

**JOBS/HOUSING  
ECONOMIC STRATEGY  
AND  
IMPLEMENTATION PLAN**

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Prepared for  
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# CONTENTS

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Nelson Majors .....	
contents .....	
Part I: Economic Strategy.....	
Introduction.....	
Jobs/Housing Balance.....	
Community Assessment.....	
Economic Assessment .....	
Sources of Employment.....	
Analysis of concentration and growth .....	
Trends in Kings County.....	
Analysis of the Retail Sector .....	
Analysis of the Lemoore Retail Sector.....	
Strengths, Weaknesses, Opportunities and Threats (SWOT) .....	
Economic Strategy .....	
Economic Development Goals .....	
Industrial Development .....	
Retail Development .....	
Part II: Implementation Plan .....	
Preparation of Promotional Materials.....	
Outreach to Targeted Businesses.....	
Attendance at Selected Trade Shows .....	
Appendix A: Community Assessment.....	
Appendix B: Industrial Opportunities .....	

Appendix C: Retail Opportunities.....

Appendix D: SWOT Analysis.....

# FIGURES

Figure 1 Employment 1991-1999 .....	2
Figure 2 Housing 1991-1999 .....	3
Figure 3 Median Price of Homes 1990-2000 .....	4
Figure 4 Percent Population Growth 1990-2000 .....	5
Figure 5 Working Age (18-54) Population Change 1990-2000 .....	5
Figure 6 Total Income Percentage Change, 1990-2000 .....	6
Figure 7 Per Capita Income Comparison, 1990-2000 .....	6
Figure 8 Median Household Income, 1990-2000.....	7
Figure 9 Average Wages in Kings and Comparison Counties 1990-1999.....	7
Figure 10 Industry Growth Comparisons 1991-1999.....	8
Figure 11 Latino Population 1990-1999 .....	9
Figure 12 Total Employment Change, 1991 to 1999, Kings County and California .....	11
Figure 13 Total Employment and Change, 1991 to 1999, Three-county Region .....	11
Figure 14 Kings County Large Base Industries.....	18
Figure 15 Three-county Region Large Base Industries.....	19
Figure 16 Total Demand, Actual Sales, and Surplus/Leakage by Retail Group .....	22
Figure 17 Major Sources of Sales Growth – Food, Eating and Drinking Group.....	22
Figure 18 Major Sources of Sales Growth – Automotive Group.....	23

# PART I: ECONOMIC STRATEGY

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## INTRODUCTION

This report summarizes the findings and recommendations resulting from a study of the current and continuing jobs/housing imbalance in the City of Lemoore. The California Department of Housing and Community Development (HCD) and the City of Lemoore funded the study through a successful \$100K grant application by the City and an additional \$10K match from the City documenting the current jobs/housing imbalance at a ratio of 0.8 jobs for each housing unit. This qualified the City as “housing rich” based on a standard of 1.5 jobs per housing unit constituting a balance in jobs and housing.

The application 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 community and economic assessments. The City selected to allocate \$55,000 of the available funds for development of the economic strategy, leaving the balance of \$55,000 for implementation of the strategy.

Implementation of the economic strategy is to begin upon adoption of the economic strategy and implementation plan by the Lemoore City Council and approval by HCD. This report discusses the findings of the community and economic assessment, assesses the strengths and weaknesses of the community, and presents the recommended economic strategy and implementation plan for City Council and HCD approval.

## 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 1.5 jobs for every housing unit available for occupancy. Based on the best available data on jobs and housing units within the city limits, the jobs/housing ratio for Lemoore at the time of the application submission was computed to be 0.8.

### **Jobs Availability**

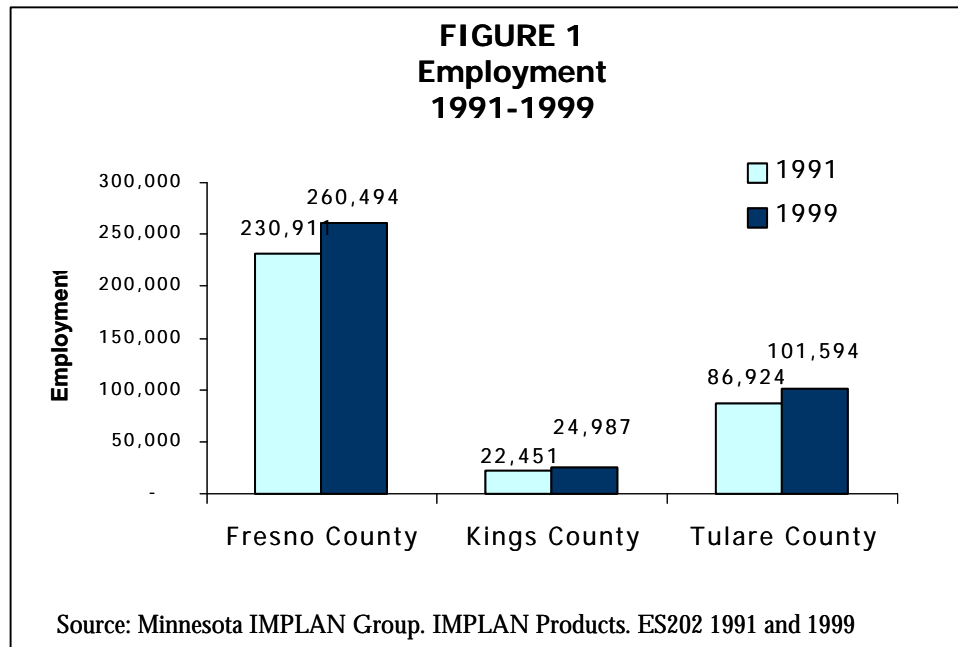
However, in recognition of the extensive mobility of the labor force within the three-county Lemoore labor market area, composed of Kings, Tulare and Fresno counties, the City chose to examine the ratio of jobs to housing using

the labor market area as the unit of analysis. The study also selected to exclude the housing available at Lemoore Naval Air Station as well as the population it supports.<sup>1</sup>

Analysis of the three-county labor market area disclosed that employment increased by over 46,700 between 1991 and 1999. In 1999, the latest comparative data available, employment was slightly more than 380,000. The employment base was distributed unevenly throughout the labor market area, with Fresno County playing the dominant role at 260,500 followed by Tulare at 101,600 and Kings at approximately 25,000 (Figure 1).

### Housing Availability

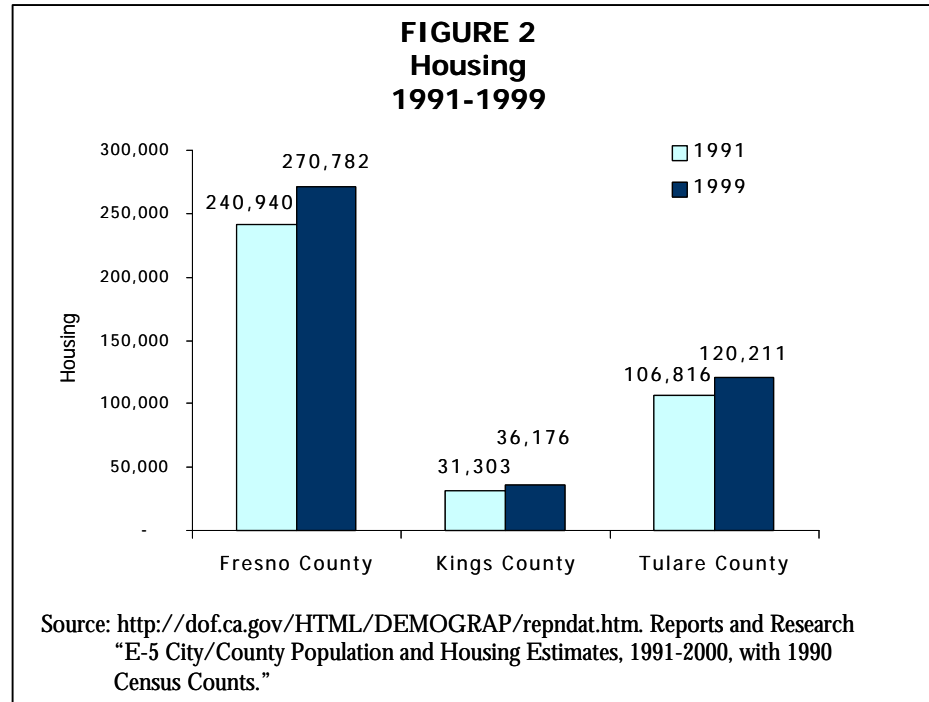
During the same period the housing supply in the labor market area increased by over 48,000 units distributed within the labor market area as follows: Fresno County 29,800; Tulare 13,400; and Kings 4,800. These increases between 1991 and 1999 resulted in the number of housing units in



<sup>1</sup> Neither military personnel nor on-base housing were used in any part of the analysis because they are not recorded in the jobs or housing databases used for comparison purposes. Civilian personnel working at the base are included in the jobs category and the off base housing that they as well as military personnel occupy is included in the housing supply.

the labor market area standing at 427,000 in 1999 (Figure 2).

The jobs/housing ratio in the labor market area was calculated by dividing jobs (380,000) by the number of housing units available (427,000). By this



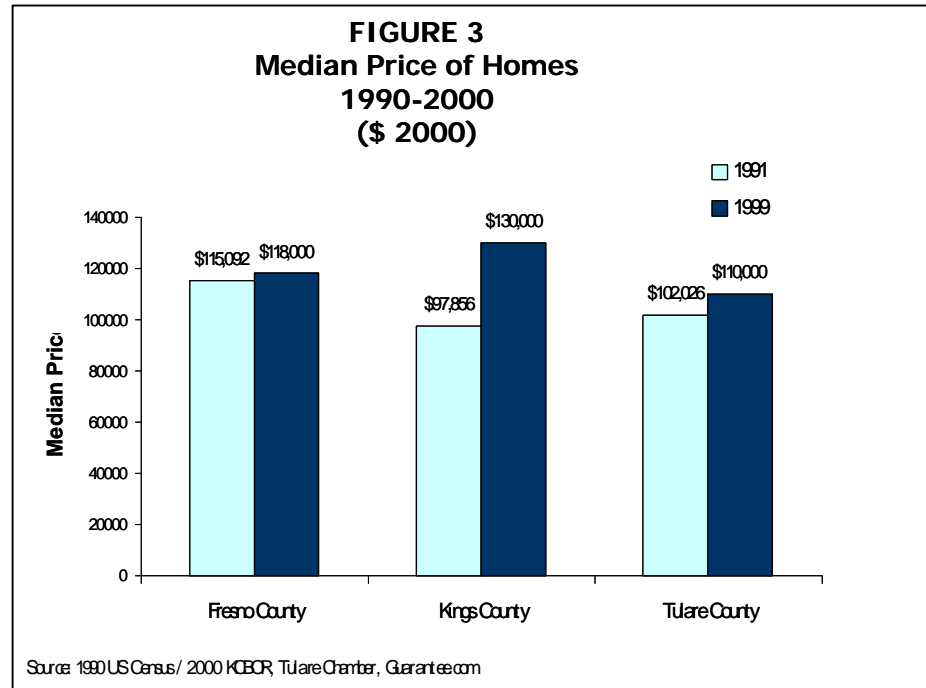
formula, the jobs/housing ratio for the three-county labor market area is 0.9.

