David is as properly pompous, pretentious and practiced as Allan is laid back, unpolished and casual. Allan provides David with numerous opportunities to tilt his head back, adjust his glasses and look down his nose at Allan's irreverent remarks and unrehearsed antics. It was difficult to determine where the script ended and the ad-libs began. These two promise to get even better as they become more comfortable with their new roles and the

*We'd love to explore outside the Inland Empire and sometime move onto a major network. There's a big need for people to eat out, and today, with working couples, it's often cheaper to eat out than buy groceries.*

processes of taping their shows.

Each in his own right has substantial qualifications for his new position. David is currently a restaurant critic for KDUO-FM. His father was a maitre'd and he has traveled extensively. Allan currently writes for *Our Town* each month and has had formal training as a chef and years of restaurant experience. Previously David spent three years as a restaurant critic for Riverside's Press-Enterprise and Allan with Moreno Valley's Butterfield

Express newspaper. Both have numerous other memberships and credentials.

The format of each show includes several reviews of local restaurants beginning with segments taped on location and ending with discussion and evaluation back in the studio. Cafe Francais, a popular French restaurant in Our Town's Downtown, was reviewed in the pilot. Each show includes discussion of how to best deal with such situations as poor service, unacceptable food, wine selection and tipping. The co-stars often resort to

role playing and drama to bring to life an otherwise dull topic. Their genuine concern for the customers, with their frank advice, should prove to be useful and make their viewers more comfortable when confronted with similar situations.

The show has great promise and benefits from the enthusiasm, dedication and vigor of Allan and David. The show is already a popular local success on a regular basis.

So you be the judge! Forks up, forks down or forks sideways? Call the station with your comments at (714) 888-6511, extension 3. Δ



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## TAKEOUT RESIDENTIAL HOMES & COMMUNITIES

# Residential Construction Management Can Save Money

The small to middle-range developers of Riverside County, faced with a lethargic housing market and cash flow at a molasses pace, are turning to an alternative solution for buildouts: Construction management.

General Construction Management, based in Palm Desert and with involvements stretching from the Inland Empire to Blythe and beyond, say residential developers have discovered construction management can save them money and carrying time on new residential construction.

GCM is currently overseeing the construction or in the bidding process to construct in excess of 1,400 single-family homes for several development firms that, in boom times two years ago, maintained their own in-house building departments.

Steve Boyd, a principal of the firm, said developers who had reported in-house building departments eating up 20 to 30 percent of their intake, were realizing that construction management dropped costs to 50 percent and, in

**Construction managers were replacing general contractors as the word processor replaced the electric typewriter or the FAX replaced FedEx.**

most cases, produced a better product in less time.

Boyd said construction managers were replacing general contractors as the word processor replaced the electric typewriter or the FAX replaced FedEx.

Architect and developer Clemente Troncoso said that GCM eliminated his most frequent problems with building by keeping the project on budget, providing



Gary Covell, Steve Boyd and Doug Bertheola

quality construction and lower costs, and supervising his interests on the building site.

Inland Empire Business Journal asked Boyd and partner Gary Covell about the new industry recently.

**IEBJ:** How does a construction management firm operate?

**Boyd:** A construction management firm takes up where the general contractor leaves off. GCM, for example, has a contractor's license, 30 years of experience in residential and commercial building and all the insurances. A construc-

tion management firm, unlike a general contractor, works on a professional fee arrangement like a physician or architect. The goal is to bring the project in at or below the developer's budget. Cost savings go back to the owner of the project.

**IEBJ:** How did the service evolve from General Contracting?

**Boyd:** It was a natural progression in the age of the computer as professional managers entered the building industry. Construction management firms looked at the common problems of building a residential community and solved them. The management firm gets involved earlier with developers in a pre-bid plan review that evaluates construction issues and finds and cures the flaws before it ever goes out to bid.

**IEBJ:** What sort of developers are opting to give up in-house services in favor of construction management?

**Covell:** The majority of our clients are mid-range developers determined to reduce costs either because their lenders tell them to do so or they are anxious to keep a rein on their own costs. We fill the role of project superintendent and also project comptroller to illuminate the

**Developers who had reported in-house building departments eating up 20 to 30 percent of their intake, were realizing construction management dropped costs to 50 percent and, in most cases, produced a better product in less time.**

need for start-up costs and dismantling costs at project end. Our clients pay us a reasonable fee to build a home and watch the pocketbook. We work with new development corporations, and individuals like Paulden Evans who has been involved with the development of thousands of homes in Southern California alone. In short, anyone who wants to save money and have an in-house building department protecting corporate interests without the builders being underfoot. Δ

*General Construction Management principals have been involved in residential construction throughout the Southwest and Midwest and maintain offices at 41-865 Boardwalk, Suite 112.*

*General Construction Management telephone: (619) 340-4445.*

## Inland Water...

*Continued from page 24*

### Chino Basin Municipal Water District

Serving seven cities — Rancho Cucamonga, Chino, Chino Hills, Fontana, Upland, Ontario and part of Montclair — Chino Basin's area covers 242 square miles with a population of 538,000. The district is mainly a water reclaimer. Having no water rights of its own, it manages the water rights of the client cities.

Currently, the water supply of this district comes 75-85% from groundwater and surface sources, and 15-25% from MWD. They expect their reliance on MWD water to increase to 50% by the year 2010 unless they improve management of local supplies.

Much of the water they reclaim and

treat to "full body contact" standards is discharged into the Santa Ana River, according to Ed James, a water resource engineer with Chino Basin.

Conservation programs by the client cities have been fairly successful. The water district is in the process of developing programs to increase conservation over and above the individual cities' efforts, plans that make sense on a regional basis.

Part of their water resource management effort is to clean up polluted groundwater supplies, a particular problem at the lower end of the basin where the water is heavy with nitrates from agriculture. This would involve pumping the

water out of the ground and filtering it, then putting it back into the aquifer.

"We are looking at improving water management techniques to better than we have had in the past," said James, "in getting blood out of a turnip, so to speak." Δ

**We are looking at improving water management techniques to better than we have had in the past...getting blood out of a turnip, so to speak**

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# Real Estate Focus



## Dwight Kelley Joins Del Webb as Manager of Land Development

Dwight E. Kelley has been named manager of land development for Sun City Palm Springs.

Del Webb California Corp. chairman and president Frank Pankratz said Kelley's responsibilities will include bids, contracts and schedules for land development activities. He will also assist in design reviews and document processing for the approximately 1,575-acre community north of Bermuda Dunes. Δ



## John Courtney Named Vice President at Sperry Van Ness



John Courtney was named a Vice President in the Ontario office of the investment real estate brokerage firm, Sperry Van Ness.

Courtney is an industrial property specialist with 4 years experience in the West End Inland Empire. Courtney is a graduate of University of Massachusetts, received his real estate education at U.C.L., and did graduate work in business at Northeastern University.

Sperry Van Ness is a partnership of real estate investment brokers, specializing in major investment property sales. The firm's headquarters are in Irvine with regional offices in Newport Beach, San Diego, Ontario and recently, Phoenix, Arizona. Δ

## Citrus Park Opens \$10 Million Second Phase Nearly 28 Percent Pre-Leased

A reportedly pioneering effort in the City of Riverside to combine office with light industrial buildings in a suburban business setting is proving successful at Citrus Park, a 17-acre master planned development which opened its second phase earlier this year (June) nearly 28 percent pre-leased, announces Trammell Crow Company, developers.

Richard Clarke, partner in the Riverside office of

Trammell Crow Company, reports that leasing of over 90 percent of the \$32 million mixed-use project's first phase in less than 24 months sparked development of the new phase. Citrus Park is strategically located at 1650-1880 Iowa Avenue in the 1,325-acre Hunter Park business area. Δ

## EDD is Tyler Mall's Job "Matchmaker"



"One-stop shopping" reaches a new level at Tyler Mall. As of July 15, people can shop for a job.

Tyler Mall will re-open in October as The Galleria at Tyler, a two-level, super-regional shopping center. The 15 new and renovated shops will create hundreds of jobs in Riverside County.

The Employment Development Department (EDD) is joining with Tyler Mall to match prospective employees with stores. The Tyler Mall Job Placement Center located at the Information Center near J.C. Penney opened on July 15. Δ

## Land at I-10 and Haven Sold

Sperry Van Ness, a partnership of real estate brokers specializing in major investment properties, reports the sale of a 1.46 acre parcel at the corner of Shelby and Haven Avenues, off I-10, to Ashaia, Inc.

Ashaia intends to build a retail/office center on the property. KHBC Associates, the sellers, were represented by Drew Wetherholt and Michael Baron in the Ontario office of Sperry Van Ness. Drew Wetherholt also represented the buyers in the transaction. Δ

## Getting an MBA in the Inland Empire

*Continued From Page 10*

beyond.

There are two public universities that offer MBAs and other post-graduate business degrees and programs. The tuition at these two is more reasonable than private institutions. California State University, San Bernardino's graduate business program offers a choice of the MBA and MPA (master's of public administration) with almost exclusively full-time faculty and small classes.

"The MPA program is currently being offered, besides on-campus, in four off-campus locations throughout the Inland Empire," says Dr. Michael Clarke, director of the program, "the San Bernardino and Riverside County Buildings and in Ontario and Palm Desert." University of California, Riverside has both an MBA and an executive education program with two tracks: advanced management and executive management. Both tracks are about three months long and enjoy an international reputation. Dr. Ray Maghroori, director of the executive education program, says, "Last year a businessman travelled all the way from his home in the Soviet Union to participate in the executive program, became friends with one of the American execu-

*Last year a businessman travelled all the way from his home in the Soviet Union to participate in the executive program, became friends with one of the American executive students and now does a healthy trade with this American's company.*

tive students and now does a healthy trade with this American's company." You won't get an MBA from these short executive programs but they won't take several years of your life either.

