

APPENDIX A

South Central Specific Plan Nonresidential Real Estate Market Study September 2022



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MEMORANDUM

To: Sophia Pagoulatos, City of Fresno

From: Amy Lapin and Emilio Balingit

Subject: City of Fresno South Central Specific Plan
Nonresidential Real Estate Market Study; EPS #212144

Date: September 2022

Introduction

The City of Fresno (City) is preparing a Specific Plan for the South Central Specific Plan (SCSP or Project), an approximately 5,600-acre Project located in the southern portion of the City. The Project largely comprises land within the City limits but also includes land to the north, east, south, and west within the City's Sphere of Influence (SOI) in unincorporated Fresno County (County), which is anticipated to be annexed into the City. The Project currently contains a mix of developed, partially developed, and undeveloped land, and, at buildout, the vision established for the SCSP seeks "to maximize economic benefit and job growth for residents, while reducing impacts on the environment and improving quality of life."¹

In coordination with the Specific Plan, the City retained an environmental planning firm, Ascent Environmental (Ascent), to prepare an Environmental Impact Report (EIR), which will evaluate three land use alternatives for the Project. All three land use alternatives are predominantly nonresidential and contain varying amounts of neighborhood and general commercial retail, office (business park), light industrial, and heavy industrial, as described in detail later in this memorandum.

The City retained Economic and Planning Systems, Inc. (EPS) to prepare a nonresidential real estate market analysis (Analysis) to support planning efforts for the SCSP. The Analysis presented herein evaluates existing and historical socioeconomic conditions and nonresidential market trends, and estimates market support for nonresidential land uses in the Project through the study horizon of 2040.

¹ City of Fresno, South Central Specific Plan Vision and Guiding Principles, Adopted Recommendations (undated).

The Economics of Land Use



*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

These projected development estimates will provide context for the EIR related to the scale and types of land uses that can be supported through the study horizon (2040), ensuring that development totals allow for appropriate environmental analysis and mitigation measures, as necessary. Further, the estimates of market support will inform land use regulations, allowing the Project to develop according to the vision described in the Specific Plan while aligned with market demand.

Memorandum Overview

This memorandum initially presents an overview of **key findings** based on the analysis of nonresidential real estate market data, socioeconomic trends, and input from stakeholder interviews conducted as part of this Analysis. The remainder of this memorandum provides details regarding the broader planning and economic context of the SCSP, estimated population and employment projections and associated land demand in the City through 2040, and the estimated SCSP capture of Citywide land demand. This memorandum also includes several technical appendices with data and analysis supporting the key findings and other sections of the memorandum.

- **Appendix A** provides supporting details regarding nonresidential real estate market performance indicators.
- **Appendix B** summarizes detailed socioeconomic characteristics.
- **Appendix C** presents the office and industrial real estate land demand analysis.
- **Appendix D** presents assumptions and calculations supporting the retail market analysis.
- **Appendix E** details notes from a series of stakeholder interviews conducted as part of this Analysis.

Key Findings

- **Consistent with long-term planning efforts, the SCSP is currently dominated by industrial development, although the SCSP contains and is adjacent to residential uses.** The City has long recognized that its geographic location in the Central Valley, labor force size, training and educational institutions, access to major roadway and railroad corridors, developable land availability, and affordability position the City well to attract employment opportunities. Further, industries that align with the City's location and historical economic activities include industries associated with agriculture, such as commodities brokering and export, agricultural technology, supply chain management, and food processing and manufacturing, which support industrial land uses.

Historically, land use development in the SCSP has included much of the City's heaviest industrial uses, including waste disposal, recycling centers, and scrapyards. Although no energy generation facilities are located within the SCSP, one natural gas power plant and one biomass power plant operated by Pacific Gas & Electric are located just outside the plan area boundaries. More recent industrial activity has included warehouse distribution uses with the construction of an 855,000-square foot Amazon warehouse and 670,000 square-foot

warehouse for Ulta Beauty products, which aligns with broader economic trends consisting of increased demand for warehouse distribution and logistics space supporting ecommerce. Based on historical development and traffic patterns and topographic features, the SCSP and surrounding residential areas experience the highest pollution burdens in the City and State.

The SCSP contains a small residential population comprising approximately 400 housing units and an estimated 1,130 residents. Residential uses in the Plan Area are largely characterized by rural residential lots not served by public utility systems, although a few small subdivisions with access to City water and sewer services also exist. The Project is directly adjacent to two neighborhoods in the unincorporated County – Calwa and Malaga – comprising about 720 dwelling units and 2,660 residents in total.² Residents in and directly adjacent to the SCSP in Calwa and Malaga are predominantly Hispanic or Latino and have significantly lower incomes and educational attainment relative to the City and State averages. The SCSP also contains one school, the Orange Center Elementary School, which, as of 2019, served approximately 300 students, 96 percent of whom qualified for free or reduced lunch.

Under the current SCSP planning effort, the City is considering three alternatives: 1) the Blended Alternative, which accounts for existing residential uses within the plan area and buffers industrial districts from residential with Business Park and Regional Business Park zoning; 2) the Community Alternative that emphasizes increasing commercially-zoned land to encourage the provision of retail and services for existing residents; and 3) the Business Alternative that slightly increases the existing General Plan’s emphasis on industrial uses.

- **The SCSP has exhibited increasingly strong industrial market fundamentals over the last decade.** The SCSP contains an estimated 18.6 million building square feet of existing industrial development, representing about 30 percent of industrial building space Citywide³. The SCSP also contains a minimal amount of retail and office space, representing about 1 percent of space Citywide for each commercial land use. Between 2010 and 2021, the SCSP demonstrated strong industrial market fundamentals with steady growth in inventory (including attracting several sizable warehouse distribution uses), a declining overall vacancy rate, and an increasing average lease rate. Over this period, the SCSP has experienced total growth of nearly 2.3 million square feet of industrial development, representing an annual average of about 206,000 square feet and comprising 72 percent of total industrial growth in the City. Since 2015, the SCSP has captured almost all growth in industrial development in the City.⁴ In comparison, the retail and office market in the SCSP has been tepid. Between 2010 and 2021, the SCSP has added about 3,000 square feet of

² The August 2, 2019 letter from the State Attorney General’s office to Jennifer Clark regarding the City’s South Industrial Priority Area Specific Plan refers to Calwa as having 6,000 residents and Malaga having “several thousand residents.” The figures in this memo are based on the U.S. Census Bureau’s profiles of Malaga and Calwa compiled from 2020 American Community Survey Data and reviewed by EPS in May of 2022.

³ Based on data from CoStar extracted February 2022. CoStar’s definition of industrial buildings is based on building characteristics and is not directly comparable to the City’s definition of industrial uses nor zones, which is based on the activities occurring at a given site or building..

⁴ Based on data from CoStar. See Table A-4.

retail space and 6,000 square feet of office space, representing an annual average of less than 300 square feet and approximately 550 square feet, respectively.

- **The SCSP has an estimated remaining developable land capacity of between about 1,850 to 1,890 acres.** Based on an assessment of existing developed, partially developed, and undeveloped parcels prepared by Ascent, this Analysis documents that the SCSP has an estimated 1,846 to 1,892 acres of remaining, or net new, land use development capacity. The difference in remaining capacity varies by land use alternative, based on varying allocations of partially vacant residential acreage that, per City direction, will not provide additional development capacity.
- **The City is projected to add up to 216,000 residents and nearly 70,000 employees by 2040.** Total population change, which encompasses a combination of births, deaths, and net migration in the City, is estimated to range from an addition of **176,000 to 216,000 new residents** between 2022 and 2040.⁵ This level of growth translates into about 9,800 to nearly 12,000 residents added per year, on average. For comparison, in the period between 2002 and 2019, the City added approximately 106,000 new residents for an average annual growth of about 5,900 residents. That is, population growth between 2022 and 2040 is projected to be 1.5 to 2.0 times the City's long-term average annual population growth, suggesting that there will be significant increases in in-migration to achieve this level of growth. While recent trends suggest intrastate migration from coastal California to inland counties could lead to increased rates of in-migration, various economic factors including recessionary conditions, interest rates, supply chain challenges, and labor shortages may result in a lower level of in-migration.

