

**CITY OF SAN JOAQUIN
JOBS-HOUSING
ECONOMIC STRATEGY
AND IMPLEMENTATION PLAN**

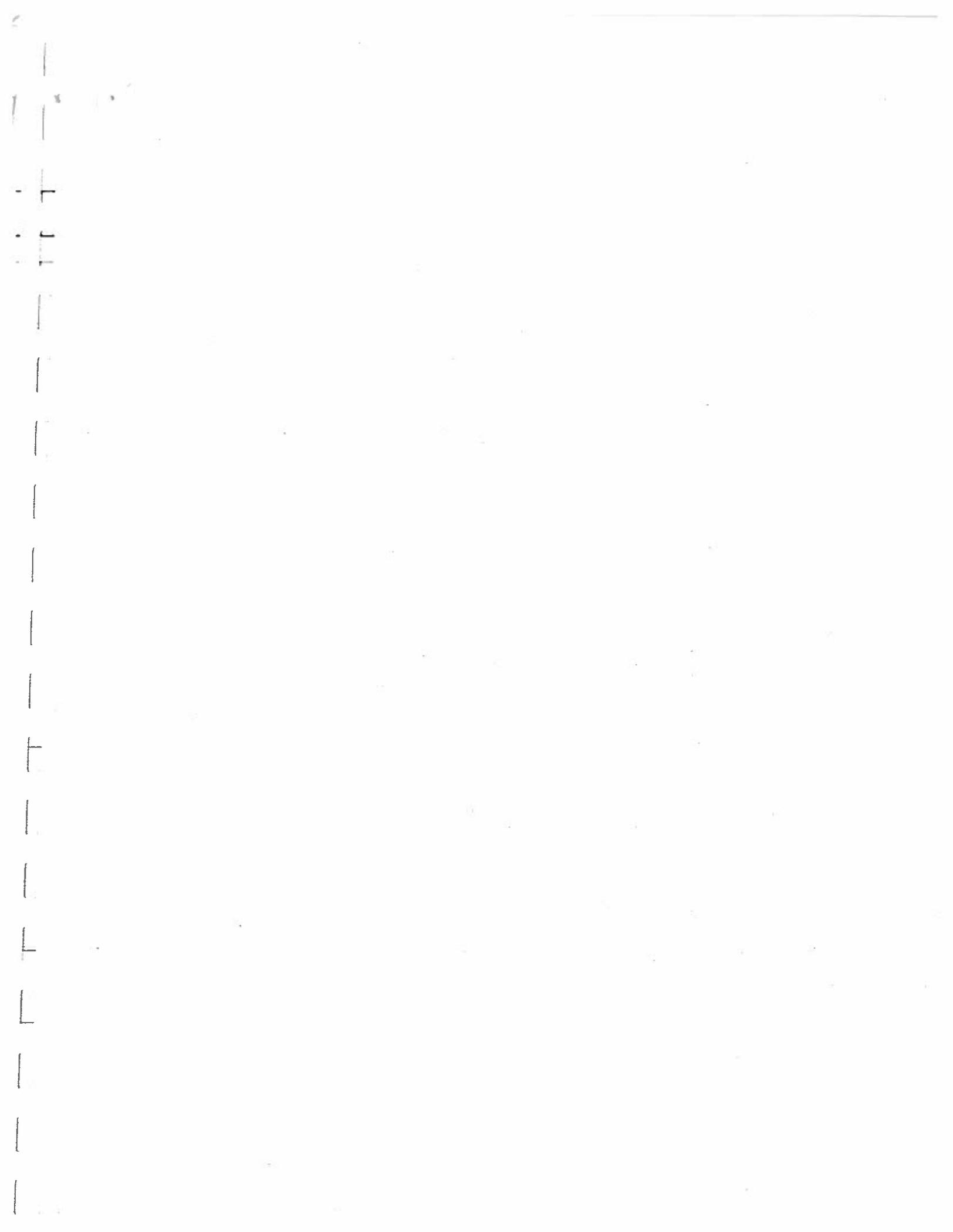
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COMMUNITY ASSESSMENT

INTRODUCTION

This report summarizes the findings and recommendations resulting from a study of the current and continuing jobs/housing imbalance in the City of San Joaquin. The California Department of Housing and Community Development (HCD) and the City of San Joaquin funded the study. According to Dun and Bradstreet, there are 596 employees working in private sector establishments in ZIP code 93660 in which the City of San Joaquin is located. Comparing this figure against the 732 housing units in San Joaquin yields a jobs-to-housing ratio of 0.814. This ratio qualifies the City as "housing rich" based on a standard of 1.5 jobs per housing unit that constitutes a balance in jobs and housing.

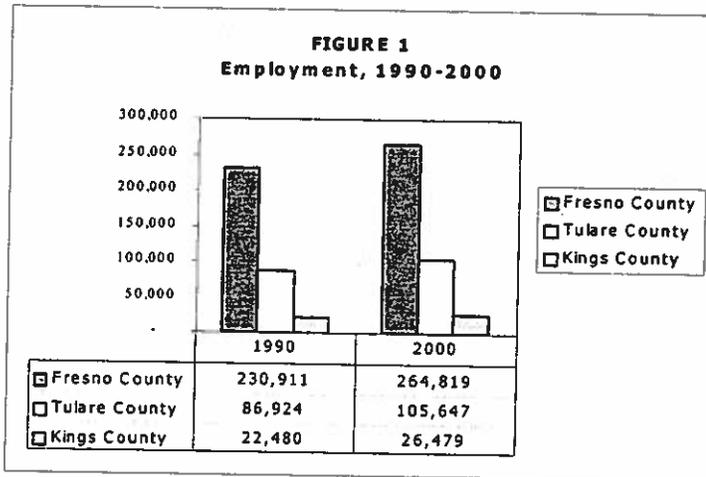
In seeking funding from the HCD, the City of San Joaquin submitted an application for funds that stressed the need for a clear statement of economic goals and objectives for the City, and a study of industrial and retail targets of opportunity. The economic strategy was also required to include a community assessment and an economic assessment. This report discusses the findings of the community assessment.

JOBS/HOUSING BALANCE

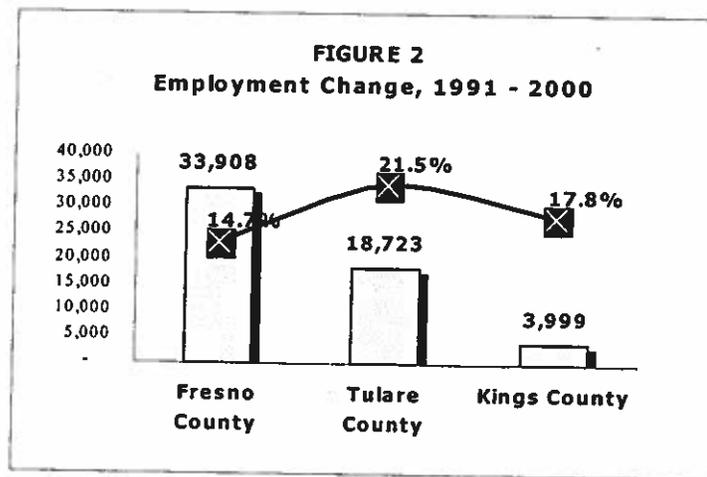
A balance between jobs and housing is attained when a jurisdiction has achieved a ratio of jobs to housing units that statistically equals one-and-one-half jobs for every housing unit available for occupancy. The jobs housing ratio for San Joaquin is calculated to be 0.814 based on the best available data on jobs and housing units available within the city limits of San Joaquin.

However, in recognition of the extensive mobility of the labor force within the three county labor market area—composed of Fresno, Tulare and Kings counties—the study chose to examine the ratio of jobs to housing using the labor market area as the unit of analysis.

Analysis of the three county labor market area disclosed that employment in 2000, the latest data available, was 396,945. At 264,800 Fresno County represented the bulk of employment, followed by Tulare County at 105,640 as Figure 1 shows. Employment in the market area increased by 17 percent between 1991 and 2000, or almost 56,600 jobs. Tulare County alone experienced a 21.5 percent increase versus Fresno's 14.7 percent growth in jobs (see Figure 1).



Between 1991 and 2000, employment in Fresno County increased by almost 34,000 jobs, for a 14.7 percent growth. While in absolute terms there were less jobs created in the 1991-2000 period in Tulare and Kings Counties,



nonetheless, these counties had faster rates of job creation, at 21.5 and 17.8 percent, respectively (see Figure 2).

During the same period, the housing supply in the three-county labor market area increased by over 47,900 units— from 379,059 to 426,969 units. These increases in units were distributed within the labor market area as follows: 29,827 in Fresno County, 12,823 in Tulare County, and 5,260 in Kings County. As for the City of San Joaquin, the number of housing units increased by 34 percent during the 1990s, from 546 to 732 units.

Thus, the current jobs/housing ratio in the labor market area can be calculated by dividing jobs (396,945) by the number of housing units available (426,969). This calculation results in a jobs/housing ratio for the labor market area of 0.93.

FIGURE 3
Housing, 1990 - 1999

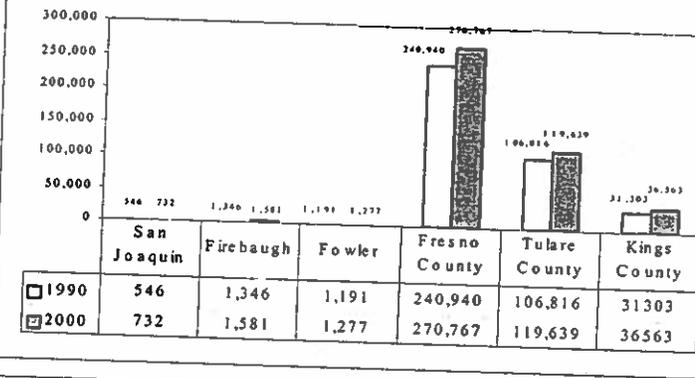
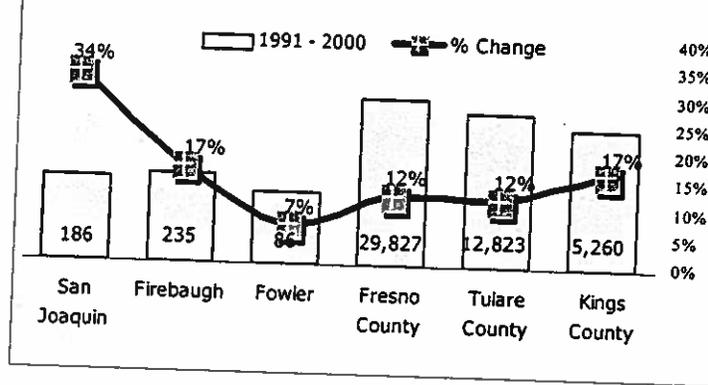
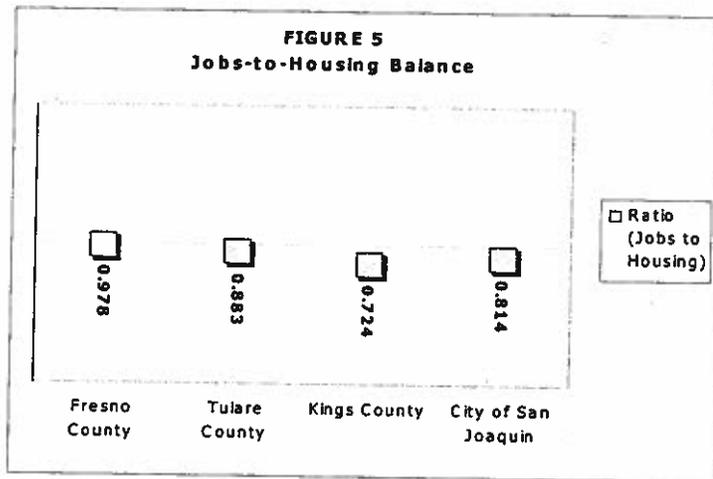


FIGURE 4
Growths in Housing Units, 1991 - 1999



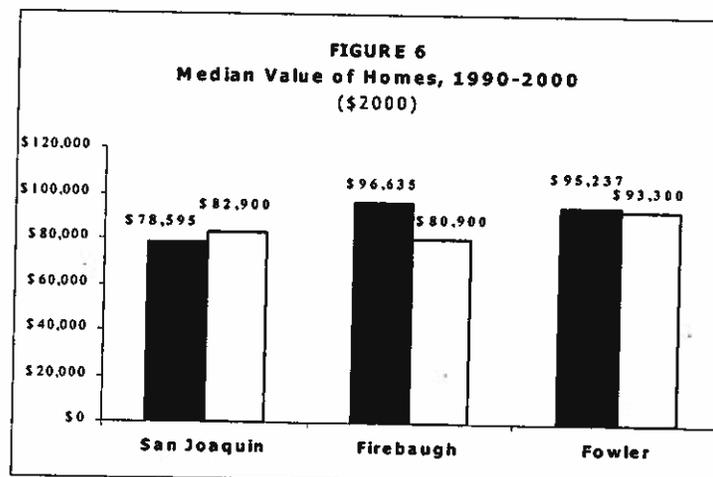
By measuring the jobs/housing ratio on a labor market area basis it becomes clear that the jobs/housing ratio for the labor market area (0.93) is no closer to the 1.5 standard for jobs/housing balance than is the jobs/housing ratio for the City of San Joaquin (0.814). This suggests that the labor market area is the appropriate unit of analysis for addressing the jobs/housing balance issue since labor mobility as well as the propensity of workers to live and work in different locations is traditional and unlikely to change.

It should also be noted that the designation as "housing rich" is difficult to apply to San Joaquin or other rapidly growing jurisdictions in the San Joaquin Valley. Housing production is primarily a function of meeting the needs of population growth, not job growth. When housing development does not keep up with demand for housing, prices tend to go up, making the area more expensive for resident buyers as well as emigrants from other areas of the State and nation. Conversely, housing prices stabilize and sometimes fall when housing production is in accord with demand.

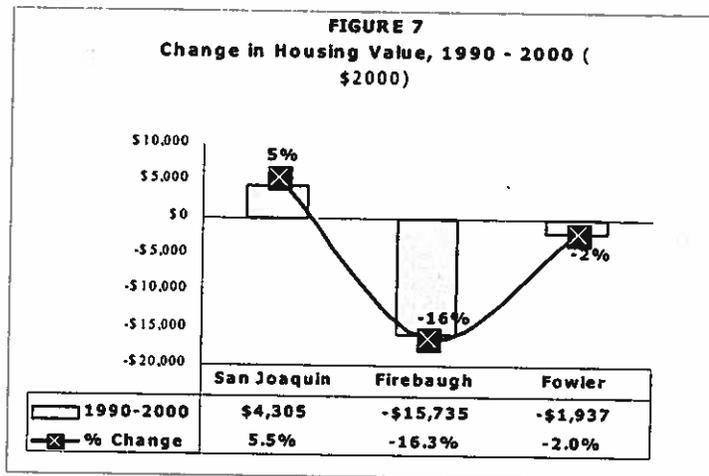


In fact, this is already occurring. Between 1990 and 2000, San Joaquin's population increased by 41 percent, or almost 4 percent annually. As Figure 6 shows, the median value of housing in San Joaquin increased by 5 percent in inflation-adjusted dollars between 1990 and 2000, from \$78,595 to \$82,900. In other words, housing values stabilized as supply was in close accord with population growth. At the same time, the median price of housing in inflation-adjusted dollars declined annually by 1.6 percent and .2 percent, respectively, for the neighboring Fresno County small cities of Firebaugh and Fowler, whose respective 3 percent and 2.4 percent annual population growth during the 1990s was milder than that for City of San Joaquin.

As it is, owner-occupied housing is relatively affordable in the City of San Joaquin, as well as in comparison cities of Firebaugh and Fowler. In

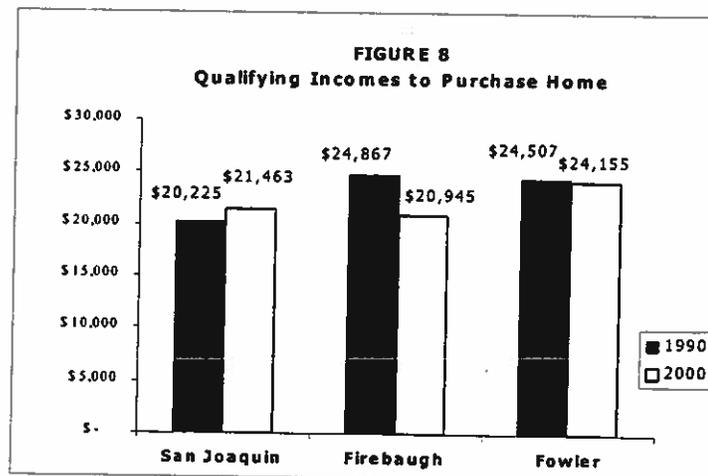


inflation-adjusted dollars, the minimum income required to qualify for a 30-year mortgage at 7 percent interest for a median-valued home changed very little between 1990 and 2000. As Figure 8 shows, the qualifying income for a



median valued home was \$21,463 in 2000 in San Joaquin, with Firebaugh and Fowler having similar qualifying income thresholds.

The number of jobs available within the City of San Joaquin and within the



labor market must substantially increase for the jobs/housing ratio to reach or approximate the 1.5 jobs to housing ratio considered to be the standard by HCD. This study will provide the basis for development and implementation of an economic strategy that will focus on the increase in number of jobs available in the labor market area and concentrate on initiatives that will achieve that result.

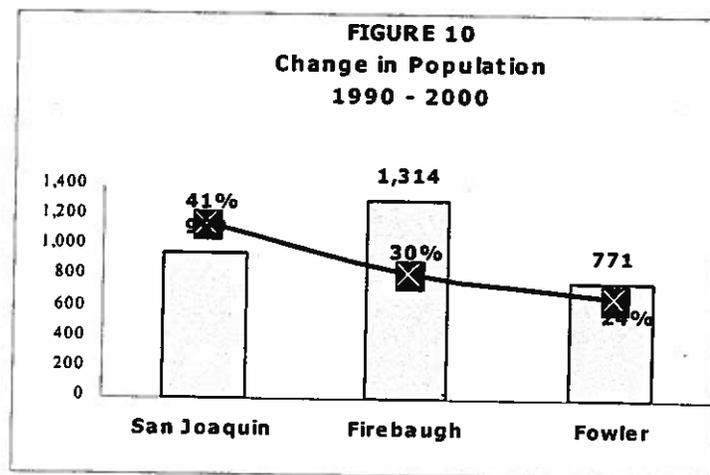
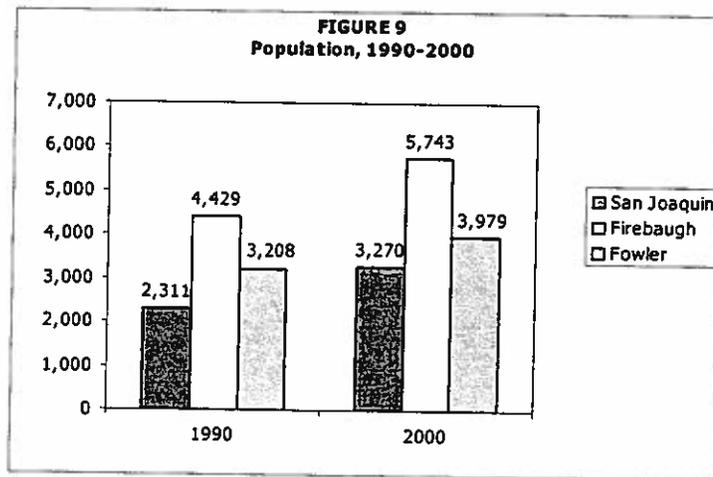
DEMOGRAPHIC TRENDS

The section reviews the demographic trends and conditions that have contributed to the imbalance of jobs and housing in the City. This includes changes in the population base in terms of age, income, racial mix, and participation in the labor force. This part of the community assessment identifies those conditions and trends that should be addressed by the

economic strategy to increase the number of jobs available to labor market area residents.