University of Redlands Whitehead Center offers an MBA that takes about two years to complete. The Whitehead Center's MBA classes are all in the evening from 6-10 pm and the program lasts about two years. La Sierra University's MBA program can be completed in a year but it will be a busy year. A total of 48 units is required, so four quarters of 12 units each will get you through but you may need someone to cook and do your laundry for you. University of La Verne has by far the most far-flung empire of MBA offerings in San Bernardino and Riverside Counties. Their many off-campus MBA programs are administered through their School of Continuing Education, Business School.

A great way to gather preliminary information about these schools is to check the reference section of your local library. These books have good general descriptions of the programs available, tuition, academic schedules, financial assistance and admission requirements: Business Week's Guide to the Best Business Schools (mentioned above); Peterson's 25th Anniversary Edition: Graduate Programs in Business, Education, Health and Law, 1991; and The Official

Guide to MBA Programs. Or just call for more detailed information and ask to have an application packet sent to you:

California State University, San Bernardino - contact Michael Clarke (714) 880-5761; Claremont's Peter F. Drucker Graduate Management Center - contact Michael Kraft for the MBA program (714) 621-8073, or MaryJane Boland for the executive program (714) 621-8193; La Sierra University - contact Ignatius Yacoub (800) 874-5587; University of California, Riverside - contact Charlotte Weber for the MBA program (714) 787-4551, or Ray Maghroori for executive education (714) 787-4592; University of La Verne - contact Ken Poertner for on-campus MBA programs (714) 593-3511; or Harry Hood for off-campus programs (714) 624-4858; University of Redlands Whitehead Center - call (714) 335-4060 for further information.

No matter which kind of program you seek, general or executive, whether you go public or private, MBA or MPA, you'll be able to find a school in or near the Inland Empire to fit your needs and your schedule.

*by E.D. Woodworth*

## Rolling Out the Welcome Mat: Moreno Valley Strengthens Relations With Developers

*Continued From Page 10*

ductive relations with nationally respected developers. The Moreno Valley Mall at TownGate (developed by Fritz Duda

of Dallas and Homart Development Co. of Chicago) will open in the fall of 1992 with five major anchors. The Moreno Valley Auto Mall, one of the largest of

*The City has provided millions of dollars of infrastructure assistance and tax increment incentives for many of these new developments.*

its kind in the nation, opened its first of 14 dealerships (Toyota) this spring. The first phases of the expansive Koll Corporate Center is moving toward completion, with The Keith Companies as a major tenant. Moreno Valley has even attracted international investment inter-

*Is Moreno Valley supportive of economic development? Absolutely. Before listening to a few disgruntled critics, we urge developers and businesses to talk to us.*

est with the construction of new BIF-Korea furniture manufacturing plant in Oleander Industrial Complex.

Through our redevelopment agency, the City has provided millions of dollars of infrastructure assistance and tax increment incentives for many of these new developments.

Is Moreno Valley supportive of economic development? Absolutely. Before listening to a few disgruntled critics, we urge developers and businesses to talk to us. The excitement is building in Moreno Valley, and our welcome mat is out. Δ



## The Airlines Serving Ontario International Airport

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1.	United Airlines Ontario International Airport Ontario, CA 91761	1,146,891 129,325	25% 21%	Chicago, IL	714-988-7474	Linda Rose General Manager (714) 395-8610
2.	American Airlines Ontario International Airport Ontario, CA 91761	1,055,624 85,313	-31% -9%	Dallas-Ft. Worth, TX	800-433-7300	Carl P. Perriello General Manager/Ontario (714) 391-8440/ 391-6450
3.	Southwest Airlines 5777 W. Century Blvd., Ste. 1190 Los Angeles, CA 90045	907,183 112,685	24.6% 25.8%	Dallas, TX	800-531-5600	Richard Sweet District Marketing Mgr. (213) 670-3565/670-3051
4.	America West Airlines Terminal Bldg. Ontario Airport Ontario, CA 91761	764,202 63,956	-8.2% 1.3%	Phoenix, AZ	800-247-5692	James Mog City Manager/Ontario (714) 391-2050
5.	Delta Air Lines 2990 Inland Empire Blvd. Ontario, CA 91764	427,906 44,075	2.3% 3.4%	Atlanta, GA	714-984-1276	Ronald D. Johnson District Marketing Mgr. (714) 989-9233/989-3632
6.	Alaska Airlines 6033 W. Century Blvd, Ste. 560 Los Angeles, CA 90045	249,606 23,658	-2.5% 6%	Seattle, WA	800-426-0333	Bob Jirsa Regional Vice President (213) 649-2129
7.	Continental Airlines Ontario International Airport Ontario, CA 91761	232,828 22,465	16.6% -9%	Houston, TX	800-525-0280	Mike Ericson General Manager (714) 984-0255/467-2399
8.	Trans World Airlines 701 North Haven, Ste. 270 Ontario, CA 91761	161,888 12,275	-8.7% -28.4%	Mt. Kisco, NY	800-221-2000	Diane Meese Manager Passenger Sales N/A
9.	Northwest Airlines Ontario International Airport Ontario, CA 91761	123,330 10,982	17.1% 7.5%	St. Paul, MN	800-225-2525	Frank Stoutenburgh Manager Station Oper. (714) 391-4469/467-3742
10.	Skywest Airlines Ontario International Airport Ontario, CA 91761	51,236 4,560	43.2% -5%	St. George, UT	800-453-9417	Marilyn Lekkerkerk Station Manager (714) 983-1228/N/A
11.	United Express Ontario International Airport Ontario, CA 91761	16,770 811	-66% -64%	Fresno, CA	714-988-7474	Linda Rose General Manager (714) 395-8610
12.	US Air Express #1 Terminal Way Ontario, CA 91761	N/A 3,007	N/A N/A	Phoenix, AZ (began operating 5/91)	800-428-4322	Robert Tucker Manager Customer Svc. (714) 988-2480

N/A = Not Applicable WND = Would Not Disclose na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, 3281 East Guasti, Ste. 490, Ontario, CA 91761. Researched by Ingrid Anthony. Copyright 1991 Inland Empire Business Journal.







Small  
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## Can Outside CPAs be Part of Your Inland Empire Business?

Working with the right CPA could mean the difference between success and failure.

Your business is an organization of resources, the foundation of which is people. You have cast and developed your key management team from day one and it not only consists of full-time executives and staff but also an outside management team, of which your certified public accountant (CPA) is a key player. For most businesses, selecting a CPA is a crucial decision. Particularly for those operating in high growth areas like the Inland Empire, working with the right CPA could mean the difference between success and failure.

Not only can a CPA firm make a difference with top quality traditional services, such as financial statement and tax preparation, they have considerable experience with many businesses in a variety of industries and can bring a lot to the table when times are tough or opportunities are unclear. Some of the general business areas in which CPA firms are helping businesses succeed include:

- Selecting computer information systems
- Ownership transition
- Tax planning
- Financial planning for start-up of new businesses or divisions.

### Opportunity Analysis

Finding the right CPA who can be an effective member of your external management team can be a considerable undertaking. I recommend using a problem solving technique which I call Opportunity Analysis. An Opportunity Analysis involves:

- 1) Defining the requirements of the job
- 2) Identifying available firms
- 3) Evaluating and selecting the right CPA firm for your business

### Defining the Job

Defining the CPA's job requirements is not an easy assignment. It requires a clear vision of the future (both short and long-term strategies and goals), an understanding of the skills, knowledge and availability of existing resources and knowledge of the services which can be provided by a CPA firm.

Your needs will most likely include traditional services such as the preparation of tax forms or a review of quarterly financial statements before they are submitted to the bank. Furthermore, depending upon the knowledge, skills and abilities of your staff, the CPA firm may be able to provide assistance in tax planning, closing the books and similar services.

Beyond these traditional services is the general business advice a CPA firm can provide to management. A CPA firm can offer a wide and varied range of business experience and, in this capacity, the right CPA can make a big difference to you. "We aren't just score keepers for

our clients," to quote our managing partner, Royce Stutzman, "We help them get an edge on the game by sharing our business knowledge with them."

At the conclusion of this phase you will have knowledge of your own resources, needs and a good idea of the job description the CPA will be required to fill.

### Identify Available Firms

Armed with a job description and a cause, you are ready to evaluate CPA firms based on your needs. As you'll soon discover, however, there are many potential applicants glad to do business with you. So how do you weed through this mess and still evaluate the best of the crop?

Some good techniques for identifying a limited number of qualified applicants can include:

- **Referrals.** Existing organizations with whom you work and know, such as your banker, attorney, or businesses like yours, may have an excellent CPA firm to refer.
- **Business and Industry Journals.** Good CPAs often share their experience and knowledge in publications you may already subscribe to.
- **Business Indexes** Often, high quality firms are recognized in publications including *Emerson's* and business journal articles and ratings. For example, see *Inland Empire Business Journal's* Top 14 Inland Empire Accounting Firms.
- **Financial & Industry Trade Groups.** CPAs are often active in trade groups where they can both contribute their experience and learn from other knowledgeable resources.

At this point you may want to call on the CPA firm, perhaps set up a casual meeting to become familiar with the capabilities of the firm and its resources. In addition to the requirements outlined in the job description, some information you will want to know include the range of services the firm has to offer, the personality of the leaders within the organization, the cost of the resources and other information important to you. Since you probably have numerous applicants, do not spend too much time with any one firm in this stage since you will want to leave further analysis for the evaluation phase.

### Evaluate and Select

Once you have become familiar with the applicants and their capabilities, it's time to narrow the field and perform an in-depth evaluation. You should have sufficient information at this point to eliminate two thirds or more of the appli-

cants solely based on the job description. Yet, you should select only two or three firms as finalists to evaluate further. Very often, the elimination of the final lot is based on your business intuition -- that is, gut feel.

