Economic Development Plan



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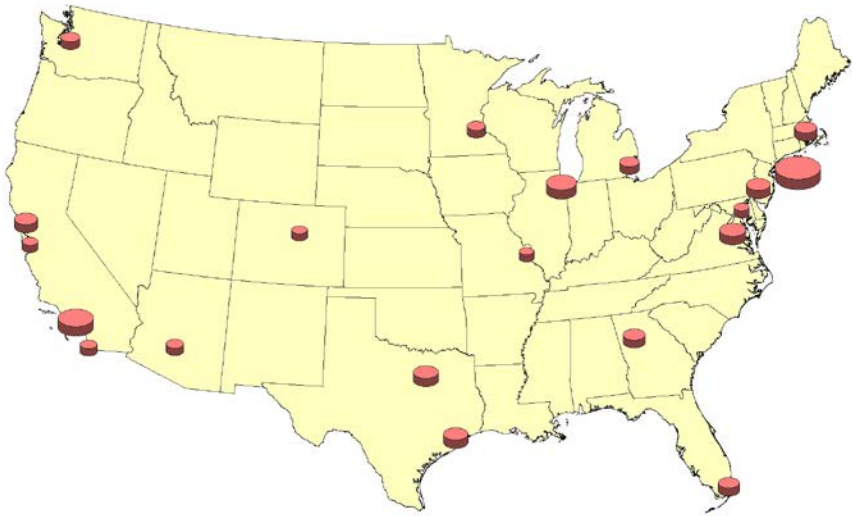
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National Economic Context

As Avenal is undertaking a targeted update to its General Plan, the nation is facing highly uncertain conditions. The average economic expansion lasts 59 months; it has currently been 84 months since the last recession, but the economy has not gotten into the rhythm of a large boom that predicates a bust. So far, growth in many key indicators like jobs and GDP has been modest.

There have been several major events to rock the economy, like exceptionally low oil prices, the Brexit, the election of an unpredictable president, and globally markets are very dismal. However, despite these issues, the US economy continues ambling on its path of moderate growth, without any foreseeable bubbles of irrational exuberance. There is little reason to believe that a crash is coming, but forecasts remain pessimistic. Perhaps forecasters are wary of putting too much hope in the economy after being burned in 2008.

Growth since the recession has come from a few key areas: consumer spending, healthcare, and manufacturing. Consumer spending on leisure goods is on the rise, particularly as consumers are feeling an increase in disposable income due to low oil prices; money that was previously spent at the gas pump can now be spent on dining, clothes, cars, and other consumables. Healthcare prices have increased dramatically in the last few years due to additional complexities in the system, as well as an aging population. Finally, manufacturing has seen a bump as oil prices have made manufacturing cheaper.



Twenty largest metropolitan areas by value of goods and services produced.

National Economic Performance

The federal Bureau of Economic Analysis (BEA, www.bea.gov) measures the performance of the nation's economy through the gross domestic product. This statistic estimates the total value of all of the goods and services produced in the United States. BEA typically reports the national gross domestic product (GDP) on quarterly and annual bases.

Figure 1 illustrates the GDP by quarter from 1947 through 2015. The data are presented in chained (real or inflation-adjusted) dollars, equivalent to the value in 2009. The portions of the figure in lighter green represent those quarters in which the national economy was in a recession.

Long-Lasting Expansion

The National Bureau of Economic Research (NBER, www.nber.org), a private, nonprofit, nonpartisan research organization, dates economic cycles—periods of economic growth or expansion and economic recession or contraction. Policy makers, government officials, academics, and businesses generally accept NBER's dating of economic cycles. Although NBER does not have a single, specific measure of when an economic cycle begins and ends, it considers a recession to be a significant decline in economic activity spread across the economy and lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.

According to NBER, the most recent economic expansion began in June 2009 after the 2008-09 Recession, the longest and most severe economic recession since the twin recessions of the Great Depression era. The expansion has been slow.

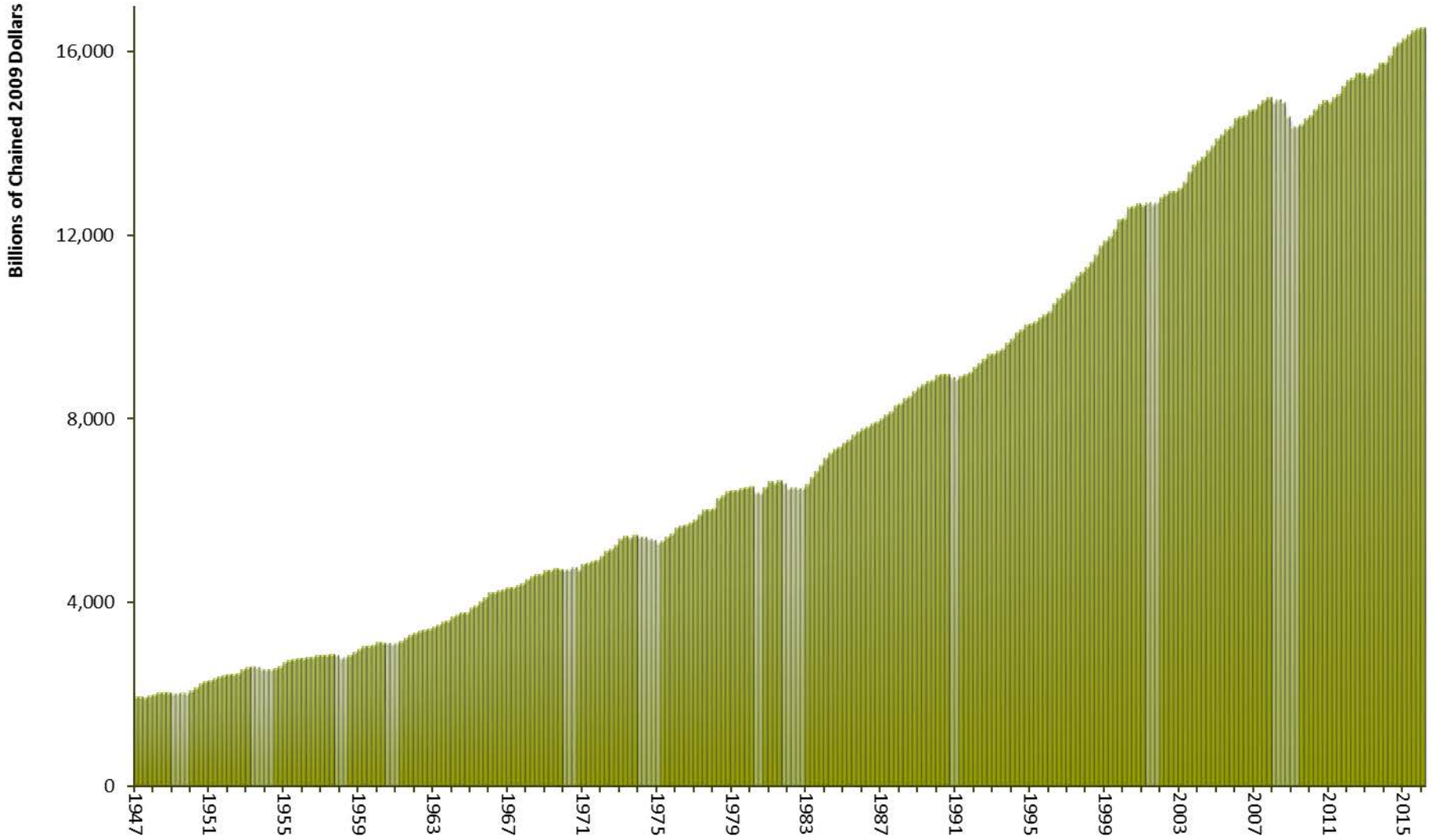
For the entire period from 1947 to the present, the national economy has, on average, grown by 3.2 percent annually. Although there have been 11 recessions as well as wars, police actions, and troop deployments, social upheaval, and numerous national traumas, the economy has generally plugged along and continued growing.

However, since the end of the last recession, the economy has grown at an annual rate of 2.3 percent. This is less than the long-term rate and less than the average annual growth rate in the previous economic expansion, 2.6 percent. This lower growth rate has led to widespread discussion of the possibility that slower growth is the new normal.

A boom and bust cycle is natural and even important for an economy; booms provide growth and provide momentum for consumers and workers to get in the game, while busts can provide incentive for the economy to "clean house" and bring consumers and investors back to reality. There is of course an effort to keep things from getting too overheated or dropping too hard, but in the long run the economy is expected to maintain a healthy long-run growth rate.

The important question for Avenal is, how can it position itself to benefit the most from expansionary periods and shield itself from the hardships of recession?

Figure 1: US Gross Domestic Product, Quarterly 1947 to 2016



Source: Placeworks, 2016, using GDP data from the US Bureau of Economic Analysis and recession date data from the National Bureau for Economic Research.

National Employment Trend

NBER did not acknowledge the beginning of the most recent recession until 11 months after it began, in part because gross domestic product continued growing into the summer of 2008. Employment, however, reached its peak at 138,432,000 total jobs (full- and part-time) in January 2008. The fall in total employment bottomed out at 129,733,000 in February 2010. Since then, the national economy has added 13,413,000 jobs, 154 percent of the loss during the recession. Figure 2 shows the historical trend in total employment in the United States from January 1950 through December 2015. The data represent the total number of jobs (both full- and part-time).

Employment Recovery

While Figure 2 shows a trend of employment gains and recovery, there is still concern about how the job market is actually faring. Though the unemployment rate has decreased to 4.9%, a healthy number, there is concern about the employment environment in the US. Unemployment numbers that are typically touted in job growth reports often don't include discouraged workers, who are not actively searching for work because they don't believe they will find it, or underemployed workers, who work part time but would like to work full time. When those workers are included, the rate is 9.7%. This number has been decreasing since 2009, but it is still above pre-recession unemployment and underemployment.

Slow wage growth may be more concerning than slow job growth. Wages are growing at a slow pace compared to the economy as a whole: 1.9% to the GDP growth of 2.3%. However, the growth in wages has picked up in the last few months, and with oil prices being at their lowest price in decades and low inflation, growth in disposable income is still moving at a good pace in relation to past economic expansions.

Labor Force Participation

The data in Figure 2 include two significant changes in the US labor force. First, the baby boom generation started entering the labor force in 1963. Second, after 1947, women began entering the labor force in increasing numbers. Of women age 16 and older in 1950, 33.9 percent were working. Female participation increased in the 1970s and 1980s, peaking at 60 percent in 1990. The rate declined to 59.3 percent in 2005, and the US Bureau of Labor Statistics (BLS) projects a continuing decline to 55.1 percent in 2050.[1] These two changes increased the size of the labor force, with growth peaking at 2.6 percent in the 1970s. Labor force growth is a key factor in overall economic growth: two-thirds of economic growth is correlated with labor force growth. Both the baby boom generation's sheer numbers and the rapid increase in female employment constitute large, albeit onetime changes to the labor force that generated portions of the nation's economic growth since the 1960s.

The Long-Term Trend

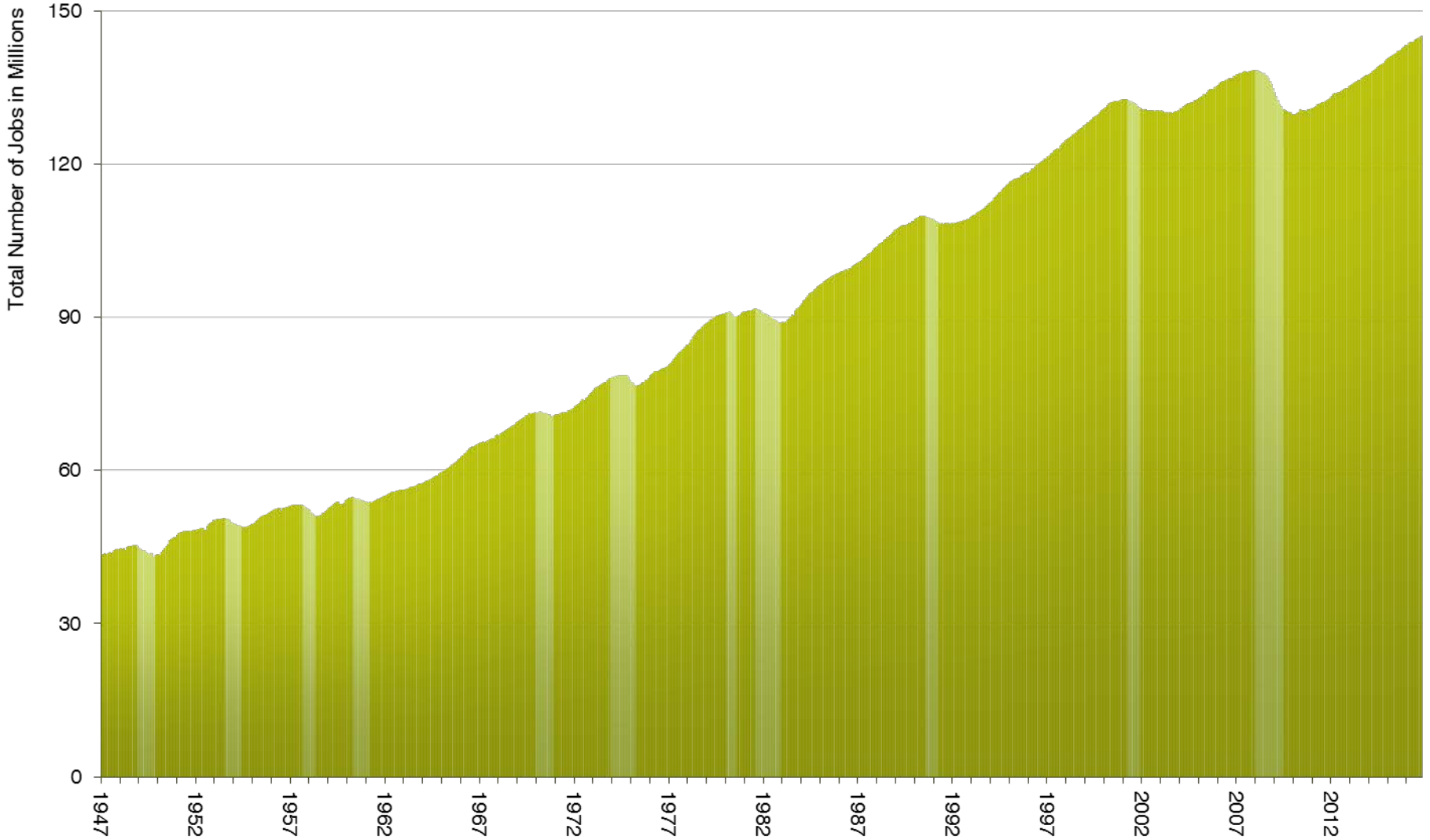
The current economic thinking holds that over the short term, with economic growth continuing at its current, somewhat subdued pace, employment growth will also continue at a similar rate as the past two and one-half years.

Over the long term, however, the employment trend story is really the labor force participation story. BLS projects that the national labor force will grow at about 0.5 percent per year over the next 20 years. With a lower level of labor force growth than in the past, the national economy will most likely grow jobs more slowly than in the past.

Growth in wages will still remain largely dependent on education of workers. The wage gap between skilled and unskilled workers will continue to be more defined as technology finds more and more of a place in the total economy.

[1] For an in depth analysis of long-term labor force changes, see Bureau of Labor Statistics, "A new look at long-term labor force projections to 2050" *Monthly Labor Review*, November 2006: http://www.bls.gov/opub/mlr/2006/11/ art3full.pdf.

Figure 2: Total US Employment, Quarterly, Jan 1947 to Oct 2016



Source: Placeworks, 2016, using employment data from the US Bureau of Labor Statistics and recession date data from NBER.

Per Capita Income

Since World War II, the American economy has generated sustained growth in real (inflation-adjusted) per capita income, a key economic achievement. From 1947 to the present, it has grown at 2.1 percent annually, exceeding the per capita GDP growth rate of 2.0 percent. Figure 3 shows the growth in real per capita income from 1947 to the present. The chart breaks income into four major categories of disposition: savings, personal consumption, interest and transfers, and taxes.

Disposition of Income

Disposition of income has remained rather consistent over the past 60 years or so. Over this time, taxes, interest and transfers, and personal consumption have all trended to a slight increase in their share of total personal income, at the expense of savings, which has seen its share decrease over time.

In actuality, savings generally increased as a share of personal income, reaching highs of 9.8 percent in 1982 and 9.6 percent in 1984, and decreasing thereafter. Indeed, in the third quarter of 2005, Americans had a negative savings rate, meaning we borrowed and spent in excess of the amount that we were saving in our 401Ks, IRAs, and savings accounts. During the recession Americans more than doubled the level of per capita savings. Then, in the first quarter of 2013, savings rates returned to somewhere in between pre- and post-recession levels.

From the beginning of the recession through the end of 2012, savings averaged 5.3 percent of inflation-adjusted per capita income. Since then, saving rates have had an average of 4.3 percent.

Table 1 indicates the disposition of per capita personal income averaged over three years at the beginning, middle, and end of the time frame for which data is available.

Table 1: Disposition of US Personal Income

	1948–1950 Average	1979–1981 Average	2013–2015 Average
Taxes	8.5%	13.1%	12.2%
Interest and Transfers	1.1%	2.2%	2.9%
Personal Consumption	84.6%	76.2%	80.6%
Savings	5.8%	8.4%	4.3%

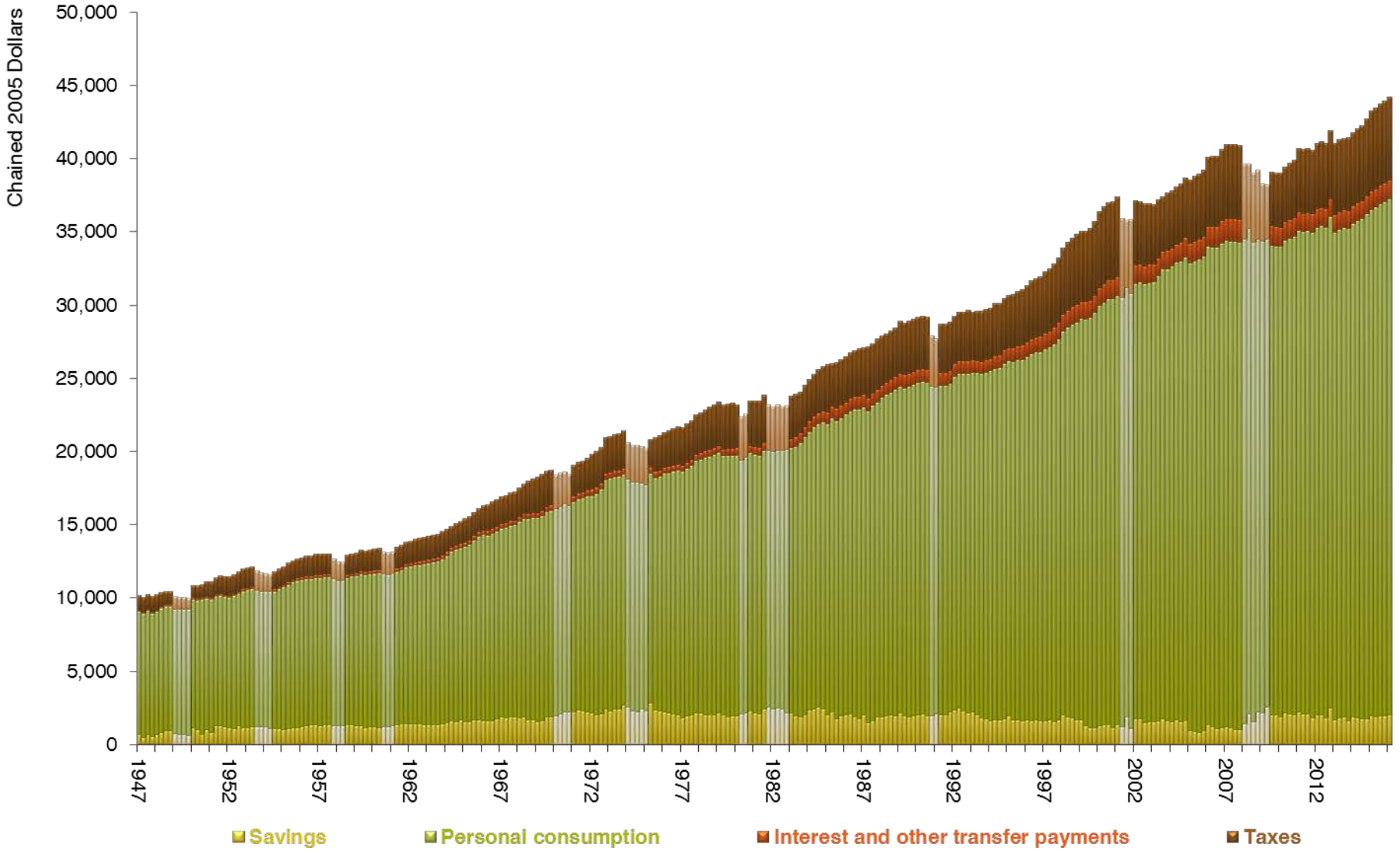
Source: Placeworks 2016, using data from the US Bureau of Economic Analysis.