Projected employment growth in the City is estimated to range between **50,100 and 69,700 new jobs** through 2040, translating into an average of about 2,800 to 3,900 new jobs added annually. These employment projections appear to be reasonable estimates, bracketing historical, long-term employment gains, where the City added an average of about 3,400 new jobs annually between 2002 and 2019.

- **Employment forecasts suggest the SCSP could support demand for approximately 350 acres of nonresidential development between 2022 and 2040.** Translating City and County employment forecasts from various sources results in estimated demand of 490 to 785 acres of commercial office and industrial development **Citywide** over the next approximately 20 years (2022-2040). This level of demand translates into annual absorption ranging between 27 to 44 acres of commercial office and industrial space. Much of this demand (64 percent) is anticipated to be for industrial space, including heavy and light industrial, and research & development (R&D)/flex space. The remaining 36 percent of demand is anticipated for office space accommodating growth in Finance, Real Estate, and Insurance (FIRE) sectors, as well as government, education, and medical sectors. Future office tenants in business parks likely will seek affordable "office flex" space, while "pure" office users—including those seeking class A office space—will be best positioned in mixed-use neighborhoods, including downtown.

⁵See **Table 11**, **Table 12**, and **Table 13** for sources and methods used for population and employment projections.

Two different scenarios developed for this Analysis, and described in greater detail later in this memorandum, reflect the SCSP's ability to capture estimated Citywide market demand for office and industrial space. These scenarios range from a continuation of historical growth in the SCSP to a potential position that supports the Project's goal of diversifying the local economy and providing a range of job opportunities for residents. Total SCSP acreage demand is estimated to range from 317 to 328 acres in total (2022-2040), or about 18 acres per year over the 18-year period, for office and industrial space (totals exclude supportable retail space, described below).

A review of the retail market in and surrounding the SCSP reveals a substantial undersupply of neighborhood-serving retail outlets (i.e., stores such as grocery stores, drug stores, and other outlets that offer frequently purchased goods and services) to serve households in and surrounding the SCSP. This Analysis estimates demand from households could support approximately 23 acres of neighborhood-serving commercial retail development. All recent retail development in the SCSP has catered to the increased number of employees in the Project. This Analysis anticipates future office and industrial development will similarly support additional demand for more ancillary retail outlets, or employee-serving retail uses, and has estimated net new demand for 5 to 6 acres by 2040.

In sum, this Analysis estimates demand for about **350 acres of nonresidential space**, inclusive of heavy and light industrial/flex, office, and neighborhood and employee-serving retail space. This land demand translates into nearly 20 acres per year over the 18-year period and could support approximately 7,100 additional jobs in the SCSP by 2040.

While this Analysis estimates demand for approximately 350 acres (about 6.0 million square feet of new development) through 2040, EPS recommends the EIR analyze the estimated net new land demand and include a contingency factor to account for variances in employment projections, land use and employment density assumptions, and local and broader economic trends that may emerge over the lengthy study period. EPS recommends a 30 percent contingency factor would be appropriate to allow for a conservative evaluation of environmental impacts and identification of mitigation measures.⁶ The resulting contingency factor translates into demand for about 456 acres (about 7.8 million square feet of new development) through 2040. Refer to **Table 1** for an overview of SCSP land demand, estimated building space, and employment by land use category through 2040 under EPS's base analysis and including the 30 percent contingency factor. Refer to **Table 14** later in this memorandum for additional details regarding EPS's base analysis.

⁶ As a conservative approach to evaluating the environmental impacts of potential growth in the SCSP, the usage of a 30 percent contingency factor in this Analysis results in estimated future growth through 2040 that approximately equals the recent (2015-2021) level of average, annual growth of industrial building space in the SCSP and is about twice the level of longer-term (2010-2021) average, annual growth in industrial building space in the SCSP. Further, the 30 percent contingency factor results in estimated growth in office and retail building space in the SCSP that is substantially higher than recent or long-term growth in the Plan Area and equates to about one-quarter of longer-term average, annual growth citywide in those sectors.

Table 1. Summary of Estimated SCSP Land Demand

Item	Average Net New Demand (2022 - 2040)			Average Net New Demand (2022 - 2040) with 30% Contingency		
	Acres	Bldg Sq. Ft.	Jobs	Acres	Bldg Sq. Ft.	Jobs
Land Use						
Retail [1]	28.4	433,338	867	36.9	563,339	1,127
Office	19.0	289,395	965	24.7	376,214	1,254
Industrial [2]	303.5	5,288,139	5,288	394.5	6,874,580	6,875
Total	350.9	6,010,872	7,119	456.2	7,814,133	9,255

Source: EPS.

[1] Retail includes both neighborhood serving retail and ancillary retail. See Table 14.

[2] Industrial includes both heavy and light industrial uses. See Table 14.

Regional Context

The City is located in the Central Valley region of California along State Route 99 (SR-99), approximately 170 miles southeast of Sacramento and 200 miles northwest of Los Angeles, as seen in **Figure 1**. As of 2021, the City had a population of approximately 546,770, making it the largest city in the Central Valley and the 5th largest in California.⁷ The City is home to a California State University campus, serves as the County seat, and is the economic hub of the region, containing over half of the County's population and employment.

Fresno's location along a major north-south transportation highway connects southern California to many densely populated cities in the Central Valley, from Bakersfield to Sacramento to Chico. The City also serves as a key transportation hub for visitors traveling to nearby Yosemite, Kings Canyon, and Sequoia National Parks.

Fresno's regional economy is dominated by agriculture and ranks first in the nation for agricultural production. Key crops in the region include grapes, almonds, cotton, peaches, and nectarines.⁸ The City has leveraged the surrounding agricultural economy to develop industries up- and downstream of farming, such as commodities brokering and export, agricultural technology, supply chain management, and food processing and manufacturing.⁹ Although these industries are not as concentrated in Fresno as in California's coastal metros, the City also has

⁷ California Department of Finance, 2022. Table E-5. Available at: <https://dof.ca.gov/forecasting/demographics/estimates/estimates-e5-2010-2021> [Accessed February 2022].

⁸ City of Fresno, 2022. History of Fresno. Available at: <https://www.fresno.gov/darm/historic-preservation/history-of-fresno/> [Accessed April 2022].

⁹ City of Fresno, 2014. Fresno General Plan.