The finalists are then taken to the test. To do this, many organizations use two or more of the following techniques:

1. Involving key internal players in a final interview where the firms present their capabilities, allowing you the chance to meet some of their professional staff.
2. Inquiring on references with similar needs, both from the standpoint of services and similarity of business.
3. Visiting the CPA firms at their offices and holding informal interviews with partners and staff that would be assigned to you.
4. Asking others in the business community about the reputation, skills and quality of the CPA firms.

Along the way you will learn other factors that will help you to make a more informed decision. For instance, one

decision you will be faced with is the choice between a national and local firm. Although the resources of a national firm are often astronomical, you may be a small fish in their big pond even if you are a big company by your standards. Smaller firms, on the other hand, often do not have the resources a growing business

needs. Even the most prestigious CPA firm cannot be everything to everybody. A good CPA will have knowledge of good resources to fill those needs they cannot.

Finally, after all the analysis and hard work, it's time to make an even harder decision, choosing the CPA for your business.

### Conclusion

Bringing together the right CPA with other strong members of your external management team requires a working knowledge of the machine, the capabilities of existing resources and hitting the pavement to find, evaluate and select the right CPA for your business. In the end, if you do it right, the machine will have all the right parts it needs and can then be fine tuned to win the race! Δ



Brad J. Boston, CPA, is a management consultant with Vicenti, Lloyd & Stutzman, one of the Top 14 public accounting firms in La Verne.

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**Small Business Corner**

**"Has My Business Slipped That Badly?"**

When a loan officer suggests to his client that a loan guaranteed by the Small Business Administration (SBA) might best fit his needs, the client may react by saying, "Has my business slipped that badly?" Many business owners still view the SBA loan program as an option only for minority companies or companies in trouble.

Traditional bank loans are meant to be short-term in nature. Banks want to offer lines of credit, short-term notes or equipment financing, as long as it is three years or less, in most cases. Additionally, during times of regulatory pressure and periods of "tight credit" some banks are reluctant to lend to small businesses. The SBA section 7A Loan Program offers a guaranty to lenders that enable them to offer financing over long terms to match the need and cash flow of the business. For a business to qualify it depends on

*Many business owners still view the SBA loan program as an option only for minority companies or companies in trouble.*

the industry. For example, retail and service businesses can have annual sales between \$3.5 to \$13.5 million and manufacturers can have up to 500 employees.

To obtain an SBA section loan, ask your banker if they participate, or contact the Orange County SBA office at (714) 836-2494 to find out what lenders participate in the program. Once a lender is found and the bank approves the loan it is then presented to the SBA for their concurrence. Some lenders are "Preferred Lenders (PLP)" with the SBA which means that the SBA has granted them credit approval author-

ity. After the approval the lender funds the loan and also services the loan for its term. The SBA is merely a guarantor for a portion of the loan. The normal processing time is 30 to 45 days.

The most common type of transaction under this program is for a company wishing to buy an existing or construct its own facility. This will then serve to provide more stability for the business and appreciation potential for the principals of the company. Traditional real estate lenders require a down payment of usually 30 percent, while the SBA 7A program can allow for as little as a 10 percent down payment. The term of the loan is 25 years fully amortized at a competitive rate of interest. Other uses of the loan proceeds can be for equipment, inventory, leasehold improvements, working capital or to acquire an existing business. The term for these types of use can range from five to 10 years. Δ

*By David H. Bartram  
Executive Vice President,  
Bank of Commerce (619) 232-2266  
SBA Department Manager*

**Culbertson Winery...**

*Continued from Page 3*

awards and being served at the White House. Culbertson planned to open a larger 20-acre winery near Temecula. Martha would open the Cafe California.

According to Thornton's suit, Culbertson gave him figures showing that this winery could produce an income of over \$400 thousand by the end of 1991, up from a predicted 1987 income of \$10,900. Thornton invested \$50,000 initially, and by the end of 1987 had poured \$500 thousand into the winery. According to Thornton's suit, most of this money cannot be accounted for and was taken by Culbertson for his personal use.

Taking money from a family trust, Thornton put another \$1,950,000 into constructing the new winery, but was faced with a net operating loss of \$395,430. Additional money followed...some \$3 million. Then Citibank agreed to loan \$4.3 million for the new winery. As security for this investment, Thornton claims to have made an oral agreement giving him 75% of the corporation's outstanding shares.

The winery showed a net loss of \$1,707,055 in 1988. Thornton claims he discovered Culbertson was purchasing still wine, used in the making of champagne, from his Fallbrook facility for the Temecula winery, paying himself more than fair market value.

A loss of \$2,232,583 was posted for 1989 and estimated losses for 1990 exceeded \$3 million, according to the suit. Bringing things to a *denouement* was a call in December from the winery's controller to Thornton advising him of this alleged misconduct.

Regarding the losses, Culbertson said, "Reserve sparkling wine takes five years to make. There is a major investment in capital. It often takes eight to ten years before you ever see a profit."

At the annual board meeting in the Thornton's home on March 8, Thornton staged his *coup*, announcing that he was taking charge as chairman of the board and CEO.

Thornton explained why the investment was a risky venture. "I look at deals all the time. I have a heavy deal flow," he said, "and this looked like a good investment." Still, hard-nosed tycoon that he is, he admitted in an interview with the *San Diego Union* that "romance was a factor."

What is the allure of this business? The Culbertson Winery was founded in 1981 by Culbertson. Situated on a plaza dominated by a Spanish fountain, it is the only Southern California winery specializing in *methode champenoise*. This intricate process yields champagnes of exceptional quality, as evidenced by the numerous awards. Culbertson claims there is no substitute for this classic technique of fermenting wine in its own bottle.

Since 1983, the winery's production escalated from 1800 cases to more than 30,000 in 1990 and an estimated 40,000 in 1991 attributable to the widespread acceptance of the wines.

Trying to "dig out of an extremely deep financial hole" at the winery, John Thornton, as 75% owner, has assumed day-to-day control. He stated that the change in leadership was made in order to enact new policies on the company's business approach, em-barking on

a plan to increase sales. But will the winery operate at a loss again this year? "We're finding that the effect of the recession is still with us," said Thornton. "New menus and new methods of advertising are being created for attracting visitors...By the end of the year, we expect materially improved cash flow. Our cost structure has decreased and people are performing more efficiently. In short, the winery is operating more like a business."

"While we are changing some business systems and procedures," Thornton explained, "our wine customers and should not recognize any perceptible differences."

Except that John and Martha Culbertson are nowhere to be found, having been ordered off the premises. Watching his wife's health deteriorate and his dream go down the drain, Culbertson said, "I'm seeing the name we've built being destroyed." Bottles of Culbertson Brut that used to sell for nearly \$12 can now be found for under

\$7. He added, "The sad thing is that no one is going to win."

In 1990, every Culbertson wine achieved gold medal status at competitions across the nation. Thornton expects to renew emphasis on the vintage and reserve wines, saying his only goal is "to improve the value of the operation. If people call that hardball, so be it." Δ



**My goal is to improve the value of the operation...if people call that hardball, so be it...  
-John Thornton**

"HOW TO KILL A BUSINESS IN TEN EASY STEPS"

1. Don't advertise. Just pretend everybody knows what you have to offer.
2. Don't advertise. Tell yourself you just don't have the time to spend thinking about promoting your business.
3. Don't advertise. Just assume everybody knows what you sell.
4. Don't advertise. Convince yourself that you're been in business so long customers will automatically come to you.
5. Don't advertise. Forget that there are new potential customers who would do business with you if they were urged to do so.
6. Don't advertise. Forget that you have competition trying to attract your customers away from you.
7. Don't advertise. Tell yourself it costs too much to advertise and that you don't get enough out of it.
8. Don't advertise. Overlook the fact that advertising is an investment in selling - not an expense.
9. Don't advertise. Be sure not to provide an adequate advertising budget for business.
10. Don't advertise. Forget that you have to keep reminding your established customers that you appreciate their business.

You decide. . . it's your business in good times or bad.



# The Missing Link in the Decision-Making Process?

## The Missing Link

Alfred P. Sloan, Jr. is reported to have said at a meeting of General Motors' top team executives: "Gentlemen, I take it we are all in complete agreement on the decision here." Everyone around the table nodded assent. "Then," continued Mr. Sloan, "I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about."

There is considerable literature on the subject of decision-making and what constitutes a good decision. There is even debate that the Japanese model of intense discussion should be adopted here in some form in the United States; however, it is highly unlikely that it will ever completely happen. On the other hand, it's not likely that the entrepreneurial individualistic approach of decision-making in the United States will be exported and adopted by the Japanese! Of course, there is no pure model that is necessarily correct for any culture or set of circumstances, but there is a quantitative method of getting to the most appropriate decision by the determination of an individual's drive to take initiative during certain stages of the decision-making process. Unfortunately, it is not possible to turn back the clock to assess the executives at General Motors, since the determination of decision-making preference is a technique that has only been developed and made available during the past thirty years.

The basis of the process for unraveling the way an executive makes decisions is to find some criteria that correlates to the initiative to act. Warren Lamb Associates have now evaluated over 2,000 chief executive officers together with 15,000 other senior executives and have conclusively determined that the initiative to act can be related to certain combinations of integrated body movements. The observation of these integrated body movements and their interpretation represents the mission link in the decision-making process and the motivation to implement strategic goals by key executives at the top of an organization. Almost all corporations have mission statements and strategic objectives and they are also endowed with some of the finest talent to meet these goals, but often there is a contradiction or a variance between the real and apparent strategic thrust.

The initiative of an executive is not an easy characteristic to define, although the term is frequently used to describe the ability to perform tasks. Executives are often referred to as *having initiative* or that they *lack initiative* to complete certain tasks. At the same time, these executives have probably been subjected to numerous psychological and personality tests to ensure their suitability on the team. They may have also been subjected to a rigorous interview schedule by a seemingly endless stream of potential encounters with the existing team to ensure that they "fit." Even so, with all this evaluation, there is no assurance that there is a blend of initiatives to meet the desired level of performance.