### Achieving a Balance

By measuring the jobs/housing ratio on a labor market area basis, it becomes clear that the jobs/housing ratio for the three-county labor market area – 0.9 – is not significantly closer to the 1.5 standard for jobs/housing balance than is the jobs/housing ratio for Lemoore at 0.8. 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 of “housing rich” is difficult to apply to Lemoore, or other rapidly growing jurisdictions in the San Joaquin Valley, because housing production is primarily a function of meeting the needs of population growth, not job growth.

The median price of housing in Kings County increased by 33% between 1990 and 2000, compared to an increase of 8% in Tulare County and 3% in Fresno County over the ten-year period (Figure 3). The number of jobs available within the City of Lemoore 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 an increase in number of jobs available in the labor



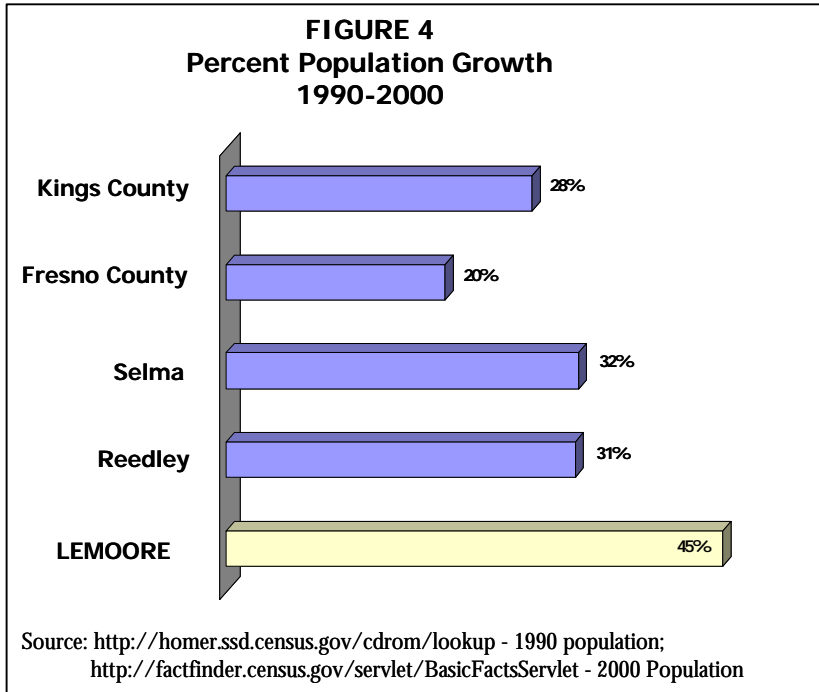
market area and concentrate on initiatives that will achieve that result.

## COMMUNITY ASSESSMENT

The community assessment 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. The purpose of the community assessment is to identify those conditions and trends that should be addressed by the economic strategy to increase the number of jobs available to labor market area residents.

### Population

The City of Lemoore experienced a significant growth in population between 1990 and 2000. The 2000 population for Lemoore is 19,700 compared to 13,600 in 1990. This increase of over 6,000 represents a 45% increase in population over the ten-year period. This compares to a 28% increase in



Kings County and increases of 31% in Reedley and 32% in Selma, competitor cities of similar size (Figure 4).

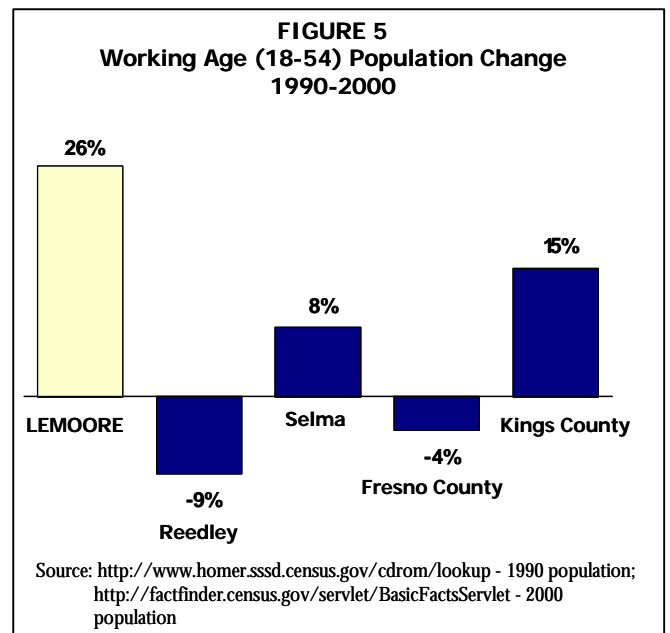
Of particular significance, however, is the age distribution of this increase. During the past decade, Lemoore has added 1,900 individuals to its population base that are in the 18-54 age range, the group most likely to be in the labor force. This represents 26% of the population increase experienced over the past decade. In contrast, the percent of the 18-54 age group for Fresno County and Reedley

dropped by 4% and 9%, respectively. Selma and Kings County added 8% and 15%, respectively, in this age group (Figure 5).

Population growth and growth in the 18-54 age group makes Lemoore an attractive site for business. The population growth brings more income into the area, which local serving merchants can translate into sales and the 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.

### Income

Another important finding of the community assessment is the growth of total income in the area. Total income from all sources in Lemoore increased from \$170 million in 1990 to \$274.5 million in 2000, adjusted for inflation to current dollars. This is an increase of \$104.5 million. During the same period, total income from all sources in Kings County



increased from \$1,076 billion to \$1,586 billion, or \$510 million. This indicates that Lemoore is attracting more income into the City than the County as a whole, making it more advantageous for local serving merchants to locate in Lemoore than elsewhere in the County (Figure 6).

During the same period, per capita

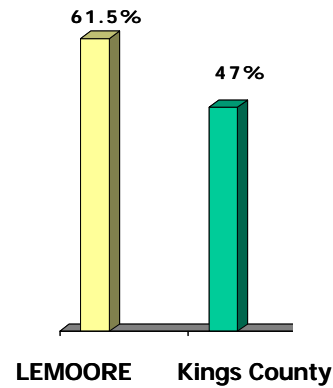
income in Lemoore increased 13%. This equaled the increase of \$1,450 in Kings County but exceeded that of Selma, which has the lowest per capita income in the labor market area, despite a 17% increase. Despite a 26% increase, Reedley provides another contrasting example, as illustrated in Figure 7.

Higher per capita incomes mean that there is an increase in the purchasing power of City residents, which will support local serving businesses. This is

another advantage Lemoore has over some of its neighbors in attracting local serving businesses.

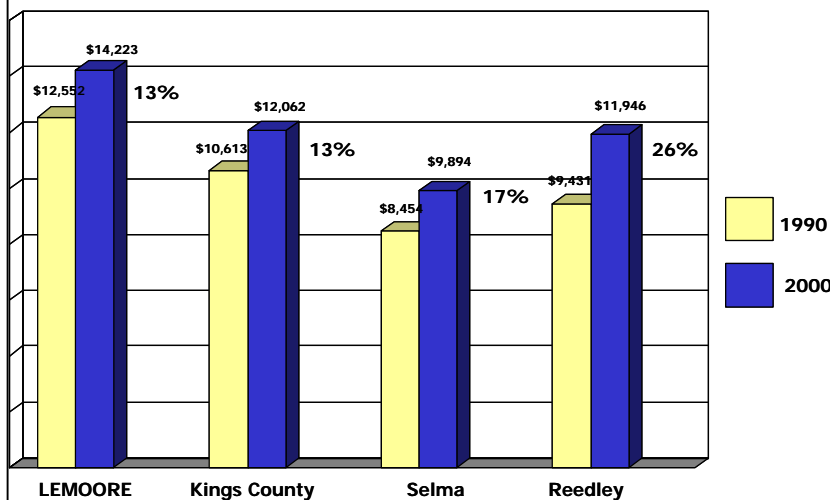
Conversely, the median household income for Lemoore residents dropped from \$33,300 in 1990, the highest in the area, to \$31,900 in 2000. At the same time, Reedley, Selma, and the three Counties included in the labor market area were experiencing increases in

**FIGURE 6**  
**Total Income Percentage Change**  
**City of Lemoore and Kings County**  
**1990-2000**

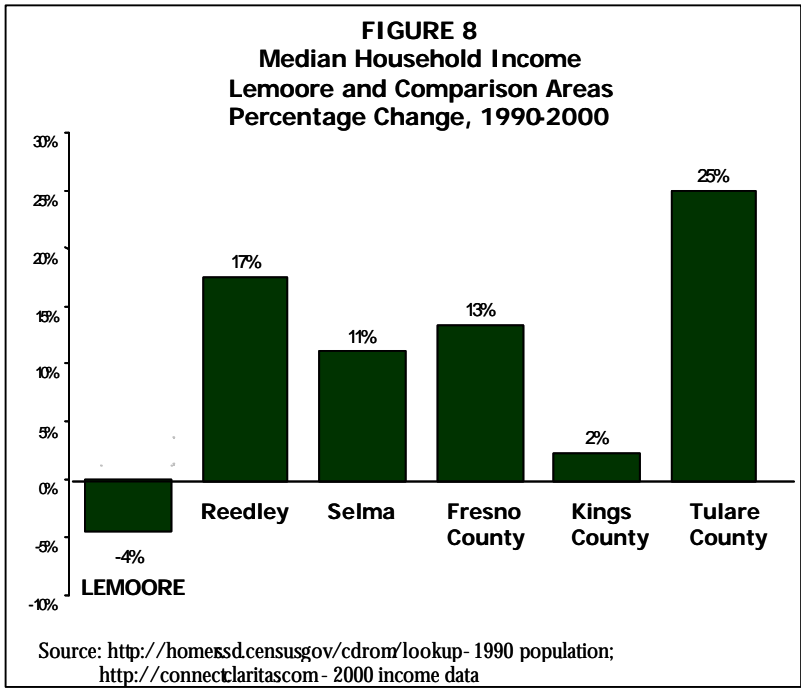


Source: <http://www.homer.ssd.census.gov/cdrom/lookup> - 1990 Population; <http://connect.claritas.com> - 2000 income data

**FIGURE 7**  
**Per Capita Income Comparison**  
**and Percentage Change, 1990-2000**



Source: <http://www.homer.ssd.census.gov/cdrom/lookup> - 1990 population; <http://connect.claritas.com> - 2000 income data.

