

# Socioeconomic and Real Estate Market Conditions

This chapter provides a profile of the socioeconomic and real estate market conditions and trends within the City of Visalia and surrounding region. It is intended to provide a foundation of land use planning and economic development initiatives that could be included in the General Plan Update. Data has been collected from a number of public sources, including the U.S. Census and American Community Survey, the Tulare County Association of Governments, the California Department of Finance, Caltrans, and the California Employment Development Department.

## 3.1 Community and Demographic Overview

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This section provides an overview of the community and demographic characteristics of Visalia as a framework for the General Plan. Visalia has been distinguished from other Central Valley communities for its quality of life attributes, such as a vibrant downtown, a small town feel, relative affordability, and integrated water channels. In addition to these attributes, socioeconomic factors such as population growth, education, income, commute patterns, crime, and others will shape General Plan policies and their viability.

### Regional Context

Visalia is located in northwestern Tulare County, in the central San Joaquin Valley. The county's eastern expanse includes Sierra foothills, two national forests, and the Sequoia & Kings Canyon National Parks. The western half of the county, which is in the valley, has the second-highest gross crop value in the nation (behind Fresno County). With a population of 441,481 in 2009, Tulare County grew at an annual rate of 2.0 percent since 2000 (Table 3-1). This growth rate was well above the statewide rate of 1.3 percent, and slightly above its neighboring counties of Kings and Fresno. Kern County, which lies to the south, experienced population growth of 2.4 percent annually.

**Table 3-1: Population Growth, South-Central San Joaquin Valley and California**

County	2000 Population	2009 Population	Annual Growth
Kern	665,519	827,173	2.4%
Tulare	369,873	441,481	2.0%
Kings	130,202	154,743	1.9%
Fresno	804,508	942,298	1.8%
California	34,105,437	38,292,687	1.3%

Source: California Department of Finance, 2009

### Population Growth and Distribution

As the oldest city between Los Angeles and San Francisco (incorporated in 1874), Visalia is Tulare County’s population center with about 123,700 residents in early 2009 (about 28 percent of the County total). Before 2000 Visalia’s growth trajectory was typical of, albeit slightly below, most Central Valley communities at about 2 percent per year, although faster than the State as a whole. However, Visalia’s population began to expand rapidly after 2000, growing at about 3.4 percent a year compared to 2.1 percent for the Central Valley and 1.4 percent for California as a whole, as shown in Table 3-2.

**Table 3-2: Visalia Population Growth Comparisons (1990-2009)**

Population	Year Beginning:					Annual Growth		
	1990	2000	2005	2007	2009	1990 - 2000	2000 - 2009	2007 - 2009
Visalia	75,659	91,891	107,281	116,819	123,670	2.0%	3.4%	2.9%
Tulare County	311,921	368,021	408,816	425,677	441,481	1.7%	2.0%	1.8%
Central Valley (1)	2,642,035	3,302,800	3,724,625	3,877,808	3,990,339	2.3%	2.1%	1.4%
California	29,758,213	33,873,086	36,676,931	37,472,074	38,292,687	1.3%	1.4%	1.1%
Visalia as a % of:								
Tulare County	24%	25%	26%	27%	28%			
Central Valley	3%	3%	3%	3%	3%			

1. Defined as Fresno, Kern, Kings, Madera, Merced, Stanislaus, San Joaquin, and Tulare counties

Sources: California Department of Finance; Economic & Planning Systems, Inc.

### Historical Population Growth

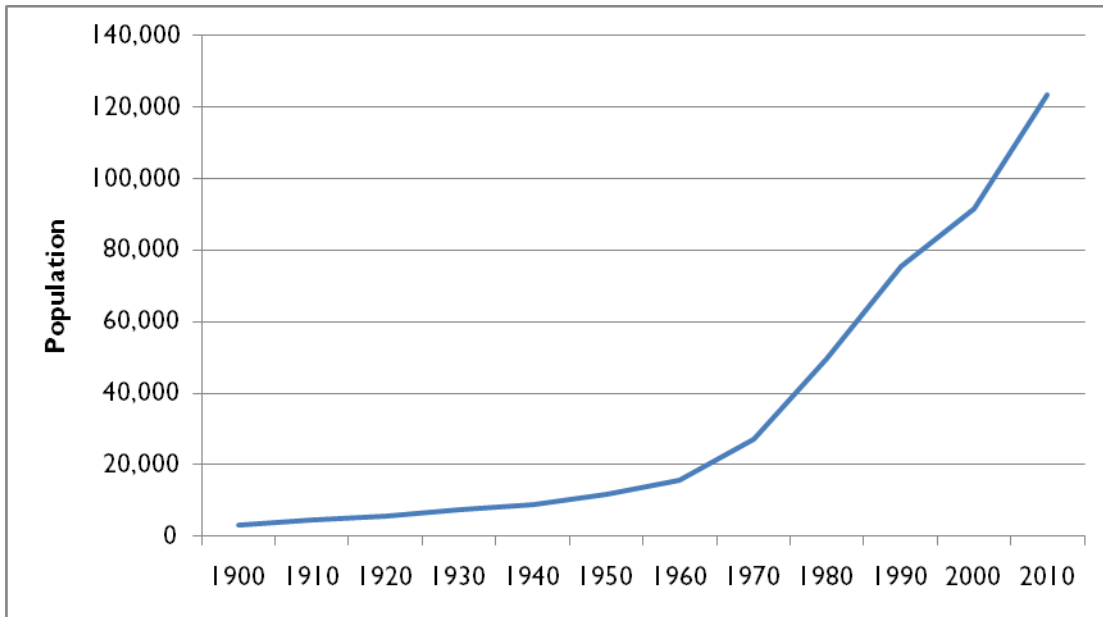
Visalia's population in 2009 represents a 35 percent increase over its 2000 population of 91,565—an annual growth rate of 3.4 percent. The city's population increased most rapidly in the 1960s and 1970s, nearly doubling over the course of each decade (Table 3-3). Since 1980, the population has increased at an average rate of nearly four percent annually. Trends are shown geographically in *Figure 3-1*.

<b>Table 3-3: Historical Population Growth in Visalia</b>			
<i>Year</i>	<i>Population</i>	<i>Total Percentage Growth over Decade</i>	<i>Average Percentage Growth over Decade</i>
1860	548	-	-
1870	913	67%	5.2%
1880	1,412	55%	4.5%
1890	2,885	104%	7.4%
1900	3,085	7%	0.7%
1910	4,550	47%	4.0%
1920	5,753	26%	2.4%
1930	7,263	26%	2.4%
1940	8,904	23%	2.1%
1950	11,749	32%	2.8%
1960	15,791	34%	3.0%
1970	27,268	73%	5.6%
1980*	49,729	82%	6.2%
1990	75,636	52%	4.3%
2000	91,565	21%	1.9%
2009*	123,670	35%	3.4%
<b>Average Annual Growth</b>			<b>3.7%</b>

\*Note: In 1980 and 2006, the City experienced abnormally large population growth due to annexations.

Source: California Department of Finance, 2009

**Figure 3-1: Historical Population Growth in Visalia**

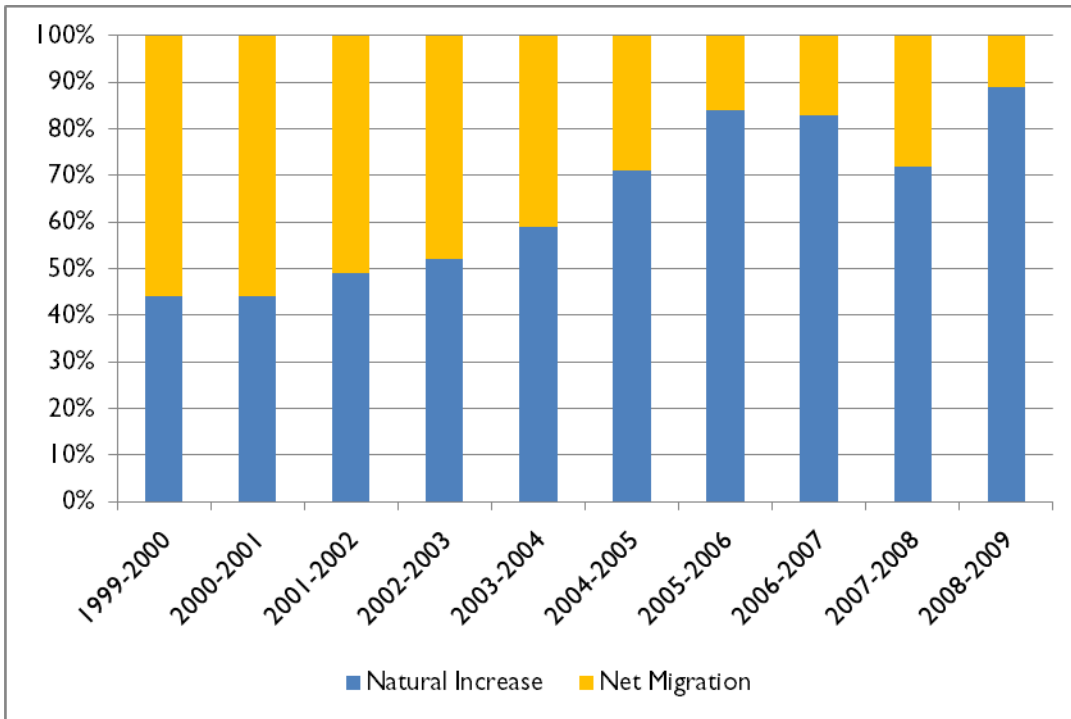


Source: California Department of Finance, 2010

Numerous factors contribute to Visalia’s continued strong rate of growth. The Central Valley is the fastest growing region of California, driven not only by natural increase (births minus deaths) but also by in-state, domestic, and international migration. As home prices, overall cost of living, and cost of development increased in coastal California, the Central Valley remained a relatively inexpensive alternative. Residents of higher priced coastal areas have increasingly relocated to the Central Valley over the last decade, allowing Valley cities’ economies to diversify, and thus attracting more residents. Additionally, the Valley’s affordability, and its agricultural and industrial employment base, also attract immigrants from outside the United States.