Warren Lamb has defined six essential, equally represented components of the initiative to act that can yield an effective decision. They are:

(1) **INVESTIGATING** - The preference to focus exclusively on one particular issue that requires penetrating, thorough and detailed analysis, where accuracy and exacting information are the end result.

(2) **EXPLORING** - The preference to broadly examine the whole arena of opportunity and review alternatives from many related fields.

(3) **DETERMINING** - The preference to persist against insurmountable hurdles with the continuous conviction to maintain and sustain the effort.

(4) **EVALUATING** - The preference to critically evaluate all the options with immense clarity with a view to retaining only the most important alternatives.

(5) **TIMING** - The preference to take advantage of the moment and embark on the proposed activities.

(6) **ANTICIPATING** - The preference to stay ahead of events and not be surprised by unplanned occurrences.

It may come as no surprise that all the executives that Warren Lamb Associates have evaluated rarely possess all of the above components of the decision-making process, but instead display distinct strengths in two or three areas. It is further evident that when a top team is composed of members of similar initiatives, the top team will act with a distinct preference towards two or three of the above mentioned components. The team is then said to be unbalanced in its decision-making preference and will have extreme difficulty meeting its strategic goals. Predominant strengths of the top team in the investigating and exploring mode will tend to create difficulty in getting projects off the ground and, similarly, predominant strengths of the top team in the timing and anticipating mode will tend to create extraordinary risks without sufficient forethought.

The process for analyzing a top team invariably starts with the chief executive officer or the president of a company since his or her personal values and initiative will be pervasive throughout the entire organization. It is possible that the CEO will have a preference for making decisions in an entrepreneurial manner or a preference for making decisions on the basis of intense research. It may be based on neither of those preferences, but on a preference for policy-making to initiate action. The type of preference is largely unimportant but from a team-building perspective, it is vital for the CEO to surround himself with complementary decision-making preferences to ensure that decisions are

made with a balanced perspective. Unfortunately, all too often leaders surround themselves with colleagues that reinforce their options; the top team becomes unstable and the organization is unable to grow with strength.

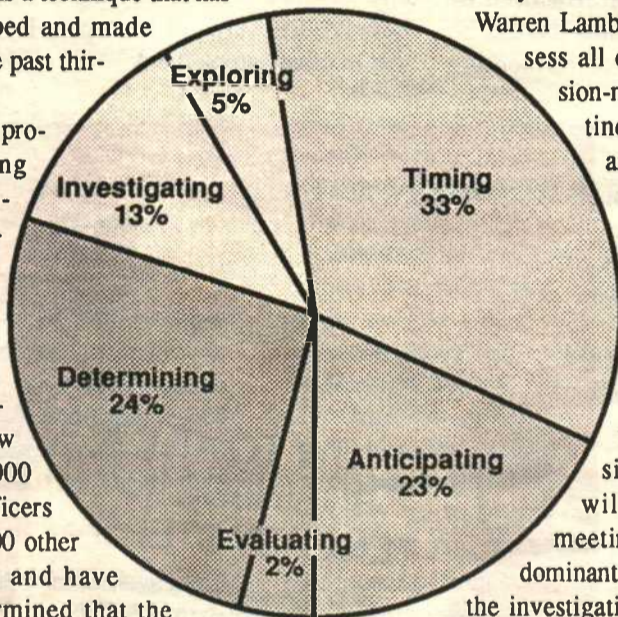
The analysis is then extended to the immediate top team and an aggregate profile of the top team, including the CEO, is prepared to highlight the strengths of the team. At the same time, it will offer significant insights as to why the team may not be meeting its strategic objectives and how it may harness the latent potential of the top team. The aggregate profile is then used as a working plan to minimize the dis-

parity between the real and apparent strategy.

The six components of initiative are not the only indicators of possible inertia in the top team that can be derived from the aggregate profile. It is also possible to determine whether executives have a preference for making decisions in private or in conjunction with their peers, which can predict the emergence of constructive or destructive conflict. Furthermore, the profile can provide information about an executive's ability to handle several non-routine projects in parallel as well as an executive's adaptability and sense of affiliation to the organization. These concepts are important factors for consideration by the CEO, especially when the structure of job assignments are being prepared, since balance in initiative can be achieved by re-definition of roles and relating the motivations of executives to their tasks.

The technique for determining an executive's decision-making preference has taken out much of the guesswork that has traditionally plagued the chief executive officer. Apparently, Sloan was not regarded as an "intuitive" decision maker, but he was aware that the right decision demanded adequate disagreement. Δ

*The initiative to act can be related to certain combinations of integrated body movements. The observation of these integrated body movements and their interpretation represents the missing link in the decision-making process.*



By Colin Wigglesworth. Colin Wigglesworth is an associate with Warren Lamb Associates, a consulting firm based in Claremont, California.

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# Desert Business Journal

## LOCAL BANK NAMES

**ROBERT ZACHMANN**  
ASSISTANT VICE PRESIDENT  
OF COMMERCIAL LENDING



*Robert Zachmann has been named Asst. V.P. of Commercial Lending at Palm Desert National Bank.*

Palm Desert National Bank has announced the appointment of Robert Zachmann as assistant vice president of commercial lending at the financial institution's Palm Springs office.

Zachmann has nine years experience in the banking industry. Previously he was a business banking officer with Wells Fargo Bank and was a commercial loan officer with City National Bank. Zachmann graduated with honors from the University of Montana.

He is a member of the Rotary Club and the Jaycees. Zachmann, his wife,

Renee, and daughter, Alicia, live in Bermuda Dunes and enjoy camping, tennis and fitness training. Δ

**MIKE HERRICK PROMOTED TO AVP/SALES MANAGER FOR PALM SPRINGS SAVINGS BANK**



*Mike Herrick  
AVP/Sales Manager  
Palm Springs Savings Bank*

Mike Herrick has been promoted to assistant vice president/sales manager for Palm Springs Savings Bank. He originally joined the bank as a loan agent in 1988.

In his new position, Herrick will be manager of loan origination and will supervise a staff of five loan specialists.

Before joining Palm Springs Savings Bank, Herrick was a loan agent for Directors Mortgage for two years. He was vice president/manager for

Palm Desert National Bank from 1982 to 1986. From 1974 to 1982 he was vice president/manager for Bank of America's Smoke Tree area office in Palm Springs. In 1978 he was named outstanding manager at Bank of America. Δ

**LOCAL ENGINEERING FIRM DESIGNS 7 HOVLEY LANE PROJECTS**



*Dennis Freeman (left)  
Rick Gunderson (center)  
Irwin Golds (right)*

Mainiero, Smith and Associates, Inc., a local full-service engineering and surveying firm, is becoming a familiar name on a one-mile stretch of Hovley Lane in Palm Desert with seven separate projects at various stages of development.

Since the 1989 completion of the Barcon Development project, "Sonata I," the first Mainiero, Smith Hovley Lane client, the area has grown into a major residential community.

Centrally positioned in the heart of Palm Desert, the Hovley Lane residential community is near major shopping facilities, restaurants, theaters, schools and the Bob Hope Cultural Center.

The two firms began their association five years ago, when they engineered and developed, "Sonata I." Since that first project, Mainiero, Smith & Associates, Inc. has engineered seven projects on a one-mile stretch of Hovley Lane. Δ

**SALES MANAGERS APPOINTED FOR RADISSON PALM SPRINGS RESORT AND CONFERENCE CENTER**

Paul Zech, director of sales and marketing for the Radisson Palm Springs Resort and Conference Center, announced the appointment of Phyllis Heller as sales manager for the 482-room, 24-acre property. Her responsibilities will be to secure and manage group business. Before coming to the Radisson, Heller was



*Phyllis Heller*

employed as sales manager at the Doubletree Resort in Cathedral City, and prior to that, she worked in a similar capacity for the Palm Springs Marquis Hotel and Villas where she was employed by Harbaugh Hotels, which now manages the Radisson property. Heller has also served as an account executive for Imperial Airlines and a travel agent.

Also appointed to sales manager is Renae Joy Stahl. Stahl was most recently employed in an identical capacity for the past two years by the Hyatt Regency Suites Hotel, Palm Springs. Prior to that, her experience encompassed five years in the sales and marketing field. She holds a B.A. in speech communications from Luther College. Δ



*Renae Joy Stahl*

**WESTAMERICA PRINTING SYSTEMS/PHOENIX GRAPHIC GROUP EXPANDS BUSINESS**



*Westamerica Printing Systems Phoenix Graphic Group expands its business to over 8,000 square feet in "The Complex," JPH Enterprises' light industrial center located just off I-10, in Indio.*

Westamerica Printing Systems/Phoenix Graphic Group has expanded its business to over 8,000 square feet. On January 1, 1991, Westamerica/Phoenix took occupancy of 8,380 feet in "The Complex," located at Auto Center and Avenue 45, in Indio.

