



CITY OF TURLOCK

Economic Development Strategic Plan

June 2017



PREPARED BY **Applied Development Economics, Inc.**
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1. INTRODUCTION AND SUMMARY

INTRODUCTION

This report was commissioned by the Turlock City as part of a three-part effort to update the City's economic development program. The City had completed a comprehensive economic development strategic plan in 2003 and then created a new strategy in 2014 following the adoption of a new General Plan. However, at that time the City was still seeing many of the effects of the Great Recession and the available economic data did not reflect emerging market opportunities clearly. The present report provides detailed updates of demographic, retail and industrial market data to provide a firmer foundation for City economic development efforts going forward. In addition to this analysis, the City has also commissioned a marketing/branding study and a tourism development strategy, which will be completed later in 2017. When combined, these plans and strategies will comprise a comprehensive work program for the City to pursue its economic development goals over the next five years.

In addition to the economic development goals established in the 2014 strategic plan, which remain very important in light of the current research about Turlock's economic opportunities and issues, this document adds two new goals – one to address retail competitiveness and one to address supporting economic foundations for success including broadband and other infrastructure, affordable housing, transit and circulation improvements to fully engage and provide access for all segments of the workforce in Turlock.

SUMMARY

The 2017 EDSP incorporates new data and analysis as well as the strategy framework from the 2014 EDSP. The summary below highlights the new information and recommendations from the current strategic planning process.

DEMOGRAPHICS AND LABOR FORCE

Turlock is a diverse community with a relatively well educated workforce that earns above average wages in the occupations they hold. The demographic analysis compares Turlock to 12 other city and county jurisdictions in the Central Valley and the Bay Area. Turlock ranks above the average on most of the indicators. More than 30 percent of persons 25 years and older have a college degree in Turlock, compared to 24 percent for Stanislaus County as a whole. Of the college educated group, 76 percent have a Bachelor's degree, with 40 percent of these are in science or engineering fields.

Turlock has relatively high percentages of workers employed in health care and education, as well as agriculture and logistics. Compared on an occupation to occupation basis, Turlock workers in health care, education and general management positions earn higher wages than in many of the comparison area, suggesting that they occupy more senior, skilled positions. This is reflected in the household income data as well. While the overall median income in Turlock is average in relation to the comparison areas, the income levels in the upper 20 percent of households have grown faster in Turlock over the past five years than in most of the other communities.

Turlock has historically had a relatively high proportion of workers both living and working in the community. However, that percentage has declined from about 48 percent in the year 2000 to 42 percent in 2015, during a time when statewide trends show increasing numbers of workers living and working locally. This has occurred as population in Turlock has grown faster than jobs and as higher paying jobs in the Bay Area have grown very fast more recently. Turlock has about 1 job for every household but there are 1.2 workers in each household, so additional job opportunities are needed for younger workers as they enter the labor force.

2015 Census data suggests that Turlock is good location for entry-level housing. It had the lowest median price, at \$227,900, for residents who bought their house in 2015 than any of the comparison areas. Home owners tend to be younger, with a higher proportion under 35 years of age. The relatively more affordable housing increases Turlock residents' effective disposable income compared to some Bay Area communities, who pay much higher costs for housing.

However, there was substantial community concern expressed in the EDSP process about housing opportunities in Turlock. Some community members suggest that the slow pace of housing development recently is forcing housing prices higher. In addition, there is little supply of executive housing, which makes it difficult to recruit management personnel from other areas. On the other end of the socioeconomic spectrum, affordable housing advocates point out that Section 8 is no longer available in Stanislaus County and low income groups have fewer choices to find suitable shelter.

Overall, however, Turlock appears to be a very family friendly place, with a high proportion of two-parent families and a higher number of children per family.

RETAIL MARKET

The retail sector is an important contributor to the quality of life in the community, by providing a variety of goods and services for local and visitor consumption, and also serving as a major source of tax revenues that support local municipal services. ADE conducted an extensive analysis of retail demand and existing sales in Turlock and determined that the City serves a large market area within Stanislaus County with nearly \$1.2 billion in purchasing power, and draws from a larger regional market that extends outside the County with another \$1.56 billion in purchasing power. This spending power includes households, business-to-business and visitors. While many retail store types are already represented in Turlock, the analysis identified several areas where further expansion should be possible, including auto sales, apparel, some specialty retail, appliances, electronics, restaurants and upscale grocery items.

JOB CREATION

Turlock is estimated to have about 25,600 jobs in 2015, about 14.7 percent of the County total. Turlock has a higher than average proportion of manufacturing, health care and education jobs, and the dollar value of the City private sector economy is estimated at \$6.8 billion, or 16.8 percent of the County total. Of concern, however, is that the City has had a slower rate of job growth between 2010 and 2015 (5.6 percent) than has the county (8.1 percent).

It is anticipated that although there will be continued challenges to maintaining farm jobs due to increasing labor costs and water supply issues, demand for food products will continue to grow. Opportunities for expansion of food processing industries will likewise continue, particularly in products prominent in Turlock and Stanislaus County such as cheese, other milk products and nuts. Similarly, there are business opportunities in the buyer/supplier networks for food processing. The analysis of industrial supplier gaps in Stanislaus County suggest that additional firms in fabricated metal product manufacturing, professional services, paper manufacturing, administrative support services, and primary metal manufacturing could be successful in Turlock. In addition, there continues to be an opportunity to attract agricultural technology firms to Turlock.

Many of the jobs in food manufacturing are becoming increasingly technical and there are shortages of skilled workers that can impede growth in this sector. Workforce development strategies are critical to support the expansion potential of industrial businesses in Turlock.

SWOT ANALYSIS

The Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis identifies more than 50 factors for the City to build upon or to address as liabilities in its economic development program. In the summary below we have presented three significant factors within each category. The reader is encouraged to review the SWOT Chapter of the report for a more complete analysis.

STRENGTHS

- The city is a strong player in the region, with plenty of assets not available in competing communities. Turlock draws what cities two times its size do, especially for retail. Incomes, wages, home prices and other demographic indicators indicate more affluence than other communities in Stanislaus County. Turlock is positioned to really shine if enough momentum and cooperation can be developed.
- The City is driven by agriculture and related manufacturing, which is stable and growing. Several expansions and new plants are underway or recently completed. The Westside Industrial Specific Plan (WISP) remains a strong location for all manufacturing including food and agricultural processing. The best advantage lies in having more shovel-ready sites than the competition.
- Downtown is doing well after a decade of streetscape improvements, and is transitioning from general retail to specialty retail and office. Retail is smaller scale and emphasizes personal services. The downtown is a regional restaurant and entertainment draw on weekends.

WEAKNESSES

- Complaints about the Building Department were common and consistent, though not universal. However, interviews with City staff appear to indicate that the complaints reflect an approach the City changed several years ago, and do not reflect current City processes. The weakness to a large extent is one of perception, which the City should attempt to correct through marketing and community education.

- Labor shortages exist in a number of occupations, including technical and automation fields, truck drivers, lab technicians, and maintenance technicians. Finding employees with a good work ethic is a key recruitment challenge;
- The City does not promote itself or its opportunities well, but has commissioned a marketing/branding study to address this gap;

THREATS

- Constrained housing opportunities. The pace of housing development does not meet the need for workforce or executive housing. While the City has a relatively new General Plan, the existing City limits now constrain housing development in particular. As housing becomes scarcer it will become less affordable. Community members have also expressed concern that low income groups, particularly seniors and some veterans, have a very difficult time finding affordable housing. Because new businesses locate where there is available and affordable housing, industrial, office, and retail expansions are discouraged. The city needs to accelerate development in the Southeast Specific Plan area, and undertake additional annexation/ expansion to the North and Northwest, where most growth is naturally occurring;
- The rising state minimum wage will cost employers tens of millions of dollars over the next five years, which will raise the cost of food and other products accordingly. This will particularly affect the agricultural sector;
- TID power is not competitive against other states. This and employee costs are important considerations for processors with multi-state operations. Several processors have indicated they plan to stay in Turlock without any major investing until their plant is no longer profitable, then build new in another state. This is also a statewide issue, but Turlock staff should do all it can to retain its existing large employers.

OPPORTUNITIES

The City can do plenty to help the economy and its local businesses, and by helping projects succeed. In particular:

- Continued good planning, including annexing for expanded housing opportunities.
- The PBID has been working well, but encompasses only 6 blocks between Palm and Lander. Refreshing it and expanding it might be considered – at least to encompass the Downtown Core (as defined in the Turlock Downtown Design Guidelines). This would bring in more assessment revenues that could be used for expanded marketing and security, and would also add a larger business voice to city affairs.
- UC Merced, CSU Stanislaus, Modesto College, TUSD, the Worknet Alliance (Opportunity Stanislaus), and others are all dedicated to workforce training, but each has separate funding sources with different missions, regulations and limitations. Workforce training can dramatically improve if these entities are better linked to employers, and if they collaborate to boost locally desired technology and trade skill sets such as manufacturing, engineering,

business management, and soft skills. The City can help initiate MOUs to facilitate internships and additional on the job training with local employers.

2. ECONOMIC VISION AND GOALS

Since 2014, Turlock has been operating under an economic vision and set of goals that reflected wide spread consensus among residents and economic stakeholders. The consultants have carefully reviewed the goals in relation to the updated market research for this 2017 strategy and concluded that the basic topics addressed by the goals remain relevant and in fact express very well the important features of a well-balanced economic development program. This current economic strategy refines and expands the implementation steps to achieve these goals. The new strategy also adds two new goals – a new Goal 4 to support and expand major retail centers in the community and a new Goal 9 to continue to develop and maintain economic foundations and support services such as affordable housing, transit, and broadband capacity.

Visioning for the Next Five Years

Vision

We will support an economically and socially diverse population, and a vibrant business community through partnerships and by fostering development that offers people the opportunity to live and work in Turlock.

Overall Goal	<i>Continue to develop Turlock as a great place to live and work.</i>
<i>Site Preparedness</i>	Goal 1 – Create conditions conducive to attract, retain, and expand existing businesses in Turlock.
<i>Business Development</i>	<p>Goal 2 – The Turlock economic development partners will work in a coordinated manner to increase job opportunities in the city through the agriculture, manufacturing, logistics and medical service clusters.</p> <p>Goal 3 – Downtown Turlock will be the business, cultural and civic center of the city.</p> <p>Goal 4 – Turlock retail centers will remain competitive, and address available market opportunities.</p> <p>Goal 5 – The community will host a wide variety of tourism, community and sporting events and activities.</p>

	Goal 6 – The City of Turlock will support entrepreneurial and small business activities.
<i>Education</i>	Goal 7 – Our educational system will build a citizenry which is prepared for the 21 st century workforce.
<i>Quality of Life</i>	Goal 8 – Turlock will be a cultural leader in the Central Valley with access to art, music and other cultural events. Goal 9 - Turlock will provide the necessary economic foundations and support services that allow workers at all socioeconomic levels to access and maintain living wage jobs.

3. DEMOGRAPHIC CHARACTERISTICS

INTRODUCTION

The chapter provides an update of demographic and employment characteristics for the population and workforce in Turlock. For context, it is often useful to compare communities to other locations within their market area or which have similar characteristics in order to judge how well the community is doing relative to general economic conditions. For this analysis, we have selected a number of comparison areas in the market area, including Stanislaus, Merced and San Joaquin counties as a whole, as well as the cities of Modesto, Merced, Patterson and Tracy. In addition, we provide data on Lodi, Clovis and Visalia, representing communities with a higher socioeconomic level than other parts of the San Joaquin Valley region. Finally, we have included two cities in the Bay Area which also have CSU campuses: Hayward and Rohnert Park. These areas and cities reflect comparisons that prospective businesses might make in considering business locations in the Central Valley and Northern California regions.

POPULATION DEMOGRAPHICS

POPULATION AND RACE

Of the nine comparison cities, Turlock with 70,596 people is the seventh largest place, following Merced (81,120) and just ahead of Lodi (63,589). Of the 70,596 persons in Turlock, 35,211 (or 49.9 percent) are White, with Hispanics at 26,766 (37.9 percent) comprising the next largest category of persons by race\ethnicity (Table 3-1). Rohnert Park (63.4 percent), Clovis (55.8 percent), and Lodi (52.2 percent) exhibit higher levels of persons who are White as a percent of total population, to underscore the diverse nature of Turlock's population.

SELECT NATIONAL ORIGINS

To further highlight Turlock's social diversity, this city is home to a significant number of persons of Assyrian descent. In all of California, there are roughly 35,900 persons of Assyrian descent, with 4,240 (11.8 percent) residing in Turlock (Table 3-2). By way of comparison, Turlock comprises 0.2 percent of California's total population, meaning that Assyrian are disproportionately concentrated in Turlock relative to the state. In terms of Turlock's population, persons of Assyrian descent comprise six percent of the city's population. Another group of persons who have historically concentrated in Turlock - persons of Portuguese descent - comprise almost seven percent (4,690) of the city.

HOUSEHOLDS

Of Turlock's population, 69,923 live in households, with 60,622 (86.6 percent) in family households (Table 3-3). At 86.7 percent, against the other comparison cities, Turlock is ranked sixth immediately behind Clovis (87.9 percent) and immediately ahead of Modesto (86.6 percent). All lag considerably behind the City of Tracy, where 92.9 percent of persons in households reside in family households. Even though Turlock is a university town, at 673 persons (0.95 percent), less than one percent of the city population reside in group quarters situations such as college dormitories. With 17,167 family households, Turlock has 3.53 persons per family household, and 2.92 persons per

household generally. Places such as Patterson (4.20) and Tracy (3.91) exhibit higher persons per family household rates.

Table 3-1: Comparison of Places by Race and Ethnicity

Geography	Total	White	Hispanic or Latino	Black or African American	American Indian and Alaska Native	Asian \ Pacific Islander	Some other race
Merced County	263,885	78,992	150,222	8,353	646	19,948	5,724
San Joaquin County	708,554	243,086	284,168	47,598	2,295	105,946	25,461
Stanislaus County	527,367	235,880	230,087	12,904	2,593	31,384	14,519
Turlock	70,596	35,211	26,766	1,489	293	4,661	2,176
Lodi	63,589	33,209	22,754	693	259	5,560	1,114
Clovis	100,437	56,075	27,906	2,459	454	10,842	2,701
Merced	81,120	24,383	40,876	3,979	185	9,586	2,111
Modesto	207,482	98,769	77,882	6,954	744	16,735	6,398
Patterson	20,967	4,288	12,191	1,654	323	1,705	806
Hayward	152,401	26,478	61,540	16,695	445	41,655	5,588
Rohnert Park	41,651	26,387	10,035	615	92	2,486	2,036
Tracy	85,284	29,568	32,483	4,837	287	13,178	4,931
Visalia	127,842	55,127	60,808	2,084	554	6,653	2,616
Percent Distribution							
Merced County	100%	29.9%	56.9%	3.2%	0.2%	7.6%	2.2%
San Joaquin County	100%	34.3%	40.1%	6.7%	0.3%	15.0%	3.6%
Stanislaus County	100%	44.7%	43.6%	2.4%	0.5%	6.0%	2.8%
Turlock	100%	49.9%	37.9%	2.1%	0.4%	6.6%	3.1%
Lodi	100%	52.2%	35.8%	1.1%	0.4%	8.7%	1.8%
Clovis	100%	55.8%	27.8%	2.4%	0.5%	10.8%	2.7%
Merced	100%	30.1%	50.4%	4.9%	0.2%	11.8%	2.6%
Modesto	100%	47.6%	37.5%	3.4%	0.4%	8.1%	3.1%
Patterson	100%	20.5%	58.1%	7.9%	1.5%	8.1%	3.8%
Hayward	100%	17.4%	40.4%	11.0%	0.3%	27.3%	3.7%
Rohnert Park	100%	63.4%	24.1%	1.5%	0.2%	6.0%	4.9%
Tracy	100%	34.7%	38.1%	5.7%	0.3%	15.5%	5.8%
Visalia	100%	43.1%	47.6%	1.6%	0.4%	5.2%	2.0%

Source: ADE, based on US Census American Community Survey 5-Year 2011-2015 Sample Table B03002

Table 3-2: Comparison of Places by Persons by Select National Origin (Assyrian and Portuguese)

Geography	Total Population	Persons of Assyrian Descent	Persons of Portuguese Descent	Assyrians As Percent of Comparison Place Totals	Portuguese As Percent of Comparison Place Total	All Persons in Comparison Places as Percent of California	Assyrians In Comparison Places As Percent of Total Assyrians in California	Portuguese in Comparison Places as Percent of Total Portuguese in California
Merced County	263,885	208	13,975	0.1%	5.3%	0.7%	0.6%	4.1%
San Joaquin County	708,554	134	18,526	0.0%	2.6%	1.8%	0.4%	5.4%
Stanislaus County	527,367	8,446	23,200	1.6%	4.4%	1.4%	23.5%	6.7%
Turlock	70,596	4,240	4,690	6.0%	6.6%	0.2%	11.8%	1.4%
Lodi	63,589	376	1,124	0.6%	1.8%	0.2%	1.0%	0.3%
Clovis	100,437	60	2,040	0.1%	2.0%	0.3%	0.2%	0.6%
Merced	81,120	109	1,699	0.1%	2.1%	0.2%	0.3%	0.5%
Modesto	207,482	3,252	6,574	1.6%	3.2%	0.5%	9.1%	1.9%
Patterson	20,967	205	787	1.0%	3.8%	0.1%	0.6%	0.2%
Hayward	152,401	55	3,453	0.0%	2.3%	0.4%	0.2%	1.0%
Rohnert Park	41,651	0	1,276	0.0%	3.1%	0.1%	0.0%	0.4%
Tracy	85,284	12	3,175	0.0%	3.7%	0.2%	0.0%	0.9%
Visalia	127,842	0	3,161	0.0%	2.5%	0.3%	0.0%	0.9%

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B04006

Table 3-3: Comparison of Places by Households, Types of Households, and Persons in Households

Geography	Total Population	Persons In Households	Persons in Family Households	Persons in Nonfamily Households	Persons in Group Quarters
Persons					
Merced County	263,885	258,117	233,174	24,943	5,768
San Joaquin County	708,554	693,001	619,500	73,501	15,553
Stanislaus County	527,367	521,808	463,344	58,464	5,559
Turlock	70,596	69,923	60,622	9,301	673
Lodi	63,589	62,885	54,157	8,728	704
Clovis	100,437	99,960	87,961	11,999	477
Merced	81,120	80,044	69,245	10,799	1,076
Modesto	207,482	204,561	177,172	27,389	2,921
Patterson	20,967	20,943	19,091	1,852	24
Hayward	152,401	149,587	132,073	17,514	2,814
Rohnert Park	41,651	41,582	31,411	10,171	69
Tracy	85,284	85,038	79,021	6,017	246
Visalia	127,842	126,353	112,811	13,542	1,489
Households					
Merced County		77,692	59,568	18,124	
San Joaquin County		219,073	163,845	55,228	
Stanislaus County		169,196	124,736	44,460	
Turlock		23,983	17,167	6,816	
Lodi		22,423	15,460	6,963	
Clovis		34,512	25,008	9,504	
Merced		25,330	18,049	7,281	
Modesto		70,481	48,896	21,585	
Patterson		5,680	4,546	1,134	
Hayward		46,713	34,419	12,294	
Rohnert Park		15,895	9,481	6,414	
Tracy		24,344	20,188	4,156	
Visalia		41,730	30,998	10,732	
Persons per Household					
Merced County		3.32	3.91	1.38	
San Joaquin County		3.16	3.78	1.33	
Stanislaus County		3.08	3.71	1.31	
Turlock		2.92	3.53	1.36	
Lodi		2.80	3.50	1.25	
Clovis		2.90	3.52	1.26	
Merced		3.16	3.84	1.48	
Modesto		2.90	3.62	1.27	
Patterson		3.69	4.20	1.63	
Hayward		3.20	3.84	1.42	
Rohnert Park		2.62	3.31	1.59	
Tracy		3.49	3.91	1.45	
Visalia		3.03	3.64	1.26	

Source: ADE, based on US Census ACS 5-year 2011-2015 Sample Tables B09019 and B11001

LABOR FORCE

EDUCATION

There are 44,200 persons 25 and over in Turlock, of which 30.6 percent (13,541) have a college degree (AA or higher) (Table 3-4). In this regard, Turlock ranks sixth versus the comparison areas, with Visalia coming in ahead at 31.7 percent and Lodi (29.5 percent) immediately trailing Turlock in terms of the percent of persons 25 and over with a college degree. At 40.4 percent, Clovis exhibits a college degree attainment level that is roughly ten percentage points higher than Turlock's rate. Rohnert Park also exhibits a considerably higher college degree attainment level at 37.7 percent.