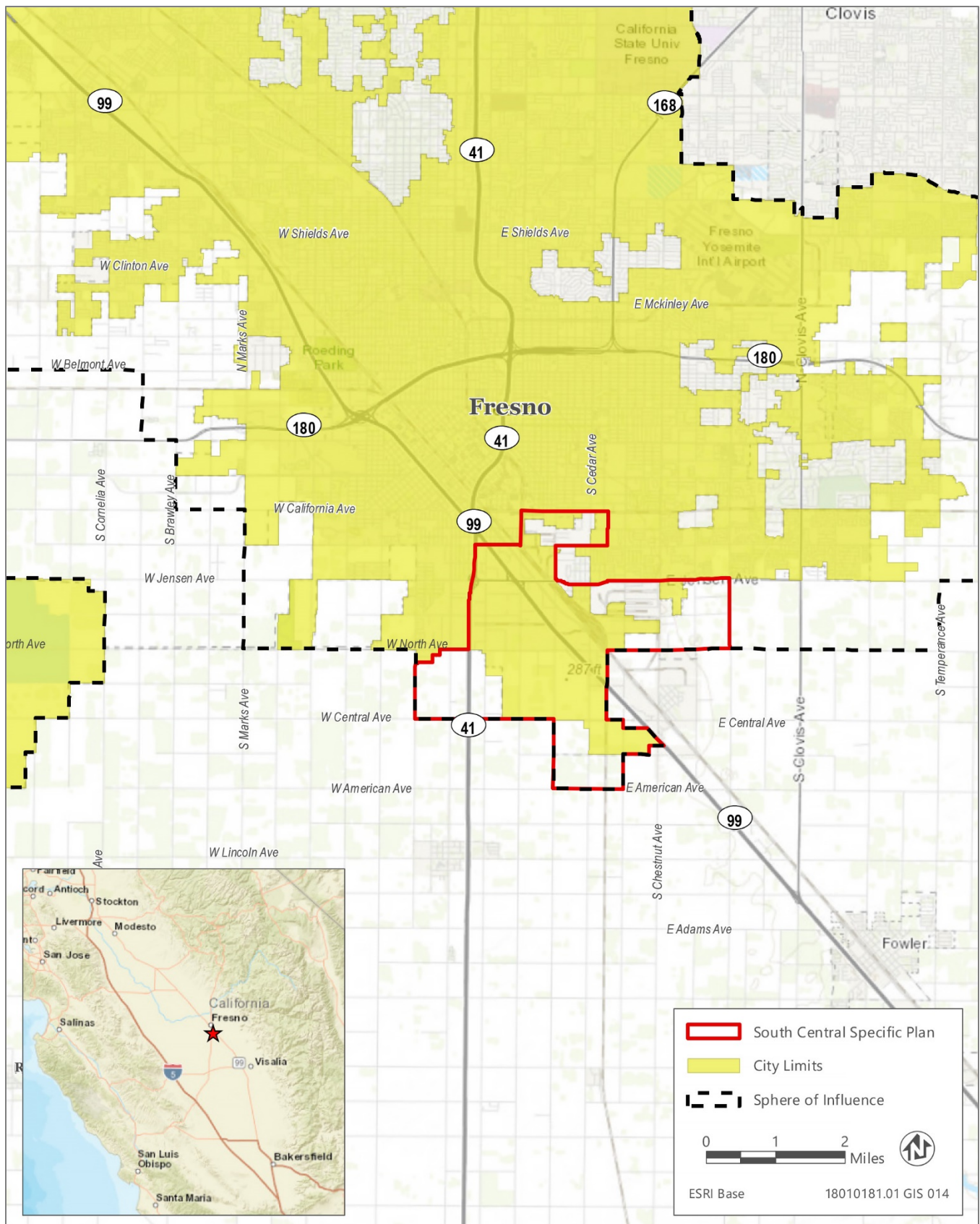


Figure 1. Regional Location

significant finance, insurance, education, and health care sectors. More recently, the City has leveraged its strategic geographic location and access to key transportation routes to grow its distribution, e-commerce, and advanced manufacturing sectors.¹⁰

Project Overview

Planning Context

The City has long identified the land within the SCSP as playing an integral role in City economic development efforts. Most of the land within the current SCSP boundaries was included in the South Industrial Priority Area (SIPA) Specific Plan, a planning process initiated by the City in 2019. The SIPA Specific Plan combined goals and policies from four previous plans that affect the SIPA, as described below.

- **North Avenue Industrial Triangle Specific Plan (1973).** This specific plan was adopted in order to facilitate the development of then-agricultural land between Jensen Avenue, all of which lies within the current proposed SCSP boundaries, Central Canal, SR-41, and SR-99 into an industrial district.
- **Roosevelt Community Plan (1992).** This community plan was adopted to provide high-level goals and policies for the Roosevelt Community in order to promote well-balanced, cohesive development. The Roosevelt Community Plan area includes nearly all of the land within the SCSP area east of East Avenue.
- **City of Fresno General Plan (2014).** The City's most recent comprehensive General Plan update identified the SCSP area as the South Industrial Area, which contains much of the City's supply of existing industrial development and vacant land zoned for further industrial development.
- **Southwest Fresno Specific Plan (2017).** This specific plan was adopted to provide focused goals and policies for Southwest Fresno that were not addressed in detail in the 2014 General Plan update. Although the Southwest Fresno Specific Plan does not directly regulate land use within the SIPA, its boundaries do directly abut the SIPA to the north and west of the plan area, and it designates key transportation routes for truck traffic that pass through the SIPA area.

As discussed above, the most recent 2014 General Plan and SIPA Specific Plan envisioned that the area would be prioritized for industrial development, fulfilling several General Plan goals related to attracting and retaining industrial firms needed to implement the City's economic development strategy. As part of this strategy, the General Plan sought to ensure that sites within the area were "shovel-ready," by zoning the area for industrial and business park development and aligning City water, wastewater, and transportation infrastructure improvements to enable the City to serve existing and future industrial uses.

Land uses identified in the SIPA Specific Plan were consistent with the land use plan adopted as part of the 2014 General Plan Update. In response to community feedback received on the initial concept for the SIPA Specific Plan, the City initiated a new planning process and retitled the plan

¹⁰ City of Fresno Office of the Mayor.

area the South Central Specific Plan. In addition to providing policies for further industrial and employment center development as outlined in the General Plan, a community outreach process conducted in 2020 produced a vision and several guiding principles for the Project, centered around balancing the needs of industrial users, ensuring a diverse employment base, and minimizing impacts on the environment and neighborhoods.

The community outreach process led to the preparation of three land use alternatives for the Project: 1) the **Blended Alternative**, authored by City staff; 2) the **Community Alternative**, developed by community members; and 3) the **Business Alternative** proposed by the business community). These alternatives are discussed in further detail later in this memorandum.

SCSP Overview

As described above, the SCSP area is approximately 5,600 acres (5,000 acres excluding public rights-of-way) and is located in the southern portion of the City. Nearly 60 percent of the SCSP is within the current City limits with the remainder of the Project located in the unincorporated County, within the City's SOI.

While the Blended Alternative still reserves much of the area of industrial and business park development, the guiding principles prioritize accommodating existing residential by concentrating the highest intensity non-residential land uses in the core of the plan area, providing buffers around residential uses, and avoiding and minimizing environmental impacts.

Existing Development

As shown in **Table 2**, approximately 50 percent of the total land area in the SCSP is occupied by existing industrial uses (with nearly 90 percent allocated to heavy industrial uses), while 5 percent of land contains residential uses, 34 percent is used for agricultural uses or is vacant, and the balance used for other public and private uses.¹¹

The existing industrial uses encompass the full spectrum of industry present in the Fresno region. Several agricultural processors and manufacturers are located in the area, including Caro Nut Company, Foster Farms, Penny Newman Grain, and Kraft-Heinz, as well as agricultural suppliers, such as Papé Kenworth, Scezli Enterprises (a truck manufacturer), and Fresno Pipe and Supply. Logistics and distribution uses are also prevalent throughout the Project, including both warehousing and distribution companies that specialize in cold storage for agricultural products, and distribution hubs for national retailers such as Amazon and Ulta.