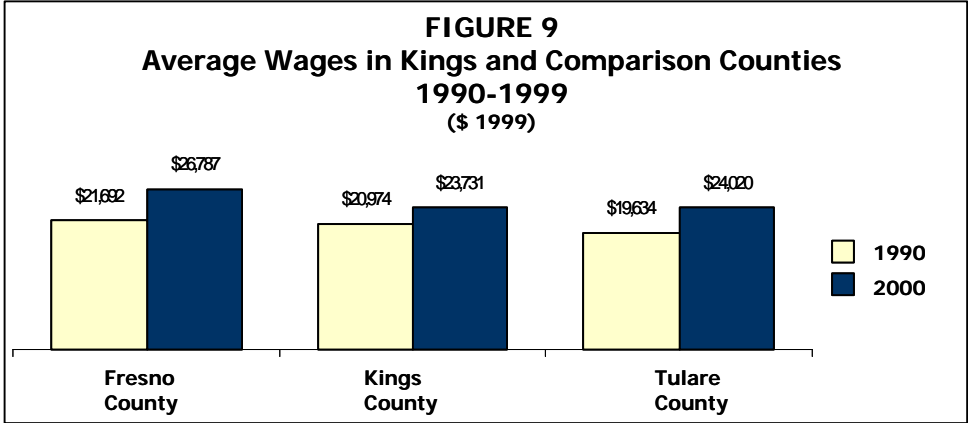


median income. Reedley's median income increased from \$26,500 to \$31,200; Selma's from \$23,300 to \$25,900; Fresno County's from \$28,900 to \$32,800; Kings from \$28,000 to \$28,600; and Tulare from \$26,900 to \$33,600—the largest county increase in the three-county market area (Figure 8).

The decrease in median income in Lemoore coupled with an increase in per capita income is difficult to explain. A drop in

median income usually indicates that more jobs are being created in the occupations paying less than the median income than are created in those paying more than the median income. But it can also reflect fewer workers in the household, or some combination of both. However, until detailed income information becomes available from the 2000 Census, making an educated guess is all that be done.

**Average Wages.** The most significant income variable in the area, 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 (1999) average wage per person in 1999 dollars for Kings County was \$23,700; for Fresno County \$26,800; and for



Source: US Census Bureau. County business patterns 1991 and 1999.

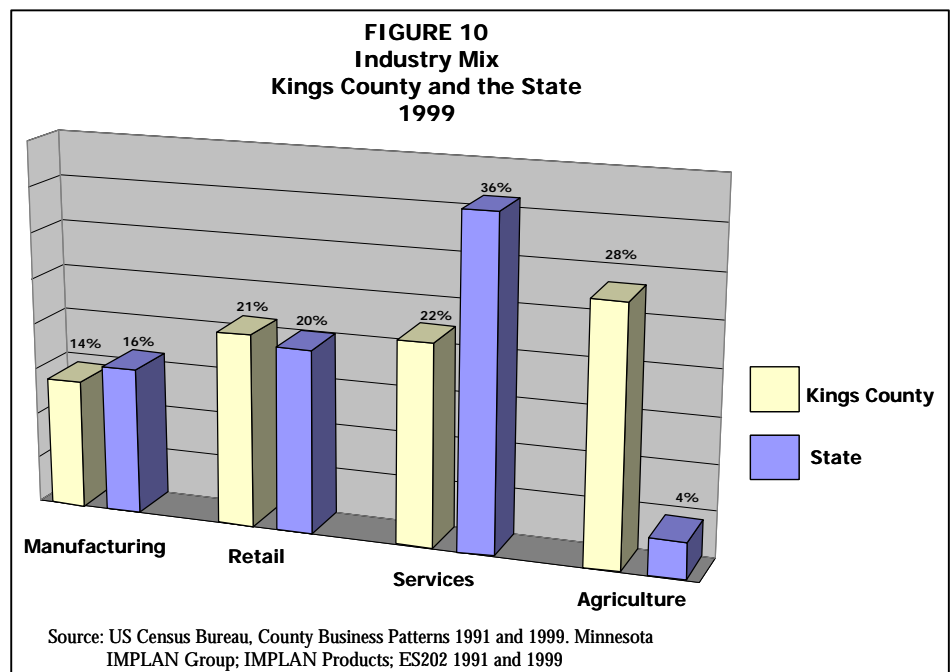
Tulare County \$24,000. However, average wages have been rising.

During the 1990-1999 period, average wages in the three-county area increased by 20% from \$20,700 to \$24,800. As Figure 9 shows. Kings County experienced an increase of 13%; Fresno County 24%; and Tulare County 22%). The average annual wage in the State in 2000 was \$37,300, over \$10,000 more than the highest average wages paid in the three-county labor market area for the City of Lemoore.

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

For example, manufacturing employment in Kings County was 14% of total employment in 1999 and had grown by 4% since 1991. In contrast, manufacturing in the State in 1999 represented 16% of total employment and lost 5% of its share of State employment since 1991. Similarly, retail trade is the source of employment for 21% of the labor force in Kings County compared to 20% for the State, as shown in Figure 10.

Only in the Services and Agriculture categories does Kings County differ significantly from the State in employment mix. Services account for 36% of the employment in the State and grew by 30% between 1991 and 1999. In

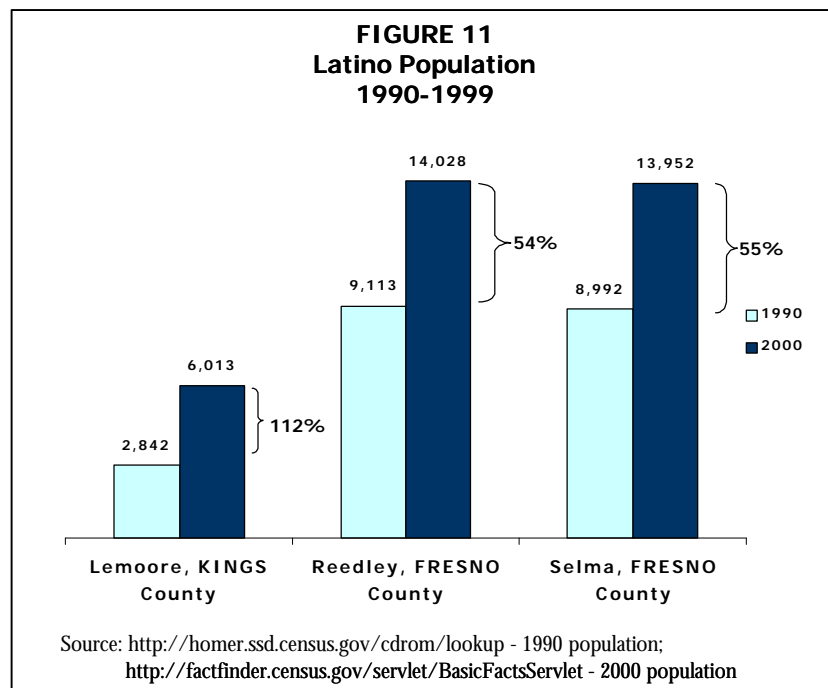


Kings County, Services provided for only 22% of the employment in 1999 but it grew by an astounding 47%. Agriculture represents 28% of the employment in Kings County and 4% in the State. Moreover, employment in Agriculture grew by 16% in Kings County but grew by 19% Statewide (Figure 10).

**Latino population.** The increase in the Latino population is also a significant variable in addressing the jobs/housing imbalance. Most of the increase in the Latino population is due to family growth, not immigration. Another important consideration is the fact that most of the Latinos 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 Latino population of Lemoore increased by 112% over the last decade. However, the actual increase in the Latino population was 3,200 for an average annual increase of 320. By comparison, Reedley and Selma increased in Latino population by 54% and 55% respectively, but their increase in numbers amounted to 4,915 and 4,960 and each have Latino populations more than double that of Lemoore (Figure 11).

Second generation Latinos have been educated in local schools for the most part, and many have acquired skills and experience working in all sectors of the local employment mix. They have proven to be a valuable asset and must



be seen and presented as such to prospects for location of businesses in the area. Additionally, many Latino households have relatively high median household incomes due to multiple workers and increasingly higher paying jobs.

### **Summary**

In summary, the community assessment found that Lemoore has gained from the employment growth associated with population growth, primarily in the local serving business sector. But these jobs are significantly below the average wages paid in the area, not to mention the State, and can only further constrain income growth. The growth in population between the ages of 18-54, coupled with the large pool of Latino labor that 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 there. 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**

The economic assessment analyzes the conditions and trends in the mix of the local economic base to see how these conditions and trends might have contributed to the imbalance in jobs and housing in Lemoore. Changes in the industrial base of the city as well as those in the retail sector are examined. The economic assessment also includes an analysis of the strengths and weaknesses of the City for economic growth, as well as the threats and opportunities.

### **Economic Base Analysis**

Kings County's primary industries include government, agriculture, and services. Government is the largest industry in the County, accounting for 33 percent of the employment, and is projected to reach 11,320 jobs by 2004. Growth in this industry is concentrated in the state and local government sector. It is projected to reach 9,950 jobs by 2004, mostly in education. The services sector is the fastest-growing industry in the county. Nonfarm industry projections for the period 1997-2004 estimate services sector growth will increase by almost 38 percent over the seven year period.

**FIGURE 12**  
**Total Employment and Change, 1991 to 1999**  
**Kings County and California**

Industry Category	Kings County				California			
	Employment		Chg. in Empl.	Perc. Of Total Empl.	Employment		Chg. in Empl.	Perc. of Total Empl.
	1991	1999	1991 to 1999	1999	1991	1999	1991 to 1999	1999
Agriculture	6,121	7,072	16%	28%	426,083	508,564	19%	4%
Mining	61	2	-97%	1%	38,739	23,173	-40%	1%
Manufacturing	3,322	3,440	4%	14%	2,012,129	1,915,533	-5%	16%
Construction	903	1,077	19%	4%	546,165	679,619	24%	6%
TCPU	768	792	3%	3%	599,995	705,689	18%	6%
FIRE	650	764	18%	3%	820,650	817,312	0%	7%
Wholesale trade	767	972	27%	4%	735,936	810,946	10%	7%
Retail trade	6,116	5,369	-12%	21%	2,173,551	2,386,649	10%	20%
Services	3,743	5,499	47%	22%	3,338,359	4,391,392	30%	36%
<b>Total</b>	<b>22,451</b>	<b>24,987</b>	<b>11%</b>		<b>10,738,607</b>	<b>12,238,877</b>	<b>14%</b>	

Source: Applied Development Economics

**FIGURE 13**  
**Total Employment and Change, 1991 to 1999**  
**Three-county Region (Kings, Fresno, and Tulare)**  
**and California**

Industry Category	Three County Region				California			
	Employment		Chg. in Empl.	Perc. of Total Empl.	Employment		Chg. in Empl.	Perc. of Total Empl.
	1991	1999	1991 to 1999	1999	1991	1999	1991 to 1999	1999
Agriculture	82,408	99,288	20%	26%	426,083	508,564	19%	4%
Mining	1,245	280	-78%	0.1%	38,739	23,173	-40%	1%
Manufacturing	42,872	43,999	3%	11%	2,012,129	1,915,533	-5%	16%
Construction	19,748	20,376	3%	5%	546,165	679,619	24%	6%
TCPU	16,900	17,462	3%	5%	599,995	705,689	18%	6%
FIRE	17,959	18,392	2%	5%	820,650	817,312	0%	7%
Wholesale trade	19,596	19,864	1%	5%	735,936	810,946	10%	7%
Retail trade	65,956	73,771	12%	19%	2,173,551	2,386,649	10%	20%
Services	73,602	93,643	27%	24%	3,338,359	4,391,392	30%	36%
<b>Total</b>	<b>340,286</b>	<b>387,075</b>	<b>14%</b>		<b>10,738,607</b>	<b>12,238,877</b>	<b>14%</b>	

Source: Employment data from MIG, calculations by Applied Development Economics

### Economic Base Industries

However, economic base industries like Leprino Foods and SK Foods, which are bringing new wealth into the area, are the drivers of local and regional economies. Establishments in the economic base draw income into a local economy by selling products outside the local economy, much like the export industries of a national economy. Accrued earnings then circulate throughout the local area in the form of purchase of fixed assets, goods and services, generating more jobs and wealth. In California's Central Valley, especially for counties such as Kings, Fresno and Tulare, major industry divisions that comprise the economic base are typically related to agriculture, with manufacturing demonstrating a strong presence.