BA\BS DEGREES

Compared to most of the Central Valley, Turlock has a higher percentage of degreed residents (Clovis, home of CSU Fresno, is the sole exception). Turlock exhibits a well-balanced profile when it comes to persons 25 and over with at least a Bachelor's degree. Of the 13,541 persons with a college degree, 10,369 have at least a Bachelor's degree, for a rate of 76.6 percent - second only to Hayward's 78.2 percent (Table 3-5). Moreover, 37.7 percent (3rd place ranking) of the persons with a Bachelor's earned their degree in a science-and-engineering field, with another 30.4 percent (3rd place ranking) earning their degree in liberal arts. By way of comparison, Hayward exhibited the highest rate of science-and-engineering field Bachelor's (38.8 percent) but placed ninth in terms of liberal arts BAs (20.1 percent). Patterson exhibited the highest rate of liberal arts Bachelor's at 40.1 percent but the lowest rate of science-and-engineering field Bachelor's degree at 29.7 percent. In contrast, Turlock scored high in both science-and-engineering and in the humanities, underscoring the breadth of residents' educational backgrounds. Interestingly, college-town Rohnert Park exhibited a very low rate of science-and-engineering field Bachelor's degree at 8.8 percent.

Table 3-4: Comparison of Places by Number of Number of Persons (25 and Over) With a College Degree

Geography	2011-2015 Pop	2011-2015 Persons 25+	2011-2015 College Degree: AA or higher	2011-2015 College Degree: AA or higher: percentage
Merced County	263,885	152,405	31,351	20.6%
San Joaquin County	708,554	435,702	120,513	27.7%
Stanislaus County	527,367	327,571	78,593	24.0%
Turlock	70,596	44,207	13,541	30.6%
Lodi	63,589	39,799	11,752	29.5%
Clovis	100,437	62,665	25,314	40.4%
Merced	81,120	45,400	12,123	26.7%
Modesto	207,482	132,150	35,260	26.7%
Patterson	20,967	12,118	2,053	16.9%
Hayward	152,401	101,820	32,749	32.2%
Rohnert Park	41,651	26,507	9,984	37.7%
Tracy	85,284	51,234	16,809	32.8%
Visalia	127,842	77,846	24,679	31.7%

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B15003

Table 3-5: Comparison of Places by Type of Bachelor Degrees Earned (Persons 25 and Over)

Geography	Total: Persons with a College Degree (AA or Higher)	BA Total:	Science and Engineering	Science and Engineering Related Fields	Business	Education	Arts, Humanities and Other	Science and Engineering Percent	Science and Engineering Related Fields Percent	Business Percent	Education Percent	Arts, Humanities and Other Percent
Merced County	31,351	19,934	6,801	1,930	3,021	3,154	5,028	34.1%	9.7%	15.2%	15.8%	25.2%
San Joaquin County	120,513	80,021	27,574	8,849	16,531	8,334	18,733	34.5%	11.1%	20.7%	10.4%	23.4%
Stanislaus County	78,593	53,981	18,924	4,707	9,295	6,783	14,272	35.1%	8.7%	17.2%	12.6%	26.4%
Turlock	13,541	10,369	3,914	573	1,639	1,088	3,155	37.7%	5.5%	15.8%	10.5%	30.4%
Lodi	11,752	7,448	2,553	769	1,289	878	1,959	34.3%	10.3%	17.3%	11.8%	26.3%
Clovis	25,314	18,468	5,992	2,088	3,379	2,238	4,771	32.4%	11.3%	18.3%	12.1%	25.8%
Merced	12,123	7,693	2,550	849	1,068	1,135	2,091	33.1%	11.0%	13.9%	14.8%	27.2%
Modesto	35,260	24,574	8,503	2,529	4,539	2,976	6,027	34.6%	10.3%	18.5%	12.1%	24.5%
Patterson	2,053	1,230	365	27	183	162	493	29.7%	2.2%	14.9%	13.2%	40.1%
Hayward	32,749	25,626	9,946	2,576	6,326	1,636	5,142	38.8%	10.1%	24.7%	6.4%	20.1%
Rohnert Park	9,984	6,613	2,353	579	1,010	511	2,160	35.6%	8.8%	15.3%	7.7%	32.7%
Tracy	16,809	11,858	4,560	1,150	3,019	767	2,362	38.5%	9.7%	25.5%	6.5%	19.9%
Visalia	24,679	17,832	5,898	1,566	2,936	2,558	4,874	33.1%	8.8%	16.5%	14.3%	27.3%

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table C15010

OCCUPATIONS

Turlock's employed labor force is concentrated in occupations that belie the size of this city. For example, 7.8 percent of Turlock's 29,373 employed persons are in health-related occupations, with 3.0 percent in health diagnosing positions, 1.9 percent in health technician occupations and 2.9 percent in healthcare support positions (Table 3-6). At 7.8 percent of tis employed residents in healthcare, Turlock ranks fourth behind Clovis (10.4 percent), Visalia (8.5 percent) and Modesto (8.2 percent), even though these cities are considerably larger than Turlock. Educational, training and library occupations is another category in which Turlock exhibits high concentration levels (9.5 percent) relative to the other cities, largely on the strength of the state university located in this city. Interestingly, places such as Hayward (3.5 percent) and Rohnert Park (4.8 percent) that also have state universities located in their midst do not exhibit these high levels of employed persons in education.

EARNINGS BY OCCUPATION

Compared to other areas, Turlock's employed labor force earns more than their counterparts across a number of occupations. At \$99,208, Turlock ranks first in median earning by those in health diagnosing occupations (Table 3-7). Persons in Tracy employed in health diagnosing occupations earn the next highest median amount at \$90,313. Median earning for employed Turlock residents in education is also the highest compared to other areas, at \$52,548. Turlock ranks second in farming-fishing-forestry, construction, and material moving occupations. And, Turlock residents in management positions earn the third highest median amount at \$71,065, closely following Tracy (\$73,761) and Hayward (\$71,301). The data strongly suggests that employed Turlock residents tend to occupy high-paying occupational career ladder rungs relative to employed residents in comparison areas.

INDUSTRY OF EMPLOYMENT

Turlock's employed residents are found in a diverse set of economic sectors. Approximately 5.5 percent of the 29,373 employed labor force is in Agriculture (Table 3-8). Almost 13 percent are in Education, and another 15 percent in Health and Social Assistance. More than 12 percent of the workforce is in Manufacturing.

EARNINGS BY INDUSTRY

In five out of the 20 economic sectors, employed Turlock residents generate anywhere from the highest to the third-highest median earnings, which suggests that Turlock residents tend to fill high-paying employment rungs compared to those in the other cities. Compared to those in the other cities, Turlock residents employed in the Finance and Insurance are the highest earners at \$56,522, with those in the Education generating the second highest earnings (\$50,503) compared to persons in education in the other cities (Table 3-9). Those in Construction (\$45,342) and Wholesale (\$40,426) sectors exhibit the third highest median earnings compared to persons in similar sector in other places.

Table 3-6: Distribution of Civilian Employed labor Force (16 and over) By Occupational Categories: City of Turlock and Comparison Places

Occupations	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Total	96,170	280,460	208,428	29,373	26,382	44,086	28,784	82,547	8,100	73,435	21,248	38,794	52,723
01 Management	6.6%	7.9%	7.3%	7.4%	7.1%	9.1%	5.9%	7.3%	5.4%	8.0%	9.0%	9.9%	8.7%
02 Business and financial operations	2.1%	3.2%	2.6%	3.6%	3.5%	5.2%	2.0%	3.1%	2.6%	4.6%	3.3%	4.1%	3.2%
03 Computer, engineering, and science	1.8%	3.3%	2.7%	2.8%	2.4%	4.2%	2.3%	3.3%	2.4%	6.1%	4.3%	6.5%	3.0%
04 Community and social service	1.7%	1.6%	1.7%	2.3%	1.5%	2.4%	2.6%	1.8%	0.9%	1.2%	1.7%	1.0%	2.1%
05 Legal	0.2%	0.6%	0.6%	0.3%	0.5%	0.9%	0.3%	0.8%	0.5%	0.6%	1.0%	0.3%	1.4%
06 Education, training, and library	6.2%	5.4%	6.1%	9.5%	7.1%	8.1%	8.5%	6.0%	5.3%	3.5%	4.8%	3.7%	7.7%
07 Arts, design, entertainment, sports, and media	0.7%	1.2%	1.0%	0.9%	1.1%	1.2%	0.7%	1.0%	0.5%	1.5%	1.9%	1.2%	0.9%
08 Health diagnosing and treating practitioners	2.0%	3.2%	3.0%	3.0%	2.9%	6.7%	3.1%	3.8%	1.3%	2.3%	3.0%	2.0%	4.0%
09 Health technologists and technicians	1.4%	1.8%	1.5%	1.9%	2.4%	2.0%	1.8%	1.6%	0.5%	1.8%	1.8%	1.5%	1.8%
10 Healthcare support	2.4%	2.4%	2.6%	2.9%	1.6%	1.7%	2.5%	2.8%	2.8%	3.1%	2.3%	1.6%	2.7%
11 Protective service	2.0%	2.4%	2.2%	2.0%	3.2%	3.8%	2.7%	1.7%	2.0%	1.6%	1.8%	2.5%	4.1%
12 Food preparation and serving related	5.1%	5.1%	5.5%	4.5%	6.9%	5.8%	6.0%	6.1%	5.6%	5.5%	7.2%	5.2%	5.1%
13 Building and grounds cleaning and maintenance	4.6%	4.1%	4.1%	2.5%	4.7%	2.6%	4.3%	4.5%	4.8%	5.0%	5.5%	3.5%	4.4%
14 Personal care and service	4.5%	4.4%	3.8%	4.0%	4.5%	4.2%	6.6%	4.2%	3.3%	4.6%	5.9%	3.5%	3.7%
15 Sales and office	21.2%	24.1%	24.2%	24.5%	21.8%	26.3%	22.6%	26.6%	24.0%	24.9%	25.9%	26.7%	25.1%
16 Farming, fishing, and forestry	10.8%	3.7%	4.2%	3.5%	5.0%	0.8%	7.2%	2.2%	3.6%	0.4%	0.4%	0.2%	2.7%
17 Construction and extraction	5.3%	5.4%	5.4%	4.3%	6.1%	4.0%	4.0%	4.7%	5.4%	6.0%	5.5%	6.0%	3.5%
18 Installation, maintenance, and repair	4.1%	3.7%	4.3%	3.2%	3.1%	2.6%	2.8%	4.0%	5.3%	3.6%	3.2%	4.8%	3.6%
19 Production	6.8%	6.4%	7.6%	8.6%	6.8%	3.9%	5.5%	6.4%	9.3%	6.4%	5.5%	6.2%	5.3%
20 Transportation	5.3%	5.1%	4.7%	4.4%	4.1%	2.4%	3.6%	3.8%	7.7%	5.3%	4.7%	5.0%	3.6%
21 Material moving	5.3%	5.0%	4.8%	3.8%	3.5%	2.2%	5.1%	4.2%	6.9%	4.1%	1.3%	4.8%	3.2%

Source: ADE, based on US CENSUS ACS 5-Year 2011-2015 Sample Table C24010

Table 3-7: Earnings by Occupation

Occupations	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Total	\$26,099	\$31,488	\$30,721	\$31,560	\$30,918	\$38,032	\$25,735	\$31,196	\$35,590	\$33,981	\$31,805	\$39,671	\$31,490
01 Management	\$49,362	\$62,223	\$62,023	\$71,065	\$65,429	\$70,450	\$49,661	\$65,873	\$41,038	\$71,301	\$53,640	\$73,761	\$55,905
02 Business and financial operations	\$49,093	\$50,303	\$51,557	\$52,446	\$60,938	\$45,539	\$49,207	\$54,144	\$52,054	\$56,738	\$65,069	\$53,147	\$44,409
03 Computer, engineering, and science	\$53,587	\$73,501	\$62,266	\$63,041	\$63,359	\$65,960	\$52,563	\$66,100	\$50,990	\$69,306	\$65,517	\$81,076	\$50,592
04 Community and social service	\$37,309	\$41,778	\$40,509	\$43,632	\$49,952	\$41,778	\$37,067	\$41,851	\$70,556	\$41,959	\$38,750	\$46,694	\$51,466
05 Legal	\$81,786	\$51,656	\$54,559	\$61,406	\$70,156	\$57,232	\$97,176	\$54,276	not avail.	\$54,295	\$47,070	\$55,337	\$58,688
06 Education, training, and library	\$37,174	\$34,247	\$46,257	\$52,548	\$31,600	\$51,800	\$41,414	\$51,056	\$35,222	\$31,288	\$22,226	\$24,115	\$51,125
07 Arts, design, entertainment, sports, and media	\$23,988	\$26,020	\$22,479	NA	\$20,270	\$22,601	\$47,917	\$24,397	not avail.	\$30,404	\$16,759	\$22,018	\$27,292
08 Health diagnosing and treating practitioners	\$80,263	\$90,095	\$84,751	\$99,208	\$76,094	\$83,299	\$73,686	\$85,295	\$74,667	\$80,656	\$60,278	\$90,313	\$77,031
09 Health technologists and technicians	\$42,628	\$43,175	\$40,844	\$40,327	\$42,042	\$49,286	\$56,910	\$41,463	not avail.	\$44,934	\$50,526	\$37,356	\$39,031
10 Healthcare support	\$21,440	\$22,364	\$23,888	\$22,000	\$20,689	\$26,781	\$16,728	\$25,258	\$24,750	\$31,110	\$29,891	\$21,439	\$23,726
11 Protective service	\$44,575	\$62,366	\$42,185	\$36,903	\$75,234	\$72,272	\$42,152	\$40,958	\$60,625	\$33,481	\$79,167	\$74,853	\$78,785
12 Food preparation and serving related	\$12,119	\$12,504	\$12,547	\$10,747	\$12,268	\$12,208	\$12,519	\$12,865	\$9,564	\$15,742	\$12,159	\$13,519	\$13,513
13 Building and grounds cleaning and maintenance	\$18,313	\$19,103	\$19,331	\$20,754	\$20,074	\$20,692	\$17,277	\$18,309	\$21,239	\$23,961	\$21,841	\$28,527	\$20,359
14 Personal care and service	\$10,740	\$13,096	\$13,464	\$11,157	\$10,018	\$14,635	\$9,662	\$14,026	\$20,492	\$15,438	\$12,163	\$12,438	\$13,836
15 Sales and office	\$24,549	\$28,283	\$26,608	\$27,853	\$31,040	\$31,125	\$24,169	\$26,619	\$28,077	\$30,444	\$30,650	\$30,454	\$26,162
16 Farming, fishing, and forestry	\$19,056	\$17,198	\$19,442	\$21,947	\$12,622	\$16,276	\$16,127	\$14,524	\$19,444	\$22,601	\$20,518	\$20,078	\$15,709
17 Construction and extraction	\$31,479	\$36,932	\$35,235	\$41,071	\$37,530	\$39,861	\$26,801	\$35,533	\$35,417	\$35,813	\$38,934	\$48,587	\$37,582
18 Installation, maintenance, and repair	\$38,780	\$42,063	\$41,788	\$46,079	\$40,300	\$44,219	\$39,800	\$43,500	\$35,775	\$41,022	\$55,469	\$51,654	\$40,874
19 Production	\$26,698	\$30,664	\$34,141	\$29,491	\$29,352	\$39,225	\$23,995	\$33,157	\$41,125	\$31,622	\$30,762	\$42,452	\$29,163
20 Transportation	\$37,117	\$39,282	\$35,617	\$36,275	\$36,730	\$36,775	\$31,373	\$32,917	\$54,110	\$38,750	\$34,715	\$42,049	\$30,268
21 Material moving	\$21,601	\$22,411	\$24,439	\$26,182	\$18,274	\$19,025	\$23,819	\$21,255	\$36,146	\$23,048	\$13,796	\$24,776	\$17,549

Source: ADE, based on US CENSUS ACS 5-Year 2011-2015 Sample Table C24010

Table 3-8: Industry of Employment for Workers Living in Comparison Areas

Industries	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Total	96,170	280,460	208,428	29,373	26,382	44,086	28,784	82,547	8,100	73,435	21,248	38,794	52,723
01 Agriculture, forestry, fishing and hunting	13.5%	4.9%	5.4%	5.5%	6.9%	1.5%	7.9%	2.4%	3.9%	0.4%	0.8%	0.4%	4.6%
02 Mining, quarrying, and oil and gas extraction	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.1%	0.2%	0.0%	0.1%	0.3%	0.1%
03 Construction	6.3%	7.1%	6.8%	5.3%	7.4%	5.4%	5.1%	6.1%	6.1%	6.7%	6.7%	7.8%	5.1%
04 Manufacturing	11.6%	9.8%	12.0%	12.6%	9.6%	6.4%	9.3%	11.0%	12.9%	11.6%	8.4%	13.3%	9.0%
04 Wholesale trade	3.0%	4.1%	4.5%	3.5%	3.0%	3.5%	2.0%	4.7%	3.1%	3.7%	2.4%	4.9%	3.5%
06 Retail trade	11.1%	12.4%	13.7%	12.8%	10.4%	11.0%	11.6%	14.5%	19.3%	11.1%	15.0%	14.9%	11.2%
07 Transportation and warehousing	4.4%	6.2%	4.8%	4.6%	4.5%	2.7%	3.4%	4.1%	9.0%	7.8%	3.7%	5.3%	4.4%
08 Utilities	1.0%	0.8%	0.8%	1.4%	1.2%	1.1%	0.4%	0.7%	0.0%	0.6%	0.3%	0.9%	0.8%
09 Information	1.2%	1.7%	1.2%	0.9%	0.9%	2.0%	1.4%	1.4%	1.6%	2.1%	2.1%	2.9%	1.1%
10 Finance and insurance	2.2%	3.1%	2.2%	2.3%	3.6%	4.2%	2.6%	2.5%	2.2%	3.5%	4.7%	2.9%	3.5%
11 Real estate and rental and leasing	1.5%	1.8%	1.5%	1.1%	1.8%	1.9%	2.4%	1.7%	1.0%	2.2%	2.4%	1.9%	1.9%
12 Professional, scientific, and technical services	2.4%	4.2%	3.9%	3.2%	2.9%	5.1%	2.1%	4.7%	2.4%	6.5%	5.0%	6.3%	3.2%
13 Management of companies and enterprises	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%
14 Administrative and support and waste management services	4.3%	5.2%	4.7%	4.4%	4.6%	4.7%	3.7%	4.6%	6.0%	5.4%	5.6%	6.2%	4.8%
15 Educational services	10.4%	8.3%	8.7%	12.8%	10.2%	11.9%	14.5%	8.9%	6.0%	6.2%	8.3%	6.0%	11.5%
16 Health care and social assistance	11.9%	12.7%	12.8%	14.8%	11.7%	16.5%	15.1%	14.8%	9.1%	13.8%	12.1%	8.9%	13.8%
17 Arts, entertainment, and recreation	1.0%	1.5%	1.2%	1.3%	1.5%	2.2%	1.9%	1.4%	1.5%	1.5%	3.6%	1.6%	1.5%
18 Accommodation and food services	6.3%	6.5%	7.0%	5.8%	7.6%	6.8%	7.1%	7.6%	7.4%	7.8%	9.0%	7.4%	7.5%
19 Other services, except public administration	4.0%	4.8%	4.8%	4.3%	6.4%	4.5%	3.6%	4.9%	5.2%	5.6%	5.3%	3.9%	5.0%
20 Public administration	4.0%	4.9%	3.8%	3.5%	5.3%	8.5%	5.6%	3.8%	3.0%	3.3%	4.4%	4.1%	7.6%