There is also a significant manufacturing presence, serving both the regional agricultural economy (NDS Irrigation) and consumer products, such as PepsiCo's bottling plant and Keiser manufacturing, which makes home exercise equipment. Lastly, the SCSP contains much of the City's heaviest industrial uses, including waste disposal, recycling centers, and scrapyards.

¹¹ Data in **Table 1** is from ParcelAtlas, a private source that aggregates County Assessor data (including assessor's land use data) for the United States to provide parcel data that is comparable across all counties in the United States.

Table 2. Existing Land Uses in the SCSP Area

Item	Acres [1][2]	Percent of Total Acres
Residential Land Uses		
Residential	81.3	1.6%
Rural Residential	167.2	3.4%
Subtotal Residential Land Uses	248.5	5.0%
Nonresidential Land Uses		
Commercial	3.8	0.1%
Highway Commercial	26.0	0.5%
Office	3.9	0.1%
Light Industrial	421.3	8.5%
Heavy Industrial	2,083.8	41.9%
Religious	7.6	0.2%
Education	16.0	0.3%
Government	3.1	0.1%
Subtotal Nonresidential Land Uses	2,565.6	51.6%
Other Land Uses		
Parking	29.9	0.6%
Public Facilities	234.7	4.7%
Rail Road	193.7	3.9%
Road [3]	0.0	0.0%
High Speed Rail	20.4	0.4%
Open Space	0.9	0.0%
Agriculture	1,119.8	22.5%
Vacant	562.3	11.3%
Subtotal Other Land Uses	2,161.8	43.4%
Total Land Uses	4,975.9	100.0%

Source: City of Fresno; ParcelAtlas; EPS.

[1] Total acreage may not match other tables due to differences in parcel geography between data sources.

[2] Measures the total parcel area of all parcels whose primary use match the land use categories contained in this table, based on data gathered by the Fresno County Assessor and ParcelAtlas.

[3] Does not include all public right-of-way in the SCSP Area. Indicates privately owned parcels primarily used as a road.

Although no energy generation facilities are located within the SCSP boundaries, one natural gas power plant and one biomass power plant operated by Pacific Gas & Electric are located just outside the plan area boundaries.¹²

The Plan Area also contains approximately 474 residential units, mostly in single-family homes and small multifamily buildings. In addition, the communities of Calwa and Malaga in incorporated Fresno County are immediately adjacent to the Plan Area and contain approximately 720 dwelling units, similar in scale to the residential development within the Plan Area. There is a concentration of residential uses in the Daleville community on E. Central Ave. and S. Cherry Ave and also distributed throughout the Plan Area, a legacy of the rural residential development patterns prior to the City's focus on industrial zoning. Lastly, the Plan Area contains Orange Center Elementary School, which served approximately 300 students in 2019.

Land Use Alternatives

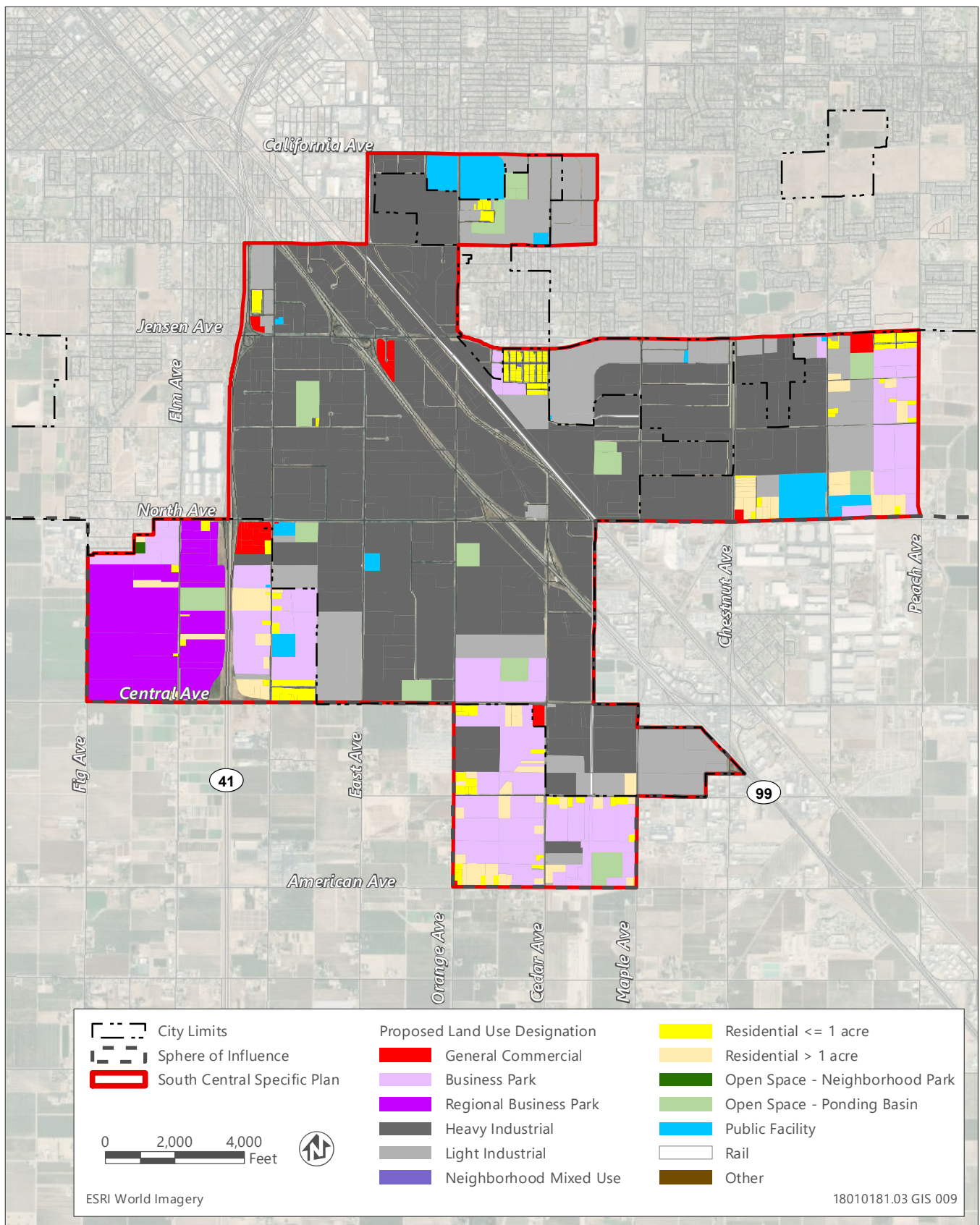
Figures 2a, 2b, and 2c show the three land use alternatives that are being evaluated as part of the planning efforts for the Project. As shown in **Table 3** the current General Plan designates approximately 84 percent of the land in the SCSP as Heavy and Light Industrial. The proposed plan and two alternatives show the total acreages (both existing and newly designated) of each land use designation. Based on historical trends and development projections, EPS expects that full buildout of the plan area under the land use designations shown below will not occur during the study period. The following sections describe the differences of each land use alternative in more detail.

Table 4 presents a summary of the land use regulations for non-residential land uses within the SCSP. Of the major categories of existing uses in the SCSP area, agricultural processing, warehousing and distribution, and general manufacturing are allowed in all four employment-oriented land use designations, subject to limitations. However, the most intensive uses, such as scrapyards, recycling, and waste transfer facilities, are only allowed in the Light or Heavy Industrial land use designation.