For a small city, the City of San Joaquin experienced a significant growth in population between 1990 and 2000 (see Figure 9). The 2000 population for San Joaquin is 3,170 compared to 2,311 in 1990, which represents a 41 percent increase. As Figure 10 shows, this growth far surpasses increases recorded by another neighboring small city, Firebaugh, which grew by 30 percent. In addition, San Joaquin's growth rate far exceeded that of Fresno, Tulare and Kings Counties, which grew by 20, 18 and 28 percent respectively.

Of particular significance, however, is the age distribution of this increase.

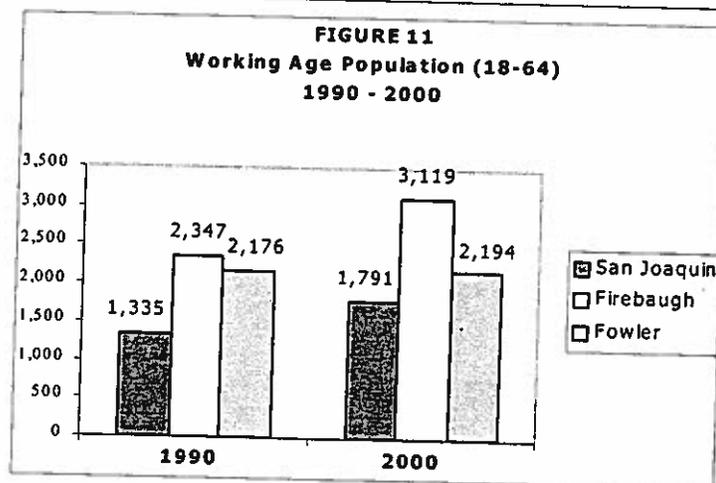
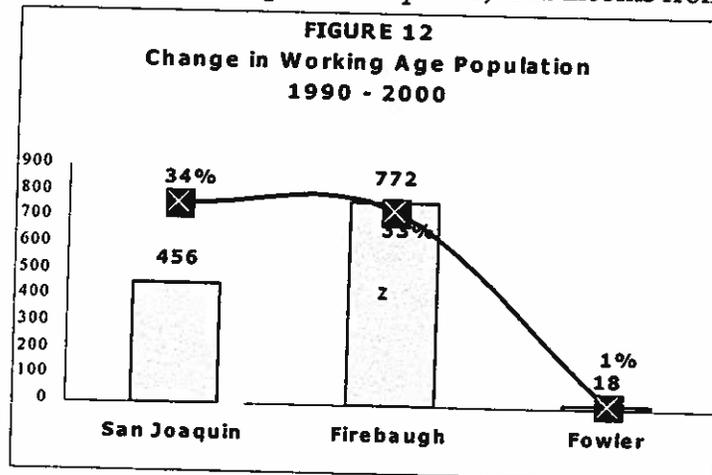


During the past decade, San Joaquin has added 456 individuals to its population base that are in the 18-64 age range, the age group most likely to be in the labor force. This represents a 34 percent increase over the past decade. In contrast, the percent of the 18-64 age group for

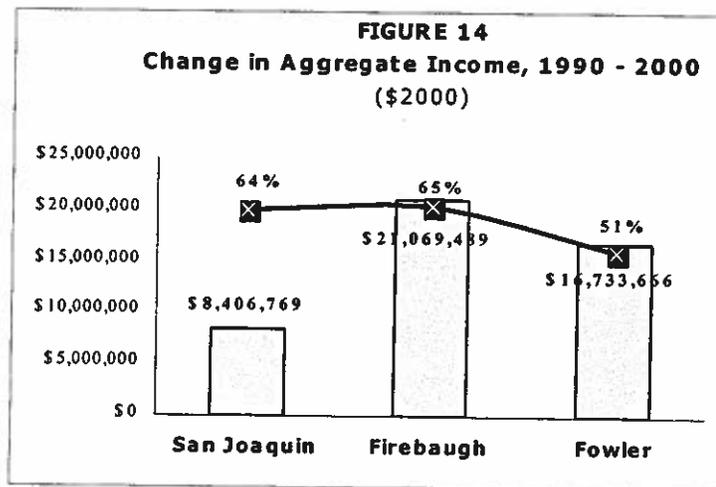
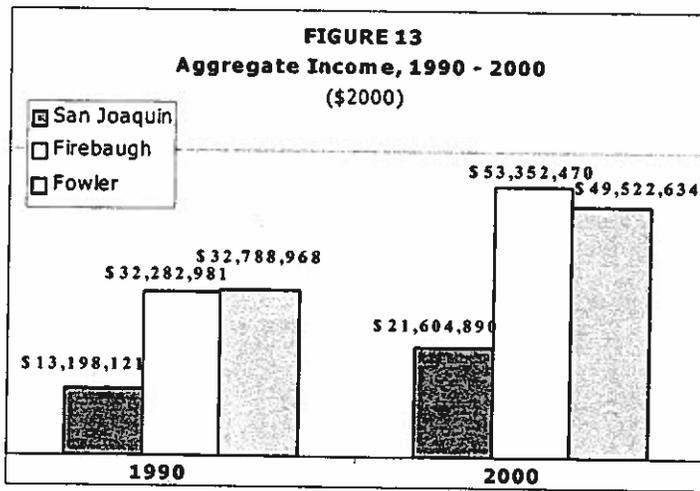
Fresno and Tulare Counties grew at 19 percent, while Kings County recorded a 31 percent growth in the 18-64 population.

Overall population growth and growth in the 18-64 age group make San Joaquin an attractive site for business. The population growth brings additional income into the area which local serving merchant can translate into sales and City government into revenues to support the growing population. It also provides a readily available labor supply for export industries seeking to expand or locate in the City.

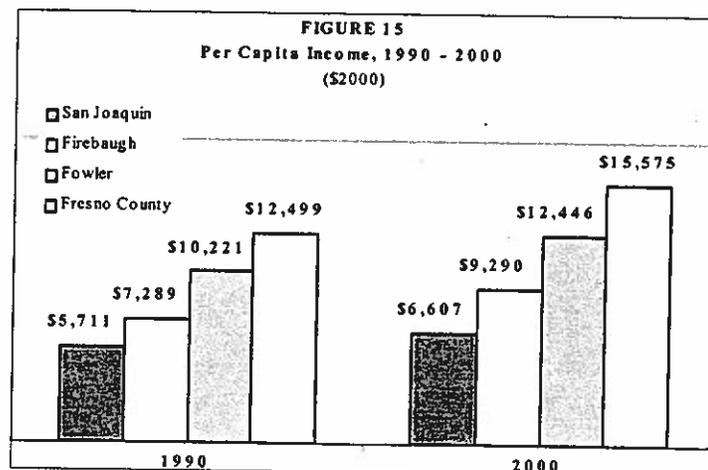
Another important finding of the community assessment is the income growth. Total income from all sources in San Joaquin increased from \$13.2 million in 1990 to \$21.6 million in 2000 in dollars adjusted for inflation. This is an increase of \$8.4 million or 64 percent. By way of comparison, aggregate incomes increased in Firebaugh and Fowler as well, by 65 and 51 percent respectively. During the same period, total income from all sources in Fresno

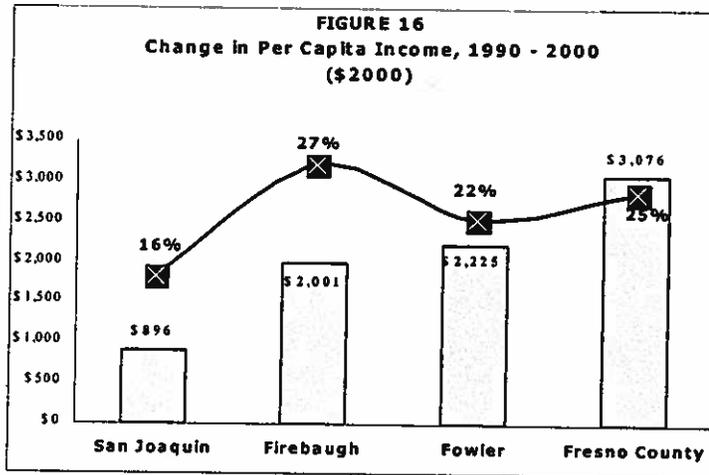


County increased from \$8.3 billion to \$12.6 billion, or by 51 percent.

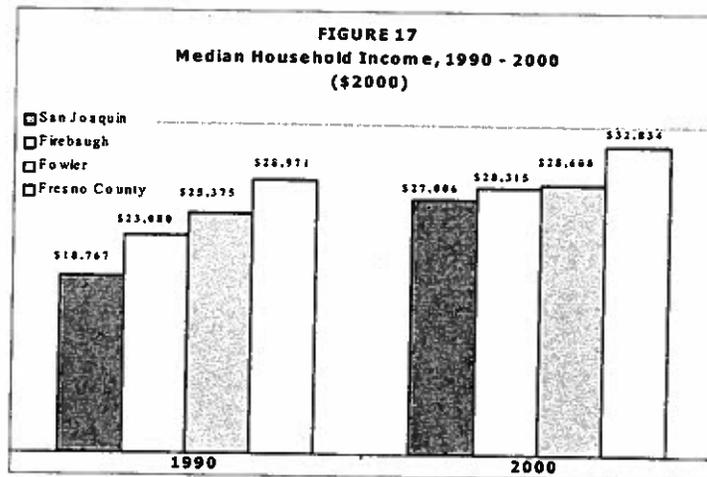


While incomes in aggregate terms increased significantly, on per capita basis, incomes are still exceedingly low in San Joaquin. Per capita income for Fresno County is more than double that of San Joaquin, as Table 15 shows. As it is, per capita income in San Joaquin increased from \$5,711 to \$6,607 in constant dollars. This increase of 16 percent for San Joaquin lagged behind the 25 percent increase for Stanislaus County, and also lagged behind percentage increases in Firebaugh and Fowler, as Table 16 shows.

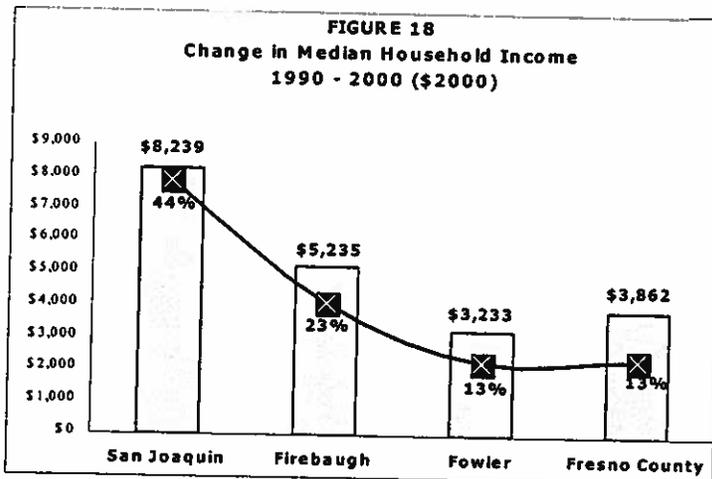




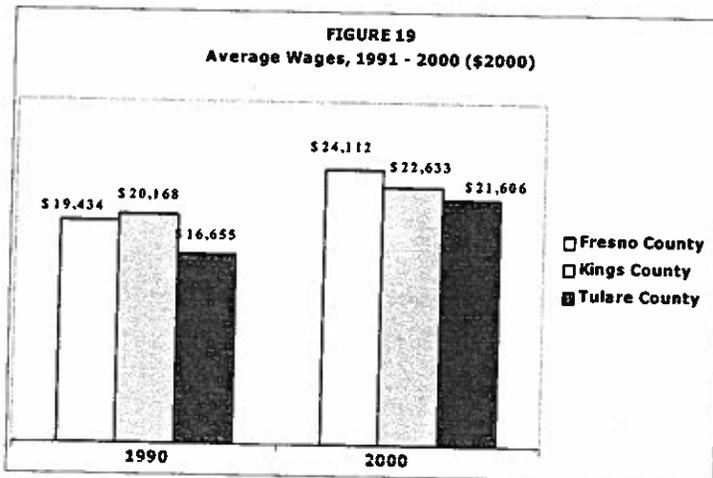
The median household income for San Joaquin increased significantly, by 44 percent in inflation-adjusted dollars, a rate that is higher than that recorded by the comparison areas. Median household income grew by \$8,239, from \$18,767 to \$27,006. At the same time, Firebaugh, Fowler and Fresno County experienced increases in median household income. Firebaugh's median income increased from \$23,080 to \$28,315 (23 percent), Fowler's increased from \$25,375 to \$28,608 (13 percent), and Fresno County increased from \$28,971 to \$32,834 (13 percent).



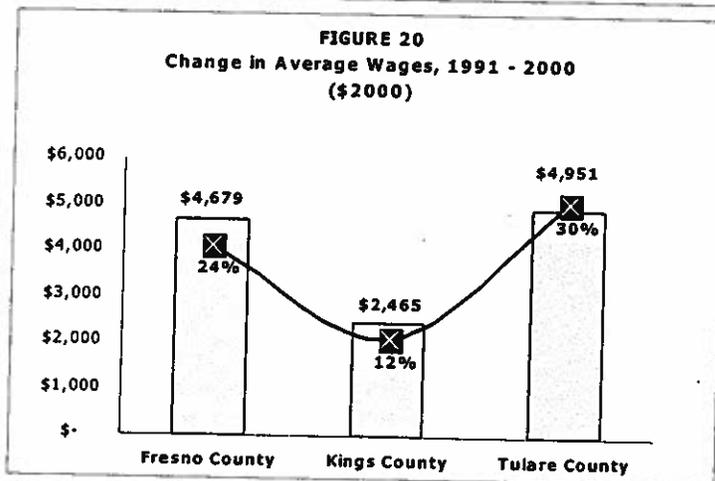
The most significant income variable, however, is average wages. The average wages in the three county labor market area are well below the State, although they are comparable to wages in other San Joaquin Valley Counties. The current (2000) average wage in 2000 dollars for Fresno, Kings and Tulare Counties is \$24,112, \$22,633, and \$21,606 respectively, as Figure 19 shows. These wages have been rising.



During the 1991-2000 period average wages in the two county labor market area increased by 24 percent 12 percent and 30 percent respectively for Fresno, Kings, and Tulare Counties. Average wages in Fresno County increased from \$19,434 to \$24,112 (\$4,679 or 24 percent), and in Kings County from \$20,168 to \$22,633 (\$2,465 or 12 percent) (see Figure 20). The average annual wage in the State in 2000 was \$37,300, over \$10,000 more than Fresno County's average wage.

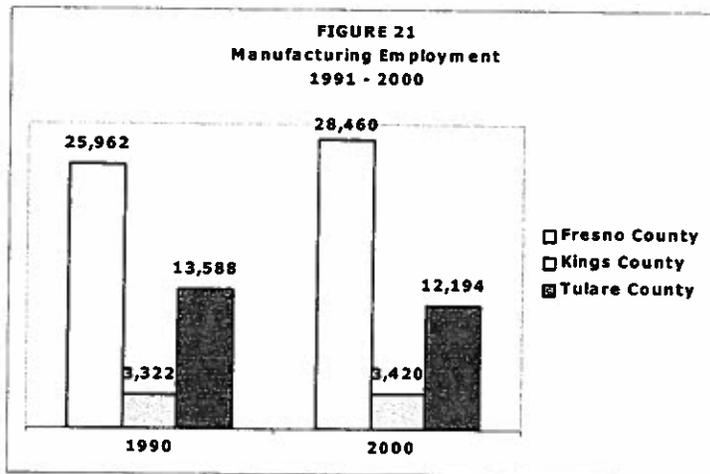


This huge wage differential is the primary cause of the lack of consumer purchasing power in the area and cannot be fully explained by the employment mix. In fact, the three county labor market area tracks well in terms of the mix and growth of employment in industries compared to the State and other areas of the State.

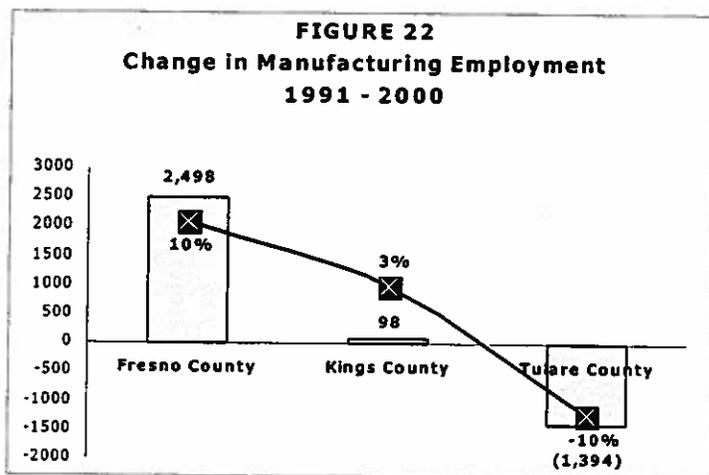


For example manufacturing employment in Fresno County was 11 percent of total employment in 2000 and had grown by 10 percent since 1991. For Kings County, 15 percent of total employment is in manufacturing, although employment in this sector was stagnant, increasing by 3% between 1991 and 2000. Manufacturing employment in Tulare dipped by 10 percent between 1991 and 2000, from 13,588 to 12,194.

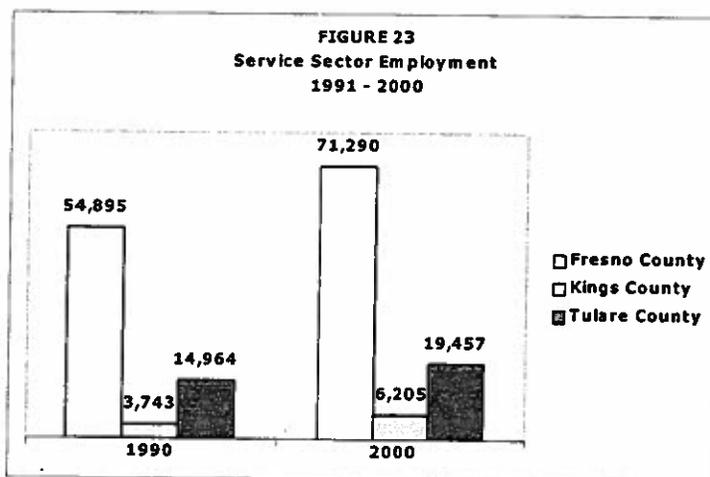
In the services and agriculture categories, Fresno, Kings and Tulare counties differ somewhat from the State in employment mix. Services account for 36 percent of the employment in the State and grew by 30 percent during the 1990s. In Fresno County, services provided for 27 percent of the employment in 2000, but experienced similar growth rate to the state,



at 30 percent. As Figures 23 and 24 show, service employment increased from 54,895 in Fresno County in 1991 to 71,290 in 2000, for an increase in 16,395 jobs. While service jobs increased significantly percentage-wise in Kings and Tulare Counties, the amount of service sector jobs in these counties is a fraction of the amount in Fresno County.

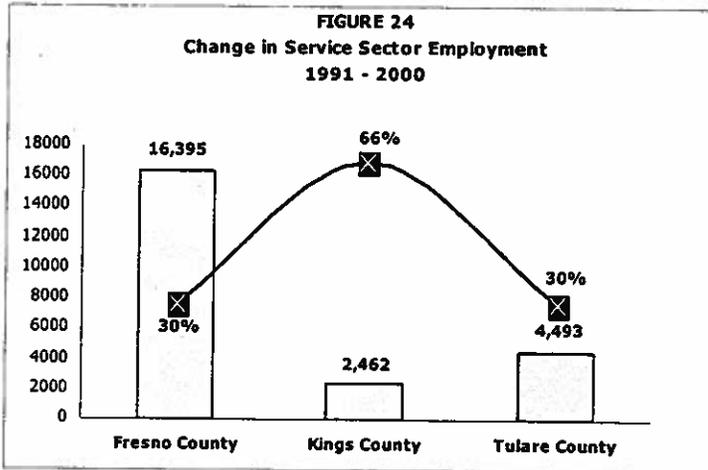


Agriculture is an important sector in the three counties. It represents 22 percent of the employment in Fresno County, 29 percent in Kings County and 34 percent in Tulare, versus the 4 percent figure for the State. Moreover, employment in agriculture grew significantly in these three counties, by 12 percent for Fresno, 26 percent for Kings and 45 percent for Tulare County. Statewide, agriculture employment also experienced double-digit growth in the 1990s, growing by 19 percent.