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table S2304

Table 3-9: Average Earnings by Industry

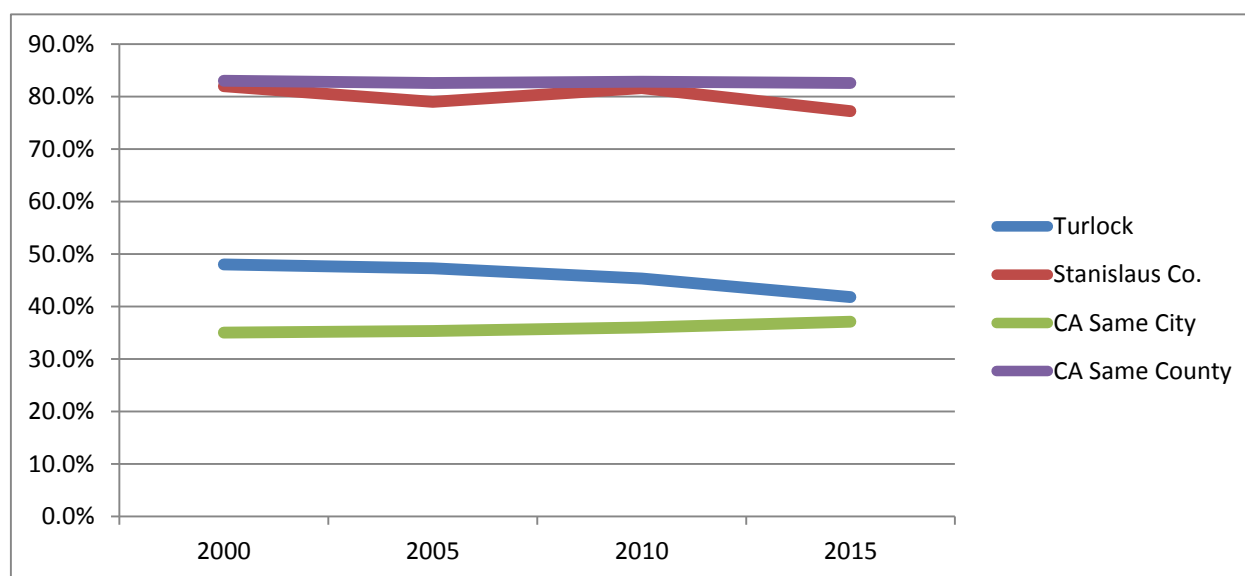
Industries	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Total	\$26,099	\$31,488	\$30,721	\$31,560	\$30,918	\$38,032	\$25,735	\$31,196	\$35,590	\$33,981	\$31,805	\$39,671	\$31,490
01 Agriculture, forestry, fishing and hunting	\$22,253	\$20,419	\$22,470	\$23,125	\$16,860	\$25,833	\$19,395	\$18,625	\$18,497	\$23,427	\$11,597	\$23,050	\$20,926
02 Mining, quarrying, and oil and gas extraction	\$36,000	\$88,929	\$61,090	not avail.	\$68,375	not avail.	not avail.	\$70,938	not avail.	not avail.	not avail.	\$138,529	not avail.
03 Construction	\$33,026	\$40,210	\$37,432	\$45,342	\$41,859	\$45,000	\$30,610	\$36,944	\$51,389	\$40,088	\$39,549	\$51,152	\$40,045
04 Manufacturing	\$28,539	\$40,421	\$38,804	\$35,017	\$32,004	\$42,216	\$27,197	\$40,750	\$43,872	\$41,400	\$44,286	\$51,222	\$33,168
04 Wholesale trade	\$27,370	\$33,133	\$35,946	\$40,426	\$30,543	\$43,560	\$23,381	\$35,976	\$43,516	\$37,756	\$34,679	\$34,929	\$31,944
06 Retail trade	\$20,262	\$22,293	\$22,119	\$21,881	\$26,028	\$23,433	\$20,516	\$21,572	\$29,904	\$23,115	\$24,039	\$24,746	\$20,128
07 Transportation and warehousing	\$38,914	\$39,320	\$37,091	\$39,718	\$38,036	\$36,838	\$31,725	\$35,703	\$54,821	\$40,892	\$52,958	\$48,438	\$29,880
08 Utilities	\$51,176	\$72,524	\$71,492	\$76,159	\$65,781	\$82,612	\$31,875	\$75,556	not avail.	\$81,397	\$86,198	\$103,958	\$51,528
09 Information	\$38,831	\$50,635	\$46,164	\$30,703	\$52,813	\$51,163	\$38,250	\$47,813	\$41,959	\$44,435	\$50,000	\$62,604	\$41,682
10 Finance and insurance	\$36,558	\$40,902	\$43,475	\$56,522	\$42,921	\$41,120	\$32,246	\$45,453	\$35,885	\$46,127	\$47,378	\$38,731	\$37,171
11 Real estate and rental and leasing	\$22,798	\$31,088	\$32,120	\$27,500	\$20,855	\$41,083	\$30,294	\$32,370	\$40,955	\$30,861	\$40,294	\$29,773	\$31,992
12 Professional, scientific, and technical services	\$38,611	\$51,454	\$40,272	\$43,200	\$46,420	\$50,166	\$32,207	\$40,087	\$52,563	\$56,492	\$46,000	\$56,976	\$47,975
13 Management of companies and enterprises	not avail.	\$52,500	\$96,875	not avail.	\$19,438	not avail.	not avail.	\$66,111	not avail.	\$181,667	not avail.	\$76,667	not avail.
14 Administrative and support and waste management services	\$18,998	\$22,878	\$21,186	\$25,013	\$20,857	\$24,268	\$20,435	\$22,547	\$20,778	\$27,414	\$28,036	\$31,614	\$18,219
15 Educational services	\$32,972	\$34,623	\$41,632	\$50,503	\$36,168	\$50,879	\$36,579	\$42,901	\$27,212	\$37,460	\$23,750	\$31,503	\$42,436
16 Health care and social assistance	\$27,014	\$33,898	\$32,498	\$31,579	\$38,750	\$46,505	\$28,853	\$34,913	\$45,373	\$35,899	\$34,905	\$38,864	\$35,755
17 Arts, entertainment, and recreation	\$9,328	\$16,888	\$15,076	\$11,806	\$16,370	\$21,318	\$9,043	\$14,645	\$21,563	\$21,750	\$11,571	\$18,393	\$19,750
18 Accommodation and food services	\$12,029	\$13,334	\$12,410	\$12,024	\$13,265	\$11,987	\$12,447	\$12,994	\$6,215	\$18,307	\$15,082	\$15,408	\$12,426
19 Other services, except public administration	\$22,723	\$21,255	\$22,732	\$19,315	\$27,248	\$23,379	\$19,500	\$25,959	\$26,603	\$22,422	\$25,195	\$25,445	\$21,849
20 Public administration	\$48,168	\$59,480	\$51,980	\$48,125	\$75,242	\$57,750	\$43,787	\$51,619	\$62,639	\$53,922	\$68,715	\$67,913	\$63,721

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B24031

COMMUTE PATTERNS

Turlock has a relatively high proportion of workers who both live and work in the City, but that share is declining compared to statewide trends. In 2000, nearly 50 percent of workers living in Turlock also worked in Turlock and about 82 percent worked somewhere in Stanislaus County (Figure 1). By 2015, the percentage living and working in Turlock had dropped to 42 percent and those working in Stanislaus County had declined to about 78 percent. These are not dramatic changes, but it is interesting to note that on a statewide level, there is a trend toward greater number of workers living and working in the same City or County. There is a concern that the lack of diversity in job opportunities in Turlock is causing increasing numbers of workers to commute to the Bay Area or other location. Higher wages offered by Bay Area companies is certainly a factor in this trend as well.

Figure 3-1: Percent of Turlock Residents Working in Turlock and Stanislaus County, Compared to State Trends



Source: U.S. Bureau of the Census.

HOUSEHOLD INCOME

At \$51,400, Turlock's median household income is comparable to other Central Valley cities, but is considerably less than median income for more urbanized areas, such as Tracy (\$76,310), Hayward (\$65,096), and Rohnert Park (\$58,317) (Table 3-10). It also lags behind the Central Valley counterpart of Clovis, where median household income is \$62,666. While incomes for households across almost all quintiles declined from the 2006-2010 5-Year ACS reporting period to the most-recent 2011-2015 5-Year ACS reporting period, this was not the case for Turlock households in the highest income-earning category. For Turlock households in the top 20 percentile, income rose from an average of \$159,151 to an average of \$162,627. Along with Clovis and Hayward, Turlock was the only place where income for those in the top quintile increased. In a sign of the lingering effects of the Great Recession, over the two 5-Year reporting periods, incomes decreased across the board for each quintile except in the specific case of Turlock, Clovis, and Hayward mentioned above.

Table 3-10: Comparison of Areas by Median Household Income and Mean Household Income By Quintiles

Geography	2006-2010 5-Year Annual Avg (\$2015)						2011-2015 5-Year Annual Avg					
	Median	0-20 percentile	21-40 percentile	41-60 percentile	61-80 percentile	81-100 percentile	Median	0-20 percentile	21-40 percentile	41-60 percentile	61-80 percentile	81-100 percentile
Merced County	\$47,656	\$11,755	\$27,892	\$47,678	\$74,153	\$158,698	\$42,462	\$10,769	\$26,087	\$42,946	\$67,924	\$144,265
San Joaquin County	\$59,066	\$14,641	\$36,274	\$59,414	\$91,710	\$182,343	\$53,274	\$12,377	\$31,486	\$53,724	\$84,936	\$170,074
Stanislaus County	\$55,537	\$13,863	\$33,467	\$55,655	\$85,152	\$172,600	\$50,125	\$11,918	\$30,061	\$49,998	\$78,204	\$159,555
Turlock	\$54,971	\$13,377	\$31,450	\$55,054	\$87,940	\$159,151	\$51,401	\$11,874	\$30,443	\$51,540	\$81,361	\$162,627
Lodi	\$52,929	\$14,541	\$32,845	\$53,389	\$86,504	\$175,179	\$49,316	\$11,847	\$29,750	\$49,143	\$77,167	\$163,057
Clovis	\$68,727	\$16,981	\$42,237	\$68,463	\$102,630	\$186,552	\$62,666	\$14,798	\$38,566	\$63,322	\$97,971	\$194,843
Merced	\$39,423	\$9,861	\$23,355	\$40,483	\$68,716	\$141,381	\$37,627	\$9,031	\$22,278	\$38,175	\$63,966	\$135,479
Modesto	\$54,946	\$13,871	\$32,981	\$55,081	\$84,609	\$177,045	\$48,577	\$11,459	\$29,333	\$48,866	\$77,434	\$158,306
Patterson	\$58,899	\$18,093	\$40,612	\$59,769	\$87,266	\$150,585	\$53,542	\$14,198	\$35,242	\$53,521	\$83,186	\$148,247
Hayward	\$66,596	\$16,881	\$41,575	\$66,430	\$99,625	\$183,196	\$65,096	\$14,455	\$39,085	\$65,026	\$98,518	\$189,121
Rohnert Park	\$62,377	\$15,484	\$39,004	\$63,636	\$92,738	\$169,652	\$58,317	\$12,838	\$36,299	\$58,377	\$85,968	\$150,573
Tracy	\$83,427	\$20,751	\$52,724	\$84,022	\$119,089	\$212,020	\$76,310	\$21,475	\$50,270	\$76,503	\$111,135	\$180,821
Visalia	\$58,267	\$14,161	\$34,881	\$58,854	\$92,837	\$178,264	\$52,157	\$11,514	\$31,171	\$52,387	\$81,456	\$159,846

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B25118

Table 3-11: Comparison of Households by Household Income and Tenure

Income Category/Tenure	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Homeowners													
Total Homeowners	40,124	124,087	95,954	12,541	12,227	20,760	10,555	37,654	3,626	24,476	8,096	15,414	24,414
01 Less than \$10,000:	1,305	3,912	2,750	282	453	558	458	1,124	129	698	118	412	9,414
02 \$10,000 to \$19,999:	3,249	7,726	6,745	735	909	1,007	748	2,549	337	1,247	603	378	1,414
03 \$20,000 to \$34,999:	5,965	14,026	11,737	1,391	1,513	1,913	1,607	4,405	398	2,168	596	997	2,414
04 \$35,000 to \$49,999:	5,466	15,081	13,042	1,694	1,493	1,849	1,278	4,931	667	2,017	715	1,460	3,414
05 \$50,000 to \$74,999:	8,638	23,992	20,024	2,682	2,676	3,908	2,208	7,854	682	3,963	1,794	2,823	5,414
06 \$75,000 to \$99,999:	5,931	18,100	14,255	1,818	1,538	3,156	1,667	5,910	462	3,850	1,435	2,077	3,414
07 \$100,000 to \$149,999:	5,874	24,069	16,809	2,189	1,976	4,869	1,746	6,646	762	5,692	1,791	4,065	4,414
08 \$150,000 or more:	3,696	17,181	10,592	1,750	1,669	3,500	843	4,235	189	4,841	1,044	3,202	3,414
Top 20th Percentile (est.)	\$105,056	\$139,284	\$134,889	\$139,460	\$138,969	\$144,333	\$105,999	\$135,206	\$84,398	\$149,585	\$137,764	\$151,463	\$136,414
Median	\$61,107	\$71,879	\$66,268	\$69,322	\$65,092	\$84,298	\$62,837	\$67,680	\$59,208	\$87,771	\$79,351	\$94,598	\$67,414
Bottom 20th Percentile (est.)	\$26,700	\$33,844	\$31,634	\$36,455	\$29,769	\$41,781	\$26,265	\$32,628	\$29,376	\$41,655	\$43,030	\$47,471	\$32,414
Renters													
Total Renters	37,568	94,986	73,242	11,442	10,196	13,752	14,775	32,827	2,054	22,237	7,799	8,930	16,414
01 Less than \$10,000:	4,413	9,645	7,797	1,196	1,151	1,122	1,941	3,632	165	1,917	771	463	2,414
02 \$10,000 to \$19,999:	7,826	17,380	14,323	2,204	1,626	1,896	3,544	6,627	280	2,770	1,152	786	3,414
03 \$20,000 to \$34,999:	9,415	20,607	16,637	2,691	2,441	2,954	3,517	7,113	380	3,835	1,370	1,292	3,414
04 \$35,000 to \$49,999:	6,266	14,357	11,333	1,423	1,756	2,176	2,251	5,563	256	3,224	1,243	1,437	2,414
05 \$50,000 to \$74,999:	5,374	15,932	11,951	1,841	1,634	2,562	1,978	4,936	506	4,956	1,774	1,948	2,414
06 \$75,000 to \$99,999:	2,006	8,132	5,927	932	844	1,449	579	2,763	118	2,388	710	1,496	1,414
07 \$100,000 to \$149,999:	1,695	6,490	3,994	935	538	1,166	624	1,628	290	2,139	634	1,174	1,414
08 \$150,000 or more:	573	2,443	1,280	220	206	427	341	565	59	1,008	145	334	2,414
Top 20th Percentile (est.)	\$53,821	\$73,139	\$70,832	\$73,384	\$71,068	\$77,041	\$52,518	\$70,668	\$77,655	\$79,883	\$74,157	\$96,253	\$73,414
Median	\$30,360	\$34,897	\$33,070	\$32,873	\$34,194	\$40,297	\$28,722	\$33,068	\$47,501	\$47,328	\$42,983	\$56,120	\$33,414
Bottom 20th Percentile (est.)	\$12,278	\$14,058	\$13,244	\$13,461	\$14,686	\$18,226	\$15,224	\$18,077	\$18,462	\$18,977	\$16,222	\$28,597	\$16,414

Source: ADE, Inc., based on US Census ACS 5-Year 2011-2015 Sample Tables B25118, B25074, and B25095

INCOME BY TENURE

Household income for Turlock homeowners in the top twenty-percentile are on par if not better than many comparison areas. At \$139,460, homeowners in the top quintile are fourth behind Tracy (\$151,463), Hayward (\$149,585), and Clovis (\$144,333), although Clovis is probably the more appropriate comparison since the other two areas are closely associated with higher cost-of-living, more urbanized areas (Table 3-11 above).

PERSONS IN POVERTY

In the Community Meeting that was conducted for the EDSP process in Turlock, participants pointed out that a significant number of persons are below the poverty line in Turlock, which inhibits their ability to afford housing and basic goods and services. The federal government defines poverty at a national level based on standard household size and income levels. Therefore, the statistics that describe poverty do not account for differences in the cost of living around the country and in fact generally assume an urban level of household living costs that may be higher than is typical in Central Valley communities. However, it is important to recognize that low income households need access to better jobs and more affordable housing. Table 3-12 indicates that Turlock has an estimated 17.5 percent of its population below the federal poverty level and another 17.5% within 185% of poverty, which qualifies them for certain federal benefits programs. In comparison to the other areas included in this analysis, Turlock ranks 7th highest on this indicator, lower than many other Central Valley communities.

Table 3-12: Persons of All Ages by Their Respective Ratio of Household Income to Poverty (for Persons for Whom Poverty Status Has Been Determined), 2015

Geography	Persons for Whom Poverty Status is Determined	Below 100% Poverty Line (Absolute Poor)	Above 100% Poverty Lines But Below Federal Means-tested Thresholds [a]	Not in Poverty
Merced County	257,980	26.1%	25.0%	48.9%
San Joaquin County	694,606	18.6%	20.0%	61.3%
Stanislaus County	521,482	20.3%	20.7%	59.0%
Merced city	80,127	31.9%	23.6%	44.5%
Modesto city	204,737	20.5%	20.3%	59.2%
Turlock city	69,716	17.5%	17.5%	64.9%
Lodi city	62,964	17.4%	21.3%	61.3%
Ceres city	46,053	17.9%	29.2%	52.9%
Patterson city	20,848	21.8%	17.7%	60.4%
Riverbank city	23,415	12.1%	19.9%	67.9%
Oakdale city	21,360	18.6%	15.8%	65.6%
Hayward city	150,029	13.4%	16.8%	69.8%
Rohnert Park city	41,590	15.2%	13.7%	71.0%
Tracy city	84,691	8.6%	14.6%	76.8%
Visalia city	126,588	21.3%	17.5%	61.3%
Clovis city	99,786	13.8%	14.1%	72.1%

Source: Applied Development Economics, based on US Census ACS 5-year 2011-2015 Sample, Table C17002

Notes: [a] Federal Means testing occurs for programs such as free or reduced price school lunches and is generally set at 185% of the poverty level.

HOUSING AFFORDABILITY

The median value of homes purchased by Turlock residents who moved into a new home in 2015 was \$227,900, among the lowest price compared to other areas in the same year (Table 3-13). More urbanized areas of Hayward and Tracy paid roughly \$200,000 more in 2015 than what new Turlock residents paid. Moreover, over time, Turlock prices have tended to be stable in inflation-adjusted terms, going from an annual average of \$228,600 over the 5-year 2010-2014 period, to \$227,900 in 2015 alone. In comparison, median prices have oscillated up and down greatly for much of the comparison areas since 2000. Median prices in Clovis increased by \$70,000, when comparing the annual average for the 2010-2014 period (\$258,200) to 2015 (\$321,300). Tracy's median price increased by almost \$130,000, going from \$308,800 (2010-2014 annual average) to \$436,900 (2015).

**Table 3-13: Median Value of All and Recently-Purchased Owner-Occupied Units:
City of Turlock and Comparison Places**

Geography	Median Value Owner-Occupied Unit: New 2015 Residents	Median Value Owner-Occupied Unit: Other New Residents (2010-2014)	Median Value Owner-Occupied Unit: Residents Arriving Between 2000 and 2009	Median Value Owner-Occupied Unit: All Residents
Merced County	\$244,400	\$166,400	\$162,200	\$161,200
San Joaquin County	\$297,200	\$236,200	\$238,000	\$223,000
Stanislaus County	\$232,200	\$206,800	\$200,000	\$190,800
Turlock	\$227,900	\$228,600	\$225,900	\$218,200
Lodi	\$256,100	\$244,300	\$240,500	\$236,100
Clovis	\$321,300	\$258,200	\$275,900	\$247,700
Merced	not available	not available	not available	not available
Modesto	\$216,500	\$200,300	\$195,600	\$184,600
Patterson	not available	\$222,600	\$180,300	\$174,800
Hayward	\$471,500	\$403,000	\$353,100	\$364,600
Rohnert Park	\$292,100	\$312,400	\$304,700	\$323,800
Tracy	\$436,900	\$308,800	\$307,800	\$295,600
Visalia	\$177,200	\$201,600	\$185,900	\$174,400

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B25109

Turlock compares favorably against the other areas in terms of affordable homeownership and renting opportunities. For example, taking into account the cost of housing on incomes, particularly the portion above the 30 percent housing-to-income payment standard, incomes for housing-burdened homeowners in Hayward are on par with incomes for homeowners in Turlock (Table 3-14). This is calculated by taking the median housing price for new home owners (first column Table 3-12 above, and calculating the annual payments for a mortgage plus property tax and insurance. Subtracting

these costs from the 2015 median income for both cities from Table 3-10, leaves the adjusted income available for retail spending and other household expenditures.

Table 3-14: Disposable Income Adjusted for Housing Costs, Turlock and Hayward

City	Housing Price	Annual Housing Cost	Median Income	Adjusted Income
Turlock	\$227,900	\$14,200	\$51,400	\$37,200
Hayward	\$471,500	\$29,400	\$65,100	\$35,700

Source: ADE Inc., based on ACS data in previous tables.

Of the 12,541 homeowners in Turlock, 69.5 percent reside in affordable situations, in which households are paying less than 30 percent of the income on housing (Table 3-15). This rate is the best across all comparison areas. For homeowners earning at least \$50,000 in household income, 85.8 percent reside in affordable situations, a rate that is second to Merced (87.2 percent) by slightly under two percentage points.

AGE OF HOMEOWNERS

Low and stable prices mean younger adults can buy homes in Turlock more easily than in comparison areas. Roughly 12.6 percent of all homeowners in Turlock are under 35 (Table 3-16). Merced enjoys a better rate at 13.0 percent, as does Patterson (17.2 percent), although Patterson comprises of 3,600 owner-occupied units versus Turlock's 12,500. Interestingly, Clovis exhibits a low rate of homeowners under 35, at 9.2 percent of that city's total.