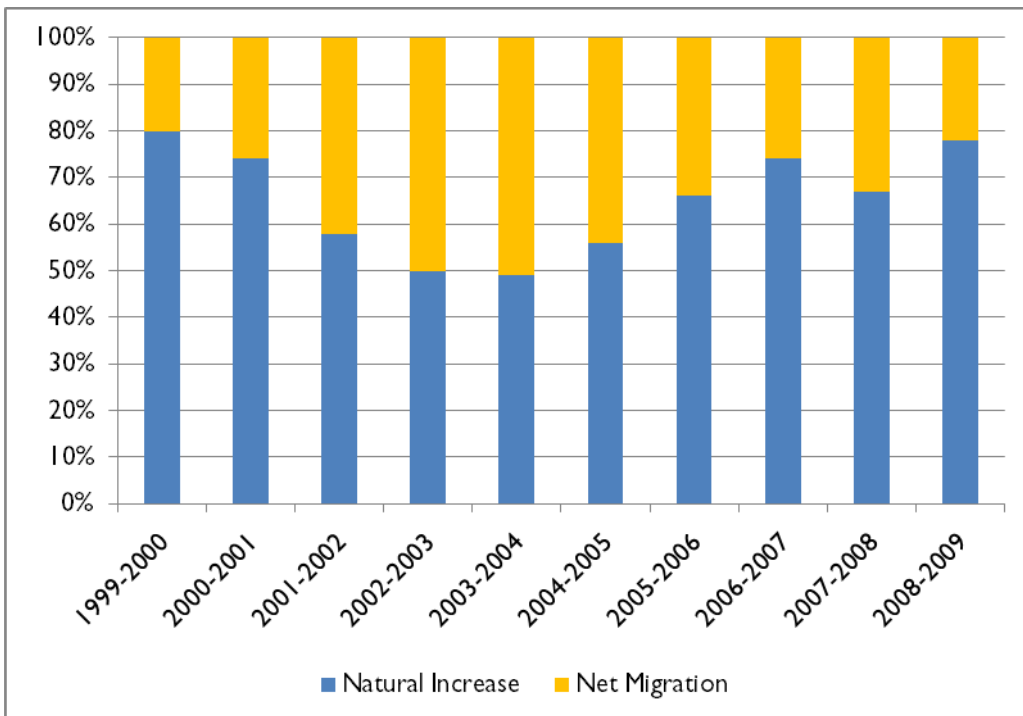
The California Department of Finance analyzed the components of State and county growth from 2000 to 2009. **Figure 3-2** and **Figure 3-3** show the components of growth in Tulare County and California over the past decade. Each column indicates what percentage of the growth in that year was due to natural increase (births minus deaths) versus net migration (domestic plus international). In California, natural increase made up a steadily increasing proportion of growth over the decade, increasing from just 44 percent of statewide growth in 1999-2000 to nearly 90 percent of growth in 2008-2009. On the other hand, Tulare County saw a greater share of migration in the middle of the decade, which corresponded with the period when home prices reached their peak and an increasing number of new residents moved from more expensive areas. During these years of high migration, most of these transplants were domestic. In more recent years, the majority of migration to Tulare County is from other countries. California’s domestic migration has been negative since 2004, indicating that its native population is leaving for elsewhere in the U.S. and is being more than replaced by immigrants from elsewhere in the world.

**Figure 3-2: Components of Annual Growth, California**



Source: California Department of Finance, 2009

**Figure 3-3: Components of Annual Growth, Tulare County**



Source: California California Department of Finance, 2009

Although growth has tapered off in the last two years because of national economic contraction and a faltering housing market, Visalia continues to expand at a much faster rate than the State or region. In other words, the housing and population booms that lifted much of the State through the mid 2000s appears to have been more pronounced and sustained in Visalia. Thus, the community possesses a number of attributes that attract new households even during economic downturns.

**Age and Race**

In terms of its demographic profile, Visalia is slightly less diverse and older than the county albeit younger than California as a whole (see Table 3-4). For example, about 44 percent of Visalia’s population is 35 years or older which puts it above the county (41 percent) but well below the State (50 percent). Likewise, the city has a smaller Hispanic population than the county as a whole (41 percent compared to 57 percent) but higher than California (36 percent). However, in terms of overall racial diversity, both Visalia and Tulare County are relatively homogenous compared to California as a whole because of the small proportion of Asian and African American cohorts. Specifically, about 82 percent of Visalia’s and 77 percent of the county’s population describe themselves as “White” compared to about 61 percent in California as a whole. While “Hispanic” is not considered a separate racial category, about 47,300 residents identify themselves as Hispanic, about 40 percent of the population total.

<b>Table 3-4: Visalia's Population Distribution (2008)</b>						
<i>Item</i>	<i>Visalia</i>		<i>Tulare County</i>		<i>California</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
<b>By Age</b>						
Age 0-17	35,026	30%	134,083	32%	9,375,082	26%
Age 18-34	30,097	26%	110,367	26%	8,988,653	25%
Age 35-64	39,262	34%	134,951	32%	14,042,393	39%
Age 65 and above	11,921	10%	39,764	9%	4,012,371	11%
<b>Population Total</b>	<b>116,306</b>	<b>100%</b>	<b>419,165</b>	<b>100%</b>	<b>36,418,499</b>	<b>100%</b>
<b>By Race</b>						
White	94,764	81.5%	323,981	77.3%	22,189,514	60.9%
Black or African American	2,574	2.2%	6,670	1.6%	2,250,630	6.2%
American Indian / Alaska Native	827	0.7%	4,855	1.2%	285,162	0.8%
Asian	5,762	5.0%	13,359	3.2%	4,471,394	12.3%
Hawaiian / Pacific Islander	138	0.1%	380	0.1%	132,437	0.4%
Other Race	8,891	7.6%	59,698	14.2%	5,833,723	16.0%
Two or More Races	3,350	2.9%	10,222	2.4%	1,255,639	3.4%
<b>Population Total</b>	<b>116,306</b>	<b>100.0%</b>	<b>419,165</b>	<b>100.0%</b>	<b>36,418,499</b>	<b>100.0%</b>
<b>Hispanic Population (1)</b>	<b>47,251</b>		<b>237,764</b>		<b>13,160,978</b>	
Percent of Total	41%		57%		36%	

1. ACS does not break down or identify the Hispanic cohort as a separate race. Hispanic population is incorporated in the "population total".

Sources: American Community Survey; Economic & Planning Systems, Inc.

While Visalia’s and Tulare County’s age profiles are currently similar, the age cohorts in each jurisdiction have been growing in different proportions over the last decade (Table 3-5). In Visalia, the under-18 population increased 34 percent from 2000 to 2008, versus 9 percent in the county. Similarly, the population aged 55 to 64 increased 70 percent in Visalia over that time period, and 38 percent in Tulare County.

Table 3-5: Change in Age, Visalia and Tulare County, 2000 to 2008								
Age Group	Visalia				Tulare County			
	2000	2008	Change	Percent Change	2000	2008	Change	Percent Change
Under 18	28,694	38,480	9,786	34%	124,188	135,428	11,240	9%
18 to 24	8,903	11,055	2,152	24%	38,945	47,485	8,540	22%
25 to 34	12,390	19,843	7,453	60%	49,431	66,287	16,856	34%
35 to 44	13,754	15,970	2,216	16%	52,985	51,091	(1,894)	(4%)
45 to 54	11,411	14,243	2,832	25%	40,989	49,746	8,757	21%
55 to 64	6,343	10,785	4,442	70%	25,708	35,351	9,643	38%
65 to 74	4,961	5,508	547	11%	19,110	21,674	2,564	13%
75 and over	5,057	5,801	744	15%	16,665	19,214	2,549	15%

Source: Census 2000; American Community Survey 2008

While Hispanics make up a larger percentage of the population in Tulare County than in Visalia, Visalia’s Hispanic population grew by a greater percentage from 2000 to 2008: 58 percent versus 31 percent (Table 3-6). Visalia’s Black population also saw significant growth over the eight-year period, increasing 52 percent, while the Black population in the county increased just 4 percent.

Table 3-6: Change in Race and Ethnicity, Visalia and Tulare County, 2000 to 2008								
Race/Ethnicity	Visalia				Tulare County			
	2000	2008	Change	Percent Change	2000	2008	Change	Percent Change
White	63,380	101,273	37,893	60%	213,250	342,627	129,377	61%
Black or African American	1,629	2,476	847	52%	6,196	6,440	244	4%
American Indian or Alaska Native	1,060	472	(588)	(55%)	4,702	5,248	546	12%
Asian	5,077	3,661	(1,416)	(28%)	12,336	12,537	201	2%
Native Hawaiian or Pacific Islander	46	262	216	470%	280	262	(18)	(6%)
Some Other Race	16,363	10,025	(6,338)	(39%)	114,223	47,505	(66,718)	(58%)
Two or More Races	3,958	3,516	(442)	(11%)	17,034	11,657	(5,377)	(32%)
Hispanic (Any Race) <sup>1</sup>	32,448	51,162	18,714	58%	186,913	245,178	58,265	31%

1. Hispanic or Latino is no longer a separate race category in the Census and American Community Survey. Those identifying as having Hispanic origin may belong to any race.

Source: Census 2000; American Community Survey 2008

## Education and Income Levels

Mirroring other socio-economic indicators, the average income and education levels of Visalia residents exceed those of Tulare County as a whole but fall below the California average. For example, Visalia’s median income of about \$54,000 is higher than the county level of \$44,000 but lower than the State median of \$61,000 (see Table 3-7). The proportion of Visalia families earning over \$100,000 per year (about 22 percent) is lower than the State average (about 28 percent) but higher than the county (about 15 percent).

<b>Table 3-7: Income and Unemployment Trends (2008)</b>						
<i>Item</i>	<i>Visalia</i>		<i>Tulare County</i>		<i>California</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
<b>Household Income:</b>						
Under \$15,000	4,013	10.6%	16,445	13.4%	1,248,099	10.2%
\$15,000 to \$24,999	4,277	11.3%	17,918	14.6%	1,141,560	9.4%
\$25,000 to \$34,999	4,167	11.0%	15,741	12.8%	1,118,718	9.2%
\$35,000 to \$49,999	4,864	12.8%	18,463	15.0%	1,541,545	12.7%
\$50,000 to \$74,999	7,215	19.0%	22,231	18.1%	2,164,891	17.8%
\$75,000 to \$99,999	5,106	13.5%	14,000	11.4%	1,568,948	12.9%
\$100,000 to \$149,999	5,183	13.7%	11,976	9.7%	1,824,962	15.0%
\$150,000 to \$199,999	1,753	4.6%	3,555	2.9%	775,108	6.4%
\$200,000 and more	1,368	3.6%	2,654	2.2%	794,021	6.5%
<b>Households Total</b>	<b>37,946</b>	<b>100.0%</b>	<b>122,983</b>	<b>100.0%</b>	<b>12,177,852</b>	<b>100.0%</b>
Median Income (rounded)	\$54,000		\$44,000		\$61,000	

Sources: American Community Survey; California Employment Development Department; Economic & Planning Systems, Inc.

Education levels follow a similar trend with Visalia serving as home to fewer high school drop-outs and more college graduates than the county, as shown in Table 3-8. But Visalia ranks below the State in educational attainment, especially in terms of the proportion of residents holding a bachelor’s degree or greater (21 percent compared to 30 percent State-wide).

According to the California Department of Education, Visalia high schools have improved significant over the last several years. Visalia Unified School District has raised its high school average academic performance index (API) score by about 19 percent between 2002 and 2009, with an average rating in 2009 of 745 on a scale of 200 to 1,000. The public school ratings are based on each school’s performance data on state-wide standardized tests implemented by the Department of Education.

Four private colleges/universities are located in Visalia: University of Phoenix, Brandman University, Fresno Pacific University, and San Joaquin Valley College. College of the Sequoias is the only public college in the City that offers junior college education and serves as a “feeder” institution, providing a pool of potential students to four-year universities. Availability of four-year undergraduate and graduate degrees only through private universities (or by commuting to Fresno) makes higher education more difficult to obtain, especially for lower-income residents. The economic implications associated with improving higher education opportunities are discussed in subsequent sections.