Consumer Spending

The portion of total economic production (i.e., GDP) in the United States that ultimately results in a product or service consumed or used by households has slowly but steadily increased since detailed record keeping began in 1947. From 59 percent in 1951, it increased to about 70 percent in 2006, which is where it remains today. Consumer spending is thus the major foundation of our economy.

During the recent recession, real per capita consumer spending decreased by 3.4 percent. Since the end of the recession, however, this spending has increased, and it is now 4.6 percent higher than the prerecession high. This is important to note: the major driver for the national economy is 4.6 percent higher than it was prior to the recession in inflation-adjusted per capita terms.

Figure 3: Real per Capita Income by Disposition, United States, Quarterly from 1947Q1 to 2016Q1



Source: PlaceWorks 2016, using income data from the BEA, inflation data from the OECD, and recession date data from NBER.

Housing

If debt was the main driver of the depth and intensity of the last recession, housing will be remembered as the spark that lit the fire. Figure 5 on the opposite page shows the total number of housing units on which construction was completed in each month from 1960 to 2016.

The completion of housing units reached its peak in March of 2006. At that time, residential investment (which includes not only the value of construction, but the value of appliances, land, and streets) accounted for about 6 percent of the total GDP. The decline in housing production did not reach its bottom until the first quarter of 2012, having fallen 73 percent from the high. Since the bottom, the number of housing units completed has increased each quarter. Nevertheless, residential investment accounted for only 2.9 percent of GDP in the first quarter of 2013. Even though it appears that the housing market is on a sustainable upward trend, it will take some time before it reaches a more normal state.

Changes in Housing Value

A popular measure of housing value, Standard and Poor's Case-Shiller Index tracks the changes in the sales values of individual houses over time. This index truly measures changes in value, in contrast to more widely reported (and more easily calculated) median sales price indices, which measure the average sales price of housing that happen to sell in a particular month.

The Case-Schiller Index reports the average value of housing as the percentage of the average value at the beginning of 2000. The index shows that the housing values peaked in the second quarter of 2006, at about 185 percent of the value in 2000. The value of housing declined, reaching a bottom of 134 percent in the first quarter of 2012. As of the last quarter of 2015, the Index estimates the value of housing to be about 176 percent of its value in 2000.

Housing Value Matters

Housing value matters because a majority of new housing is built as move-up housing. About five out of every eight homebuyers has to sell an existing house in order to buy a new house. The decline in underlying housing values means that many buyers will have less equity to use as a down payment than in the past.

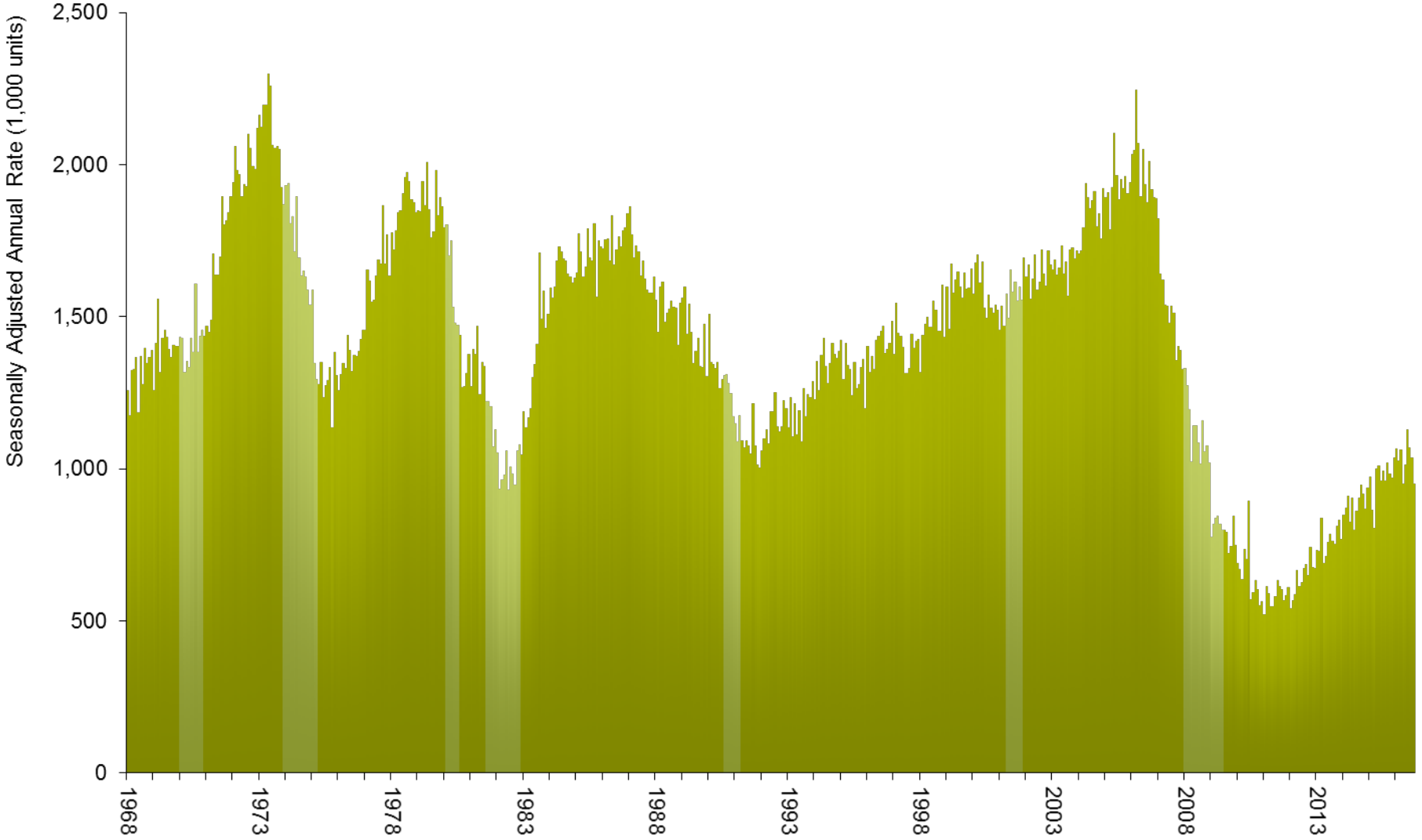
In addition to housing market activity, decreased housing values also hinder economic growth in other sectors. Recessions typically result in increases in new business creation. In the typical pattern, some workers laid off during a recession use home equity financing to fund business startups. With the rapid and dramatic decline in housing values during the past recession, though, this avenue has not been available to many entrepreneurs.

Pricing Pressures

In addition to lower equity leading to lower down payments, two other factors will combine to reduce the price new homebuyers can afford to pay, at least over the short term. First, the federal government is changing the requirements for a qualifying residential mortgage to require higher down payments (currently being debated at 10, 20, or 30 percent). Absent some increase in the funds households have available for down payments generally, mortgages will likely be smaller than they have been in the past decade or so.

Second, interest rates may well rise in the future. Over the last 20 years, global forces—especially the transfer of wealth to countries with higher savings rates and the downward pressure on wages from technological advances and globalization—have kept inflation and interest rates low. If and when the global economy returns to robust growth, however, these global forces will have less effect, and the nation could settle with a new normal of higher average inflation and interest rates. With a set income stream to pay a mortgage, higher interest rates translate into less payment on principal, and thus, less expensive housing.

Figure 4: Housing Completions (Total Number of Units), United States, Monthly from Jan 1968 to Sep 2016



Source: PlaceWorks, 2016 using housing completion data from the US Census Bureau and recession date data from NBER.

Changing Demographics

After World War II, the number of births in the United States increased substantially above the long-term norm, peaked around 1957, and showed a sharp decline from 1964 to 1965. Starting in 1976, the number of births began to climb once again as the baby boomers began starting families, although the actual birth rate has remained at historical lows of under 70 live births per 1,000 women since 1973.

Although many commentators and academics debate whether or not the baby boomers represent one or more social generations, the 20-year period does create a population bubble. The subsequent 10-year period, when the birth rate dipped below the long-term average (down to the Depression-era rate), produced significantly fewer people. This period is often referred to as the baby bust, or Generation X. Finally, the generation born from 1977 to 2000, with more total births than during the previous baby bust period, is often referred to as the echo boom, or Generation Y. Figure 6 on the opposite page shows the percentage of the US population in each 5-year age group. The colored shading shows the age groups included in the baby boom, baby bust, and echo boom as of 2010.

Retirement

Current surveys suggest that boomers, on average, intend to work about three years longer than previous generations. No one really knows when the boomers will retire and what they will do in retirement. Current economics may encourage many baby boomers to stay employed longer to rebuild that part of their retirement nest egg.

Wealth Transfer

Boomers' real earnings are higher than those of previous generations, even though savings rates are lower. More importantly, though, their parents' generation was the first in the United States to, en masse, become homeowners and create widespread family wealth. As this generation passes on, many are leaving this wealth to their children and grandchildren. The boomers are becoming the recipients of the largest intergenerational transfer of wealth in history. No one really knows how this wealth will affect their choices for and after retirement.

Medical Care

What is known is that this country is woefully unprepared to deal with the cost of medical care as baby boomers age. As this generation enters the ages that require the most medical care, the United States faces an acute lack of skilled nurses, doctors, hospital beds, and most other things related to medical services.

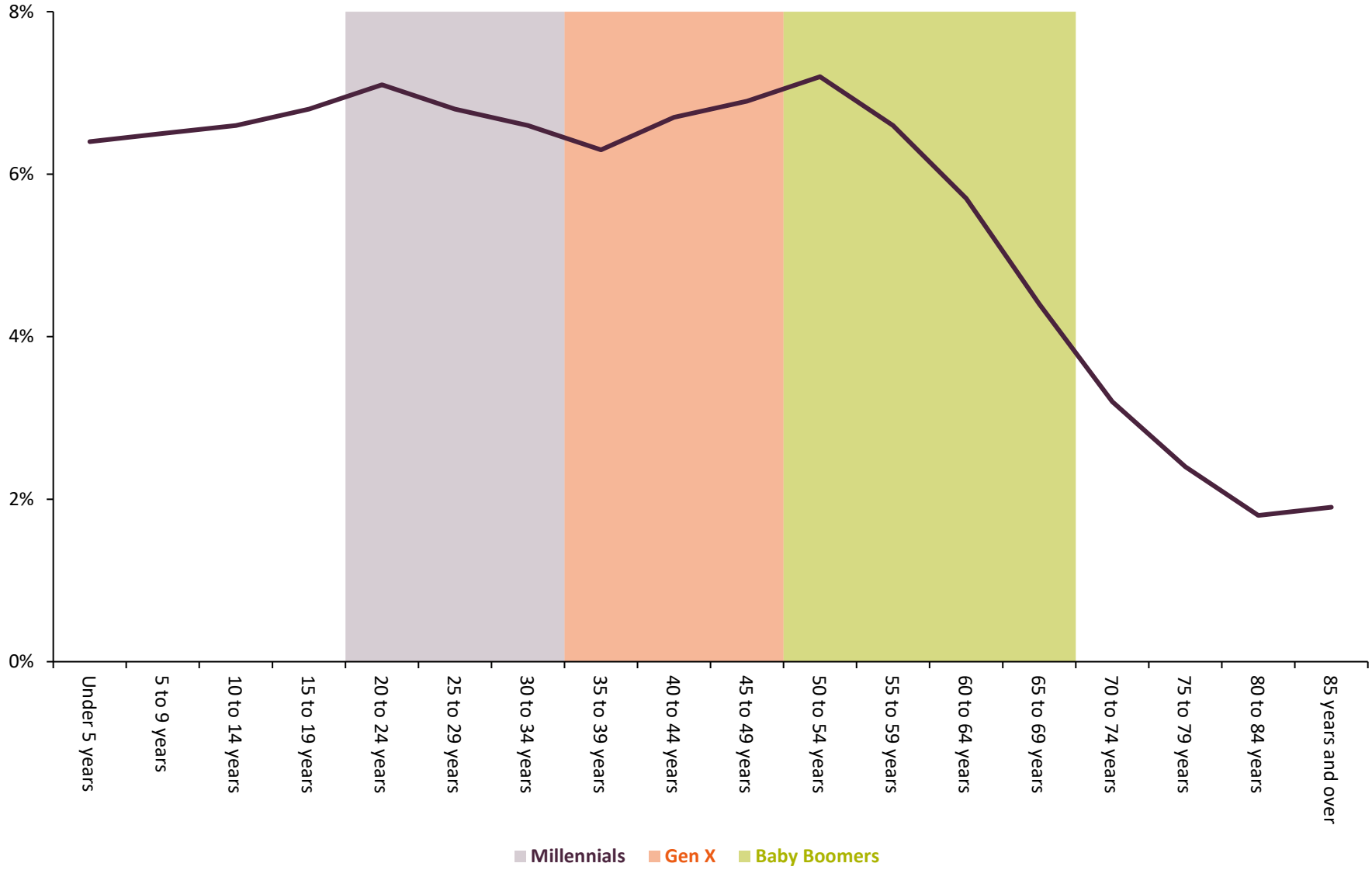
The Coming Labor Shortage

Nationally, the 15-year segment of the population following the baby boom has 3.4 million fewer people (an 8.1% decrease) than the 15-year segment at the end of the baby boom generation. As boomers move into retirement, the US labor force does not have enough workers to fill their jobs.

The US economy faces a monumental challenge over the next 20 years. The United States will either have to bring in more skilled and educated immigrants, or the economy will have to become more productive (just to maintain the status quo), or else more US jobs will be shipped overseas.

As boomer retirement progresses, one can expect American jobs to chase American workers. Communities that have the quality of life to attract the most highly educated and most highly skilled workers will also attract the jobs that need those highly skilled and educated workers. As in the late 1990s, proximity to available labor will be the most important factor for business location decisions, surpassing land costs, perceived business climate, and where company executives reside.

Figure 5: Distribution of the US Population by 5-Year Age Groups, 2014



Source: PlaceWorks 2016, using data from the US Census Bureau.

Conclusions & Recommendations

What does the national economic context mean for Avenal?

The foregoing discussion leads to the inevitable question, "So what?" What does the national economic context mean for Avenal? In a nut shell, the economic factors described in the preceding sections are either returning, slowly, to long-term trends, or they are moving to a new normal.

The data show that the national economy has been growing for almost two years, and it will likely continue to grow for the foreseeable future. This means that Avenal has not missed the boat; there is still potential for the community to capture its share of economic growth. Nevertheless, the projected decline in the labor force participation rate and the structural labor force shortage as boomers retire portend slower than past trend economic growth for the nation. This means that Avenal may have to work harder, or at least more diligently, than in the past to help foster economic and employment growth.

Inflation-adjusted per capita consumer spending has exceeded its prerecession high. This suggests that, in general, there is sufficient spending to drive retail business expansions and new retail development. This trend should help support community desires for more shopping opportunities in Avenal.

The debt overload problem has not yet been fully resolved. Households and the financial services sector continue to deleverage, which is just fancy economic jargon for paying down their debt. Until households are at a more sustainable debt level, the economy is unlikely to reach its full growth potential, and the housing market is unlikely to recover quickly.

Still-high household debt, low housing values, and potentially rising interest rates, in conjunction with soon-to-be-revised mortgage underwriting regulations, will collectively put downward pressure on the amount households can afford to spend on housing. This means that the market will push for cheaper and probably smaller housing, at least in the short term. Importantly for Avenal, this might also lead more households to seek Avenal out as a less expensive place to live. For relatively well-paid correctional officers, this housing cost pressure might induce more officers to move closer to work, either to get more housing for the buck or to reduce commuting costs.

Perhaps the most meaningful national trend is the aging and retirement of the baby boom generation. Over the next ten years or so, the labor market will tighten, and businesses will seek out locations with proximity to skilled and educated workers. The goal for Avenal, then, is to be the type of community where skilled and educated workers want to live.

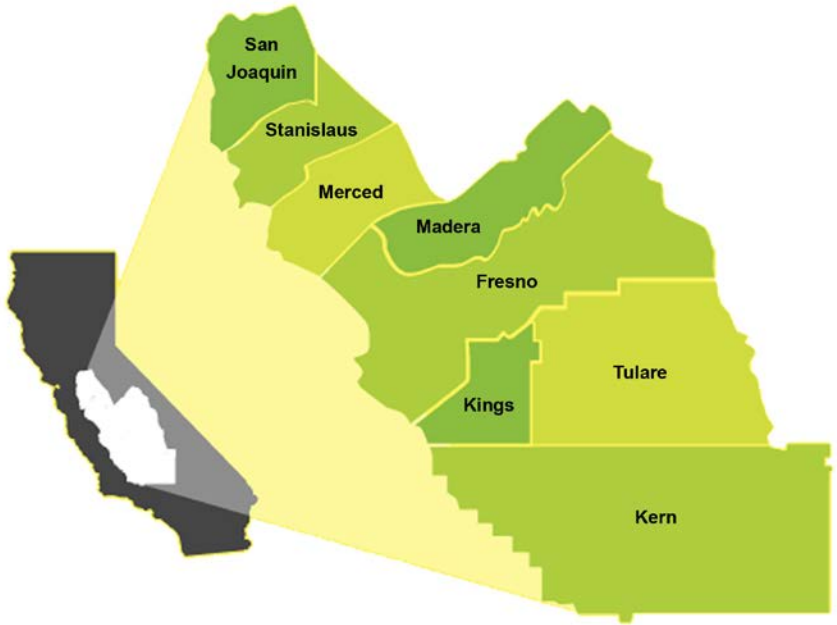
Regional Economic Context

Avenal is part of two regional economies. At the smaller scale, the City is part of the regional economy of the Hanford-Corcoran metropolitan area (which is coterminous with Kings County). Avenal is the smallest city in the county and has about 5 percent of the county's total household population. The city also provides about 14 percent of the total number of jobs in Kings County.

At the larger scale, Avenal lies in the middle of the San Joaquin Valley. This region includes the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare (see the adjacent map). To the west lies the coastal mountain range and to the east lies the Sierra Nevada. The Sacramento Valley region lies to the north. To the south, beyond the convergence of the two mountain ranges, is Southern California. The San Joaquin Valley encompasses 27,276 square miles, with 62 cities and 3.9 million residents.

Nationally, businesses looking to expand and open new operations tend to look at various regions and then narrow their search to particular cities and locations. Growing businesses tend to expand their sales within their region before attracting a national and global market. The regional economy, especially the San Joaquin Valley, wields great influence over the growth and development potential of Avenal's local economy.

This chapter assesses the state of the regional economy and how it will affect Avenal's ability to achieve its long-term economic goals.



Regional Economic Structure

To understand the structure of a local economy, economists most often look at the number of jobs in each of the major economic sectors. Because sectors differ in the value of their products, employment is considered an indicator of the relative economic activity and the relative importance of each sector in the economy.

Figure 7 illustrates the portion of total jobs in each economic sector for the state and the regional economies of the San Joaquin Valley and Kings County. The data are averaged across 2012, 2013, and 2014 (the most recent year for which employment data are publicly available).