### **Local Serving Industries**

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 population, income and demographic changes discussed above in the community assessment section of the report. 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. Firms in these industries provide important goods and services to local consumers, but they do not generate new wealth in the community like basic businesses do.

### **SOURCES OF EMPLOYMENT**

The agricultural and manufacturing divisions provide a large portion of the employment in basic industries in Kings County. The degree to which agriculture and manufacturing constitute the economic base scarcely changed between 1991 and 1999, as these divisions contained 28 percent and approximately 15 percent, respectively, of all jobs in the county in both time periods. Only 4 percent of all jobs in California, by comparison, are in agriculture. Moreover, employment increased by 16 percent, from 6,121 to 7,072 agricultural jobs (Figure 12). These jobs as a share of all jobs are slightly more than the rate for Fresno-Kings-Tulare three-county region, where 26 percent of all jobs are in agriculture (Figure 13).

#### **Agriculture**

Employment in the agricultural division is divided primarily into two major industry groups, agricultural services (SIC 07) and agricultural production (SIC 01). These groups comprise 45 percent and 37 percent respectively of all of agriculture. Surprisingly, data shows that the relative share of SIC 01 declined from 81 percent of all jobs to 13 percent, which represent a loss of almost 2,300 jobs during the 1990s. Farm management services (SIC 076) and crop services (SIC 072) increased by 190 percent and 720 percent, respectively, driving the overall growth of the SIC 07 major industry group. These two industries increased by a combined 1,000 employees during the 1990s.

#### **Manufacturing**

Manufacturing employment increased slightly in absolute terms – from 3,300 to 3,400 – and remained the same in relative terms between 1991 and 1999. Food and kindred products (SIC 20) continued its pre-eminence within

manufacturing, at 43 percent of all jobs in 1991 and 53 percent in 1999. Rubber and miscellaneous plastics (SIC 30), textile mill products (SIC 22), and printing and publishing (SIC 27) complete the manufacturing division, which is relatively small. Compared to other nearby areas, Kings County has fewer manufacturing jobs. Fresno County, for example, employed 28,000 people in manufacturing in 1999. Tulare recorded 13,000 employed in manufacturing.

### **Local Serving Businesses**

In addition to the economic base, Kings County's overall economy consists also of support industries, key among which are retail and services. Local support industries draw most, if not all, customers from the community. Retail is near the top two in jobs produced by a major industry division in the County, and close inspection of retail types shows that this division caters to the basic needs of County residents. Leading retail employers in the County are restaurants, grocery stores, department stores, and drugstores. Typically, job growth in retail is primarily a function of population growth.

Kings County grew during the 1990s by 28 percent, which doubled the statewide growth rate of 14 percent. Surprisingly, jobs in retail declined by 12 percent between 1991 and 1999. In neighboring Tulare and Fresno counties, jobs in retail increased by 13 percent and 15 percent, respectively. The major reason for the decline in retail jobs is due in large part to changes occurring in liquefied petroleum gas (SIC 5984) and fuel oil dealers (SIC 5983), which declined from 1,610 to 5 employees and from 208 to zero employees, respectively. The other retail industries at the four-digit SIC level did not experience any major changes.

### **Services Industries**

Service division is another important part of the local support industries, in large part because of the skills and wages associated with jobs in some of these industries. Services as a relative share of all jobs in the County increased from 17 percent to 22 percent, following regional trends. After agriculture, industries in services employ the most people in Kings County, after government. The health services group (SIC80) contained 2,127 jobs, or 38 percent of all service jobs. If health services were an industrial division, it would rank as the fifth largest industrial division in the County, after services, agriculture, retail, manufacturing, and government. Examples of health services include general medical industry (SIC8062), medical clinics (SIC8011), and skilled nursing care facilities (SIC8051).

### **Support Industries**

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). These industry divisions experienced significant growth between 1991 and 1999, with double-digit growth rates and increases in absolute numbers that surpassed figures for comparable industries in Fresno County, whose economy is more diversified and robust. In absolute terms, construction and FIRE jobs increased by a combined 288 jobs, which surpassed Fresno's 130.

Interestingly, the support industries increased in the three-county region, by 3 percent, 3 percent and 2 percent, respectively for construction, TCPU and FIRE. Thus, Kings County performed better in terms of job growth in the support areas and it fared just as well compared to California, which recorded double-digit growth rates.

### **ANALYSIS OF CONCENTRATION AND GROWTH**

The previous section examined the economic base of Kings County, looking at data in broad and discrete manners. In so doing, that section sought to name the industrial divisions that comprise the economic base of the County. It identified rates of growth for economic base industries as well as for local support industries. This section examines data in the context of developments in the region or state, to determine whether growth industries in the County are growing as fast as or in excess of similar industries in the region or California. This section analyzes also whether particular growing industries or product lines are also concentrated more in the County than elsewhere. In looking at discrete growth rates, relative growth rates, and levels of concentration, the analysis begins to shed light on those industries in which Kings maintains a comparative advantage, as well as gives insight into which industries are emerging and which are declining.

#### **Concentration**

Determining the extent to which an industry is concentrated in a given area is an essential part of determining an area's economic trends in a detailed manner. An important approach for determining industrial-employment concentration is called location quotient analysis. 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. A ratio greater than 1.00 indicates that a

specific place – such as a county – may export that product or service for which a location quotient ratio was calculated. If the ratio is less than 1.00, then the location imports that product or service.

At the same time, 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.

### **Employment Growth**

Determining whether specific growth industries are gaining as fast as or even more so than similar industries at higher geographic levels (such as a region or the State of California) is also critical to any detailed economic base analysis. An important approach for determining the relative growth in employment is called the shift-share analysis. It is possible that specific product lines can report absolute positive growth between 1991 and 1999 yet, at the same time, experience a negative shift-share. Textile mills (SIC 20) in Kings County increased by 36 percent, from 162 jobs in 1991 to 220 in 1999. At the same time, in the comparison region, the State of California, textile mills grew even faster, by 76. Thus, Kings County's textile job growth lagged behind that for the region and, as a result, the County experienced a negative shift-share for SIC 20.

### **The Four-Quadrant Analysis**

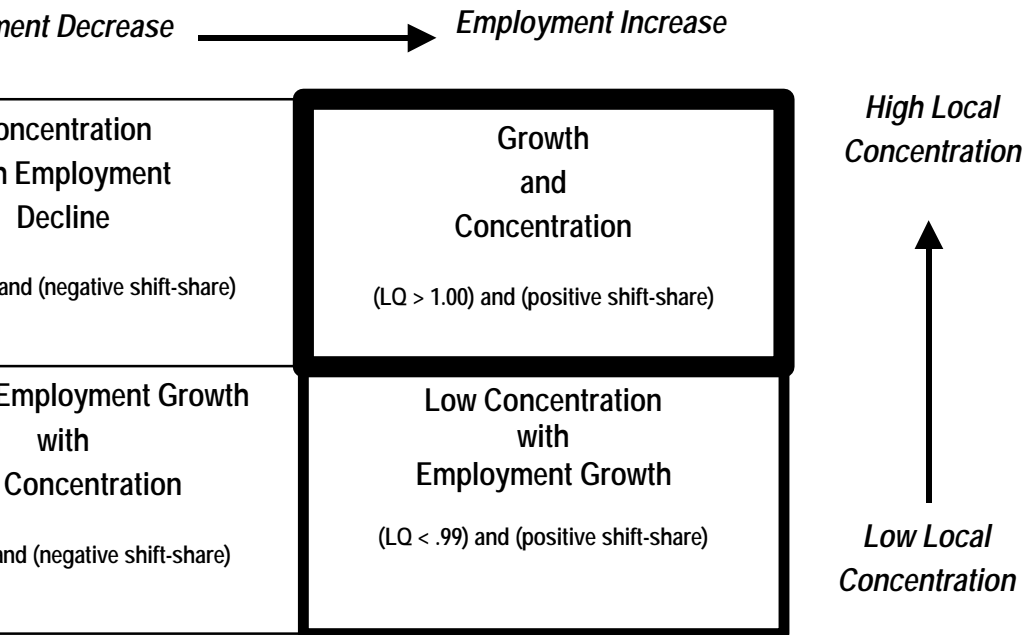
The four-quadrant analysis combines findings from the shift-share and location quotient analyses for specific industries and, in so doing, is an important tool in identifying *growing base*, *declining base*, *emerging*, and *small declining* industries. The following illustration provides a schematic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

### **Growth and Concentration**

The growing economic base includes those industry sectors that have positive growth rates and whose respective local concentration is greater than 1.00. 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

## Four Quadrant Analysis

maintains a comparative economic advantage versus 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 and transport facilities, a trained labor force, and the existence of complementary industries, to identify a few factors.

### Concentration with Employment Decline

The economic base includes industry sectors that have a high local concentration but have a negative growth rate. These businesses are somewhat concentrated in the area but the industry is weakening or restructuring through elimination of jobs. 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.

### Low Concentration with Employment Growth

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 are often-times referred to as “infant industries”—those which 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 into mature industries in which the County enjoys a comparative economic advantage when compared with other areas.

### **Negative Employment Growth with Low Concentration**

The fourth category is made up from businesses that have a small share in the local economy (location quotient less than one) and are declining in employment. This category is not the subject of an in-depth analysis because the types of businesses that fall into 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.