Item	Visalia		Tulare County		California	
	Number	Percent	Number	Percent	Number	Percent
High School Diploma or Below						
Below High School Diploma	12,966	19%	77,770	33%	4,651,663	20%
High School Diploma	17,775	25%	61,443	26%	4,903,309	21%
Subtotal	30,741	44%	139,213	58%	9,554,972	41%
Some College/Associates Degree	24,444	35%	68,770	29%	7,011,378	30%
Bachelor's Degree or Above						
Bachelor's Degree	10,099	14%	21,050	9%	4,432,116	19%
Graduate or Professional Degree	4,445	6%	9,277	4%	2,530,010	11%
Subtotal	14,544	21%	30,327	13%	6,962,126	30%
<b>Total</b>	<b>69,729</b>	<b>100%</b>	<b>238,310</b>	<b>100%</b>	<b>23,528,476</b>	<b>100%</b>

Sources: American Community Survey; Economic & Planning Systems, Inc.

## Crime

Regarded as generally safe, Visalia has had its issues with gang activity and other crimes. What is unique has been the response to such challenges. As shown in Table 3-9, the per capita crimes grew in 2005. In 2009, Visalia showed dramatic improvement in this area. This can be attributed to many factors, including national trends and staffing, among others. In the area of gang activity, however, the response has been multi-faceted. The City Council has regarded the gang situation as a top priority. This direction along with strategic partnerships in the areas of prevention and intervention can also account for the drop in per capita crime.

Using crimes per capita, crime rates dropped in Visalia in 2009 compared to the previous decade. Chances of being a victim of crime was 29 in a 1000 persons in 2000, 41 in 2005 and 27 in 2009. Visalia's crime rate is comparable to the county and is lower than the state of California.

Jurisdiction	2000	2005	2009
City of Bakersfield	22	37	35
City of Fresno	40	37	29
City of Los Angeles	35	28	21
City of Modesto	28	37	30
City of Sacramento	40	49	37
<b>City of Visalia</b>	<b>29</b>	<b>41</b>	<b>27</b>
Tulare County Total	27	35	26
California Total	23	25	32

Source: California Department of Finance (population data); City of Visalia Police Department, 2010.

Two standard measures are commonly used to gauge the volume and risk of crime. Simple crime counts indicate the total volume of crime. Crime counts are important for assessing workload demands on police. Crime rates are scaled by population size and provide a measure of the risk of crime. Calculating Crime Rate per Capita = number of crimes / total population. Crime rates are based on Part-1 crimes (homicide, rape, robbery, assault, burglary, larceny, and motor vehicle theft).

### Commute Patterns

Census data on commute patterns provides an indication of Visalia’s relationship and linkage to employment centers in Tulare and neighboring counties. Currently, Visalia appears to have a relatively high job capture rate reflecting its role as a sub-regional employment hub. Specifically, Visalia has more jobs (51,458) than employed residents (41,600) and employs about 70 percent of the county’s workers, as shown in Table 3-10. In addition, about 40 percent of Visalia’s jobs are held by local residents and almost 50 percent of the city’s employed residents work in Visalia. The City of Tulare is the second largest source of Visalia workers and destination for Visalia residents followed by Fresno.

<b>Table 3-10: Visalia Commute Patterns (2008)</b>				
<i>Location</i>	<i>Place of Residence</i>		<i>Place of Work</i>	
	<i>Total</i>	<i>Distribution</i>	<i>Total</i>	<i>Distribution</i>
Visalia	20,487	39.8%	20,487	49.2%
Tulare	3,739	7.3%	2,559	6.2%
Porterville	1,456	2.8%	571	1.4%
Elsewhere in Tulare County	10,281	20.0%	5,709	13.7%
Fresno	1,867	3.6%	2,163	5.2%
Other	13,628	26.5%	10,112	24.3%
<b>Total</b>	<b>51,458</b>	<b>100.0%</b>	<b>41,601</b>	<b>100.0%</b>

Sources: US Census Bureau, Economic & Planning Systems, Inc.

### Jobs to Employed Workers

Over the past decade, Visalia has maintained a good balance between the number of jobs and the number of employed residents in the city. A ratio of 1.0 indicates that there is a job for every employed worker; a ratio of less than one means that some employed workers in a given place must travel outside of the city for work. A ratio greater than 1.0 indicates that a city sees a net influx of workers to fill its jobs. Since 2000, Visalia’s jobs/employed residents ratio has stayed above 0.9, with the exception of the most recent year (2009) when it fell to 0.89. Overall, the city’s ratio has stayed slightly higher than that of the county overall, and in 2009, the county’s ratio fell proportionally more than the city’s (Table 3-11).

Table 3-11: Jobs to Employed Workers Ratio, Visalia and Tulare County										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Visalia</b>										
Jobs	44,100	44,500	45,800	45,900	45,700	47,800	49,600	50,300	51,500	49,400
Employed Residents	47,100	47,800	49,400	49,600	49,200	50,700	52,300	53,300	55,100	55,500
Jobs/Employed Residents Ratio	0.94	0.93	0.93	0.93	0.93	0.94	0.95	0.94	0.93	0.89
<b>Tulare County</b>										
Jobs	153,900	155,300	159,800	160,200	159,600	166,900	173,200	175,700	179,800	172,400
Employed Residents	171,800	175,400	181,500	182,600	180,500	184,400	189,300	193,600	201,700	209,000
Jobs/Employed Residents Ratio	0.90	0.89	0.88	0.88	0.88	0.91	0.91	0.91	0.89	0.82

Source: California Employment Development Department, 2010

### Travel Time to Work

Approximately 80 percent of workers in Visalia commute less than 25 minutes to their jobs, and 50 percent commute less than 15 minutes, implying that the majority work locally. Table 3-12 shows the travel times to work for workers aged 16 and older in Visalia in 2008.

Table 3-12: Travel Time to Work, Workers 16 Years and Older Working Outside the Home, Visalia, 2008		
Travel Time	Number	Percent
Less than 5 minutes	2,046	4%
5 to 9 minutes	7,350	15%
10 to 14 minutes	14,005	28%
15 to 19 minutes	9,854	20%
20 to 24 minutes	6,125	12%
25 to 29 minutes	1,674	3%
30 to 34 minutes	2,430	5%
35 to 39 minutes	960	2%
40 to 44 minutes	1,524	3%
45 to 59 minutes	2,536	5%
60 to 89 minutes	1,150	2%
90 or more minutes	255	1%
<b>Total</b>	<b>49,909</b>	<b>100%</b>

Source: American Community Survey; 2008

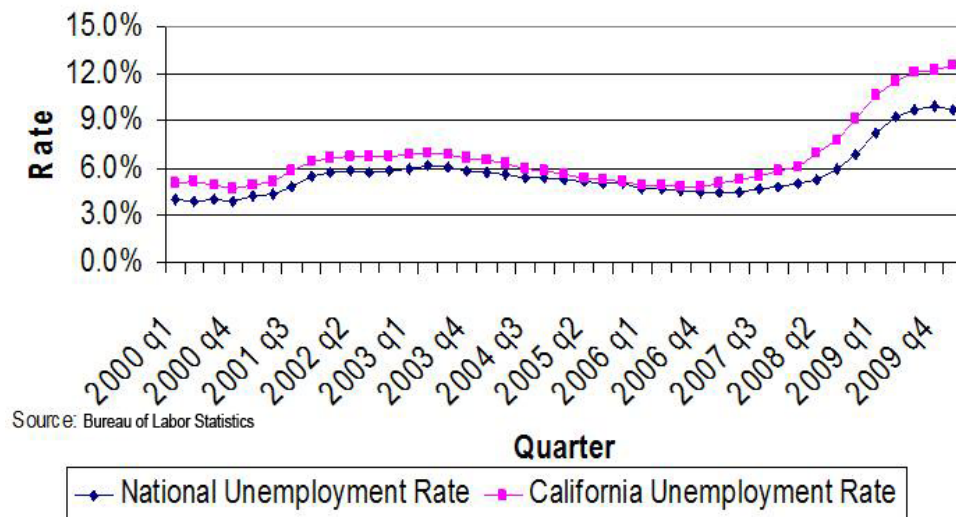
### 3.2 Economic Profile

This General Plan update is being conducted as California and the nation begin to emerge from the most significant economic downturn since the Great Depression. The economic problems originated in the housing and financial sectors but have spread into the consumer economy, and subsequently into the rest of the economy. California has been particularly hard hit by the national economic recession with significant job losses and relatively prolonged periods of double-digit unemployment that have exceeded the U.S. average by several points (12.6 percent compared to 9.7 percent in spring 2010).

Historic national and State unemployment trends are shown in **Figure 3-4**. Although the State and national economies have recently begun to show signs of gradual recovery, the form and pace of this recovery is still unknown. In any case, both the State and nation will continue to experience significant economic restructuring in the years to come, including the likely permanent diminution of certain industry sectors and the potential emergence of others.

The current economic environment is an important issue affecting growth and development in Visalia and introduces a higher level of economic uncertainty than is typically the case for most general plan updates. Given this circumstance, this section focuses on Visalia’s longer term economic fundamentals while attempting to identify emerging economic trends that may present challenges or opportunities from a planning perspective.

**Figure 3-4: Unemployment Trends (2000-2010)**



## Regional Economy

Visalia is largely defined by its position at the heart of the Central Valley economy, an eight- county region stretching north to Stockton in Central County and south to Bakersfield and Kern County. Although the City possesses a number of unique attributes, its general economic prospects are closely linked to the fundamental trends affecting this larger region.

Overall, the San Joaquin Valley has fared even worse than California as a whole during the current economic downturn, with an average unemployment rate exceeding 15 percent from 2009 through the first quarter of 2010. In 2009 the region lost about 64,000 jobs, or about 5 percent of its 2008 total. This stems in part from the Valley's position at the epicenter of the foreclosure crisis as well as the overall structure of its economy which tends to experience above average unemployment even during periods of growth. The seasonal and cyclical nature of the agricultural sector, which remains the Valley's most important sector, is also a key contributor to this phenomenon.

The current economic downturn notwithstanding, job growth in the Central Valley over the last 15 to 20 years has been strong, although it has not kept pace with population growth. The region had 1.34 million jobs in 2008, an increase of about 336,000 jobs or 34 percent from 1990. This compares to a 49 percent increase in population over this same period. The key industry growth trends in the region are provided in Table 3-13 and summarized below by sector.

### Agriculture

Agriculture remains the economic base of the Central Valley, the most productive agricultural region in the country and a critical part of the State's economy and the nation's food supply. The sector provides about 190,000 direct jobs, or about 14 percent of total regional employment, and has accounted for about 8 percent of total employment growth since 1990. In addition to providing jobs directly through farming operations, it also creates indirect jobs in both "up-stream" and "down-stream" sectors such as food processing, transportation, fertilizer, feed, and equipment sales, and other vertically integrated production processes.

