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COLUMN ONE

Deepening woes for the Imperial Valley

The remote region in California's arid southeastern corner has a long history of hardship and hope. Now, an economy in free fall has residents wondering how much worse it can get.

By Tony Perry

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Reporting from El Centro, Calif.

The Imperial Valley is accustomed to the spectral look of failure: Houses around the Salton Sea have been abandoned for decades; the Planters Hotel in Brawley stood empty for years before it was destroyed by fire; Main Street in El Centro, the Imperial County seat, remains stubbornly vacancy-pocked.

But even by historical standards, the latest bust in the region's cycle of hardship and hope has been profound.

Never-completed subdivisions resemble movie lots waiting for a picture set in a typical Southern California suburb. Men who had found high-paying jobs building homes are back in the fields -- if they can find work at all.

Not even the dead are immune to the valley's woes. A huge sign warns that Memory Gardens Cemetery and Memorial Park, the final resting place for Imperial Valley residents for nearly a century, is in foreclosure.

"The valley has never seen things this bad, never," said Roy Buckner, Imperial County assessor and a lifelong resident of Brawley. "This is the worst."

Desperation has always had a place in the Imperial Valley's story.

Hard upon Mexico and the Colorado River in California's arid southeastern corner, the valley has never been an easy place to live, not with its isolation, austere landscape and blistering heat.

Legend holds that a Franciscan friar traveling with early Spanish explorers declared it a "deadly place" and urged the group to move on. Naturalist John James Audubon took a look in 1846 and pronounced it "most melancholy."

Since the early 1900s, when buccaneer capitalists organized the Imperial Land Co. and began large-scale irrigation, its fortunes have depended on the unpredictable farm economy. In recent decades its unemployment rate has remained high -- sometimes the nation's highest -- even when the rest of the state is prosperous.

Name the state statistic, and Imperial County (population: 172,000) is usually near the top or the bottom, whichever is worse: per capita income, welfare recipients, families below the poverty line, elderly living in poverty and so on.

From 1983 to 1999, while unemployment statewide averaged 7%, unemployment in Imperial County was 27%. Last year, the county's year-end average was the highest in the state.

In March, the unemployment rate was 25.1%, the highest in the United States for any area with at least 50,000 people.

Farmworkers have always led the jobless ranks, but others have joined them: truck drivers, construction workers, retail salespeople and service industry employees. Teachers and school employees could be next. Even a repo man, after capitalizing on the economic downturn for months, is facing an uncertain future.

In a crowded classroom in an El Centro strip mall, some of the valley's jobless come to learn new skills and rescue what is left of their dreams.

Tony Arispe and two dozen other unemployed workers are studying to become pharmacy technicians. The 37-year-old Arispe lost jobs as a truck driver and bar manager and lost his home to foreclosure.

"I'm putting my family through misery right now because I'm not working," said Arispe, who is married with a 5-year-old son. His home, once valued at \$285,000, he said, is for sale by the bank for \$100,000 -- with no takers.

Carla Balbastro, 34, lost her job at a lumber company in August. Then she had to move out of her apartment. "I felt like a failure," she said. "I didn't even know how to tell my parents." Now she lives with them in Calexico.

Jose Gastelum was laid off by a cellular-telephone outfit. "I was planning to get a house," the 23-year-old said.

Instead of shopping for a home, he's worried about not making the next payment on his car. "I get kind of depressed," he said. "I don't have the life I used to have."

The class is run by the Imperial Valley Regional Occupational Program. Roberto Avila, who has worked for the training program for 15 years, finding jobs for veterans, has started for the first time to counsel job seekers to look outside the county.

The program's superintendent, Mary Camacho, said of the unemployed who seek help: "They come here so very desperate it makes you cry. I want to stop their bleeding, but often I can't."

Imperial County's main cities -- Brawley, El Centro and Calexico -- are residential and commercial islands amid vast cultivated fields, with major streets chockablock with fast-food restaurants and small businesses. Larger shopping centers -- including a new Wal-Mart Supercenter in Brawley -- have begun to put pressure on smaller, older retailers.

Besides its 500,000 acres of cropland, the county is known for the smelly and environmentally endangered Salton Sea, the New River (once designated the most polluted in America), buggy-friendly sand dunes, the Brawley Cattle Call Rodeo and the Navy's Blue Angels, whose winter base is in El Centro.

The Pioneer Museum, across from Imperial Valley College just north of El Centro, is devoted to exhibits

about the grit of the immigrants who arrived as farmers in the early 20th century: Koreans, Swiss, Greeks, Chinese, Italians, Portuguese, Mexicans, Filipinos, French, Lebanese, Japanese, East Indians and African Americans.