FAMILY FORMATION

As a result of Turlock's stable and affordable housing environment, as well as the occupational niches filled by employed locals, Turlock is a place that is conducive to family formation. Compared to the other cities, at 17,167, Turlock ranks seventh in terms of numbers of family households (Table 3-17). As important, of the 17,167 family households, 12,041 are two-parent households, for a two-parent family household rate of 70.1 percent. Turlock has the fourth highest two-parent family household rate, following Tracy (77.8 percent) and closely behind Lodi (71.8 percent) and Clovis (71.4 percent). Moreover, of the 17,167 family households, 9,146 households have 24,557 children under 18, for children-per-family rate of 2.68, which is the second highest rate following Patterson's 2.76 children-per-family.

Table 3-15: Affordability of Housing by Tenure and Broad Income Categories

Housing Tenure/Affordability	Merced County	San Joaquin County	Stanislaus County	Turlock	Lodi	Clovis	Merced	Modesto	Patterson	Hayward	Rohnert Park	Tracy	Visalia
Owner-Occupied Housing													
All Homeowning Households	40,124	124,087	95,954	12,541	12,227	20,760	10,555	37,654	3,626	24,476	8,096	15,414	24,733
Homeowning Households in Affordable Situations	27,418	82,696	63,880	8,718	8,435	14,208	7,159	25,161	2,082	15,402	5,084	10,291	16,682
Affordable Homeownership Rate	68.3%	66.6%	66.6%	69.5%	69.0%	68.4%	67.8%	66.8%	57.4%	62.9%	62.8%	66.8%	67.4%
<i>Homeowning Households with inc. \$50,000+</i>	24,139	83,342	61,680	8,439	7,859	15,433	6,464	24,645	2,095	18,346	6,064	12,167	16,050
<i>Homeowning HHDs with inc. \$50,000+: affordable</i>	20,718	66,129	51,387	7,240	6,411	12,458	5,635	20,661	1,671	13,132	4,465	9,293	13,496
<i>Affordability Rate</i>	85.8%	79.3%	83.3%	85.8%	81.6%	80.7%	87.2%	83.8%	79.8%	71.6%	73.6%	76.4%	84.1%
Renter-Occupied Housing													
All Renting Households	37,568	94,986	73,242	11,442	10,196	13,752	14,775	32,827	2,054	22,237	7,799	8,930	16,997
Renting Households in Affordable Situations	15,085	37,615	28,583	4,884	4,222	6,450	5,955	12,722	1,038	8,853	2,746	4,381	7,227
Affordable Rentership Rate	40.2%	39.6%	39.0%	42.7%	41.4%	46.9%	40.3%	38.8%	50.5%	39.8%	35.2%	49.1%	42.5%
<i>Renting Households with inc. \$50,000+</i>	9,648	32,997	23,152	3,928	3,222	5,604	3,522	9,892	973	10,491	3,263	4,952	5,671
<i>Renting HHDs with inc. \$50,000+: affordable</i>	8,302	26,850	19,868	3,529	2,771	4,700	3,206	8,839	846	7,783	2,258	3,822	5,038
<i>Affordability Rate</i>	86.0%	81.4%	85.8%	89.8%	86.0%	83.9%	91.0%	89.4%	86.9%	74.2%	69.2%	77.2%	88.8%

Source: ADE, Inc., based on US Census ACS 5-Year 2011-2015 Sample Tables B25074 and B25095

Table 3-16: Comparison of Age of Householders by Select Age Brackets: Owner-Occupied Homes

Geography	Owner-Occupied Units	Number of Householders Under 35	Number of Householders 35 to 44	Number Householders 45 and Up	Households Under 35 As Percent of Total	Householders 35 to 44 As percent of Total	Householders 45 and Up As Percent of Total
Merced County	40,124	4,754	6,831	28,539	11.8%	17.0%	71.1%
San Joaquin County	124,087	13,726	21,054	89,307	11.1%	17.0%	72.0%
Stanislaus County	95,954	11,367	16,106	68,481	11.8%	16.8%	71.4%
Turlock	12,541	1,580	2,091	8,870	12.6%	16.7%	70.7%
Lodi	12,227	1,393	1,483	9,351	11.4%	12.1%	76.5%
Clovis	20,760	1,905	3,786	15,069	9.2%	18.2%	72.6%
Merced	10,555	1,371	1,894	7,290	13.0%	17.9%	69.1%
Modesto	37,654	4,095	6,078	27,481	10.9%	16.1%	73.0%
Patterson	3,626	625	878	2,123	17.2%	24.2%	58.5%
Hayward	24,476	2,620	4,170	17,686	10.7%	17.0%	72.3%
Rohnert Park	8,096	809	1,284	6,003	10.0%	15.9%	74.1%
Tracy	15,414	1,675	3,347	10,392	10.9%	21.7%	67.4%
Visalia	24,733	2,968	4,740	17,025	12.0%	19.2%	68.8%

Source: ADE, based on US Census ACS 5-Year 2011-2015 Sample Table B25027

Table 3-17: Family Formation

Geography	Family Households	Two-Parent Family Households	Two-Parent Family Households As Percent of Family HHD	Family Households With Children Under 18	Children in Family Households	Children Per Family Households
Merced County	59,568	39,393	66.1%	36,203	99,504	2.75
San Joaquin County	163,845	113,603	69.3%	93,741	247,924	2.64
Stanislaus County	124,736	86,385	69.3%	69,570	184,169	2.65
Turlock	17,167	12,041	70.1%	9,146	24,557	2.68
Lodi	15,460	11,102	71.8%	8,431	21,701	2.57
Clovis	25,008	17,860	71.4%	13,709	35,545	2.59
Merced	18,049	10,539	58.4%	11,044	29,402	2.66
Modesto	48,896	32,864	67.2%	25,828	68,475	2.65
Patterson	4,546	3,180	70.0%	2,963	8,187	2.76
Hayward	34,419	22,903	66.5%	18,273	46,958	2.57
Rohnert Park	9,481	6,255	66.0%	4,907	11,354	2.31
Tracy	20,188	15,712	77.8%	12,444	32,391	2.60
Visalia	30,998	20,850	67.3%	18,124	44,910	2.48

Source: ADE, based on US Census 5-Year 2011-2015 Sample Tables B09019 and B17010

4. RETAIL MARKET ANALYSIS

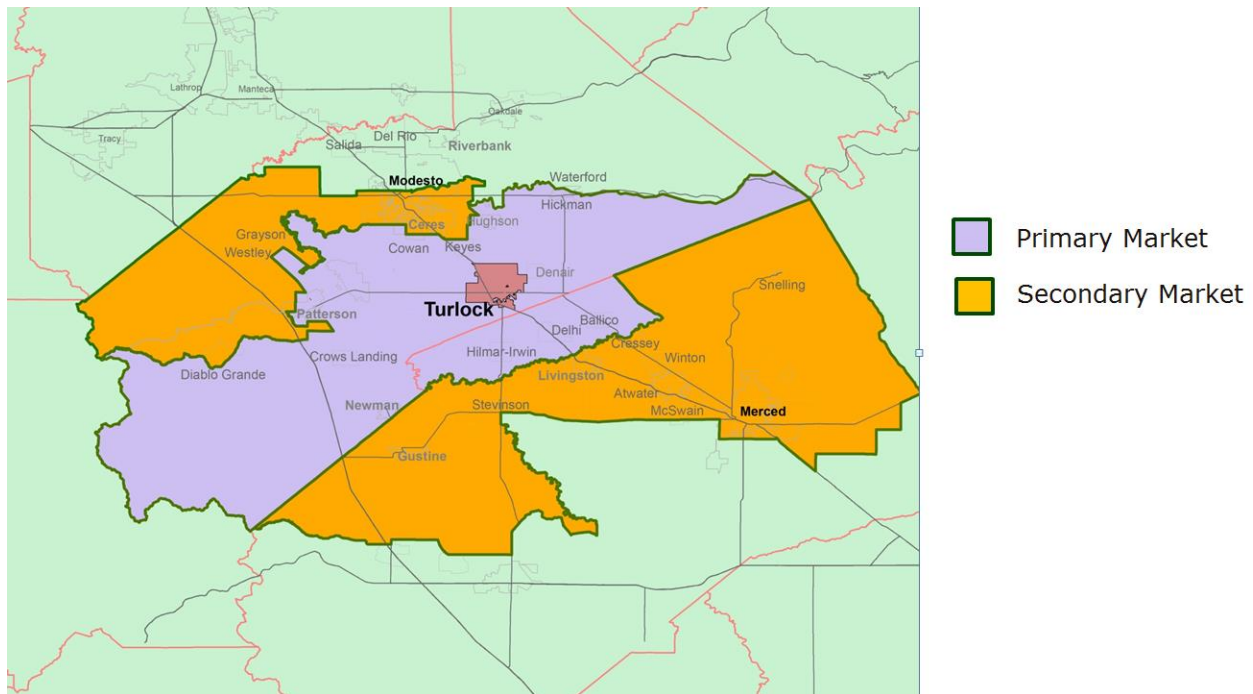
The retail sector is an important contributor to the quality of life in the community, by providing a variety of goods and services for local and visitor consumption, and also serving as a major source of tax revenues that support local municipal services. The retail market analysis includes an estimate of retail spending in Turlock, including household, business-to-business, and visitor spending; and a comparison of overall spending potential and sales by Turlock retail establishments.

The analysis found that Turlock serves as a major retail provider for an area that extends well beyond the city boundaries. While this large regional market capture potentially limits the opportunities for retail expansion, there are some areas of opportunity that the City can pursue.

RETAIL MARKET AREA

Because retail sales trends in Turlock indicated that the community drew significant retail sales from outside of the community, ADE defined a primary market area that also included the cities of Hughson, Newman, Patterson, and Waterford. This primary market area also includes the unincorporated communities of Ballico, Cowan, Crows Landing, Delhi, Denair, Hickman, Hilmar, Irwin, Keyes, Monterey Park Tract, and all of the Census Block Groups in between these communities (purple area in Figure 4-1 below).

FIGURE 4-1: TURLOCK RETAIL MARKET AREAS



Altogether, the City of Turlock had an estimated 23,165 households at the end of 2016, with an aggregate household income of over \$1.5 billion and a mean household income of \$67,569 (Table 4-1).¹ This is slightly higher than the overall average annual household income for the entire market area of just under \$66,000. The market area as a whole has 55,120 households with an aggregate household income of over \$3.6 billion.

TABLE 4-1: HOUSEHOLD COUNT AND AVERAGE INCOME FOR TURLOCK MARKET AREA (2016/17)

Market Area Community	Households	Total Household Income	Mean Annual Household Income (Estimate)
Turlock	23,165	\$1,565,240,399	\$67,569
Hughson	2,191	\$145,492,798	\$66,405
Newman	3,147	\$174,880,428	\$55,571
Patterson	6,006	\$401,675,041	\$66,879
Waterford	2,480	\$145,749,832	\$58,770
Unincorporated Areas	18,131	\$1,201,250,373	\$66,252
Total	55,120	\$3,634,288,871	\$65,934

Source: ADE, Inc.; data estimated from California Department of Finance and US Census American Community Survey.

2.2 TURLOCK MARKET AREA RETAIL DEMAND

Local household spending represents the single largest component that supports any community's retail commercial sectors. The primary factors that affect the demand for retail goods and services include the number of households living in the local market area, and the average income and its distribution across different income groups. As described later in this section, retail leakage represents the gap between local market demand and retail sales by local retail establishments. This leakage represents an existing shortfall, as well as an opportunity for both retail expansion and possible attraction. Retail demand for the Turlock primary market area was calculated by estimating household spending (Turlock and surrounding primary market area communities), out-of-town visitor spending, and business-to-business transactions. As shown in Table 2-2, the overall market area spending totals \$1.16 billion. It should be noted that this reflects household retail spending power, and does not necessarily represent the actual spending by market area households in Turlock.

HOUSEHOLD SPENDING

Using an analytical model that accounts for the distribution of household income in Turlock, ADE estimated the total retail spending by local households. The retail market spending for City of Turlock households totals approximately \$429.4 million, as shown in Table 4.2. The largest demand comes from grocery stores (\$67.6 million), restaurants/eating places (\$77.7 million), car dealerships (\$73.7 million), gas stations (\$51.7 million), and general merchandise stores (\$77.5 million). Each of these store types generates over \$50 million in household demand.

¹ ADE uses the mean, or average, income to measure retail purchasing power. This statistic is typically higher than the median income reported in Chapter 3, which is more commonly used to measure housing affordability. The median is income at which 50 percent of households are below and 50 percent above.

The other primary market area households (including Hughson, Newman, Patterson, Waterford, and the adjacent unincorporated areas) contribute an additional \$578.1 million in annual retail spending. The largest demand categories for these households show a similar pattern as Turlock households, with grocery stores (\$91.4 million), restaurants/eating places (\$104.6 million), car dealerships (\$98.8 million), gas stations (\$69.6 million), and general merchandise stores (\$104.6 million) making up the majority of the overall retail spending.

VISITOR SPENDING

Spending from out-of-town visitors comprises another significant source of retail demand for Turlock retailers. Based on countywide Turlock's capture rate of countywide transient occupancy tax (TOT), the estimated annual visitor spending for Turlock totals about \$74.9 million.² This demand includes a variety of different spending categories.³ The largest visitor spending categories are restaurants (\$31.4 million) and gas stations (\$17.6 million).

BUSINESS-TO-BUSINESS SPENDING

Business-to-business transactions represent the spending at local retail stores that support the operations for other businesses. Based on ZIP-code level data from the IMPLAN Pro input-output model, these business-to-business transactions account for another \$79.8 million in demand. This includes any retail goods and services purchased by other businesses within the ZIP codes that comprise the Turlock primary market area.⁴ The largest category of demand is restaurants and eating places (\$36.3 million).

² Based on data from Dean Runyan Associates' *California Travel Impacts by County (1992-2015)* publication, Turlock captures about 24.8 percent of the countywide TOT. The visitor spending for Turlock was calculated by applying the capture to the categorical visitor spending for Stanislaus County. The broad spending categories used in the Dean Runyan Associates data was distributed into individual store categories using the retail sales distribution for the City of Turlock.

³ The visitor spending for retail stores and restaurants used in the Dean Runyan Associates publication assumes that the visitor retail demand would apply to the following categories: food & beverage stores (NAICS code 445); gasoline stations (447); clothing stores (448); sporting goods, hobby, book, and music stores (451); general merchandise stores (452); miscellaneous store retailers (453); and food services (722).

⁴ The primary market area used to estimate the business-to-business transactions include the following ZIP codes: 95313, 95316, 95323, 95326, 95328, 95360, 95363, 95380, 95382, and 95386. It should be noted that the ZIP code boundaries do not exactly match the Census Tract Block Group boundaries used to define the primary market area in the household retail demand calculation.

TABLE 4-2: RETAIL DEMAND FOR TURLOCK MARKET AREA (2016/17)

Retail Group	Turlock Household Spending	Other Primary Market Area Household Spending	Turlock Visitor Spending	Turlock Business-to-Business Spending	Total Market Area Spending
Total	\$429,443,746	\$578,109,572	\$74,939,318	\$79,784,844	\$1,162,277,480
Apparel Store Group	\$21,693,873	\$28,999,760	\$3,155,928	\$3,827,879	\$57,677,440
Women's Apparel	\$4,424,446	\$5,948,635	\$261,916	\$317,683	\$10,952,680
Men's Apparel	\$694,748	\$919,007	\$10,680	\$12,954	\$1,637,390
Family Clothing	\$12,241,786	\$16,377,667	\$2,528,725	\$3,067,133	\$34,215,311
Shoe Stores	\$4,332,892	\$5,754,452	\$354,606	\$430,108	\$10,872,059
General Merchandise Group*	\$77,575,802	\$104,590,182	\$14,563,732	\$7,665,490	\$204,395,206
Specialty Retail Group	\$20,665,085	\$27,767,922	\$3,002,027	\$7,594,964	\$59,029,998
Gifts & Novelties	\$998,154	\$1,342,987	\$267,503	\$251,509	\$2,860,153
Sporting Goods	\$3,021,710	\$4,006,552	\$633,986	\$1,470,755	\$9,133,004
Florists	\$197,805	\$266,363	\$32,653	\$30,701	\$527,523
Office Supplies	\$814,149	\$1,093,613	\$0	\$0	\$1,907,762
Jewelry	\$1,140,185	\$1,553,158	\$236,779	\$222,622	\$3,152,743
Other Specialty Retail*	\$14,493,082	\$19,505,249	\$1,831,107	\$5,619,377	\$41,448,814
Food, Eating and Drinking Group	\$150,817,621	\$203,432,319	\$36,549,290	\$37,168,479	\$427,967,709
Grocery Stores	\$67,623,798	\$91,413,075	\$4,500,928	\$748,111	\$164,285,911
Specialty Food Stores	\$2,211,673	\$2,990,163	\$211,614	\$35,173	\$5,448,624
Liquor Stores	\$3,276,706	\$4,416,001	\$466,307	\$77,506	\$8,236,519
Eating Places	\$77,705,444	\$104,613,080	\$31,370,442	\$36,307,689	\$249,996,655
Building Materials And Homefurnishings Group	\$29,060,752	\$39,114,945	\$43,265	\$14,807,898	\$83,026,860
Furniture & Home Furnishings	\$7,530,420	\$10,127,618	\$0	\$1,915,214	\$19,573,252
Appliances & Electronics	\$7,441,448	\$9,999,152	\$0	\$2,027,168	\$19,467,769
Used Merchandise	\$306,005	\$413,643	\$43,265	\$40,679	\$803,592
Building Materials/Garden Supply*	\$13,782,879	\$18,574,531	\$0	\$10,824,838	\$43,182,248
Automotive Group	\$129,630,613	\$174,204,443	\$17,625,075	\$8,401,977	\$329,862,108
New and Used Car Dealers*	\$73,656,828	\$98,772,019	\$0	\$4,112,627	\$176,541,473
Gasoline Service Stations	\$51,661,508	\$69,625,769	\$17,625,075	\$3,268,607	\$142,180,958
Auto Parts & Accessories	\$2,606,266	\$3,513,201	\$0	\$970,406	\$7,089,872
Other Vehicles*	\$1,706,012	\$2,293,456	\$0	\$50,338	\$4,049,805

Source: ADE, Inc.; data from California Board of Equalization, Bureau of Labor Statistics Consumer Expenditure Survey, US Economic Census, American Community Survey, California Department of Finance, IMPLAN Pro input-output model, and Dean Runyan Associates.

Notes: Categories marked with asterisks are aggregated due to confidentiality issues with the sales tax data.

2.3 RETAIL LEAKAGE AND NET CAPTURE

Retail leakage occurs when existing household demand for specific retail store types is not met by local stores in that category, and those shoppers go to stores located outside of their local market area instead. This happens when local stores do not meet the needs of shoppers, whether that results from an insufficient quantity of stores in a particular category, or existing stores otherwise not sufficiently attracting spending from local shoppers. Concurrently, net capture occurs when retail stores (within a specific category) attract shoppers from neighboring communities, and the store sales exceed the local demand.

Retail leakage represents both a shortcoming and an opportunity, because the unmet retail demand that currently goes elsewhere can potentially be recaptured within a local market area by establishing new stores (or expanding existing businesses) that do a better job at capturing household spending. In general, if the leakage in a particular retail category is high enough, then it can potentially support a discrete retail store of that type.

In order to estimate the retail leakage, the analysis obtained the annual 2016 sales tax records from the Board of Equalization for all businesses in Turlock reporting taxable sales. This data source is confidential and the retail leakage analysis does not report any raw numbers that might disclose sales for individual businesses.

Overall, the retail demand within primary market area boundary very closely matches the Turlock retail sales total. However, the leakage and net capture findings vary considerably from one retail store type to another. This indicates that the market areas for some types of stores are smaller or larger than others. Because ADE defined a primary market area that extends well beyond the Turlock city limits, the net capture findings indicate that Turlock captures sales in some categories from an even larger regional market area.

OVERALL RETAIL LEAKAGE

Turlock has a total retail leakage of \$235.2 million. The largest retail leakage occurs with new car dealerships (\$72.1 million), eating places/restaurants (\$94.0 million), and grocery stores (\$21.6 million). For these categories, a large proportion of the market area spending does not occur in Turlock. For certain categories, such as grocery stores and restaurants, Turlock's market capture likely does not extend much beyond local households. Residents in the surrounding communities likely have viable options closer to home. For other categories, such as automobile dealerships, the leakage could well indicate unmet demand that could potentially pull in regional sales through attraction of new establishments. In addition, Turlock's very large base of general merchandise store sales could come from sales that would otherwise go to other types of retail stores.

OVERALL RETAIL NET CAPTURE

Turlock retail stores generate a net capture of retail sales totaling \$207.5 million. Over half of this net capture (\$111.9 million) comes from general merchandise stores such as discount department stores, dollar stores, drug stores, and warehouse clubs. Turlock also has a very strong base of specialty retail stores, with the largest net capture occurring with sporting goods (including gun store sales). For these store categories, the net capture of sales indicates that their market reach likely extends beyond the primary market area. Other store categories with large net capture, such as lumber/building materials and auto parts, generate a lot of additional business-to-business transactions. More detailed discussions of the leakage findings by retail group are shown below.