"The Complex," a light industrial center, comprised of nine separate buildings, is designed to offer expansion options. Businesses that choose to do so can expand without disrupting established locales. Δ

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# Commercial Interior Design Firms

Ranked By 1990 Revenues

Company Address City, State, Zip	Billings (millions)	I.E. Personnel Designers Total Employees	# of Offices (IE) # of Offices Co. Wide Headquarters	Year Established	Services or Specialties (partial list)	Top 3 Clientele	Top Local Executive Title Phone
1. Envirodesign 420 South "E" St. San Bernardino, CA 92412	2,500,000	5 7	1 1 San Bernardino	1971	Architectural Design Space Planning Interior Design	Mr. & Mrs. Bob Hope Eisenhower Medical Center Betty Ford Center	Bill Davls Director (714) 889-3611
2. The Design Studio 309 N. Euclid Ave. Upland, CA 91786	1,300,000	4 7	2 2 Upland	1976	Residential Executive Offices Healthcare	Paracelsus Health Care First Trust Bank R.J. Messenger	Joseph Petras President (714) 982-3580
3. Design West 10722 Arrow Rte., Ste. 502 Rancho Cmg., CA 91730	1,000,000	2 15	1 1 Rancho Cucamonga	1976	Space Planning/Design General Contracting Furniture Procurement	Irwindale City Hall/Police Dept. Gust Newberg Construction Co. Holman Methodist Church, LA	Betty Noll Wood President (714) 948-3000
4. The Heberling Company 9581 Business Center Dr., #12 D Rancho Cucamonga, CA 91730	975,000	5 6	1 1 Rancho Cucamonga	1985	Hospitality Custom Residential Space Planning	Tokyomasuiwaya Company Don Harris Construction Company Beaucham, Inc.	Sharon Speer President (714) 980-0022
5. Scarbrough-Sisson Assoc. 2143 East "D" St. #150 Ontario, CA	585,000	7 6	1 1 Ontario	1986	Space Planning Interior Construction Drawings Interior Design Services	Southern California Gas Co. Centremark, San Diego, Ontario The Koll Company	Lee Ann Sisson Partner/Owner (714) 984-2117
6. Interior Network 24735-C Redlands Blvd. San Bernardino, CA 92408	N/A	6 15	1 1 Inland Empire	1979	Creamic Tile and flooring Window Treatments, Artwork Framing, Silk Plants	OmniTrans	Ruth Chaffn Owner (714) 796-9422
7. Total Plan Bus.Int 5645 Mission Blvd Riverside, CA 92509	N/A	3 30	1 1 Riverside	1969	Interior Design Space Planning Color Layouts	N/A N/A N/A	Denny Fosdick President (714) 787-9000
8. Kay Franklin Interiors 188 North Central Ave, Unit F Upland, CA 91786	N/A	3 5	1 1 Upland	1985	N/A N/A N/A	N/A N/A N/A	Kay Franklin Owner (714) 981-7522
9. Berkeley Dsgn.Assoc. 226 W. Foothill Blvd Claremont, CA 91711	n/a	3 1	1 1 Claremont	1990	Health Care Planning & Design Senior House Design Lighting Design	Althouse and Ramber Mt. San Antonio Gardens North Anaheim Surgicenter	Sandy Friend Principal (714) 624-1764
10. Randolph Hlubik Assoc., Inc. 3612 Seventh St. Riverside, CA 92501	N/A	1 3	1 1 Riverside	1991	Tenant Improvement Facility Planning - Banks Space Planning	Koll Corporation	Virginia E. Herman President (714) 697-4420

N/A = Not Applicable WND = Would Not Disclose na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, 3281 East Guasti, Ste. 490, Ontario, CA 91761. Researched by Phillip Diment Copyright 1991 Inland Empire Business Journal.

## Technology No Longer a Luxury: It's a Requirement!

We have all heard the old saying, when looking for a new office, the three most important considerations



**Business has had to continually become more efficient with both time and space. Therefore, relocation considerations are not only where people work, but how they work. And how people work affects the space --or, more specifically, the building's infra-structure.**

are LOCATION, LOCATION and LOCATION. This statement was once true, but in the current competitive marketplace, technology has become at

least as important as one of the most important considerations.

Business has had to continually become more efficient with both time and space. Therefore, relocation considerations are not only where people work, but how they work. And how people work affects the space--or, more specifically the buildings infra-structure. This, in turn, has an impact on both initial construction costs and monthly utility expenses.

During your relocation planning, if you have an employee who understands the correlation of local area networks, controllers, modems, stand-alone processing stations or computer/telephone equipment and how they affect HVC, electrical capacity and distribution and network wiring construction costs, then you're in a good position. If on the other hand, you are like most companies where the new technology will be incorporated as part of the move, and you do not have internal expertise, you will need help.

Whom do you ask? The obvious

choice is your facility design firm. But, unfortunately, the designer may not know any more than you do, or worse yet, in their zeal to provide service, attempt to incorporate your requests without sufficient technical knowledge. This typically results in higher construction costs and long-term disaster. Because of the need for technological competence, some design firms now provide an engineering staff to support their designers. The engineer can present options and help incorporate technolo-



gy into your business operations. Since the engineer is an integral part of the



design team, specifications that can be priced and incorporated into the final design can be considered before construction.

Technology is no longer a luxury, but a requirement. The correct

utilization of technology will provide the efficiencies required to meet the demands of the current business world. When relocating or upgrading your facilities, make sure your design team has the capability to incorporate your requirements and that costs are planned as thoroughly as your location. Δ

*Dave Sawyer is Director, Industrial Engineering for Reel/Grobman & Associates, an interior design-facility planning firm with offices in Santa Ana, Los Angeles and San Jose.*



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### TOURISM COUNCIL FORMED TO PROMOTE PASS AREA

Business, civic and cultural leaders met recently to organize the Pass Area Communities for Tourism (PACT) in support of the various communities of the San Gorgonio Pass Area.

Mayors Bob Hanson and Ann Connors of Banning and Beaumont, respectively, were among those attending a meeting at the Highland Springs Resort and Conference Center in Beaumont, hosted by sales manager Ted Thompson, newly-elected PACT chairman.

Also in attendance were Banning city councilman Dick Garcia, Beaumont city manager Bob Bounds, executive director Waunell Marlar of the Banning Chamber of Commerce, and Lee Howell, who holds the same position with the Beaumont chamber.

In addition, the 19 meeting participants included representatives of tourist-oriented businesses in the Pass Area. Marlar and Thompson organized an initial meeting a few weeks earlier, attended by 10 people.

The coalition will coordinate publicity for events and attractions of Cabazon, Calimesa, Cherry Valley, Oak Glen and Yucaipa, in addition to Banning and Beaumont.

Executive director Janet Rock of the Inland Empire Tourist Council conveyed her organiza-

## San Gorgonio Pass Area News

tion's willingness to support the work of the Coalition.

Jan Holmlund, director of the Edward-Dean Museum of Decorative Arts in Cherry Valley, previewed future exhibits planned by the museum staff in spite of recent comments by some members of the Riverside County Board of Supervisors that discontinuing financial support of the facility might help solve budgetary problems.

Participants discussed ways in which the various communities could support each other's activities, such as Banning's Stagecoach Days the first week of October, Beaumont's Oktoberfest at Noble Creek Park September 27-29, Yucaipa's Merchants Fair September 14, and various activities connected with apple-picking season in Oak Glen from September through November.

Thompson presented a list of possible projects for the coalition to undertake in three categories: group tour business, family and individual tourists, and local tourism awareness.

"I am very pleased at the interest expressed by the people attending our meetings, as well as by many others who tell us we're on the right track," Thompson said. "There's a real sense of cooperation among our communities now." Δ

Don Haley

### BANNING RESIDENT COMPETES IN GOLF SENIOR OPEN

Ray Vanyo of Banning was one of only seven golfers from the West Coast who qualified to compete in the 1991 U. S. Senior Open golf tournament. The event was held the last weekend of July at Oakland Hills Country Club in Birmingham, Michigan. Vanyo placed second out of 182 hopefuls trying for the seven spots and went on to finish 54th in the



tournament with a four-round score of 306, 24 strokes behind tournament winner Jack Nicklaus. He collected winnings of \$2,499.

Presley of Southern California, developer of Sun Lakes Country Club in Banning, provided green fees, carts, range balls and various golf attire with the Sun Lakes logo. Vanyo has resided at Sun Lakes for two years. He teaches and coaches golf at San Gorgonio High School.

Following his retirement this fall, Vanyo plans to play senior golf on a full-time basis. He practices on Sun Lakes' 18-hole championship course, which he calls "a real challenge," and in the Palm Springs area. "When I travel to tournaments out of the area, I'm close to Ontario airport as well," he said. Δ

Don Haley

## End of the Commute -- Inland Empire Employees Have Their Offices Brought to Them

Continued From Page 7

ing is not telecomputing," says John Kershaw, a Riverside County deputy administrative officer. "Telecommuting doesn't necessarily mean you have to have a computer."

Many jobs well-suited for a telecommuting program include information handling jobs, with not much of a need for office-based equipment or face-to-face interaction. Examples are secretaries, travel agents, bookkeepers, lawyers, accountants and managers. With information workers comprising approximately 55 to 60 percent of today's workforce, many government agencies and private

employers like Pacific Bell, American Express, and IBM are slowly demonstrating the advantages to moving the office to the worker instead of the worker to the office.

A typical home telecommuting set-up is one like AT&T's Inland Empire telecommuter Mary Hernandez.

"In my case, the cost to my company consists of a P.C., a fax, printer and the telephone calls made," Hernandez said. AT&T owns the equipment she uses, but "the company does not pay for the space I use at home. I converted part of a three car garage into an office."

Along with most telecommuters, Hernandez says she gets more work done, and feels secure knowing that her kids are within yelling distance. Other benefits include stress reduction and a sense of control over work.

One may wonder, if the pros outweigh the cons, why hasn't telecommuting taken off at a faster pace?

"It has been a very slow process due

primarily to exposure, adaptation and education in the multiplicity of its uses," says David Ariss of the California Commerce Center.

"Sometimes it's a hard sell for older supervisors to realize that they can trust their employees to work on their own," says Kershaw. "Most supervisors think they have to keep the people right in their office, ride shotgun."

"I think it's becoming more popular now that traffic congestion has gotten worse, air quality certainly has not improved that much, and with the passage of the (California and federal) Clean Air Acts, you have to look at other options that have not been looked at more seriously in the past."

Still, others such

as San Bernardino Second District Supervisor Jon Mikels disagree about the much heralded potential success of telecommuting.

"Telecommuting is only one measure which will help to alleviate the air pollution problem in our air basin. A number of other measures must be developed, implemented, and maintained before our air quality will improve." Mikels suggests vanpools, ridesharing, public transit, flexible work weeks and alternative fuel vehicles.