South Valley, which contains the top three agricultural counties in California (Tulare, Fresno, and Kern counties), has experienced the greatest amount of prime farmland loss. While the agricultural economy will continue to play an important role in the Valley economy, its relative significance is likely to diminish with continued urbanization and growth of local population-based sectors. By way of example, despite growth in absolute terms, agriculture's share of total employment has declined from 17 percent in 1990 to about 14 percent today.

**Table 3-13: Central Valley Employment Distribution (1990 - 2008)**

Employment Category	1990		2000		2008		2009		1990-2008 Growth		
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Total	Percent of total	Avg. Annual
Agriculture	166,300	17%	202,400	17%	191,700	14%	186,200	15%	25,400	7.6%	0.8%
Mining, Logging, & Construction	64,900	6%	66,800	6%	77,500	6%	60,900	5%	12,600	3.7%	1.0%
Manufacturing	108,800	11%	114,300	9%	114,200	9%	105,400	8%	5,400	1.6%	0.3%
Wholesale Trade, Transportation, & Utilities	63,900	6%	76,100	6%	93,900	7%	90,500	7%	30,000	8.9%	2.2%
Retail Trade	111,000	11%	125,800	10%	140,500	10%	130,600	10%	29,500	8.8%	1.3%
Information	14,700	1%	15,900	1%	15,500	1%	13,800	1%	800	0.2%	0.3%
Financial Activities	40,900	4%	42,000	3%	47,300	4%	44,700	4%	6,400	1.9%	0.8%
Professional & Business Services	61,900	6%	97,100	8%	105,500	8%	97,200	8%	43,600	13.0%	3.0%
Educational & Health Services	79,900	8%	108,400	9%	142,400	11%	143,300	11%	62,500	18.6%	3.3%
Leisure & Hospitality	64,900	6%	83,900	7%	101,900	8%	97,900	8%	37,000	11.0%	2.5%
Other Services	28,200	3%	34,400	3%	36,800	3%	34,800	3%	8,600	2.6%	1.5%
Government	197,900	20%	238,200	20%	272,400	20%	269,100	21%	74,500	22.2%	1.8%
<b>Total</b>	<b>1,003,300</b>	<b>100%</b>	<b>1,205,300</b>	<b>100%</b>	<b>1,339,600</b>	<b>100%</b>	<b>1,274,400</b>	<b>100%</b>	<b>336,300</b>	<b>100.0%</b>	<b>1.6%</b>

Note: Central Valley is defined as Fresno, Kern, Kings, Madera, Merced, Stanislaus, San Joaquin, and Tulare counties.

Sources: California Employment Development Department; Economic & Planning Systems, Inc.

### *Manufacturing*

While the manufacturing sector has been declining for the past 20 years both nationally and in California, it has experienced moderate growth in the Valley, in part because of relatively low labor costs and the availability of raw materials. Overall, the region had about 114,200 jobs in this sector in 2008 or 9 percent of total employment, a decline in relative terms from 1990 but an increase in absolute terms (the sector had 108,800 jobs in 1990 or 11 percent of the total).

Manufacturing jobs in the Valley are led by food processing followed by fabricated metal product manufacturing and transportation equipment manufacturing. Industries in the food manufacturing sub-sector transform livestock and agricultural products into products for intermediate or final consumption. The food products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers, although some establishments produce goods on the premises for immediate consumption.

The so-called “green economy” has received a fair amount of attention in recent years having the potential to stimulate growth in various manufacturing sectors. Of course, the “green economy” is a relatively general term and includes sectors and processes that cut across a variety of fields. Particular sectors that appear most relevant to growth in manufacturing include alternative energy appliances (solar heating, lighting, batteries, etc.), recycling and recycling machinery, motor vehicles and equipment (electric, hybrid, and natural gas vehicles, diesel technology), building materials for improved energy efficiency, sustainable agriculture supplies and materials, and water treatment, purification, and pumping products.

The Valley may be particularly well suited to compete for jobs in these fields because of its central location, low-cost labor force, and access to natural resources and raw materials. However, depending on the stage of product development, many employers may also seek proximity to a deeper pool of technically trained workers as well as access to R&D institutions and venture capital sources.

### *Warehousing and Distribution*

The warehousing and distribution sectors have also evolved as a critical component of the Valley economy in part because of the region’s central location relative to major population and employment centers in both southern and northern California (i.e., San Francisco and Sacramento to the north and Los Angeles and San Diego to the south). These sectors are also attracted to the Valley because of the relatively low cost of land and labor, which are important given their significant building, storage, and logistics requirements (e.g., for truck movements). However, it is important to note that although these sectors often require significant tracts of land and low-cost buildings, they have relatively low employment density (i.e., employees per square foot). Consequently, although warehousing and distribution accounted for about 10 percent of the job growth in the Valley since 1990, these sectors currently account for only about 7 percent of total employment.

### *Health Care and Professional Services*

As is generally the case in rapidly growing and urbanizing areas, the health care and professional services sectors are becoming an increasingly important component of the Valley economy. In addition to health care-related jobs (e.g., doctors, nurses, administrators), these include relatively higher paid “white collar” fields such as architectural and engineering services, computer services, R&D and scientific services, management consulting services, and legal and accounting services. Overall, these fields accounted for about 26 percent of the Valley’s total employment in 2008 with about 348,000 jobs, up from 22 percent of the total in 1990. These sectors also accounted for about 36 percent of employment growth over the last 20 years.

### *Retail, Leisure, and Hospitality*

The retail leisure, and hospitality sectors, which reflect both tourism and local consumer spending, account for about 18 percent of employment in the Valley and about 20 percent of the job growth since 1990. However, these sectors were also disproportionately hurt by the recent economic downturn, losing almost 14,000 jobs in 2009 or about 20 percent of the total job loss. The City is working with the U.S. Department of the Interior, National Park Service to promote Sequoia National Park as a part of its local tourism program.

### *Government*

The public sector, which includes all State, federal, and local (e.g., City and County) agencies and educational institutions, has continued to remain a relatively significant but stable component of the Valley's economy. Specifically, government entities account for about 20 percent of total jobs in the Valley, a ratio that has remained relatively constant over the last 20 years. The sector has provided over 75,000 new jobs since 1990, or 24 percent of total job growth. Perhaps more importantly, the sector is generally less subject to annual business cycle trends.

## **Local Economy**

### *Tulare County*

Similar to the broader Central Valley area, Tulare County's economy has been largely based on agriculture, food processing, and manufacturing, while professional services jobs have been limited. Tulare is the second most productive agricultural county in a State that itself is by far the most productive in the nation. Overall, agribusinesses produced \$5 billion in commodities in 2008 with the County considered one of the largest milk producers in the United States.

Tulare County is also a major distribution hub because of its central location in the State, 200 miles north of Los Angeles and 225 miles south of San Francisco. The County's employment base has been significantly impacted by the recent downturn with unemployment increasing to 18.3 percent in January 2010, significantly above the historic range of between 8.5 and 18.2 since 1990. In 2008, the median household income was approximately \$44,000.<sup>1</sup>

The county's major employers are Tulare County government, Porterville Development Center,<sup>2</sup> Kaweah Delta Healthcare, and Ruiz Food Products, as shown in Table 3-14. The top 20 employers combine for about 19,300 jobs, or 11 percent of the overall county employment. The major distributors include Jo-Ann Fabrics, VF Distribution, Wal-Mart, and Best Buy Electronics that combine for nearly 3.5 million square feet of distribution space. The county's overall industrial market includes about 23 million square feet of building space.<sup>3</sup>

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<sup>1</sup> Based on the American Community Survey data for Tulare County.

<sup>2</sup> Porterville Developmental Center (PDC) is one of four California state-operated facilities that serve people with developmental disabilities.

<sup>3</sup> For the purpose of this analysis, industrial is defined as distribution and manufacturing uses.

**Table 3-14: Tulare County Top 20 Employers (2007)**

<i>Sector</i>	<i>Ranking</i>	<i>Company</i>	<i>Employees</i>
Government	1	County of Tulare	4,320
Healthcare	2	Porterville Development Center	2,014
Healthcare	3	Kaweah Delta Healthcare	2,000
Healthcare	8	Sierra View District Hospital	724
Food Manufacturing	4	Ruiz Food Products	1,800
Food Manufacturing	10	Land O'Lakes	600
Food Manufacturing	12	Saputo Cheese	530
Food Manufacturing	15	Ice Cream Partners USA, Inc.	300
Food Manufacturing	20	Odwalla Juice	160
Distribution	5	Wal-Mart Distribution Center	1,692
Distribution	13	Best Buy Distribution Center	405
Distribution	14	VF Outdoors	450
College/Universities	6	College of the Sequoias	1,160
Insurance	7	CIGNA HealthCare	900
Printing/Publishing	9	Jostens	720
Agriculture	11	Monrovia Nursery	600
Manufacturing	16	NDS, Inc.	300
Manufacturing	17	Tri-Wall Manufacturing	300
Manufacturing	19	Kawneer Company	200
Distribution	18	Jo-Ann Distribution	250

Sources: California Employment Development Department; Economic & Planning Systems, Inc.

### Visalia

Similar to the broader countywide trends, Visalia's economy is based on distribution and agriculture, as well as manufacturing, education, and healthcare. However, as the county's population center core and the County Seat, other significant occupations include social assistance, management, and professional jobs. The city's largest employers include Tulare County, Kaweah Delta Healthcare, College of the Sequoias, and CIGNA HealthCare, as shown in Table 3-15. Jo-Ann Fabrics and VF Outdoors, Inc. are the city's largest industrial employers, located in the industrial park. The city's top 10 employers make up 19 percent of the city's employment total of approximately 51,000 jobs.

**Table 3-15: Visalia Top 10 Employers (2007)**

Ranking	Company	Employees	Category
1	County of Tulare	4,320	Government
2	Kaweah Delta Healthcare	2,000	Healthcare
3	College of the Sequoias	1,160	College/Universities
4	CIGNA HealthCare	900	Insurance
5	Jostens	720	Printing/Publishing
6	VF Outdoors	300	Distribution
7	Jo-Ann Distribution	250	Distribution
8	Kawneer Company	200	Manufacturing
9	CTX	150	Manufacturing
10	California Dairies	100	Food Manufacturing

Sources: Tulare County Economic Development Corporation; Economic & Planning Systems, Inc.

As of January 2010, the city’s unemployment rate of 11.6 percent was below the countywide average of 18.3 percent and the California average of 12.5 percent. Visalia has been able to endure the recent economic slowdown better than the County because of its relatively diversified population-serving economy. The City’s largest share of employment is in the healthcare and social assistance and educational services, which make up over one-quarter of the citywide employment. These industries have not been as significantly impacted by the economic downturn as industrial jobs in recent years.

Other significant employment categories in Visalia include retail trade, public administration and support, waste management and remediation, accommodation and food services, and manufacturing. Public administration and healthcare have experienced the highest growth between 2002 and 2008. Distribution of employment and growth over the last six years in Visalia is shown in Table 3-16. Employment density ranges in various parts of the City with the highest employment densities in downtown, east downtown, and along Mooney Corridor, as shown in *Figure 3-5*.