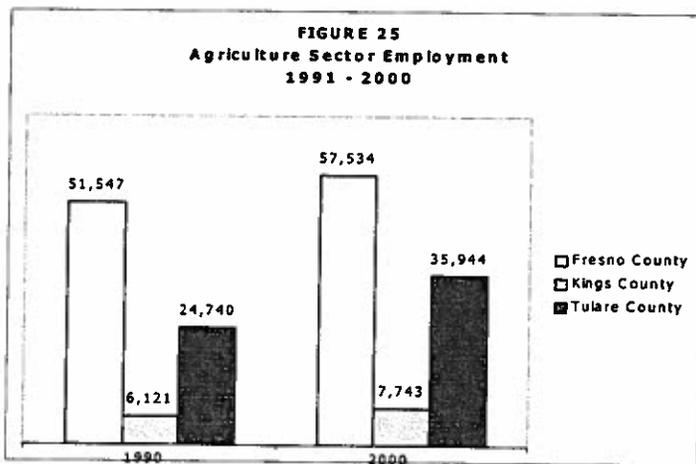


An important demographic characteristic of San Joaquin and neighboring cities is the preponderance of Hispanics in their respective populations. In San Joaquin, Hispanics represent over 90 percent of the population in 2000, with high concentration of Hispanics in Firebaugh and Fowler as well, as Figure 27 shows.

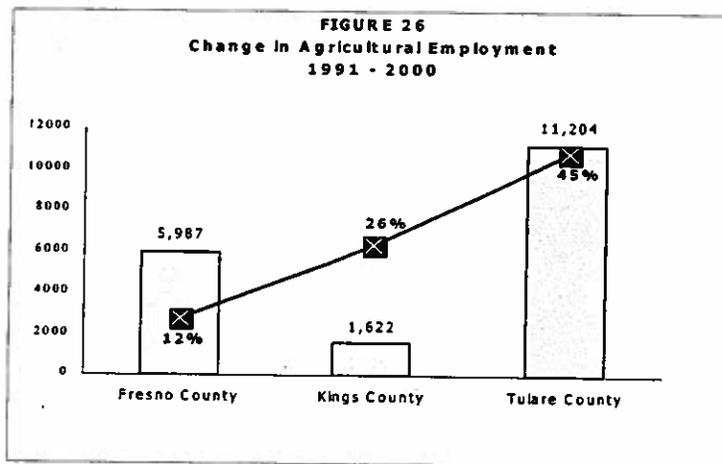
The increase in the Hispanic population is also a significant variable in addressing the jobs/housing imbalance. Most of the increase in the Hispanic population is due to family growth, not immigration. Another important consideration is the fact that most of the Hispanic's living and working in the area are second generation, having been born and educated here. Unfortunately, these facts are often overlooked by businesses looking for locations.

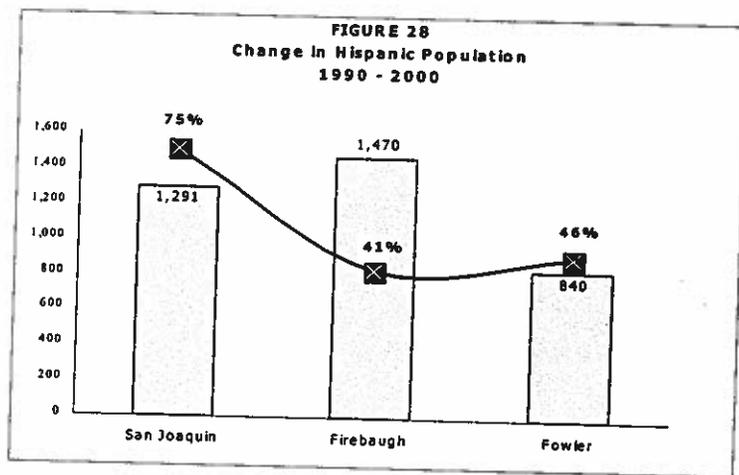
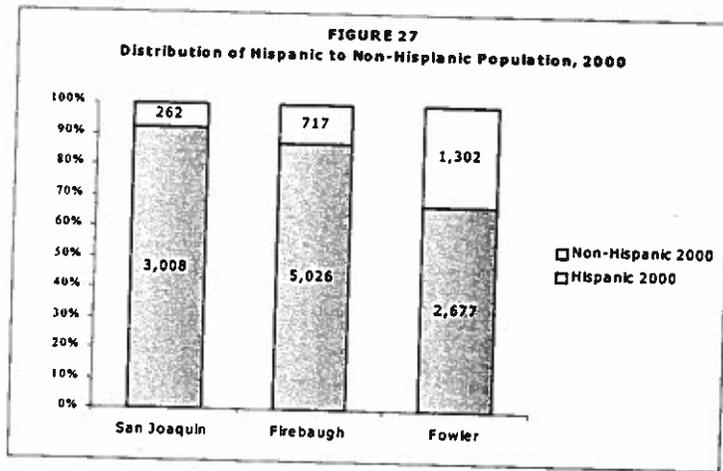


The Hispanic population of San Joaquin increased by 75 percent over the last decade. However, the actual increase in the Hispanic population was 1,291. Similarly, Firebaugh and Fowler experienced significant increases in the Hispanic population, which grew by 41 percent and 46 percent respectively, and the increase in numbers amounted to 1,470 and 840.



In summary, the community assessment found that growth in the working-age population coupled with the large pool of Latino labor, which is often underemployed, provides the City with an important asset in recruiting new businesses to the area and encouraging the expansion of those that are already located in the area. In addition, by measuring the jobs/housing ratio on a labor market area basis it becomes clear that the jobs/housing ratio for the labor market area (0.93) is no closer to the 1.5 standard for jobs/housing balance than is the jobs/housing ratio for the City of San Joaquin (0.814). The mix of local businesses and the sectors in which employment is growing demonstrates the possibilities for employment creation, particularly in those industries that pay above the average wage.





ECONOMIC ASSESSMENT

REGIONAL EMPLOYMENT TRENDS

In California's Central Valley, especially for counties such as Fresno, Kings, and Tulare County, major industry divisions that comprise the economic base are typically related to agriculture, with manufacturing demonstrating a strong presence. In addition to the economic base industries, economies also contain what are referred to as support industries, such as retail or services, the progress of which is a function of the economic base and demographic changes. In the same way that retail, services and transportation support and depend on the economic base, major industry divisions that comprise the base likewise depend on each other. Tomatoes harvested by farms within the agricultural division, for example, are processed and packaged by establishments within the manufacturing division.

As Table 1 shows, manufacturing and agricultural divisions comprise Fresno County's economic base. The degree to which agriculture and manufacturing constitute the base had scarcely changed between 1991 and 2000, and accounted for 22 percent and 10 percent of all jobs in Fresno County in 2000. Only 4 percent of all jobs in California, by comparison, are in agriculture. Moreover, employment increased by 12 percent, from 51,547 to 57,534 agricultural jobs. At a regional level, 25 percent of all jobs in the Fresno-Kings-Tulare region are in agriculture and added nearly 19,000 jobs during this same period (see Table 2).

**TABLE 1
FRESNO COUNTY EMPLOYMENT TRENDS, 1991 TO 2000**

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Empl. Change 1991 to 2000	Percent Change 1991 to 2000	Percent of Total Empl. 2000	State Empl. 1991	State Empl. 2000
	Total	230,911	264,819	33,908	14.7%	100.0%	10,738,600	12,652,960
	AGRICULTURE	51,547	57,534	5,987	11.6%	21.7%	426,083	517,322
	Agricultural production	26,942	21,717	-5,225	-19.4%	8.2%	219,397	227,995
07	Agricultural services	24,560	35,780	11,220	45.7%	13.5%	202,727	285,586
08	Forestry	32	27	-5	-15.6%	0.0%	1,638	2,587
09	Fishing, hunting, and trapping	13	10	-3	-23.1%	0.0%	2,320	1,154
	MINING	1,094	317	-777	-71.0%	0.1%	38,739	23,733
10	Metal mining	90	0	-90	-100.0%	0.0%	2,463	988
12	Coal mining	0	0	0	N/A	0.0%	65	2
13	Oil and gas extraction	679	246	-433	-63.8%	0.1%	30,248	17,111
14	Nonmetallic minerals, except fuels	325	71	-254	-78.2%	0.0%	5,962	5,632
	CONSTRUCTION	14,525	15,067	542	3.7%	5.7%	546,165	726,816
15	General contractors and operative builders	3,872	3,872	0	0.0%	1.5%	142,068	174,644
16	Heavy construction, except building	1,263	1,180	-83	-6.6%	0.4%	62,822	69,930
17	Special trade contractors	9,390	10,015	625	6.7%	3.8%	341,275	482,242
	MANUFACTURING	25,962	28,460	2,498	9.6%	10.7%	2,012,129	1,939,161
20	Food and kindred products	10,722	12,035	1,313	12.2%	4.5%	186,128	186,313
21	Tobacco products	0	0	0	N/A	0.0%	1	7
22	Textile mill products	162	120	-42	-25.9%	0.0%	15,258	27,388
23	Apparel and other textile products	172	138	-34	-19.8%	0.1%	140,855	138,166
24	Lumber and wood products	1,086	1,369	283	26.1%	0.5%	56,841	61,622
25	Furniture and fixtures	306	423	117	38.2%	0.2%	48,430	59,988
26	Paper and allied products	1,096	697	-399	-36.4%	0.3%	40,798	38,380
27	Printing and publishing	2,058	1,953	-105	-5.1%	0.7%	162,664	149,023
28	Chemicals and allied products	703	336	-367	-52.2%	0.1%	69,632	81,935
29	Petroleum and coal products	48	73	25	52.1%	0.0%	28,480	17,124
30	Rubber and misc. plastics products	620	571	-49	-7.9%	0.2%	74,072	74,092
31	Leather and leather products	122	111	-11	-9.0%	0.0%	6,144	6,685
32	Stone, clay, and glass products	1,381	970	-411	-29.8%	0.4%	49,919	49,815
33	Primary metal industries	511	423	-88	-17.2%	0.2%	37,682	35,843
34	Fabricated metal products	1,611	3,018	1,407	87.3%	1.1%	121,636	130,935
35	Industrial machinery and equipment	2,603	3,228	625	24.0%	1.2%	207,093	228,341
36	Electronic & other electric equipment	655	1,262	607	92.7%	0.5%	244,665	274,807
37	Transportation equipment	1,232	692	-540	-43.8%	0.3%	268,447	152,105
38	Instruments and related products	607	451	-156	-25.7%	0.2%	218,076	177,420
39	Miscellaneous manufacturing industries	267	590	323	121.0%	0.2%	35,308	49,171
	TRANSPORTATION AND PUBLIC UTILITIES	12,413	12,733	320	2.6%	4.8%	599,995	721,357
40	Railroad transportation	0	0	0	N/A	0.0%	4	69
41	Local and interurban passenger transit	798	777	-21	-2.6%	0.3%	34,037	46,408
42	Trucking and warehousing	4,557	4,809	252	5.5%	1.8%	156,044	176,532
44	Water transportation	32	23	-9	-28.1%	0.0%	19,913	24,566
45	Transportation by air	1,142	1,561	419	36.7%	0.6%	97,615	142,033
46	Pipelines, except natural gas	33	25	-8	-24.2%	0.0%	1,759	869
47	Transportation services	486	727	241	49.6%	0.3%	52,293	62,885
48	Communication	2,638	3,020	382	14.5%	1.1%	148,213	188,571
49	Electric, gas, and sanitary services	2,727	1,791	-936	-34.3%	0.7%	90,117	79,425

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Empl. Change 1991 to 2000	Percent Change 1991 to 2000	Percent of Total Empl. 2000	State Empl. 1991	State Empl. 2000
	WHOLESALE TRADE	14,284	14,511	227	1.6%	5.5%	735,936	822,692
50	Wholesale trade—durable goods	7,412	7,747	335	4.5%	2.9%	432,182	494,880
51	Wholesale trade—nondurable goods	6,871	6,764	-107	-1.6%	2.6%	303,754	327,811
	RETAIL TRADE	42,608	50,983	8,375	19.7%	19.3%	2,173,551	2,462,628
52	Building materials & garden supplies	2,025	2,065	40	2.0%	0.8%	81,951	96,677
53	General merchandise stores	5,293	6,498	1,205	22.8%	2.5%	243,432	252,140
54	Food stores	6,623	6,418	-205	-3.1%	2.4%	316,760	321,832
55	Automotive dealers & service stations	4,918	6,493	1,575	32.0%	2.5%	211,052	242,879
56	Apparel and accessory stores	1,828	1,826	-2	-0.1%	0.7%	141,687	148,657
57	Furniture and homefurnishings stores	2,040	2,363	323	15.8%	0.9%	112,790	153,592
58	Eating and drinking places	14,429	19,048	4,619	32.0%	7.2%	777,635	914,851
59	Miscellaneous retail	5,453	6,272	819	15.0%	2.4%	288,244	332,000
	FINANCE, INSURANCE, AND REAL ESTATE	13,583	13,900	317	2.3%	5.2%	820,650	815,891
60	Depository institutions	4,261	2,984	-1,277	-30.0%	1.1%	267,295	197,617
61	Nondepository institutions	695	888	193	27.8%	0.3%	51,005	84,662
62	Security and commodity brokers	379	692	313	82.6%	0.3%	40,944	75,540
63	Insurance carriers	2,932	3,655	723	24.7%	1.4%	147,286	136,071
64	Insurance agents, brokers, & service	1,826	1,984	158	8.7%	0.7%	85,270	84,119
65	Real estate	2,985	3,141	156	5.2%	1.2%	198,729	198,164
67	Holding and other investment offices	505	556	51	10.1%	0.2%	30,122	39,717
	SERVICES	54,895	71,290	16,395	29.9%	26.9%	3,335,811	4,560,728
70	Hotels and other lodging places	1,888	1,963	75	4.0%	0.7%	187,439	199,958
72	Personal services	2,643	2,610	-33	-1.2%	1.0%	119,723	124,738
73	Business services	8,087	12,609	4,522	55.9%	4.8%	705,079	1,347,945
75	Auto repair, services, and parking	2,784	3,211	427	15.3%	1.2%	130,631	167,616
76	Miscellaneous repair services	1,251	1,025	-226	-18.1%	0.4%	47,874	41,469
78	Motion pictures	544	806	262	48.2%	0.3%	124,646	195,324
79	Amusement & recreation services	2,117	4,123	2,006	94.8%	1.6%	161,517	225,138
80	Health services	19,313	22,524	3,211	16.6%	8.5%	803,447	921,675
81	Legal services	2,034	2,027	-7	-0.3%	0.8%	132,135	123,207
82	Educational services	1,709	1,909	200	11.7%	0.7%	152,201	190,207
83	Social services	3,611	6,872	3,261	90.3%	2.6%	187,787	282,634
84	Museums, botanical, zoological gardens	74	82	8	10.8%	0.0%	6,934	11,648
86	Membership organizations	1,643	1,893	250	15.2%	0.7%	96,311	106,236
87	Engineering & management services	3,970	4,303	333	8.4%	1.6%	391,252	475,224
88	Private households	3,155	5,252	2,097	66.5%	2.0%	82,531	140,509
89	Services, nec	72	81	9	12.5%	0.0%	6,305	7,202

Source: ADE, data from MIG ES202 county employment database.

Notes: Location quotient compares the concentration of employment in Fresno County relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno County, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower.

**TABLE 2
REGIONAL EMPLOYMENT TRENDS (FRESNO-KINGS-TULARE COUNTIES), 1991 TO 2000**

SIC	Description	Regional Empl. 1991	Regional Empl. 2000	Empl. Change 1991 to 2000	Percent Change 1991 to 2000	Percent of Total Empl. 2000	State Empl. 1991	State Empl. 2000
	Total	340,315	396,945	56,630	16.64%	100.0%	10,738,600	12,652,000
	AGRICULTURE	82,408	101,221	18,813	22.83%	25.5%	426,083	517,000
01,								
02	Agricultural production	44,123	39,938	-4,185	-9.48%	10.1%	219,397	227,000
07	Agricultural services	38,228	59,919	21,691	56.74%	15.1%	202,727	285,000
08	Forestry	39	1,353	1,314	3369.23%	0.3%	1,638	2,000
09	Fishing, hunting, and trapping	19	11	-8	-42.11%	0.0%	2,320	1,000
	MINING	1,245	344	-901	-72.37%	0.1%	38,739	23,000
10	Metal mining	90	0	-90	-100.00%	0.0%	2,463	0,000
12	Coal mining	0	0	0	N/A	0.0%	65	0,000
13	Oil and gas extraction	830	260	-570	-68.67%	0.1%	30,248	17,000
14	Nonmetallic minerals, except fuels	325	84	-241	-74.15%	0.0%	5,962	5,000
	CONSTRUCTION	19,748	21,124	1,376	6.97%	5.3%	546,165	726,000
15	General contractors and operative builders	5,243	5,260	17	0.32%	1.3%	142,068	174,000
16	Heavy construction, except building	2,080	2,212	132	6.35%	0.6%	62,822	69,000
17	Special trade contractors	12,425	13,652	1,227	9.88%	3.4%	341,275	482,000
	MANUFACTURING	42,872	44,074	1,202	2.80%	11.1%	2,012,129	1,939,000
20	Food and kindred products	17,585	18,029	444	2.52%	4.5%	186,128	186,000
21	Tobacco products	0	0	0	N/A	0.0%	1	0,000
22	Textile mill products	481	428	-53	-11.02%	0.1%	15,258	27,000
23	Apparel and other textile products	641	328	-313	-48.83%	0.1%	140,855	138,000
24	Lumber and wood products	2,425	2,297	-128	-5.28%	0.6%	56,841	61,000
25	Furniture and fixtures	373	510	137	36.73%	0.1%	48,430	59,000
26	Paper and allied products	1,424	1,439	15	1.05%	0.4%	40,798	38,000
27	Printing and publishing	4,274	3,940	-334	-7.81%	1.0%	162,664	149,000
28	Chemicals and allied products	878	480	-398	-45.33%	0.1%	69,632	81,900
29	Petroleum and coal products	49	80	31	63.27%	0.0%	28,480	17,100
30	Rubber and misc. plastics products	1,739	1,745	6	0.35%	0.4%	74,072	74,000
31	Leather and leather products	122	113	-9	-7.38%	0.0%	6,144	6,600
32	Stone, clay, and glass products	1,643	1,303	-340	-20.69%	0.3%	49,919	49,800
33	Primary metal industries	1,396	935	-461	-33.02%	0.2%	37,682	35,800
34	Fabricated metal products	2,170	3,930	1,760	81.11%	1.0%	121,636	130,900
35	Industrial machinery and equipment	3,642	4,417	775	21.28%	1.1%	207,093	228,300
36	Electronic & other electric equipment	1,425	1,898	473	33.19%	0.5%	244,665	274,800
37	Transportation equipment	1,547	856	-691	-44.67%	0.2%	268,447	152,100
38	Instruments and related products	735	674	-61	-8.30%	0.2%	218,076	177,400
39	Miscellaneous manufacturing industries	322	672	350	108.70%	0.2%	35,308	49,100
	TRANSPORTATION AND PUBLIC UTILITIES	16,900	18,123	1,223	7.24%	4.6%	599,995	721,350
40	Railroad transportation	0	0	0	N/A	0.0%	4	6,000
41	Local and interurban passenger transit	1,052	1,342	290	27.57%	0.3%	34,037	46,400
42	Trucking and warehousing	6,944	7,691	747	10.76%	1.9%	156,044	176,530
44	Water transportation	51	28	-23	-45.10%	0.0%	19,913	24,560
45	Transportation by air	1,239	2,014	775	62.55%	0.5%	97,615	142,030
46	Pipelines, except natural gas	43	29	-14	-32.56%	0.0%	1,759	86,000
47	Transportation services	620	864	244	39.35%	0.2%	52,293	62,880
48	Communication	3,192	3,609	417	13.06%	0.9%	148,213	188,570
49	Electric, gas, and sanitary services	3,759	2,546	-1,213	-32.27%	0.6%	90,117	79,420