The key differences between the state economy and the regional economies lie in the goods-producing sectors and the knowledge-based sectors. There are two other somewhat smaller anomalies between the state and regional economies: the Tachi Palace casino and hotel in Lemoore and the three state correctional facilities in Corcoran and Avenal.

Goods-Producing Sectors

The goods-producing group of economic activities includes primary extraction of commodities, processing, and manufacturing of final goods. Specifically, it includes: agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; construction; and manufacturing. Goods-production makes about 14.8 percent of economic activity in the state, but it is more important in the Valley and the county, making up 26.5 and 27.7 percent of economic activity, respectively. Agriculture, however, makes up almost all of the difference. Kings County is tenth in the country for agricultural output. Though agriculture accounts for about 15 percent of the county's economic activity, its pay is lower than average. In Kings County in 2015, average agricultural wages were less than half of the total average wage.[2]

Knowledge-Based Sectors

Knowledge and education are primary job qualifications for the majority of jobs in the knowledge-based group of economic activities. Specifically, this includes: information; finance and insurance; professional, scientific, and technical services; and management of companies and enterprises. These sectors account for 16.2 percent of all jobs in the state, yet they only provide 6.9 percent of the jobs in the Valley and 4.3 percent of the jobs in Kings County. Although this sector provides a small number of jobs regionally, its average 2011 wage in the county was about 35 percent higher than the total average wage.

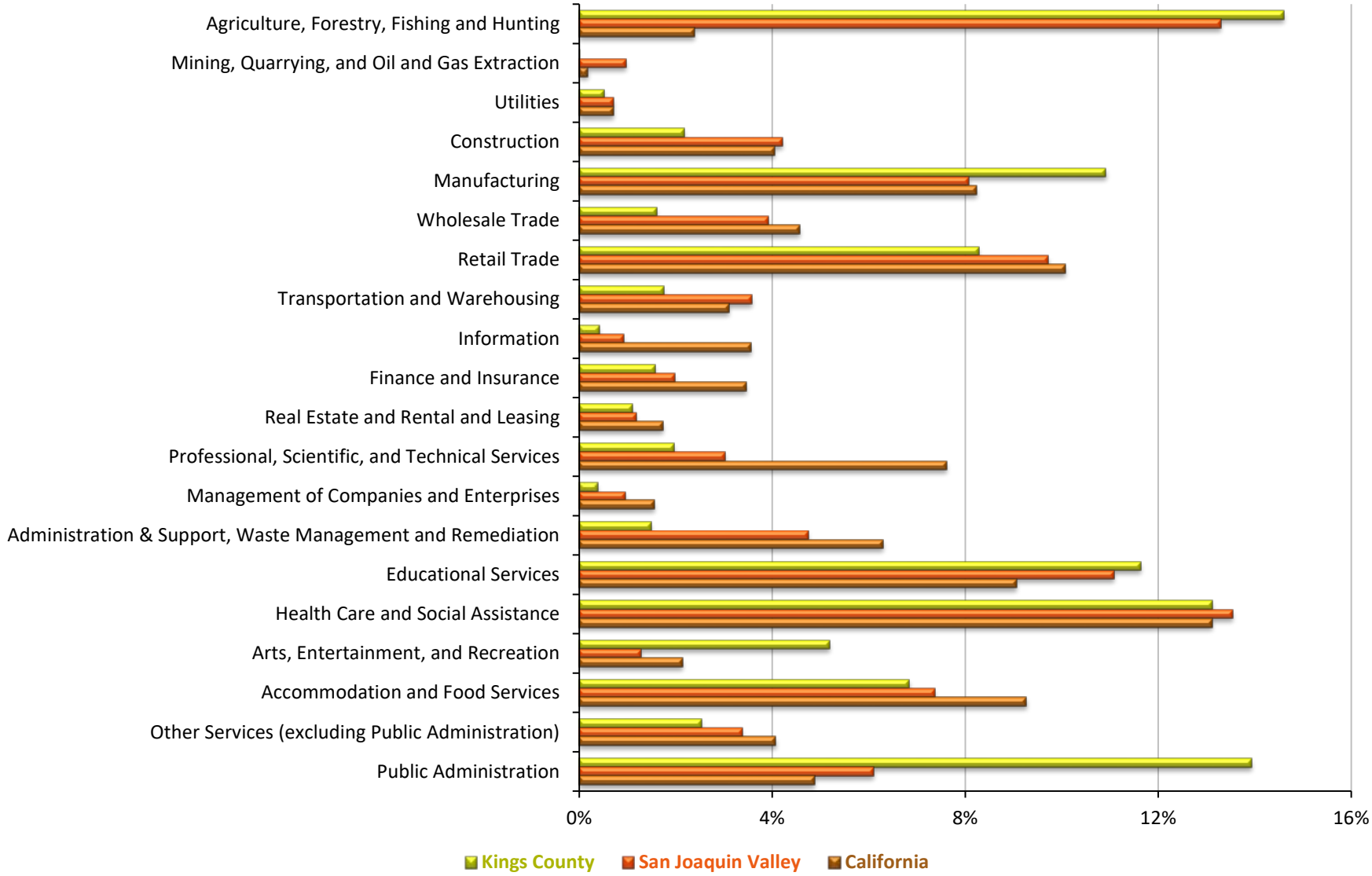
Other Regional Differences

The arts, entertainment, and recreation sector is four times larger in Kings County than it is in the San Joaquin Valley, and two and a half times larger than in the state. At the same time, the accommodation and food services sector is smaller in Kings County than in the Valley and the state. The Tachi Palace casino and hotel is responsible for this difference. It is a major employer in the county and thus an important destination, bringing tourists to the region. However, for federal statistics, it is classified as a casino and not a hotel.

The public administration sector is more than twice as large in the Kings County economy than it is in the economies of the Valley and state. State correctional centers in Kings County are the reason for this difference. The California State Prison, Corcoran, has a total staff of 2,300. The California Substance Abuse Treatment Facility and State Prison, Corcoran, has a total staff of 1,900. The Avenal State Prison has a total staff of about 1,500. Without the employment at these facilities, Kings County would have a smaller share of jobs in public administration than the Valley and state economies.

[2] http://www.bls.gov/oes/current/oes_25260.htm#45-0000

Figure 6: Percentage of Total Employment by Economic Sector, Kings County, San Joaquin Valley, and California, Average for 2012 to 2014



Source: Placeworks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program.

San Joaquin Valley

The eight counties in the San Joaquin Valley generate over $20 billion per year in agricultural value. Three national parks provide extensive and high-quality recreational opportunities, drawing tourists from the nation and around the world. Important natural resources—oil and natural gas fields, vast wetlands, and unique plant and animal communities—provide additional quality of life amenities and economic benefits. Two freeways, two intercontinental rail lines, and international and municipal airports link the Valley to the rest of California and the global economy. The Valley provides an attractive place to live, with migration fueling 60 percent of its growth since 2000. As of the 2010 Census, the San Joaquin Valley accounted for 10 percent of the state's total population, but the California Department of Finance projects that the region will accommodate 25 percent of the statewide population growth from 2010 to 2030.

Challenges

While many of the cities and towns of the region are evolving with new subdivisions and shopping centers, there is another side to Valley life, defined by poverty, environmental degradation, and social separation.The "Measure of America" program by the Social Science Research Council ranks California's 21st congressional district (which includes Kings County and Avenal) as having the lowest Human Development Index in the nation; this index is a composite measure of health, education, and standard of living. The San Joaquin Valley currently underperforms the rest of California:

- Average per capita incomes are 32.2 percent lower.
- Per capita income in every metropolitan statistical area in the region is lower than in Appalachia.
- High levels of unemployment for more than 25 years, even during peak agricultural seasons.
- College attendance is consistently 50 percent below the average.
- Violent crime is 24 percent higher.
- Access to healthcare is 31 percent lower (based on the number of primary care physicians serving the population).
- Air quality is among the worst in the nation.

Public Image

Agriculture continues to fuel the San Joaquin Valley economy. Other economic sectors are growing in the Valley, capitalizing on lower land costs and lower labor costs while still locating in proximity to the state's major population and economic centers. Logistics, manufacturing, and food processing lead the region's economic growth.

Unfortunately, the factors attracting many of the new businesses add to the public perception of the Valley. The site selectors and corporate officers who decide where to locate new operations often view the region as an impoverished area, sometimes considering it as an alternative to moving production out of the country to lower costs.

If the region is to address its myriad challenges, it must be able to attract new jobs in growing and globally competitive sectors of the national economy. Shifting from population and cost-driven growth to innovation-driven and valued-added growth will require investments in the complete business climate.

Working toward Solutions

To overcome the Valley's challenges, civic, business, and political leaders came together with the governor and state agencies to form the California Partnership for the San Joaquin Valley. The legislature appropriated $5 million to the partnership to begin implementing its strategic action proposal. In July 2010, the partnership was made permanent when the governor issued executive order S-10-10. The following page summarizes the partnership's overall goals and its economic development strategies.

Figure 7: The California Partnership for the San Joaquin Valley



Priorities

The future priorities for the New Valley (10 work groups), Smart Valley Places, and the San Joaquin Valley Regional Broadband Consortium, linked and leveraged with complementary initiatives providing clear leadership and blazing the path for others to follow, include: infrastructure development, sustainable planning, and job creation.

1 Infrastructure Development

Key focuses require immediate attention to ensure the Valley is not overlooked. These include water supply and reliability, goods movement, high-speed rail, and the expansion of broadband access throughout the Valley. New developments in these core areas are continuous and will remain priorities for the Partnership moving forward.

2 Sustainable Planning

Integrating smart growth principles into planning is essential to our region's progress. By creating more transportation choices, equitable affordable housing, greater economic competitiveness, and healthier, safe, and walkable neighborhoods, we are creating a smarter and more sustainable Valley. These activities are shaping future growth trends that will impact the health and prosperity of the region and the entire state of California for generations to come.

3 Job Creation

By strengthening our regional industry clusters, developing our workforce skills and streamlining regulation, business will develop, higher paying jobs will surface, and the Valley's economy will flourish. This will take several years to come to fruition; however, by partnering with the Valley's Central California Workforce Collaborative, the California Central Valley Economic Development Corporation, and other local, regional and statewide agencies, the Valley is positioned for success.

Regional Cluster Analysis

One key Partnership-led effort of considerable importance to Avenal's economic development strategy is the Regional Industry Cluster Analysis and Action Plan. The Partnership funded an economic analysis in 2012 to identify the most important industry clusters in the San Joaquin Valley. The report identified seven industry clusters.

These clusters are important because they account for 41 percent of the Valley's employment. More importantly, from 2001 to 2010, these clusters provided 73 percent of all new private sector jobs. These are the sectors that drive the Valley's regional economy and that will be the source of future growth, investment, and jobs.

The report describes the seven clusters as follows:

Agriculture

The Valley's agriculture cluster is a complex mix of both agricultural commodity producers and food processors, and also a wide variety of related support industries, logistics and transportation systems, and related research and business activities in water technology, energy and other related manufacturing. Raw commodities and resources pass through a series of systems that add value at each stage and result in not only food products but energy feedstocks, bio-medical products, fiber materials and other outputs. This value-added process constitutes the conceptual basis for the agriculture value chain. It also illustrates the cluster foundations, such as a trained workforce, transportation and broadband infrastructure, availability of financing, and a productive regulatory process that are critical elements in supporting the success of the cluster (and all Valley clusters).

Health and Wellness

Many of the fastest growing careers in the country and California are in health care sector. Three major factors will drive growth in this cluster: continued aging of the population; technology innovations in health information and health care services; and an aging healthcare workforce that may cause severe shortages upon retirement of this large cohort. For example, more than one-third of California's nursing workforce is older than 50 and over half are expected to retire in the next decade. Specifically, this cluster includes five components: health care delivery; medical device manufacturing; pharmaceutical manufacturing; supplies and services; and wellness and fitness.

Logistics

Logistics services and facilities – including transportation, warehousing and distribution to support effective goods movement into, out of, and within the San Joaquin Valley - are a critical foundation to key industries in the region, particularly the agriculture value chain, and comprise an industry cluster in their own right.

Manufacturing

Manufacturing is a lynchpin cluster in that it is a component of virtually all of the other regional clusters in addition to other diversified manufacturing companies. More than 70 percent of Valley manufacturing jobs are associated with one of the five other clusters. Most of this employment is in food processing and is part of the agriculture value chain. However, manufacturing processes have a number of commonalities across product lines. Manufacturing has generally lost employment during the past decade, although this loss occurred more slowly in the Valley than it did statewide. It is worth noting, though, that nearly 60 percent of the losses were in non-cluster related diversified manufacturing industries.

Water Technology

Water is scarce in most parts of California, creating tremendous pressure to redistribute the state's water resources and to find new sources and ways to store and deliver water more efficiently. Valley leaders have long recognized water availability, quality and infrastructure as a critical issue for the agriculturally-based regional economy and overall regional economic growth. Fresno State has a state leadership role directing the CSU system's Water Resources and Policy Initiative, and provides water technology research, testing, policy development, public-private sector collaboration and sustainability innovation. This cluster includes six specific components: pump and pumping equipment manufacturing; plastic pipe and pipe fitting manufacturing; farm machinery and equipment manufacturing; other commercial and service industry manufacturing; farm supplies and merchant wholesalers; and industrial machinery and equipment wholesalers.

Public Sector Infrastructure

The Great Recession affected the construction industry more than any other sector in the Valley, especially with residential construction and the collapse of the housing market. To address the large number of layoffs in the region's construction industry, the Central California Workforce Collaborative (CCWC) secured a National Emergency Grant in 2010 to assess workforce opportunities related to the region's planned public sector infrastructure investments. With the decline in residential construction, construction of public infrastructure and facilities represents perhaps the largest current investment underway in Central California and an opportunity to revitalize the construction sector and the regional economy, and build new skills for workers, especially for middle-skill infrastructure jobs. Skills building will help ensure the Valley's workforce is qualified for local construction jobs that will be created by these investments.

Energy

The energy sector has been defined as a particularly vibrant economic opportunity for Avenal. The Valley's growing population and expanding economy will require increased supplies of reliable, diverse, clean energy, which is defined as increasing the energy use efficiency of our homes and businesses and other resources; and producing more electricity and fuel in the Valley from renewable energy resources such as solar, wind and biomass. The energy cluster, especially the development of innovative renewable and clean energies and energy efficiency technologies for use and transmission of water and in the built environment, is a high priority for the Valley. Specifically, this cluster includes nine components: alternative energy distribution; alternative energy generation; energy efficiency contractors; energy equipment manufacturing; petroleum production; petroleum distribution; power generation and transmission; energy-related research; energy-related services.

On a broader, national economic context, the energy sector is facing great upheaval and opportunity. Even as oil prices have fallen to their lowest levels in over 10 years, outlook for energy consumption and prices remains bullish. The United States is expected to become a net exporter of natural gas by 2017. Long-term natural gas prices are still projected to rise, particularly in the face of high capital costs of new coal and nuclear generation capacity. These national issues are compounded by the fact that California's clean energy policies make coal plants less feasible; all coal power plants are to be shut down by 2026. While a large portion of the rest of country relies on coal as the main source of power, California is looking for alternative energy sources.

California is investing heavily in renewable energy. SB 350, commonly known as the Clean Energy and Reduction Act, which was passed in September 2015, will require that 50% of energy comes from renewable

sources like solar, wind, and geothermal power by 2030. Renewable plants and infrastructure are therefore expecting significant growth, but this may also increase the need for natural gas. Most renewable energy sources are highly unreliable and backup power from a reliable source is often necessary. Current energy storage technology has significant limitations which, while improving, will likely be prohibitively expensive for the near future. Natural gas is a highly reliable energy source that can begin responding to increase demand or lack of supply very quickly: it takes an hour for natural gas power plants to begin producing electricity. This means that if a day is unexpectedly cloudy, consumers don't have to wait for their demand to be met. As energy storage technology continues to improve, backup power supply will become less important, enabling renewable energy to increase its share of total energy generation.

Transmission and distribution systems are another part of California energy that will soon need investment. California's electric grid is over 50 years old and is not well-suited to adapt to new technologies. In order to keep up with consumer demand and take advantage of new energy-saving technologies, transmission and distribution systems must both be updated. California is investing is the "Smart Grid", which will allow for two-way communication between supply centers and demand centers about to make power flows more efficient. While the Smart Grid is only in the research and development phase, in the future it could provide opportunity to make a more efficient energy system.

In the face of a steadily increasing population and additional constraints on energy production, the average retail price of electricity is projected to rise by 18% by 2040. The average annual growth rate of electricity demand in California is expected to increase by something between .9% and 1.65% annually until 2025. In light of all these facts, Avenal should explore the feasibility of energy production and delivery as a long-term growth industry.

Regional Clusters Action Plan

In addition to the comprehensive economic analysis, the Partnership's report includes an action plan. This report will not try to re-present the Partnership's action plan.

However, it is worth noting that implementation of the regional plan centers around New Valley Working Groups and the staff at Fresno State's Office of Economic and Community Development. There are ten work groups, including ones dedicated to each clusters as well as ones dedicated to key Valley issues, such as air quality and sustainable communities.

For clusters which Avenal may pursue, such as agriculture and energy, the city has existing regional partners with whom to work. In addition, the city should consider joining the working groups for those clusters.

The Metropolitan Region

The Hanford-Corcoran metropolitan area, defined by the federal government as the entirety of Kings County, circumscribes Avenal's local economy in several important respects. First, the metropolitan area loosely represents the labor shed that feeds businesses in the city. Second, the population and businesses in the metro area constitute the primary market for many firms in the city. Finally, for better or worse, most data on which businesses make decisions are available only at the metropolitan statistical-area level. The labor force statistics for the county thus serve as a relative indicator for existing businesses and those considering an Avenal location. Key labor force indicators are provided in Figure 9. The statistics presented below include Kings County's population institutionalized in state prisons.

Education

Many businesses consider the level of education a key labor force indicator when making decisions on where to open new facilities. The county and the Valley have a higher percentage of the population aged 25 and older without a high school diploma than the state (29 and 27 versus 19 percent). Nationwide, less than 15 percent of the population age 25 and older has not graduated from high school. This statistic indicates that a substantially large portion of the regional workforce is uneducated and unskilled, making it harder for Avenal and other cities in the region to compete against other cities in California and across the country. At the same time, a slightly larger portion of the county and Valley population has had some college education but lacks a bachelor's degree relative to the rest of the state (32 and 33 versus 29 percent). This is important because an associate's degree or college certification is a prerequisite for many jobs in manufacturing these days. In this sense, the region may be competitive with other cities across the state in trying to attract manufacturing jobs.

English Language Ability

A key challenge facing California in attracting businesses to the state is the high portion of the population that speaks a language other than English. About the same portion of the regional population as the statewide population speaks English at home. Roughly the same portion of the county's households (18 percent) report that no one in their home speaks English very well than the portion of households in the Valley (19 percent) and the state (19 percent). Thus, the regional labor force would not pose any more language difficulties for employers than they would likely face elsewhere in California.