APPAREL STORE GROUP

The apparel store group includes a combination of men's and women's clothing stores, family clothing stores, and shoe stores. Taken as a whole, the apparel store group showed a slight net capture of sales. The family clothing category generated the majority of the retail sales in the apparel store group, and the category showed a net capture of \$12.4 million. Women's apparel, men's apparel, and

shoe stores each showed significant retail leakage. However, much of this leakage is likely absorbed by the family clothing stores, which tend to include larger stores with a greater variety of merchandise.

GENERAL MERCHANDISE GROUP

General merchandise stores include a broad range of different store types, including traditional department stores, discount department stores, warehouse clubs, drug stores, and smaller-scale dollar and variety stores. This category makes up more than half of the net capture of regional sales (\$111.9 million) in Turlock. Very clearly, the large base of general merchandise stores in Turlock attracts shoppers from beyond the city boundary and the primary market area boundary.

SPECIALTY RETAIL GROUP

Stores in this category represent establishments that carry more specialized merchandise lines. This retail group includes gift stores, sporting goods, florists, office supplies, jewelry, beauty supply, toy stores, music stores, book stores, stationery stores, and other specialty retail stores. In general, this category generates a net capture of sales, which indicates that the specialty retail stores in Turlock draw shoppers from outside of the primary market area boundary.

FOOD, EATING, AND DRINKING GROUP

Stores in this group include a combination of food and grocery stores, as well as restaurants and other eating places. Overall, this group generates over half of the retail leakage (\$119.4 million) in Turlock. Grocery stores have about \$21.6 million in leakage, while restaurants/eating places have \$94.0 million in leakage. The retail sales for both of these categories still exceed the household demand from Turlock residents, so the leakage is largely generated through other primary market area households, visitors, and business-to-business activity. This would indicate that other communities within the primary market area boundary have significant enough concentrations of food-related businesses of their own to compete against the large retail attraction of Turlock.

BUILDING MATERIALS AND HOME FURNISHINGS GROUP

This retail group includes a combination of furniture, appliance/electronics, used merchandise, and home improvement-related stores. Furniture/home furnishings stores and appliance/electronics stores each have significant retail leakage, and potentially represent retail attraction opportunities for Turlock. However, building materials and garden supply stores have a large net capture of regional sales. It should be noted that at least some of this net capture could result from additional business-to-business demand. The business-to-business spending also includes wholesale and direct sales transactions that might be diverted to retail building materials providers. This occurs often in smaller markets where retail stores serve the same role as wholesaler or contractor suppliers in larger markets.

AUTOMOTIVE GROUP

The automotive group includes a combination of car dealerships, gas stations, auto parts stores, and other vehicle dealerships. All of the store types in this group generate sales leakages, except for auto parts stores. For car dealerships, the large leakage (\$62.1 million) indicates that the concentration of sales in Turlock is sufficient to meet demand by local households, but not for all of the other sources of demand within the Turlock primary market area. In addition, gas station sales also show significant

leakage (\$23.0 million), although it should be noted that gas station demand and sales can fluctuate considerably due to gas price volatility. As with building materials stores, auto parts stores have a very large demand from business-to-business activity that might not be fully captured in the data.

TABLE 4-3: TURLOCK MARKET AREA RETAIL LEAKAGE AND NET CAPTURE (2016/17)

Retail Group	Total Market Area Spending	Turlock Retail Sales	Sales Leakages	Net Capture of Regional Sales
Total	\$1,162,277,480	\$1,134,278,226	\$235,151,535	\$207,470,438
Apparel Store Group	\$57,677,440	\$60,219,485	\$9,839,978	\$12,382,023
Women's Apparel	\$10,952,680	\$5,688,531	\$5,264,149	\$0
Men's Apparel	\$1,637,390	\$231,967	\$1,405,423	\$0
Family Clothing	\$34,215,311	\$46,597,334	\$0	\$12,382,023
Shoe Stores	\$10,872,059	\$7,701,653	\$3,170,406	\$0
General Merchandise Group	\$204,395,206	\$316,307,876	\$0	\$111,912,670
Specialty Retail Group	\$59,029,998	\$77,832,086	\$1,670,744	\$20,472,832
Gifts & Novelties	\$2,860,153	\$5,809,857	\$0	\$2,949,704
Sporting Goods	\$9,133,004	\$22,093,184	\$0	\$12,960,180
Florists	\$527,523	\$709,188	\$0	\$181,665
Office Supplies	\$1,907,762	\$5,020,402	\$0	\$3,112,640
Jewelry	\$3,152,743	\$4,421,385	\$0	\$1,268,642
Misc. Specialty Retail	\$41,448,814	\$39,778,070	\$1,670,744	\$0
Food, Eating and Drinking Group	\$427,967,709	\$310,930,895	\$119,413,566	\$2,376,752
Grocery Stores	\$164,285,911	\$142,693,444	\$21,592,467	\$0
Specialty Food Stores	\$5,448,624	\$1,677,208	\$3,771,416	\$0
Liquor Stores	\$8,236,519	\$10,613,271	\$0	\$2,376,752
Eating Places	\$249,996,655	\$155,946,972	\$94,049,683	\$0
Building Materials And Homefurnishings Group	\$83,026,860	\$106,980,159	\$16,454,912	\$40,408,211
Furniture & Home Furnishings	\$19,573,252	\$15,923,788	\$3,649,464	\$0
Appliances & Electronics	\$19,467,769	\$6,662,320	\$12,805,449	\$0
Used Merchandise	\$803,592	\$1,047,649	\$0	\$244,057
Nurseries & Garden Supply	\$43,182,248	\$83,346,402	\$0	\$40,164,154
Automotive Group	\$329,862,108	\$262,007,724	\$87,772,334	\$19,917,950
New Cars & RVs	\$176,541,473	\$114,460,489	\$62,080,984	\$0
Gasoline Service Stations	\$142,180,958	\$119,138,436	\$23,042,522	\$0
Auto Parts & Accessories	\$7,089,872	\$27,007,822	\$0	\$19,917,950
Other Vehicles*	\$4,049,805	\$1,400,977	\$2,648,828	\$0

Source: ADE, Inc.; data from California Board of Equalization, Bureau of Labor Statistics Consumer Expenditure Survey, US Economic Census, American Community Survey, California Department of Finance, IMPLAN Pro input-output model, and Dean Runyan Associates.

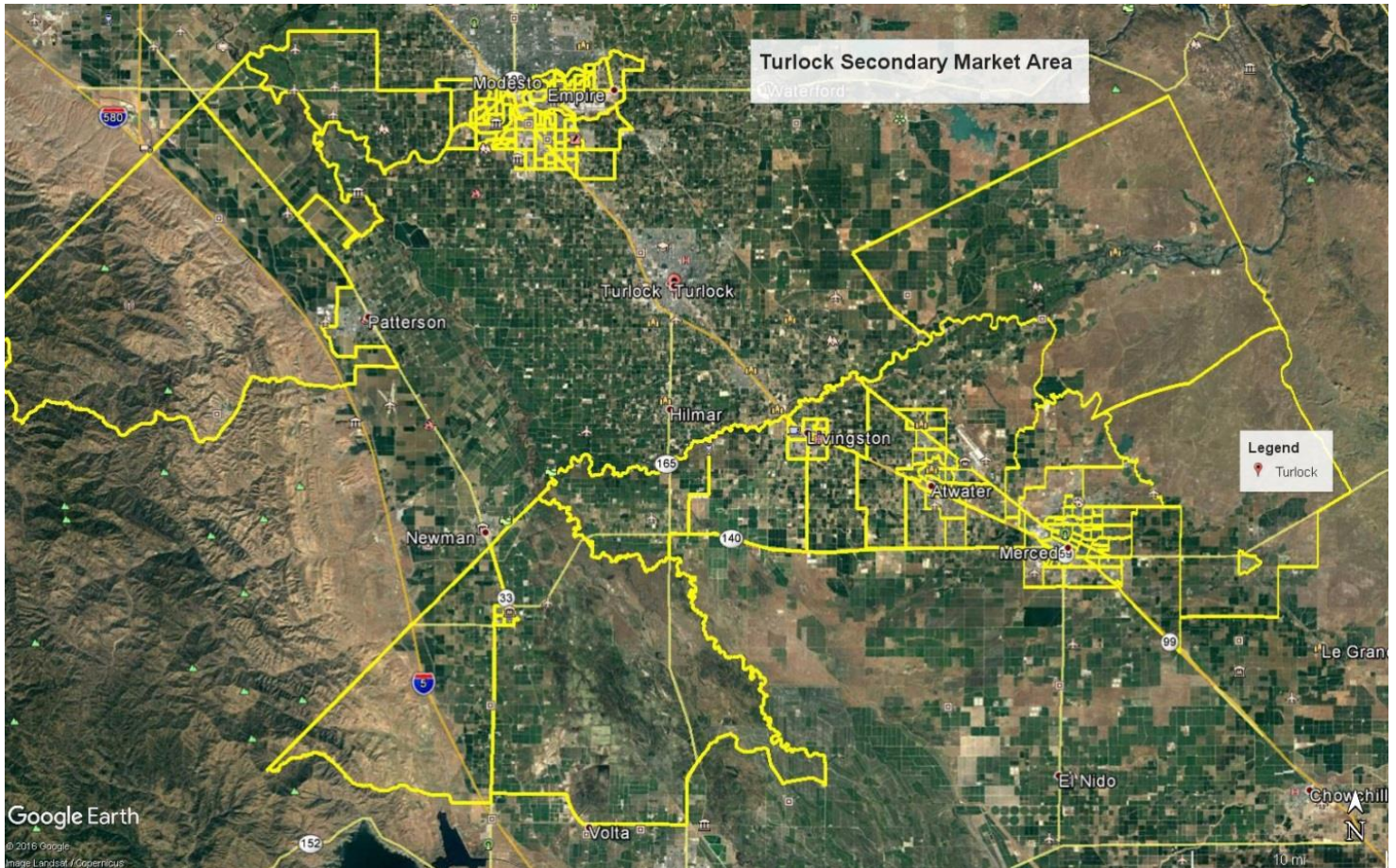
Notes: Categories marked with asterisks will be aggregated in public versions of the market analysis due to confidentiality issues with the sales tax data.

POTENTIAL SECONDARY MARKET AREA RETAIL DEMAND

As indicated in the analysis, several of the store categories in Turlock capture sales that exceed the demand within the primary market area. In order to illustrate the additional retail market demand that

Turlock retailers draw from, a secondary market area was defined (Figure 3). This secondary market area includes the incorporated cities of Atwater, Gustine, Livingston, and Merced. The secondary market area also includes the unincorporated communities of Bear Creek, Bret Harte, Bystrom, Cressey, Empire, Grayson, McSwain, Parklawn, Palnada, Rouse, Snelling, Stevinson, Tuttle, Westley, West Modesto, and Winton. This market area boundary also includes portions of Modesto located south of Kansas Ave./Needham St., as well as the Census Block Groups adjacent to these communities.

FIGURE 4-2: TURLOCK SECONDARY MARKET AREA



The secondary market area has a total household demand of \$1.56 billion. Because of stronger local competition, Turlock likely only captures a portion of this demand. However, the strong net capture for certain types of retailers indicates that Turlock has some specific strengths that already draw at least some shoppers from the secondary market area.

TABLE 4-4: RETAIL DEMAND FOR SECONDARY MARKET AREA (2016/17)

Retail Group	Secondary Market Area Household Spending
Total	\$1,564,130,314
Apparel Store Group	\$78,334,793
Women's Apparel	\$16,158,253
Men's Apparel	\$2,464,242
Family Clothing	\$44,326,058
Shoe Stores	\$15,386,239
General Merchandise Group*	\$285,976,819
Specialty Retail Group	\$74,956,323
Gifts & Novelties	\$3,630,025
Sporting Goods	\$10,585,788
Florists	\$723,708
Office Supplies	\$2,962,173
Jewelry	\$4,126,606
Other Specialty Retail*	\$52,928,023
Food, Eating and Drinking Group	\$555,153,669
Grocery Stores	\$251,445,826
Specialty Food Stores	\$8,230,157
Liquor Stores	\$12,029,842
Eating Places	\$283,447,844
Building Materials And Homefurnishings Group	\$106,155,352
Furniture & Home Furnishings	\$27,309,013
Appliances & Electronics	\$27,137,648
Used Merchandise	\$1,129,173
Building Materials/Garden Supply*	\$50,579,518
Automotive Group	\$463,553,358
New and Used Car Dealers*	\$258,055,988
Gasoline Service Stations	\$189,853,148
Auto Parts & Accessories	\$9,560,148
Other Vehicles*	\$6,084,074

Source: ADE, Inc.; data from California Board of Equalization, Bureau of Labor Statistics Consumer Expenditure Survey, US Economic Census, American Community Survey, and California Department of Finance..

Notes: Categories marked with asterisks will be aggregated in public versions of the market analysis due to confidentiality issues with the sales tax data.

5. JOB CREATION

This chapter describes the types of businesses and jobs located in Turlock and discusses market opportunities to expand the job base.

Table 5-1 provides an estimate of jobs by detailed business type in Turlock and in Stanislaus County. The City supported about 14.7 percent of the County jobs base in 2015, slightly more than its share of countywide population. Between 2010 and 2015, jobs in the City grew an estimated 5.6 percent while the County enjoyed growth of 8.1 percent. Comparing the percent distribution of jobs for 2015, Turlock has a higher concentration of jobs than the County in several important sectors including manufacturing, retail, finance/insurance, education and health care.

ECONOMIC TRADE FLOW

OVERALL ECONOMIC VALUE

In 2015, Turlock's economic activity generated a total of \$6.8 billion in industry output. By comparison, Stanislaus County generates a total of \$40.4 billion in industry output. The industry output represents the total value of all economic activity, including inputs, value added, labor income, profits, taxes paid, and other income.

The composition of Turlock economic activity shows a very high concentration of industry output in food and beverage processing, which accounts for \$1.8 billion in industry output (26.6 percent of total). Other manufacturing industries generate a total of \$354.4 million in industry output. Food and beverage manufacturing generates \$8.2 billion of industry output in Stanislaus County (20.2 percent of total), while other manufacturing industries account for \$3.9 billion in industry output.

The other large private industry sectors in Turlock (greater than \$300 million of industry output) include agriculture (\$538.4 million), construction (\$363.2 million), wholesale trade (\$391.0 million), retail trade (\$357.4 million from gross margins only), real estate (\$451.3 million), and health care and social services (\$590.3 million).

Productivity in Turlock averages about \$176,700 of industry output per worker. This is slightly higher than the countywide average of \$166,490 per worker.

Food and beverage processing has the highest productivity of all industry groups in Turlock (\$601,300 output per worker). Other high productivity industry groups in Turlock (at least \$300,000 output per worker) include utilities (\$538,000), other manufacturing (\$408,570), information (\$433,000), and real estate (\$385,300).

Table 5-1: Jobs in Place for Turlock and Stanislaus County, 2010 and 2015

Industry Sector	City of Turlock					Stanislaus County				
	2010	2015 Estimate	2015 Percent	10-15 Change	Percent Change	2010	2015	2015 Percent	10-15 Change	10-15 Change
Total	24,208	25,559	100.0%	1,351	5.6%	160,379	173,396	100.0%	13,017	8.1%
Agriculture, Forestry, Fishing and Hunting	519	461	1.8%	-58	-0.2%	10,026	12,333	7.1%	2,307	1.4%
Mining, Quarrying, and Oil and Gas Extraction	0	0	0.0%	0	0.0%	43	40	0.0%	-3	0.0%
Utilities	301	280	1.1%	-21	-0.1%	1,516	1,553	0.9%	37	0.0%
Construction	789	937	3.7%	148	0.6%	5,338	7,295	4.2%	1,957	1.2%
Manufacturing	3,284	3,452	13.5%	168	0.7%	20,407	20,938	12.1%	531	0.3%
Wholesale Trade	777	591	2.3%	-186	-0.8%	6,971	6,499	3.7%	-472	-0.3%
Retail Trade	3,011	3,247	12.7%	236	1.0%	17,864	20,020	11.5%	2,156	1.3%
Transportation and Warehousing	466	538	2.1%	72	0.3%	5,151	6,723	3.9%	1,572	1.0%
Information	147	179	0.7%	32	0.1%	1,357	864	0.5%	-493	-0.3%
Finance and Insurance	626	587	2.3%	-39	-0.2%	3,128	2,951	1.7%	-177	-0.1%
Real Estate and Rental and Leasing	236	205	0.8%	-31	-0.1%	2,083	2,105	1.2%	22	0.0%
Professional, Scientific, and Technical Services	475	618	2.4%	143	0.6%	4,950	5,720	3.3%	770	0.5%
Management of Companies and Enterprises	172	175	0.7%	3	0.0%	2,147	1,615	0.9%	-532	-0.3%
Administration & Support, Waste Mgmt	885	1,075	4.2%	190	0.8%	6,759	7,537	4.3%	778	0.5%
Educational Services	3,342	3,518	13.8%	176	0.7%	19,942	20,485	11.8%	543	0.3%
Health Care and Social Assistance	3,840	4,718	18.5%	878	3.6%	26,119	29,537	17.0%	3,418	2.1%
Arts, Entertainment, and Recreation	276	318	1.2%	42	0.2%	1,473	1,794	1.0%	321	0.2%
Accommodation and Food Services	2,192	3,008	11.8%	816	3.4%	12,460	14,871	8.6%	2,411	1.5%
Other Services (excluding Public Administration)	2,059	834	3.3%	-1,225	-5.1%	8,459	4,482	2.6%	-3,977	-2.5%
Public Administration	811	818	3.2%	7	0.0%	4,186	6,034	3.5%	1,848	1.2%

Source: ADE, based on US Census LEHD and California EDD LMID. CAGR = compound annual growth rate. *Notes: (1) utilities (total for utilities includes public and private); (2) education (total includes public and private); (3) health (total for health includes public and private); (4) all other sectors (all other sectors, excluding public admin, only include private sector); and (5) and public sector workers in sectors other than utilities, education, and health, are rolled into public admin.

Table 5-2: Turlock Economic Output

Industry Description	Output	Labor Income	Total Value Added	Output Per Worker
Total	\$6,842,619,008	\$2,033,760,254	\$3,098,939,000	\$176,678
11 Ag, Forestry, Fish & Hunting	\$538,426,240	\$225,697,200	\$259,494,848	\$198,379
21 Mining	\$1,879,598	\$194,015	\$616,586	\$110,339
22 Utilities	\$84,495,584	\$18,513,746	\$38,678,756	\$538,027
23 Construction	\$363,244,096	\$114,940,672	\$168,887,872	\$161,109
31-33 Manufacturing	\$354,419,424	\$60,316,040	\$99,716,256	\$408,570
311 Food and Beverage	\$1,822,822,656	\$160,563,136	\$296,419,296	\$601,294
42 Wholesale Trade	\$390,972,288	\$65,894,600	\$190,424,736	\$178,888
44-45 Retail trade	\$357,369,984	\$145,097,696	\$241,813,392	\$85,119
48-49 Transportation & Warehousing	\$281,660,576	\$118,962,312	\$132,573,088	\$168,631
51 Information	\$80,963,096	\$10,950,448	\$36,390,260	\$433,008
52 Finance & insurance	\$197,267,184	\$51,387,932	\$91,314,096	\$194,251
53 Real estate & rental	\$451,281,440	\$30,996,570	\$301,873,856	\$385,336
54 Professional- scientific & tech svcs	\$321,231,232	\$118,702,328	\$146,940,720	\$150,045
55 Management of companies	\$10,238,553	\$4,265,085	\$5,166,335	\$181,010
56 Administrative & waste services	\$82,904,416	\$44,191,048	\$54,150,768	\$58,671
61 Educational svcs	\$9,045,685	\$5,800,576	\$5,658,087	\$43,381
62 Health & social services	\$590,335,936	\$334,780,128	\$387,271,552	\$129,658
71 Arts- entertainment & recreation	\$51,487,244	\$11,814,891	\$23,733,272	\$82,031
72 Accommodation & food services	\$199,835,088	\$73,492,872	\$111,073,488	\$58,803
81 Other services	\$256,123,232	\$103,126,288	\$126,053,736	\$93,996
92 Government	\$396,615,456	\$334,072,672	\$380,688,000	\$95,878

Source: ADE, based on the IMPLAN Input-Output Model

Table 5-3: Stanislaus County Economic Output

Description	Output	Labor Income	Total Value Added	Output Per Worker
Total	\$40,433,812,800	\$12,767,755,818	\$19,783,540,738	\$166,490
11 Ag, Forestry, Fish & Hunting	\$3,433,758,208	\$1,515,266,688	\$1,762,144,384	\$173,603
21 Mining	\$28,984,720	\$3,571,714	\$10,666,142	\$115,463
22 Utilities	\$511,688,480	\$111,507,296	\$233,593,712	\$528,481
23 Construction	\$1,984,064,896	\$613,028,672	\$912,273,856	\$164,371
31-33 Manufacturing	\$3,862,077,952	\$683,662,400	\$1,124,815,616	\$435,462
311 Food and Beverage	\$8,164,787,712	\$1,035,440,448	\$1,784,857,984	\$589,523
42 Wholesale Trade	\$3,107,851,776	\$523,798,400	\$1,513,692,800	\$178,888
44-45 Retail trade	\$2,112,106,496	\$862,461,760	\$1,421,997,056	\$83,860
48-49 Transportation & Warehousing	\$1,388,574,592	\$594,185,664	\$716,850,496	\$137,948
51 Information	\$475,310,496	\$78,823,360	\$208,178,880	\$406,572
52 Finance & insurance	\$1,230,559,616	\$282,899,520	\$523,674,432	\$184,422
53 Real estate & rental	\$3,359,648,768	\$258,814,880	\$2,230,567,680	\$340,266
54 Professional- scientific & tech svcs	\$1,105,511,040	\$480,531,968	\$569,068,736	\$115,310
55 Management of companies	\$351,326,784	\$146,352,544	\$177,278,144	\$181,010
56 Administrative & waste services	\$712,020,672	\$350,586,240	\$451,987,808	\$62,154
61 Educational svcs	\$95,398,160	\$56,558,252	\$57,378,244	\$48,010
62 Health & social services	\$3,528,464,640	\$2,081,910,912	\$2,361,846,016	\$114,578
71 Arts- entertainment & recreation	\$167,116,640	\$49,347,452	\$80,051,728	\$61,644
72 Accommodation & food services	\$1,086,409,472	\$375,242,272	\$604,712,448	\$61,264
81 Other services	\$1,181,640,832	\$509,310,592	\$588,685,760	\$85,807
92 Government	\$2,546,510,848	\$2,154,454,784	\$2,449,218,816	\$95,192

Source: ADE, based on the IMPLAN Input-Output Model

OVERALL BUSINESS-TO-BUSINESS LEAKAGE

In order to support their operations, businesses engage in trade and supplier relationships with other businesses. Local businesses create a commodity supply of goods and services, and also generate a demand for commodities. Some of the commodity demand also comes from local consumption.