**Table 3-16: Employment Distribution (2002 - 2008)**

Employment Category	2002		2008		2002-2008
	Number	Percent	Number	Percent	Growth
<b>Visalia</b>					
Health Care and Social Assistance	7,134	16.1%	8,260	16.1%	1,126
Educational Services	5,928	13.4%	6,303	12.2%	375
Retail Trade	5,395	12.2%	6,278	12.2%	883
Public Administration	2,614	5.9%	4,791	9.3%	2,177
Administration & Support, Waste Management and Remediation	3,745	8.5%	4,178	8.1%	433
Accommodation and Food Services	3,331	7.5%	4,002	7.8%	671
Manufacturing	2,682	6.1%	2,638	5.1%	-44
Construction	1,889	4.3%	2,349	4.6%	460

<b>Table 3-16: Employment Distribution (2002 - 2008)</b>					
<i>Employment Category</i>	2002		2008		2002-2008
	Number	Percent	Number	Percent	Growth
Finance and Insurance	2,827	6.4%	2,210	4.3%	-617
Wholesale Trade	1,606	3.6%	2,044	4.0%	438
Other Services (excluding Public Administration)	1,930	4.4%	1,853	3.6%	-77
Agriculture and Natural Resources <sup>1</sup>	947	2.1%	1,765	3.4%	818
Professional, Scientific, and Technical Services	1,118	2.5%	1,403	2.7%	285
Transportation and Warehousing	1,010	2.3%	1,095	2.1%	85
Real Estate and Rental and Leasing	442	1.0%	731	1.4%	289
Information	546	1.2%	677	1.3%	131
Arts, Entertainment, and Recreation	362	0.8%	451	0.9%	89
Management of Companies and Enterprises	541	1.2%	309	0.6%	-232
Utilities	185	0.4%	117	0.2%	-68
<b>Total</b>	<b>44,232</b>	<b>100%</b>	<b>51,454</b>	<b>100%</b>	<b>7,222</b>
<b>Tulare County</b>					
Health Care and Social Assistance	11,831	9.6%	14,478	10.3%	2,647
Educational Services	14,449	11.7%	15,724	11.2%	1,275
Retail Trade	11,579	9.4%	12,874	9.2%	1,295
Public Administration	3,776	3.1%	7,448	5.3%	3,672
Administration & Support, Waste Management and Remediation	6,494	5.2%	6,878	4.9%	384
Accommodation and Food Services	6,527	5.3%	7,763	5.5%	1,236
Manufacturing	11,137	9.0%	11,669	8.3%	532
Construction	5,299	4.3%	6,271	4.5%	972
Finance and Insurance	3,488	2.8%	2,905	2.1%	-583
Wholesale Trade	3,481	2.8%	4,481	3.2%	1,000
Other Services (excluding Public Administration)	3,718	3.0%	4,113	2.9%	395
Agriculture and Natural Resources <sup>1</sup>	30,811	24.9%	33,193	23.7%	2,382
Professional, Scientific, and Technical Services	1,941	1.6%	2,606	1.9%	665
Transportation and Warehousing	4,105	3.3%	4,251	3.0%	146
Real Estate and Rental and Leasing	943	0.8%	1,221	0.9%	278
Information	907	0.7%	1,058	0.8%	151
Arts, Entertainment, and Recreation	1,168	0.9%	1,361	1.0%	193
Management of Companies and Enterprises	1,395	1.1%	876	0.6%	-519
Utilities	739	0.6%	795	0.6%	56
<b>Total</b>	<b>123,788</b>	<b>100%</b>	<b>139,965</b>	<b>100%</b>	<b>16,177</b>

<sup>1</sup> Includes agriculture, forestry, fishing and hunting, mining, quarrying, and oil and gas extraction.

Sources: US Census Bureau, Economic & Planning Systems, Inc.



## Potential Economic Focus Areas

### *Tourism and Hospitality*

The tourism and hospitality sector has been considered as one of the most important industries in California that generates benefits for local communities, such as retail sales and transient occupancy taxes, and creates employment opportunities. Visalia currently possesses a modestly successful visitor and tourist sector although there appears to be some opportunity for further expansion, building on proximity to outdoor recreation as well as the history of the city, its attractive downtown, and hotel/convention center base.

Ultimately, Visalia's ability to host events and attract tourists and business travel at the regional, State, or even international level will depend on the structure and performance of its economy and its ability to successfully market its unique assets. Generally, successful business and tourism-oriented destinations creatively link a number of amenities and themes rather than relying on just one. These amenities are often promoted through cross-cutting marketing campaigns that seek to identify and cultivate a comprehensive brand. Thus, as part of subsequent effort to implement General Plan economic development strategies, the City may seek to undertake a variety of initiatives to further cultivate its tourism and business travel sectors, leveraging its local amenities and attributes, including but not limited to:

- **Local history, culture, and traditions:** Visalia's history as one of the oldest cities in the Central Valley, its Downtown, its gold-rush past along the Kern River, and agricultural traditions may provide tourism opportunities. Visalia has a small town feel, while also having many urban amenities of larger cities. It has a successful Downtown that is highly regarded for its ambiance and history and combines a wide range of civic and commercial uses, including a thriving restaurant scene. These amenities may be combined with ecotourism opportunities that link the City's nature-oriented values to the agricultural sector and emerging culinary scene and travel to the Sierras. The city is already home to a number of museums and other event facilities, including the Fox Theatre that houses Tulare County Symphony the Antique Farm Equipment museum, Mooney Grove Park, and Imagine U Children's museum.
- **Forests, camping, and outdoor recreation:** The city's location relatively close to Sequoia and Kings Canyon National Parks, and to a lesser extent Yosemite, may present a unique opportunity to capture transient tourists seeking overnight accommodations as part of a longer vacation. In addition to these national outdoor attractions, the city has two major camping grounds that combine for approximately 170 sites and over 30 parks with nearly 373 acres of land.
- **Sports facilities/ball fields:** Visalia has a wide range of sports leagues and sports facilities that support a range of events, such as soccer fields, basketball courts, and volleyball courts. The City recently completed an 83-acre Riverway Sports Park that includes 10 soccer fields, baseball fields, and a BMX track as well as improvements to various other parks. These assets provide for an opportunity to attract regional tournaments and other events to the city, leveraging Visalia's central location within the State. The city was estimated to host as many as 75 special events in 2009.<sup>4</sup>
- **Convention Center Events and Programming:** The Visalia Convention Center serves as a meeting place for conventions, conferences, and local events and is currently one of the city's primary mechanisms for capturing professional, business, and organizational related spending. Constructed in

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<sup>4</sup> "Recreation Has Become a Visalia Priority", April 1, 2009. *Visalia Times Delta*.

1972 and remodeled in 1991, the Convention Center is located in Downtown adjacent to the Marriot Hotel and consists of 114,000 square feet of space including exhibit hall, ball rooms, and meeting rooms. While other competitive meeting space exists in the area such as Holiday Inn, Lamp Liter, Heritage Complex, and Tachi Palace Hotel and Casino, the Visalia Convention Center is the only publicly owned and operated Convention Center. Overall, the Visalia Convention Center appears to be having a strong and growing impact on the local economy. HVS International completed a study in September 2008 that calculated the annual economic impact of the Convention Center to be \$24.6 million. This included 19,000 sleeping rooms in local hotels along with 374 jobs in the community to service Convention Center patrons. However, there is still room for improvement especially in terms of attracting high profile users from out of town. For example, currently University of Phoenix is the Center's largest user with classes and seminars that primarily cater to the local population. As shown in Table 3-17, the Convention Center's revenues peaked in 2008 while the number of events continued to increase through 2009.

### *Higher Education Opportunities*

Residents participating in community workshops and community leaders interviewed consistently point to the shortage of higher education opportunities as a significant challenge facing the Visalia economy. Specifically, there is general concern that the characteristics of the local workforce are not competitive when compared to other regions in the State and the nation as a whole and that opportunity for higher education is lacking at the local level.

While future interest in expanding facilities to Visalia by public universities is uncertain, potential opportunities for expansion may exist for private universities given population growth in the city and the broader region. Ultimately, political will, site availability, local and regional economic and demographics conditions, trends in educational attainment levels, and the presence of competitive institutions elsewhere in the market will contribute to the demand and supply dynamics for educational services in Visalia.

To a great extent, the demand for the type of education and training provided by private universities depends on the orientation, reputation, and performance of an institution. However, regional trends in demographics and educational attainment will play a role in determining the total pool of likely students for which a university can compete.

An estimate of the number of students seeking graduate and undergraduate educational opportunities in Visalia based on national averages is provided in Table 3-18. As shown, nationwide approximately 5.6 percent of the population is enrolled in a graduate or undergraduate program, based on U.S. Census data. Of this amount, approximately 30 percent are enrolled in private institutions. Thus, overall about 1.7 percent of the U.S. population will be enrolled in a private graduate or undergraduate institution at any given time. Applying this proportion to Tulare County's projected growth suggests that 3,000 students will seek enrollment in a private graduate or undergraduate institution annually assuming Visalia continues to capture countywide demand. Based on these projections, several new universities could locate in Visalia by 2030, depending on their facility size and expansion plans by existing universities.

**Table 3-17: Visalia Convention Center Trends (2000 - 2009)**

<i>Item</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Annual Revenues	\$1,198,718	\$1,266,573	\$1,324,225	\$1,357,710	\$1,334,389	\$1,504,998	\$1,679,265	\$2,019,664	\$2,185,378	\$2,068,438
Annual Events (1)	958	930	801	731	635	785	1,019	1,731	1,648	2,047
Revenue Per Event	\$1,251	\$1,362	\$1,653	\$1,858	\$2,101	\$1,917	\$1,648	\$1,473	\$1,326	\$1,010

(1) Include conferences, conventions, meetings, and other events.

Sources: City of Visalia; Economic & Planning Systems, Inc.

**Table 3-18: Potential Demand for Private Graduate/Undergraduate Institutions in Tulare County**

<i>Item</i>	<i>Amount/Factor</i>
Tulare County Population Increase (2010 - 2030)	176,642
Percent enrolled in graduate/undergraduate institutions <sup>1</sup>	5.5%
Percent enrolled in private graduate/undergraduate institutions <sup>1</sup>	1.7%
Demand for private graduate/undergraduate institutions in Tulare County	3,003

<sup>1</sup> National average

Sources: California Department of Finance; Census 2000; Economic & Planning Systems, Inc.

Applying national averages to a particular region can be misleading since students often relocate to obtain a graduate or undergraduate education at an institution of their choice and certain regions can produce a disproportionately low or high share of college bound students. Nevertheless, the information does provide useful data on the approximate projected number of students in Tulare County that could pursue educational opportunities in Visalia.

The potential of a public institution is more difficult to predict since it is dependent on policy and funding decisions at the State level. However, available data suggests that the Visalia-Porterville metropolitan statistical area (MSA) may be under-served relative to other regions of the State. Specifically, the Visalia-Porterville MSA had a population of approximately 426,200 in 2008. Around one-quarter of the MSAs in California with University of California or Cal State University (CSU) campuses have smaller populations. Stockton is the only MSA in the State with a larger population that does not have a campus other than Visalia-Porterville MSA. While Tulare County falls within the “service area” of both the Bakersfield and Fresno CSU campuses, CSU Bakersfield has one of the highest numbers of residents per enrollment spots (100 versus the average of 57).