"Nothing's ever the ultimate solution," says Claudia Keith, a South Coast Air Quality Management District spokesperson. "It could be very effective along with a strong ridesharing program. It could definitely help, but I wouldn't say it's the solution." Δ



*It has been a very slow process due primarily to exposure, adaptation and education in the multiplicity of its uses.*

David Ariss  
California Commerce Center



*Telecommuting is only one measure which will help to alleviate the air pollution problem in our air basin. A number of other measures must be developed, implemented, and maintained before our air quality will improve.*

Jon D. Mikels  
Supervisor, San Bernardino Second District



# CORPORATE PROFILE

## Sun World International

*The fresh produce industry in California certainly has become more sophisticated in the last 10 years. We've learned how to grow, harvest, pack, and merchandise our products in a more sophisticated manner.*

**R**emember the old days? Spitting pesky watermelon seeds on the front porch? Thanks to Sun World International, the days of the messy melon are long gone.

The Sun World Seedless watermelon, introduced in 1988 after 50 years of research, is one of many specialty produce items that Sun World, located in Indio, has introduced to the U.S. and 30 other countries since 1976. As a marketer of 75 fresh fruits and vegetables, the company has aggressively responded to meet new marketplace demands for better varieties, packages, more consistent supplies, and more stringent grades.

"The fresh produce industry in California certainly has become more sophisticated in the last 10 years," says Chief Executive Officer Howard Marguleas, 56. "We've learned how to grow, harvest, pack, and merchandise our products in a more sophisticated manner."

The introduction of fresh fruits and vegetables, such as the seedless watermelon, are expanding the local grocery store's produce department to meet the demands of the more health-conscious consumer, the gourmet cook, and the rapidly expanding ethnic population.

"Our ultimate objective as a fresh produce marketer," says David Marguleas, senior vice president of marketing, "is to excite and satisfy our customers."

Rouge Royale, a "brilliant, flaming red" sweet pepper. Another Sun World addition to the produce section was the DiVine Ripe tomato. The tomato was first introduced in 1986, then later reintroduced in 1990, as a carefully-bred sun ripened tomato that has an extended shelf life. The company also markets table grapes, asparagus, peppers, carrots, and strawberries, among other items.

"They are extremely advanced in the research and development side of business and their ability to find market niches that a product would fill," said Barbara Buck, a spokesperson for the Western Growers Association, which represents West Coast growers, packers and shippers.

The patented varieties now comprise 40 percent of the company's total sales, which hit about 240 million in 1990.

Sun World was founded in 1976 by Howard Marguleas, Carl Sam Maggio, and Domenick Blanco, all three born into long time California agricultural families. Sun World caught the public by surprise in 1978, when it became the first to grow and heavily market the Red Flame Seedless grape, originally developed at the University of California, Davis.

### Standing Out

As the grape became more popular, Sun World felt a need to differentiate itself from the competition, said David Marguleas. "We saw

it becoming more clearly evident that to be successful, we had to be different, and being different meant developing patented or proprietary commodities that others didn't have," said David Marguleas.

The commodity that made Sun World stand out among California's \$8 billion dollar

*The acquisition included what Marguleas calls the world's largest fruit-breeding laboratory.*

produce industry, an industry that supplies roughly half of the nation's fruit, vegetables, and nuts, was the Le Rouge Royale pepper in 1983. Other proprietary fruits and vegetables soon followed.

"What this has done is attract the consumer to become more aware, more alert, and more prone to seek out more attractive and better-tasting varieties of fruit and vegetables," CEO Marguleas said.



Sun World Watermelon Facility in Coachella

"And, we're also seeing the consumer is willing and prepared to pay a premium price for these different commodities."

A premium price of a Sun World seedless watermelon sells for five to 15 cents more per pound than ordinary watermelons.

### Developing the Perfect Fruit?

In 1989, Sun World expanded its product line with the acquisition of the Superior Farming Company, a major grower and marketer of special patented table grapes and treefruit located in the San Joaquin and Coachella Valleys. The acquisition included what Marguleas calls the world's largest fruit-breeding laboratory.

"Each year we crossbreed tens of thousands through conventional practices," said David Marguleas. "In addition to developing fruits with important characteristics, we are also developing fruits more resistant to disease, or that might grow more efficiently in certain areas."

Although Sun World will not release the annual costs of running their Research and Development lab, agriculture experts believe it's expensive, since most growers rely on universities to do their research.

The center is currently developing new peach, plum, nectarine and apricot varieties which have enhanced flavor, white meat, and unusually high amounts of natural sugar. They are also developing early-maturing, low chilling, high-quality stone fruit varieties specifically adapted to the Coachella Valley, which would make high-quality fruit available throughout the year.



Sun World Grapes

### What's Next?

What's next for Sun World? For this company, there is no limit to the types of produce that need perfecting in their lab. No fruit is considered too foreign, no climate too-different to grow it in.

For the past six years, Sun World scien-



CEO Howard Marguleas

tists have been quietly developing a mango that can be grown in the Coachella Valley. The tropical mango is the world's most consumed fruit. Currently it is only grown in southern Florida and other tropical areas of the world.

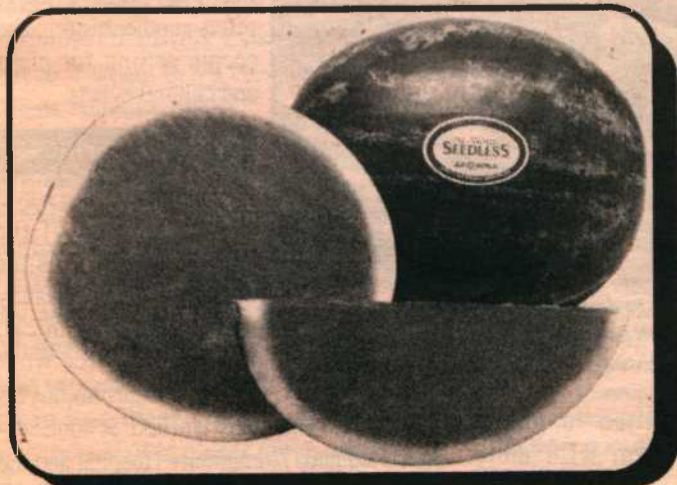
"We'll be able to grow and harvest it at a time when there are very few mangos grown anywhere else in the world," said David Marguleas.

And that, Sun World says, is exciting. Δ

By Rene Agredano



A Sun World sweet & mild pepper



No more seed spitting with seedless watermelons

In 1983, Sun World introduced its first patented product when it introduced Le

fruit and vegetables," CEO Marguleas said.



# CITY FOCUS

## INLAND EMPIRE: Redlands

### Redlands . . . A Community of Historic and Cultural Quality



A small child enjoys working with clay in an art class for children at the Redlands Community Center.

#### HISTORY

Since its inception in 1888, the City of Redlands has been known for its rich architectural history, its fair climate, central location in Southern California, and reputation

vice industries create a strong economic balance in Redlands. A major part of this strength can be attributed to the Tri-City Center in West Redlands, the central business district in downtown, and the varied neighborhood centers throughout the city. The availability of both improved and unimproved land zoned for industrial uses provides additional business opportunities.

Realizing the importance of a well planned community, Redlands has not rushed to be the first or largest in community development, but rather to be a quality kind of leader in growth and development, incorporating this same historic fabric into new development.



A.K. Smiley Public Library



Redlands Santa Fe Station

#### A DOWNTOWN

For the past several years, Redlands Main Street Program has been revitalizing the downtown retail district into unique specialty shops, creating a pedestrian oriented commercial experience. This has been achieved through a cooperative effort between public and private sectors and coordinated by the City of Redlands Redevelopment Agency, making Redlands a leader in downtown redevelopment.

Through the Facade Program, they have assisted businesses with storefront design concepts and implementation.

Downtown streets and sidewalks were improved by adding decorative brick walks, antique street lights, benches, trees and a quaint downtown park.

Many retail stores and restaurants have located in historic buildings, such as Joe Green-sleeves Restaurant on Orange Street, which was constructed in a building of 1890s vintage. The Santa Fe Depot is being developed as an Italian restaurant and other stores have followed the Facade Program by remodeling their storefronts to be consistent with the city's overall historic style.

When visiting Redlands, it is easy to see why it has

come to be known as the "Gourmet meal" of unique downtown shopping centers.

Other major developments are currently under construction in downtown Redlands, each designed in an architectural style complimentary to the overall plan.

The Santa Fe Trail, a pedestrian walkway, will link the four major quadrants downtown, adding greater aesthetic appeal through brick walks, landscaping, and other decorative touches.

#### HISTORIC QUALITY WITH A HIGH TECH TOUCH

While the city carries out its historic quality theme, it maintains the most modern technology in city services and utilities. During the past four years, the city has



Healthful lunches are served regularly at the temporary Senior Nutrition Center in the American Legion Club. The new center will be built near the corner of Judson Street and San Bernardino Ave.

specialty shops and new office space), Redlands' quality-controlled growth plan is becoming more visible every day.

#### TOP NOTCH LIVING

Redlands offers the Inland Empire quality residential neighborhoods and important cultural resources. The University of Redlands is both source and setting for cultural enrichment, and Redlands is fortunate to have its own Symphony Orchestra. The Redlands Bowl provides free outdoor concerts, and Prospect Park Theatre offers another historic and scenic setting for plays and cultural events.

#### DEMOGRAPHICS

Once dubbed "The Navel Orange Capital of the World," Redlands is the home to a predominantly white-collar technical, sales and service work force. Major employers



Shoppers and browsers come to downtown Redlands Market Night for the variety of vendors, fresh produce and friendly people. Attendance averages 3,000 in the winter and 8-10,000 in the summer.

invested over \$22 million in public improvements downtown, with more planned for the future.