Much of this trade can occur with other businesses located in the same city or region. Any commodity needs not supplied locally will need to be imported from outside the local area or region. In addition to imports brought into the region, local businesses will also export goods and services. The difference between the commodity supply and gross commodity demand represents leakage. This leakage represents net unmet demand within a region, which can in turn create opportunity for business expansion or attraction.

Overall, Turlock has a business-to-business leakage of about \$472.3 million. This leakage varies considerably by sector. The largest leakage occurs in other manufacturing (not including food and beverage manufacturing), which has a total unmet commodity demand of about \$803.3 million. Conversely, the largest net capture of global sales occurs in food processing, with a total supply that exceeds local demand by nearly \$1.2 billion. This indicates very large food and beverage exports that far exceed local consumption.

Table 5-4: Turlock Business-to-Business Sales Leakage

Commodity Category	Commodity Supply	Gross Commodity Demand	Gross Leakage	Average Output Per Job
Total	\$7,032,221,050	\$7,504,506,584	\$472,285,534	
11 Ag, Forestry, Fish & Hunting	\$538,661,072	\$596,206,848	\$57,545,776	\$198,379
21 Mining	\$1,850,364	\$55,319,557	\$53,469,194	\$110,339
22 Utilities	\$96,258,293	\$159,910,324	\$63,652,031	\$538,027
23 Construction	\$363,244,110	\$309,431,885	(\$53,812,225)	\$161,109
31-33 Manufacturing	\$362,679,138	\$1,164,953,979	\$802,274,841	\$408,570
311 Food and Beverage	\$1,817,685,913	\$648,281,616	(\$1,169,404,297)	\$601,294
42 Wholesale Trade	\$390,972,290	\$393,834,656	\$2,862,366	\$178,888
44-45 Retail trade	\$358,335,297	\$306,109,009	(\$52,226,288)	\$85,119
48-49 Transportation & Warehousing	\$283,336,761	\$303,304,932	\$19,968,170	\$168,631
51 Information	\$69,555,290	\$228,847,076	\$159,291,786	\$433,008
52 Finance & insurance	\$193,814,011	\$425,080,322	\$231,266,312	\$194,251
53 Real estate & rental	\$461,701,813	\$671,975,037	\$210,273,224	\$385,336
54 Professional- scientific & tech svcs	\$337,412,689	\$454,665,588	\$117,252,899	\$150,045
55 Management of companies	\$10,238,553	\$122,926,163	\$112,687,610	\$181,010
56 Administrative & waste services	\$90,876,717	\$165,448,883	\$74,572,166	\$58,671
61 Educational svcs	\$42,512,032	\$77,400,604	\$34,888,573	\$43,381
62 Health & social services	\$664,253,418	\$496,191,742	(\$168,061,676)	\$129,658
71 Arts- entertainment & recreation	\$60,706,028	\$70,326,424	\$9,620,396	\$82,031
72 Accommodation & food services	\$198,709,869	\$189,302,872	(\$9,406,998)	\$58,803
81 Other services	\$254,870,590	\$211,900,269	(\$42,970,322)	\$93,996
92 Government	\$370,934,937	\$382,424,805	\$11,489,868	\$95,878
93 Non NAICs	\$63,611,866	\$70,663,994	\$7,052,128	

Source: ADE, based on the IMPLAN Input-Output Model

Table 5-5: Stanislaus County Business-to-Business Sales Leakage

Description	Commodity Supply	Gross Commodity Demand	Gross Leakage	Average Output Per Job
Total	\$40,433,812,307	\$44,497,068,390	\$4,063,256,083	
11 Ag, Forestry, Fish & Hunting	\$3,423,990,479	\$2,713,119,141	(\$710,871,338)	\$173,603
21 Mining	\$28,340,952	\$419,672,485	\$391,331,533	\$115,463
22 Utilities	\$583,940,918	\$971,577,881	\$387,636,963	\$528,481
23 Construction	\$1,984,064,941	\$1,948,300,049	(\$35,764,893)	\$164,371
31-33 Manufacturing	\$3,871,091,309	\$7,441,410,156	\$3,570,318,848	\$435,462
311 Food and Beverage	\$8,121,065,430	\$3,137,630,371	(\$4,983,435,059)	\$589,523
42 Wholesale Trade	\$3,107,851,807	\$2,247,118,164	(\$860,733,643)	\$178,888
44-45 Retail trade	\$2,118,304,443	\$1,911,338,257	(\$206,966,187)	\$83,860
48-49 Transportation & Warehousing	\$1,399,957,520	\$1,683,988,525	\$284,031,006	\$137,948
51 Information	\$405,284,180	\$1,423,088,501	\$1,017,804,321	\$406,572
52 Finance & insurance	\$1,209,018,555	\$2,632,898,926	\$1,423,880,371	\$184,422
53 Real estate & rental	\$3,423,892,334	\$4,100,328,613	\$676,436,279	\$340,266
54 Professional- scientific & tech svcs	\$1,214,334,229	\$2,708,158,203	\$1,493,823,975	\$115,310
55 Management of companies	\$351,326,782	\$724,269,104	\$372,942,322	\$181,010
56 Administrative & waste services	\$709,056,519	\$989,770,386	\$280,713,867	\$62,154
61 Educational svcs	\$95,720,657	\$483,746,124	\$388,025,467	\$48,010
62 Health & social services	\$3,533,692,139	\$3,133,085,693	(\$400,606,445)	\$114,578
71 Arts- entertainment & recreation	\$212,867,874	\$427,515,869	\$214,647,995	\$61,644
72 Accommodation & food services	\$1,078,457,642	\$1,171,666,870	\$93,209,229	\$61,264
81 Other services	\$1,177,122,437	\$1,330,254,639	\$153,132,202	\$85,807
92 Government	\$2,381,539,551	\$2,461,186,768	\$79,647,217	\$95,192
93 Non NAICs	\$2,891,613	\$436,943,665	\$434,052,052	

Source: ADE, based on the IMPLAN Input-Output Model

LEAKAGE FOR INDUSTRIAL BUSINESSES

This section takes a more focused look at the supplier requirements for industrial businesses (manufacturing, wholesale, and transportation/warehousing). As shown in Table X, the inputs for industrial businesses vary considerably by sector in Stanislaus County.

Among these industries, food processing consumes the greatest amount of commodity inputs (\$1.7 billion), of which \$384.6 million is supplied within Stanislaus County. The remaining \$1.3 billion of commodity inputs are imported from outside of Stanislaus County. Using the average productivity per worker for Stanislaus County food processing activity, this level of commodity imports would potentially support over 2,200 jobs if they can be substituted with local suppliers. While import substitution can potentially create new jobs in Stanislaus County, it should be noted that a lot of food processing products are already exported out of Stanislaus County, and some types of food products cannot be optimally produced locally.

When looking at import substitution for industrial businesses in Stanislaus County, some of the sectors with the greatest number of potential jobs include fabricated metal product manufacturing,

professional services, paper manufacturing, administrative support services, and primary metal manufacturing.

Table 5-6: Turlock Industrial Business Buyer/Supplier Leakage

Industry	Gross Inputs To Manufacturing, Wholesale and Transportation Industries	Obtained from Within the County	Imports from Outside the County	Potential Jobs From Import Substitution
311 Food products	\$1,676,795,462	\$384,551,218	\$1,292,244,244	2,222
312 Beverage & Tobacco	\$110,537,732	\$8,741,692	\$101,796,040	108
313 Textile Mills	\$19,322,102	\$223,694	\$19,098,408	1
314 Textile Products	\$9,847,190	\$3,196,935	\$6,650,254	30
315 Apparel	\$15,251,501	\$1,215,973	\$14,035,528	34
316 Leather & Allied	\$21,123,941	\$2,631,805	\$18,492,136	93
321 Wood Products	\$62,196,503	\$33,793,529	\$28,402,974	121
322 Paper Manufacturing	\$526,521,530	\$31,806,488	\$494,715,042	919
323 Printing & Related	\$30,269,865	\$10,753,755	\$19,516,110	63
324 Petroleum & coal prod	\$74,626,226	\$22,297,426	\$52,328,801	20
325 Chemical Manufacturing	\$369,334,818	\$90,007,623	\$279,327,196	191
326 Plastics & rubber prod	\$249,370,199	\$102,544,372	\$146,825,827	367
327 Nonmetal mineral prod	\$123,956,424	\$98,998,376	\$24,958,048	82
331 Primary metal mfg	\$388,698,154	\$15,598,703	\$373,099,450	859
332 Fabricated metal prod	\$376,358,228	\$24,170,044	\$352,188,184	1,284
333 Machinery Mfg	\$156,641,113	\$112,379,251	\$44,261,862	155
334 Computer & oth electron	\$125,970,816	\$13,665,585	\$112,305,231	390
335 Electrical eqpt & appliances	\$44,155,534	\$333,923	\$43,821,611	107
336 Transportation eqmt	\$287,295,392	\$159,387,086	\$127,908,306	388
337 Furniture & related prod	\$43,456,212	\$40,774,391	\$2,681,821	16
339 Miscellaneous mfg	\$13,126,074	\$4,703,248	\$8,422,826	27
484 Truck transportation	\$354,130,077	\$270,047,686	\$84,082,391	471
493 Warehousing & storage	\$16,207,167	\$12,229,861	\$3,977,306	34
511 Publishing industries	\$20,540,858	\$4,378,504	\$16,162,353	15
517 Telecommunications	\$35,530,580	\$11,682,502	\$23,848,077	33
518 Internet & data process svcs	\$47,252,116	\$14,179,381	\$33,072,735	29
541 Professional- scientific & tech svcs	\$414,911,183	\$179,130,868	\$235,780,315	1,472
561 Admin support svcs	\$117,317,740	\$81,972,436	\$35,345,304	668

Source: ADE, based on the IMPLAN Input-Output Model

REGIONAL INDUSTRY GROWTH TRENDS

It is important to focus the City’s business attraction efforts on industry sectors that have good growth potential. In addition, the City’s Economic Development Strategy should seek to assist both large and small businesses within the community expand or to mitigate job losses through business retention activities. We can categorize businesses into groups that help identify what type of economic strategy is most appropriate for them as shown in Figure 5-1 below. The economic base industries in the upper part of the graph are large industries that are highly concentrated in the regional economy and provide most of the jobs associated with traded sectors. Those that are growing drive growth in jobs and the overall economy. Those that are declining should be the target for business retention activities to help mitigate jobs losses to the extent possible. In the lower part of the graph are smaller industries that are not highly concentrated locally. However, those that are growing in the region

faster than they are growing statewide or nationally, represent the potential economy of the future. We refer to these industries as emerging growth sectors. In Tables 5-7 to 5-9 below, we have shown the industries that fall into the growth categories for Stanislaus, Merced and San Joaquin counties, based on trends between 2010 and 2015. These industries represent potential business attraction and expansion targets for Turlock, many of which are ready exist in the City.

Figure 5-1: Target Industry Analysis

Target Industry Analysis: Industry Classifications

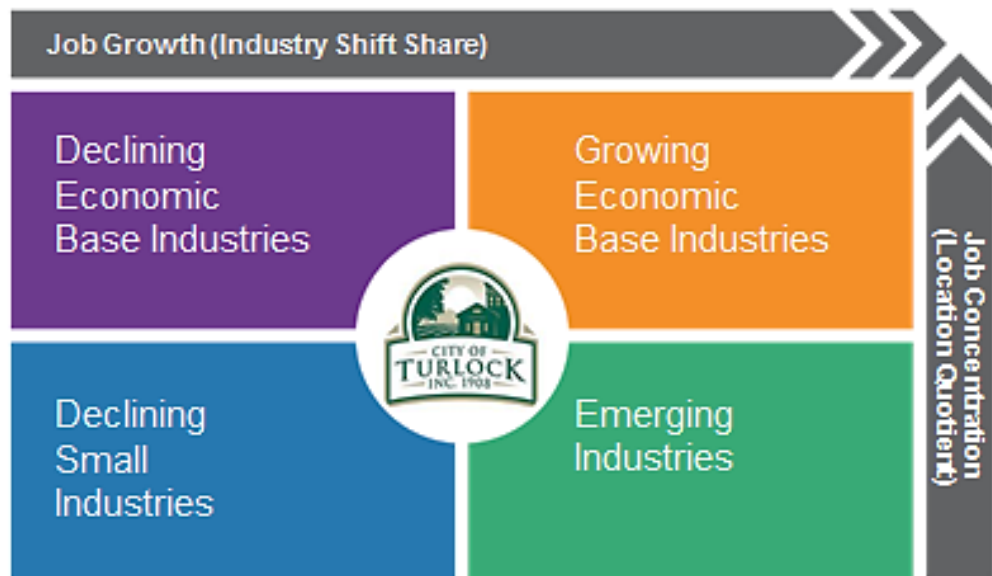


Table 5-7: Stanislaus County Economic Base Industries with 50+ Job Growth, 2010 - 2015

Category	NAICS	Industry Description	Employment 2015
Economic Base Industries that Grew Faster than State Averages	111000	Crop Production	4,938
	621491	HMO Medical Centers	1,987
	115114	Postharvest Crop Activities (except Cotton Ginning)	1,506
	903612	Colleges, Universities, and Professional Schools (Local Government)	1,330
	621610	Home Health Care Services	1,166
	322211	Corrugated and Solid Fiber Box Manufacturing	889
	541940	Veterinary Services	584
	115116	Farm Management Services	381
	333111	Farm Machinery and Equipment Manufacturing	373
	424820	Wine and Distilled Alcoholic Beverage Merchant Wholesalers	363
	332312	Fabricated Structural Metal Manufacturing	255
	621492	Kidney Dialysis Centers	244
	488210	Support Activities for Rail Transportation	243
	621410	Family Planning Centers	215
	326199	All Other Plastics Product Manufacturing	208
	312111	Soft Drink Manufacturing	207
	327320	Ready-Mix Concrete Manufacturing	198
	611430	Professional and Management Development Training	128
	621999	All Other Miscellaneous Ambulatory Health Care Services	110
541720	Research and Development in the Social Sciences and Humanities	103	
Other Growing Economic Base Industries	622110	General Medical and Surgical Hospitals	6,350
	621111	Offices of Physicians (except Mental Health Specialists)	3,491
	312130	Wineries	3,098
	621210	Offices of Dentists	1,522
	311511	Fluid Milk Manufacturing	739
	311919	Other Snack Food Manufacturing	594
	311513	Cheese Manufacturing	512
	621910	Ambulance Services	483
	424910	Farm Supplies Merchant Wholesalers	430
	493120	Refrigerated Warehousing and Storage	374
	115113	Crop Harvesting, Primarily by Machine	334
	541380	Testing Laboratories	276
	321920	Wood Container and Pallet Manufacturing	231
	621512	Diagnostic Imaging Centers	181
	424470	Meat and Meat Product Merchant Wholesalers	147
Emerging Industries	902612	Colleges, Universities, and Professional Schools (State Government)	1,590
	541690	Other Scientific and Technical Consulting Services	520
	221210	Natural Gas Distribution	304
	621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	255
	332322	Sheet Metal Work Manufacturing	138
	541512	Computer Systems Design Services	129
	541519	Other Computer Related Services	92
	541614	Process, Physical Distribution, and Logistics Consulting Services	50

Source: ADE based on EMSI Employment datasets.

Table 5-8: San Joaquin County Economic Base Industries with 50+ Job Growth, 2010- 2015

Category	NAICS	Industry Description	Employment 2015
Economic Base Industries that Grew Faster than State Averages	621610	Home Health Care Services	2,276
	312130	Wineries	1,714
	903622	Hospitals (Local Government)	1,483
	311612	Meat Processed from Carcasses	1,018
	332312	Fabricated Structural Metal Manufacturing	751
	311999	All Other Miscellaneous Food Manufacturing	708
	337110	Wood Kitchen Cabinet and Countertop Manufacturing	592
	327390	Other Concrete Product Manufacturing	473
	115112	Soil Preparation, Planting, and Cultivating	465
	326199	All Other Plastics Product Manufacturing	438
	311221	Wet Corn Milling	425
	621910	Ambulance Services	404
	621492	Kidney Dialysis Centers	305
	326299	All Other Rubber Product Manufacturing	256
	336212	Truck Trailer Manufacturing	225
	621420	Outpatient Mental Health and Substance Abuse Centers	225
	221310	Water Supply and Irrigation Systems	204
	424450	Confectionery Merchant Wholesalers	199
	312111	Soft Drink Manufacturing	169
	424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	160
311514	Dry, Condensed, and Evaporated Dairy Product Manufacturing	127	
115310	Support Activities for Forestry	79	
541490	Other Specialized Design Services	75	
Other Growing Economic Base Industries	611310	Colleges, Universities, and Professional Schools	2,845
	621210	Offices of Dentists	1,691
	621491	HMO Medical Centers	1,671
	903612	Colleges, Universities, and Professional Schools (Local Gov't.)	1,476
	424910	Farm Supplies Merchant Wholesalers	731
	424480	Fresh Fruit and Vegetable Merchant Wholesalers	724
	541940	Veterinary Services	491
	424820	Wine and Distilled Alcoholic Beverage Merchant Wholesalers	347
	327213	Glass Container Manufacturing	333
	115116	Farm Management Services	324
	326150	Urethane and Other Foam Product (except Polystyrene) Mfg	283
	488210	Support Activities for Rail Transportation	254
	493190	Other Warehousing and Storage	81
	332323	Ornamental and Architectural Metal Work Manufacturing	73
	Emerging Industries	721110	Hotels (except Casino Hotels) and Motels
621340		Offices of Physical, Occupational and Speech Therapists, and Audiologists	368
541511		Custom Computer Programming Services	322
541712		Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)	292
488510		Freight Transportation Arrangement	246
902612		Colleges, Universities, and Professional Schools (State Gov't.)	198
541614		Process, Physical Distribution, and Logistics Consulting Services	166
511120		Periodical Publishers	105
621330	Offices of Mental Health Practitioners (except Physicians)	102	

Source: ADE based on EMSI Employment datasets.