Unemployment

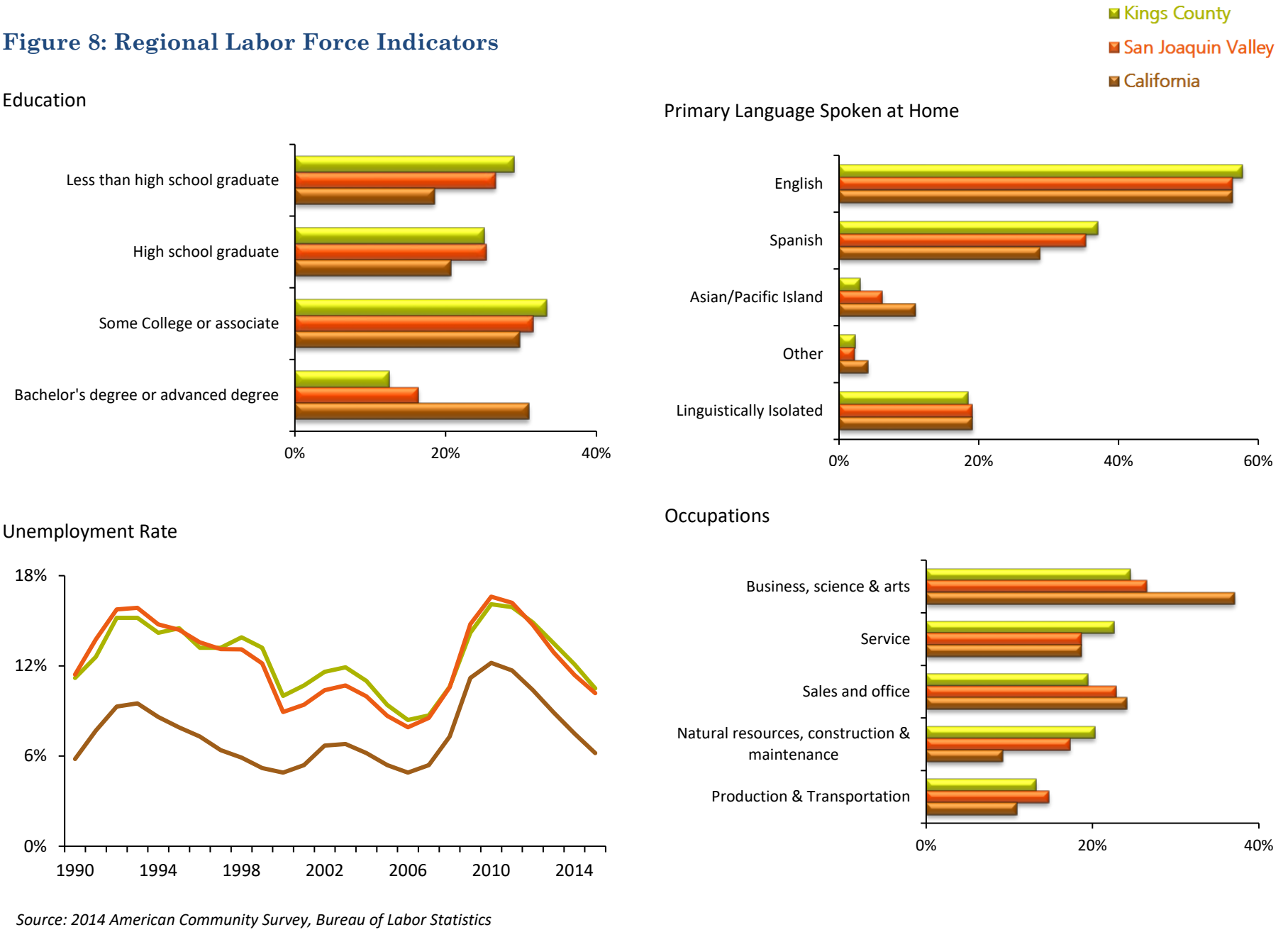
For some businesses, unemployment represents stress in a local economy, a warning sign that all is not well. For others, unemployment indicates an available work force and local economic pressure limiting wages. Either way, unemployment is a key benchmark for an economy. Since 1990, the county's and the Valley's unemployment rates have averaged 75 percent higher (about 5 percentage points) than the statewide rate.

Occupations

Business looking to expand—either an existing operation in the area or a new operation to the region—must consider whether the labor force will have the mix of skills they need. The occupations of the labor force are a preliminary indicator of those skills. The county and the Valley have larger portions of their employed residents working in agricultural occupations and in production and transportation. This suggests that in the short- and mid-term, it may be easier to expand in these fields. Kings County also has a higher percentage in services, but that is driven by the state correctional system, and expansion is beyond the community's influence.

At the same time, the county and the Valley have smaller portions of their employed residents working in business and professional services. This suggests that attracting firms in these fields could be more challenging.

Figure 8: Regional Labor Force Indicators



Source: 2014 American Community Survey, Bureau of Labor Statistics

Conclusions & Recommendations

What does the regional economic context mean for Avenal?

Many of the economic development challenges that the Avenal community is familiar with are really regional challenges. The regional context will continue to influence the city's ability to achieve its economic development goals. Nevertheless, Avenal can take actions to affect the regional context. Some strategies include:

1. Participate in Regional Efforts. Through the California Partnership for the San Joaquin Valley, the region is undertaking a comprehensive approach to improving the Valley, its economy, environment, and quality of life. Other chapters in this report describe other regional economic development partners. Avenal—city government, businesses, and civic groups—should exercise leadership roles in these regional efforts. It is important that Avenal's voice be heard and that Avenal gets its fair share of attention.

2. Prioritize Skills and Education. One of the key challenges, if not the *key* challenge, facing Avenal is the relatively low level of skills and education in the regional labor force. This is a complex problem with no simple answers. To begin with, though, the city needs to work with its regional partners to ensure that education and training remain prioritized.

At the community level, it is beyond the resources of city hall to fund skill training and education efforts. However, there are numerous models of community-based, volunteer-run programs that provide literacy, basic education, GED-focused education, and English as a second language. Through the planning process to prepare the economic development strategy, the community will have to weigh the feasibility of establishing such a grass roots program and decide if it can be started with minimal financial resources.

Improving the educational attainment of the community in a significant way will be a long-term effort that will take years to show a payoff. Nonetheless, it is never too early to start focusing on the skills and education of the labor force.

3. Focus on Existing Strengths. In the short term, economic growth opportunities are most likely to arise in the economic sectors that already have a strong presence in the region and that rely on occupations already employing the regional labor force. These are primarily agriculture related and manufacturing. Because these kinds of businesses are already successful here, there are fewer obstacles to overcome in growing these sectors.

4. Be the Place Skilled and Educated People Want to Live. As discussed in the national economic context, the nation faces a structural labor shortage as the baby boom generation retires. Jobs will be chasing workers in the near future. More importantly, though, it is perhaps easier to attract new skilled and educated residents than it is to significantly transform the existing labor force's skill set. Through the General Plan update, Avenal can better define how to best grow and develop to attract skilled and educated residents.

5. Build on Existing Visitor Structure. Tourism is important in economic development because it brings new dollars into a region. A well-crafted and well-executed tourism program also helps build a community's name

recognition, thereby making it easier to market the community to prospective new businesses. Kings County has two types of destinations that bring in substantial numbers of visitors: the Tachi Palace casino and hotel and the three correctional facilities. Although the casino and prisons may not be major state-wide attractors, these destinations already bring people to the region. They provide a starting point on which to build tourism infrastructure. The region is not starting from scratch.

The Local Economy

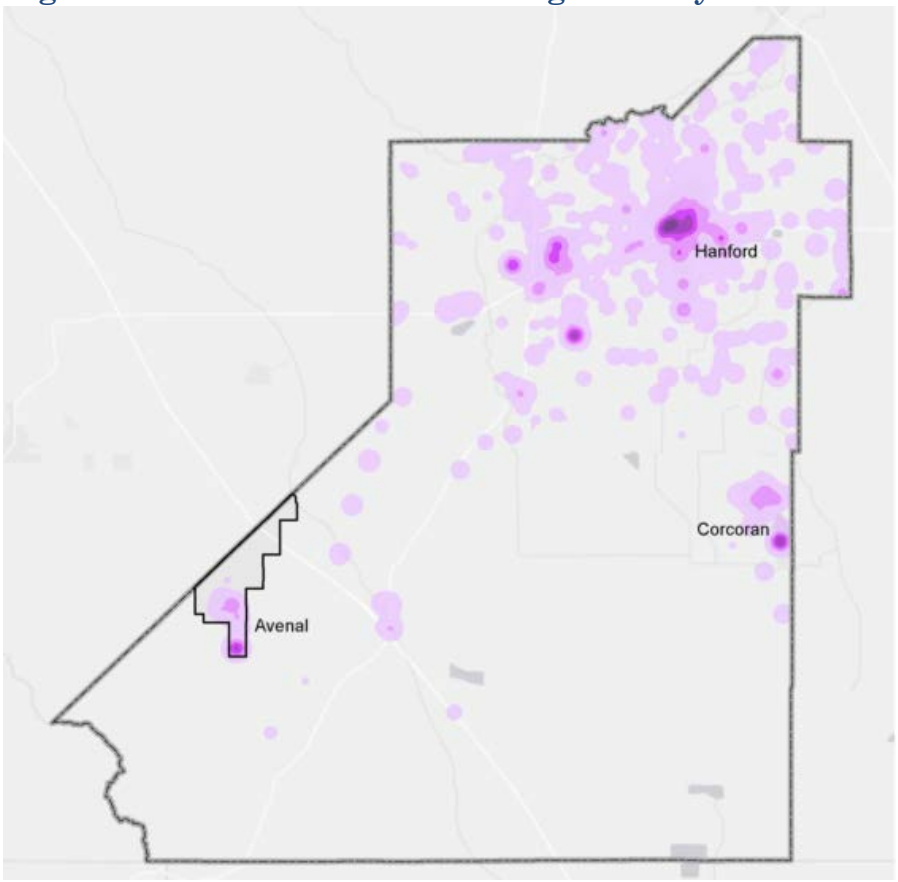
This chapter analyzes the structure of the local economy in Avenal. The term "local economy" is a bit of a misnomer. The term actually refers to Avenal's share of and position in the regional economy. There is no local economy functioning separately from the regional economy. Nevertheless, local policies shape the environment that helps determine what parts of the regional economy Avenal captures and how well it competes for investment within the region. Therefore, the chapter analyzes various measures that indicate how well Avenal competes and identifies ways the local economy could work better for the community.

Specifically, this chapter looks at the types of jobs provided in the city, the types of jobs held by residents (whether or not the job is in Avenal), and wages. Figure 10 illustrates the density and location of jobs in Kings County. This chapter also projects the number of jobs in the city by economic sector, wages, and household income. Also provided are projections of future residential development, as well as development for retail, commercial, office, and industrial land uses, if present trends continue.

Structure of the Local Economy

To understand the structure of a local economy, economists most often look at the number of jobs in each of the major economic sectors. Comparing the structure of the local economy to that of the region, state, or nation shows where the local economy specializes and exports and where it needs to import. Figure 11 on the following page shows the employment in each major economic sector as a percentage of total employment for Avenal, Kings County, and California, average for 2012 to 2014.

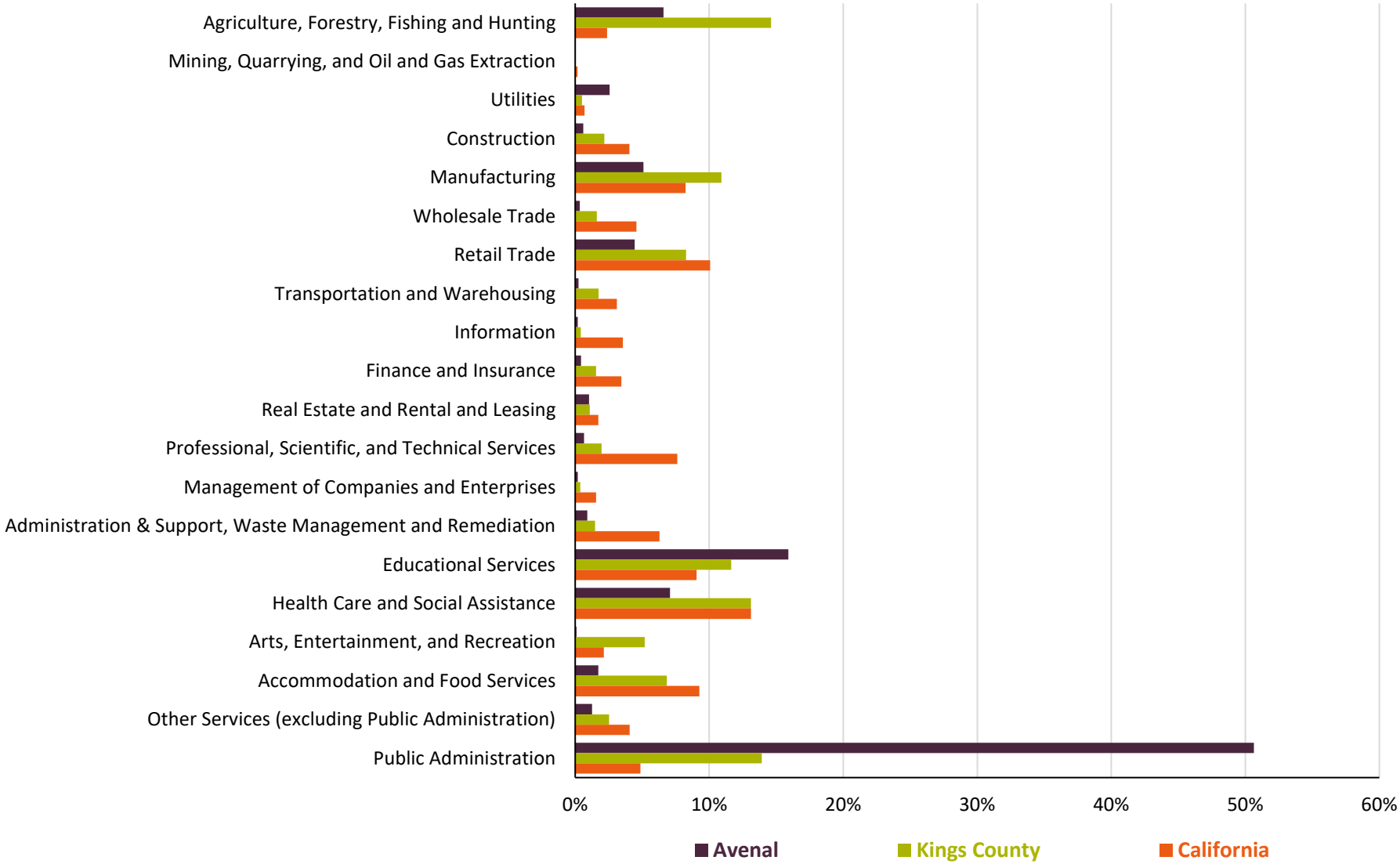
Figure 9: Location of Jobs in Kings County



Note: Darker colors indicate increasing concentration of jobs.

Source: PlaceWorks, 2016, using data from the US Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) program.

Figure 10: Share of Total Employment by Economic Sector, City of Avenal, Kings County, and California, Average for 2012-2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program

The data in Figure 11 do not count the self-employed and jobs exempted by state law from workmen's compensation. Even with these exclusions, these data provide the most detailed information available for the local economy.

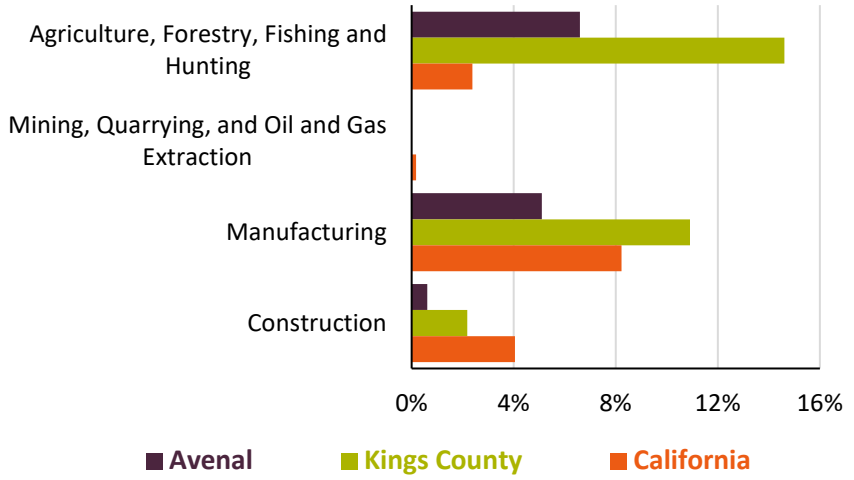
As the chart makes very clear, public administration, which includes the correctional facilities, is the dominant economic sector in Avenal. It is practically unheard of for one sector to account for more than half of a community's total number of jobs. With correctional facilities in Avenal and Corcoran, public administration accounts for a relatively high share of employment in Kings County. The following sections describe groups of economic sectors in more detail.

Base Goods-Producing Sectors

This group of sectors includes: agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; construction; and manufacturing. These sectors produce goods that are predominantly sold outside of the local area, thus bringing new dollars into the local economy. Figure 12 shows the number of jobs in each sector as a share of total employment.

These sectors accounted for a smaller share of jobs in Avenal (12 percent) than they did in the county (28 percent) and state (15 percent). Avenal does have more jobs in agriculture (7 percent) than does the state (2 percent), but it is less than the county as a whole (15 percent). Manufacturing is less important in the local Avenal economy than in the county and state. Because manufacturing is more important in the county than in the state, it might represent a potential opportunity for economic development.

Figure 11: Number of Jobs in Base Goods-Producing Sectors as a Share of Total Employment, Avenal, Kings County, and California, Average for 2012 to 2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program.

Base Service-Producing Sectors

This group of sectors includes: utilities; wholesale trade; transportation and warehousing; and administration and support, waste management and remediation. These sectors provide goods and services that are often exported out of the local area (meaning the end customer is not in Avenal) thus bringing new dollars into the local economy.

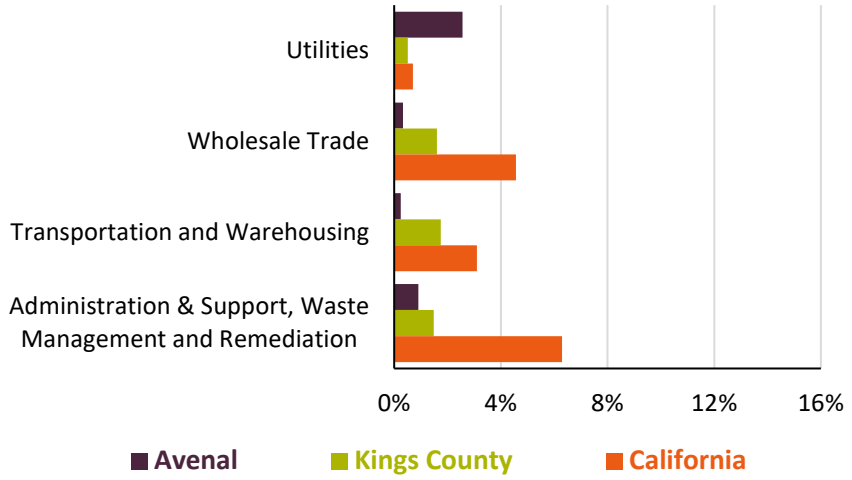
These sectors accounted for a smaller share of jobs in Avenal (4 percent) than in the county (5 percent) and the state (15 percent). Utilities (which includes public sector water and waste water utilities) accounted for a larger share of jobs in Avenal (3 percent) than in the county and state (1 percent in both). The other sectors in this category provided a smaller share of jobs in Avenal than in the county and state.

Under federal statistics, employment at correctional facilities is included in the public administration sector. However, correctional facilities should be considered as a base service-producing sector because demand for their services is driven by factors at a state level, with little or no influence from local economic factors. In addition, the funding for correctional facilities comes from outside of the local economy. Avenal State Prison accounts for nearly half of the total number of jobs in Avenal. If it were added to this category, base service-producing sectors would account for over half the jobs in the local economy.

Knowledge-Based Sectors

This group of sectors includes: information; finance and insurance; professional, scientific, and technical services; and management of companies and enterprises. This group contains a mix of base and non-base sectors. What ties them together is that many of the jobs in these sectors require a college degree or higher education. Figure 14 shows the employment in these sectors as a share of the total number of jobs.