### **3.3 Real Estate Market Overview**

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This section describes the trends and conditions in the local and regional real estate market as they related to the General Plan Update. Specifically, it focuses on the long-term prospects for residential, office, retail, commercial, and industrial uses of various types and intensity.

The performance of the local and regional real estate markets associated with Visalia mirror the economic trends described above. Most notably, the economic downturn has not only affected housing prices but also demand for retail space (through reduced consumer demand) as well as office and industrial buildings (through decreased employment). In addition, the tightening of lending practices and available capital, originally instigated by the residential mortgage crisis, has since permeated the commercial sector, making it difficult to finance new development. These conditions are expected to continue for a number of years, with a general consensus that a return to more “normal” market conditions is not likely before 2012.

#### **Residential**

The impact of the residential sub-prime mortgage crisis has been especially acute in California as a whole and the Central Valley in particular. The State has the highest number of subprime mortgages and third highest foreclosure rate (behind Florida and Nevada) in the United States and many Central Valley jurisdictions have led the way. As shown in Table 3-19, as of 2009, Visalia’s annual foreclosure rate was significantly above the State and county average (32 annual foreclosures per 1,000 units compared to 25 Statewide and 24 for the county). Such a high foreclosure rate within a State that itself has been one of the hardest hit is an indication of how deep the mortgage crisis impact has been in Visalia. Foreclosure activity in Visalia remained largely unchanged from the end of 2009 through August 2010, indicating that the City is still in the recovery process.

<b>Table 3-19: Annual Foreclosures per 1,000 homes (2002-2009)</b>								
<i>Item</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<b>Visalia</b>								
Single Family	7.5	4.2	1.8	0.4	1.4	9.8	29.4	24.1
Multi-Family/Townhomes	<u>3.4</u>	<u>1.8</u>	<u>0.5</u>	<u>0.3</u>	<u>0.9</u>	<u>2.6</u>	<u>9.5</u>	<u>8.2</u>
<b>Total</b>	<b>10.9</b>	<b>6.0</b>	<b>2.3</b>	<b>0.7</b>	<b>2.3</b>	<b>12.4</b>	<b>38.9</b>	<b>32.3</b>
<b>Tulare County</b>								
Single Family	6.1	4.1	2.0	0.6	1.1	6.9	20.3	19.8
Multi-Family/Townhomes	<u>1.4</u>	<u>0.8</u>	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>	<u>1.0</u>	<u>4.2</u>	<u>4.1</u>
<b>Total</b>	<b>7.5</b>	<b>5.0</b>	<b>2.2</b>	<b>0.7</b>	<b>1.5</b>	<b>7.9</b>	<b>24.4</b>	<b>23.9</b>
<b>Fresno MSA<sup>1</sup></b>								
Single Family	3.7	1.6	0.6	0.3	1.1	8.7	26.6	23.5
Multi-Family/Townhomes	<u>0.4</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.8</u>	<u>2.0</u>	<u>3.4</u>
<b>Total</b>	<b>4.1</b>	<b>1.7</b>	<b>0.7</b>	<b>0.4</b>	<b>1.2</b>	<b>9.5</b>	<b>28.6</b>	<b>26.9</b>
<b>Bakersfield MSA<sup>2</sup></b>								
Single Family	7.3	4.8	2.2	0.6	1.3	13.1	36.8	32.3
Multi-Family/Townhomes	<u>0.5</u>	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>	<u>0.2</u>	<u>0.9</u>	<u>3.0</u>	<u>8.9</u>
<b>Total</b>	<b>7.7</b>	<b>5.2</b>	<b>2.6</b>	<b>0.7</b>	<b>1.5</b>	<b>14.0</b>	<b>39.9</b>	<b>41.1</b>
<b>California</b>								
Single Family	1.9	1.1	0.5	0.3	1.3	8.7	24.1	18.5
Multi-Family/Townhomes	<u>0.4</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.5</u>	<u>2.6</u>	<u>7.1</u>	<u>6.7</u>
<b>Total</b>	<b>2.3</b>	<b>1.3</b>	<b>0.6</b>	<b>0.4</b>	<b>1.8</b>	<b>11.3</b>	<b>31.1</b>	<b>25.2</b>

<sup>1</sup> Includes Fresno and Madera Counties.

<sup>2</sup> Includes Kern County.

Sources: RAND; California Department of Finance; Economic & Planning Systems, Inc.

Like most other California cities experiencing high foreclosure rates, the build-up can be directly linked to rapid residential development in the mid 2000s. Visalia was targeted by numerous residential buildings during this period because of its strong community amenities and the relative affordability and availability of land compared to coastal areas. However, paralleling broader trends, this significant build-up in inventory has led to significant declines in housing prices. Specifically, home values have decreased by 45 percent between 2005 and 2009 (see Table 3-20).

<b>Table 3-20: Average Residential Sales Price Per Unit (2002-2009)*</b>								
<i>Item</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
<b>Visalia</b>								
Single Family	\$129,538	\$148,306	\$189,000	\$265,361	\$285,535	\$256,785	\$205,225	\$152,570
Multi-Family/ Townhomes	\$88,646	\$98,527	\$128,055	\$217,660	\$261,431	\$222,691	\$171,960	\$93,615
All/Weighted Average	\$125,993	\$144,896	\$185,472	\$261,514	\$282,701	\$253,771	\$202,712	\$156,244
Average Annual Change		15.0%	28.0%	41.0%	8.1%	-10.2%	-20.1%	-22.9%
<b>Tulare County</b>								
Single Family	\$100,830	\$112,561	\$140,600	\$186,732	\$233,026	\$213,210	\$184,625	\$137,526
Multi-Family/ Townhomes	\$82,667	\$105,017	\$119,714	\$184,513	\$239,654	\$212,732	\$181,418	\$98,833
All/Weighted Average	\$99,978	\$111,126	\$138,875	\$186,242	\$230,196	\$212,953	\$185,247	\$140,937
Average Annual Change		11.2%	25.0%	34.1%	23.6%	-7.5%	-13.0%	-23.9%
Visalia Price as Percent of County	126%	130%	134%	140%	123%	119%	109%	111%
*In nominal dollars								

Sources: RAND; Economic & Planning Systems, Inc.

Nevertheless, Visalia has maintained its desirability within the county despite this rapid depreciation in home values. Home prices in Visalia have historically exceeded the county prices with the citywide average price of \$156,200 in 2009, approximately 11 percent above the county average. In Visalia, housing prices are the highest in the northwestern area of the city (i.e., Green Gardens). Visalia’s housing inventory is newer relative to the county with the city’s median year of construction in 1981 versus 1977 in Tulare County.

Visalia has historically been dominated by lower density housing, with single-family residences accounting for about 80 percent of all units. In fact, the share of multifamily units has actually declined over the last 20 years from 24 percent in 1990 to about 18 percent today, well below the California average of 32 percent (see Table 3-21). In other words, despite positive growth in multifamily units during the housing boom, the development patterns appear to have made the city less dense. Moreover, most residential development currently in the city’s pipeline is of a lower-density, single-family detached nature.

**Table 3-21: Visalia Residential Trends (1990-2009)**

Item	1990	2000	2009	1990-2000		2000-2009	
				Number	Percent	Number	Percent
Total Units							
Single Family	19,154	24,929	34,355	5,775	2.7%	9,426	3.6%
Multi-Family	6,513	6,429	7,607	-84	-0.1%	1,178	1.9%
Other	1,498	1,469	1,470	-29	-0.2%	1	0.0%
<b>Total</b>	<b>27,165</b>	<b>32,827</b>	<b>43,432</b>	<b>5,662</b>	<b>1.9%</b>	<b>10,605</b>	<b>3.2%</b>
MF as Percent of Total	24%	20%	18%				
Residential Vacancy Rate	3.84%	5.47%	5.48%				

Sources: California Department of Finance; Economic & Planning Systems, Inc.

The viability of higher-density housing over the long term, either as condominiums or apartments, will depend a variety of economic, market, and demographic factors. In general, compact residential development attracts the following groups: (1) young professionals and singles, (2) young first-home buyers, (3) empty nesters and new starters,<sup>5</sup> (4) seniors, and (5) low-income households (often seeking subsidized units). Although all of these segments exist in Visalia to some degree, the viability of new high-density development is partly constrained by the relative affordability and availability of more traditional single-family homes. In addition, Visalia does not currently possess a deep market at the higher end of this spectrum, most notably young professionals and singles, given the wages and education levels of its workforce. However, over the longer term a well-designed and located project (e.g., in the Downtown) that caters to a cross-section of these segments, such as empty nesters and/or urban professionals, may be viable on a limited scale.

## Office

Visalia contains between 1.0 million and 1.3 million square feet of office space with most of the inventory located in Downtown, while small-scale office and medical uses are scattered throughout the city. Most of the office space in the city is low-rise with surface parking. Office users include financial institutions, real estate, insurance, healthcare, accounting and legal firms. Monthly office rents in Visalia range between \$0.80 and \$1.70 per square foot based on location, space type, and tenant improvements. Certain signature spaces command rents above \$2.00 per square foot.

As the area with the highest employment density in the city, the Downtown tenants include the County Courthouse, City Hall offices, and Kaweah Delta Medical Center, which are also supported by amenities such as the convention center and numerous restaurants. New development plans in Downtown include private medical offices, transit center expansion, and addition of a 770-space parking structure, and the East Downtown plans, which are expected to include a new Civic Center, public safety building, and park space.

<sup>5</sup> Empty nesters generally refer to parents whose children have left home. No longer needing the additional space, these couples will often downsize to a higher priced, higher density product in safe walkable neighborhoods that offer easy access to cultural, entertainment, and eating and drinking amenities. New starters refer to individuals undergoing a major change in lifestyle because of a significant event, such as a divorce or career change.

In addition, the City has approved two residential conversions of upper story floors on Main Street and is pursuing improvement of infrastructure capacities to increase this desirable trend.

### Retail

The city has a relatively large and well-diversified retail base with a significant amount of regional-serving tenants located in south and north parts of the city. Major retailers include Winco, Cost Plus, Target, Smart & Final, Kohl's, Home Depot, Best Buy, and two Lowe's stores. In addition, Costco and Macy's recently opened, while Wal-Mart expanded its space. Overall, the major shopping centers in Visalia combine for about 4 million square feet, as summarized in Table 3-22. Annual retail rents in the city range widely from \$9 per square foot to \$28 per square foot on a triple-net basis and depend on location, quality, size, and finishes of space.