Table 5-9: Merced County Economic Base Industries with 50+ Job Growth, 2010 - 2015

Category	NAICS	Industry Description	Employment 2015
Economic Base Industries that Grew Faster than State Averages	115115	Farm Labor Contractors and Crew Leaders	3,708
	902612	Colleges, Universities, and Professional Schools (State Government)	2,718
	311421	Fruit and Vegetable Canning	1,233
	115113	Crop Harvesting, Primarily by Machine	475
	311511	Fluid Milk Manufacturing	417
	312130	Wineries	414
	541720	Research and Development in the Social Sciences and Humanities	331
	327320	Ready-Mix Concrete Manufacturing	206
	424910	Farm Supplies Merchant Wholesalers	198
	333111	Farm Machinery and Equipment Manufacturing	184
	332311	Prefabricated Metal Building and Component Manufacturing	165
	621910	Ambulance Services	159
	621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	153
	621492	Kidney Dialysis Centers	142
	325314	Fertilizer (Mixing Only) Manufacturing	90
332323	Ornamental and Architectural Metal Work Manufacturing	78	
Other Growing Economic Base Industries	903612	Colleges, Universities, and Professional Schools (Local Government)	1,403
	311513	Cheese Manufacturing	811
	424480	Fresh Fruit and Vegetable Merchant Wholesalers	476
	621498	All Other Outpatient Care Centers	170
Emerging Industries	721110	Hotels (except Casino Hotels) and Motels	294
	541690	Other Scientific and Technical Consulting Services	173
	541380	Testing Laboratories	80

Source: ADE based on EMSI Employment datasets.

AGRICULTURAL SCIENCE AND TECHNOLOGY

Turlock has already recognized the potential of increasing use of technology in farming and food processing. This was identified as an attractive industry target in the 2014 EDSP and the market momentum in this field has only accelerated in the interim. Cities from Fresno to Salinas are making concerted efforts to attract investments and business activity from Silicon Valley to address technological needs in agriculture and food manufacturing, thereby creating new business opportunities and jobs. The following are a number of examples of business concepts under development in this field, many of which were showcased at a recent AG Thrive Forum sponsored by the City of Salinas.⁵ Salinas has sponsored the formation of the Steinbeck Innovation Center to spark not only Silicon Valley investment in Ag Tech but also workforce training and education extending to the K-12 level. The City can also coordinate with the UC Merced Business Development Office to attract some of this type technological commercialization to Turlock.

⁵ John Harnett, Founder, SVG Partners, THRIVE, email dated February 7, 2017.

- Land O'Lakes is making strides toward identifying, testing and making new technologies available through its technology portfolio.
- Verizon Wireless, iTK and Hahn Winery have launched thousands of sensors in vineyards and orchards to deliver better sensing and data analytics to growers across the state and beyond.
- Taylor Farms has 40 discrete innovation projects happening within their company alone.
- Driscoll's Berries is collaborating with automation startups to usher in a new model of berry picking.
- Caribou Biosciences provides biotechnology solutions for agriculture using CRISPR-Cas9 technology.
- Advanced Animal; Diagnostics develops diagnostic products to cure on-farm animal diseases.
- Soft Robotics provides automation in agriculture through proprietary soft robotics technology.

6. SWOT ANALYSIS

The Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis identifies factors for the City to build upon or to address as liabilities in its economic development program. The topics noted below have all been mentioned multiple times during interviews conducted in the EDSP process, identified during data analyses described in the previous chapters, and/or are described in existing City documents. This SWOT uses an “actionable SWOT model”, which is biased toward actions that can overcome weaknesses, anticipate threats, capture opportunities and leverage strengths.

STRENGTHS

1. Turlock’s central location in the Central Valley, with close proximity and easy access to State Route 99;
2. The city is a strong player in the region, with plenty of assets not available in competing communities. Turlock draws what cities two times its size do, especially for retail. Incomes, wages, home prices and other demographic indicators indicate more affluence than other communities in Stanislaus County. Turlock is positioned to really shine if enough momentum and cooperation can be developed;
3. The City is driven by agriculture and related manufacturing, which is stable and growing. Several expansions and new plants are underway or recently completed. The Westside Industrial Specific Plan (WISP) remains a strong location for all manufacturing including food and agricultural processing. The best advantage lies in having more shovel-ready sites than the competition;
4. CSU Stanislaus, a 4-year public university with over 7,000 full time students. Graduates include majors in business management, health sciences, and agriculture;
5. Emmanuel Medical Center, with its 209-bed acute care hospital, 145-bed skilled nursing facility, 49-bed assisted living facility, and outpatient medical offices;
6. Downtown is doing well after a decade of streetscape improvements, and is transitioning from general retail to specialty retail and office. Retail is smaller scale and emphasizes personal services. The downtown is a regional restaurant and entertainment draw on weekends;
7. Mixed use development and redevelopment is occurring downtown, encouraged by the Mixed Use zoning in the General Plan⁶;

⁶ <http://www.codepublishing.com/CA/Turlock/mobile/index.pl?pg=Turlock09/Turlock094.html#9-4-101> . See especially Section 94-104 Downtown Core. Also see <http://www.cityofturlock.org/buildinginturlock/planninglandusepermitting/masterspecificplansdesignguidelines/downtowndesignguidelines.asp>

8. TID rates are not as much of an advantage as they were decades ago, though is still some advantage over PG&E.
9. Turlock is the bona fide regional retail hub due to its critical mass of major retailers in one area with easy State Route 99 accessibility;
10. The new hotels are a good addition – they help draw highway traffic and as a stopover to Yosemite;
11. Pedretti Park is in a City landmark with its location adjacent to State Route 99, and is easily accessible with plenty of sports venues. The park attracts regional sports competitions. It has, however, been losing some of its luster and needs maintenance/modernization;
12. Manufacturers appear to have far fewer issues with the City than with state and federal regulators;
13. The Turlock Wastewater Treatment Plant is a major advantage, with the ability to discharge food processing wastewater directly to the plant. With the exception of some specific collection lines that will need constructing in the future, there is plenty of plant capacity;
14. The abundance of UP and BNSF rail lines to serve industry. In 2007, about 11% of all shipments from Turlock were by rail.

WEAKNESSES

19. Complaints about the Building Department were common and consistent, though not universal. However, interviews with City staff appear to indicate that the complaints in (a) and (b) below reflect an approach the City changed several years ago, and do not reflect current City processes. The Permit Process discussion under Goal 1 in Chapter 7 describes the current system under which the City operates. The City needs to continually implement and promote the new system to mitigate past impressions in the development community. The comments included:
 - a. Companies these days need to move fast to stay competitive and the City needs to have the same “sense of urgency” that business has about getting things done. Rigid code interpretations can slow the process, including for mixed use projects, sidewalk design, occupancy codes, and ADA compliance. However, it should be noted that the City’s building code is consistent with required State codes. ADA in particular is a state requirement;
 - b. The Building Department should try to “get to yes” through rational interpretation and understanding the individual needs of permittees. This is the essence of the new system the City has put in place but the City is fighting a 30-year reputation that can affect investment decisions, slowing development and redevelopment. For example, although ADA compliance is a state requirement, the Department can help the applicants look for lower cost and/or procedural alternatives, where available;

- c. The City's "slavish commitment to sidewalks" in the industrial area is considered unreasonable. Several employers have specifically mentioned inflexible setbacks, sidewalk and landscaping requirements. Permittees complain that the City's requirements are illogical and costly, require too much maintenance, waste land, require inappropriate tree types, and waste water⁷;
20. Several individuals and groups stated that existing development and impact fees are higher than other competing communities. This should be reviewed and fees adjusted as much as possible to be competitive. The City does provide fee estimates, and has four different ways to defer fee payments⁸, but does not have a fee reduction program;
21. Retaining and attracting young professionals is a key need, especially for labor and skills needed on the West side. This younger workforce demands amenities such as quality single-family and multi-family housing, good schools, a vibrant downtown with entertainment, and ample retail and professional services;
22. The City is driven by agriculture and related manufacturing, with little realistic chance for a significant shift in this focus. The City should build on this as a strength;
23. Visitor and tourism potential is somewhat limited due to the relatively small number of local visitor attractions. There is no natural local attraction to draw visitors, other than Lake Turlock. The City and Fairgrounds do recruit the many sports and association events and competitions held throughout the State and region. Visitor draw is limited to 1 or 2 day stays, including travelers on their way to and from Yosemite and other Sierra destinations. This can become a strength if properly promoted;
24. Labor shortages exist in a number of occupations, including technical and automation fields, truck drivers, lab technicians, and maintenance technicians. Finding employees with a good work ethic is a key recruitment challenge;
25. Workforce training and quality are major business challenges. Much work is needed on technical training, including work ethic and employee initiative. Some of the larger employers have their own internship and/or training programs. Employers are generally aware of STEM and other local programs, but they are not well coordinated, so access to them is ad hoc and limited;
26. The cost of health insurance and employee benefits are high compared to urban areas. This is partly driven by the relative lack of local hospitals, doctors and other healthcare services. Employers are increasingly relying on temp agencies for their staffing, especially since the costs of providing employee benefits, including health care, are rising. These are statewide issues with

⁷ See General Plan Policy 2.7-g Buffers between uses. Buffer industrial and heavy commercial areas from adjacent residential, commercial, and recreation areas using public infrastructure, right-of-way, landscaping, or a combination thereof. <http://www.cityofturlock.org/pdf/files/generalplanch2.pdf>

⁸ See <http://www.cityofturlock.org/buildinginturlock/developmentimpactfees/>

more complex solutions than the City alone can address, but there are significant opportunities for improvement;

27. The City does not promote itself or its opportunities well, but has commissioned a marketing/branding study to address this gap;
28. Internet and cell service west of State Route 99 are substandard, and do not meet the needs of industrial and business users. Unless addressed directly, the need will only expand over time;
29. The highly visible homeless population is the top downtown issue, which discourages visitation, trade and investment. This issue is very difficult to solve, and is ubiquitous throughout the United States. Continuous attention to public safety, environmental design, security, and homeless services is needed;
30. Crime is a concern, which makes business recruitment more difficult;
31. Water pressures in parts of the industrial area often drop below 35 psi, the minimum for fire suppression and other industrial water needs. Many employers have to install their own booster pumps and softeners to meet their needs;
32. The local business community is not well organized, which diminishes the effectiveness of its voice in public affairs. The Turlock Chamber of Commerce is currently re-building, and there is no active manufacturing or similar industrial business group. An organized business community could provide a collective voice in local decisions, such as the current search for the new City Manager. While there is an informal merchants group, there is no active downtown business association that serves the entire downtown. The Turlock Downtown PBID covers 6 square blocks of the downtown and could be expanded include the Downtown Core as defined in the General Plan;

THREATS

33. Constrained housing opportunities. The pace of housing development does not meet the need for workforce or executive housing. While the City has a relatively new General Plan, the existing City limits now constrain housing development in particular. As housing becomes scarcer it will become less affordable. Community members have also expressed concern that low income groups, particularly seniors and some veterans, have a very difficult time finding affordable housing. Because new businesses locate where there is available and affordable housing, industrial, office, and retail expansions are discouraged. Though the City appears to have capacity for about 5,000 infill residential units, the city needs to accelerate development in the Southeast Specific Plan area, and undertake additional annexation/ expansion to the North and Northwest, where most growth is naturally occurring;
34. The City's budget needs strengthening. Like most other jurisdictions, there are large unfunded mandates, few reserves, fire and police budgets overloaded with retirement commitments, and the need to eliminate service duplications and overlaps. However, as the economy gains momentum, these challenges are likely to be addressed over time;

35. The rising state minimum wage will cost employers tens of millions of dollars over the next five years, which will raise the cost of food and other products accordingly. This will particularly affect the agricultural sector;
36. Because of rising employee costs and the difficulty of finding qualified employees, most employers are turning to technology and temp agencies rather than hire directly. This is a national issue for all employers;
37. TID power is not competitive against other states. This and employee costs are important considerations for processors with multi-state operations. Several processors have indicated they plan to stay in Turlock without any major investing until their plant is no longer profitable, then build new in another state. This is also a statewide issue, but Turlock staff should do all it can to retain its existing large employers.

OPPORTUNITIES

The City can do plenty to help the economy and its local businesses, and by helping projects succeed. In particular:

38. Continued good planning, including annexing for expanded housing opportunities;
39. Active listening to the needs of applicants who propose development projects, and seeking win-win interpretations;
40. Monitoring fees in neighboring communities and adjusting to remain competitive. For instance, interviewees have noted that Fresno fees are higher, Madera's fees are lower, and that Stockton is looking to reduce fees;
41. The PBID has been working well, but encompasses only 6 blocks between Palm and Lander. Refreshing it and expanding it might be considered – at least to encompass the Downtown Core (as defined in the Turlock Downtown Design Guidelines⁹). This would bring in more assessment revenues that could be used for expanded marketing and security, and would also add a larger business voice to city affairs;
42. Career training is an active goal throughout the education system¹⁰, but effectiveness is constrained by funding and organizational realities. Modesto Junior College, for instance, has several impacted career training programs, but cannot meet existing demand. As the overall economy strengthens, new training funding is again becoming available;

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<http://www.cityofturlock.org/buildinginturlock/planninglandusepermitting/masterspecificplansdesignguidelines/downtowndesignguidelines.asp>

¹⁰ For instance, TUSD has a Career Technical Education Director, a STEM program for grades 7-12, a District Farm with a full-time Farm Manager, school gardens, and a culinary focus in elementary grades. TUSD has recently acquired new computers for training, and conducted their first industry symposium the week of April 17, 2017 with 50 attendees. Sacred Heart School has a culinary elective. MJC has several programs including agriculture and irrigation technology, health occupations, maintenance engineering, etc.

43. UC Merced, CSU Stanislaus, Modesto College, TUSD, the Worknet Alliance (Opportunity Stanislaus), and others are all dedicated to workforce training, but each has a separate funding source with different missions, regulations and limitations. Workforce training can dramatically improve if these entities are better linked, and if they collaborate to boost locally desired technology and trade skill sets such as manufacturing, engineering, business management, and soft skills;
44. In general, organizing for better cooperation is an effective way to build momentum. Such collaborations strengthen the community while at the same time leveraging scarce resources. For example, new synergies between the medical services at Emmanuel Medical Center, the healthcare training at CSU Stanislaus, and improved services to local industry might enhance services, improve training, and reduce insurance rates;
45. Technology research and adoption should focus on the dairy and other agricultural industries;
46. The new Branding study should help the City with new business development and visitation;
47. In addition to its fee deferral program, the City can consider a fee reduction incentive for desirable new and expanding businesses. Reductions would be calculated in advance and be fully covered by the anticipated property tax, sales tax and other revenues over the first 5 years or so;
48. Event centers such as the Fairgrounds need to be upgraded and modernized to become better regional draws for events. A 300-500 seat theater somewhere in or near the downtown would encourage visitor draw and community activities. In particular, the County Fairgrounds are close to downtown and offer 72 acres of grounds and event venues. Like most fairgrounds in California, the facilities are aged and in need of updating. Modest investments can improve the attractiveness and use of this facility, to the benefit of all;
49. The City serves a regional market area with more than \$1.2 billion in purchasing power. It has the opportunity to attract additional sales in apparel, automobiles and more upscale grocery items.
50. The Jobs Housing balance is about 1:1, but here are nearly 1.2 workers per household, so the City does not quite provide enough job opportunities to serve its own workforce. There is a particular concern to provide job opportunities for educated young workers so they can stay in the community;
51. The City supports widening of the South County Corridor (West Main) to Patterson and I-5. This will promote safe and efficient travel route between SR 99 and Interstate 5, enhancing the ability of manufacturers to ship goods. In addition, the passage of Measure L will provide financial resources directly to Turlock to improve local roads;

7. IMPLEMENTATION STRATEGIES

The implementation strategies are organized under the goal topics outlined at the outset of the document. The narrative here expands on current issues that were identified in the 2017 strategy development process. Implementation measures that carry over from the 2014 strategy are noted as [2014].

GOAL 1 - CREATE CONDITIONS CONDUCTIVE TO ATTRACT RETAIL, AND EXPAND EXISTING BUSINESSES IN TURLOCK.

Discussion. The retail market and job creation chapters above have identified a number of potential business targets for new business development and attraction. One of the key aspects of the City's role in helping new businesses or locate in Turlock or existing businesses to expand is the process for gaining planning and development approvals for building and facility development. As noted in the SWOT analysis, this has been a subject of concern for the business community but it has also been an area of extraordinary focus for City staff and elected officials in recent years. Much of this concern appears to be based on past experiences with older projects and previous staffs. Turlock has in fact recently spent time streamlining its processes, ensuring its fees are supported by nexus studies, and adopting customer service and transparency principles. Community Development staff appears now to be totally dedicated to the services described below.

- Every Turlock employee must go through a series of Customer Service training courses, offered by the Merced College Customer Service Academy. The Senior Planning, Building, and Engineering staff have all done so;
- Senior staff in the Community Development Department (i.e. Planning, Building, Engineering) have for the past 8 years or so been actively implementing the principles of customer service, of listening to applicants and prospective applicants, and of working with them to find project solutions that meet code and achieve the applicant's goal;
- The City has a regular Wednesday afternoon schedule of free inter-departmental pre-application meetings to discuss potential projects with applicants. Projects are screened for zoning, planning, fire, infrastructure, and building issues;
- The City offers a free permit fee analysis, based on each individual project. In the interest of accuracy and to avoid unpleasant surprises, the City has chosen to provide this service rather than have the applicant fill in an online checklist.
- The City is close to implementing an electronic permit tracking system, which includes online filing, tracking, and electronic plan submittals and reviews. Staff is excited about this process improvement, and expects approvals to be significantly expedited;
- Turlock has received notoriety for its implementation of the WISP, including an industrial-friendly plan, all CEQA and infrastructure preparations, permit streamlining and its focus on

agricultural sciences and food processing. New development there proceeds quickly, with only minor frustration;

- The Stanislaus Business Alliance has created the “Stanislaus Builds” Accountable and Prompt Permitting Program (APPP), a cooperative streamlined permit processes in all 10 county jurisdictions, including customer service training at the Merced College Customer Service Academy;
- City staff acknowledges that its development fees are higher than in surrounding jurisdictions, but note the detailed fee studies and planning the City has undertaken to accurately identify development costs in specific areas of town. Developers have the option of either paying the development fees or developing infrastructure/off-sites themselves. If they develop them directly, significant cost savings are possible.
- City staff acknowledge that its Building fees are higher than surrounding communities. During the recession, the City Council directed the Building Department to become totally self-sufficient without any General Fund contributions. The current fees reflect the Council’s directive for full cost recovery;
- In addition, staff continuously monitors fees, and has adjusted several fees downward;

OTHER FINDINGS:

- Fee schedules throughout California are highly variable, and depend entirely on the nature and location of the project. Different fees are charged for different construction types, uses, specific plan areas, number of bathrooms, traffic generated, square footage, water and sewer usage, power needs, and many other variables. Turlock has conducted the necessary fee studies, and though they are a bit higher than competing communities, are well justified and appropriately managed.
- Turlock’s overall cost of doing business appears average for cities of its size in the Central Valley, and lower than Modesto or Stockton (Source: Kosmont – Rose Institute Cost of Doing Business Survey)
- Not considering fees and approval times, overall construction costs in Turlock are similar to those of its San Joaquin Valley neighbors, about 1% lower than the national average – low-cost for California (Source: Craftsman National Construction Cost Estimator).
 - The larger Central Valley Cities of Bakersfield, Stockton and Sacramento are 1-6% higher than the National average, the Los Angeles basin is 5-12% higher, and the Bay Area is 10-20% higher.
 - However, since construction costs are 4-9% lower than average in the South, Midwest, and Pacific Northwest, these states enjoy a cost advantage. These lower cost states are where many of the WISP industrial tenants have other plants, which puts

downward cost pressure on Turlock. From an operating standpoint, utility, regulatory and labor costs in particular are also lower in those other states.

- According to www.wallethub.com , Turlock is average for the ease of starting a new business. The City ranks 776th out of 1,200 small cities in the US. Turlock ranks 686th for access to business startup resources, and 612th for its small business costs.

STRATEGIES

- Since a more frequent focused dialog is desired by business and city officials, the City may wish to establish a regular Economic Development Task Force or advisory committee to work on key issues, with business and citizen voices heard regularly. To be effective, this would require the allocation of additional resources for economic development staff support, especially to implement actions resulting from the meetings;
- As a subset of this task force, the city may wish to create informal subgroups to specifically discuss WISP issues, downtown issues, issues in the original industrial area, housing development, and other topics as they arise;
- Encourage the building of more housing, both executive and affordable. In particular, begin planning for the next annexation;
- Actively recruit new industry to the WISP and work with existing employers to resolve issues constraining their growth. This, too will require additional City resources;
- Turlock staff and the City would do well to actively promote its current permit philosophy to the local business community. The improvements already made will enhance Turlock's business friendly reputation.

GOAL 2 – THE TURLOCK ECONOMIC DEVELOPMENT PARTNERS WILL WORK IN A COORDINATED MANNER TO INCREASE JOB OPPORTUNITIES IN THE CITY THROUGH AGRICULTURE, MANUFACTURING, LOGISTICS AND MEDICAL SERVICES CLUSTERS.