SIC	Description	Regional Empl. 1991	Regional Empl. 2000	Empl. Change 1991 to 2000	Percent Change 1991 to 2000	Percent of Total Empl. 2000	State Empl. 1991	Sta Em 2000
	WHOLESALE TRADE	19,596	20,324	728	3.72%	5.1%	735,936	827
50	Wholesale trade—durable goods	9,251	10,228	977	10.56%	2.6%	432,182	494
51	Wholesale trade—nondurable goods	10,344	10,096	-248	-2.40%	2.5%	303,754	327
	RETAIL TRADE	65,956	76,372	10,416	15.79%	19.2%	2,173,551	2,462
52	Building materials & garden supplies	3,262	3,194	-68	-2.08%	0.8%	81,951	96
53	General merchandise stores	7,911	11,788	3,877	49.01%	3.0%	243,432	252
54	Food stores	10,631	10,149	-482	-4.53%	2.6%	316,760	321
55	Automotive dealers & service stations	7,615	9,429	1,814	23.82%	2.4%	211,052	242
56	Apparel and accessory stores	2,613	2,663	50	1.91%	0.7%	141,687	148
57	Furniture and home furnishings stores	2,932	3,377	445	15.18%	0.9%	112,790	153
58	Eating and drinking places	21,241	26,820	5,579	26.27%	6.8%	777,635	914
59	Miscellaneous retail	9,752	8,951	-801	-8.21%	2.3%	288,244	332
	FINANCE, INSURANCE, AND REAL ESTATE	17,959	18,387	428	2.38%	4.6%	820,650	815
60	Depository institutions	5,671	4,290	-1,381	-24.35%	1.1%	267,295	197
61	Nondepository institutions	945	1,262	317	33.54%	0.3%	51,005	84
62	Security and commodity brokers	428	830	402	93.93%	0.2%	40,944	75
63	Insurance carriers	3,982	4,723	741	18.61%	1.2%	147,286	136
64	Insurance agents, brokers, & service	2,689	2,658	-31	-1.15%	0.7%	85,270	84
65	Real estate	3,713	4,051	338	9.10%	1.0%	198,729	198
67	Holding and other investment offices	530	572	42	7.92%	0.1%	30,122	39
	SERVICES	73,602	96,952	23,350	31.72%	24.4%	3,335,811	4,560
70	Hotels and other lodging places	2,901	2,697	-204	-7.03%	0.7%	187,439	199
72	Personal services	3,329	3,419	90	2.70%	0.9%	119,723	124
73	Business services	10,507	18,494	7,987	76.02%	4.7%	705,079	1,347
75	Auto repair, services, and parking	3,488	4,471	983	28.18%	1.1%	130,631	167
76	Miscellaneous repair services	1,879	1,467	-412	-21.93%	0.4%	47,874	41
78	Motion pictures	931	1,234	303	32.55%	0.3%	124,646	195
79	Amusement & recreation services	2,786	5,908	3,122	112.06%	1.5%	161,517	225
80	Health services	24,748	29,281	4,533	18.32%	7.4%	803,447	921
81	Legal services	2,422	2,409	-13	-0.54%	0.6%	132,135	123
82	Educational services	2,083	2,472	389	18.67%	0.6%	152,201	190
83	Social services	6,585	9,841	3,256	49.45%	2.5%	187,787	282
84	Museums, botanical, zoological gardens	74	126	52	70.27%	0.0%	6,934	11
86	Membership organizations	2,307	2,615	308	13.35%	0.7%	96,311	106
87	Engineering & management services	5,220	5,613	393	7.53%	1.4%	391,252	475
88	Private households	4,270	6,787	2,517	58.95%	1.7%	82,531	140
89	Services, nec	72	118	46	63.89%	0.0%	6,305	72

Source: ADE, data from MIG ES202 county employment database.

Notes: Location quotient compares the concentration of employment in Fresno, Kings, and Tulare counties relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno, Kings, and Tulare counties, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower.

Employment in agriculture is divided primarily into two major industry groups, agricultural production (SIC 01) and agricultural services (SIC 07). Between

1991 and 2000, the production sectors combined to lose about 5,200 jobs, while the agricultural services sectors added 11,200 jobs during the 1990s. While much of the employment in farm production is seasonal, fluctuating widely during the course of the year, there has been a downward trend in farm jobs since the early 1990s. With 35,780 employees in 2000, agricultural service (SIC 07) employs more people than mining, manufacturing, transportation, FIRE and wholesale industrial divisions respectively. It should be noted that the agricultural services include farm management and contract labor services, and the job declines in agricultural production very likely reflect an industry-wide trend towards agribusiness outsourcing their labor rather than directly employing workers. Therefore, the agricultural production declines more reflect a shift in how the employment is procured rather than a sign of systemic declines in agricultural activity.

While manufacturing employment slightly increased in absolute terms (from about 26,000 to 28,500) and remained the same in relative terms between 1991 and 2000, opportunities varied between different sectors within manufacturing. Food and kindred products (SIC 20) continued its pre-eminence within manufacturing, accounting for over 40 percent of manufacturing jobs in 2000, underscoring the importance of agriculture to the local economy. Specific durable products manufacturers recorded high growth, suggesting a diversifying trend within the manufacturing sector. Fabricated metal products (SIC34), industrial machinery and equipment (SIC35), and electronic and other electronic equipment (SIC36) also had substantial growth between 1991 and 2000. Typically, durable goods producing sectors such as these have relatively greater wealth-creating potential, and pay employees higher wages with greater benefits.

While food processing and durable manufacturing remained steady if not upbeat, other manufacturing industries reported different results. Paper-related manufacturers declined during the decade, as employment in paper and allied products (SIC 26) and printing and publishing (SIC 27) declined.

In addition to the economic base, Fresno's overall economy consists also of support industries, key among which are retail trade and various local and business services. Local support industries generally draw most of their customers from within the local market.

While retail generates the third highest number of jobs among major industry divisions in the county, close inspection of the detailed retail types shows that this division caters to the basic needs of county residents. Leading retail employers are restaurants, grocery stores, department stores, and drug stores. If anything, job growth in retail is primarily a function of population growth. Similar to the region, Fresno County grew by 20 percent. Even though retail is

a significant part of the county economy in terms of jobs, it is not a primary driver of the economic base, as its growth is primarily a function of wealth generated by the economic base and other industry divisions, and of shifts in population. Exceptions to this are areas that generate significant spending from visitors and households that live outside the area. Attracting tourism can be considered a form of basic economic wealth generation because it brings significant revenue into a region from outside.

**TABLE 3
POPULATION AND POPULATION GROWTH**

	Population		Absolute Chg	Growth rate (%)
	1990	2000		1990 to 2000
Fresno County	667,490	799,407	131,913	20%
3-County Region	1,080,880	1,296,889	216,009	20%
California	29,760,021	33,871,648	4,111,627	14%
U.S.	248,709,873	284,031,284	35,321,411	14%

Source: US Census 1990 and US Census 2000

In addition to retail and services, other local support industry divisions are transportation, communications, and public utilities (also known as TCPU), construction, and finance, insurance, and real estate (FIRE). Construction, TCPU, and FIRE increased slightly in absolute terms, with percentage increases of two to four percent. Interestingly, these industry groups had higher growth rates in the three-county region. Statewide, these industries increased at double-digit rates that far exceeded those of Fresno County and the three-county region.

Services are comprised of a combination of local serving and export-oriented "basic industries," with a variety of skills and wages associated with these jobs. Services as a relative share of all jobs in the county increased from 24 percent to 30 percent, following regional and statewide trends. The largest services category is health services, which accounted for about 29,300 jobs in Fresno County in 2000. Examples of health services include medical offices, hospitals, medical laboratories, nursing services, and dentistry. The largest growth occurred in business services, which increased by over 56 percent and 4,500 jobs between 1991 and 2000.

COMPARISON OF EMPLOYMENT CONCENTRATION AND GROWTH TRENDS

The previous section identified industrial divisions that comprise the economic base of the county. It identified rates of growth of base and local support industries. This section examines data in the context of developments in the region or state, to determine whether growth industries are growing as fast as or in excess of similar industries in the region or California. This section analyzes whether particular growing industries are also concentrated more so in the county than elsewhere. By comparing the growth trends with the relative concentration of industries, the analysis highlights those industries in which Fresno County maintains a comparative advantage, and identifies potential emerging industries.

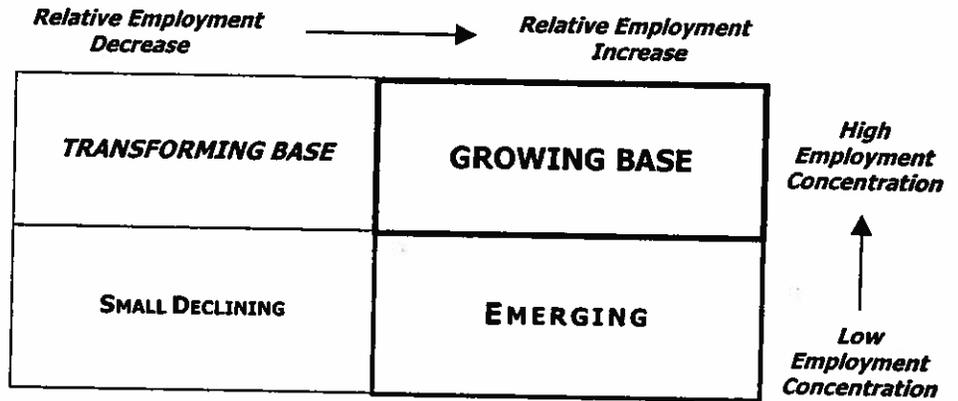
The previous section described the regional employment base in Fresno County. In doing so, industrial divisions that comprise the economic base of the County were identified, in addition to rates of growth among economic base industries, as well as for local support industries. This section analyzes whether specific growing industries are also more locally competitive in the County than elsewhere, as indicated by their employment concentration and relative growth. In looking at absolute growth rates, relative growth rates, and levels of concentration, the analysis begins to shed light on those industries where Fresno County maintains a comparative advantage, and gives insight into the specific economic roles for different industries – whether they are a growing part of the economic driving forces, potential emerging industries, or economic driving forces that have shown recent signs of vulnerability.

Determining the extent to which an industry is concentrated is one element in understanding an area's comparative advantage. An important approach for determining industrial-employment concentration is called *location quotient* analysis. A location quotient ratio greater than 1.00 indicates that a specific place such as a county may export a product or service for which a location quotient ratio was calculated. If less than 1.00, then the place imports that product or service.¹

¹ The location quotient for a specific industry is the ratio of the number of jobs in a specific industry in a specific place versus all jobs in the same place, versus the number of jobs in the same specific industry for a larger area (such as the State of California) versus all jobs in the larger area. Calculating the location quotient is not an exact science. Differences in productivity at the level of establishments, regional labor needs, regional consumption patterns, and quality of products and services are factors that also influence whether an industry exports products and or services. As a general rule of thumb, if the location quotient is between 0.80 and 1.25, it cannot be said for certain that an area is a net exporter or importer.

Determining whether specific growth industries grow at a faster or slower rate than a larger comparison region (such as state or national growth rates) is

FIGURE 29: Defining Roles for Industries – Four Quadrants



Source: Applied Development Economics

another element to understanding an area's comparative advantage. The approach taken to determine the relative growth in employment is called the *shift-share* analysis. It is possible that specific industries can report positive job growth between 1991 and 2000 yet, at the same time, experience a negative shift-share because its growth rate lagged behind the statewide rates.

The four-quadrant analysis combines findings from the shift-share and location quotient analyses for specific industries and, in so doing, is an important tool in identifying *growing base*, *declining base*, *emerging*, and *small declining* industries. Figure 29 provides a schematic of the four-quadrant analysis.

Growing Economic Base Industries

The growing economic base includes those industries that have positive growth rates and higher than average employment concentration. Industries falling into this category merit the attention of policy makers and planners, as they are the source of regional wealth-creation and jobs. Moreover, growing economic base industries are those in which a county maintains a comparative economic advantage compared to other counties, regions or California as a whole. Comparative economic advantage results from a number of local conditions, including availability of specialized marketing organization, easy access to credit, transport facilities, a trained labor force, and the existence of complementary industries, to identify a few factors.

Declining Economic Base Industries

The declining economic base includes industries that have a high local concentration but have a negative growth rate. These industries are somewhat concentrated in an area but, overall, they are not growing at rates similar to like industries in other places. It is possible that the unfavorable trend is due to some industry-wide restructuring that eventually will strengthen the competitiveness of the affected firms and result in growth in the future. In any event, identifying the leading causes to negative growth rates is important.

Emerging Industries

The emerging industry sectors are those that are growing in employment, but whose local concentration is small compared to the share of the same industry sector in the state economy. Industries within this category merit special attention given their potential to attract other, complementary industries and businesses, create regional wealth, and expand the number of jobs. Through direct or indirect interventions, policymakers and planners can play a role in helping infant industries to grow in mature industries in which the county enjoys a comparative economic advantage vis-à-vis other areas.

Declining Non-Concentrated Industries

The fourth category is made up of businesses that have a low employment concentration and employment decline. This category is not the subject of an in-depth analysis because the types of businesses that fall in this category lack some fundamentals for long-term viability and growth. Industry sectors in this category would normally be considered targets only as part of a strategy to increase the local creation of products or services now being imported to strengthen a local industry cluster.

QUADRANT ANALYSIS FINDINGS – DEFINING ECONOMIC ROLES

The relative performance of industries within the economic base can be assessed over time and compared against other areas, to identify growing, emerging and declining industries. An overall look at the Fresno County economy shows a 14 percent growth in total employment from 1991 to 2000, which was slightly slower than statewide growth for the same time period (Table 4). Much of the growth was in the agricultural and the services sectors, the two largest sectors each employing about a quarter of the region's employees.

As Table 4 shows, agriculture as a group records a location quotient of 5.4, meaning that this industry group is the primary driver of the economy. For most other major industry groups, Fresno County records concentration factors below 1.25.

**TABLE 4
FRESNO COUNTY EMPLOYMENT INDICATORS, 1991 TO 2000**

Major Industry Groups	Fresno Employment		Location Quotient		Percent of Total Jobs	Percent Change 1991 to 2000	Shift-share 2000
	1991	2000	1991	2000	2000		
Agriculture	51,547	57,534	5.63	5.31	21.7%	11.61%	-9.80%
Mining	1,094	317	1.31	0.64	0.1%	-71.02%	-32.29%
Construction	14,525	15,067	1.24	0.99	5.7%	3.73%	-29.34%
Manufacturing	25,962	28,460	0.60	0.70	10.7%	9.62%	13.25%
TCPU	12,413	12,733	0.96	0.84	4.8%	2.58%	-17.65%
Wholesale Trade	14,284	14,511	0.90	0.84	5.5%	1.59%	-10.20%
Retail Trade	42,608	50,983	0.91	0.99	19.3%	19.66%	6.36%
FIRE	13,583	13,900	0.77	0.81	5.2%	2.33%	2.91%
Services	54,895	71,290	0.77	0.75	26.9%	29.87%	-6.85%
Total	230,911	264,819	n/a	n/a		14.68%	-3.14%

Source: ADE, data from MIG ES202 county employment database.

Notes: Location quotient compares the concentration of employment in Fresno County relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno County, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower.

Manufacturing grew by 11 percent between 1991 and 2000, and this growth is significant in light of the statewide decline in manufacturing of about five percent. While agriculture represented an exporting segment of the economy and manufacturing a fast growing segment in terms of absolute job growth, these major industry groups grew at a slower rate than agriculture throughout the rest of the state.

Detailed Findings

However, a close analysis of data at a more detailed definitional level reveals the breadth and success of Fresno County's economy. The analysis confirms the dominant role that agriculture and manufacturing have in the county economy. If nothing else, the findings from the four quadrant analysis is consistent with the general perception that California's Central Valley region, including Fresno County, serves as "breadbasket to the world" and a primary exporter of food products to all points around the world.

Among the growing economic base industries, there are a number of agricultural service-related industries, such as farm labor contractors, crop preparation services, and crop planting, cultivating and protecting services, as shown in Table 5. As expected, food-related manufacturing categories are well-represented among the growing base industries. Several other manufacturing

industries are also prominent growing base industries. If anything, these durable industries underscore the wide reach of agriculture into all parts of Fresno's economy: other types of businesses such as machine building, business services and distribution benefit from supplier relationships with agricultural activities, which include more than just land cultivation and food processing.

Various structural metal, machinery, and electronics industries are represented in among the growing base industries. In addition, several health services sectors rank among the highest growth industries with above average concentrations of employment.

Among the emerging industries, there a number of manufacturing industries outside of agriculture that are emerging, such as wood furniture and miscellaneous manufacturing, as shown in Table 6. include furniture manufacturing and miscellaneous manufacturing. The general trend among the emerging industries is that they include several business services categories. This is an indication that Fresno County has increased its capacity to support the large concentration of agriculture and related industries. More importantly, these types of businesses are important for economic diversification because they serve a wide range of different businesses, and constitute an essential service that many businesses need to have available before they will locate in a particular area. The breadth of manufacturing industries at the four-digit SIC level in both the emerging and growing bases suggests a county economy that is highly diversified but with a distinctly agricultural flavor.

The declining base industries are categories that are still important to the regional economy, but have shown recent signs of vulnerability. This means that they might be business retention targets. In Fresno County, these industries include some agricultural service categories, including crop harvesting and farm management services. The most vulnerable manufacturing sectors include dehydrated fruits and vegetables, newspapers, and cardboard box manufacturing. In addition, some types of farm warehousing and distribution have lost employment. Major losses have also occurred in some health services, including specialty hospitals.