Combined with the \$23 million in private development in 1987 (shopping facilities, financial institutions, a supermarket,

include the Redlands Unified School District, Redlands Community Hospital and the Environmental Systems Research Institute, a computer mapping firm. Average family income in Redlands is \$31,547 with a population of 60,394. Δ

#### DEVELOPMENT

Agriculture, manufacturing, retail sales and ser-



University of Redlands - Chapel



## Inland Empire Calendar - 1991

DATE	EVENT	LOCATION	CONTACT
9/6-9/8	Journey to Quilt and Walk Quilt display, memorial for those who have died of AIDS	Riverside Visitors and Convention Center	Sarah Neiman (714) 684-8838
9/12	EDA Luncheon "Planning for Tomorrow's Infrastructure," redevelopment and industrial projects. Discover future opportunities in Riverside County.	The Hub of the Southwest Valley. Menifee Valley Bowl	(714) 788-9770
9/24	Worker's Compensation Documentation, meeting of the Greater Riverside Employer Advisory Council	Canyon Crest Country Club	Mary Terhune EDD (714) 782-4149
10/26-10/27	Rail Festival: Ride on an Authentic Steam Train, Diesel Locomotives, Trolleys, and Pacific Electric Red Cars. Fun, food and entertainment for the entire family!	Orange Empire Railway Museum Perris, California	The Museum (714) 943-3020
1991	Overcoming Terminal Apathy C.V.B.E. meets Twice a month	Corona, California	Ken Tastad (714) 272-3202

## • Laptops Are The Link! •

*Continued From Page 17*

instruments. Crew chiefs now take laptops (Toshiba T-1200XE's with 1 MB RAM and 20 MB hard disk plus HP Thinkjet printer) along with them in a survey van or a 4 x 4 pickup with a desk in back.

Can this technology save tax dollars? Yes. On the RCTC transportation improvement program, for example, companies use laptops to word-process detailed descriptions of physical features found during a survey. At the end of the day, you push a button to produce the entire report without spending additional time (i.e., money) to prepare it. Reports generated in this way are more accurate and complete than those based on written notes.

### Future Uses Unlimited

Future uses of laptop and telecommunications technology seem limited only by the imagination. Very soon surveying crews in the Inland Empire will send data back and forth using cellular modems, effectively making each crew van or 4-wheel drive vehicle a self-sufficient "satellite office."

Psomas plans to do more project scheduling work on the laptops. More powerful models also will give the civil engineering profession the ability to perform certain Computer Aided Drafting and Design functions on site. Whatever profession they are in, those who use laptops regularly will probably agree that these computers can help managers stay in closer touch with people in the field. At the same time they enable field personnel to take hands-on responsibility for some work previously

done in the office. The end result should be greater efficiency and better business management.

As laptop and cellular equipment get easier to use, civil engineers and surveyors continue to develop new ways



to work with it. By adopting new technology as a project management tool, any additional problems can be solved in a cost-effective manner for both public and private sector clients. Δ

*As regional vice president of Psomas and Associates, Jose Gama is responsible for the overall operations of the company's Riverside office, that include civil engineering, residential planning, land planning, surveying, and construction surveying.*

*Gama is a member of the American Society of Civil Engineers, Society of American Military Engineers, American Public Works Association, and California Council of Civil Engineers and Land Surveyors.*

## Inland Empire Profile-Richard Ray



**Occupation:** Sales Manager with AT&T.

**Short Biography:** Age 34, born and raised in Tucson, Arizona. Has B.S. in Business Finance from the University of Arizona.

**Family:** Married to former Adrienne Alberts, children Richard Jr. age 7, Royce age 4.

**Hobbies:** Basketball, weightlifting and coaching.

**Prior Career(s):** Entire career with AT&T.

**Affiliations:** United Way, Small Business Division.

**Major Accomplishments:** Established successful small business product division office for AT&T to serve Inland Empire.

**Personal Accomplishments:** Chair of AT&T Inter Entity Management Council for 1990 and 1991. Encourage corporate and employee involvement in community activities, events and trade shows.

**Best Thing About the Inland Empire:** Twofold, (1) We have all the conveniences of a large city but, (2) Inland Empire still has small city atmosphere and attitude.

**Greatest Concern:** Future quality of life for my children — education environment and affordable housing.

**Last Book Read:** "The Mental Athlete," by Kay Porter and Judy Foster.

**Favorite Drink:** Orange Juice.

**Last Vacation:** Tucson, Arizona.

**Favorite Sport:** Basketball (Go Lakers!)

**Favorite Restaurant:** Ancho's Southwest Bar & Grill.

**Last Movie Seen:** The Rocketeer.

**Residence (city):** Riverside, California.

## Capitalists and the Thousand Points of Light - Doing Good in the Inland Empire

*Continued From Page 10*

tion of our people puts us to shame. Corporate gifts constitute only a small percentage of funds raised by United Ways. For example, last year the Arrowhead United Way raised 14% (less than half a million dollars) from corporate gifts and 86% (over \$2.3 million) came from employee contributions. Nationally, corporate gifts average 26% of a campaign. OOPS! Oh, well, there's always this year.

In employee campaigns, arm twisting is out - and unnecessary! Properly planned and presented, the employee campaign is a fringe benefit - an opportunity for a little time out with refreshments. Not surprisingly, this information can have very direct benefits. One in four residents in the inland Empire will receive services from United Way agencies.

People volunteer for many reasons.

One of the most important reasons is making a constructive difference. Capitalists, whose "job" is to promote well-being through their own self-interest, may have a slightly different perspective, but

***In employee campaigns, arm twisting is out - and unnecessary!***

are no less vital to the well-being of the communities of the Inland Empire. The best news for business support for volunteerism is win-win. The real bottom line is businesses live and die with their communities. Capitalists should be glad to "do well by doing good," reaping employee education and training, public visibility and, over the long-term, providing themselves with a more secure pool of employees and consumers. Δ

*Kitt Irwin is an attorney practicing in the area of business and finance. She is a partner with the law firm of Reid & Hellyer with offices in San Bernardino, Riverside and Temecula.*



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- Dan's Mobile Service** Danny Shaffer 541 N. Main St. #104-154, Corona 91720
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- Freedom Flooring Contractors** Harry Hartridge Jr. 2424 Goldcrest Place, Ontario 91762
- Friendship Referral Services** John Ziegenhom 3561 Lakecrest, Lake Elsinore 92330
- Fruciano Development Co.** Frank Fruciano 1248 Millbrook Road, Corona 91720
- G & R Electric Co.** George Gilltrap 41236 Torrey Pine Court, Hemet 92344
- G & T Investments** Gary Landry 3779 Palm Crest Drive, Highland 92346
- G C Financial** Gary Cook 6373 Revere Ave., Alta Loma 91701
- G Cattle Services** Gary Cottle 3127 Jaguar Way #D, Ontario 91764
- G E Construction** Esplanade Development Inc. 1600 E. Florida Ave. #212, Hemet 92344
- G N Engineering** George Cochran III 25145 Spring St., Perris 92370
- G R Molter & Associates** Gerald Molter 8120 Skyline Drive, Pinon Hills 92372
- G R S Marketing** Gary Tingstrom 7650 Kickapoo Trail, Yucca Valley 92284
- G-Cube** Glen Graham 4384 St. George Place, Riverside 92504
- Garage Masters, The** Brett Parker 5640 Northwood Drive, Riverside 92509
- Gardenhire** Thomas Gardenhire 15181 #271 Van Buren Blvd., Riverside 92504
- Gary's Machine Repair Service** Gary Watkins 11722 Tilden Place, Riverside 92505
- Gas Company, The** So. California Gas Co. 1981 W. Lugonia Ave., Redlands 92314
- Gene Sanders Construction** Alvin Sanders 5045 Geneva St., Riverside 92505
- Gilead Springs International, Inc.** Gilead Springs International Inc. 7783 Strathmore Road, Highland 92346
- Global Development Group** Romam Garcia, Sr. 41743 Enterprises Circle North #205, Temecula 92390