## **TRENDS IN KINGS COUNTY**

For Kings County, those industry sectors with 200 or more employees in 1991 or 1999 are included in this analysis. The data comes from the ES202 IMPLAN files of MIG, a Michigan-based vendor of employment data from across the country. As discussed earlier, government, agriculture and manufacturing are critical to Kings County. As shown in Figure 14, the four-quadrant analysis shows that, indeed, industries in both private sector divisions play important roles in the growing base and the emerging industries quadrants of the four-quadrant analysis.

### **Agricultural Sector Growth**

There are a number of agricultural service-related industries in the growing base quadrant, such as farm management services (SIC 0762), crop harvesting (SIC 0722) and farm labor contractors (SIC 0761). Crop planting (SIC 0721) is an emerging industry for Kings County – see Figure 14. The three-county region also has both SIC 0722 and SIC 0761 as growing base industries, with SIC 0762 as an emerging industry, as shown in Figure 15.

**FIGURE 14**  
**Kings County Large Base Industries**

*Employment Decrease*

*Employment Increase*



<p>6411 Insurance agents, brokers, and service 1731 Electrical work 1742 Plastering, drywall, and insulation 6531 Real estate agents and managers</p> <p align="center"><b>Declining Base</b></p>	<p>0762 Farm management services 0761 Farmlabor contractors 8062 General medical and surgical hospitals 2033 Canned fruits and vegetables 5411 Grocery stores 3011 Tires and inner tubes 2074 Cottonseed oil mills 0723 Crop preparation services for market, except cotton ginning 4212 Local trucking without storage 2022 Cheese, natural and processed 2281 Yarn spinning mills 0722 Crop harvesting, primarily by machine 5191 Farmsupplies 8361 Residential care 1611 Highway and street construction, except elevated highways 2711 Newspapers—publishing, or publishing and printing 5083 Farm and garden machinery 5149 Groceries and related products, nec 2041 Flour and other grain mill products 5159 Farm-product raw materials, nec</p> <p align="center"><b>Growing Base</b></p>
<p>6021 National commercial banks 2339 Women's and misses' outerwear, nec 1711 Plumbing, heating, and air-conditioning 1721 Painting and paper hanging 4813 Telephone communications, except radio 2752 Commercial printing, lithographic 3651 Household audio and video equipment 4213 Trucking, except local 1771 Concrete work 5661 Shoe stores 6035 Savings institutions, federally chartered 0740 Veterinary services 5084 Industrial machinery and equipment 2051 Bread, cake, and related products 6331 Fire, marine, and casualty insurance 5047 Medical and hospital equipment 4222 Refrigerated warehousing and storage 1791 Structural steel erection 1793 Glass and glazing work 5065 Electronic parts and equipment 5063 Electrical apparatus and equipment 5091 Sporting &amp; recreational goods 4581 Airports, flying fields, and airport terminal services 4841 Cable and other pay TV services 6159 Misc. business credit institutions 1381 Drilling oil and gas wells 5015 Motor vehicle parts, used 3559 Special industry machinery, nec</p> <p align="center"><b>Small Declining</b></p>	<p>5810 Eating and drinking places unallocated 8051 Skilled nursing care facilities 0721 Crop planting, cultivating, and protecting 8082 Home health care services 6061 Credit unions, federally chartered</p> <p align="center"><b>Emerging</b></p>

*High Local Concentration*



*Low Local Concentration*

**FIGURE 15**  
**Three-county Region Large Base Industries**

*Employment Decrease*

*Employment Increase*



<p>0780 Landscape and horticultural services unallocated 6021 National commercial banks 6331 Fire, marine, and casualty insurance 4513 Air courier services 6022 State commercial banks 1761 Roofing, siding, and sheet metal work 6211 Security brokers, dealers, and flotation companies 6162 Mortgage bankers and loan correspondents 5141 Groceries, general line 3089 Plastics products, nec 2051 Bread, cake, and related products 0740 Veterinary services 2759 Commercial printing, nec 5047 Medical and hospital equipment 4731 Freight transportation arrangement 1752 Floor laying and floor work, nec 5044 Office equipment 5063 Electrical apparatus and equipment 5051 Metals service centers and offices 1791 Structural steel erection 3471 Plating and polishing 5045 Computers, peripherals &amp; software 2431 Millwork 4724 Travel agencies 5031 Lumber, plywood, and millwork</p> <p align="center"><b>Declining Base</b></p> <p>6552 Subdividers and developers, nec 6061 Credit unions, federally chartered 5072 Hardware 2511 Wood household furniture 4581 Airports, flying fields, and airport terminal services 6324 Hospital and medical service plans</p>	<p>0761 Farm labor contractors 0723 Crop preparation services for market, except cotton ginning 2015 Poultry slaughtering and processing 6411 Insurance agents, brokers, and service 2033 Canned fruits and vegetables 4213 Trucking, except local / 0721 Crop planting, cultivating, protecting 6311 Life insurance / 5191 Farm supplies 5149 Groceries and related products, nec / 2711 Newspapers 5083 Farm and garden machinery 2037 Frozen fruits vegetables / 5013 Motor vehicle supplies new parts 0722 Crop harvesting, by machine / 3581 Automatic vending machines 3446 Architectural metal work / 3663 Radio &amp; TV communications 2022 Cheese, natural and processed / 5012 Automobiles other vehicles 2011 Meat packing plants / 4833 TV broadcasting stations 3523 Farm machinery and equipment / 3011 Tires and inner tubes 5093 Scrap and waste materials / 1629 Heavy construction, nec 3561 Pumps and pumping equipment 2068 Salted and roasted nuts seeds 3565 Packaging machinery / 6062 Credit unions, not federally chartered 3273 Ready-mixed concrete / 3556 Food products machinery 2074 Cottonseed oil mills / 3441 Fabricated structural metal 5085 Industrial supplies / 6732 Educational, religious, etc., trusts 4832 Radio broadcasting stations / 5082 Construction mining machinery 2761 Manifold business / 2048 Prepared feeds, nec 2096 Potato chips and similar snacks / 4151 School buses 1794 Excavation work / 2281 Yarn spinning mills 2326 Men's and boys' work clothing / 2656 Sanitary food containers / 3443 Fabricated plate work (boiler shops) 2439 Structural wood members, nec / 5015 Motor vehicle parts, used 5159 Farm-product raw materials, nec / 4939 Combination utilities, nec 2052 Cookies and crackers / 0751 Livestock services, except veterinary</p> <p align="center"><b>Growing Base</b></p>
<p>1731 Electrical work 6531 Real estate agents and managers 1742 Plastering, drywall, and insulation 4813 Telephone communications, except radio 1799 Special trade contractors, nec 2752 Commercial printing, lithographic 1721 Painting and paper hanging 5084 Industrial machinery and equipment 4119 Local passenger transportation, nec 1623 Water, sewer, pipeline, and communications and power line const 1751 Carpentry work 4512 Air transportation, scheduled 2084 Wines, brandy, and brandy spirits 3599 Industrial machinery, nec 6361 Title insurance 4911 Electric services 4225 General warehousing and storage 4953 Refuse systems 4812 Radiotelephone communications 5199 Nondurable goods, nec 6035 Savings institutions, federally chartered 3672 Printed circuit boards 3444 Sheet metalwork 2653 Corrugated and solid fiber boxes 6141 Personal credit institutions / 4841 Cable and other pay TV srvs 5074 Plumbing &amp; hydronic heating supplies / 5181 Beer and ale 2421 Sawmills and planing mills, general 3714 Motor vehicle parts and accessories 5087 Service establ equipment / 4215 Courier services, except air 5147 Meats and meat products / 3272 Concrete products, nec</p> <p align="center"><b>Small Declining</b></p>	<p>8051 Skilled nursing care facilities 4212 Local trucking without storage 0762 Farm management services 1711 Plumbing, heating, and air-conditioning 5148 Fresh fruits and vegetables 2034 Dehydrated fruits, vegetables, soups 1771 Concrete work 2026 Fluid milk 7538 General automotive repair shops 5712 Furniture stores 4932 Gas and other services combined 2099 Food preparations, nec 2038 Frozen specialties, nec / 1611 Highway and street construction 8069 Specialty hospitals, except psychiatric 2732 Book printing 1741 Masonry and other stonework 3211 Flat glass / 2086 Bottled and canned soft drinks 1743 Terrazzo, tile, marble, mosaic work 3842 Surgical appliances and supplies / 0724 Cotton ginning 4222 Refrigerated warehousing and storage / 5713 Floor covering stores 5992 Florists / 3442 Metal doors, sash, and trim 2434 Wood kitchen cabinets 0711 Soil preparation services 2449 Wood containers, nec / 3357 Nonferrous wire drawing &amp; insulating 5145 Confectionery / 5231 Paint, glass, and wallpaper stores 5172 Petroleum products, nec 5171 Petroleum bulk stations 3713 Truck and bus bodies</p> <p align="center"><b>Emerging</b></p>

**High Local Concentration**



**Low Local Concentration**

### **Manufacturing Sector Growth**

Whereas manufacturing growth in nearby Fresno County occurred strongest among durable goods producing industries that were related to agriculture, Kings County's manufacturing strength lies with non-durable agricultural manufacturers, specifically canned fruits and vegetables manufacturers (SIC 2033) and cheese processors (SIC 2281). In other words, Kings County does not have as diverse a manufacturing base as its neighbor, Fresno County, does. The number of industries at the four-digit SIC level within the emerging industry quadrant is also sparse, further underscoring the absence of a diversified economy.

### **Services Sector Growth**

The analysis shows that a limited number of local support industries, such as those in the services, are a growing part of the county's economic base. Business services are typically downplayed in four quadrant analyses because the growth of these industries is derivative of growth elsewhere in the economy and of larger demographic changes. Moreover, health services specifically are often downplayed in four quadrant analyses since much of the health and medical activities revolve around one centrally located facility in the County. However, since health services industries are the fifth largest employers in the County, after services in general, agriculture, retail, and manufacturing, these industries merit special attention. As it is, skilled nursing care facilities (SIC 8051) is an emerging industry in Kings, along with home health care (SIC 8082).

## **ANALYSIS OF THE RETAIL SECTOR**

As previously noted, the retail sector of the local economy is defined as those businesses that are primarily serving local markets. This distinction is important because businesses that are local serving are far more dependent on the variables discussed in the community assessment than are businesses that export their products and services outside the study area. For example, sales for local serving businesses are dependent on steady growth of income and/or population in the area for commensurate growth in sales.

Businesses in the retail sector are especially important to the City and other public agencies that depend on sales taxes for most of their revenues. If local serving businesses that produce products and services subject to sales taxes are not growing in keeping with the growth in population and the demands of citizens for public services, public sector agencies will need to raise sales

tax rates or find other sources of funding for providing essential public services.