Blended Alternative

The Blended Alternative designates 68 percent of the land for industrial uses, and approximately 20 percent for Business Park or Regional Business Park uses. Although the Business Park designations primarily envision office park development, they also allow ancillary retail uses and light industrial uses such as warehousing, distribution, and manufacturing, increasing the total capacity for potential industrial uses. The Blended Alternative also assigns a Residential land use designation to all existing parcels with residential uses, in addition to creating a small amount of new residential capacity.

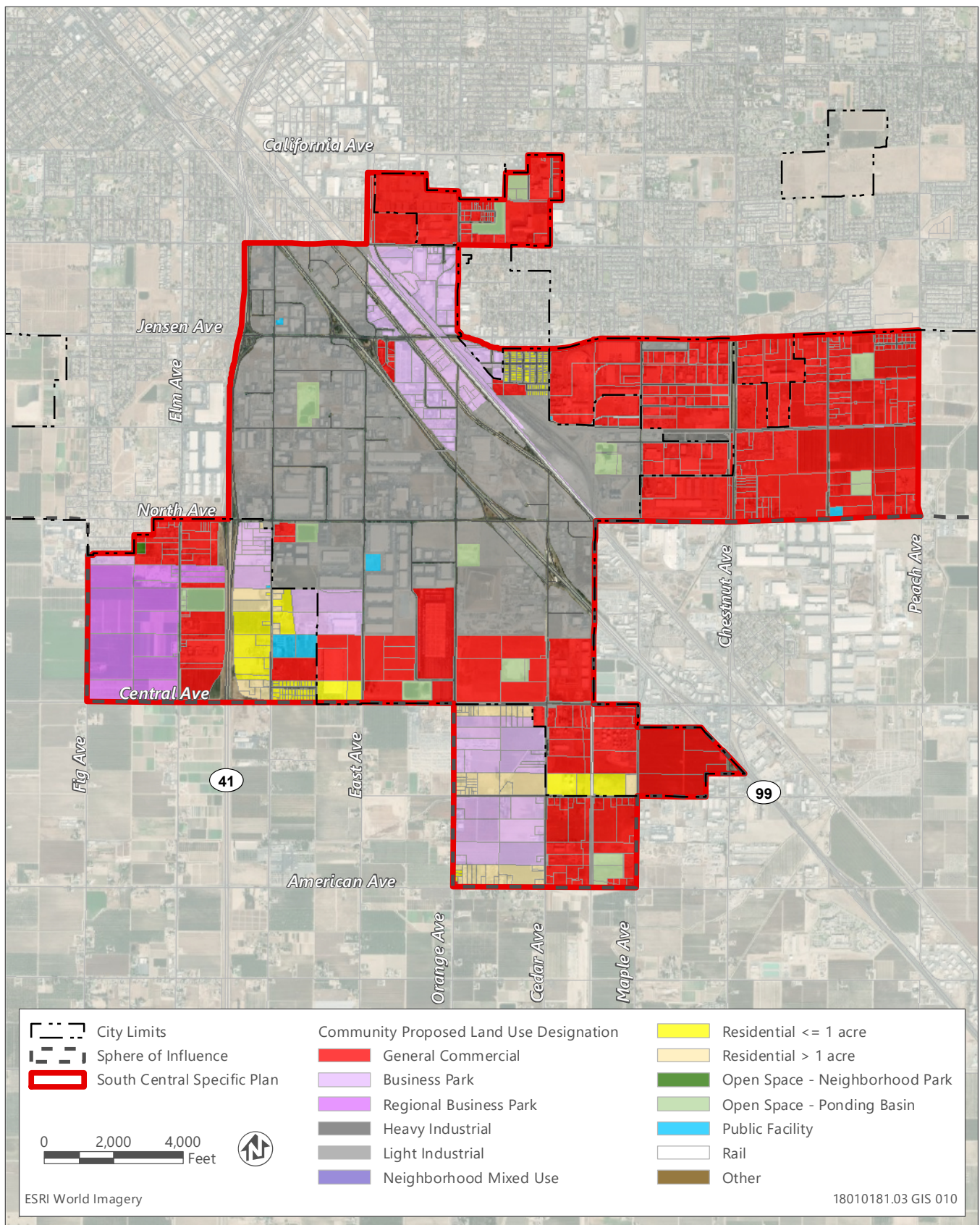
¹² California Energy Commission, 2021. California Electric Infrastructure App. Available at: <https://cecgis-caenergy.opendata.arcgis.com/apps/california-electric-infrastructure-app/explore> [Accessed May 2022].



Source: Data received from the City of Fresno in 2020

3/12/2021

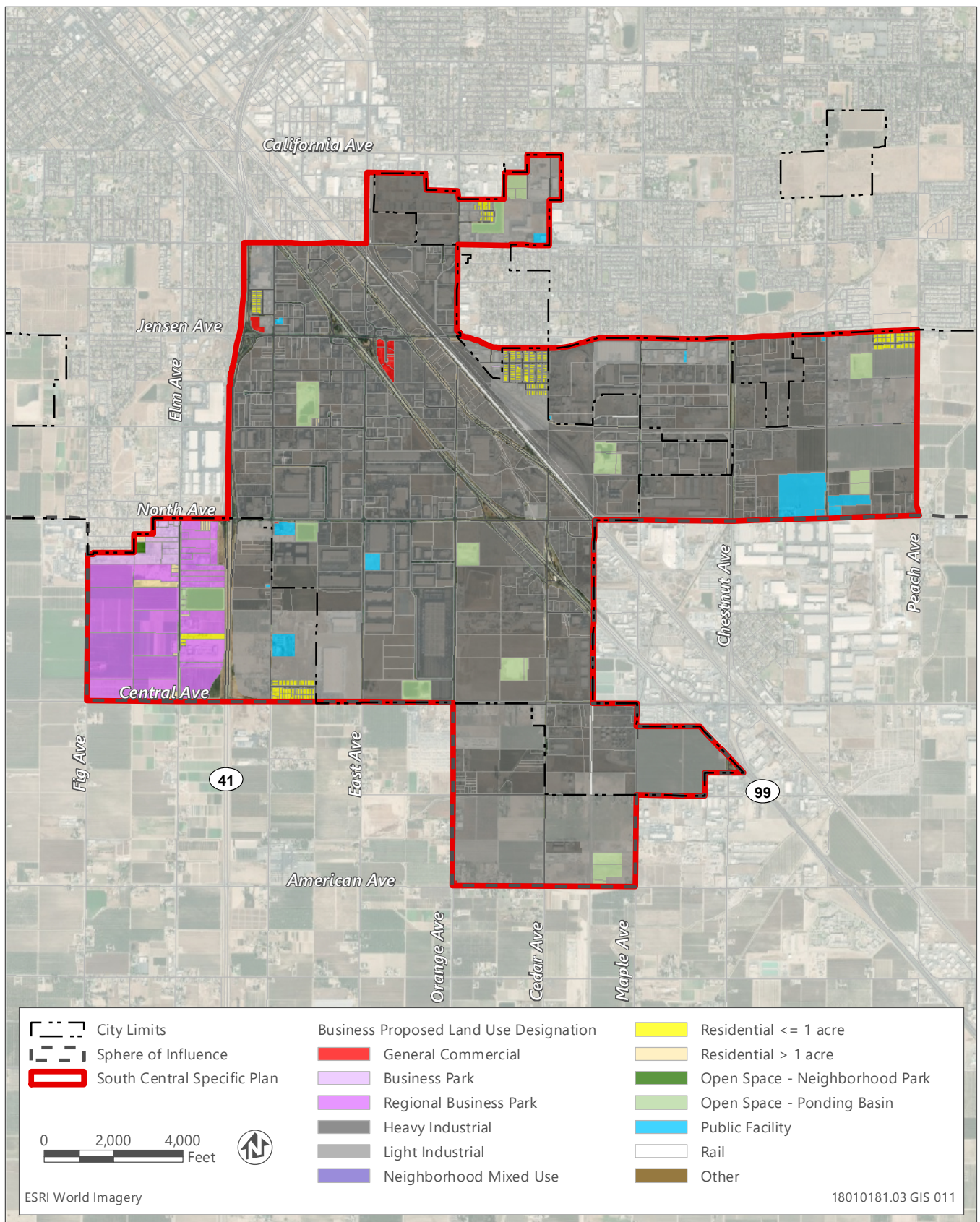
Figure 2a. South Central Specific Plan Blended Alternative Land Use Map