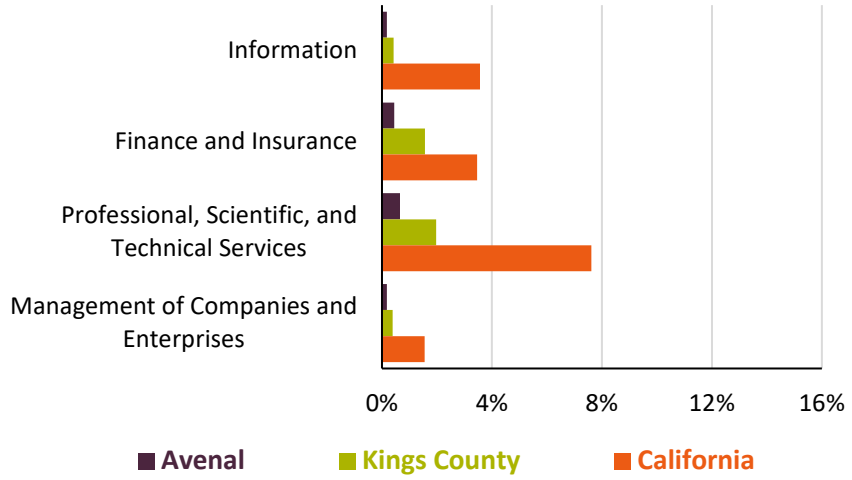
Figure 12: Number of Jobs in Base Service-Producing Sectors as a Share of Total Employment, Avenal, Kings County, and California, Average for 2012 to 2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program.

These sectors account for a little more than 1 percent of the jobs in Avenal, and 4 percent of county jobs, and 16 percent of the total jobs statewide. Each individual sector's share of jobs in Avenal is less than half the share countywide, which, in turn, is less than half the share of jobs statewide. These sectors do not represent viable economic development targets for Avenal.

Figure 13: Number of Jobs in Knowledge-Based Sectors as a Share of Total Employment, Avenal, Kings County, and California, Average for 2012 to 2014



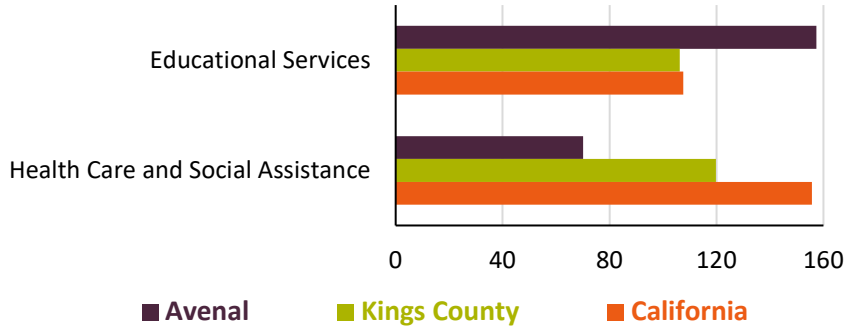
Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program.

Education and Health Care

This group of economic sectors includes: educational services (public and private); and health care and social assistance. These sectors are local-serving. However, the analysis groups them in a separate category because the state and federal governments regulate their provision of services, and, consequently, where they locate and their service area. In addition, the state and federal governments provide a substantial amount of the funding for education and health care.

For local-serving sectors, including Health Care and Education, it's often more helpful to look at how well local households are being served instead of the proportion of jobs. For this reason, we use jobs per 1,000 households instead of percent of total jobs as a measurement. Figure 15 shows the total number of jobs per 1,000 households in each of these sectors.

Figure 14: Total Number of Education and Health Care Jobs per 1,000 Households, Avenal, Kings County, and California, Average for 2012 to 2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program and from the CA Department of Finance.

This category accounts for a similar number jobs per 1,000 households in Avenal (228) and Kings County (266 percent) and slightly more statewide (263). Avenal has more jobs in education and is underserved by health care, relative to the county and the state.

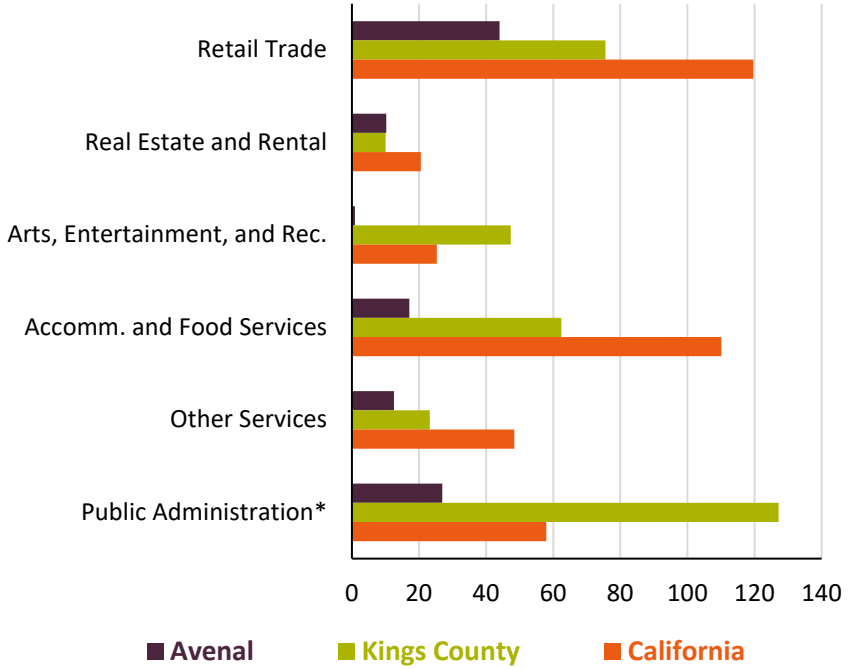
Health care might represent a viable economic development target. However, the funding for health care services, both public (primarily Medicare and Medical) and private (primarily insurance based on the percentage of the population with health care coverage) will constrain the potential effectiveness of city efforts to attract health care businesses and jobs.

Local-Serving Sectors

This group of economic sectors includes those that primarily or exclusively serve the needs of the local community rather than exporting their product or service out to a different region. Specifically, it includes: retail trade; real estate and rental and leasing; arts, entertainment, and recreation; accommodation and food services; other services; and public administration. The data and analysis in this section exclude jobs at Avenal State Prison from public administration in Avenal because job and economic growth at the prison does not depend on the spending of residents and visitors as it does with the other local-serving sectors. Figure 16 shows the total number of jobs per 1,000 households.

The number of local-serving sectors jobs per 1,000 households in Avenal (112) is about a third of the number countywide (346), which is less than the number statewide (382). Avenal is underserved in each of the sectors in this group. The difference suggests that there could be economic development opportunities in local serving sectors.

Figure 15: Total Number of Local-Serving Sectors Jobs per 1,000 Households, Avenal, Kings County, and California, Average for 2012 to 2014



*Data for public administration jobs in Avenal excludes jobs at Avenal State Prison.

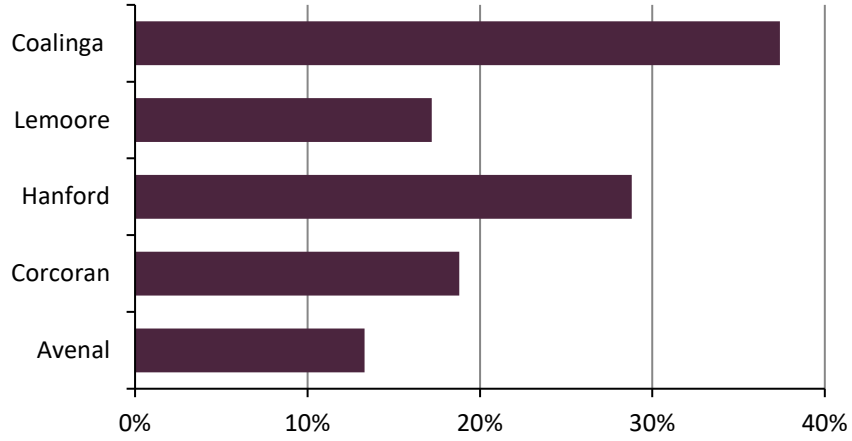
Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program, CA Department of Finance, and CA Department of Corrections.

Out-Commuting

According to Census Bureau data, 2,900 city residents were employed in 2014. Of those, 385 (13 percent) had jobs in Avenal and the remaining 87 percent worked elsewhere. Avenal has a high rate of out-commuting relative to nearby cities.

Many communities invest in economic development to provide more opportunities for residents to work closer to home and to reduce the amount of time residents spend commuting. Nevertheless, in most cities in California, a majority of residents work in a different city.

Figure 16: Percentage of Employed City Residents Working in City, Avenal and Nearby Cities, 2014

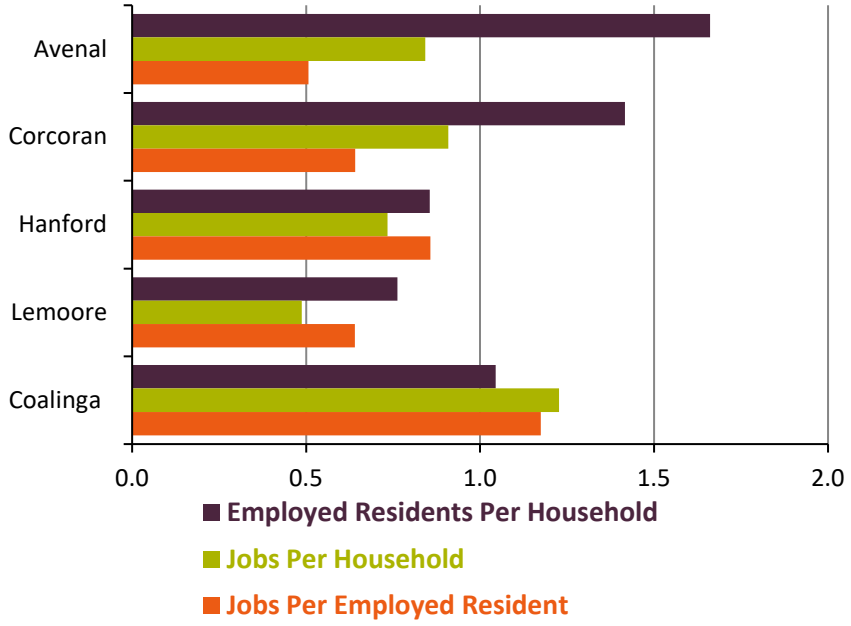


Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program and from the CA Department of Finance.

Jobs-Housing Ratio

The jobs-housing ratio is an often-used measure of the balance of land use in a community or region. However, a simple ratio of the number of jobs and the number of housing units usually overlooks important factors. For example, a true balance depends on how many residents are actively in the labor force; communities with many retirees need fewer jobs.

Figure 17: Jobs-Housing Ratio Measures, Avenal and Nearby Cities, 2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program and from the CA Department of Finance.

A balanced community will have about one job per employed resident. This means that there are enough jobs per worker, and there is enough housing for the people filling jobs. The number of jobs per employed residents is therefore a good measure of jobs to housing. Figure 18 shows three jobs-housing ratio measures for Avenal and nearby cities.

Avenal has the largest number of employed residents per household, 1.7, and the smallest number of jobs per employed residents, 0.5. Note that the .5 jobs per employed residents are not necessarily filled by residents; usually some portion of residents commute out, and residents of other cities commute in in order to match with jobs that adequately match their skills and talents.

The number of jobs per households in Avenal, 0.8, is the same as the average among the nearby cities. An economic development goal for Avenal could be to increase the number of jobs per employed resident with a long-term objective of one job per employed resident. Achieving this goal could greatly reduce the amount of out-commuting, but there would likely be some residents commuting to jobs in other cities.

Avenal Residents' Employment

Comparing the economic sectors that provide jobs in the city to the sectors that employ Avenal's residents provides an indication of labor force strengths and weaknesses. Because labor is typically the highest cost item for most businesses, cities often build economic development efforts around labor force strengths. Figure 19, on the following page, compares jobs Avenal to the employment of city residents by economic sector. Because public administration provides half of the jobs in the city, it has been omitted from the chart so the detail in the other 19 economic sectors is clear.

Importing Workers

Sectors that provide more jobs than employ local residents must import workers. For example, the educational services sector provides about 350 jobs in Avenal, but only 260 city residents are employed in educational services, meaning that, at a minimum, at least 90 people commute to Avenal to work in this sector.

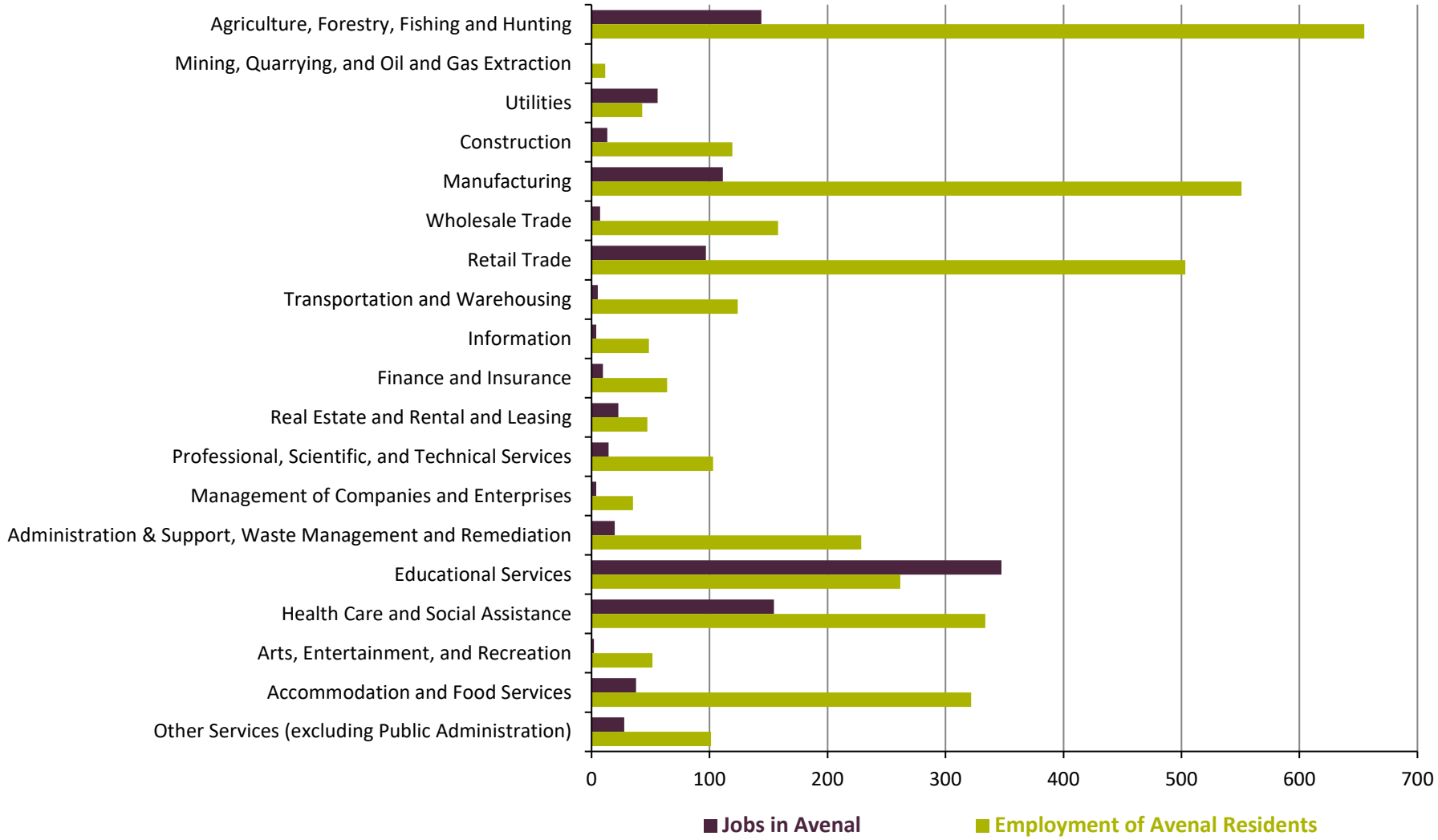
Economic developers typically consider sectors that import workers to be poor targets for economic growth. New firms in these sectors and existing firms that want to expand must be able to attract workers from elsewhere.

There are three economic sectors in which there are more jobs in Avenal than there are employed residents working: education, utilities, and public administration (which includes the correctional facilities). These three sectors are predominantly public services and, more importantly, growth and expansion in these sectors is driven by external factors: birth rates for education and state level decisions on where and how to house inmates.

Exporting Workers

In every other economic sector, there are city residents who leave Avenal to work. This matters because having an existing supply of skilled workers in an industry can be an important economic development factor, allowing existing businesses to more easily expand. Availability of a qualified and experienced work force is an important consideration of business deciding where to locate a new facility or office.

Figure 18: Jobs in Avenal and Employment of Avenal Residents by Economic Sector, 2014



Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program. Public Administration (which would include Avenal State Prison) is excluded to allow a more detailed look at other employment sectors.

Manufacturing and retail trade export largest number of workers, together accounting for 30 percent of the net export of workers. Table 2 indicates the net number of exported resident workers for economic sectors that could be considered as economic development targets.

Table 2: Net Export of Employed Residents by Select Economic Sectors, Avenal, 2014.

Sector	Number of Resident Workers Exported	Percentage of Net Worker Export
Construction	106	3.8%
Manufacturing	440	15.8%
Wholesale Trade	151	5.4%
Retail Trade	406	14.6%
Transportation and Warehousing	119	4.3%
Finance and Insurance	54	2.0%
Prof., Scientific, and Tech. Services	89	3.2%
Health Care and Social Assistance	179	6.4%
Arts, Entertainment, and Recreation	50	1.8%
Accommodation and Food Services	284	10.2%
Other Services (ex. Public Admin.)	74	2.6%

Source: PlaceWorks, 2016, using data from the US Census Bureau's Local Employment Dynamics Program.

Retail Sales

In the fiscal year ended June 30, 2016 (FY16), sales taxes accounted for 9 percent of Avenal's tax revenue. Taxable retail sales are an important component of the resources available to the city to invest in public safety, quality of life, and economic development.

Sales Tax Leakage

Sales tax leakage refers to sales taxes paid by Avenal residents to another city when they purchase something in a city other than in Avenal. Consumers are, of course, free to purchase what they want, where they want. But when their sales tax goes to another city, it helps pay for public safety and quality of life amenities in that other city, not in Avenal.

The California Board of Equalization reports the amount of taxable retail sales in every city and county in the state on a quarterly and annual basis. By dividing the amount of taxable retail sales by the total number of households, one can compare retail sales capture among jurisdictions. To determine Avenal's leakage, this analysis compares the city's average retail sales per household to that of the region. The analysis defines the region as the counties of Fresno, Kern, Kings, and Tulare. These four counties represent a fairly complete region in which people can find and purchase most goods. Thus, the region's average taxable retail sales per household may fairly be described as normal. The difference between Avenal and this region is indicative of the amount of spending that Avenal's residents are doing elsewhere.

Figure 20 on the opposite page shows the trend in inflation-adjusted taxable sales per household for Avenal and the four-county region. The region's real taxable retail sales per household peaked in 2006, beginning the decline a year before the recession began. Avenal's real taxable retail sales per household peaked a year later, in 2007.