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift-share
3446	Architectural metal work	258	1,199	11.50	941	364.7%	329.1%
3471	Plating and polishing	167	345	1.03	178	106.6%	89.3%
3523	Farm machinery and equipment	262	461	8.75	199	76.0%	55.5%
3531	Construction machinery	67	105	4.75	38	56.7%	86.9%
3554	Paper industries machinery	16	105	8.69	89	556.3%	534.0%
3556	Food products machinery	115	184	3.34	69	60.0%	56.1%
3561	Pumps and pumping equipment	497	564	7.13	67	13.5%	48.3%
3565	Packaging machinery	246	437	5.83	191	77.6%	23.2%
3581	Automatic vending machines	668	714	29.72	46	6.9%	1.2%
3593	Fluid power cylinders & actuators	13	139	3.82	126	969.2%	1005.2%
3663	Radio & TV communications equipment	55	955	2.39	900	1636.4%	1571.2%
3713	Truck and bus bodies	72	106	1.62	34	47.2%	11.0%
3732	<i>Boat building and repairing</i>	90	97	1.12	7	7.8%	-9.5%
3799	Transportation equipment, nec	41	100	4.38	59	143.9%	135.6%
3952	Lead pencils and art goods	4	43	2.98	39	975.0%	961.9%
3953	Marking devices	35	182	6.52	147	420.0%	371.6%
3995	Burial caskets	1	9	2.26	8	800.0%	821.8%
TCPU							
4131	<i>Intercity and rural bus transportation</i>	54	75	1.53	21	38.9%	-21.3%
4212	<i>Local trucking without storage</i>	2,120	2,153	1.71	33	1.6%	-3.7%
4213	Trucking, except local	1,674	1,702	1.55	28	1.7%	19.3%
4522	Air transportation, nonscheduled	52	174	1.91	122	234.6%	209.2%
4729	Passenger transport arrangement, nec	18	21	1.06	3	16.7%	71.8%
4832	Radio broadcasting stations	303	340	1.47	37	12.2%	9.7%
4833	TV broadcasting stations	350	657	1.68	307	87.7%	50.4%
4971	Irrigation systems	73	82	7.15	9	12.3%	29.8%
WHOLESALE TRADE							
5012	<i>Automobiles and other motor vehicles</i>	520	639	1.81	119	22.9%	-1.0%
5013	Motor vehicle supplies and new parts	603	835	1.25	232	38.5%	20.5%
5014	Tires and tubes	112	123	2.22	11	9.8%	25.3%
5015	Motor vehicle parts, used	167	216	1.80	49	29.3%	5.3%
5033	Roofing, siding, & insulation	5	97	1.40	92	1840.0%	1798.1%
5051	Metals service centers and offices	209	327	1.09	118	56.5%	49.8%
5064	Electrical appliances, TV & radios	90	191	1.03	101	112.2%	103.3%
5082	Construction and mining machinery	302	412	4.26	110	36.4%	21.9%
5084	Industrial machinery and equipment	626	721	1.13	95	15.2%	11.7%
5085	Industrial supplies	306	384	1.40	78	25.5%	16.8%
5141	Groceries, general line	245	599	1.26	354	144.5%	146.2%
5145	<i>Confectionery</i>	226	226	1.78	0	0.0%	-43.1%
5149	Groceries and related products, nec	939	1,684	2.02	745	79.3%	78.0%
5153	Grain and field beans	102	126	7.64	24	23.5%	53.2%
5154	Livestock	29	33	1.94	4	13.8%	37.5%
5159	Farm-product raw materials, nec	67	98	4.99	31	46.3%	117.8%
5182	Wine and distilled beverages	193	205	1.39	12	6.2%	9.4%
5191	<i>Farm supplies</i>	1,150	1,320	5.96	170	14.8%	-6.9%

<i>SIC</i>	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift- share
FIRE							
6062	Credit unions, not federally chartered	293	518	2.90	225	76.8%	21.6%
6221	<i>Commodity contracts brokers and dealers</i>	40	47	2.70	7	17.5%	-243.1%
6311	Life insurance	714	1,681	3.40	967	135.4%	158.2%
6411	Insurance agents, brokers, and service	1,826	1,984	1.13	158	8.7%	10.0%
6732	<i>Educational, religious, etc., trusts</i>	319	421	1.64	102	32.0%	-7.8%
SERVICES							
7032	Sporting and recreational camps	70	101	2.78	31	44.3%	46.6%
7221	Photographic studios, portrait	123	192	1.13	69	56.1%	56.2%
7261	Funeral service and crematories	168	208	1.50	40	23.8%	15.4%
7291	Tax return preparation services	70	187	1.20	117	167.1%	147.2%
7312	Outdoor advertising services	40	244	8.85	204	510.0%	518.4%
7323	Credit reporting services	70	72	1.00	2	2.9%	36.3%
7335	Commercial photography	1	44	1.34	43	4300.0%	4308.8%
7342	<i>Disinfecting & pest control services</i>	309	399	1.32	90	29.1%	-2.3%
7352	Medical equipment rental	1	62	1.11	61	6100.0%	6090.3%
7359	Equipment rental & leasing, nec	443	485	1.03	42	9.5%	1.5%
7382	<i>Security systems services</i>	140	238	1.12	98	70.0%	-22.2%
7841	Video tape rental	251	428	1.06	177	70.5%	39.2%
7941	Sports clubs, managers, & promoters	104	336	1.66	232	223.1%	192.6%
7993	Coin-operated amusement devices	7	69	2.21	62	885.7%	915.9%
7999	Amusement and recreation, nec	588	1,769	1.46	1,181	200.9%	95.8%
8011	Offices and clinics of doctors of medicine	4,248	5,320	1.13	1,072	25.2%	8.5%
8059	Nursing and personal care facilities, nec	300	546	1.69	246	82.0%	106.0%
8062	General medical and surgical hospitals	6,070	8,527	1.32	2,457	40.5%	35.3%
8093	Specialty outpatient facilities, nec	285	475	1.08	190	66.7%	49.9%
8099	Health and allied services, nec	132	190	1.36	58	43.9%	29.1%
8243	Data processing schools	4	121	1.68	117	2925.0%	2827.4%
8244	Business and secretarial schools	4	65	1.84	61	1525.0%	1528.1%
8361	Residential care	1,035	2,447	1.37	1,412	136.4%	67.4%
8399	Social services, nec	764	1,432	2.46	668	87.4%	59.4%
8713	Surveying services	32	82	1.36	50	156.3%	167.0%

Source: ADE, data from MIG ES202 county employment database.

Notes: Growing economic base industries include those industries that had an above average location quotient and showed employment growth between 1991 and 2000. Location quotient compares the concentration of employment in Fresno County relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno County, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower. Those industries with negative shift-shares are indicated in *italics*.

**TABLE 6
DECLINING BASE INDUSTRIES, FRESNO COUNTY**

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift- share
AGRICULTURE							
0722	Crop harvesting, primarily by machine	654	457	3.75	-197	-30.1%	3.1%
0724	Cotton ginning	330	217	9.67	-113	-34.2%	-37.7%
0751	Livestock services, except veterinary	352	160	16.06	-192	-54.5%	-9.4%
0752	Animal specialty services, except veterinary	247	130	1.05	-117	-47.4%	-56.5%
0762	Farm management services	1,719	664	2.97	-1,055	-61.4%	-99.0%
MINING AND CONSTRUCTION							
1389	Oil and gas field services, nec	373	182	1.50	-191	-51.2%	-9.1%
1531	Operative builders	133	87	1.37	-46	-34.6%	10.6%
1629	Heavy construction, nec	537	337	1.03	-200	-37.2%	-15.3%
1741	Masonry and other stonework	393	362	1.36	-31	-7.9%	-36.0%
1742	Plastering, drywall, and insulation	1,639	1,459	1.22	-180	-11.0%	-40.0%
1743	Terrazzo, tile, marble, mosaic work	445	333	1.30	-112	-25.2%	-66.2%
MANUFACTURING							
2034	Dehydrated fruits, vegetables, soups	2,275	1,369	10.11	-906	-39.8%	-9.1%
2063	Beet sugar	181	140	6.83	-41	-22.7%	22.4%
2074	Cottonseed oil mills	201	62	14.45	-139	-69.2%	-4.2%
2098	Macaroni and spaghetti	150	84	3.61	-66	-44.0%	-11.5%
2429	Special product sawmills, nec	55	42	11.21	-13	-23.6%	-34.1%
2434	Wood kitchen cabinets	323	257	1.20	-66	-20.4%	-40.6%
2653	Corrugated and solid fiber boxes	739	307	1.07	-432	-58.5%	-62.7%
2657	Folding paperboard boxes	184	168	2.58	-16	-8.7%	-0.1%
2711	Newspapers—publishing, or publishing and printing	1,148	1,024	1.11	-124	-10.8%	5.0%
3211	Flat glass	565	467	10.24	-98	-17.3%	-26.0%
3271	Concrete block and brick	79	29	1.14	-50	-63.3%	108.5%
3366	Copper foundries	214	122	9.04	-92	-43.0%	16.7%
3432	Plumbing fixture fittings and trim	235	221	2.69	-14	-6.0%	14.4%
3563	Air and gas compressors	29	27	1.81	-2	-6.9%	-56.3%
3569	General industrial machinery, nec	284	126	1.35	-158	-55.6%	-56.7%
3715	Truck trailers	186	113	2.94	-73	-39.2%	106.9%
3842	Surgical appliances and supplies	477	375	1.48	-102	-21.4%	-28.9%
TCPU							
4151	School buses	273	221	1.25	-52	-19.0%	-29.0%
4221	Farm product warehousing and storage	57	44	4.58	-13	-22.8%	16.2%
4222	Refrigerated warehousing and storage	181	109	1.36	-72	-39.8%	-93.4%
4613	Refined petroleum pipelines	33	25	2.54	-8	-24.2%	19.6%
4932	Gas and other services combined	1,372	1,116	2.49	-256	-18.7%	2.0%
WHOLESALE TRADE							
5075	Warm air heating & air-conditioning	123	116	1.35	-7	-5.7%	-17.5%
5083	Farm and garden machinery	662	633	3.78	-29	-4.4%	-4.6%
5087	Service establishment equipment	317	218	1.21	-99	-31.2%	-17.9%
5093	Scrap and waste materials	480	448	1.39	-32	-6.7%	-19.6%
5148	Fresh fruits and vegetables	1,447	939	2.05	-508	-35.1%	-46.1%

<i>SIC</i>	<i>Description</i>	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift- share
5171	<i>Petroleum bulk stations & terminals</i>	171	106	1.66	-65	-38.0%	-20.9%
	FIRE						
6331	Fire, marine, and casualty insurance	1,524	1,382	1.30	-142	-9.3%	14.9%
	SERVICES						
7213	<i>Linen supply</i>	389	290	1.34	-99	-25.4%	-23.5%
7216	Dry-cleaning plants, except rug	337	311	1.36	-26	-7.7%	2.3%
7218	<i>Industrial launderers</i>	529	444	2.97	-85	-16.1%	-48.8%
7251	Shoe repair and shoeshine parlors	16	10	1.07	-6	-37.5%	8.9%
7911	<i>Dance studios, schools, and halls</i>	115	103	1.45	-12	-10.4%	-48.7%
8031	<i>Offices of osteopathic physicians</i>	63	48	2.18	-15	-23.8%	-36.2%
8041	<i>Offices and clinics of chiropractors</i>	320	294	1.23	-26	-8.1%	-6.6%
8043	<i>Offices and clinics of podiatrists</i>	82	63	1.45	-19	-23.2%	-6.1%
8051	<i>Skilled nursing care facilities</i>	2,935	2,739	1.22	-196	-6.7%	-31.1%
8069	<i>Specialty hospitals, except psychiatric</i>	1,542	740	2.45	-802	-52.0%	-68.5%
8641	<i>Civic, social and fraternal associations</i>	890	887	1.00	-3	-0.3%	-4.1%

Source: ADE, data from MIG ES202 county employment database.

Notes: Declining economic base industries include those industries that had an above average location quotient and showed employment losses between 1991 and 2000. Location quotient compares the concentration of employment in Fresno County relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno County, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower. Those industries with negative shift-shares are indicated in *italics*.

**TABLE 7
EMERGING INDUSTRIES, FRESNO COUNTY**

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift- share
AGRICULTURE							
0740	Veterinary services	216	317	0.66	101	46.8%	7.4%
0780	Landscape and horticultural services unallocated	1,029	1,430	0.85	401	39.0%	-13.3%
0851	Forestry services	18	24	0.67	6	33.3%	-93.9%
MINING AND CONSTRUCTION							
1611	Highway and street construction, except elevated highways	321	344	0.70	23	7.2%	-27.0%
1622	Bridge, tunnel, and elevated highway construction	75	88	0.60	13	17.3%	-32.8%
1623	Water, sewer, pipeline, and communications and power line construction	329	411	0.83	82	24.9%	9.6%
1721	Painting and paper hanging	577	668	0.98	91	15.8%	-34.5%
1731	Electrical work	1,103	1,388	0.74	285	25.8%	-27.1%
1751	Carpentry work	517	520	0.64	3	0.6%	-102.5%
1752	Floor laying and floor work, nec	194	254	0.84	60	30.9%	-13.1%
1761	Roofing, siding, and sheet metal work	405	555	0.99	150	37.0%	18.9%
MANUFACTURING							
2394	Canvas and related products	30	36	0.88	6	20.0%	-10.7%
2399	Fabricated textile products, nec	10	13	0.20	3	30.0%	25.9%
2421	Sawmills and planing mills, general	31	43	0.20	12	38.7%	56.0%
2439	Structural wood members, nec	22	85	0.90	63	286.4%	203.7%
2511	Wood household furniture	41	193	0.66	152	370.7%	338.4%
2621	Paper mills	21	24	0.46	3	14.3%	59.6%
2721	Periodicals—publishing and printing	4	52	0.16	48	1200.0%	1173.8%
2731	Book publishing	8	24	0.17	16	200.0%	188.0%
2741	Miscellaneous publishing	27	48	0.22	21	77.8%	77.5%
2759	Commercial printing, nec	141	172	0.45	31	22.0%	35.0%
2789	Bookbinding and related work	1	60	0.98	59	5900.0%	5882.4%
2842	Polishes and sanitation goods	24	26	0.42	2	8.3%	48.3%
2911	Petroleum refining	5	28	0.09	23	460.0%	501.8%
3315	Steel wire and related products	12	25	0.74	13	108.3%	111.7%
3317	Steel pipe and tubes	12	31	0.99	19	158.3%	151.8%
3479	Metal coating and allied services	5	36	0.26	31	620.0%	612.8%
3544	Special dies, tools, jigs & fixtures	22	25	0.15	3	13.6%	5.0%
3589	Service industry machinery, nec	10	12	0.10	2	20.0%	-30.5%
3599	Industrial machinery, nec	232	298	0.35	66	28.4%	1.1%
3621	Motors and generators	1	30	0.58	29	2900.0%	2949.0%
3851	Ophthalmic goods	15	50	0.39	35	233.3%	236.8%
3993	Signs and advertising specialties	84	110	0.72	26	31.0%	-17.5%
3999	Manufacturing industries, nec	14	152	0.75	138	985.7%	891.9%
TCPU							
4121	Taxicabs	3	19	0.40	16	533.3%	564.3%
4141	Local bus charter service	30	31	0.59	1	3.3%	-61.0%
4142	Bus charter service, except local	20	31	0.39	11	55.0%	-66.8%
4215	Courier services, except air	98	300	0.64	202	206.1%	22.3%
4225	General warehousing and storage	325	362	0.83	37	11.4%	-87.8%
4226	Special warehousing and storage, nec	5	52	0.89	47	940.0%	893.7%

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift-share
4513	Air courier services	128	842	0.73	714	557.8%	112.7%
4581	Airports, flying fields, and airport terminal services	64	122	0.35	58	90.6%	61.5%
4724	Travel agencies	179	202	0.46	23	12.8%	14.2%
4725	Tour operators	7	21	0.17	14	200.0%	144.2%
4731	Freight transportation arrangement	281	283	0.45	2	0.7%	-35.5%
4812	Radiotelephone communications	136	428	0.68	292	214.7%	-519.4%
4841	Cable and other pay TV services	300	311	0.57	11	3.7%	-54.9%
4941	Water supply	19	41	0.39	22	115.8%	83.4%
WHOLESALE TRADE							
5031	Lumber, plywood, and millwork	207	218	0.74	11	5.3%	-13.5%
5032	Brick, stone, & related materials	120	139	0.81	19	15.8%	-27.0%
5046	Commercial equipment, nec	100	120	0.76	20	20.0%	-3.1%
5047	Medical and hospital equipment	274	362	0.78	88	32.1%	-5.6%
5048	Ophthalmic goods	11	35	0.38	24	218.2%	139.5%
5063	Electrical apparatus and equipment	194	307	0.59	113	58.2%	64.0%
5072	Hardware	165	167	0.58	2	1.2%	-10.4%
5099	Durable goods, nec	9	80	0.30	71	788.9%	791.0%
5111	Printing and writing paper	11	19	0.39	8	72.7%	79.4%
5113	Industrial & personal service paper	144	193	0.79	49	34.0%	24.7%
5131	Piece goods & notions	10	114	0.55	104	1040.0%	1003.7%
5137	Women's and children's clothing	22	36	0.10	14	63.6%	47.8%
5162	Plastics materials & basic shapes	20	38	0.39	18	90.0%	38.3%
FIRE							
6061	Credit unions, federally chartered	50	59	0.22	9	18.0%	-7.2%
6141	Personal credit institutions	225	233	0.71	8	3.6%	-13.4%
6159	Misc. business credit institutions	96	118	0.92	22	22.9%	-54.8%
6162	Mortgage bankers and loan correspondents	178	448	0.50	270	151.7%	76.8%
6211	Security brokers, dealers, and flotation companies	280	492	0.48	212	75.7%	15.8%
6282	Investment advice	19	117	0.23	98	515.8%	309.6%
6324	Hospital and medical service plans	16	224	0.38	208	1300.0%	1279.1%
6531	Real estate agents and managers	1,464	1,632	0.69	168	11.5%	1.6%
6719	Offices of holding companies, nec	20	47	0.18	27	135.0%	88.6%
6794	Patent owners and lessors	17	26	0.31	9	52.9%	8.4%
SERVICES							
7011	Hotels and motels	1,777	1,821	0.45	44	2.5%	-4.6%
7033	Trailer parks and campsites	11	29	0.57	18	163.6%	170.8%
7311	Advertising agencies	179	260	0.48	81	45.3%	33.2%
7319	Advertising, nec	31	43	0.18	12	38.7%	-201.6%
7322	Adjustment & collection services	151	161	0.74	10	6.6%	-16.4%
7331	Direct mail advertising services	11	21	0.09	10	90.9%	71.5%
7334	Photocopying & duplicating services	108	155	0.46	47	43.5%	-5.4%
7349	Building maintenance services, nec	1,176	1,480	0.75	304	25.9%	-7.9%
7353	Heavy construction equipment rental	88	145	0.71	57	64.8%	57.2%
7363	Help supply services	1,269	4,802	0.50	3,533	278.4%	95.3%
7371	Computer programming services	111	256	0.11	145	130.6%	-215.9%

<i>SIC</i>	<i>Description</i>	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift- share
7372	<i>Prepackaged software</i>	33	50	0.04	17	51.5%	-156.9%
7373	Computer integrated systems design	43	148	0.23	105	244.2%	154.2%
7375	Information retrieval services	3	188	0.11	185	6166.7%	3522.3%
7379	<i>Computer related services, nec</i>	42	106	0.09	64	152.4%	-60.9%
7381	Detective & armored car services	1,127	1,737	0.87	610	54.1%	22.5%
7832	Motion picture theaters, ex drive-in	230	314	0.81	84	36.5%	30.7%
7922	Theatrical producers and services	72	354	0.91	282	391.7%	390.9%
7929	Entertainers & entertainment groups	51	82	0.29	31	60.8%	53.8%
7948	Racing, including track operation	83	100	0.70	17	20.5%	6.6%
7991	Physical fitness facilities	216	454	0.60	238	110.2%	39.1%
7992	<i>Public golf courses</i>	151	231	0.78	80	53.0%	-142.0%
7996	Amusement parks	25	110	0.20	85	340.0%	302.2%
8021	Offices and clinics of dentists	1,445	1,885	0.94	440	30.4%	3.8%
8052	<i>Intermediate care facilities</i>	38	43	0.66	5	13.2%	-7.1%
8072	<i>Dental laboratories</i>	109	117	0.84	8	7.3%	-8.8%
8082	Home health care services	152	709	0.96	557	366.4%	231.3%
8221	Colleges, universities and professional schools	532	892	0.52	360	67.7%	63.0%
8222	Junior colleges and technical institutes	7	61	0.40	54	771.4%	163.0%
8322	Individual and family social services	762	1,246	0.76	484	63.5%	8.2%
8331	Job training and vocational rehabilitation services	341	744	0.98	403	118.2%	91.1%
8351	<i>Child day care services</i>	709	1,003	0.86	294	41.5%	-8.6%
8412	<i>Museums and art galleries</i>	74	82	0.51	8	10.8%	-54.0%
8611	Business associations	110	164	0.80	54	49.1%	50.4%
8621	Professional membership organizations	21	39	0.40	18	85.7%	71.1%
8661	Religious organizations	276	428	0.88	152	55.1%	38.8%
8699	Membership organizations, nec	87	145	0.55	58	66.7%	15.0%
8711	Engineering services	788	907	0.45	119	15.1%	9.0%
8712	<i>Architectural services</i>	311	323	0.62	12	3.9%	-28.5%
8734	Testing laboratories	140	269	0.76	129	92.1%	29.3%
8741	Management services	382	618	0.62	236	61.8%	68.8%
8742	<i>Management consulting services</i>	133	156	0.19	23	17.3%	-38.8%
8748	Business consulting, nec	64	336	0.35	272	425.0%	218.4%
8999	<i>Services, nec</i>	72	81	0.54	9	12.5%	-1.7%

Source: ADE, data from MIG ES202 county employment database.