# NEW BUSINESS LISTINGS

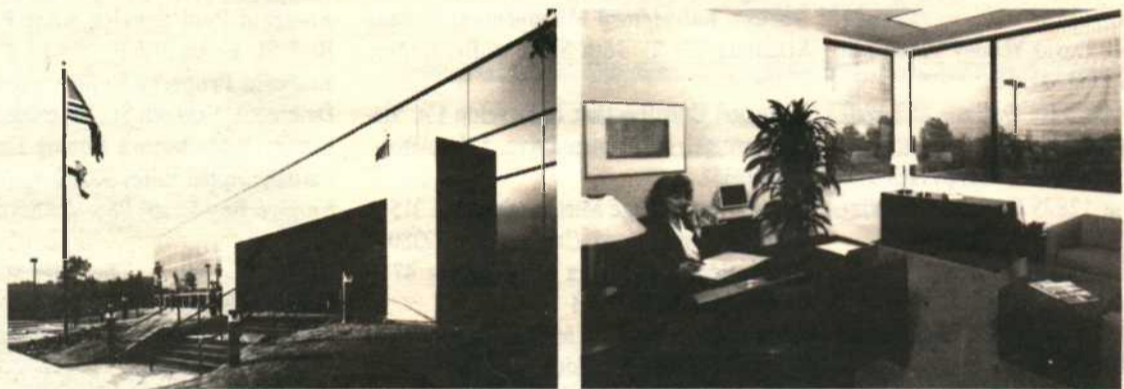
Global Int'l Cynthia Khalaf 40575 Calif. Oaks Road #D2-168, Murrieta 92362  
 Glorious Record & Music Productions Gloria Lewis 25188 Yolanda Ave., Moreno Valley 92388  
 Gluck Enterprises Emery Gluck 17535 Mesa Ave., Fontana 92336  
 Gods Christian Center of Nuevo Gary Graceda 28331 Lakeview Ave., Nuevo 92367  
 Golden Empire Financial Group Paul Arroyo 9330 Baseline Road, Rancho Cucamonga 91701  
 Golden Rainbow Enterprises Julie Golden 450 E. Cypress #A303, Redlands 92376  
 Golden State Alloys Patrick Kennedy 6758 Misty Ridge Drive, Riverside 92505  
 Golden Triangle Nuclear Medical Group Golden Triangel Radiology & Medical 25405 Hancock Ave. #102, Murrieta 92562  
 Good Air/Good Water Co., The Herbert Clark 31566 Railroad Canyon Road #114, Canyon Lake 92587  
 Gospel Warehouse, The Dorothy Morton 13819 Amargosa Road #6, Victorville 92392  
 Goud Life Ranch James Deluhery 18870 Lurin, Riverside 92508  
 Grace Maintenance Co. Hong Yi 4633 Kansas Ave., Riverside 92507  
 Grand Terrace Urgent Care Center Quality Medical, A Calif Corp. 22182 Barton Road, Grand Terrace 92324  
 Graphic Illusions Jon Carter 24610 Leafwood Drive, Murrieta 92362  
 Graphic Illustration Steven Barbee 5839 Zapata Place, Alta Loma 91701  
 Green Guard First Aid & Safety John Newcomb 1002 Elmhurst, Corona 91720  
 Green Pastures Ranch Susan Smith 9140 Haven Ave. #105, Rancho Cucamonga 91730  
 Green Slope Nursery Miguel Hemondez 8176 Duffrein, Riverside 92504  
 Greg Holmes Enterprises Gregory Holmes 10567 Peachtree Lane, Alta Loma 91701  
 Grenier Electric Richard Grenier 16500 Carbon Cyn Road, Chino 91710  
 Groff Grading & Hauling Hollee Groff 40460 Calle Tiara, Temecula 92390  
 Group 4 Development Today Homes, Inc. 12138 Industrial Blvd. #200, Victorville 92392  
 Grove's Enterprises 92324 William 600 W. E" Street Apt. 10" Colton  
 Guardian Mortgage Co. Miguel Molinar 14471 La Habra Road, Victorville 92392  
 Gyp-Masters Ralph Haasl 701 E 4th Street, Bldg. 1, Perris 92370  
 H & F Repair Service Harry Fox 8465 Gale-na St., Riverside 92509  
 H & H Plant Growers Michael Harrison 2060 Darby St., San Bernardino 92405  
 H B K Messenger Services Hossain Khollesi 12760 Ardos St., Moreno Valley 92388  
 H B L Screen & Sign Supply Han Ben Lao 11334 Rancho La Brea Drive, Riverside 92505  
 H R L Michael Volz 15370 Cholame #7, Victorville 92392  
 HQ Building Maintenance C. Marquez 2603 Via Pacifica, Corona 91720  
 Hacienda De Monterey Muruko Inc. 44-600 Monterey Ave., Palm Desert 92260  
 Hamaku Kurt Bochner 1488 E. Ramon Road, Palm Springs 92262  
 Hamilton Asphalt Paving, Inc. Hamilton Asphalt Paving Inc. 5025 State St., Ontario 91762  
 Hampton Woodworks Henry Rock 37021 A Industrial, Hemet 92344  
 Hanko Honover Kosaka & Associates 340 S. Farrell Drive #A-200, Palm Springs 92262

Hanna Trucking Calvin Hanna 16166 Wash- ington Drive, Fontana 92335  
 Harddrive Specialties Co Larry Wright 17421 Seville Court, Fontana 92335  
 Haro Construction Mauro Haro 362 W. 10th Street, Perris 92370  
 Harrington Mold/California Pony Car Raymond Harrington 1906 Quaker Ridge, Ontario 91761  
 Harvest Technologies Roger Harte 41342 Salt River Court, Temecula 92390  
 Haven Avenue Investment Associates John Willett 9121 Haven Ave. #200, Rancho Cucamonga 91730  
 Hay Hay Hay Rodger Parton 4409 California Ave., Norco 91760  
 Health Concepts Suzan Wright 6320 Halsted Ave., Alta Loma 91710  
 Heavenly Created Sandra Colon 7908 Tokay Ave. #75, Fontana 92336

Hemet Acoustical & Insulation Ted Light-foot 547 N. Palm Ave., Hemet 92343  
 Hemet Investments Donald Hood 1600 E. Florida #204, Hemet 92344  
 Hemet Soco Rahim Nikmanesh 40991 E. Florida, Hemet 92344  
 Hernandez MFG Francisco Luna 13472 5th Street #5, Chino 91710  
 Hero Construction Lloyd Perry 21707 Appaloosa Court, Canyon Lake 92380  
 Hi-Arc Development B I Hutchison 15625 7th Street #C, Victorville 92392  
 Hi-Deseert Testing & Inspection Danny Goodwin 15107 Mendoza Road, Apple Valley 92307  
 High Desert Gastroenterology Raman Poola, MD 18523 Corwin Road, Apple Valley 92307  
 High Desert Professional Services Teddi Strigas 18284 Hackberry St., Hesperia 92345  
 Highland Laddic Ground Maintenance

Robert Filiar 5104 Foothill, Riverside 92503  
 Highland Services Tom Miller 42599 Ruben Way, Big Bear Lake 92315  
 Highland Tropical Steven Chudy 938 E. Highland, San Bernardino 92404  
 Hillcrest Mortgage Co. Tanka Yusuf 1122 Glenwood Ave., Rialto 92376  
 Hilltop Market R K K Enterprises, Inc. 9790 Jurupa Road, Riverside 92509  
 Hilltop Software Services Donnette Haddad 42090 Grantite View Drive, San Jacinto 92383  
 Hoffman/Marshall Advertising Robert Hoffman 1141 Big Bear Blvd., Big Bear City 92314  
 Home Capital Management Raynald Crol 10970 Arrow Route #211, Rancho Cucamonga 91730  
 Home Repair Service John Hein 227 E. Florida, Hemet 92343

**We tried to compare apples to apples, but they came up a few bushels short.**



**What does your office rent include?**

ITEM	COMM SUITE	EXECUTIVE SUITE
225-sq.-ft. Suite w/View	Yes	Yes
Conference Room	Yes	Yes
Lounge/Kitchen Facilities	Yes	Yes
Facsimile Machine	Yes	Yes
Postage Meter	Yes	Yes
Telephone Answering Service	Yes	Yes
Coffee/Tea Service	Yes	Yes
Audio Visual/Seminar Room	Yes	No
Mail Room	Yes	No
Two Secondary Lounges	Yes	No
10,000-sq.-ft. Courtyard	Yes	No
Large Administrative Staff	Yes	No
Maintenance Staff	Yes	No
4 Line Touch Screen Phone/Computer Terminal	Yes	No
Photocopies (500)*	Yes	No
Secretarial Services (5 Hours)*	Yes	No
Laserjet Printers	Yes	No
Computer System in each suite w/the following capabilities:		
Word Processing	Yes	No
Accounting	Yes	No
Spreadsheets	Yes	No
Database Access	Yes	No
Electronic Telephone Message	Yes	No
Electronic Mail	Yes	No
Telex	Yes	No
Electronic Rolodex	Yes	No

\*Allocated on a monthly basis.

**"Fortune 100" Amenities Made Affordable For Small Businesses**



**ONTARIO COMM CENTER**  
 3535 Inland Empire Blvd., Ontario  
 Phone 941-0333



# THE INLAND EMPIRE'S BUSINESS ALL-STARS?

**THE INLAND EMPIRE BUSINESS JOURNAL WILL SELECT FIFTEEN INDIVIDUALS WHO'VE MADE A DIFFERENCE**

The *Inland Empire Business Journal* is seeking your help in recognizing the Inland Empire area's top individuals. Fifteen people, one from each category below, will be chosen as the first *Annual Inland Empire Business Journal's All-Stars*. Those selected will have demonstrated excellence in business and a commitment to charitable or public service work. The All-Stars will be selected by the editors of the *Inland*

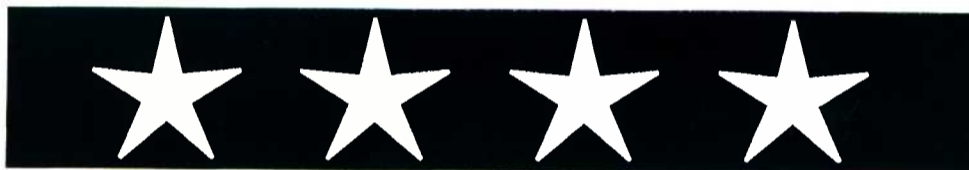
*Empire Business Journal* based on the people you nominate. Winners will be profiled in the October issue of the *Inland Empire Business Journal* and honored at an "All Star" Luncheon to be held on Wednesday, October 16, 1991 at the Riverside Convention Center. Please complete the information requested below and mail as soon as possible.

Please explain why you think each individual should be chosen. Include information on his/her business accomplishments in 1990 and his/her efforts to improve the Inland Empire area.

**Eligibility:**  
Individuals must be employed by firms in the Inland Empire area. All-Stars will be selected in each of the following categories, but \*nominations can be made without specifying a category:

- A. **Finance:** Banks, Savings and Loans, Thrifts and SBA Lenders
- B. **Health Care:** Hospitals, Medical Clinics, HMOs, PPOs, Doctors, Dentists, and Health Care Personnel
- C. **Woman Entrepreneur**
- D. **Manufacturing**
- E. **Hotels, Meeting Facilities and Hospitality Industry**
- F. **Education**
- G. **High Technology**
- H. **Accounting Services**
- I. **Legal Services**
- J. **Residential Real Estate Industry**
- K. **Commercial Real Estate Industry**
- L. **Industrial Real Estate Industry**
- M. **Advertising and Public Relations**
- N. **Retail Merchandising**
- O. **Public Service**

## The Inland Empire Business Journal BUSINESS ALL-STARS



Please photocopy this entry blank or use a separate sheet of paper to nominate one executive per category\*

Executive Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 Category \_\_\_\_\_

Business performance, philanthropic/civic activity:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

My Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_  
 Primary company services \_\_\_\_\_  
 \_\_\_\_\_

To be counted:  
 Please mail all information to The Inland Empire Business Journal All-Stars, 3281 E. Guasti Road, Ste. 490, Ontario, CA 91761





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With people following so many different lifestyles, it's good to know there's a health plan that can fit their needs.

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