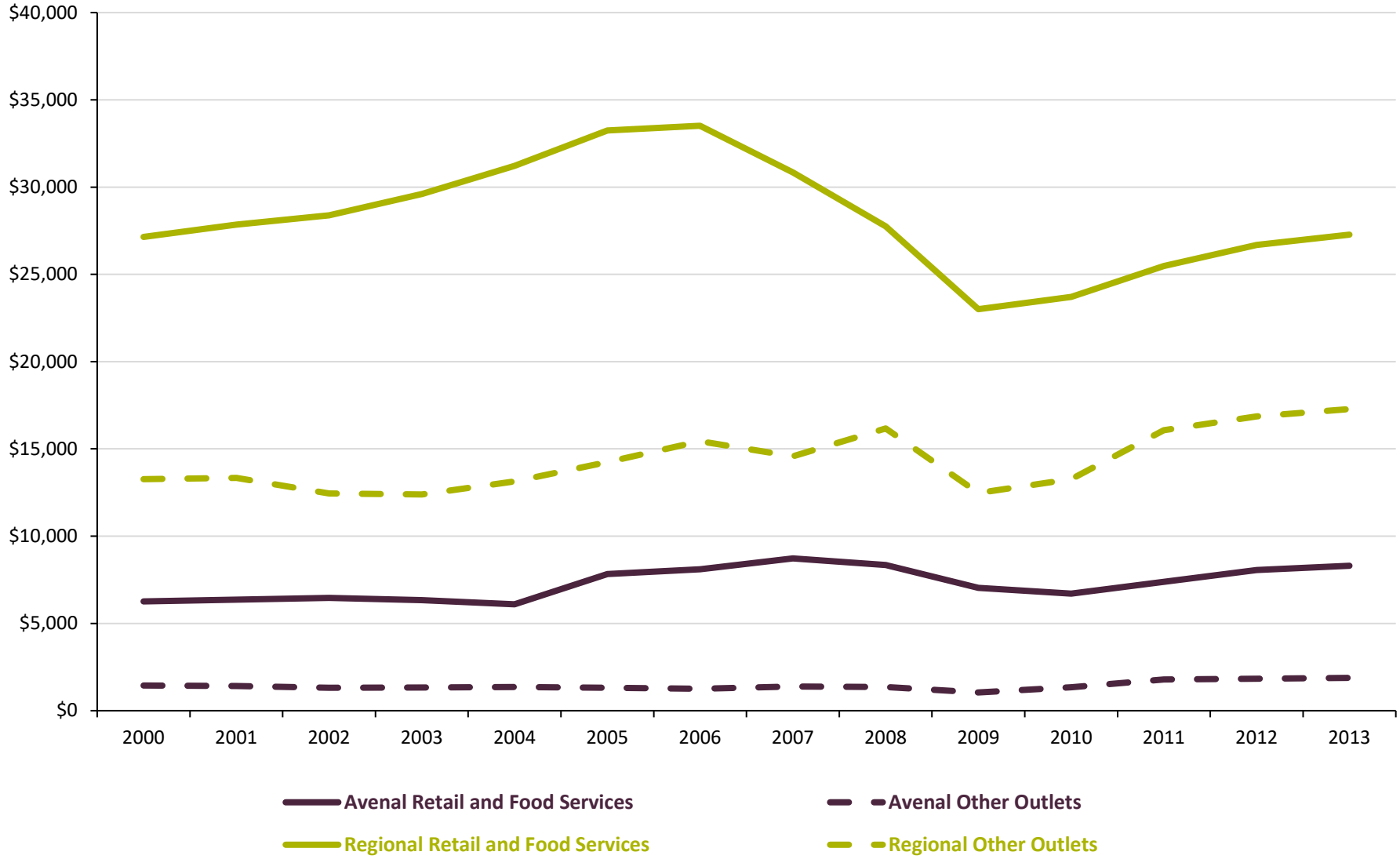
Over the entire 12-year period, Avenal captured about $6,300 per year in household spending, about a quarter of the regional capture per household. Over the last three years, 2011 through 2013, Avenal has captured an average of $7,900 per household, while the region captured $26,500 per household.

Figure 21, on page 37, shows the trend in inflation-adjusted taxable retail sales per household in Avenal and nearby cities. Taxable sales per household in Hanford exceed those in the four-county Southern San Joaquin Valley region, and sales in the other nearby cities are less than the regional sales per household. This indicates that Hanford is a retail destination in Kings County and captures retail spending from the other nearby cities. Nevertheless, Avenal has had the lowest taxable retail sales per household among the neighboring cities. As of 2013, taxable retail sales per household in Avenal were about 62 percent of the sales in Coalinga and Lemoore and 79 percent of the sales in Corcoran.

Much of the difference, however, results from lower household incomes. Dividing the average taxable sales per household by the median household income accounts for the differences in income. When adjusted this way, the average taxable retail sales represents 29 percent of the median housing income in Avenal, compared to 25 percent in Lemoore, 29 percent in Coalinga, 33 percent in Corcoran, and 67 percent in Hanford.

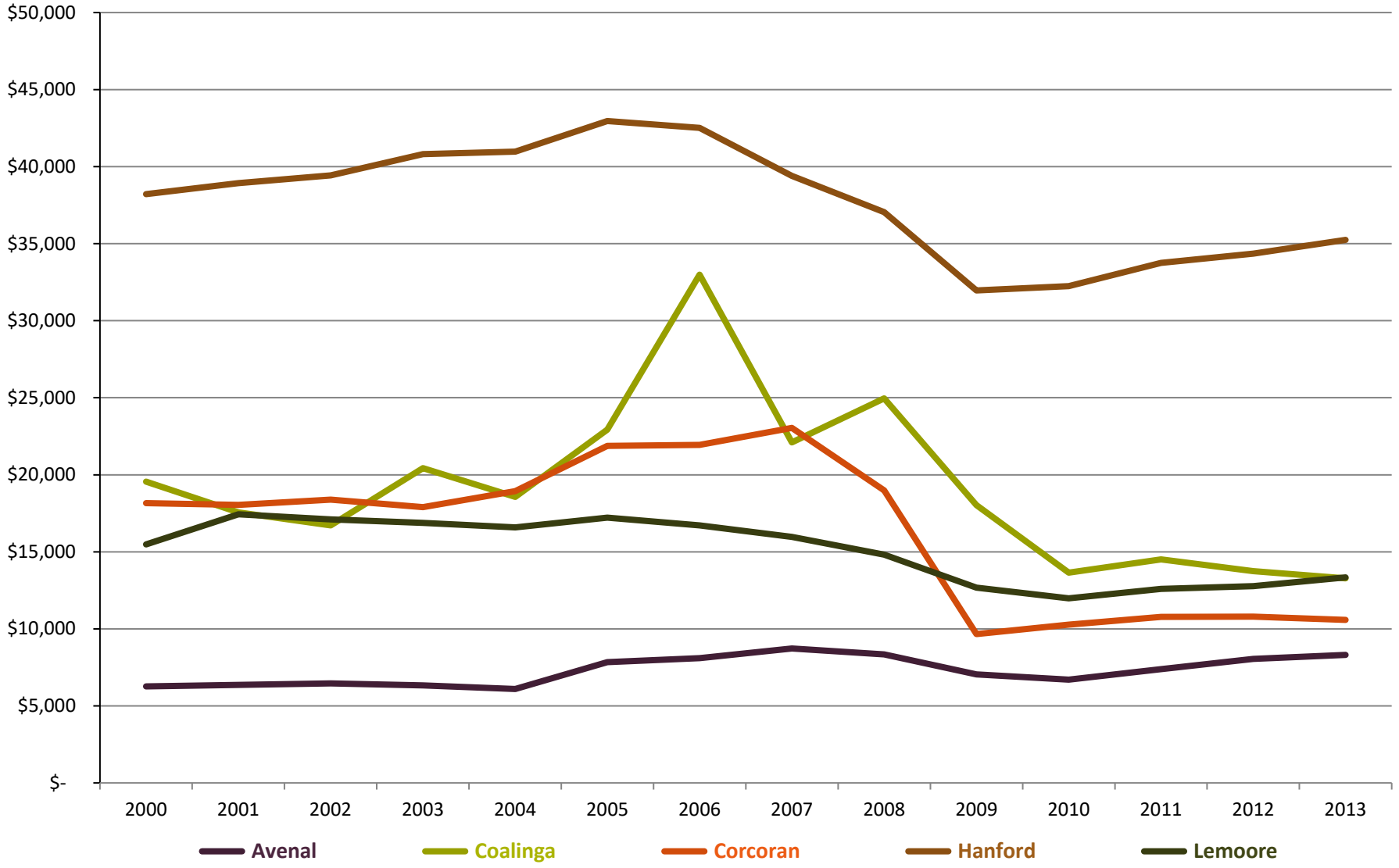
These data indicate that Avenal has retail leakage, creating a potential opportunity to expand existing retail businesses, attract new retail businesses, and support new retail startup businesses. However, the amount of leakage in Avenal is relatively similar to the leakage experienced in Coalinga, Corcoran, and Lemoore.

Figure 19: Average Real Taxable Sales per Household, Avenal and the Southern San Joaquin Valley, 2000 to 2013



Source: PlaceWorks 2016, using sales data from the California Board of Equalization, household data from the Department of Finance, and inflation data from the Bureau of Labor Statistics.

Figure 20: Average Real Taxable Sales per Household, Avenal and Nearby Cities, 2000 to 2013



Source: PlaceWorks 2016, using sales data from the California Board of Equalization, household data from the Department of Finance, and inflation data from the Bureau of Labor Statistics.

Retail Market Demand

For economic development planning, it becomes important to understand what the potential is for retail expansion and growth and which retail subsectors provide the most opportunity. The following sections describe some of the basic fundamentals of retail markets and then quantify the retail market demand in Avenal.

Retail Fundamentals: Types of Retail

An easy way to understand retail markets is to categorize retail into two groups based on the type of goods or service that prompts a shopping trip. These groups include convenience goods and services, and comparison goods. Table 3 describes the types of shopping centers that typically serve these two groups.

Table 3: Shopping Center Types

Shopping Center Type	Building-Size Range (sq. ft.)	Trade Area	
		Size (radius in miles)	Population Range
Convenience	< 30,000	½	< 5,000
Neighborhood	30,000–100,000	1½	3,000–40,000
Community	100,000–450,000	3–5	40,000–150,000
Regional	300,000–900,000	8	150,000 or more
Super-regional	500,000–2 million	12	300,000 or more

Source: Beyard, Michael D. et al., Shopping Center Development Handbook, 3rd ed., Washington D.C.: Urban Land Institute, 1999.

Convenience Goods and Services

Generally, the goods and services that most people need on a regular basis (convenience goods and services) are close to where people live. For these regular purchases, most consumers have built up knowledge of where to go to get what they want, whether their discriminator is price and convenience or quality. Groceries, medicines, fast food restaurants, and hair care are typical convenience goods and services. Because convenience goods and services usually have low cost margins and high sales volumes, convenience retailers are located throughout an area, close to concentrations of households. These businesses typically locate in convenience centers and neighborhood shopping centers.

Comparison Goods

Consumers tend to compare goods across brands and across retailers for items they purchase infrequently or rarely. This habit of comparing induces retailers to locate near each other. It also promotes larger-scale retailers who can stock many different brands of similar products. Clothing, electronics, and furniture are quintessential comparison goods. Full-service restaurants, which consumers patronize infrequently, also fall into this group. Because comparison goods have higher cost margins and lower sales volumes, and because consumers purchase these goods infrequently, comparison goods retailers tend to locate close to major transportation corridors that give access to a greater number of consumers. These businesses typically locate in community, regional, and super-regional shopping centers.

Experience-Oriented Shopping

A third, hybrid type of retail is experience-oriented shopping. In this type of shopping, the experience of the trip is of equal if not greater im-

portance than the material need for a good or service. The experiential value may accrue from socialization with friends, from entertainment, and from the quality of the place. Downtowns, new town centers, lifestyle centers, and even shopping malls all attempt to enhance the shopping experience and provide a mix of businesses and amenities to create an enjoyable shopping experience. Because most consumers infrequently invest their time in experience-oriented shopping, most are willing to travel farther and forego quick and easy access for the value of the experience. Experience-oriented shopping is a destination trip, drawing from a community, regional, or even super-regional size trade area, even though it might not offer a corresponding amount of retail building square footage.

Full-service restaurants are often a key part of the business mix that defines an experience-oriented shopping area. They are very important in the initial transformation of older downtowns into destinations because people are often willing to go farther when looking for a fine meal. As destinations evolve, restaurants become part of the synergistic mix, becoming only one part of a visitor's outing. Specialized retailers, unique goods and services, and entertainment all form the backbone of a well-developed destination.

Retail Fundamentals: Market Demand

Trade Area

A trade area is the geographic area from which a retail center will draw the majority of its customers. Sophisticated market-analysis models for individual retailers often define primary, secondary, and even tertiary trade areas. It is generally sufficient, however, for overall retail analyses to define a single primary trade area.

Several factors affect the size and boundaries of the trade area, including the type of shopping center, location of competitive retail facilities, physical barriers, and visibility and access to major roads and highways. The radial definition of a trade area based on its scale (Table 3) provides the starting point for defining a trade area. As the Urban Land Institute cautions, however, "A trade area does not lend itself to concentric circles around a potential site." Household Spending

The household is the basic economic unit at the center of retail analysis. The US Bureau of Labor Statistics publishes an annual report, the Consumer Expenditure Survey, detailing how Americans spend their annual income. Esri, Inc.'s Business Analyst service interprets that data for individual locations, based on the demographics and lifestyle characteristics of the households residing in that area. Esri reports the data for types of goods and services (e.g., bakery goods, household repairs, and reading materials) and for types of stores (e.g., grocery stores, men's clothing stores, and full-service restaurants) using standard retail business categories from the North American Industrial Classification System.

Sales Efficiency

Sales efficiency is the average annual sales per square foot of retail businesses. Sales efficiency varies by store type, by individual business, and among different locations of an individual retail chain. The Urban Land Institute and the International Council of Shopping Centers periodically conduct a survey of retail locations throughout the country. From that survey, they publish average sales efficiency data by type of store in Dollars and Cents of Shopping Centers / The SCORE. This analysis adjusts those national figures for California using data from the US Census Bureau's Economic Census.

Market Potential and Market Demand

Dividing total spending by average sales efficiency determines the market potential—the total amount of retail building space that can be supported. As a hypothetical example, suppose trade-area households spend about $21.4 million per year at grocery stores and supermarkets. Dividing that by the average sales efficiency for this type of store, $485.75 per square foot per year, indicates that those households can support about 44,000 square feet of grocery stores, approximately one chain supermarket. Market demand is the difference between the market potential and the amount of existing building space used for those types of stores.

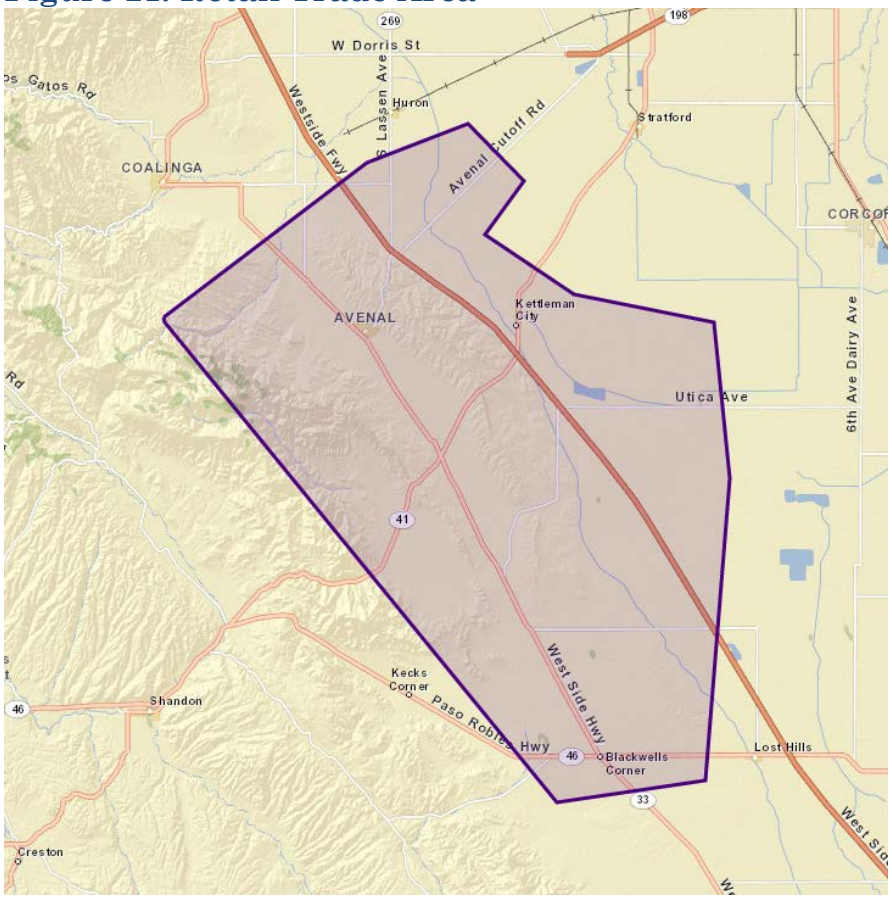
Avenal's Retail Trade Area

To quantify basic market demand for Avenal, the analysis defines a primary trade area that generally represents the area for which it is closer to drive to Avenal than it is to drive to the neighboring communities: Tulare, Hanford, Lemoore, Coalinga/Avenal, and Delano. Figure 22 shows the boundaries of this trade area.

This trade area has an estimated population of 16,800 people and an estimated 2,800 households. The model assumes that if Avenal provided all the goods and services that people needed, these trade area households would shop in Avenal because it would be closer than other communities. Their spending, therefore, represents the potential market.

Based on Table 3, on page 38, a population of 16,800 should adequately support a neighborhood-scale shopping area. This means that the Avenal trade area should be able to fully sustain a full array of convenience goods and services businesses. However, for comparison goods retailers to be successful in Avenal, they would likely have to attract customers from nearby cities.

Figure 21: Retail Trade Area



Source: PlaceWorks, 2016.

Convenience Goods and Services Potential

Table 4 shows the estimated consumer spending by trade area households, the estimated annual sales by trade area businesses, and the resulting opportunity gap or surplus, which represents the difference between spending and sales. The data are estimates for 2015 and represent the trade area defined in Figure 14.

When the opportunity gap is positive, it indicates that trade area consumers spend more than trade area businesses take in. This condition is another example of leakage, which was discussed previously in regard to the city's overall level of taxable sales. This level of analysis provides a more detailed estimate of leakage by retail sector. Economic development programs often include businesses attraction efforts for those sectors exhibiting leakage because it represents the low-hanging fruit. New businesses need not attract new consumers to the trade area; they simply need to convince existing consumers to not drive farther away.

A negative opportunity gap represents a surplus. That is, it indicates that the trade area businesses are taking in more than trade area residents are spending and must, therefore, be attracting consumers from outside of the trade area.

The analysis indicates that most types of convenience goods and services stores have the potential to generate increased retail sales in Avenal. Increased sales could support expansion of existing businesses or new businesses. The Retail Market Demand section on page 42 quantifies the additional building square footage that the market potential could support.

Comparison Goods Potential

Table 5 provides the estimated consumer spending, estimated sales, and the opportunity gap (surplus) by store type for comparison goods. The data represent the trade area shown in Figure 22.

Table 4: Opportunity Gap (Surplus) for Convenience Goods and Services in Total Dollars, Avenal Trade Area, 2015

Retail Store Type	Consumer Expenditures ($ 2015)	Estimated Sales ($ 2015)	Opportunity Gap (Surplus) ($ 2015)
Food and Beverage Stores			
- Grocery Stores	38,990,000	36,740,000	2,250,000
- Specialty Food Stores	4,200,000	1,480,000	2,720,000
- Beer, Wine & Liquor Stores	2,180,000	3,420,000	(1,230,000)
Health and Personal Care Stores	14,720,000	13,520,000	1,200,000
Miscellaneous Store Retailers	11,460,000	2,650,000	8,800,000
Restaurants and Bars			
- Full-Service Restaurants	13,860,000	8,150,000	5,700,000
- Limited-Service Eating Places	10,050,000	17,930,000	(7,880,000)
- Drinking Places	430,000	910,000	(480,000)
Total	95,880,000	84,810,000	11,080,000

Source: Esri Business Analyst, 2016.

In general, comparison goods stores, especially chain retailers, need a larger trade area than the trade area for Avenal. In addition, they tend to locate along major arterials that provide access to the greatest number of potential customers. The tendency of comparison goods retailers to seek out suitable sites for big box stores near major arterials suggests that Avenal will have a difficult time capitalizing on the leakage of comparison goods spending.

Nevertheless, the analysis shows that there is nearly $18 million of comparison goods spending that is leaking out of Avenal. Even if the City cannot capture all the leakage, there is plenty of spending available to support expansion of existing businesses and the establishment of new businesses before efforts are needed to transform Avenal into a destination to attract consumer spending from other cities.

Table 5: Opportunity Gap (Surplus) for Comparison Goods in Total Dollars, Avenal Trade Area, 2015

Retail Store Type	Consumer Expenditures (2015)	Estimated Sales (2015)	Opportunity Gap (Surplus) (2015)
Furniture and Home Furnishings	1,936,000	0	1,936,000
Electronics and Appliance Stores	3,372,000	0	3,372,000
Bldg. Material & Garden Equip.	2,978,000	1,645,000	1,333,000
Clothing Stores	3,263,000	622,000	2,641,000
Sporting, Hobby, Books & Music	1,956,000	5,000	1,951,000
Department Stores	6,566,000	45,000	6,521,000
Other General Merchandise	3,309,000	3,184,000	125,000
Total	23,380,000	5,501,000	17,879,000

Source: Esri Business Analyst, 2016.