Notes: Emerging industries include those industries that had a below average location quotient and showed employment growth between 1991 and 2000. Location quotient compares the concentration of employment in Fresno County relative to California -- a factor above 1.00 indicates that the county has a higher employment concentration than California in a particular industry, while a factor below 1.00 indicates a lower than average concentration.

Shift-share measures the employment growth rate of Fresno County, relative to California -- a positive figure indicates that employment in the county for an industry grew faster (or declined slower) than California, while a negative figure indicates that the county grew slower. Those industries with negative shift-shares are indicated in *italics*.

ASSESSMENT OF PAYROLL AND EARNINGS

Table 9 shows the growth in employment related to earnings within each sector. The prosperity index measures the growth in earnings compared with the growth in employment. A prosperity index of 1.0 means that wages increased at the same rate that new jobs were added. A prosperity index of more than 1.0 indicates that wages increased at a faster rate than employment. (1991 values have been inflation adjusted to 2000 constant dollars)

The prosperity index for Fresno County is 1.01, indicating that the income growth basically kept pace with the job growth, with no net increase in income after adjusting for inflation. This is contrasted by a 1.23 prosperity index statewide, which means that the income growth in California significantly outpaced the job growth in real dollar terms. In Fresno County, the mining, wholesale trade, and FIRE sectors had income growth that significantly outpaced the job growth between 1991 and 2000, whereas income growth in the TCPU and retail trade sectors did not keep pace with job growth. On a statewide basis, all of the major sectors had positive income growth, relative to the employment growth.

In addition, the statewide income per employee significantly outpaced the averages for Fresno County, with a statewide income of \$41,200 compared to the \$24,100 average income per employee in Fresno County. This same trend applies for individual industry groups as well. Even in agriculture, the average income statewide was significantly higher than in Fresno County.

**TABLE 8
FRESNO COUNTY EARNINGS DYNAMICS, 1991 TO 2000**

Industry Group	Fresno County Wage and Salary Income				California Wage and Salary Income			
	1991 (\$2000)	2000	Income Per Employee (2000)	Prosperity Index	1991 (\$2000)	2000	Income Per Employee (2000)	Prosperity Index
Agriculture	\$705,910,877	\$812,780,746	\$14,127	1.03	\$7,397,785,500	\$9,714,401,806	\$18,778	1.08
Mining	\$37,829,840	\$11,751,807	\$37,072	1.07	\$2,099,897,550	\$1,544,929,567	\$65,096	1.20
Construction	\$457,695,630	\$475,552,647	\$31,563	1.00	\$20,477,527,415	\$29,334,554,941	\$40,360	1.08
Manufacturing	\$777,127,100	\$867,508,312	\$30,482	1.02	\$84,153,980,101	\$111,879,579,035	\$57,695	1.38
TCPU	\$456,326,103	\$459,740,098	\$36,106	0.98	\$25,129,840,384	\$34,104,522,421	\$47,278	1.13
Whole. Trade	\$482,059,703	\$530,481,790	\$36,557	1.08	\$30,644,476,668	\$40,258,598,427	\$48,935	1.18
Retail Trade	\$744,934,792	\$886,047,151	\$17,379	0.99	\$41,896,115,532	\$53,969,291,399	\$21,915	1.14
FIRE	\$433,558,201	\$499,845,549	\$35,960	1.13	\$33,872,997,216	\$49,086,321,839	\$60,163	1.46
Services	\$1,419,768,203	\$1,841,115,262	\$25,826	1.00	\$111,277,500,522	\$188,688,126,675	\$41,372	1.24
Total	\$5,515,210,331	\$6,385,397,016	\$24,112	1.01	\$358,438,737,052	\$521,079,599,692	\$41,182	1.23

Source: ADE, data from MIG ES202 county employment database.

INDUSTRIES CURRENTLY IN SAN JOAQUIN

Businesses within the economic base industries currently located in and adjacent to San Joaquin include Irrigation Store, Air Tractor West, Inc., West Hills Oil San Joaquin, and the Wilbur-Ellis Company. As demonstrated in Table 9,

industries in the and around San Joaquin are, for the most part, agriculture-related.

**TABLE 9
ECONOMIC INDICATORS FOR INDUSTRIES LOCATED IN SAN JOAQUIN, 1991 TO 2000**

SIC	Description	Fresno Co. Empl. 1991	Fresno Co. Empl. 2000	Location Quotient	Empl. Change 1991 to 2000	Percent Change	Shift-share
GROWING BASE							
0721	Crop planting, cultivating, and protecting	1,469	1,871	14.15	402	27.4%	7.2%
0723	Crop preparation services for market, except cotton ginning	3,836	6,164	8.47	2,328	60.7%	41.8%
DECLINING BASE							
0724	Cotton ginning	330	217	9.67	-113	-34.2%	-37.7%
0751	Livestock services, except veterinary	352	160	16.06	-192	-54.5%	-9.4%
1629	Heavy construction, nec	537	337	1.03	-200	-37.2%	-15.3%
5083	Farm and garden machinery	662	633	3.78	-29	-4.4%	-4.6%
5171	Petroleum bulk stations & terminals	171	106	1.66	-65	-38.0%	-20.9%

Source: ADE, with data from MIG ES202 county employment database, and Dun and Bradstreet.

While identifying industries that are present in San Joaquin, Table 9 presents employment data for the county as a whole, due to the absence of reliable data at the city level. Currently, businesses in crop planting (SIC 0721) and crop preparation services (SIC 0723) are present in San Joaquin, and these industries are growing base industries in the county. Other agriculture-related industries in the city are farm supplies (SIC 5191), heavy construction equipment (SIC 1629), livestock services (SIC 0751), and cotton ginning (SIC 0724), but these are all declining industries at the county level.

Previous studies completed in the mid 1990s identified the presence in San Joaquin of industries that did not show up in a more recent review of the Dun & Bradstreet business database. Industries that were present five years ago but are no longer in San Joaquin include metal services, men/boy's furnishings, metal household furniture, and cotton goods and transport equipment distribution. What has remained since the mid 1990s study is farm supplies, which previously was a growing base industry and is now a declining base industry.

POTENTIAL BUSINESS ATTRACTION TARGETS

Because San Joaquin is not likely to attract large-scale employment centers, this section identifies industries that can potentially locate in San Joaquin because of their recent positive economic indicators and because they are amenable to small business formation. The criteria used for San Joaquin was an average

establishment size of 150 employees or less. Out of these small business industries, Table 10 lists growing base industries (locally concentrated and growing relatively faster than in California as a whole), and Table 11 lists emerging industries (not locally concentrated but still growing relatively faster than in California as a whole). With the exception of only a couple of the growing base or emerging industries, the vast majority are small businesses.

**TABLE 10
GROWING FRESNO COUNTY INDUSTRIES WITH AVERAGE EMPLOYEES UNDER 150**

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
0711	Soil preparation services	109	15	7.3
0721	Crop planting, cultivating, and protecting	1,871	69	27.1
0723	Crop preparation services for market, except cotton ginning	6,164	69	89.3
0761	Farm labor contractors	24,262	162	149.8
0921	Fish hatcheries and preserves	10	1	10.0
2011	Meat packing plants	887	6	147.8
2033	Canned fruits and vegetables	1,343	10	134.3
2041	Flour and other grain mill products	103	2	51.5
2046	Wet corn milling	8	1	8.0
2048	Prepared feeds, nec	116	5	23.2
2051	Bread, cake, and related products	434	8	54.3
2052	Cookies and crackers	257	4	64.3
2068	Salted and roasted nuts and seeds	161	3	53.7
2077	Animal and marine fats and oils	36	1	36.0
2079	Edible fats and oils, nec	17	1	17.0
2084	Wines, brandy, and brandy spirits	470	13	36.2
2096	Potato chips and similar snacks	59	2	29.5
2099	Food preparations, nec	634	5	126.8
2296	Tire cord and fabrics	116	1	116.0
2393	Textile bags	45	4	11.3
2431	Millwork	366	8	45.8
2448	Wood pallets and skids	192	6	32.0
2449	Wood containers, nec	334	8	41.8
2515	Mattresses and bedsprings	110	4	27.5
2599	Furniture and fixtures, nec	47	1	47.0
2671	Paper coated & laminated, packaging	150	3	50.0
2672	Paper coated and laminated, nec	45	2	22.5
2813	Industrial gases	34	1	34.0
2873	Nitrogenous fertilizers	43	2	21.5
2879	Agricultural chemicals, nec	135	3	45.0
2952	Asphalt felts and coatings	45	2	22.5
3052	Rubber & plastics hose & belting	25	1	25.0
3061	Mechanical rubber goods	48	1	48.0
3084	Plastics pipe	44	2	22.0
3161	Luggage	111	4	27.8
3231	Glass products, made of purchased glass	139	4	34.8
3273	Ready-mixed concrete	270	11	24.5
3441	Fabricated structural metal	440	9	48.9

3443 Fabricated plate work (boiler shops)

207

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25.9

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
3446	Architectural metal work	1,199	8	149.9
3471	Plating and polishing	345	12	28.8
3523	Farm machinery and equipment	461	20	23.1
3531	Construction machinery	105	3	35.0
3554	Paper industries machinery	105	4	26.3
3556	Food products machinery	184	9	20.4
3561	Pumps and pumping equipment	564	7	80.6
3565	Packaging machinery	437	6	72.8
3593	Fluid power cylinders & actuators	139	1	139.0
3713	Truck and bus bodies	106	2	53.0
3732	Boat building and repairing	97	6	16.2
3799	Transportation equipment, nec	100	6	16.7
3952	Lead pencils and art goods	43	1	43.0
3953	Marking devices	182	2	91.0
3995	Burial caskets	9	1	9.0
4131	Intercity and rural bus transportation	75	1	75.0
4212	Local trucking without storage	2,153	258	8.3
4213	Trucking, except local	1,702	96	17.7
4522	Air transportation, nonscheduled	174	5	34.8
4729	Passenger transport arrangement, nec	21	3	7.0
4783	Packing and crating	201	4	50.3
4832	Radio broadcasting stations	340	17	20.0
4833	TV broadcasting stations	657	7	93.9
4971	Irrigation systems	82	10	8.2
5012	Automobiles and other motor vehicles	639	27	23.7
5013	Motor vehicle supplies and new parts	835	63	13.3
5014	Tires and tubes	123	11	11.2
5015	Motor vehicle parts, used	216	20	10.8
5033	Roofing, siding, & insulation	97	4	24.3
5051	Metals service centers and offices	327	18	18.2
5064	Electrical appliances, TV & radios	191	7	27.3
5082	Construction and mining machinery	412	9	45.8
5084	Industrial machinery and equipment	721	67	10.8
5085	Industrial supplies	384	27	14.2
5141	Groceries, general line	599	16	37.4
5145	Confectionery	226	15	15.1
5149	Groceries and related products, nec	1,684	44	38.3
5153	Grain and field beans	126	4	31.5
5154	Livestock	33	4	8.3
5159	Farm-product raw materials, nec	98	15	6.5
5182	Wine and distilled beverages	205	5	41.0
5191	Farm supplies	1,320	79	16.7
7032	Sporting and recreational camps	101	8	12.6
7221	Photographic studios, portrait	192	26	7.4
7261	Funeral service and crematories	208	27	7.7
7291	Tax return preparation services	187	33	5.7

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
7312	Outdoor advertising services	244	6	40.7
7323	Credit reporting services	72	4	18.0
7335	Commercial photography	44	4	11.0
7342	Disinfecting & pest control services	399	43	9.3
7352	Medical equipment rental	62	7	8.9
7359	Equipment rental & leasing, nec	485	51	9.5
7382	Security systems services	238	14	17.0
7841	Video tape rental	428	52	8.2
7941	Sports clubs, managers, & promoters	336	6	56.0
7993	Coin-operated amusement devices	69	2	34.5
7999	Amusement and recreation, nec	1,769	47	37.6
8011	Offices and clinics of doctors of medicine	5,320	562	9.5
8059	Nursing and personal care facilities, nec	546	4	136.5
8093	Specialty outpatient facilities, nec	475	16	29.7
8099	Health and allied services, nec	190	7	27.1
8243	Data processing schools	121	6	20.2
8244	Business and secretarial schools	65	2	32.5
8361	Residential care	2,447	187	13.1
8399	Social services, nec	1,432	37	38.7
8713	Surveying services	82	12	6.8

Source: ADE, data from MIG ES202 county employment database.

**TABLE 11
EMERGING FRESNO COUNTY INDUSTRIES WITH AVERAGE EMPLOYEES UNDER 150**

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
0740	Veterinary services	317	49	6.5
0780	Landscape and horticultural services unallocated	1,430	206	6.9
0851	Forestry services	24	1	24.0
2032	Canned specialties	2	1	2.0
2038	Frozen specialties, nec	7	1	7.0
2044	Rice milling	3	1	3.0
2047	Dog and cat food	8	1	8.0
2053	Frozen bakery products, except bread	10	2	5.0
2064	Candy & other confectionery products	4	2	2.0
2095	Roasted coffee	4	1	4.0
2253	Knit outerwear mills	2	1	2.0
2299	Textile goods, nec	2	1	2.0
2323	Men's and boys' neckwear	11	1	11.0
2331	Women's & misses' blouses & shirts	3	1	3.0
2337	Women's and misses' suits and coats	11	1	11.0
2339	Women's and misses' outerwear, nec	4	2	2.0
2394	Canvas and related products	36	7	5.1
2395	Pleating and stitching	3	1	3.0
2396	Automotive and apparel trimmings	11	3	3.7
2399	Fabricated textile products, nec	13	3	4.3
2421	Sawmills and planing mills, general	43	2	21.5
2439	Structural wood members, nec	85	5	17.0
2451	Mobile homes	2	1	2.0
2491	Wood preserving	10	2	5.0
2511	Wood household furniture	193	6	32.2
2519	Household furniture, nec	7	1	7.0
2591	Drapery hardware & blinds & shades	6	2	3.0
2621	Paper mills	24	1	24.0
2721	Periodicals—publishing and printing	52	6	8.7
2731	Book publishing	24	3	8.0
2741	Miscellaneous publishing	48	6	8.0
2759	Commercial printing, nec	172	14	12.3
2789	Bookbinding and related work	60	3	20.0
2796	Platemaking services	4	2	2.0
2822	Synthetic rubber	1	1	1.0
2833	Medicinals and botanicals	37	1	37.0
2842	Polishes and sanitation goods	26	3	8.7
2874	Phosphatic fertilizers	3	1	3.0
2875	Fertilizers, mixing only	14	2	7.0
2911	Petroleum refining	28	1	28.0
3069	Fabricated rubber products, nec	5	1	5.0
3082	Unsupported plastics profile shapes	3	1	3.0
3088	Plastics plumbing fixtures	3	1	3.0
3229	Pressed and blown glass, nec	3	1	3.0
3262	Vitreous china table & kitchenware	2	1	2.0
3281	Cut stone and stone products	3	1	3.0

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
3315	Steel wire and related products	25	2	12.5
3317	Steel pipe and tubes	31	2	15.5
3369	Nonferrous foundries, nec	2	1	2.0
3411	Metal cans	53	1	53.0
3421	Cutlery	6	1	6.0
3423	Hand and edge tools, nec	9	1	9.0
3425	Saw blades and handsaws	9	1	9.0
3449	Miscellaneous metal work	4	1	4.0
3479	Metal coating and allied services	36	5	7.2
3519	Internal combustion engines, nec	2	1	2.0
3524	Lawn and garden equipment	4	1	4.0
3541	Machine tools, metal cutting types	8	1	8.0
3544	Special dies, tools, jigs & fixtures	25	2	12.5
3546	Power-driven handtools	6	1	6.0
3578	Calculating and accounting equipment	2	1	2.0
3589	Service industry machinery, nec	12	1	12.0
3599	Industrial machinery, nec	298	34	8.8
3613	Switchgear and switchboard apparatus	14	1	14.0
3621	Motors and generators	30	2	15.0
3625	Relays and industrial controls	15	2	7.5
3632	Household refrigerators and freezers	3	1	3.0
3648	Lighting equipment, nec	40	2	20.0
3674	Semiconductors and related devices	9	3	3.0
3679	Electronic components, nec	3	1	3.0
3711	Motor vehicles and car bodies	5	2	2.5
3761	Guided missiles and space vehicles	5	1	5.0
3821	Laboratory apparatus and furniture	10	2	5.0
3843	Dental equipment and supplies	10	1	10.0
3851	Ophthalmic goods	50	5	10.0
3861	Photographic equipment and supplies	1	1	1.0
3961	Costume jewelry	3	1	3.0
3991	Brooms and brushes	1	1	1.0
3993	Signs and advertising specialties	110	13	8.5
3999	Manufacturing industries, nec	152	5	30.4
4111	Local and suburban transit	2	1	2.0
4121	Taxicabs	19	2	9.5
4141	Local bus charter service	31	1	31.0
4142	Bus charter service, except local	31	3	10.3
4215	Courier services, except air	300	24	12.5
4225	General warehousing and storage	362	33	11.0
4226	Special warehousing and storage, nec	52	2	26.0
4513	Air courier services	842	8	105.3
4581	Airports, flying fields, and airport terminal services	122	8	15.3
4724	Travel agencies	202	39	5.2
4725	Tour operators	21	3	7.0
4731	Freight transportation arrangement	283	33	8.6

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
4812	Radiotelephone communications	428	23	18.6
4841	Cable and other pay TV services	311	3	103.7
4941	Water supply	41	9	4.6
5031	Lumber, plywood, and millwork	218	23	9.5
5032	Brick, stone, & related materials	139	11	12.6
5046	Commercial equipment, nec	120	17	7.1
5047	Medical and hospital equipment	362	23	15.7
5048	Ophthalmic goods	35	3	11.7
5063	Electrical apparatus and equipment	307	23	13.3
5072	Hardware	167	12	13.9
5092	Toys and hobby goods and supplies	16	1	16.0
5099	Durable goods, nec	80	9	8.9
5111	Printing and writing paper	19	3	6.3
5113	Industrial & personal service paper	193	11	17.5
5131	Piece goods & notions	114	4	28.5
5137	Women's and children's clothing	36	4	9.0
5162	Plastics materials & basic shapes	38	4	9.5
7011	Hotels and motels	1,821	83	21.9
7033	Trailer parks and campsites	29	3	9.7
7311	Advertising agencies	260	29	9.0
7319	Advertising, nec	43	6	7.2
7322	Adjustment & collection services	161	15	10.7
7331	Direct mail advertising services	21	4	5.3
7334	Photocopying & duplicating services	155	16	9.7
7349	Building maintenance services, nec	1,480	111	13.3
7353	Heavy construction equipment rental	145	13	11.2
7363	Help supply services	4,802	42	114.3
7371	Computer programming services	256	24	10.7
7372	Prepackaged software	50	4	12.5
7373	Computer integrated systems design	148	10	14.8
7375	Information retrieval services	188	19	9.9
7379	Computer related services, nec	106	34	3.1
7381	Detective & armored car services	1,737	47	37.0
7383	News syndicates	3	1	3.0
7819	Services allied to motion pictures	37	4	9.3
7832	Motion picture theaters, ex drive-in	314	10	31.4
7922	Theatrical producers and services	354	10	35.4
7929	Entertainers & entertainment groups	82	6	13.7
7948	Racing, including track operation	100	6	16.7
7991	Physical fitness facilities	454	21	21.6
7992	Public golf courses	231	9	25.7
7996	Amusement parks	110	2	55.0
8021	Offices and clinics of dentists	1,885	323	5.8
8052	Intermediate care facilities	43	4	10.8
8072	Dental laboratories	117	22	5.3
8082	Home health care services	709	26	27.3

SIC Code	Industry Description	2000 Empl.	Establishments	Jobs Per Estab.
8222	Junior colleges and technical institutes	61	5	12.2
8322	Individual and family social services	1,246	80	15.6
8331	Job training and vocational rehabilitation services	744	31	24.0
8351	Child day care services	1,003	122	8.2
8412	Museums and art galleries	82	9	9.1
8611	Business associations	164	33	5.0
8621	Professional membership organizations	39	10	3.9
8651	Political organizations	4	3	1.3
8661	Religious organizations	428	42	10.2
8699	Membership organizations, nec	145	5	29.0
8711	Engineering services	907	67	13.5
8712	Architectural services	323	47	6.9
8734	Testing laboratories	269	12	22.4
8741	Management services	618	68	9.1
8742	Management consulting services	156	27	5.8
8748	Business consulting, nec	336	86	3.9
8999	Services, nec	81	10	8.1

Source: ADE, data from MIG ES202 county employment database.