ADE uses a retail analysis model to provide clients with information on the economic health of their retail businesses. This analysis uses retail sales data made available to the City by the State Franchise Tax Board as the basis for the analysis. This data is matched against estimates of total income in the market area based on federal and state data sources and divided into 50 store types. Estimates of the variance between actual sales and estimated demand are calculated to determine the amount of “leakage” for each store type. It is assumed that local merchants can potentially capture a large amount of the identified leakage through more vigorous competition.

## **ANALYSIS OF THE LEMOORE RETAIL SECTOR**

### **The Market Area**

The market area for analysis of the Lemoore retail sector was defined to be the City limits. This market area designation was selected because of the extensive overlap in both retail establishments and income within a short distance from the City. For example, a major regional shopping center is located less than five miles from Lemoore in the City of Hanford. This shopping center serves a regional consumer base and would make leakage analysis difficult.

Using the City limits as the market area for analysis of the retail sector, data on actual and taxable sales were obtained from the City. Estimates of purchasing power in terms of available income were prepared by ADE and matched against actual sales. This analysis produced a number of key findings.

### **Overall Sales Growth**

Actual sales by all store types located within the City exceeded the total amount of estimated demand by over \$7.6 million, as illustrated in Figure 16. As the figure shows, this excess of sales over estimated demand was primarily concentrated in the food, eating and drinking group, which captured \$52 million in sales compared to the estimated demand within the City limits of \$30 million. The other group where sales exceeded estimated demand was the automotive group. This group had sales of \$37 million compared to an estimated demand of \$34 million (Figure 16).

**FIGURE 16**  
**Total Demand, Actual Sales, and**  
**Surplus/Leakage by Retail Group**

Retail Group	Total Demand for All Households	Actual Sales	Surplus / (Leakage)
<b>Total</b>	<b>\$107,145,241</b>	<b>\$114,801,842</b>	<b>\$7,656,600</b>
Apparel Store Group	\$6,247,276	\$240,200	(\$6,007,076)
General Merchandise Group	\$18,945,826	\$17,231,407	(\$1,714,419)
Specialty Retail Group	\$7,434,851	\$5,209,462	(\$2,225,389)
Food, Eating and Drinking Group	\$29,994,461	\$51,897,181	\$21,902,720
Building Materials and Home Furnishings Group	\$10,279,590	\$3,216,713	(\$7,062,878)
Automotive Group	\$34,243,237	\$37,006,879	\$2,763,642

Source: Applied Development Economics

### Major Sources of Sales Growth

A more detailed analysis of sales in the food, eating and drinking group showed that grocery stores were responsible for \$16 million and eating places \$5 million of the \$22 million in sales over the estimated demand in the food, eating and drinking group (Figure 17). In the automotive group, gasoline service stations accounted for \$8 million and auto parts and accessories \$7 million in sales over estimated demand; this was offset by an \$11 million in leakage for new cars and RVs based on an estimated demand of \$21.9 million compared to actual sales of \$10.8 million. Used car dealers were found to have a leakage of \$733,000 (Figure 18).

**FIGURE 17**  
**Major Sources of Sales Growth**  
**Food, Eating and Drinking Group**

Retail Group	Total Demand for All Households	Actual Sales	Surplus / (Leakage)
<b>FOOD, EATING AND DRINKING GROUP</b>	<b>\$30,422,524</b>	<b>\$51,897,181</b>	<b>\$21,902,720</b>
Grocery Store	\$19.9M	\$36.1M	16.1M
Eating Places	\$8.6M	\$13.6M	\$5M

Source: Applied Development Economics

### Opportunities for Sales Growth

Conversely, all other major groups including the apparel store group, the general merchandise group, the specialty retail group, and the building materials and home furnishing group had sales less than the demand estimated for the market area. The largest amount of leakage was found in the building materials and home furnishings group. Sales for this group were

**FIGURE 18**  
**Major Sources of Sales Growth**  
**Automotive Retail Group**

Retail Group	Total Demand for All Households	Actual Sales	Surplus / (Leakage)
<b>AUTOMOTIVE GROUP</b>	<b>\$34,243,237</b>	<b>\$37,006,879</b>	<b>\$2,763,642</b>
<b>New Cars &amp; RVs</b>	<b>\$21.9M</b>	<b>\$10.8M</b>	<b>(\$11M)</b>
<b>Used Car Dealers</b>	<b>\$1.6M</b>	<b>\$0.8M</b>	<b>(\$0.7M)</b>
<b>Gasoline Service Stations</b>	<b>\$9.3M</b>	<b>\$17.6M</b>	<b>\$8.3M</b>
<b>Auto Parts &amp; Accessories</b>	<b>\$816,000</b>	<b>\$7.7M</b>	<b>\$6.9M</b>

Source: Applied Development Economics

\$3.2 million compared to an estimated demand of over \$10.2 million. The apparel store group, which had actual sales of only \$240,000 compared to an estimated demand of over \$6.2 million, was the second highest (Figure 16).

Based on a more detailed analysis of actual sales versus estimated demand in the market area, significant amounts of leakage were found in furniture and home furnishings, household appliances, and electronics, and nurseries and garden supplies in the building materials and home furnishings group. Leakage in the apparel store group was primarily in family clothing, with additional leakage in women's apparel and shoe stores.

### Summary

Based on this analysis, it appears that existing stores in Lemoore that provide the above mentioned goods that have significant leakage are good candidates for expansion. Where no stores exist in these categories, attraction of merchants offering these goods would be a good strategy. However, opportunities in the categories that are exceeding estimated demand are also candidates for expansion and attraction since they have already proven their ability to capture sales from consumers living outside the area.

While these findings are statistically accurate, it may be the case that the estimated consumer demand of some goods associated with a specialty store type in the analysis is being absorbed by stores that carry a wide range of merchandise. For example, Kmart and other stores carrying a wide range of consumer products are satisfying some of the consumer demand for family clothing and women's apparel. Therefore, local merchants should be consulted to get a more accurate picture of how the demand for undersupplied products is being met in Lemoore.

## **STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)**

Ability to capture the industrial and retail opportunities described in the previous section 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. Therefore, Lemoore cannot be content with having a competitive edge on other cities in Kings County or the three-county labor market area. The City must be prepared to compete with all other locations having similar strengths and weaknesses.

### **Strengths**

ADE's analysis of the SWOT analysis found that the assets of the City far outweigh any weaknesses they may have and the opportunities are superior to any imminent threats. By far, the major strength of the City is the availability of a variety of fully serviced sites ready for development by industrial prospects. Site availability is the key to all industrial attraction, expansion, and new enterprise development initiatives. Therefore, the availability of prepared sites and plans for more are the City's most important asset.

### **Weaknesses**

A potential weakness is the "perceived" shortage of labor to satisfy the demands of labor-intensive industries. Industries expanding from other more urban areas are often not convinced that rural areas have a large enough labor pool to meet their requirements when several hundred employees are needed during the start up period. They are also concerned about the work ethic of the rural labor force and its ability to work productively in the high performance workplace in which most businesses operate in today's competitive environment. This problem is more apparent than real, but it will need to be addressed.

### **Opportunities**

The major opportunity for Lemoore is the likely continuation of employment growth in the San Joaquin Valley at the expense of other areas of the State. Urban areas in California are suffering from decades of neglect in terms of their basic infrastructure. The lack of affordable housing, unavailability of quality schools, high crime rates, and inadequate transportation facilities are seemingly insurmountable problems for the State's urban areas. As a result,

individuals and businesses are likely to continue relocation to the State's rural areas, particularly the San Joaquin Valley. Lemoore can take advantage of this condition for which only long-term solutions are possible.

### **Threats**

A possible threat facing Lemoore could be complacency. Currently, the City is well organized and staffed with professionals that understand the competitive nature of economic development. They have taken many of the steps necessary to assure the ability of the City to negotiate successfully by participating in most of the available federal and state assisted incentive programs. They have worked closely with the Kings County Economic Development Corporation and County Workforce Investment Board to make the most of their services.

At the same time, the City Council and other leaders in the City have taken a careful but positive approach to economic development by recognizing that it has both its costs and benefits. This support for the initiation and implementation of well-constructed economic development plans has placed the City in a competitive position for continuing its business attraction, expansion, and new enterprise development initiatives. Any letup in the professionalism and/or support for economic development by the City Council and Lemoore's private sector leaders could have a dampening effect on its current position.

### **ECONOMIC STRATEGY**

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. It also recognizes that the jobs/housing imbalance is not confined to the City limits and that final solutions must be found at the level of the labor market area that includes the counties of Fresno, Kings and Tulare at a minimum. Even so, the City is confident that it can substantially reduce the statistical imbalance by creating more and better paying jobs for current and future residents.

The community and economic assessments serve as baseline data and information for development of the economic strategy. The approach includes a clear statement of the goals and objectives of the city; the business attraction, expansion, and new enterprise development strategies required to

meet those goals and objectives; and approaches that address the opportunities for expanded employment generation in the community's basic and local serving businesses

## **ECONOMIC DEVELOPMENT GOALS**

Bringing the jobs/housing equation into balance will require a regional effort. Neither the City of Lemoore nor any of the other cities in the labor market area have much influence over the housing and employment choices individual labor force members make. The only way a balance can be achieved is on a regional basis. The City of Lemoore is prepared to work with other cities and County officials in the three-county area to address this issue.

### **More Jobs and Better Wages**

The overall economic development goals for the City of Lemoore are 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 occupational category. This study once again confirms that the major economic problem in the San Joaquin Valley and its labor market centers is labor force growth in excess of available jobs and low average wage rates.

Population increases in the City have substantially increased the labor force. This is particularly true since population growth has been concentrated in the 18-54 working age category. Population growth has primarily been the result of births over deaths. But immigration from outside the area has also played a role. Despite considerable success, the City has been unable to develop a sufficient number of jobs to satisfy growth in the labor force.

At the same time, low wages lead to a lack of purchasing power needed to support local serving businesses. It also diminishes the ability of local government to provide the level of services that current residents rightly expect or plan for the services that will be required for future residents because of their dependency on sales taxes for revenue. This results in a vicious cycle of decline that will prevent the continued success of the area in its economic development efforts.

By simultaneously increasing the number of jobs available and the average wages paid in the area, Lemoore 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 the education and training of the existing and future labor force. The location of West Hills College's new facility in Lemoore will strengthen the City's ability to steadily increase the productivity of its labor force.

### **Parity in Wages**

The goal of parity for Lemoore workers with the State in average wages is a good measure of success for this economic strategy and its implementation plan. At the same time, there is a continuing need for bringing more jobs into the area to satisfy labor force growth, which also provides a statistical measure.

These twin goals are to be accomplished through the attraction, expansion, and development of new enterprises paying above the current average wage and support of an education and training system that continually increases the productivity of area workers to offset wage increases.

## **INDUSTRIAL DEVELOPMENT**

The City of Lemoore has a proven ability to attract industry to the area and encourage the expansion of existing businesses. Our analysis of industrial conditions and trends indicates that this success is due in part to the City's efforts to attract businesses in the food and fiber system, particularly food processing. The San Joaquin Valley will likely remain a center of agricultural activity for a number of decades to come. However, the emphasis will be on the production of products rather than commodities.