Retail Market Demand

The final step in the retail market analysis is to convert the leaked spending estimates into building square footage. This provides a better understanding of the magnitude of what is possible. As discussed previously, this last step uses typical sales efficiencies (annual sales per square foot) by store type to convert the spending into building square footage. Table 6 provides the estimated current market demand for 2016 and the projected market demand in 2021.

The analysis indicates that the leaked consumer spending could currently support up to 117,800 square feet of additional commercial building space. With projected household growth in Avenal and the trade area by 2021, consumer spending could support up to 124, 690 square feet.

In most cases, the amount of additional building square footage is less than the size of a typical store. For example, a conventional supermarket is between 50,000 and 60,000 square feet, far more than the 8,640 additional square feet that could be supported by leaked consumer spending. Similarly, a conventional pharmacy chain store is about 10,000 square feet, twice the square footage that could be supported by leaked spending. In these cases, capturing the leaked spending could support expansion of existing stores.

In a few cases, though, leaked spending could support new businesses. Specifically, smaller format stores could be successful in home furnishings, electronics, general merchandise stores, full-service restaurants, personal services, and banking. In addition, leaked spending in clothing and clothing accessories could support several new stores.

Table 6: Retail Market Demand (Building Square Footage) by Store Type, Avenal Trade Area, 2015 and 2020

Retail Store Type	Current Market Demand 2016 (sq.ft.)	Projected Market Demand 2021 (sq.ft.)
Furniture & Home Furnishings Stores	9,690	9,800
Electronics & Appliance Stores	27,640	27,990
Bldg Materials, Garden Equip. & Supply	3,600	3,640
Food & Beverage Stores	14,890	15,080
- Grocery Stores	8,640	8,740
- Specialty Food Stores	5,440	5,510
- Beer, Wine & Liquor Stores	820	830
Health & Personal Care Stores	4,630	4,690
Clothing & Clothing Accessories Stores	20,830	21,100
Sporting Goods, Hobby, Book & Music Stores	9,260	9,380
General Merchandise Stores	41,610	42,140
Miscellaneous Store Retailers	5,310	5,370
Food Services & Drinking Places	(19,660)	(19,910)
- Full-Service Restaurants	3,850	3,900
- Limited-Service Eating Places	(22,760)	(23,050)
- Drinking Places - Alcoholic Beverages	(750)	(760)
Personal Services		5,410
TOTAL	117,800	124,690

Source: PlaceWorks, 2016.

Strategic Retail Development

The preceding sections identified the types of retail in which Avenal leaks retail spending. There are several strategies the City may employ to capitalize on the leakage.

Existing Store Expansion

When there is leaked spending, but not enough to support a new store, the City's approach should focus on supporting the expansion of existing businesses. Common strategies the City might employ include: business development training for local businesses; marketing local business to residents; unified regional marketing campaigns; buy local promotions; and regular downtown events.

The City might well find, however, that there is little direct action that can change shopping patterns. There are a number of categories in which there are no local stores (such as sporting goods and department stores). To shop at these types of stores, residents must travel to another city. And when they are in another city purchasing those goods, they probably make other purchases. Because there is insufficient spending to support larger comparison goods retailers, Avenal should focus on reducing rather than eliminating the coincident shopping on trips to larger comparison goods retailers in other cities.

New Stores

For the retail categories in which leaked spending could support new stores, the City can seek to attract a retail chain or encourage a local entrepreneur to open a new store.

To directly approach national and regional retail chains, the City should create marketing materials and use the data presented in preceding sections to market Avenal to these businesses. However, with limited re-

sources, the City will probably be more effective and more successful working through developers and commercial real estate brokers.

The City may also consider working with the small business development center or other regional partners to support local entrepreneurs who want to start their own businesses in Avenal. The small business development center could provide business training and management consulting to help these entrepreneurs plan, start, finance, and grow their businesses.

Conclusions & Recommendations

What the Local Economy Means for Avenal

The local economy provides both opportunities and challenges to community efforts to improve the quality of life in Avenal. The key issues identified in the analysis are discussed below.

1. Capitalize on ASP. Avenal State Prison is the dominant economic activity in Avenal, accounting for almost half of all jobs. Capitalizing on a prison as an economic asset usually means economic activity associated with visitors to the prison. Kings County has nearly four times as many accommodation and food services jobs per household as Avenal has, and statewide there are six times as many jobs per household. Furthermore, Corcoran (which has 50 percent more population and twice as many inmates) has transient occupancy tax revenue seven times higher than Avenal. Finally, Avenal has about 40 jobs in accommodation and food services but 320 residents who work in this sector. These facts suggest that accommodation and food services businesses, especially lodging, would be good economic development targets.

2. Manufacturing Potential. Manufacturing is a relatively important part of the Kings County economy, but it is underrepresented in the local economy in Avenal. Even though there are about 110 manufacturing jobs in the City, 550 residents work in manufacturing, most of them in other cities. While demand for new manufacturing facilities may not be as strong as demand in other sectors, Avenal—with an available labor force and available industrial land along the I-5 freeway—should market itself as a potential location for new investment in industrial facilities.

3. Grow Retail Businesses. Avenal is underserved by retail businesses under several measures: jobs per household; taxable retail sales; and leaked retail spending. While leaked spending could currently support up to 117,800 square feet of retail building space, in most retail store types, there probably is not enough leaked spending to support a new retail chain businesses. The majority of the City's efforts to increase retail spending should provide services to support the expansion of existing businesses and to support local residents to start new retail businesses.

4. Attract Retail Businesses. For a few types of stores, there may be sufficient spending to support a national or retail chain. These stores are: home furnishings, electronics, general merchandise stores, full-service restaurants, personal services, and banking. The City should market Avenal to these types of businesses, either directly or through retail developers and brokers.

Economic Development

What is Economic Development?

While there is no universally accepted definition, the following captures the essence of the practices of local economic development agencies and organizations throughout the United States:

> Economic development is the growth and restructuring of a local economy toward community-defined goals for economic well-being, which can include increased employment opportunities, real increases in incomes and household wealth, enhancements to the quality of life, and/or diversification and expansion of the tax base.

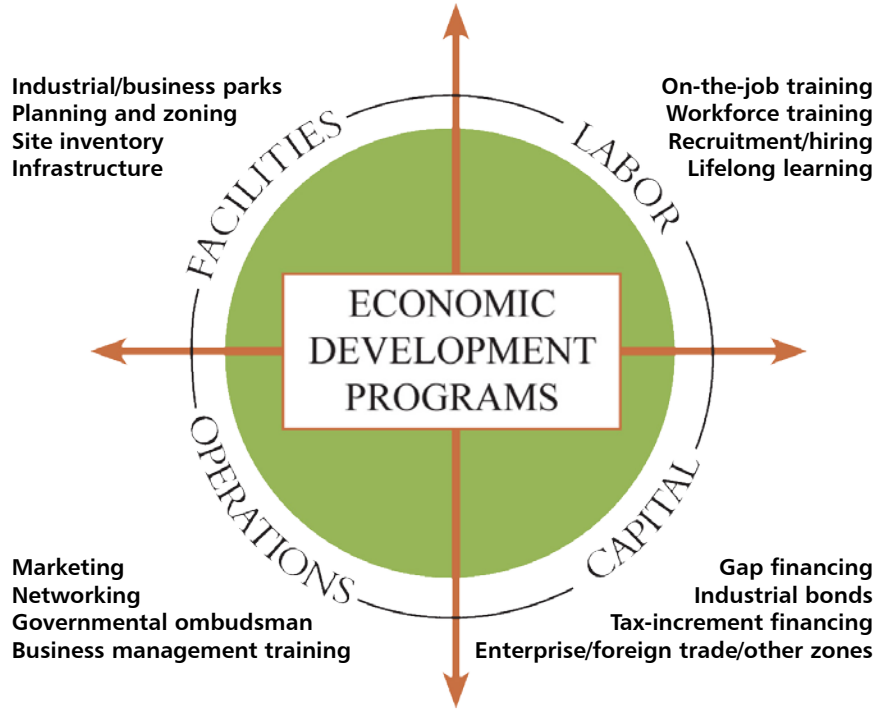
Given that, one can define a local economic development program as:

> An economic development program is the set of policies, programs, and projects undertaken by a community for the express purpose of achieving desired economic development goals.

Local economic development programs usually follow a plan or strategy that builds on the strengths of the local economy and seeks to ameliorate the weaknesses and overcome challenges.

The preceding chapters of this report discussed the strengths and weaknesses of Avenal's local economy and the regional economy as context for ultimately developing an economic development element for the General Plan and an economic development strategy to guide short-term actions. This chapter provides a generalized overview of what economic development is and what it does in communities across America. It is intended to provide a foundation for the community to elaborate the types of programs and projects that are warranted for Avenal's economic development. This chapter also explores economic development issues in Avenal.

Figure 22: Tools of Economic Development



Source: The Planning Center|DC&E.

Economic Development Tools

Economic programs typically help businesses with the four factors of production—land, facilities, labor, and capital—and the overall management of these factors. Figure 23 illustrates the tools associated with each factor of production.

- **Facilities.** Businesses expand their operations in response to new contracts for their products and services. Business expansions are beneficial for the city, its tax revenues, and its workforce. Many cities directly facilitate expansions of industrial and business parks through planning and zoning, the expansion or improvement of infrastructure, and publicizing a list of available land and buildings.
- **Labor.** A second tool is workforce training. Workforce training is typically provided by regional government entities, like the Workforce Development Board (WDB), with funding from the federal government. Local economic development programs play an important role in linking businesses to regional programs or by developing partnerships with schools to provide specific training.
- **Capital.** When businesses invest in new products and services and need to expand operations, a significant cash investment is often required. Because businesses have typically invested heavily in new products and services, they often lack the additional capital to expand operations and facilities. The City can provide financial assistance directly through a gap financing program or industrial revenue bonds, or indirectly through enterprise zones, empowerment zones, or foreign trade zones.
- **Operations.** The City can help businesses improve their management skills and operations to become more productive and profitable. This may involve linking them with small business development centers, providing venues for business networking, coordinating marketing activities for clusters of related types of businesses, or providing an ombudsman to assist businesses negotiate the local, state, and federal regulatory environment.

Workforce Development

Workforce development is a key component of most economic development programs. It entails a variety of tools to improve the skills, education, and aptitude of workers, enabling them to be more productive, to move into higher-paying jobs, or to transition to a different career. Some workforce development tools serve the labor force generally and the unemployed, and other tools serve the workforce of individual firms. These later tools aim to help the firm become more profitable to either avoid closure or to expand and increase job opportunities.

Even though workforce development is a long-established tool in economic development, larger macroeconomic trends are changing the need for and focus of worker training.

Changes in the Workforce

Over the past 30 years, technological advances and globalization have transformed the United States economy and regional economies. In general, employment has shifted from middle-income-paying economic sectors to lower-paying service sectors. Where a high school diploma used to offer a pathway to the middle-class life, increasingly specialized training and even a two-year college degree are becoming minimum prerequisites. Growth in real wages has occurred only in higher-skilled jobs. In-

deed, those without a high school diploma can expect to earn less money over time, with wages that do not keep up with inflation.

Moreover, the nature of careers has changed as well. The ideal used to be finding a good job, making a career with the firm, and moving up the company ladder. Workers now stay with one company for a shorter time, and advancing one's career often entails moving to a new company. The average person now holds nine different jobs between the ages of 18 and 34 and, on average, the typical worker changes jobs every five years. Where the company often provided training and career guidance, individuals now have the responsibility to identify and obtain the training and education necessary to advance their careers.

Needed Skill Sets

Given the changes in the nature of occupations and business needs, if Avenal's workforce is to be competitive and more resilient to cyclical recessions and higher unemployment rates, the workforce must have a combination of "soft" and "hard" skills. Soft skills are related to overall fitness as an employee generally, in contrast to hard skills, which represent aptitude and capacity for a particular job, occupation, or task.

In 2006, the Conference Board, the Corporate Voices for Working Families, the Partnership for 21st Century Skills, and the Society for Human Resource Management surveyed human resource managers about the readiness of new entrants to the workforce. The most important soft skills workers need to have are: professionalism, oral and written communication skills, teamwork, and critical thinking and problem-solving skills.

Hard skills are directly applicable to the aptitude to perform a job. Lower skill occupations often require a high school diploma with some on-the job training. Middle-skill occupations (e.g., sales, construction, installation/repair, production, and material moving) require post–high school education and training, but not a college degree. High-skill professional, technical, and managerial jobs increasingly require a bachelor's degree or more education.

Workforce Development Boards

In 2014, Congress passed Workforce Innovation and Opportunity Act (WIOA), replacing 1998's Workforce Investment Act. The WIOA covers a variety of federal programs providing assistance to the unemployed and youth and job training services in a single coordinated approach to workforce development. The WIOA oversees a unified federal-state system of employment, training, literacy, and vocational rehabilitation programs that is intended to assist job seekers, the underemployed, and businesses with training needs. Through WIOA, California certified local workforce development boards.

Federal assistance for workforce development services are provided through the boards. Typically, the local boards have established one or more America's Jobs Centers. Unemployed people can go to these one-stop centers to apply for unemployment compensation, receive assistance to create resumes, locate and apply for job openings, and prepare for interviews. The one-stop centers also determine if individuals are eligible for and help them to obtain employment training services. Finally, individual businesses can apply for and receive training for their work force through the one-stop centers.

The Kings County Workforce Development Board works through the Kings County Job Training Office (JTO) in conjunction with the Kings County Economic Development Corporation. The JTO provides services to job seekers through the America's Jobs Center at the JTO office in Hanford. The JTO

also provides workforce training services and assistance with federal and state tax credits at its Hanford office.

Education

Although workforce development activities are a foundation of local and regional economic development, training alone will not solve all of the region's labor-force-qualifications challenges. With one-third of the population age 25 and older not having graduated from high school and more than half not having had any college education, adult education will need to be part of the community's economic development efforts.

Job Creation

Most communities identify job creation as an economic development goal, often as the primary goal. There are three ways to create sustainable long-term jobs.

Business Expansion

The first way is business expansion. Generally, about three quarters of all new jobs in a regional economy are created as existing businesses expand. Most well-round and successful economic development programs dedicate a majority of their resources to working with existing businesses. In economic development terms, existing business expansions is the biggest bang for the buck when it comes to creating new jobs.

Complementing business expansion is business retention. Keeping an existing job from moving away is easier and more cost-effective than attracting a new job. Taken together, these activities are commonly referred to as business retention and expansion, and this is the core work of most economic development organizations.

How do cities know how their businesses are doing? They ask them. How do cities know which businesses need help? They ask them. It's that simple. Typically, most business managers are too busy running their businesses to show up at informational workshops and public meetings. We can wish it were different, but that is the way it is. If a local government wants to know how to help its businesses operate more efficiently, be more profitable, invest in the local community, and hire more workers, it usually has to visit its businesses and talk face-to-face with local management.

There are a variety of ways to accomplish business visitation. In smaller cities like Avenal, it does not necessarily mean that there has to be a city staff person whose sole job it is to visit existing businesses. There can be informal gatherings, such as breakfast roundtables. Some rural communities use retirees and other volunteers to interview businesses. Regardless of the form it takes in Avenal, the economic development strategy should include actions to engage existing businesses.

Business Attraction

While business retention and expansion provides the majority of new jobs, business attraction serves important roles. First, bringing new businesses to the community can help diversify the local economy and protect it against shocks affecting individual economic sectors. Second, realizing the community's vision for downtown will require new businesses in addition to even more successful existing businesses. Finally, the publicity generated by the arrival of a new businesses helps build the city's image as a dynamic and business-friendly community.

Fundamental economic development practice divides the world of businesses into two types, base and nonbase. Firms in base economic sectors sell a preponderance of their goods and services outside of the region.

These businesses bring new dollars into the community and, through wages paid to their employees, generate new consumer spending to support the community's nonbase businesses. In contrast, nonbase businesses primarily sell goods and services to those living in the region. These businesses recirculate dollars that are already within the region.

Because cities have limited resources to devote to economic development, economic development programs focus on base-sector businesses. Bringing new dollars into the city, these programs indirectly benefit the nonbase businesses. Following conventional economic development practice suggests that the city focus its attraction efforts on manufacturing, agriculture, and eventually, knowledge-based services. Although conventional wisdom suggests the city minimize use of its economic development resources for enhancing retail activity, the magnitude of retail spending leakage suggests the need for robust efforts to grow retail sales.

As the city establishes its economic development program, part of the strategy should provide a preliminary list of business attraction targets. Eventually, the city may benefit from having a formal business-attraction-target study. While the city may welcome businesses in most economic sectors, the investment of limited resources should focus on those sectors which would likely find Avenal to be a profitable place to operate a business.

Business Creation

Of the three avenues for expanding the local economy, business creation creates the fewest new jobs and investment, yet it does provide value to the community. In rural communities, business creation typically plays a larger role than it does in metropolitan settings. Indeed, a business start-up may be the best hope to fill important niches in rural areas.

Business creation also provides value beyond the basic economics. Residents who start a new business not only bring new income to Avenal, but, more importantly, create new wealth that often is invested locally. Finally, new business leaders have twice the reason to get involved in the management of their community, the place where they live and the place where they do business.

Many new businesses do not last for more than two years. However, new businesses that receive proper training have a higher success rate. Training needs can include loan financing and management, cash flow management, employee relations and support, and business practices and accounting. Typically, the local small business development center provides training programs for entrepreneurs. This training includes preparing a business plan, marketing and accounting, and obtaining start-up financing. The Fresno State Small Business Development Center in Fresno provides these services to Avenal. Through the economic development strategy, the community may want to explore ways to improve access to and increase the availability of these services.

Economic Development Partners

One of the most effective roles for cities in economic development is connecting local businesses and entrepreneurs with regional economic development service providers. Avenal's regional economic development partners could include:

Fresno Community Development Financial Institution

Though it began as a micro-lending service for refugees, the Fresno Community Development Financial Institution (CDFI) offers small business loans and microloans to all residents for new and current businesses. The

CDFI will lend up to $300,000 for capital, tenant improvements and commercial real estate for existing businesses. The Fresno CDFI is also a U.S. Small Business Administration intermediary microlender, so it will lend up to $50,000 for new businesses or existing businesses that don't have access to mainstream credit. This institution helps to bridge the gap that prevents small businesses from obtaining financing, due to things like small loan size, little collateral, or suboptimal credit.

Fresno State Small Business Development Center

As a part of the UC Merced Small Business Development Center (SBDC) Regional Network, the Fresno State Small Business Development Center provides education, consulting, support, and tools for small businesses. Workshops offer information on things like healthcare and labor laws in small businesses or how to obtain financing. The consulting service also aids with marketing and e-commerce, business planning, and research. The UC Merced SBDC is nationally accredited, and served almost 20,000 small businesses since 2003 in the 14-county central California region.

Kings County Economic Development Corporation and Job Training Office

The Kings County EDC helps businesses, large and small, with workforce development, coordination with various government and quasi-government agencies, and economic development. These services include things like financing assistance, community profiles, economic incentives, human resource solutions, and site selection. The EDC can help businesses communicate with ports, railroads, and utilities, and also inform businesses on various tax breaks and credits available to them.

Through the Job Training Office (JTO), job seekers can get resume and job application assistance, career counseling, and help with vocational training and testing. The JTO also offers a 50 percent wage reimbursement for on-the-job training to new employees.

Central Valley Service Corps of Retired Executives (SCORE)

SCORE is a nonprofit association which consists of over 13,000 knowledgeable and experienced volunteers who offer business counseling at no charge, in addition to providing workshops and events to connect small business owners with helpful resources. The Central Valley chapter of SCORE is based in Fresno and has over 40 volunteers.