RETAIL MARKET POTENTIAL

A retail market analysis for San Joaquin was completed in 2002, and identified categories where the City of San Joaquin would have retail attraction potential. The San Joaquin Retail Attraction Study identified a market area household spending total of about \$26 million, with a five-year growth trend projected to increase this spending total by an additional \$5 million. However, local merchants generated only about \$5.4 million in retail sales. This meant that over 75 percent of the retail spending in San Joaquin went to retailers located outside of the city. In addition, a household survey indicated that about \$2 million of the retail spending in San Joaquin was attracted to the community through visitor and business spending.

This retail leakage represents both an existing shortfall as well as a potential opportunity because this spending is available for local merchants to recapture. However, because of the relatively small market size for San Joaquin, many of the retail categories that were analyzed do not have sufficient unmet demand to support a store of that type.

Eating places were identified with the largest unmet retail demand that could feasibly support new stores. Other store types that the study identified as having market potential include the following retail categories:

- Grocery/specialty foods (one new store)

- Furniture/home furnishings (one new store)
- Home improvement/used merchandise/gas stations (one new store)
- Shoe stores (one new store)
- Miscellaneous specialty retail (one new store)

Altogether, San Joaquin's unmet retail demand can potentially support about 22,500 square feet of retail space. It should be noted that most of the larger regional retail categories such as discount stores, warehouse clubs, and building materials/home centers cannot be supported by San Joaquin's household spending, and will therefore continue to leave the community. Because shoppers tend to link these out-of-town shopping trips with grocery store trips and other errands, a significant proportion of the spending for these categories will likely continue to leave the community.

The retail attraction study also identified 14 parcels totaling about 20 acres that could potentially support new retail space development. The vacant parcel bounded by Colorado, Manning, and South Placer avenues, accounted for 14.5 acres of the total. That particular parcel sits close to several industrial buildings and is across the street from the San Joaquin Shopping Center. The parcel was deemed suitable for large-scale retail uses, mixed industrial, transportation services, or highway commercial uses. Most of the other vacant parcels are located close to downtown San Joaquin.

TRAVEL SERVICES MARKET POTENTIAL

San Joaquin is located at the cross-section of two busy rural highways. Manning Avenue connects I-5 and U.S. Highway 99, with the route increasing in popularity as an east-west short cut. Colorado Avenue serves as an important north-south connector. Even though San Joaquin lacks the high visibility freeway off-ramp location typically desired by national highway commercial chain stores, the routes that serve San Joaquin are important arteries for regional agribusiness.

Truck Stop and Travel Plaza Uses

Truck stop/travel plaza developments have become very popular along major highways and offer services for both passenger vehicles and trucks. The typical model for these hybrid truck stop/travel plazas includes fuel pumps for passenger vehicles, take-out and full service restaurants, diesel pumps, overnight truck parking, showers, a convenience store, and travel-related retail. In some places groupings of related businesses, such as motels, truck lube centers, truck washes, truck dealerships, and service facilities, have

sprung up around truck stop developments. Aside from independent operators, national and regional chains that operate these types of travel plaza developments in California include Travelcenters of America, Petro, Love's, Pilot, and Flying J Travel Plazas. Altogether, the 6,300 truck stops that operate in the US comprise a \$35 billion industry.²

The closest truck stops to San Joaquin are located in Fresno, Fowler, Selma, Dinuba, Firebaugh, and Kingsburg. Most of these truck stops are located adjacent to the U.S. Highway 99 corridor, with seven of them located in Fresno. Adjacent to Interstate 5, the Firebaugh truck stop is the only one located between Santa Nella and Kettleman City, which is a distance of over 100 miles. In addition to serving the highway users along Manning and Colorado, these services can be further supported by the unmet local household demand in San Joaquin for eating places and a food store, as well as westside businesses in need of truck services.

Hotel and Other Lodging Uses

Lodging is another of the most common and useful highway commercial uses. This market can range from low cost motels to full-service luxury hotels. Historically, the Central Valley has had a somewhat different lodging market from the more heavily tourism driven communities throughout California. In general, the Central Valley lodging market has commanded lower occupancy and room rates, and generally consists of economy and middle-market facilities with few full-service or luxury properties.

Budget/economy hotels are generally room-only hotels with little public space, no on-site beverage service, and few amenities. Overhead costs are kept extremely low as the profit margin for these establishments is very small, it is a highly competitive market segment, and requires high turn over of rooms and cost savings. Average room rates for these hotels are generally in the \$35 to \$65 range. Middle-market hotels generally charge \$75 and above, and have more amenities than budget hotels, such as pools, restaurants, spas/jacuzzis, and laundry services.

² Bricken, Gary; "Truckstops Aren't Just for Breakfast Anymore"; *RPM Magazine*, American Graphics Group; October 2001.

**TABLE 12
TRUCK STOPS AND TRAVEL PLAZAS LOCATED IN FRESNO REGION**

Location	Fuel	Overnight Parking	Paved Lot	Food	Motel	Stores	Showers	Scales	Repairs	Wa
FRESNO										
Beacon 5th Wheel	24 Hour	25 to 79 spaces	yes	yes	nearby	yes	yes	yes	yes	ye
Chevron Truck Stop	24 Hour	5 to 24 spaces	yes	yes	nearby	yes	no	yes	nearby	near
Klein's Truck Stop	24 Hour	80+ spaces	yes	nearby	nearby	yes	yes	yes	yes	ye
EZ Trip Shell	24 Hour	5 to 24 spaces	yes	nearby	nearby	yes	no	nearby	nearby	near
M&S Texaco	yes	no	yes	nearby	nearby	yes	no	nearby	nearby	near
Cal Fresno Twins	24 Hour	5 to 24 spaces	no	nearby	nearby	yes	no	yes	nearby	nc
Seibert's Fuel Center	yes	no	no	nearby	nearby	yes	no	yes	no	no
FOWLER										
Texaco StarMart	24 Hour	80+ spaces	yes	yes	nearby	yes	yes	CAT	nearby	near
SELMA										
Boyette Truck Stop	24 Hour	80+ spaces	yes	yes	nearby	yes	yes	yes	yes	near
DINUBA										
El Monte Exxon	yes	no	no	nearby	nearby	yes	no	no	minor repairs nearby	no
KINGSBURG										
Red Triangle Texaco	24 Hour	25 to 79 spaces	no	yes	nearby	yes	no	no	yes	no
FIREBAUGH										
MBP Travel Plaza	24 Hour	25 to 79 spaces	yes	yes	no	yes	yes	yes	nearby	no

Source: ADE, data from TR Information Publishers

Data from Smith Travel Research shows that the Central Valley has had occupancy rates hovering between 60 and 70 percent, which is typically the benchmark range for new lodging facilities to be considered feasible. In addition, data from the California Division of Tourism indicated that increases in occupancy and room rates in the Fresno region have outpaced the state as a whole since 2001.

In Fresno County, there are currently 103 lodging establishments with about 7,300 rooms. As expected, these facilities are predominantly located in Fresno and Clovis, with those two communities alone accounting for 83 percent of the lodging in the county. Among the communities in west Fresno County, only Firebaugh, Huron, and Coalinga have lodging facilities, and those facilities account for about 620 rooms.

Even though the region as a whole can possibly support new lodging facilities, the potential for San Joaquin will depend on more than just regional demand. This is due to San Joaquin's location away from the major north-south highway routes, and lack of meeting spaces. However, it should be noted that in many rural communities, the lodging facilities have also functioned as short-term housing for agricultural workers, which would help balance out the market potential for San Joaquin.

INDUSTRIAL LAND MARKET

The current market for industrial land in San Joaquin can be estimated based on sales records of vacant industrial land throughout Fresno County. Updating information from a previous study, the average sales price per square foot for properties sold in Sanger, Fowler, Fresno, and Clovis varied from \$0.67 in Fowler, \$1.20 in Sanger, \$4.66 in Fresno, and \$8.22 in Clovis. The sales per acre prices ran from \$29,100 in Fowler, \$52,200 in Sanger, \$202,900 in Fresno, and \$358,000 in Clovis.

The industrial market in San Joaquin would be more likely to resemble sales in Fowler and Sanger than the higher sales of Fresno and Clovis. The average sales prices for the county were heavily weighted by the high volume of sales in Fresno, resulting in selling prices of \$4.56 per square foot and \$198,800 per acre.

ECONOMIC STRATEGY AND IMPLEMENTATION PLAN

The economic strategy recognizes that mitigation of the jobs/housing balance will depend on the creation of new jobs available to City residents sufficient to eliminate the current imbalance and maintain equilibrium in the future. San Joaquin's strategy to mitigate the jobs-housing imbalance is focused on preparing the City for long-term job growth in both local-serving and export-oriented industries, and the City's short-term need to find industrial tenants for recently vacated redevelopment properties. This entails a combination of business retention, redevelopment feasibility, recruitment, business climate improvement, and funding preparation. San Joaquin's business attraction activities should be coordinated in conjunction with similar activities occurring at the regional level.

The community and economic assessments serve as baseline data and information for development of the economic strategy. The strategy includes a clear statement of the goals and objectives of the City. It also outlines the business attraction, expansion, and new enterprise development strategies that help to meet those goals and objectives.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

This section will incorporate a SWOT analysis of San Joaquin in terms of its capacity to attract industrial development, retail uses, and diversify and expand upon its existing employment base.

Ability to capture the industrial and retail opportunities described in the previous sections will depend in large measure on the City's ability to compete successfully with other locations. It is increasingly necessary for localities to recognize that their major competitors will not necessarily be in their immediate surroundings. In fact, they may be global. This context needs to be considered as San Joaquin attempts to build upon its strengths and address those liabilities that need to be addressed.

Strengths

San Joaquin's main strength is in its base of ready-to-go industrial locations. Most of these spaces are in the City's redevelopment area, and the undeveloped parcels already have easy access to infrastructure. The existing buildings in the industrial park have modern amenities and are amenable to easy conversion into a variety of different industrial uses.

In addition to space, San Joaquin's other site location strengths include its transportation infrastructure with direct railroad access and connections to I-5, State

Highway 41, and U.S. Highway 99. The community's location is in reasonable proximity to agricultural production and processing facilities, and is well situated to serve agribusiness. Other community assets in San Joaquin include affordable housing, a redevelopment agency, a rural quality of life, and a business-friendly city staff ready to assist new businesses.

Weaknesses

Even though San Joaquin has attractive locations available for occupancy, these vacancies occurred because the previous tenants went out of business. This has put the City's redevelopment agency and municipal budget into a deficit mode, and limits the degree to which the City can actively offer incentives to businesses. In addition, the community does not have a large base of business services.

San Joaquin also has several blighted sites and burned out buildings that potential businesses cannot use without substantial site clean up and building reconstruction. Along with the generally rundown appearance of several downtown buildings, the presence of burned out buildings creates detracts from the community's attractiveness as a business location.

San Joaquin's relatively isolated location and small population concentration limits its potential for retail uses, and lacks the locational amenities necessary to attract many types of regional retail uses.

Threats

San Joaquin has assets in place that are well suited to business attraction. These assets exist despite the community's limited market base and lack of business support services. San Joaquin's most prominent opportunities tie into agriculture, whether those are as core or supplier industries. The future threat to San Joaquin and the west side of Fresno County is in the ongoing agricultural land retirements that would potentially reduce the commodity output on the west side and limit the growth in food processing or packing facilities that will be built in the short term.³ In addition to the limited prospects for growth on the west side, the area currently produces mostly field crops that do not need as many packing facilities as the crops typically cultivated in east Fresno County.

The community's current fiscal situation limits the degree to which the City can proactively market itself as a business location. These types of constraints affect

³ The Westlands Water District has begun taking about 200,000 acres of agricultural land out of service over the next five years, in order to reduce water demand. The recently completed draft economic impact report indicates that short-term reductions in economic activity resulting from this land retirement will be approximately seven percent.

other areas as well—such as the capacity to directly assist businesses, community involvement, and municipal services. Addressing the City's fiscal health will have a positive effect on the overall business climate. Despite the short-term fiscal constraints, the community needs to continue to take the necessary steps to keep San Joaquin in a competitive position, such as identifying business attraction prospects that fall outside of the regional strengths in agriculture.

Opportunities

San Joaquin has had past success at attracting new businesses, and the Fresno County economy has numerous opportunities available to the community to attract new industrial uses. The community has had housing growth over the past decade; if this trend continues it can only benefit the prospects for new local serving uses, as well as expansion opportunities for existing retailers and local service providers. Growth opportunities throughout the San Joaquin Valley give the City of San Joaquin other opportunities with new supplier businesses that potentially feed into the Valley's core industries. The community's transportation infrastructure adds to the number of potential businesses that it can potentially support.

Even though the proposed agricultural land retirements are projected to negatively affect the region's agricultural economy in the short-term, the draft economic impact analysis recently completed on behalf of the Westlands Water District projects that the long-term trend through 2020 will result in substantial net growth in the agricultural economy on the west side. Moreover, the report indicates that proposed land retirements will result in a net increase in agricultural production value, employment, and income compared to other baseline scenarios. Opportunities could also emerge out of increased water supply reliability due to the land retirements, which could result in increased planting of permanent and row crops. The current dominance of field crops in the region's agricultural commodities does not create as high a demand for packing facilities as other crop types. Diversification of agricultural commodities could potentially increase the demand for processing and other ancillary facilities.

**TABLE 13
ASSETS AND LIABILITIES OF THE CITY OF SAN JOAQUIN
FOR INDUSTRIAL DEVELOPMENT**

	Asset (sell as an advantage)	Neutral (no advantage vs. competitors)	Liability (needs improvement)
Internal (can be changed or influenced relatively quickly)	<ul style="list-style-type: none"> ■ Business-friendly city staff ready to help. ■ Excellent location for tomato, cotton, corn, garlic, melon and sugar beet processing, and for dairy. ■ 6 ready-to-occupy buildings in industrial park, including multi-tenant and larger facilities. ■ Industrial park is fully served – water, sewer, etc. all available with capacity. ■ Child care facility opening in Fall 2003 ■ New housing units available for workers. ■ Redevelopment authority. ■ Sheriff's substation in the industrial park. 		<ul style="list-style-type: none"> ■ Educated/skilled labor force lacking. Most workers are trained for the field and/or packing houses. ■ Redevelopment agency budget is in deficit mode. ■ No business services in town, and few employee services. ■ Millennium furniture plant recently closed, due to economic downturn – good reverse-cycle employer. ■ Lack of broadband Internet access. ■ Lack of executive housing. ■ Downtown San Joaquin in need of revitalization. ■ Blighted industrial parcels should be cleaned.
External (cannot be easily changed or influenced)	<ul style="list-style-type: none"> ■ Good flat industrial land. ■ Recent connection of Manning Avenue between I-5 and Highway 99. Other North-south connections are strong. Easy service to Bay Area and LA. ■ Manning corridor part of regional transportation plan ■ Rail transportation available on short line. ■ Long-term projected growth in agricultural sector. 		<ul style="list-style-type: none"> ■ Location is remote, away from markets. With the exception of food processors, most manufacturers locate near their markets. Distribution is a poor target. ■ Skilled employment pool is 20- 30 miles away by car. ■ 100,000 acres going out of production over next 5 years in Westlands Water District. Few, if any, new food processing or packing houses will be built over that period. ■ Field crops don't need as many packinghouses as tree crops, which are more prevalent east of 99.

ECONOMIC DEVELOPMENT GOALS

This section will outline the general goals of the Economic Strategy. The goals will address San Joaquin's short-term need to acknowledge that San Joaquin cannot effect systemic change by itself, and must act as an integral part of a regional effort. Based on the information developed in the economic and community assessment, the preliminary goals are as follows:

- Address the City's short-term fiscal and community development needs
- Increase the employment and income base
- Expand and retain retail spending and other revenue sources in the community
- Address the need for income diversity
- Diversify new industries.

Address the City's Short-Term Fiscal and Community Development Needs

The City of San Joaquin has a multitude of fiscal and general community development needs that must be addressed in the short-term in order to ensure the community's long-term economic health. First, the City's budget crisis has left San Joaquin with limited capacity to engage in business assistance and funding activities. With reduced city staff, the City's resources are already largely devoted to performing the most basic functions.

Business closures in the City's redevelopment area have left San Joaquin with debt on the buildings and infrastructure, but diminished revenue due to lack of tenants. Business attraction efforts need to focus on these spaces because they specifically address both fiscal and job creation needs. Even though these buildings were originally built for industrial uses, the potential tenants for the buildings need to also include retail and service businesses as well.

Community development in the context of San Joaquin's needs entails taking an overall approach towards improving the community's business climate and its image. As a first step, the City needs to refocus local residents' attention back on the community. Activities that bring the residents and the business community together can serve a dual function of fostering a sense of community pride as well as serving a valuable promotional role for local businesses. Any kind of activity that increases local household spending within the community has a positive fiscal impact for the City.

Part of addressing the community's image includes physical beautification of the community and coming up with a consistent design scheme that the City can apply to a variety of uses. Potential uses for a new design scheme include correspondence

from the City, signage, San Joaquin's website, murals, banners, and facade improvement plans.

Much of the San Joaquin's retail base concentrates within the downtown area, and much of the focus on improving business conditions within the community will need to center on downtown San Joaquin. Previous studies have identified downtown San Joaquin as an area of priority. With the most recent retail development activity and future growth potential shifting towards the Manning corridor, the timing to address downtown revitalization is vital. Although downtown San Joaquin has seen new businesses open in the past few years, the physical condition of the area continues to deteriorate, and there are no ongoing activities and processes that address the long-term vitality of downtown. Continued growth in the market will help downtown San Joaquin businesses. However, capturing a larger percentage of the locally available spending over the long-term will require ongoing attention to and investment in the downtown area.

Even though a long-term economic strategy for San Joaquin needs to plan for income growth and a more diversified job base, in the short term there is a need in the community to match locally available jobs with the labor force. The long-term perspective needs to plan for education and training of the labor force in order to prepare for future opportunities in higher paying jobs. However, in the short-term there needs to be attention paid to entry level positions as well. Given San Joaquin's relatively young population, expansion of job opportunities in retail or other industry categories that do not require specialized skills or training will help to keep the employment local. Keeping more of the local labor force in San Joaquin will also benefit the local serving business sectors and shore up the City's tax base since most of the local workforce currently works outside of San Joaquin and presumably spends money where they work.

Increase the Employment and Income Base

An overall economic development goal for the City of San Joaquin is to increase the number of jobs available to workers residing in the City, and to make the average wage paid equal the average wage in the State for the same industry and occupational categories. San Joaquin has been impacted by recent business closures in its industrial park. For a community of its size, these job losses have a large effect in relative terms. Moreover, because many of the business failures occurred in the City's redevelopment area, attracting new businesses also constitute a fiscal necessity.