Discussion. The analysis in the Job Creation chapter above identifies industries with good growth potential in the region. Many of these types of industries exist already in Turlock and may be looking to expand in the near future. It is anticipated that although there will be continued challenges to maintaining farm jobs due to increasing labor costs and water supply issues, demand for food products will continue to grow. Opportunities for expansion of food processing industries will likewise continue, particularly in products prominent in Turlock and Stanislaus County such as cheese, other milk products and nuts. Similarly, there are business opportunities in the buyer/supplier networks for food processing. The analysis of industrial supplier gaps in Stanislaus County suggest that additional firms in fabricated metal product manufacturing, professional services, paper manufacturing, administrative support services, and primary metal manufacturing could be successful in Turlock.

Many of the jobs in food manufacturing are becoming increasingly technical and there are shortages of skilled workers that can impede growth in this sector. Workforce development strategies are critical to support the expansion potential of industrial businesses in Turlock.

In addition, there continues to be an opportunity to attract agricultural technology firms to Turlock. This would involve partnerships with Silicon Valley firms and also collaboration with the UC Merced Office of Business Development, which promotes technology commercialization emanating from research at the University. While Turlock is not currently where these new agricultural technologies are being developed, it does offer a rich environment for testing applications and new process development. This could also be part of the City's entrepreneurial, small business start-up strategy.

STRATEGIES

- Members of the industrial focus group discussed finding one or more lobbyists who will represent their interests in the Legislature, weighing in on such issues as the minimum wage, health care and benefit costs, workforce training, and other local business issues;
- Recruit doctors and medical services to Turlock. This will help employers provide better health insurance and care;
- The participants in the industrial focus group have agreed as a group to pursue Internet/broadband and cell service upgrades west of State Route 99, with the City's support;
- (a) The City of Turlock should formalize its relationship and expectations of roles and responsibilities with such collaborators as the Stanislaus Business Alliance, the Tucker Chamber of Commerce and Turlock Convention and Visitors Bureau to clearly define roles and responsibilities of joint and collaborative efforts. (b) Actively support the Stanislaus Business Alliance's efforts in business retention and business modeling through its Synchronist business profiling data base to better understand our local employers (2014).
- Identify and develop specific retention strategies and programs by the City, the Chamber of Commerce, and the Alliance to ensure that an effective business retention plan is in place. Efforts shall include the development of a "Rapid Response" type of team to address potential risks in either the closure or potential relocation of an existing employer (2014).
- Convene a public-private working group to develop specific strategies for developing and furthering our efforts to brand Turlock (2014).
- Develop a standard protocol with the Alliance for potential leads and encourage those which cannot be accommodated in Turlock to locate in other communities in the County (2014).
- Actively seek out opportunities to collaborate with CSU Stanislaus to enhance the visibility and role of the university in the community as well as more closely aligning university programs with the needs of local employers (2014).

GOAL 3 – DOWNTOWN WILL BE THE BUSINESS AND CULTURAL CENTER OF THE CITY.

Discussion. Downtown Turlock is generally a thriving commercial and entertainment district. A number of new restaurants, some offering entertainment on Thursday and Friday nights, attract patrons from a broad area including Modesto to Merced. In comparison to the major retail centers in the SR 99 corridor, Downtown is less focused on retail businesses and is transitioning toward more services, restaurants and entertainment. Rents and property values are improving since the recession and there is a relatively low vacancy rate Downtown and strong demand for small retail spaces. The City completed extensive streetscape improvements along Main Street and the property owners have formed a Property Based Improvement District (PBID) to help fund maintenance of these improvements, which was renewed until 2023. In addition, the Downtown merchants sponsor and promote events on Thursday nights and annual events such as the July 4th Beer garden in conjunction with a car show. Groups such as the Rotary club collaborate on these events as well as the Turlock Chamber of Commerce.

Some issues identified by merchants and property owners in the Downtown include the following:

- There is a need for flexibility from the City as property owners look to add new types of businesses to the Downtown mix. The Downtown features a number of older two-story buildings that require structural improvements as well as remodeling to accommodate new businesses.
- The City completed a Downtown Parking Study in 2016 and is in the process of implementing the study recommendations. This is a very important issue for Downtown businesses and continue work to improve parking facilities and shopper information is critical.
- Homelessness and safety are major concerns Downtown. The City and the PBID conducted a pilot project with a dedicated police patrol Downtown but this program has not been implanted on a permanent basis. The City is, however, undertaking a number of measures to secure shelter and services for homeless persons, subject to the availability of resources.
- The Downtown property owners and the City may consider expanding the geographic boundaries of the PBID to obtain broader financial support for programmatic improvements Downtown. The Downtown Design Guidelines show a larger area for the Downtown Core than is currently included in the PBID.
- Many cities are encouraging mixed use residential development in Downtown areas to increase vibrancy and market support. However, in Downtown Turlock a more natural transition would be to encourage mixed use with retail and office businesses. Turlock does not have a well-developed office market and could benefit from increases in professional services businesses, which would be a good complement to the business mix Downtown.

- It is important to ensure that events Downtown requiring temporary street closures do not conflict with access to Downtown businesses. This is counterproductive to the goal of bringing more shoppers Downtown.
- The City should review the 2003 Downtown Design Guidelines and Zoning Regulations for possible updates and to eliminate restrictions that no longer make sense. Invite public comment throughout the process. Continue for all regulations that affect business and industry;
- Dialog regularly with the downtown business owners, Chamber of Commerce, and PBID. Continue addressing issues of homelessness, city codes and enforcement, parking, small business assistance, and internships.
- Work with Downtown Property Owners Association (DTPOA) to develop a larger group than the Public Benefit Improvement District (PBID) to help organize and promote the downtown area for both business promotion as well as events (2014).
- Work with the CVB and DTPOA to develop a map of Turlock downtown that shows parking, public venues, shopping, and other attractions (2014).
- Continue to seek out grants to do historic preservation of buildings as well as secure funding to reinstate the Commercial Building Improvement program (2014).

GOAL 4 – TURLOCK RETAIL CENTERS WILL REMAIN COMPETITIVE, AND ADDRESS AVAILABLE MARKET OPPORTUNITIES.

Discussion. Turlock’s role as a regional retail provider represents a significant strength that attracts economic activity to the city, and generates jobs and sales tax revenues. The retail capture by Turlock businesses also helps make the community a more attractive place to live, because residents do not need to leave Turlock to address their shopping and service needs.

Turlock has prominent retail centers and anchor businesses that attract the activity needed to make those locations viable for a greater variety of retail stores and local businesses. Much of the retail activity takes place at comparatively new retail developments such as Monte Vista Crossings, so they would presumably meet the site development criteria for a broad cross-section of different retail store types.

The longer term objective would be to ensure that as these retail centers age, they continue to be maintained, and if necessary, renovated to stay current with retail store space needs. This would include working with the retail center management and coordinating on retail site inquiries, site vacancies, pending business relocations, and potential actions that the City can undertake to keep Turlock’s retail centers competitive.

The most significant retail attraction opportunities for Turlock include grocery stores, restaurants, and automobile dealerships. Existing sales by grocery stores and restaurants in Turlock exceed the household spending total by Turlock residents for those types of businesses. However, they generate leakage after adding the spending from the surrounding communities, as well as business-to-business and visitor spending. This means that businesses in the surrounding communities currently address the unmet demand.

One area in which Turlock can potentially attract additional spending with grocery stores and restaurants is to differentiate. This means looking at markets for more specialized grocery stores and higher end restaurants that can potentially serve as destinations in their own right.

With automobile dealerships, the existing businesses in Turlock leave a lot of unmet demand. In order to address this shortcoming, the City can look at potential expansion opportunities with existing dealerships, and sites for new dealerships. One significant impediment with auto dealership expansion is that many car companies downsized their dealership networks during the Great Recession, and granted larger market areas to franchises. Turlock can also explore options for other vehicle sales, such as motorcycles, RVs, and marine vehicles.

STRATEGIES

- Identify specialty grocery stores that would potentially be a good fit for the Turlock area and differentiate the market from other offerings within the primary market area. This would include stores that specialize in more organic products or other higher quality offerings at an affordable price, such as Sprouts and Trader Joe's.
- Other potential areas of differentiation include supermarkets catering to Latino customers. Much of the Latino market is served by smaller independent and regional supermarket operations. Stores that provide a higher quality shopping experience, fuller merchandise offerings, and other services have seen growth in the larger urban areas, including the Bay Area. This has also started to attract private equity investment with an eye on further expansion. Growing supermarket chains that serve the Latino market include Mi Pueblo and Cardenas markets.¹¹
- Turlock is already well represented by mainline supermarkets. However, as the community grows, the City should look out for how well emerging and existing neighborhoods are served by grocery stores. Taking proactive steps to prevent "food deserts" from developing is one way to maintain a high quality of life in Turlock.
- While Turlock has a significant concentration of restaurants that are more than adequate for a community of its size, the community's role as a regional commercial destination also provides potential opportunities for newer food service concepts. Higher end restaurants have been developing farm-to-table and "ethical" menus that emphasize sustainability, and this approach

¹¹ Springer, Jon; "Are Ethnic Supermarkets the Next Sprouts?"; Supermarket News; January 11, 2017.

has started finding its way onto casual dining and fast casual restaurants. Restaurants that emphasize this approach would be one potential area of differentiation for Turlock.¹²

- The “food hall” concept has taken off in many urban and suburban areas. This combines a wide range of food stands and drink options, with open common areas. The food options entail a mix of styles found in fast casual restaurants, food trucks, and street food stands. Food halls often reuse existing buildings in centrally located areas. Recently developed examples include the Ferry Building in San Francisco, Oxbow Market in Napa, San Pedro Square in San Jose, and the Foundry in Walnut Creek. Similar concepts include spaces for “pop up” restaurants that temporarily locate in vacant retail spaces. The City can identify potential locations and entrepreneurs (candidates would potentially include food truck operators, caterers, and festival or farmer’s market vendors) looking for semi-permanent spaces for their operations.¹³
- Online food delivery services such as Doordash and UberEats have been growing in more urban areas.¹⁴ This developing market works with local businesses to expand their home delivery and online ordering options. The City can help facilitate partnership opportunities between the delivery services and local restaurants.
- To address market opportunities with auto dealerships, the City can look to a combination of business retention/expansion and new business attraction approaches. For retail attraction, the City can look at the car makes not represented in Turlock and use that as the first cut for potential new business targets. This needs to be done with the knowledge that Turlock might be too close to existing dealerships in the Modesto and Merced areas for new dealerships to be viable options. For business retention and expansion, the City can look into forming a working group with the existing dealerships in Turlock. This would help address business climate and site issues that potentially impede existing dealerships from competing.

GOAL 5 – THE COMMUNITY WILL HOST A WIDE VARIETY OF TOURISM AND COMMUNITY EVENTS.

Discussion. The City has hired North Star Destination Strategies to develop a tourism strategy and marketing brand, which will be delivered later in 2017. ADE has preliminarily estimated that visitors spend nearly \$75 million annually on retail and food services in Turlock, in addition to more than \$12 million spent on lodging in the City.

Turlock is home to the Stanislaus County Fairgrounds, which hosts numerous events throughout the year in addition to the County Fair itself. Similar to most County fairgrounds throughout the State, it receives no state or local government funding and must maintain operations from its own operating

¹² Bomcamp, Samantha; “Analyst: Restaurants of the future will stress delivery, sustainability, experiences”; Chicago Tribune; May 24, 2017.

¹³ Modenessi, Jennifer; “High-end food hall proposed for downtown Walnut Creek”; East Bay Times; November 28, 2016.

¹⁴ Bomcamp, Samantha.

revenues. Most of the building date from the 1940's and are due for upgrades as well as requiring substantial annual maintenance. The Fair has begun a program to invest in building improvements in partnership with local organizations. For example the Rotary Club is helping to renovate one 150 seat room. The City does not have any other venues capable of hosting 350-500 seat events and continued reinvestment is critical to continue to attract large events and groups to Turlock.

- Continue to facilitate the location of restaurants, full service hotels and other visitor serving amenities to serve the community (2014).
- Continue to participate in the Travel and Tourism Roundtable through the Turlock Convention and Visitors Bureau (2014).
- Market the City's soccer fields to regional and statewide organizations for tournaments (2014).
- Bring together local leaders through the use of a Convene a public-private working group to develop specific strategies for marketing and promotion of current venues (e.g. Pedretti Fields, Fairgrounds, etc.) (2014).
- The City shall streamline and coordinate processes for such requirements as street closures, parade permits and police department assistance for special events (2014).
- Identify and market companies that create a unique business niche for Turlock (e.g. additional microbreweries) (2014).

GOAL 6 – TURLOCK WILL SUPPORT START UP AND EXISTING SMALL BUSINESS ACTIVITIES.

Discussion: Turlock is served by the Valley Sierra Small Business Development Center (SBDC), which covers Stanislaus, Tuolumne, Merced and Mariposa Counties and is part of the UC Merced SBDC network.

CSU Stanislaus is also a resource for small and medium sized businesses in Turlock through its business program. Many Turlock businesses report that their accounting and other professional staff positions are often filled by CSU graduates.

The UC Merced Business Development Office promotes technology transfer and commercialization and could be an important partner in fostering entrepreneurship, particularly for agricultural technology products and applications.

STRATEGIES

- City could add local preference to its procurement policies.
- Together, the City of Turlock and Stanislaus Business Alliance will:

- a. Work together to identify target sectors for joint initiatives including, but not limited to biotechnology, agribusiness, manufacturing, clean energy, environmental sciences, and information and communication technologies (2014);
- b. Work together to identify opportunities for strategic partnerships and alliances between private sector companies in Turlock and the Stanislaus County Region (2014);
- c. Explore opportunities for joint trade promotion and joint promotional activities related to the tourism, cultural and sports sectors (2014);
- d. Exchange best practices/ lessons learned in assisting the private sector with inland port development (2014);
- e. Examine options for co-operative activity to facilitate development of strategic partnerships/ collaborations between the jurisdictions' respective inland ports, particularly as they relate to value-added and complementary services supporting their respective business communities (2014);
- f. Examine options for co-operative activity in existing and emerging knowledge/ innovation economy partnerships in the Turlock and the Region (2014);
- g. Leverage collaborative efforts amongst members throughout Stanislaus county and the Region with a particular focus on trade and business development, knowledge/ innovation economy development, life sciences, biotechnology, and information technology development (2014).

GOAL 6 – OUR EDUCATIONAL SYSTEM WILL BUILD A CITIZENRY WHICH WILL PREPARE OUR 21ST CENTURY WORKFORCE.

Discussion. In speaking with employers in Turlock and elsewhere in Stanislaus County, the availability of skilled workers with good work habits is a major concern. At the same time, community members are concerned about CSU Stanislaus graduates leaving the community due to a lack of career opportunities and wage competition from the Bay Area and elsewhere. Turlock and Stanislaus County benefit from a strong educational and workforce development system but there is a need to better connect employers, workers and educational/training resources to fill the employment gaps.

In recent years, the Federal Department of Education as well as State education agencies have focused greater concentration on career readiness, recognizing that college is not a necessary option for all students and that many unfilled job openings are heavily focused on “middle skill” jobs such as installation and maintenance mechanics, electricians, plumbers, and automated process control technicians, as well as a variety of health care occupations requiring less than a college degree. Turlock Unified School District offers Career Technical Education (CTE) courses in Medical fields and Agricultural Science as well as Culinary Arts. These themes begin in elementary school and carry through middle and high school and are continued at Modesto Junior College (MJC) as well. MJC offers curricula in a number of career paths including health and respiratory therapy, agriculture, irrigation technology, industrial electronics and machining.

This career focus is present in the private schools in Turlock as well. Sacred Heart School operates a K-8 program emphasizing Math and Science, Reading and Religion and features a computer lab as well as a 3-D printer. It is also particularly focused on developing soft skills in its students, which is a

significant factor for many employers. Workers who fail in punctuality, work habits, and interpersonal skills have greatly diminished value among employers. MJC also has devoted increased resources to teaching and counseling students in soft skills, including substance abuse issues.

The Stanislaus Worknet Alliance is the Workforce Development Board for the County and is charged with coordinating resources for a wide range of workforce training program. This agency is particularly focused on on-the-job training and serving young workers in the 18-24 year age group. About one-quarter of the youth they serve are still in school but the remainder are out of school. The programs require income eligibility and range from on the job subsidized work experience to apprenticeships in coordination with Labor Councils and other outside training organizations. The Alliance is particularly focused on gaining employer input to needed training and also employs a consultant (Opportunity Stanislaus) to conduct an outreach program to employers.

In discussing workforce needs with both employers and educational agencies in Turlock, all agreed that finding ways to increase internship opportunities for young workers would be very helpful. The city in fact could help facilitate opportunities for workers to find out about internship opportunities among local employers.

STRATEGIES

- The participants in the industrial focus group have agreed to pursue internship and workforce training opportunities at CSU Stanislaus, at the Worknet Alliance, and at other schools. This should include improved placement services. The participants also agreed to pursue improved collaboration between business and workforce training providers;
- Similarly, the participants in the education and training focus group acknowledge their separate funding sources and missions, but agree there are significant collaborative opportunities between themselves and with industry. Participants desire to pursue improved collaboration, especially for career oriented training. The vehicle for collaborative action will be Memoranda of Understanding (MOU's) between themselves, the City and others;
- The City has tentatively agreed to pursue an MOU to host one or more "speed dating" sessions for internships, and/or a job fair program;
- The city of Turlock will support the location of a local campus of Modesto Junior College. Encourage MJC to offer local evening classes that allows for students to pursue post-secondary education, enhance work related skills and/or better their employment situation (2014).
- Utilize internships, job shadowing and other workplace learning activities to expose high school students to employment opportunities which exist in the community. Formal links between high schools and employers should be established to ensure that these opportunities continue (2014).
- Promote Turlock Adult School as a training resource for the business community (2014).

- Encourage CSU Stanislaus to select a single point on campus to recruit and advertiser for internships and fellowships (2014).
- Encourage the development of basic education and employment training programs reflecting the requirements of new, existing and expanding Turlock businesses (2014).
- Promote such efforts as the Stanislaus Partners in Education which supports the 'Careers in Manufacturing' program and other efforts (2014).

GOAL 8 – TURLOCK WILL BE A CULTURAL LEADER IN THE CENTRAL VALLEY WITH ACCESS TO ART, MUSIC AND OTHER CULTURAL EVENTS.

STRATEGIES

- Foster and enhance opportunities with organizations such as the CSU Stanislaus University, the Carnegie Foundation, Community Theatre as well as the business community to host local cultural events (2014).
- Encourage the development of community gathering space in such areas as the downtown to enhance sense of community (2014).
- Encourage the development of small science museums or exhibits that may also tie into the University as well as the community's business clusters (2014).
- Encourage the CVB or another community based group to maintain and up to date community calendar that is distributed through multiple communication channels such as web, newspaper, social media, etc. (2014).

GOAL 9 –TURLOCK WILL PROVIDE THE NECESSARY ECONOMIC FOUNDATIONS AND SUPPORT SERVICES THAT ALLOW WORKERS AT ALL SOCIOECONOMIC LEVELS TO ACCESS AND MAINTAIN LIVING WAGE JOBS.

Discussion. Economic development and community quality of life go hand in hand in a kind of virtuous cycle. Economic development helps create the revenues and income necessary to provide a high level of community services and amenities, which in turn attract more businesses and talented workers to the community for the quality of life. It is important that all segments of the community participate in economic prosperity and have access to the support services needed to obtain and hold jobs. Among these economic foundation factors are affordable housing, transit and transportation options, and health care and social services. The City maintains an active affordable housing program under the direction of Assistant to the City Manager, who is also responsible for economic development. In addition, the City is working with partners to set up homeless shelters and services to help these individuals regain their economic stability. Transportation is another critical foundation for employment and many lower income workers depend on transit to get to and from work. Turlock Transit Lines provides the Bus Line Service of Turlock (BLaST) transit service on multiple fixed routes

throughout the City and the Dial-A-Ride Turlock (DART) service for door-to-door transportation in Turlock and Denair, through its transit contractor, First Transit. Expansion of this service and other foundational support services requires financial resources. As economic development continues to occur in Turlock and revenues become more available, the City should seek to increase its investments in these critical services.

STRATEGIES

- Continue to pursue an active affordable housing program to ensure that affordable housing choices are available to all segments of the community.
- Continue to implement the provision of homeless shelters and the availability of social services for homeless.
- Explore opportunities to expand local transit services to connect residential neighborhoods with job locations and retail shopping areas.
- Coordinate with local communications companies and the San Joaquin Valley Regional Broadband Collaborative to ensure that adequate broadband capacity is widely available in Turlock.

8. PERFORMANCE MEASURES

It is important to monitor progress and measure success in order to evaluate the effectiveness of the EDSP program. The following measures utilize data sources that can generally be updated annually and provide benchmarks for Turlock in comparison to County and State trends.

1. Jobs by industry sector
2. Jobs: Resident Worker Ratio
3. Number of businesses (new business formation)
4. Development permits processed
5. Sales tax
6. Transient occupancy tax
7. Household income
8. Resident worker wages by major occupational group
9. Workers living and working locally
10. Job retention

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