Source: Data received from the City of Fresno in 2020

1/29/2021

Figure 2b. South Central Specific Plan Community Alternative Land Use Map



Source: Data received from the City of Fresno in 2020

1/29/2021

Figure 2c. South Central Specific Plan Business Alternative Land Use Map

Table 3. Existing and Proposed Land Use Designations and Alternatives for SCSP

Item	SCSP Proposed Land Use Alternatives							
	Existing General Plan		Alternative 1: Blended Plan		Alternative 2: Community Plan		Alternative 3: Business Plan	
	Acres [1]	Percent of Total	Acres [1]	Percent of Total	Acres [1]	Percent of Total	Acres [1]	Percent of Total
Residential	30.1	0.6%	270.1	5.5%	287.8	5.8%	76.1	1.5%
Nonresidential Land Uses								
Neighborhood Mixed Use	0.2	0.0%	0.2	0.0%	0.2	0.0%	0.2	0.0%
General Commercial	9.7	0.2%	47.5	1.0%	2,091.7	42.3%	13.2	0.3%
Business Park	143.8	2.9%	653.2	13.2%	581.0	11.8%	40.1	0.8%
Regional Business Park	350.8	7.1%	334.0	6.8%	247.0	5.0%	334.0	6.8%
Heavy Industrial	3,485.9	70.6%	2,649.7	53.6%	22.0	0.4%	3,059.2	61.9%
Light Industrial	684.8	13.9%	714.7	14.5%	1,488.9	30.1%	1,146.5	23.2%
Subtotal Nonresidential	4,675.2	95%	4,399.2	89%	4,430.9	90%	4,593.2	93%
Other Land Uses								
Open Space - Ponding Basin	157.7	3.2%	157.7	3.2%	157.7	3.2%	157.7	3.2%
Open Space - Neighborhood Park	2.4	0.0%	2.4	0.0%	2.4	0.0%	2.4	0.0%
Public	42.3	0.9%	78.3	1.6%	28.9	0.6%	78.3	1.6%
Rail	32.5	0.7%	32.5	0.7%	32.5	0.7%	32.5	0.7%
Other	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Subtotal Other Land Uses	234.8	4.8%	270.8	5.5%	221.4	4.5%	270.8	5.5%
Total Land Uses [2]	4,940.1	100.0%	4,940.1	100.0%	4,940.1	100.0%	4,940.1	100.0%

Source: City of Fresno Notice of Preparation of an Environmental Impact Report for the South Central Specific Plan Project dated April 14, 2021; EPS.

[1] Rounded to the nearest tenth of an acre.

[2] Excludes existing infrastructure such as roadways included in the 5,629-acre Specific Plan boundary.

Table 4. Land Use Regulation Summary

Land Use	Maximum Allowed Floor- Area-Ratio	Land Use Type [1]			
		Retail	Office	Light Industrial	Heavy Industrial
General Plan/ Zoning Designation					
Neighborhood Mixed-Use	2.0	P	P	X	X
General Commercial	1.5	P	P	P [2]	X
Business Park	1.0	P [3]	P	P [4]	P [4]
Regional Business Park	1.0	P [3]	P	P [4]	P [4]
Light Industrial	1.5	P [3]	P	P	P [5]
Heavy Industrial	1.5	P [3]	P	P	P

Source: City of Fresno Municipal Code Chapter 15; EPS.

[1] P means permitted. X means not permitted.

[2] Allows Large Vehicle and Equipment Sales, Service, and Rental, Construction and Material yards, and Custom manufacturing in enclosed structures.

[3] Only allows retail uses of less than 6,000 sq. ft. or greater than 80,000 sq. ft.

[4] The following uses are only allowed in the Light Industrial and Heavy Industrial Zones: Building Materials and Services, CRV Recycling Centers, Recycling Properties, Chemical and Mineral Storage, and Waste Transfer Facilities.

[5] The following uses are only allowed in the Heavy Industrial zone: Intensive Industrial, Salvage and Wrecking yards, and Slaughterhouses.

Community Alternative

The Community Alternative vastly increases capacity for retail and services by designating over 40 percent of the land as General Commercial, while reducing the total industrial-designated land to approximately 30 percent of the plan area. Similar to the Blended Alternative, the Community Alternative designates all parcels with existing residential uses as Residential and increases zoning capacity for 18 additional acres of residential development compared to the Blended Alternative.

Business Alternative

The Business Alternative largely follows the existing General Plan designations, reserving approximately 85 percent of the SCSP area's land for industrial uses, although this alternative does reduce the amount of land designated to accommodate Heavy Industrial uses. Although the Business Alternative does not create zoning capacity for new residential development, it does designate all parcels with existing residential uses as Residential. Existing commercial and retail is oriented towards drivers along SR-99 and employees within the Plan area, consisting largely of drive-through restaurants, gas stations, and convenience stores.

Table 5 compares the distribution of land use designations by SCSP alternative with the Citywide land use distribution found in the General Plan. While the SCSP comprises less than 5 percent of Fresno's Planning Area, the SCSP contains a significant portion of the City's land designated for industrial uses and very little of the City's residential land, even under the Proposed Plan and Community Alternative.¹³ It is also noteworthy that the Community Alternative's proposal to designate over 2,000 acres of land as General Commercial would represent a 30 percent increase in the City's supply of commercially designated land under the existing General Plan land use map.¹⁴

Remaining Land Capacity for Development

Table 6 shows the current estimate of remaining land capacity under each alternative, which ranges from 1,846 acres under the Proposed Plan to 1,893 acres under Alternative 2. This analysis is based on parcel-level data provided by Ascent, which assigned an existing development status (i.e., fully developed, partially developed, vacant) for each parcel. All fully developed parcels and partially developed residential parcels are not assumed to contribute additional development capacity. Partially developed nonresidential parcels are assumed to contribute 50 percent of their total acreage to new development capacity, while vacant parcels are assumed to be fully developable. As shown in **Table 6**, all three alternatives reduce the development capacity of heavy industrial uses to varying degrees, with the Community Alternative almost completely eliminating capacity for new heavy industrial uses and the Business Alternative reducing capacity by 27 percent compared to the existing General Plan.

¹³ The Planning Area is the geographic area for which the General Plan establishes policies about future growth.

¹⁴ The General Plan EIR combines both retail land use designations, such as Commercial, with non-industrial employment land use designations, such as Business Park, under the label of Commercial Type land use designations.