Unlike other Central Valley communities, San Joaquin has had a notable degree of success at developing modern industrial building and finding tenants to fill those spaces. The community has successfully attracted businesses outside of the core business attraction targets related to agriculture (including supplier businesses). Attracting businesses such as the now closed Millennium Industries chair

manufacturing facility allowed San Joaquin to go against the Central Valley trend of the labor force growing faster than the available jobs and wage rates. Moreover, many of the jobs previously attracted to San Joaquin were in export-oriented industries, which typically have higher wages than local serving industries. Because of this, the recent business closures in the San Joaquin Industrial Park are indicative of a trend that needs to reverse quickly.

Increasing the income base along with the employment increases the purchasing power necessary to support local serving businesses, and facilitate both existing business expansion and new business attraction. By increasing the sales tax revenue base, a higher income base helps local government provide the level of services that current residents rightly expect, or plan for the services that will be required for future residents. Although population growth will inherently increase demand for retail and local services, successful economic development in San Joaquin needs to look beyond economic sectors that only serve local demand and place a priority on export-oriented industries that attract wealth into the region.

Expand and Retain Retail Spending and Other Revenue Sources in the Community

With all that has occurred recently in San Joaquin, business retention plays a vital role in its economic future. Existing businesses generate revenue for the City, employ local residents, and provide the most readily accessible diversification opportunities for attracting new businesses. Providing existing businesses with needed technical resources, financial incentives, and sites for potential expansion will help the overall economy in the community and provide a stable base from which employment expansion can occur.

San Joaquin's retail base has made substantial strides over the past decade, and in some retail categories has been able to capture a significant share of the local retail spending. However, a substantial share of the available household retail spending in the market area continues to leave San Joaquin. By retaining a larger share of local spending with local retail merchants, local merchants can potentially expand into larger spaces and/or hire new employees and the City can benefit from the increased sales tax revenue.

In addition to retaining local household spending, expanding into other revenue sources can also benefit the community. This would include attracting spending from neighboring communities, travelers passing through San Joaquin, and commuters who work in San Joaquin but live elsewhere.

Address the Need for Income Diversity

This goal entails providing the means for higher income residents to live in San Joaquin and bringing the average wage levels for jobs in San Joaquin more in line with the rest of California. In addition to addressing the need for long-term job creation, new jobs need to also raise the average wage level in the community. By simultaneously increasing the number of jobs available and the average wage level, San Joaquin can strengthen its competitive position in the marketplace and raise the standard of living for all area residents. To offset inflationary wage increases, however, a substantial investment must be made in educating and training the existing and future labor force.

Even though this study specifically addresses job creation in order to bring housing and jobs more in balance, San Joaquin's economic competitiveness can also be enhanced by developing housing that appeals for a greater range of income groups than currently exists in the community. One of San Joaquin's competitive disadvantages is that its housing stock does not include a lot of units for professionals and managers. Even though they would not constitute a large proportion of the housing demand, availability of housing for managers and professionals is frequently cited as a location criterion by businesses evaluating sites for new facilities.

The City currently controls 19 lots that it can potentially develop into spec housing. By exploring different development options on these lots, the City can potentially use these sites as an incentive for business attraction prospects that would cite the lack of middle market housing as a disadvantage for locating in San Joaquin. Planning for a more diverse mix of housing helps to increase the viability of the community as a business location and enhances the diversity of the resident population; and new household formation brings additional income into the community, which enhances the market prospects for local serving businesses. However, it should also be noted that housing in California is generally considered a drain on municipal budgets, so any housing incentives need to be weighed in relation to their net cost to the City and any available revenues that can balance the development out fiscally.

Diverse New Industries

San Joaquin needs to restore its diversity in the types of businesses represented in the City's mix of businesses. Diversification beyond agriculture should focus on the regional strengths, and potential for developing strengths in export-oriented industries.

The region's strength continues to center on agriculture and its allied industries. By taking a cluster-oriented approach, San Joaquin can diversify its industry base without going away from its strengths. A cluster approach looks at agriculture as part

of a dynamic system of economic relationships between businesses, rather than limited to farm production and processing. The community already has a core of agricultural supplier businesses. By attracting additional supplier businesses to San Joaquin the community can not only support local agricultural businesses, but potentially develop relationships outside of the region as well if these new businesses can also provide services outside of Fresno County.

Expansion into other types of export-oriented businesses could include emerging industries that have not yet established a high concentration in Fresno County, as well as other industries that potentially fit with the available sites in San Joaquin as well as the local labor force. With the City's transportation infrastructure, the community can function as an entry point for imported commodities, as well as a distribution point for manufacturing or processing facilities in need of rail or trucking facilities.

INDUSTRIAL DEVELOPMENT

Obviously, the industrial recruitment targets will need to include agriculture and all of its value-added industries and suppliers. Tapping into but attempting to go beyond agriculture and its broad opportunities should be a key outcome for recruiting industrial uses. The economic assessment clearly showed that Fresno County includes an additional set of potential economic relationships from which San Joaquin can potentially benefit. Moreover, San Joaquin has a number of assets related to transportation that have not been leveraged to a large degree. The City's past success at recruiting unique businesses with global markets indicates that a broad cross-section of industry can regard San Joaquin as an appropriate place to locate. The greater challenge has been with business retention, as many previously recruited businesses have had to shut down operations over the past few years. The list of industrial development targets focuses on those with the strongest potential at a regional level, and they should be considered the recruitment priorities for filling industrial spaces. Although other industries with more globally-oriented growth prospects are also appropriate, the recent closures of some of those types of businesses in San Joaquin indicate that the community might have better competitive advantages by attracting businesses that can draw from regional markets as well as global ones.

Target #1: Transportation Services

The potential for employment growth in transportation services in San Joaquin includes both trucking and rail transportation. San Joaquin's location away from I-5 and Highway 99 makes the community a less central location for transportation-oriented businesses than locations along the highways. However, with Manning Avenue now connecting the two major routes, San Joaquin becomes an increasingly viable location for transportation services as truck traffic along the connector road

increases. These services would potentially include repair facilities, truck stops, truck washes, travel-oriented retail developments, and lodging facilities. These services would potentially serve truck drivers, tourists, and vehicles using Manning Avenue to cross between I-5 and Highway 99, as well as local residents.

The other potential transportation industry target is with rail transportation. San Joaquin has a railroad right-of-way currently operated by a local short-run rail company. Even though some storage and warehousing structures have developed along this right-of-way, the current usage of rail in San Joaquin is very limited with most of the existing structures abandoned. Reviving rail as a viable activity in San Joaquin will depend on a number of factors.

The general industry trend among the long-haul railroad operators has moved towards providing businesses with an integrated set of transportation services rather than direct rail service. Railroads increasingly arrange for ground transportation by truck, and have tried out several transport container prototypes for hauling fragile and perishable items, such as some agricultural commodities and food products. This integrated service model has evolved because transcontinental railroads such as Union Pacific are attempting to remove low volume rail spurs from active service in order to increase the average speeds along their main corridors. With increased subcontracting of trucking services, railroads can increase their service coverage and focus cargo loading at intermodal or "transloading" facilities that serve a large regional area.

Typically, in order to serve specific buildings or industrial developments along a rail spur, the railroads will talk to the businesses with a specific need for rail service and at that point make a determination as to the type of service that they can provide. In general, rail companies will only install track switches to a line if the land uses along the spur can generate sufficient railcar volumes to justify keeping a rail spur in active service.

Because a local short line railroad services the right-of-way that traverses San Joaquin, the viability of rail for San Joaquin does not necessarily need to follow the evolving business models used by the transcontinental railroads. However, this general trend for the larger rail operators provides an important context and a potential opportunity for San Joaquin because the short-line operator does not need to follow along with what the transcontinental railroads have begun to do. The City and the local rail operator have begun discussions on the potential for extending the rail spurs into the industrial park, and serving other business opportunities. If a short-line railroad can serve businesses and buildings with direct service, then that constitutes a potential competitive advantage for San Joaquin in that the larger rail companies may require greater cargo volumes before they will directly service a particular facility. In addition, a CDBG-funded study is currently under way to study potential uses for an underutilized parcel along the rail right-of-way. Aside from

potential businesses that would benefit from direct rail service to the facility, parcels along the rail line could also potentially serve all of West Fresno County as regional transloading sites.

Target #2: High Value Added Agricultural Businesses

San Joaquin has already had modest success at attracting these types of businesses; because they constitute the strength of the region, these types of businesses should continue to be emphasized. The sectors include a combination of food processing industries, which are very concentrated in Fresno County, and supplier industries to both farm production and the processing industries. Because the commodity types grown on the west side of Fresno County will potentially decline in the next five years due to proposed agricultural land retirements, the types of processing operations potentially recruited to San Joaquin should also include the more lucrative tree crops and livestock commodities. Although the long-term economic development goals include diversification, agriculture remains the economic engine for the region, and San Joaquin should derive as much benefit from the strong existing production base as possible.

Target #3: Durable Manufacturing

This sector has shown recent growth in Fresno County and the rest of the region. Examination of potential targets in this category is a good starting point. Long-term prospects would also include categories with global markets, even though businesses of that type created several of the existing industrial vacancies in San Joaquin.

RETAIL OPPORTUNITIES

Retail is typically considered a sector that tracks strictly with population growth. However, despite the rapid growth in the communities surrounding San Joaquin, the area is currently underserved by retail uses, particularly uses with a regional market reach. As identified in a previous study, San Joaquin does not have strong potential to attract regional retail uses. Its main opportunities rest with local serving retail and, potentially, highway commercial uses.

Target #1: Local Serving Retail Opportunities

The recent development activity has occurred along Manning Avenue, including the shopping center at Manning and Colorado. Special attention needs to be given to how this new development meets the existing local retail needs, and what sectors are appropriate to attract to downtown San Joaquin. The recently completed retail attraction study identifies the local retail attraction opportunities for San Joaquin.

The San Joaquin retail attraction study also identified opportunities in relation to the community's spending patterns. As part an effort to revitalization San Joaquin's retail

business core, attention should be given to potential business expansion candidates. This includes sharing the market information developed in that study to help existing retailers identify new product lines and services to offer. All existing retail businesses in San Joaquin should have access to resources for business expansion, with a particular emphasis placed on the downtown retailers.

Target #2: Visitor-Serving and Highway Commercial Uses

Visitor serving retail uses basically entails any consumer that does not reside in San Joaquin's local retail market area. Because regional retail uses such as "big box" general merchandise stores will not likely be viable in San Joaquin, the most potentially viable visitor-serving uses will need to draw from employee spending and visitors passing through San Joaquin. Uses that serve this market include food stores, general merchandise stores, restaurants, and some personal services such as repair and hair care services.

Highway commercial uses typically locate along busy highway corridors, and incorporate a combination of retail uses oriented towards truckers and tourists such as convenience stores, restaurants, and equipment rentals. These uses would become more viable as traffic along Manning Avenue increases.

Target #3: Recreational Uses and Services

A long-term priority identified in San Joaquin's 2000 Strategic Plan was recreational uses. Even though the plan mostly discussed parks and public recreational facilities, there is also potential business formation and job creation opportunities associated with recreational activity. This can include adjunct businesses such as sporting goods stores and equipment rentals. It can also include primary recreational businesses such as bowling alleys, skating rinks, indoor recreational facilities, and health clubs. San Joaquin's local market is not large enough to support many of these types of uses, but these types of uses are also not generally well provided throughout the region. A unique recreational facility or business can potentially anchor a downtown revitalization. When combined with streetscape and other physical improvements, recreational uses can help to create a regional attraction that draws visitors from the surrounding communities.

With the land retirements in the Westlands irrigation district under way, a substantial amount of land in West Fresno County is on its way to potentially returning to its natural state. This habitat reclamation could serve as a new visitor destination, which would place San Joaquin in close proximity to a potential influx of visitors that could create a demand for new businesses that serve these visitors.

IMPLEMENTATION PLAN

This section describes the initiatives required to implement the economic strategy. The budget for the San Joaquin jobs/housing grant allocated \$20,000 for planning and \$80,000 for implementation, plus matching funds from the City. The plan allocates the remainder of the jobs/housing funds to the initiatives described below and identifies the organization that will be responsible for the implementation of each initiative.

Some of the initiatives that the City should undertake fall into the following categories:

- Business Assistance and Outreach
- Promotion and Community Involvement
- Recruitment
- Funding Preparation and Enterprise Assistance
- Organizational Assistance.

Business Assistance and Outreach

This process includes direct assistance to businesses and outreach. The assistance entails ensuring that local businesses have the resources necessary to continue operating in San Joaquin and possibly expand their operations. In addition, it also provides material and financial assistance to staff that San Joaquin has brought in on a voluntary basis. This process needs to simultaneously focus on contacting existing businesses and property owners, and making contact with potential business recruits.

The outreach to existing businesses and property owners will inform them of resources and identify potential business expansion candidates and property owners that want to either develop their site, sell their property, or attract a new tenant. As part of this process, the City's permanent and volunteer staff will contact business and property owners to identify areas of need such as capital improvement funding, housing, and job training. By identifying the needs of businesses and property owners, the City can better address issues that impact on job retention and potential creation of new jobs.

Direct business assistance will occur concurrently to the local outreach process, and include several start-up activities. The City will have a Vista volunteer working in the office to help develop a learning center and technical assistance programs for local businesses. This grant will provide material assistance to achieving developing these programs and implementing the learning center concept. This process of establishing a learning center for local businesses should be coordinated with an ongoing project for acquiring new computers and Internet access. Because San Joaquin currently

lacks high speed Internet services such as DSL and cable access, alternative options such as leased T-1 lines, satellite, and shared wireless coverage should be explored and coordinated if viable options are identified. This can include working with local Internet service providers to start up a pilot program that includes shared broadband options.

In addition to start-up activities for business and labor force assistance, this process should also include sponsoring workshops for local business owners and employees. Potential topics would include computer skills training and funding resources for local businesses, commercial property owners, and homeowners.

The outreach to potential business recruits will include development of a business prospects database, direct mail, and updating the information available through San Joaquin's website. Business prospects can be targeted through commercial business databases such as Dun & Bradstreet, as well as more specific data such as developer contacts and trade organizations. The outreach will include those opportunity categories with the highest job generating potential.

Estimated Cost: It is estimated that implementation funds in the amount of \$40,000 will cover the cost of business contacts; learning center start-up costs; Internet access pilot program options; training workshop costs; developing business databases; and mailing costs. Some of this budget will also go towards San Joaquin city staff and intern time spent exclusively on business retention and attraction activities and outreach to existing businesses.

Promotion and Community Involvement

This activity involves improving the community's overall image and engaging local residents in an effort to define San Joaquin's image and promote the community, in particular the downtown area and local retailers.

As part of addressing the community's overall image, the City can sponsor a citywide design competition. This competition would be directed towards creating a new logo and overall design scheme for City correspondence, signage, banners, and other public displays. The role of such a competition can be expanded to include public art and murals, and include involvement from local schools and youth and community groups.

As a mechanism for bringing people back to downtown San Joaquin, the City can explore developing a plaza area. This downtown plaza could be configured as a pedestrian-friendly zone and serve as a location for a permanent outdoor marketplace. Previous retail studies have identified a number of specialty retail categories that do not generate sufficient spending levels to support a standalone retail store. However, alternatives to permanent retail stores could potentially bring

revenue back into San Joaquin, provided that the marketplace can serve as a "point of sale" and source for sales tax and business license revenue. This process could occur in conjunction with a revived downtown revitalization committee process, or it can begin independently and integrate into the revitalization process as committee activity starts back up. The City has enlisted the help of a landscape architect and is exploring a possible internship from an architectural to provide in-kind assistance, and this activity would provide material assistance.

In conjunction with the other activities, the City can update the material used in promoting itself, and ensuring that the information given out to prospects is up-to-date and relevant. Promotional materials will introduce San Joaquin as a business location. As part of this process, the City should incorporate property information and databases into fact sheets that can be readily distributed to prospects. This includes creating an inventory of available development sites and their characteristics.

As part of the retail attraction study, draft promotional materials for retail attraction have already been produced. As a short-term initiative for immediate distribution, the City can mass produce these materials before the final selection of an overall design concept. This process involves producing more specific pieces for industrial recruitment, with special attention paid to the vacant industrial buildings.

As part of this effort, the City of San Joaquin will also update its website, and include current information regarding vacant properties and buildings. Part of this information collection could entail conducting traffic counts for the major thoroughfares surrounding San Joaquin, as part of providing needed marketing information to prospects.

Estimated Cost: It is estimated that implementation funds in the amount of \$30,000 will cover the cost of materials, promotion, concept development, design, printing, website development, and staff and intern time needed to create a property database and coordinate activities.

Recruitment and Income Diversification

This step involves City staff making contact with individual businesses and organizations that will potentially lead to new business development prospects. The industrial recruitment activities will focus on the transportation sectors. The City has already begun exploring options that take advantage of San Joaquin's rail link. These sectors also include identifying and contacting prospects for trucking services and travel oriented businesses such as truck stops/travel centers and lodging facilities.

Appropriate contacts and visits will also occur for retail, food processing, entertainment/recreational industries, manufacturing trade groups, and

transportation organizations. Making contacts with company officials will provide valuable insight into ancillaries opportunities afforded by these businesses.

Income diversification activities will simultaneously focus on attracting higher wage jobs to San Joaquin and examining options for diversifying the housing stock in San Joaquin as a business attraction incentive. Initially focusing on City-owned properties, this task can develop prototype housing concepts for a variety of different income and demographic groups in conjunction with local developers. These concepts will include potential financial incentives, along with financial pro forma analyses and market profiles. These prototype concepts can be integrated into business recruitment process, and eventually spec housing can be developed in conjunction with successful business recruitment.

Estimated Cost: Establishing organizational contacts, trade show attendance, and developing housing prototype programs will carry an estimated cost of about \$15,000.

Funding Preparation and Enterprise Assistance

This would entail hands-on activities that would assist San Joaquin businesses, as well as put the City in a better position for securing and utilizing other funding sources. To a large degree, the funding preparation would entail direct assistance to existing business and building owners. In addition, the City was recently upgraded to a probationary status by the State HCD and is now eligible again to apply for Planning and Technical Assistance grants through the CDBG program.

Some of the activities related to funding preparation would include the following:

- Encourage the development of new business opportunities through entrepreneur assistance;
- Encourage business expansion through City incentives, use of federal and state funds for business loans or infrastructure projects;
- Encourage microenterprise assistance to low-income residents interested in developing their capacity for microenterprise development and sustainability;
- Assist businesses to obtain additional capital for job-creating business opportunities
- Operate a business revolving loan program to assist businesses with below-market capital;
- Utilize funds from state and federal sources (such as CDBG, USDA, EDA, EPA, CalTrans, and Parks and Recreation) to assist with business development and business retention;

- During times when business and job retention is a major factor in the economy, assist businesses to retain jobs, to the extent practical.

Estimated Cost: Tracking and procuring funding sources for future economic development activities will entail an estimated cost of about \$5,000 for staffing, direct assistance, and grant application assistance.

Organizational Assistance

This activity involves assisting organizational efforts aimed at improving San Joaquin's business climate. The City of San Joaquin has had an effort to revitalize its downtown area, with a preliminary design concept already completed. This effort has gone dormant over the last two years and no action has been taken to implement the groundwork completed to date. In order to jump start the revitalization process again, this step calls for staff support of the downtown revitalization effort. This would include business coordination meetings, identifying grant funds, leveraging existing funding sources to provide direct assistance to downtown businesses, and coordinating activities that raise community awareness of downtown San Joaquin.

In addition to and conjunction with the downtown revitalization effort, the local Chamber of Commerce needs to have a role in improving San Joaquin's business climate. Because the Chamber has been relatively inactive over the last few years, San Joaquin has lacked one potential coordinating body for a variety of community involvement and business retention activities. With the implementation funding available, the City can develop and cosponsor activities with the Chamber membership. These activities can include marketing the organization, sponsoring business roundtable and networking meetings, sponsoring community activities, initiatives for promoting San Joaquin as a business location and potential future visitor destination, and potential Chamber start-up costs.

Estimated Cost: Implementation funds remaining to be allocated after distribution to the above-cited tasks should be made available for payment, in whole or part, of dedicated staff support for organizational activities pertaining to downtown revitalization and coordinating business information resources.