Reef-Sunset Unified School District

Reef-Sunset USD serves the communities of Avenal and Kettleman City. The district serves 2600 students; and has maintained an enrollment of 2550 - 2650 over the last five years. These students attend one of six K-12 schools and two continuation schools.

In addition to public K-12 education, the district operates Avenal Adult School, which provides instructional courses towards a high school diploma, English Language Development, and American Citizenship.

West Hills Community College District

West Hills Community College District serves the residents of Avenal and the west side of the San Joaquin Valley. The district covers nearly 3,500 square miles with colleges in Lemoore and Coalinga, the North District Center in Firebaugh, eight child development centers throughout neighboring rural communities, and the Farm of the Future facility at the north end of Coalinga, which also houses the current district office.

General Plan Element

General plans have a long-range focus, typically planning for a community's growth and development over 20 years, or longer. In contrast, most planning for economic development is focused on shorter-term strategic action plans, typically covering three to five years. For effective economic development, an economic development element in the general plan should identify long-term goals and policies, and a strategic action plan, which can be updated every few years as needed, should define short-term programs and projects. For example, a long-term goal might be to have a full-range of retail businesses, and short-term actions might be identifying suitable sites, providing infrastructure, and attracting a full-service supermarket.

This chapter provides recommendations for amending the Economic Development Element in Avenal's current General Plan. The next chapter provides a set of programs and projects that could be included in an economic development strategic action plan.

Current Economic Development Element

The Economic Development Element in the current General Plan includes the following goals, objectives, policies, and standards:

Goal

Foster and maintain a high quality of life for the City's residents by sustaining and developing a strong and diverse local economy.

Objectives

A. To achieve and maintain a balance of jobs and housing in Avenal.

B. To ensure that there is adequate industrial land located near major transportation routes, and served by infrastructure, to accommodate the needs of new employers.

C. To actively market and recruit new businesses and retain existing ones, which generate local employment opportunities and sales tax revenues while assisting existing businesses in maintaining and enhancing sales, employment and the appearance of their buildings.

D. Ensure that there is adequate infrastructure improvements which promote commercial and industrial development.

E. To encourage a balance of commercial and industrial uses which support a strong and diverse economic base, which provide adequate fiscal revenues, and which are compatible with the needs of the community

Policies and Standards

4.1 Adequate Industrial, Commercial and Office Land

1. Coordinate economic development planning with land use planning. This shall include locating light and heavy industrial uses in locations that are most convenient for the community to serve, and to plan the size of industrial parcels that are most appropriate to meet the needs of the prospective employers.

2. The City should designate property in the industrial areas for an appropriate mix of large and small parcels. Approximately one - fourth of properties should be less than 5 acres, one-fourth should be for mid-sized parcels of between five and ten acres, approximately one-fourth should be for parcels of 10 to 20 acres, and one-fourth for properties larger than 20 acres. Interstate 5 area shall be for larger uses.

3. Encourage economic development activities which provide, either through initial stages or through expansion, the opportunity for career employment of local residents in jobs that will enable them to live in Avenal.

4. Commercial areas are encouraged to cluster in identified areas such as the downtown area to prevent and discourage strip development. Where appropriate, locate commercial uses at focal points along major arterial streets such as Skyline Boulevard.

4.2 Employer Recruitment and Retention

1. Encourage the preservation and expansion of existing industrial uses in areas designated as industrial. Land uses that may conflict with employment-generating uses should be discouraged from locating adjacent to industrial areas.

4.3 Infrastructure Improvements

1. The City shall ensure that there is at least a 10-year supply (80 acres) of zoned and vacant commercial and industrial land inside the City limits at any one time. The City will ensure that infrastructure is installed or programmed in the Capital Improvement Program for a five-year supply of land so that such property is "ready-to-go". The City should develop an Industrial Park Specific Plan for the Avenal Cutoff Road and Interstate 5 area, and the industrial area south of Avenal and east of SR 33, to ensure that such supply is available.

2. Conduct an economic development/redevelopment feasibility study, and implement a plan to finance needed infrastructure improvements, downtown improvements, and to remove substandard building conditions. The project should be used to "front-load" infrastructure improvements for key economic development activities.

4.4 Commercial, Industrial and Residential Balance

1. In the downtown area, retail, office, financial, government and professional services shall be encouraged to expand the current business mix and increase the area's economic viability as a destination point for shopping, work, dining and entertainment. The City should plan for the expansion of the downtown area along Kings and Tulare Streets between Laneva Street and Skyline Boulevard. The above is intended to provide expansion of the downtown and exposure to the community's main traffic arteries.

2. Based on projected population needs in the community, and the existing cross-commuting patterns, the City shall ensure that there is an adequate amount of office and industrial land to serve the needs of the community for the next 20 years. This will mean that at least 70 industrial acres will be needed to provide employment opportunities for those currently leaving the community and 60 to 75 industrial acres to accommodate new residents with this zone.

3. Maintain a balance of Commercial and Industrial uses in Avenal. The growth in Commercial and Industrial employment shall not substantially exceed the rate of growth in local residential population to eliminate the possibility that the community's jobs-housing balance will worsen. The amount of commercial and industrial land shall also be balanced with the amount of residential land so that the overall general plan will be fiscally positive. This will mean that at least four (4) but not more than nine (9) acres of residential land should be developed for each acre of commercial and industrial space in the community.
4. Encourage increased cooperation between the public and private sectors, such as the Chamber of Commerce, non-profit and community groups, service clubs, plant managers and business associations, in formulating economic development plans and programs.
5. Enhance the downtown area and Skyline Boulevard as a focal point for civic and tourist activities.

4.5 Increased Tourism

1. Increase the marketing activity of the Avenal Sand drags to bring more visitors to town.

Current Element Assessment

Goal

The current economic development goal is adequate, and, considering the analyses in the previous chapters, it remains relevant going forward.

Objectives

Objective A is admirable. However, the data depicted in Figure 18 show that there are 0.84 jobs in Avenal per household, more than in Hanford and Lemoore, and not far from a theoretical balance of 1.0. However, Avenal has the highest number of employed residents per household, 1.6, and only 13.3 percent of City residents who are employed work at a job in Avenal. A more appropriate objective might be to increase the number of employed residents who have a job in Avenal.

Objective B seeks to maintain an adequate amount of industrial land to meet the demands of new employers. It also seeks to ensure that the industrial land is located in areas that are near major transportation routes and that have adequate infrastructure. The latter part of this objective duplicates Objective D and can be removed. This objective could be strengthened by removing the reference to the needs of new employers because land for industrial development is important even when there is no near-term demand for new industrial development. Instead, the objective should reference the need for industrial land when the City reaches build out under the general plan.

Objective C supports the attraction of new businesses and supports assistance to existing businesses. Because business retention involves a different set of programs than business attraction, this objective might be more effective if it were split into two separate objectives.

Objective D could be improved with some slight text changes. The word "improvements" could be removed, because the real objective is adequate infrastructure; the means to this objective are infrastructure improvement projects.

Objective E is not clear if the intent is a balance between commercial uses and industrial uses or a balance between commercial and industrial uses and residential uses. Also, the objective includes three purposes—diverse economic base, fiscal revenue, and compatibility with community needs—without offering any guidance on prioritizing among these three. This objective could be more meaningful if it were clear and streamlined.

Based on the analyses in previous chapters, there are two other economic development issues that could warrant an objective. First, the current element is silent on the need to improve the skills and education of residents to empower them to earn higher wages and salaries. Median household income in Avenal in 2015 was 30 percent lower than the median for all of Kings County, and this is despite Avenal having 54 percent more employed residents per household. Secondly, the current element includes a tourism policy but no objective for attracting more visitors to Avenal. The retail market demand analysis indicated that it will be difficult to capture leaked retail spending because Avenal's trade area is not large enough to support large-format chain retailers. However, attracting more overnight and day-trip visitors can increase retail spending in the City.

Policies and Standards

Policies should provide guidance for making future decisions. Like many other general plans, Avenal's current economic development element contains some polices that refer to development of the land use plan but provide little to no guidance for future decisions. The element can be streamlined by removing these policies. The element also includes policies that are actions or implementation measures rather than decision-making guidance. With a separate economic development strategy, Avenal can make the element more effective by moving these items to the strategy. Finally, there are several new policies the City should consider based on the analyses in the preceding chapters.

4.1 Adequate Industrial, Commercial and Office Land

Policy 1 and 4 could be eliminated because they are achieved in the land use plan. Policy 2 is a development standard that should eventually be reflected in zoning and subdivision requirements. It is not clear how this standard can be achieved as a general plan policy. The language for Policy 3 could be streamlined.

4.2 Employer Recruitment and Retention

As with the objectives, this category of policies should be split, with one category for business attraction and one for business retention and startups. The first part of Policy 1 is achieved through the land use plan and the development code, so it could be eliminated. The second part of this policy would be more appropriate under category 4.1.

4.3 Infrastructure Improvements

Policy 1 covers several distinct topics that should be separated. The first topic—maintaining a 10-year supply of vacant commercial and industrial land—should be moved to category 4.1. The recommendation for an industrial park specific plan could be moved to the implementation plan. Policy 2 would be more appropriate as an implementation measure in the strategic action plan. It should also be note the funding downtown infrastructure improvements will be more difficult because the state eliminated redevelopment agencies.

4.4 Commercial, Industrial and Residential Balance

Policy 2 is similar and should be combined with Policy 1 in Category 4.3 (and the combined policy should be moved to 4.1). Policy 3 should be eliminated. Commercial and industrial uses provide more net municipal

revenue than residential development, so there is no fiscal reason to worry about more commercial and industrial development than residential. Furthermore, Avenal needs more jobs relative to its current population, whether based on the large discrepancy between the number of employed residents per household and the number of jobs in Avenal or the fact that only 13 percent of the City's employed residents work in Avenal. This policy could be reworded to require a balance be achieved with future general plan amendments and annexations. Policy 4 should be moved to 4.2, and Policy 5 should be moved to 4.5.

4.5 Increased Tourism

Policy 1 should be moved to the economic development strategic action plan.

Recommended Economic Development Element

The suggested changes are incorporated into the following recommendation for economic development element goals, objectives, and policies.

Goal

Foster and maintain a high quality of life for the City's residents by sustaining and developing a strong and diverse local economy.

Objectives

A. To increase the number of employed residents who have a job in Avenal.

B. To have adequate industrial land located near major transportation routes at buildout of the General Plan.

C. To attract new businesses that create employment opportunities and increase the variety of shopping, dining, and entertainment options in Avenal.

D. To retain and grow existing businesses and to support business startups.

E. To provide adequate infrastructure for commercial and industrial development.

F. To balance existing and new residential development with commercial and industrial uses that generate net increases in city revenues.

G. To increase real household income by expanding the skills and education of Avenal's labor force.

H. To increase the number of visitors lodging and spending money in Avenal.

Policies and Standards

4.1 Adequate Industrial, Commercial and Office Land

1. The City should designate property in the industrial areas for an appropriate mix of large and small parcels. Approximately one - fourth of properties should be less than 5 acres, one-fourth should be for mid-sized parcels of between five and ten acres, approximately one-fourth should be for parcels of 10 to 20 acres, and one-fourth for properties larger than 20 acres. Interstate 5 area shall be for larger uses.

2. Land uses that may conflict with employment-generating uses should be discouraged from locating adjacent to industrial areas.

3. In the downtown area along Kings and Tulare Streets between Laneva Street and Skyline Boulevard, encourage park-once, pedestrian-friendly development for shopping, dining, and entertainment uses; discourage development and uses that would detract from the traditional downtown atmosphere in this area.
4. As new commercial and industrial development is approved, analyze the supply of vacant commercial and industrial land and, when necessary, initiate general plan and zoning amendments to provide a 20-year supply of 130 to 150 acres in the City.
5. Recruit energy sector businesses for industrial areas in Avenal.

4.2 Business Attraction

1. Recruit businesses in economic sectors underrepresent not currently represented in Avenal.
2. Recruit businesses in regional economic clusters identified by the California Partnership for the San Joaquin Valley.
3. Collaborate with existing businesses to identify their suppliers and customers who might benefit from operating in Avenal; market Avenal to those businesses and to similar businesses in the same economic sectors.
4. As resources are available, invest in marketing Avenal at industrial trade shows for economic sectors that would diversify the local economy.
5. Collaborate with real estate brokers, property owners, and other stakeholders to create and maintain an inventory of buildings and sites available for economic development.
6. Work with Kings County Economic Development Corporation to market Avenal to prospective new businesses.

4.3 Business Retention and Startups

1. Establish and operate a business visitation program to help connect local businesses with available economic development resources and to better understand the benefits and challenges of operating a business in Avenal.
2. Collaborate with the Kings County Workforce Development Board to increase the availability of employment-training services to Avenal residents and to expand the provision of job-training services for Avenal businesses.
3. Collaborate with the Fresno State Small Business Development Center to provide business development training and assistance for existing businesses and residents interested in starting a business.

4.4 Infrastructure Improvements

1. As part of the annual budget process, include in the Capital Improvement Program infrastructure projects needed for a five-year supply of developable commercial and industrial land.
2. Explore the use of assessment districts and other funding and financing entities to pay for infrastructure improvements.
3. Encourage the provision of high-speed internet access throughout Avenal. Explore the feasibility of municipal internet service if private sector provided internet service cannot be developed.

4.5 Commercial, Industrial and Residential Balance

1. Require that property-owner initiated applications for annexations and applications for general plan amendments that increase areas designated for residential development or decrease areas for commercial or industrial development maintain the same citywide land use plan balance between residential areas and commercial and industrial areas.

4.6 Increased Tourism

1. Enhance the downtown area and Skyline Boulevard as a focal point for civic and tourist activities.
2. Institute and maintain a program to attract lodging businesses to Avenal.
3. Collaborate with existing businesses to develop a tourism marketing program in Avenal.
4. Support special events that attract visitors to Avenal.

4.7 Labor Force Development

1. Collaborate with the Reef-Sunset Unified School District to expand the services of and enrollment at the Avenal Adult School.
2. Advocate for the provision of college-level classes in Avenal.

4.8 Economic Development Program

1. Adopt and regularly update and economic development strategic action plan.
2. Encourage increased cooperation between the public and private sectors, including non-profit and community groups, service clubs, plant managers and business associations, in formulating economic development plans and programs.
3. Prioritize economic development activities that will lead to jobs that provide career opportunities and living wages.

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Strategic Action Plan

This chapter presents a list of actions—economic development projects and programs—that the community will be asked to prioritize. The highest priority actions will be programed into the economic development strategic action plan. Other actions will be included in the final report, and these maybe programed into future updates to the action plan.

4.1 Adequate Industrial, Commercial and Office Land

4.2 Business Attraction

1. Sites and Building Inventory

Collaborate with property owners, real estate brokers, and developers to create and maintain and inventory of buildings available for lease and sites available for commercial and industrial development. Explore ways to publicize this information, including on the City's website.

2. Economic Development Marketing Materials

Develop marketing materials—brochures, web pages, site and building inventory, etc.—for recruiting new business to Avenal. There should be packages devoted to specific economic sectors: retail and dining; lodging; manufacturing, agricultural services, and so forth.

3. Broker and Developer Networking

Establish and improve working relationships and partnerships with commercial and industrial real estate brokers and developers. Consider hosting semi-annual and annual events to acquaint developers and brokers from the southern San Joaquin Valley with the City and with Avenal's business community. The city may also consider becoming a member and attending events and conferences for brokers and developers, such as the International Council of Shopping Centers or NAIOP, the Commercial Real Estate Development Association.

4. Kings County EDC

Explore ways to collaborate with Kings County EDC to market Avenal to prospective new businesses. The EDC is the professional organization with the expertise in reaching out to and working with businesses looking for land and/or facilities to purchase or lease.

4.3 Business Retention and Startups

1. Business Visitation

Interview major businesses every year and non-major businesses on a rotating system every 3 to 5 years. The interviews are intended to provide a more detailed understanding of individual business issues and broader issues about the local business climate. Business visitation programs also help to build trust and working relationships between public agencies and local businesses.

2. Business Engagement Breakfast

Each month or quarter, host a breakfast meeting with local businesses. Each meeting, a different sector of the business community will be invited, such as retailers, restaurants, manufacturers, correctional institutions, agricultural services, etc. The breakfast meetings will provide an opportunity for the city to hear how things are going for local businesses and how the city could help improve the local business climate. The meetings will also provide an opportunity for the city to keep local business informed of city initiatives and economic development successes.

3. SBDC Training Courses

Collaborate with the Fresno State Small Business Development Center to provide classes in Avenal for existing small businesses and for those considering starting-up a new business. The City's role could include assistance in providing a location for classes, providing outreach to small business owners and potential entrepreneurs, or providing financial assistance.

4. Business Finance Workshops

Collaborate with the Small Business Administration and regional banks to conduct an annual business finance workshop/ The purpose of the workshop is to introduce small businesses to the available framework for financing business expansions.

5. Entrepreneurial Networking

Sponsor semi-annual events to promote networking among local businesses. The events should be open to all business in Avenal. As well, larger businesses operating elsewhere in Kings county could be invited. The purpose is to introduce small and new businesses to potential business customers and mentors from the region.

6. Workforce Training

Collaborate with the Kings County Job Training Office (JTO), Reef-Sunset Unified School District, and West Hills College to increase the level of job training services provided to Avenal businesses and increase the number of workers in Avenal who receive job training services.

7. Microloan Program

Establish a microloan program to assist small businesses with business expansions and façade improvements.

4.4 Infrastructure Improvements

1. Industrial Area Specific Plans

Adopt specific plans for the industrial area east of the I-5 and the industrial area on east of SR 33.

2. Infrastructure Finance

Meet with property owners in commercial and industrial areas that need infrastructure investment to explore interest in the establishment of an assessment district or other special funding and financing district.

3. Downtown Improvements

Engage downtown property owners and businesses to explore interest in establishing an assessment district, a business improvement district, or other type of special funding and financing district to pay for infrastructure improvements, public realm improvements, and building improvements.

4. High-Speed Internet Service

Contact potential internet service providers to explore ways to provide affordable high-speed internet service to residents and businesses. If private sector provision of service is not feasible, explore municipal provision of high-speed internet service, using Shafter Connect as an example.

4.5 Commercial, Industrial and Residential Balance

4.6 Increased Tourism

1. Lodging Marketing

Develop marketing materials to promote Avenal to lodging businesses as a location for new facilities. Collaborate with Avenal State Prison to include data on visitations. Collaborate with commercial real estate brokers to identify suitable sites and to contact lodging businesses.

2. Retail Business Advertising

Collaborate with the Fresno State Small Business Development Center to provide training in how to advertise for retail businesses in Avenal. Explore the feasibility of establishing a joint advertising program to promote Avenal retail businesses to residents in Avenal and other nearby communities.

3. Micro Lodging

Collaborate with the Fresno State Small Business Development Center to offer a class in how to establish a new bed and breakfast or small-scale hotel.

4. Special Events

Support special events that bring visitors to Avenal. As funding is available, expand the number of special events.

5. Avenal Sand Drags

Increase the marketing activity of the Avenal Sand drags to bring more visitors to town

4.7 Labor Force Development

1. Educational Summit

Convene an educational summit to explore educational opportunities and needs. Participants should include City officials, the school district, civic and faith-based organizations, the Kings County Superintendent of Schools, West Hills College, and other interested parties. The summit should provide an opportunity to share success stories as well as best practices from other communities. It should also provide an open and honest discussion of the educational challenges facing Avenal. The summit is intended to identify future projects and programs, which may be subsequently included in the economic development strategic action plan.

2. Promote Job Training Services

Collaborate with the Kings County Jobs Training Office to develop, print, and distribute informational pamphlets to publicize the career planning and job training services for which Avenal residents may be eligible.

4.8 Economic Development Program

1. Economic Development Training

As funding is available, send one or two elected officials, appointed officials, community stakeholders, and/or key city staff to economic development training. It is envisioned that this training would be equivalent to the introduction to economic development certificate program offered at Fresno State each year.

2. Action Plan Evaluation

Prior to the beginning of the annual budgeting process, prepare a memorandum evaluating the completion and effectiveness of economic development strategy action items implemented during the previous year and recommend action items for implementation in the following year.



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