Table 5. SCSP Land Uses and General Plan Land Uses

Item	City of Fresno Total General Plan Acres [1]	SCSP Land Use Alternatives							
		Existing General Plan		Alternative 1: Blended Plan		Alternative 2: Community Plan		Alternative 3: Business Plan	
		Acres	Percent of GP Total	Acres	Percent of GP Total	Acres	Percent of GP Total	Acres	Percent of GP Total
Land Use Designation Type									
Residential	46,459	30	0.1%	270	0.6%	288	0.6%	76	0.2%
Business Park [2] [3]	-	495	NA	987	NA	828	NA	374	NA
Commercial [3]	6,665	10	0.1%	47	0.7%	2,092	31.4%	13	0.2%
Industrial	9,303	4,171	44.8%	3,364	36.2%	1,511	16.2%	4,206	45.2%
Mixed Use	3,863	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Public Facilities	17,519	42	0.2%	78	0.4%	29	0.2%	78	0.4%
Open Space	2,342	160	6.8%	160	6.8%	160	6.8%	160	6.8%
Other [4]	19,876	32	0.2%	32	0.2%	32	0.2%	32	0.2%
Total	106,027	4,940	4.7%	4,940	4.7%	4,940	4.7%	4,940	4.7%

Source: City of Fresno General Plan and Development Code Update Program EIR, September 2021; EPS.

[1] Total acres includes the Southeast Growth Area, currently outside the City limits.

[2] Business Park type includes both Business Park and Regional Business Park Designations.

[3] The Commercial type in the General Plan EIR includes retail, service, and employment zones, such as Business Park and Regional Park designations.

[4] Includes Rail and Other Land Use Designations.

Table 6. Net New Maximum Development Capacity by Specific Plan Alternative

Item	Net New Development Capacity (Gross Acres) [1]			
	Existing General Plan	Alternative 1: Blended Plan	Alternative 2: Community Plan	Alternative 3: Business Plan
Residential Land Uses				
Medium Density Residential	0.0	14.1	113.8	0.0
Subtotal Residential Land Uses	0.0	14.1	113.8	0.0
Nonresidential Land Uses				
General Commercial	0.9	26.7	926.9	1.1
Business Park	87.3	556.1	287.7	15.4
Regional Business Park	274.5	272.1	209.9	272.1
Light Industrial	261.2	337.2	329.6	673.0
Heavy Industrial	1,271.2	640.1	0.6	930.9
Subtotal Nonresidential Land Uses	1,895.2	1,832.1	1,754.7	1,892.5
Total Land Uses	1,895.2	1,846.2	1,868.5	1,892.5
<i>Partially Vacant Residential Uses [2]</i>	<i>0.0</i>	<i>49.1</i>	<i>26.7</i>	<i>2.7</i>
<i>Total Incl. Partially Vacant Res. Uses</i>	<i>1,895.2</i>	<i>1,895.2</i>	<i>1,895.2</i>	<i>1,895.2</i>

Source: City of Fresno; Ascent Environmental Draft Development Capacity Calculations November 2021; EPS.

[1] Remaining development capacity designations provided by Ascent Environmental.

[2] Partially vacant residential land uses are assumed to not provide additional capacity and are excluded from this analysis.

Socioeconomic Context

This section provides an overview of socioeconomic trends relating to population, housing, and overall employment in the Project, City, and broader Fresno region.

Residential Population

The City's current population is estimated to be 546,770.¹⁵ Between 2002 and 2019, the City's population increased by nearly 100,000 residents, reflecting an annual average growth rate of approximately 1.2 percent.¹⁶ The City's total 2019 population, as well as the marginal growth between 2002 and 2019, represent slightly more than half of Fresno County's total population and marginal growth over that same period. Household growth over that same period echoes this trend, with just over half of all households and household growth in the County occurring in Fresno.

Employment

As of 2019, the City contained about 217,180 jobs, with Health Care and Social Assistance, Retail Trade, Educational Services, and Accommodation and Food Services industries representing most employment opportunities. During the period between 2010 and 2019, the City added about 36,880 jobs representing an increase of 17 percent. Although total employment in the City also represented approximately half of all employment in the County in 2002, the City captured more than 90 percent of all job growth in the County between 2002 and 2019.

Table B-1 shows detailed employment by industry in both the City and County of Fresno. Between 2010 and 2019, the City captured the majority of job growth in all major industries in the County except for agriculture, forestry, fishing, and hunting. Major local industries in which the City captured the majority of total County job growth include construction, educational services, health care and social assistance, retail trade, and transportation and warehousing.

As described above, industrial uses are prevalent throughout the SCSP area, which is reflected in the concentration of industry types that are located there. Nearly one-quarter of all manufacturing, wholesale trade, and transportation and warehousing jobs in the County are located in the Project, as shown in **Table B-2**. The SCSP also has employment concentrations in utilities and construction, when examining the location quotient of industry employment relative to California in **Table B-3**.

¹⁵ Based on estimates from the California Department of Finance.

¹⁶ Although more current residential population data is available, these years were chosen because Longitudinal Employer Household Dynamics data from the U.S. Census Bureau, which provides the most reliable employment data for small areas such as cities and the SCSP area, is only available for the years between 2002 and 2019.

Table 7. Historical Population, Household, and Employment Trends (2002-2019)

Item	2002	2010	2019	Total Change 2002-2019	Average Annual Change 2002-2019	
					Total	%
Population						
City	440,192	494,054	540,180	99,988	5,882	1.2%
County	821,809	929,758	1,013,007	191,198	11,247	1.2%
City as % of County	53.6%	53.1%	53.3%	52.3%	52.3%	NA
Households						
City	142,457	158,178	170,218	27,761	1,633	1.1%
County	257,336	289,125	311,066	53,730	3,161	1.1%
City as % of County	55.4%	54.7%	54.7%	51.7%	51.7%	N/A
Employment						
City	177,654	202,901	236,014	58,360	3,433	1.7%
County	354,800	365,300	418,100	63,300	3,724	1.0%
City as % of County	50.1%	55.5%	56.4%	92.2%	92.2%	N/A

Source: California Department of Finance Tables E-8 & E-5; U.S. Census Bureau Longitudinal Employer-Household Dynamics via OnTheMap, California Employment Development Department Labor Market Information Division; EPS.

Socioeconomic Characteristics

The City of Fresno is a majority Latino city, with a much higher proportion of its residents identifying as Latino and a much lower proportion of its residents identifying as White when compared to the State as a whole. See **Table B-4**. The Project has an even higher concentration of Latinos than the City, with approximately 70 percent of all residents identifying as Latino, compared to just over 50 percent for the City and 40 percent for California.

The City has low rates of educational attainment when compared to California – less than a quarter of its residents have a bachelor’s degree, compared to nearly 35 percent of Californians as a whole. Within the Plan Area, disparities in educational attainment are stark in comparison with both the City and California. Over 45 percent of Plan Area residents did not graduate high school – this figure is 25 percent for the City and 19 percent for California overall. See **Table B-5**.

The City and County had lower average household incomes than California as a whole. The median household income in Fresno in 2019 was approximately \$50,430, while the median household income for California in that same year was \$75,240. Nearly a quarter of the City’s households earned less than \$25,000 in 2019, compared to only 4 percent of California households. Additionally, while 38 percent of California’s households earned over \$100,000 in 2019, only 21 percent of the City’s households surpassed that mark. See **Table B-6**.

The City's labor force largely mirrors the existing concentrations of employment. The three largest sectors engaging the City's labor force are Health Care and Social Assistance, Educational Services, and Retail Trade. The agricultural workforce for the County largely resides outside of the City. Of the more than 30,000 County residents employed in Agriculture, Forestry, Fishing, and Hunting, just over 9,000 live in the City. See **Table B-7**.