### **Target # 1: High Value Added Agricultural Businesses**

The City should continue to focus on food processing and expand their targets to include all suppliers of existing food and fiber system businesses located in the three-county labor market area. This would include all business sectors identified as growing in employment and concentration in the area including, but not limited to, farm management services, farm labor contractors, crop preparation services, crop harvesting, farm supplies, farm and garden machinery and crop planting and cultivation.

### **Target #2: Medical Services Businesses**

In addition to businesses in the food and fiber system, the City should recognize the growing importance of the medical services industry. Including in its business recruitment, expansion, and new enterprise development initiatives businesses in those medical services industries showing strong economic growth in the three-county labor market area can accomplish this.

This would include, but not be limited to, skilled nursing care facilities, specialty hospitals, surgical appliances and supplies, and home health care services as well as other businesses in the medical services industry that did not appear in our analysis due to the constraint of more than 200 employees per industry.

### **Target #3 Information Technology Firms**

The City should also continue its efforts to recruit businesses in the information technology (IT) sector. Lemoore's recent success in recruiting a call center to locate in Pioneer Square is but a modest start in recruiting IT businesses that are likely to be locating in the rural areas of the State. As long as the telecommunications infrastructure is in place, these businesses can locate anywhere they choose. Since this is the fastest growing sector of the national economy, and is expected to employ half the labor force by 2006 according to the U.S. Department of Commerce, it is in the City's best interest to recognize this opportunity by including it in its business attraction, expansion, and new enterprise development initiatives.

## **RETAIL DEVELOPMENT**

The importance of retail development is frequently left out of economic strategies, which are inclined to focus on those industries that bring new wealth into the community through the sale of their goods and services outside the area. Most economic development professionals have little experience in the development of retail businesses, with the notable exception of recruitment of auto dealers, big box stores, and fast food restaurants. The expansion and recruitment of small retail outlets to fill vacancies in shopping centers and downtown areas has been largely left to local Chambers with little or no City support.

Our analysis of retail opportunities in Lemoore indicates that there are a number of opportunities for the expansion and attraction of retail goods and services in both downtown and Pioneer Square. While, as a rule, retail development is best left to the marketplace, the influx of consumers from other areas may call for a more formal approach to guiding the changes that are continually taking place regarding the mix of retail businesses in the City based on the market opportunities identified in this study.

Therefore, ADE recommends that the economic strategy include a concerted effort by the City and the Chamber to actively recruit new retail businesses to the area, encourage the expansion of those that are already there and assist

entrepreneurs in the development of new enterprises to meet the market demand identified in this study. The purpose of this initiative is to make sure that investors know of the market opportunities available to them in the City of Lemoore. The documentation in this study can serve as a basis for such a campaign.

**Target # 1: Encourage local businesses to expand**

The City should collaborate with the Chamber to develop an information system that can provide real time facts on the opportunities and problems being experienced by local merchants as they seek to expand their businesses in the downtown and other shopping areas in the City. The program should include an information clearing house operated by the Chamber that would track and follow up on opportunities for expansion identified by local merchants, and facilitate support for them in the problems that they are having in expanding their businesses.

**Target # 2: Recruit new businesses to meet demand**

The City should collaborate with the Chamber in conducting an ongoing recruitment initiative to fill vacancies as they occur in the downtown and other shopping areas in the City. This initiative would involve the development of a system for tracking vacancies, determining likely store types for replacement, directing solicitation of prospects, and following up as required.

**Target # 3: Recruit new highway commercial**

The City should collaborate with the Kings County EDC to actively recruit developers and users to areas designated for highway commercial development. This would include properties that are expected to be annexed to the City as residential development proceeds, particularly with respect to Highway 41 and the interchange of Highway 41 and Highway 198.

## PART II: IMPLEMENTATION PLAN

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The jobs/housing implementation plan describes the initiatives required to put the economic strategy in motion. The plan allocates the remainder of the \$110,000 jobs/housing fund (\$55,000) to implement these initiatives and identifies the organization that will be responsible for the implementation of each initiative. Schedules for initiation and completion of each initiative are also provided, along with quantifiable benchmarks to evaluate outcomes and make mid-course corrections as necessary.

Three initiatives are recommended for implementation of the economic strategy:

1. Outreach to businesses in targeted industrial and retail sectors
2. Attendance at selected trade shows
3. Creation of new promotional materials and up-date of current materials.

These initiatives would be directed at both the industrial sector – including services – and the retail sector. Funds made available from the HCD grant will be used to cover some of the costs of these activities, including one-time costs such as equipment and printing costs for publications, and travel expenses for trade show attendance and targeted recruitment visits.

### PREPARATION OF PROMOTIONAL MATERIALS

*Initiative: The City and the Chamber maintain an inventory of promotional materials useful for recruitment, expansion and new enterprise development efforts*

These materials need to be continually updated and improved to reflect industrial and retail targets as well as current market conditions and trends. The City will prepare new materials and revise and enhance existing materials reflecting the economic development strategy resulting from this study. Records will be maintained regarding website visitations, the distribution of promotional materials through direct mail campaigns, availability at trade shows, and other uses made of the materials in promotion of business attraction and expansion. These records will serve as the base line for evaluating performance and redistribution of budgeted funds between initiatives as called for by the performance review.

### **Budget**

A total of \$20,000 will be initially budgeted for the implementation of this initiative. A re-allocation of funding between initiatives will be implemented as the result of a review of the accomplishments of each initiative, based on performance measure(s) adopted for this initiative.

### **Schedule**

This initiative will begin within one month of approval of funding for the jobs/housing implementation plan by the State Department of Housing and Community Development, and be completed by September 2003.

### **Responsible Organization**

The City of Lemoore will be the responsible organization for implementation of this initiative. The City will work in collaboration with the Kings County Economic Development Corporation with respect to industrial attraction and expansion efforts and with the Lemoore Chamber of Commerce with respect to retail attraction and expansion efforts.

### **Performance Measure**

The performance measure for this initiative will be the number of firms from among those initially contacted through direct mail and/or a site visit that have shown interest in locating or expanding in Lemoore during the first twelve months after the initial contact. This would involve prospects contacting the City as a result of viewing the City or Chamber website, responding to promotional material published by the City or the Chamber, and/or other advertising directed at prospects for location or expansion of a business in Lemoore.

## **OUTREACH TO TARGETED BUSINESSES**

### *Initiative: Direct Mail Campaign*

This study identifies the specific target sectors for recruitment, expansion and new enterprise development in both the industrial and retail categories. During the implementation phase, the City will develop appropriate contact lists for firms in each targeted industrial sector. Direct mail, using a letter carefully designed for the target businesses, and/or telephone inquiries will be made to each identified firm to discuss their expansion and/or location plans. Follow up materials will be sent and site visits will be made to those

businesses expressing interest in Lemoore as a possible location. Careful records of all visits will be maintained and follow up on all potential opportunities will be conducted.

### **Budget**

A total of \$20,000 will be initially budgeted for the implementation of this initiative. A reallocation of funding between initiatives will be implemented as the result of a review of the accomplishments of each initiative, based on performance measures adopted for this initiative.

### **Schedule**

This initiative will begin within one month of approval of funding for the jobs/housing implementation plan by the State Department of Housing and Community Development, and be completed by September 2003.

### **Responsible Organization**

The City of Lemoore will be the responsible organization for implementation of this initiative. The City will work in collaboration with the Kings County Economic Development Corporation with respect to industrial attraction and expansion efforts, and with the Lemoore Chamber of Commerce with respect to retail attraction and expansion efforts.

### **Performance Measure**

The performance measure for this initiative will be the number of firms from among those initially contacted through direct mail and/or a site visit that have shown interest in locating or expanding in Lemoore during the first twelve months after the initial contact.

## **ATTENDANCE AT SELECTED TRADE SHOWS**

*Initiative: Identify National and State trade shows for the targeted sectors*

Priorities for attendance will be developed based on a variety of factors including the importance of the industry to local labor market area businesses and industrial and retail targets adopted in the jobs/housing economic strategy. Other criteria will include participation by the State Technology, Trade and Commerce Agency, the Kings County EDC, and other labor

market area economic development officials and intelligence gained through personal visitations.

### **Budget**

A total of \$15,000 will initially be budgeted for the implementation of this initiative. A reallocation of funding between initiatives will be implemented as the result of a review of the accomplishments of each initiative based on performance measures adopted for this initiative

### **Schedule**

This initiative will begin within one month of approval of funding for the jobs/housing implementation plan by the State Department of Housing and Community Development, and be completed by September 2003.

### **Responsible Organization**

The City of Lemoore will be the responsible organization for implementation of this initiative. The City will work in collaboration with the Kings County Economic Development Corporation with respect to industrial attraction and expansion efforts, and with the Lemoore Chamber of Commerce with respect to retail attraction and expansion efforts.

### **Performance Measure**

The performance measure for this initiative will be the number of firms from among those initially contacted through trade show participation that have shown interest in locating or expanding in Lemoore during the first twelve months after the initial contact.

# APPENDIX A: COMMUNITY ASSESSMENT

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## APPENDIX B: INDUSTRIAL OPPORTUNITIES

**TABLE B-1  
LARGEST INDUSTRIES IN KINGS COUNTY**

Industry Sector	SIC	Local		Percentage Change in Employment 1991 to 1999	Relative Growth 1991 to 1999
		Employ- ment 1999	Concen- tration 1999		
<i>Agriculture</i>					
Cotton	0131	1361			
Farm labor contractors	0761	1058	1.381924	392%	3.394383
Farm management services	0762	1058	6.656921	880%	8.626103
Dairy farms	0241	990			
General farms, primarily crop	0191	649			
Crop prep services for market, exc cotton ginning	0723	402	4.754898	38%	0.213357
Deciduous tree fruits	0175	354			
Crop harvesting, primarily by machine	0722	224	7.722437	59%	0.821053
Crop planting, cultivating, and protecting	0721	196	17.53762	2%	-0.19846
Vegetables and melons	0161	111			
<i>Manufacturing</i>					
Canned fruits and vegetables	2033	817	21.37571	-13%	0.081032
Tires and inner tubes	3011	666	365.3006	4%	0.240107
Cottonseed oil mills	2074	414	925.942	106%	1.685343
Cheese, natural and processed	2022	317	43.8863	7825%	77.85982
Yarn spinning mills	2281	298	272.8287	-1%	0.358821
Newspapers—publishing, or publishing and printing	2711	153	1.729778	78%	0.950616
Flour and other grain mill products	2041	109	49.80343	2625%	26.2719
Salted and roasted nuts and seeds	2068	105	16.03181		
<i>Construction</i>					
Highway street construction, except elevated highways	1611	166	3.652342	84%	0.580276
Plumbing, heating, and air-conditioning	1711	134	0.888201	21%	-0.0046
Electrical work	1731	115	0.704577	167%	1.305011
Plastering, drywall, and insulation	1742	84	0.763057	40%	0.179925
<i>Transportation, Communications and Utilities</i>					
Local trucking without storage	4212	344	2.765879	15%	0.084287
Refuse systems	4953	78	2.072538		
Local passenger transportation, nec	4119	69	1.553308	15%	-0.27545
Gas and other services combined	4932	69	1.468919	-39%	-0.24657
Telephone communications, except radio	4813	47	0.248329	-20%	-0.13027
<i>Finance, Insurance, and Real Estate</i>					
Insurance agents, brokers, and service	6411	162	0.940546	43%	0.444242
National commercial banks	6021	87	0.478309	-49%	-0.23692
Operators of apartment buildings	6513	81	1.22566		
Credit unions, federally chartered	6061	79	3.096837	20%	-0.02911
Real estate agents and managers	6531	77	0.328972	51%	0.402316
State commercial banks	6022	52	0.655669	86%	1.17861
Title insurance	6361	51	1.40197	38%	0.265518