The museum also has an exhibit about the county's unofficial (and fictional) heroine: Barbara Worth, the plucky orphan who survives numerous challenges in a bestselling 1911 novel set in the valley.

"We're a lot tougher than people think," said Lynn Housouer, the museum's director of operations. "You have to be tough to survive in the Imperial Valley."

For Carlton Hargrave, operator of the Hometown Buffet in Calexico, the worst part is the uncertainty. With its buffet style and friendly atmosphere, his 400-seat restaurant has long been a popular spot favored by government employees, farmworkers and politicians.

With business down a third, Hargrave laid off 23 employees, many of whom had been with him for years. A recent lunchtime was the slowest day in his 16 years at the restaurant.

"Nobody knows when we're going to bottom out," Hargrave said. "I've laid off 40% of my employees, and I don't know if that's going to be enough."

Marco Recio, the repo man, is also feeling the pinch after months of reaping a windfall as banks and other lenders hired him to reclaim cars, trucks and farm and construction equipment. In a windowless room, his four employees search for debtors in phone books and on the Internet.

But people appear to be leaving the valley or getting better at eluding Recio. That's hurt his business as lenders have become more aggressive.

"They're hiring private detectives," he said. "It's the economy."

Mervyns stores in Calexico and El Centro closed when the chain went bankrupt. The Millie's Restaurant in El Centro and Western Auto in Calexico have closed, along with locally owned businesses that had endured for decades, such as Wright's Cleaners in El Centro, Pine Market in Holtville and Garcia Food in Calexico. Del Norte Chevrolet in Brawley, one of the oldest dealerships in the valley, went out of business. U.S. Gypsum laid off employees at its Plaster City plant.

Every Tuesday, the Imperial Valley Press has a front-page feature called "Tough Times." It's had stories about mortgage scams, the decline in sales-tax revenue and the scramble by local officials to lure businesses to the valley.

The most visible effect of the recession has been in the real estate market. Imperial County had the highest percentage of subprime 100% loans of any county in the state. More than 600 homes are in some stage of foreclosure. Prices are plummeting. "Short sales," in which banks agree to write down loans, are common.

Real estate agent Frederic Din, who on his blog has chronicled Imperial County's housing boom and bust, remembers the go-go years when couples with incomes below \$30,000 easily got loans for \$250,000 homes.

Part of the market was supported by a growing number of government workers in Imperial County, particularly in the federal and state governments.

But then many government employees, Din said, became obsessed with "keeping up with the Garcias" and bought homes bigger than their co-workers' -- often tempted by 100% financing.

"They were living beyond their overtime," he said.

Imperial Avenue, connecting Imperial and Brawley, was lined with billboards for subdivisions offering creative financing. Now a billboard warns, "Foreclosure Affects The Whole Family," while another advises, "Unlock the Truth: Question Your Mortgage Lender."

The county is bracing for a 5% drop in assessed valuation, which means a reduction in property tax revenue to pay for schools and local governments, on top of cuts in state and federal allotments.

There are, however, glimmers of better times ahead. Home sales are picking up. Camacho's program is trying to ensure that residents are in line for jobs with energy companies aiming to tap the desert's sun, wind and geothermal power and with construction firms that will build a major transmission line to link new energy sources to San Diego.

Boosters also hope that new Indian casinos will provide recession-proof employment, as the construction of two prisons did in the 1990s.

The Manzanita band of Kumeyaay Indians is seeking approval for an off-reservation casino in Calexico. In February, the Quechan tribe opened a casino and resort in Winterhaven on the valley's eastern edge, two miles from Yuma, Ariz., bringing 1,000 slot machines and 600 jobs. The grand opening was highlighted by the Flying Elvi from Las Vegas, a parachute team whose members dress like Elvis Presley.

But help seems far off to the unemployed.

Corina Garcia, 34, who learned on Christmas Eve that she would lose her job as a department supervisor when Mervyns closed, is back living with her parents and has interviewed with most of the valley's big-box retailers.

"I'm just not getting any response," she said.

Balbastro has spoken with employers but found many are offering only part-time work with no benefits. "I just hope I don't get sick enough to require a doctor because I have no insurance," she said.

Arispe misses being able to reward his son with a nice toy. "Used to be \$30, no problem," he said. "Now it's a 99-cent Hot Wheels. If I pay more, my wife chews me out because it's not in the budget."

Still, Hildy Carrillo-Rivera, former crusading editor of the defunct Calexico Chronicle and now executive director of the city's Chamber of Commerce, believes Arispe and the others will eventually find work.

She has seen the valley rebound before: from the whitefly infestation in the 1990s, from the inflationary 1980s, from multiple devaluations of the Mexican peso.

"Imperial Valley has always been at the bottom of the bottom," she said. "We're used to fighting our way out of troubles. Now the whole nation is joining us. We'll dig our way out together."

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