Table 3-22: Visalia Retail Inventory				
Item	Shopping Center	Size (sq.ft.)	Year Built	Anchors
1	Gateway Plaza	110,000	1986	Staples
2	Market Place	230,000	1965	Save Mart Supermarket, Big K-Mart
3	Mary's Vineyard Shopping Center	152,733	1991	Rite Aid Pharmacy, Save Mart Supermarket
4	Mineral King Plaza	115,336	1983	Chuck E. Cheese
5	Packwood Creek Regional Shopping Center	600,000	2003	Lowe's Home Improvement, Best Buy, Target, Sport Chalet
6	Sequoia Mall	353,372	1973	Borders, Sears, Hobby Lobby
7	Sequoia Plaza	245,000	1990	Former Costco Building
8	Tower Plaza	58,000	1975	Marshals, Bed Bath and Beyond
9	Town & Country Village	57,480	1977	Goodwill
10	Valley Oak Shopping Center	76,900	1960s	Grocery Outlet, Office Depot
11	Visalia Mall	439,833	1964	Macy's, JC Penny
12	Visalia Village	56,399	1960s	99 Cents Only, Rite Aid Pharmacy, Big Lots
13	The Village at Willow Creek	271,069	2007	Lowe's Home Improvement, Walgreens
14	Costco	152,595	2007	Costco
15	Wal-Mart	126,783	1980s	Wal-Mart
16	Winco	216,464	2007	Winco Foods
17	Orchard Walk	464,053	2008	Target, Ross, PetSmart, Vallarta Supermarket
18	Smart & Final	18,000		Smart & Final
19	Kohl's	172,048	2003	Kohl's, Ross, Dress Barn
20	Home Depot	108,873	1995	Home Depot
21	Best Buy Shopping Center	35,000	1960s	Best Buy Supermarket
22	Key West	110,000	2002	Save-Mart
23	Rancho Viejo	110,000	2002	Save-Mart
<b>Total</b>		<b>4,279,938</b>		

Sources: Shopping Center Directory, 2006; City of Visalia; Economic & Planning Systems, Inc.

### *Market Dynamics*

Success of the retail sector's performance will be heavily driven by the city's and regional population growth and ability to continue competing with neighboring jurisdictions by taking full advantage of the remaining retail opportunities while upgrading existing ones. Visalia competes for sales directly with Tulare and Exeter and indirectly with many other cities in the region, including Fresno. For example, Tulare's outlet center that opened in 1995 has likely captured sales that previously occurred in Visalia. However, the city's share of county retail sales has remained relatively constant over the last 11 years at about 45 percent, as shown in Table 3-23.

Visalia has historically served as the regional retail hub for Tulare/Kings counties. Over the past decade, surrounding cities of Tulare, Porterville, Dinuba, and Hanford have established shopping centers with Home Depot, Lowes, Target, etc., which reduce the need for the residents in these communities to travel to Visalia in search of consumer goods. However, Visalia continues to support regional retailers that have a much larger trade area and will not open more stores in the market in order to avoid cannibalizing their own existing stores. These retailers include Macy's, JC Penney, Sears, Costco, and Borders Books.

To better illustrate the types of retail offered in Visalia relative to the purchases of local residents, Table 3-24 lists the major retail categories and the amounts supplied based on 2008 sales data and retail expenditure patterns from State Board of Equalization and the federal Bureau of Labor Statistics. These calculations illustrate the concept of "retail leakage" and "retail capture" by showing how much of a particular category is in demand based on the income and demographic characteristics of local residents and whether the city's retail sector is meeting this demand.

A strong retail presence in Visalia is confirmed by the city's capture in all expenditure categories. As shown in Table 3-24, all seven major retail categories capture demand beyond that generated by the city residents. Visalia captures \$707 million of retail expenditure, more than double the demand generated by its residents. This can be attributed to the success of the regional retail cluster and diversification of the city's retail space.

**Table 3:23: Visalia's Retail Market Share in Tulare County**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
SBE Expenditures (in \$1,000s)												
Visalia	\$825,450	\$854,155	\$928,757	\$1,005,523	\$1,037,867	\$1,101,490	\$1,163,819	\$1,301,486	\$1,459,952	\$1,522,039	\$1,510,284	\$1,390,758
Tulare County	\$1,799,441	\$1,870,851	\$2,035,989	\$2,177,037	\$2,245,016	\$2,361,547	\$2,531,026	\$2,822,486	\$3,168,465	\$3,402,713	\$3,396,619	\$3,157,194
Visalia Expenditures as Percent of Tulare County	45.9%	45.7%	45.6%	46.2%	46.2%	46.6%	46.0%	46.1%	46.1%	44.7%	44.5%	44.1%

Source: California State Board of Equalization; Economic & Planning Systems, Inc.

**Table 3-24: Average Annual Retail Expenditure in the City of Visalia (in \$1,000s, \$2008)**

Category	Demand for Expenditure	Actual Sales	Net	
Apparel		\$58,798	\$79,965	\$21,167
Auto Dealers and Supplies		\$172,625	\$199,912	\$27,287
Food Stores		\$119,153	\$246,246	\$127,093
Restaurants <sup>1</sup>		\$103,084	178,411	\$75,327
Service Stations		\$84,741	109,631	\$24,890
Building Materials and Construction		\$78,069	179,991	\$101,922
General Merchandise		\$32,077	361,171	\$329,094
<b>Total</b>		<b>\$648,547</b>	<b>\$1,355,327</b>	<b>\$706,780</b>

<sup>1</sup> Eating and drinking places.

Sources: Bureau of Labor Statistics; State Board of Equalization; Economic & Planning Systems, Inc.

While the city’s population is 28 percent of the countywide total, the city’s taxable sales make up 44 percent of the countywide sales, illustrating the city’s high retail capture rate. Comparing sales per household in Visalia to California average shows that Visalia’s expenditures exceed the State average in all categories except for service stations (see Table 3-25). Potential underperformance in the service stations sector could be attributed to short commute patterns in the region, lower gas prices, and lower transient gas sales because of a relatively remote location. It should be noted that higher per-household expenditures in Visalia relative to the State are prevalent despite median household incomes in the city being below the broader California median.

**Table 3-25: Household Spending by Category Compared to State Average (2008)**

Item	Visalia		California		Difference
	Total Sale in \$1,000s	Sales per HH	Total Sales in \$1,000s	Sales per HH	
Households (1)		42,434		12,733,414	
Apparel Stores	\$79,965	\$1,884	\$22,120,094	\$1,737	\$147
General Merchandise Stores	\$361,171	\$8,511	\$56,425,472	\$4,431	\$4,080
Food Stores (2)	\$246,246	\$5,803	\$61,440,880	\$4,825	\$978
Eating & Drinking Places	\$178,411	\$4,204	\$52,051,404	\$4,088	\$117
Building Materials and Construction	\$179,991	\$4,242	\$43,846,194	\$3,443	\$798
Motor Vehicles and Parts	\$199,912	\$4,711	\$54,540,171	\$4,283	\$428
Service Stations	\$109,631	\$2,584	\$52,015,249	\$4,085	(\$1,501)
<b>Total</b>	<b>\$1,355,327</b>	<b>\$31,940</b>	<b>\$342,439,464</b>	<b>\$26,893</b>	<b>\$5,047</b>

(1) 2008 household estimate from California Department of Finance.

(2) Assumes sales generated by food stores are roughly 3 times above the taxable sales given no tax on food expenditures.

Source: State Board of Equalization; U.S. Census Bureau; California Department of Finance; Economic & Planning Systems, Inc.

### Commercial Corridors

Since 2005, the northern portion of Visalia has experienced substantial retail growth. However, the majority of retail space is still in southern Visalia and along Mooney Boulevard, which has developed into a regional retail cluster. The Mooney Boulevard Corridor includes the city’s malls (Visalia Mall and Sequoia Mall) and offers additional opportunities for new growth. It has experienced increasing vacancies and space underutilization in recent years because of the economic downturn and fractional ownership challenges. However, over the past year, new retailers have filled tenant spaces vacated by Mervyn’s and Gottschalks department stores (Macy’s and Hobby Lobby). It remains the city’s primary retail destination and is likely to function in that manner for the foreseeable future.

In addition to Mooney Boulevard, the city possesses a number of other north-south retail corridors that support a variety of neighborhood, auto-oriented, and local serving tenants, generally in a mixed-use setting. While each of these areas presents unique opportunities for modest upgrade and in-fill expansion of retail uses, major new retail (re-)development opportunities are likely to be limited and dependent on site-specific factors (e.g., parcel size and availability, project financing, and entitlement considerations). These key corridors are briefly described below.

- **Santa Fe.** This historic corridor runs through East Downtown and consists of a range of residential, commercial, and industrial land uses north of Walnut Avenue. The Santa Fe corridor is under study for a light rail line, reflecting a need for a north-south transit connection to downtown. It currently offers limited walkability opportunities as many sections do not have sidewalks.
- **Court Street and Locust Street.** These corridors run parallel to each other in the north-south direction and offer access to Downtown and the Lincoln Oval area. These corridors support a mix of uses, including medical, professional, and civic uses, as well as cultural and convention centers in Downtown. Additionally, these corridors support retail and service and residential uses in areas outside of Downtown, south of Highway 198 and predominantly residential and retail uses along Dinuba Boulevard north of Downtown. Fairway Shopping center is located along Dinuba Boulevard in northern Visalia.
- **Ben Maddox Way.** This corridor is one of the most heavily traveled corridors in the city. It is located in the eastern portion of Visalia and has been expanded to a four-lane road. It includes a range of residential, strip retail (neighborhood serving), light industrial uses and has an automotive sales cluster along the corridor. Save Mart and Food Maxx grocery stores are also located along the Ben Maddox Way corridor.

### *Potential for Additional Neighborhood Commercial Centers*

As the population of Visalia continues to grow, there may be opportunities for the development of one or several additional neighborhood commercial centers to serve new or expanding neighborhoods. Typically, a neighborhood commercial center is anchored by a traditional full-service supermarket (e.g., Food Maxx or Lucky) as well as a mini-anchor such as a pharmacy or bank and a number of “in-line” tenants. In more suburban settings, these developments typically range from 65,000 to 130,000 square feet and require between 6 and 10 acres of land (including parking). The market viability of a neighborhood center generally depends on the supermarket anchor and thus the population density within a one-mile radius; however, other factors such as geographic boundaries and distance to competition also play a role.

As a general “rule of thumb,” conventional supermarkets typically look for a population base of 5,000 households before locating in a particular neighborhood. In Table 3-26 this “rule-of-thumb” standard is applied to Visalia as a whole and compared against the existing supermarket supply. As shown, this comparison suggests that Visalia market is currently roughly at equilibrium, if not slightly over-supplied, with supermarkets. However, with continued population growth, the city is likely to be able to support several additional neighborhood centers by 2030. It is important to note that these citywide trends overlook the potential for existing under- or over-served sub-markets within the city.

<b>Table 3-26: Supermarket Market Demand / Supply Estimate (2010-2030)</b>					
<i>Item</i>	<i>2010</i>	<i>2015</i>	<i>2020</i>	<i>2025</i>	<i>2030</i>
Projected Households (1)	50,261	55,111	62,506	68,662	74,855
Existing Supermarkets					
Save Mart	4	4	4	4	4
Grocery Outlet (Valley Oak Shopping Center)	1	1	1	1	1
Vallarts Supermarket (Orchard Walk)	1	1	1	1	1
Winco	1	1	1	1	1
Smart & Final	1	1	1	1	1
MT&Y Oriental Food Market	1	1	1	1	1
Food Maxx	1	1	1	1	1
RN Market	1	1	1	1	1
Best Buy Market	1	1	1	1	1
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
New Supermarkets Demanded (2)	10	11	13	14	15
Supply Surplus / (Deficit)	2	1	(1)	(2)	(3)

(1) Include adjacent unincorporated areas outside the city, such as Goshen.