**TABLE B-1 (CONTINUED)**

Industry Sector	SIC	Local		Percentage Change in Employment 1991 to 1999	Relative Growth 1991 to 1999
		Employ- ment 1999	Concen- tration 1999		
<i>Retail</i>					
Eating and drinking places unallocated	5810	1855	1.023714	8%	-0.05782
Department stores	5311	858	1.876549	185%	1.743491
Grocery stores	5411	673	1.218969	11%	0.108068
Gasoline service stations	5541	414	3.774923	148%	1.546778
New and used car dealers	5511	212	0.86734	13%	-0.10907
Auto and home supply stores	5531	187	1.963903	2%	-0.08544
Drug stores and proprietary stores	5912	152	1.088801	-17%	-0.27733
Lumber and other building materials	5211	95	0.761807	27%	0.030635
Hardware stores	5251	88	2.98045	-10%	-0.21032
Furniture stores	5712	74	1.288424	-46%	-0.46688
<i>Wholesale</i>					
Farm supplies	5191	210	10.29218	38%	0.232051
Farm and garden machinery	5083	132	8.010768	16%	0.147883
Groceries and related products, nec	5149	118	1.488017	237%	2.383007
Farm-product raw materials, nec	5159	90	35.78157	105%	1.671328
Groceries, general line	5141	48	1.033082	26%	0.27792
Meats and meat products	5147	48	2.523709	109%	1.004707
Petroleum bulk stations & terminals	5171	44	6.497328	38%	0.476571
<i>Services</i>					
General medical and surgical hospitals	8062	854	1.353245	35%	0.30025
Private households	8811	580	1.878118	260%	1.769682
Amusement and recreation, nec	7999	420	3.745338	536%	4.411925
Offices and clinics of doctors of medicine	8011	333	0.748515	16%	0.030224
Skilled nursing care facilities	8051	331	1.562806	10%	-0.09968
Residential care	8361	194	1.165442	118%	0.564825
Offices and clinics of dentists	8021	184	0.96158	29%	0.054093
Child day care services	8351	130	1.19086	128%	0.83412
Individual and family social services	8322	129	0.86391	32%	-0.14173
Hotels and motels	7011	117	0.30648	7%	0.03942
Building maintenance services, nec	7349	112	0.60794	367%	3.384545
Specialty outpatient facilities, nec	8093	103	2.596388	21%	0.135016
Employment agencies	7361	102	1.007778	2450%	24.5649
Business services, nec	7389	94	0.3737	119%	0.891662
Nursing and personal care facilities, nec	8059	93	3.044941	31%	0.574109
Home health care services	8082	91	1.242133	-8%	-1.47547
Accounting, auditing, and bookkeeping services	8721	87	0.513131	16%	0.204757
Legal service	8111	83	0.335944	0%	0.084156
Beauty shops	7231	77	1.032308	235%	2.341796
Video tape rental	7841	69	1.752314	123%	0.91323
Management consulting services	8742	61	0.920383	221%	1.890463

**TABLE B-2**  
**LARGEST INDUSTRIES IN THREE-COUNTY REGION**  
**(FRESNO, TULARE, KINGS COUNTIES)**

Industry Sector	SIC	Employ- ment 1999	Local Concen- tration 1999	Percentage	
				Change in Employment 1991 to 1999	Relative Growth 1991 to 1999
<i>Agriculture</i>					
Farm labor contractors	0761	38434	10.7	61%	0.08210825
Grapes	0172	10361	8.5		
Crop preparation services for market, except cotton ginning	0723	9203	8.5	58%	0.41128569
General farms, primarily crop	0191	6291	7.8		
Deciduous tree fruits	0175	5693	13.5		
Dairy farms	0241	5046	10.2		
Cotton	0131	3933	19.9		
Farm management services	0762	2661	9.2	12%	-0.0478823
Crop planting, cultivating, and protecting	0721	2508	12.4	29%	0.07215347
Landscape and horticultural services unallocated	0780	2055	0.84	62%	0.16299964
Vegetables and melons	0161	1943	1.9		
Fruits and tree nuts, nec	0179	1693	6.4		
Citrus fruits	0174	1644	11.0		
Tree nuts	0173	1033	3.5		
Crop harvesting, primarily by machine	0722	991	4.6	-11%	0.12680516
Veterinary services	0740	515	0.74	34%	0.00824842
Cotton ginning	0724	389	11.7	-21%	-0.2208982
Soil preparation services	0711	304	5.8	38%	-0.2703996
Beef cattle, except feedlots	0212	301	2.9		
Ornamental floriculture and nursery products	0181	299	0.28		
Livestock services, except veterinary	0751	229	14.7	-42%	0.01587692
<i>Mining</i>					
Oil and gas field services, nec	1389	147	0.926	-65%	-0.1483868
Miscellaneous nonmetallic minerals	1499	67	5.9674		
Crude petroleum and natural gas	1311	62	0.24	-63%	-0.1324976
<i>Construction</i>					
General contractors—single-family houses	1521	3204	1.000		
Plumbing, heating, and air-conditioning	1711	2486	1.064	1%	-0.1987672
Electrical work	1731	1986	0.785	33%	-0.0365214
Plastering, drywall, and insulation	1742	1647	0.966	-18%	-0.4043248
Concrete work	1771	1303	1.121	14%	-0.0786439
Gen. contractors—nonres. Bldgs	1542	1197	0.841		
Special trade contractors, nec	1799	1025	0.863	-5%	-0.4399731
Painting and paper hanging	1721	811	0.842	7%	-0.3315058
Roofing, siding, and sheet metal work	1761	807	0.907	27%	0.02778074
Highway and street construction, except elevated highways	1611	717	1.018	22%	-0.042703
Water, sewer, pipeline, communications and power line	1623	655	0.976	0%	-0.0326798
Heavy construction, nec	1629	647	1.157	-11%	0.00710958
Carpentry work	1751	627	0.576	6%	-0.72922
General contractors—industrial buildings and warehouses	1541	544	1.999		
Masonry and other stonework	1741	507	1.414	4%	-0.1044365

TABLE B-2 (CONTINUED)

Industry Sector	SIC	Local	Percentage	Relative	
		Employ- ment	Concen- tration		Change in Employment
		1999	1999	1991 to 1999	1991 to 1999
<i>Construction (cont.)</i>					
Terrazzo, tile, marble, mosaic work	1743	448	1.319	-15%	-0.3833057
Floor laying and floor work, nec	1752	372	0.881	61%	0.27938263
Excavation work	1794	360	1.198	145%	0.57239981
Structural steel erection	1791	323	0.899	41%	0.18774378
Water well drilling	1781	180	2.722	12%	0.23573394
<i>Manufacturing</i>					
Poultry slaughtering and processing	2015	3245	10.170	21%	0.16803393
Canned fruits and vegetables	2033	2672	4.513	62%	0.82864374
Dehydrated fruits, vegetables, soups	2034	1550	6.745	-36%	-0.1397512
Newspapers—publishing, or publishing and printing	2711	1440	1.051	-5%	0.12016264
Frozen fruits and vegetables	2037	1306	6.692	33%	0.38504368
Fluid milk	2026	1211	4.921	-30%	-0.138753
Automatic vending machines	3581	976	20.865	46%	0.09919939
Commercial printing, lithographic	2752	913	0.717	-23%	-0.1966438
Architectural metal work	3446	903	6.788	249%	2.34168518
Food preparations, nec	2099	872	1.954	18%	-0.0560048
Radio & TV communications equipment	3663	833	1.419	1415%	13.5413059
Cheese, natural and processed	2022	806	7.203	908%	8.68482318
Frozen specialties, nec	2038	744	3.104	-18%	-0.2143609
Meat packing plants	2011	742	6.544	7%	0.19319203
Farm machinery and equipment	3523	677	8.998	15%	0.01308303
Tires and inner tubes	3011	666	23.581	4%	0.23684462
Pumps and pumping equipment	3561	590	5.056	7%	0.43630092
Salted and roasted nuts and seeds	2068	581	5.726	518%	3.88614434
Plastics products, nec	3089	564	0.521	15%	0.2440451
Bread, cake, and related products	2051	559	0.909	23%	0.17749841
Packaging machinery	3565	550	5.273	57%	0.14539984
Book printing	2732	512	7.753	5%	-0.7308708
Wines, brandy, and brandy spirits	2084	507	0.789	18%	-0.3570306
Industrial machinery, nec	3599	507	0.412	3%	-0.2015882
Flat glass	3211	487	7.424	-14%	-0.1714363
Bottled and canned soft drinks	2086	485	1.476	1%	-0.1276694
Ready-mixed concrete	3273	483	1.641	35%	0.35572789
Commercial printing, nec	2759	480	0.829	-8%	0.0546127
Food products machinery	3556	479	5.448	151%	1.40990712
Cottonseed oil mills	2074	475	68.579	15%	0.77576209
Fabricated structural metal	3441	467	2.296	80%	0.63593817
Surgical appliances and supplies	3842	426	1.108	-12%	-0.1974762
Printed circuit boards	3672	405	0.383	2%	-0.2707049
Manifold business forms	2761	403	4.223	-20%	0.11194228
Sheet metalwork	3444	397	0.933	-12%	-0.2080132
Prepared feeds, nec	2048	394	5.431	123%	1.47361087
Potato chips and similar snacks	2096	389	4.970	517%	5.51017364
Corrugated and solid fiber boxes	2653	387	0.877	-53%	-0.5943758
Metal doors, sash, and trim	3442	350	1.421	-1%	-0.1335417
Wood kitchen cabinets	2434	347	1.151	-21%	-0.3336551
Yarn spinning mills	2281	323	19.089	1%	0.38460491

## APPENDIX C: RETAIL OPPORTUNITIES

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## APPENDIX D: SWOT ANALYSIS

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