(2) Based on an industry standard rule-of-thumb of 5,000 households required per supermarket.

Sources: City of Visalia; Tulare County Association of Governments; Economic & Planning Systems, Inc.

The relatively formulaic approach to neighborhood center expansion opportunities provided above also overlooks the relatively dynamic and evolving nature of the retail sector. For example, the grocery store market has experienced significant diversification and expansion of product types, with an ever-widening range of store formats (e.g., size and layout) as well as goods and services offered. Even within the size continuum, grocery stores are also differentiating themselves based on factors such as income (e.g., high-end versus discount), product segmentation (ethnic, healthy, specialty, etc.), and physical configuration or format (e.g., stand-alone versus anchor). A key trend is that grocery stores are becoming more adaptive to serve the unique sub-markets found in urban and suburban environments including ethnic populations, young professionals, and health-minded consumers.

## Industrial

The county's overall industrial market consists of about 23 million square feet of space with vacancy below 5 percent. Monthly rents range between \$0.15 and \$0.30 per square foot on a triple-net basis. Visalia includes about 15 million square feet of industrial space, about two-thirds of the county inventory total. Industrial space rents in Visalia are similar to those in the broader county, ranging from \$0.14 to \$0.35 per square foot.

Most of the industrial uses in the city are located in the industrial park, roughly a 1,600-acre area zoned for heavy and light industrial uses located in the western portion of the city. Many businesses are in warehouse, distribution, and manufacturing industries with most of the land estimated to be developed. The most notable tenants include Spectrum Brands, which recently opened a 500,000-square foot distribution facility; VF Outdoor Inc., which completed construction on a 900,000-square foot distribution facility; and California Dairies.

Properties within the industrial park range in building and parcel sizes and zoning designations which provide flexibility to accommodate a wide range of uses. The majority of vacant parcels are below 5 acres in size, as shown in Table 3-27. The City recently completed the annexation of more than 160 acres of prime vacant industrial land to accommodate future growth at the northeast intersection of Riggin Avenue and Plaza Drive. Opportunities for expansion may also exist near the municipal airport, especially if tenants are offered “through the fence” access for shipping and receiving of goods. In addition, the owners of a 240-acre site at the northwest corner of Plaza Drive and Riggin are seeking annexation into the City.

**Table 3-27: Visalia Vacant Industrial Land Inventory**

Size (acres)	Total Acres	Parcels	
		Number	Percent
0 to 5	252	344	88%
5 to 10	149	22	6%
10 to 20	93	7	2%
20 to 40	289	9	2%
40+	<u>1,534</u>	<u>11</u>	<u>3%</u>
<b>Total</b>	<b>2,317</b>	<b>393</b>	<b>100%</b>

Sources: City of Visalia; Economic & Planning Systems, Inc.

### 3.4 Population, Employment, and Land Use Projections

This section provides an overview of population and employment projections for both the County and the City. In Chapter 5, these projections are then converted into future land demand in the city based on various assumptions related to development density.

#### Tulare County Population and Employment Projections

The Tulare County Association of Governments (TCAG) creates countywide and citywide forecasts for population, households, and employment trends, which are considered in this analysis through 2030. According to the TCAG forecast, Tulare County will increase its population by 38 percent and employment by 35 percent above the existing levels over the next 20 years. The county is expected to experience population growth of 1.6 percent a year, slightly below its historic growth of 1.8 percent between 1990 and 2009. Employment in the county is projected to increase at 1.5 percent a year, slightly below its population growth. The largest absolute employment increase categories include service, industrial, and retail, projected to add 50,000 new jobs combined, while education and office employment is projected to grow at the highest annual rate between 2010 and 2030. Countywide projections are shown in Table 3-28.

**Table 3-28: Tulare County Projections (2010-2030)\***

Item	2010	2015	2020	2025	2030	2010-2030 Growth		
						Total	Percent	Annual Percent
<b>Population</b>	466,008	498,642	547,423	592,636	642,650	176,642	38%	1.6%
<b>Households</b>	148,951	160,848	178,792	194,969	212,584	63,633	43%	1.8%
<b>Employment</b>								
Agriculture	45,028	44,908	44,732	44,624	44,505	-523	-1%	-0.1%
Education	14,360	16,148	18,450	20,416	22,778	8,418	59%	2.3%
Government	14,431	15,244	16,306	17,204	18,291	3,860	27%	1.2%
Industrial	35,196	38,401	41,895	44,912	48,565	13,369	38%	1.6%
Office	7,868	8,797	9,962	10,964	12,180	4,312	55%	2.2%
Retail	23,877	27,227	30,552	31,883	35,961	12,084	51%	2.1%
Service	49,540	54,805	61,369	67,093	74,003	24,463	49%	2.0%
<b>Total Employment</b>	<b>190,300</b>	<b>205,530</b>	<b>223,266</b>	<b>237,096</b>	<b>256,283</b>	<b>65,983</b>	<b>35%</b>	<b>1.5%</b>

\*Note: include adjacent unincorporated areas outside the City, such as Goshen.

Sources: Tulare County Association of Governments; Economic & Planning Systems, Inc.

The economist on the General Plan Update team, Economic & Planning Systems, Inc., also compared TCAG employment forecast with Educational Development Department (EDD) 2006 through 2016 projections (the EDD's latest forecast period). EDD projections are more conservative relative to TCAG and suggest lower employment totals in most categories with the exception of the government sector. Overall, EDD projects a total of 177,000 jobs in Tulare County by 2016 compared to 206,000 jobs projected by TCAG by 2015, a 15 percent difference.

### Visalia Population and Employment Projections

According to TCAG, Visalia is expected to experience a population growth rate below those rates experienced since the 1990s. However, the city is expected to add 65,500 new residents and 25,500 new jobs over the next 20 years, a respective increase of 46 percent and 39 percent above the existing levels. The city's projected growth for population and employment exceeds those projected for the county and it will capture a higher share of countywide population and employment by 2030. This implies that the city will continue to serve as a central node within the county. However, the city's jobs-housing balance will worsen in Visalia as the pace of population growth will outperform employment growth, making the city more of a "bedroom community."

Similar to the county forecast, the largest absolute employment increase in Visalia is projected in service, industrial, and retail categories. The fastest annual growth is projected in education, industrial, and retail categories. The amount, type, and precise location of this growth will depend on future economic and market

conditions as well as implementation of local land-use policies and broader regional employment trends. Education jobs are projected to grow at the highest rate. Projections for Visalia between 2010 and 2030 are shown in Table 3-29.

**Table 3-29: Visalia Projections (2010-2030)\***

Item	2010	2015	2020	2025	2030	2010-2030 Growth		
						Total	Percent	Annual Percent
<b>Population</b>	142,079	155,119	174,259	190,900	207,582	65,503	46%	1.9%
<b>Households</b>	50,261	55,111	62,506	68,662	74,855	24,594	49%	2.0%
<b>Employment</b>								
Agriculture	702	659	601	561	524	-178	-25%	-1.5%
Education	4,565	5,294	6,188	6,948	7,734	3,169	69%	2.7%
Government	6,500	6,841	7,274	7,642	8,075	1,575	24%	1.1%
Industrial	12,296	13,439	14,898	16,167	17,741	5,445	44%	1.8%
Office	4,701	5,083	5,491	5,851	6,344	1,643	35%	1.5%
Retail	11,183	12,281	13,447	13,891	15,525	4,342	39%	1.7%
Service	<u>25,957</u>	<u>28,067</u>	<u>30,693</u>	<u>32,967</u>	<u>35,481</u>	<u>9,524</u>	<u>37%</u>	<u>1.6%</u>
<b>Total Employment</b>	<b>65,904</b>	<b>71,664</b>	<b>78,592</b>	<b>84,027</b>	<b>91,424</b>	<b>25,520</b>	<b>39%</b>	<b>1.7%</b>

\*Note: Include adjacent unincorporated areas outside the city, such as Goshen.

Sources: Tulare County Association of Governments; Economic & Planning Systems, Inc.

It is important to note that the 1.9 percent annual growth rate in population is based off of TCAG’s projected 2010 City population of 142,079. The most current estimations of Visalia’s population from the Department of Finance show the 2010 population to be 125,970. Taking that as the more accurate number, the population growth rate through 2030 is actually 2.6 percent per year.

### 3.5 Issues and Planning Implications

Many of the qualities that contribute to Visalia’s success and livability are derived from its social and demographic conditions and its underlying economic strengths. These include its vibrant Downtown; strong employment sectors, such as healthcare, education, and government; and its relative affordability. As the city’s population and employment grow over the next 20 years, the new General Plan must facilitate new economic opportunities and respond to the needs of a changing population.

#### Emerging Issues

Research and analysis of existing socioeconomic and market conditions in Visalia have revealed the following emerging themes that need to be addressed in the General Plan Update:

- **Changing demographics.** Increased migration (both domestic and foreign), aging baby-boomers, and a growing number of young families means that Visalia’s demographic profile will continue to change over the next 20 years, with implications for housing types, services, and education and employment needs.

- **Educational attainment.** Both demographic research and feedback from community members have identified educational opportunity and attainment as a critical issue for Visalia. Education has wide-ranging effects on job attraction, career opportunities, and regional competitiveness as well as the city's cultural vitality and general well-being.
- **Employment differentiation.** While Visalia's economy is largely driven by that of California as a whole and specifically the Central Valley region, much of its success has been due to its ability to capitalize on its agricultural heritage, differentiate itself from other Valley communities, and supply unique goods and services to worldwide markets. Identifying continued opportunities for economic differentiation will be critical in an increasingly competitive global economy.
- **Support Downtown and the existing retail base.** Downtown Visalia is almost universally recognized as being one of the City's greatest strengths, both socially and economically, and East Downtown will contribute to this vitality. The new General Plan needs to continue to support this asset, as well as development in East Downtown, the existing regional retail base along Mooney Boulevard and neighborhood shopping.

### Planning Implications

Each of these themes has important planning implications for the General Plan Update. The city's future demographic profile will dictate what the residential real estate market will support, and will thus determine the types and densities of housing that should be provided. The need for increased educational opportunities for Visalia residents means that the General Plan should consider allocating a site for a future four-year college or other educational institution, coupled with supportive policies for encouraging its establishment. The need to support Downtown, East Downtown, and existing retail corridors means that we must carefully determine what the appropriate total supply of retail sites is, and not over-zone for this use. The new General Plan must also identify specialized market niches where Visalia's economy can grow and thrive, while still supporting its agricultural base. An Agricultural Enterprise Zone is one idea that may have merit. Overall, the General Plan Update will take a light touch towards economic issues and be supportive of new ideas and directions, while not being overly prescriptive or creating unrealistic policy goals.

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