Nonresidential Market Context

Demand for different types of real estate is driven by broad economic trends. In addition, City policies and strategies also affect the types of industries that locate in the City and the real estate they demand. As stated in the Chapter 2 of the 2014 General Plan, Economic Development and Fiscal Sustainability, the City's goals are to build upon its existing strengths and clusters in "agricultural technology, supply chain management, agricultural services (brokering and export), food innovation and processing facilities, water technology, and other precision manufacturers." Of these existing industries, nearly all, with the exception of agricultural brokering and export, require industrial or business park-type real estate. The City is also targeting emerging sectors in tech start-ups, although these are likely to use office type real estate and locate in downtown Fresno.

Trends relevant to real estate development within the SCSP area are described in this section.

Industrial Market Trends

By far the most important trend relevant to development within the SCSP area is the rise of e-commerce. According to the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, e-commerce purchases comprised 30 percent of clothing, 13 percent of general merchandise, and 36 percent of home furnishings and appliances purchases in 2020. Outside of food and beverage purchases, these three categories represent the three largest retail sectors by total spending in the United States.

The COVID-19 Pandemic drove e-commerce spending even higher, as much of the country closed or restricted access to brick-and-mortar stores and offices intermittently throughout 2020 and 2021. Cushman and Wakefield reported that, nationwide, e-commerce sales grew by nearly 15 percent in 2021. Due to the need to quickly move products to customers' homes and businesses, e-commerce firms require large warehouses and distribution hubs. Additionally, third-party logistics firms such as UPS and FedEx have also invested significantly in new and expanded facilities in order to keep pace with the growth in demand for their services driven by e-commerce. Based on e-commerce firms' decisions, the majority of demand is for facilities ranging from 500,000 to 1,000,000 square-feet in floor area, with clear heights of at least 36 feet¹⁷. Because these facilities are not readily available, most of the supply of e-commerce facilities has been fulfilled by new development, rather than turnover of existing buildings.¹⁸

¹⁷ Fresno County Economic Development Corporation, 2022. 2022 Real Estate Forecast.

¹⁸ Cushman & Wakefield, 2021. What Do Recent E-commerce Trends Mean for Industrial Real Estate? Available at: <https://www.cushmanwakefield.com/en/united-states/insights/us-articles/what-do-recent-ecommerce-trends-mean-for-industrial-real-estate> [Accessed May 2022].

In addition to logistics and distribution, the City also has a strong base in agricultural technology, anchored by California State University Fresno and surrounded by the most productive agricultural county in the nation. As climate change intensifies droughts and rainy seasons alike, many experts predict that agricultural technology will become an increasingly large industry with a particularly intense focus on increasing water efficiency.¹⁹

Lastly, an increasingly large proportion of office use in the City is expected to come from medical uses.²⁰ With an aging population requiring more medical services, increased demand for mental health services, and push towards consumer convenience in siting medical facilities, experts predict strong activity in the national medical real estate sector in the years to come.²¹

Retail Market Trends

The retail market has been continuously adapting to change over the past 10 to 15 years, adjusting to shifts in economic, social, and environmental conditions, first with the effects of the 2009 economic downturn, consistent advancements in online and omnichannel shopping, also known as e-commerce, and most recently the global effects of the COVID-19 Pandemic.

The Great Recession, which spread across national and global markets beginning in 2009, had a significant effect on the retail sector. At the national level, the combination of increased unemployment rates, reduced consumer credit, and an oversupply of retail space resulted in bankruptcies, store closures, and consolidations among a wide range of formerly successful retail chains. Almost 6,700 stores announced closures in 2017 and thousands more closures occurred in 2018, vacating a record 145 million square feet of retail space nationwide.²² The trend continued in 2019 and 2020 with the closure of an estimated 17,600 stores.^{23 24}

¹⁹ Goedde, Lutz; Katz, Joshua; Menard, Alexandre; and Revellat, Julian. 2020. Agriculture's connected future: How technology can yield new growth. Available at: <https://www.mckinsey.com/industries/agriculture/our-insights/agricultures-connected-future-how-technology-can-lead-new-growth> [Accessed May 2022].

²⁰ Fresno County Economic Development Corporation, 2022. 2022 Real Estate Forecast.

²¹ Bass, Jack II. 2021. Pandemic-Driven Trends Emerge for Healthcare Real Estate Market. Available at: <https://bbqres.com/pandemic-driven-trends-emerge-for-healthcare-real-estate-market/> [Accessed May 2022]

²² CNNMoney, "Bankruptcies continue to pile up in the retail industry," dated June 13, 2017, <http://money.cnn.com/2017/06/13/news/companies/retail-bankruptcies/index.html> (accessed December 2017).

²³ Whiteman, Doug, "These Chains are Closing Tons More Stores in 2019." MoneyWise, February 19, 2019, <https://moneywise.com/a/retailers-closing-stores-in-2019> (accessed February 2019).

²⁴ Meisenzahl, Mary, "Nearly 3,000 stores are closing in 2021 as the retail apocalypse drags on. Here's the full list." Business Insider, March 17, 2021, <https://www.businessinsider.com/stores-closing-in-2021-list-2021-3#:~:text=In%202020%2C%20more%20than%208%2C300,on%20brick%20and%20mortar%20retailers>. (accessed April 2022).

The Pandemic accelerated emerging trends in retail. With the switch the remote work and stay-at-home orders, e-commerce sales rose significantly as a share of retail sales, even as overall retail sales were strong enough that store openings outpaced closings in 2021.²⁵ Other trends that had been occurring pre-Pandemic were stopped due to stay-at-home orders. Where previously, experiential retail such as restaurants and health and wellness had been growing, stay-at-home orders shifted spending into home improvement, increasing sales into Building Materials and Garden Equipment.

Despite initial concern, the Pandemic is helping to rectify the retail market by causing retailers to consolidate their merchandise and store inventory, reducing the number of stores and associated debt from money-losing locations.²⁶ As of 2019, there was close to 25 square feet of retail space per capita in the United States (about 50 square feet per capita, if small shopping centers and independent retailers are added), compared to 16 square feet per capita in Canada and 2.5 square feet per capita in Europe.

The national retail market continues to experience turbulence and a high degree of uncertainty regarding tenanting and absorption forecasting. Although, it should be noted that retail has adapted and persisted since the earliest days of commerce. Artisans were disrupted by merchants, who were disrupted by open-air bazaars. The Sears Roebuck catalog of 1893 disrupted the first era of brick-and-mortar retail. Malls disrupted the town square; superstores and category-killers disrupted the local five-and-dime. And now, off-price, dollar stores, fast-fashion, and online players are shaking up the industry.²⁹ As new retail tenants, concepts, and formats continue to emerge and establish their presence, it remains to be seen how future demand for retail space will evolve.

²⁵ Miranda, Leticia, "2021 was a turning point for retailers, with store openings outpacing store closures." NBC News, December 29, 2021, <https://www.nbcnews.com/business/business-news/2021-was-turning-point-retailers-store-openings-outpacing-store-closures-rcna10051> (accessed April 2022).

²⁶ Kapner, Suzanne, "The Great Shopping Reset: How the Pandemic Helped Fix the Retail Industry," The Wall Street Journal, dated November 19, 2021, <https://www.wsj.com/articles/retail-industry-shopping-change-pandemic-11637331502> (accessed May 2022).

²⁹ The New York Times, "Why We Should Be Optimistic About Retail," dated April 13, 2018, New York Times Web Site (accessed February 2019).

Office Market Trends

In 2019, the national office real estate market exhibited a full recovery from the Great Recession, with its lowest post-recession vacancy rate, which actually fell below the 20-year vacancy rate average, and rental rates were increasingly strong.³⁰ The onset of the Pandemic at the beginning of 2020 drastically altered work routines with approximately 42 percent of the U.S. labor force now working from home.³¹ The effects of the Pandemic on the office market have not yet become fully apparent since most office leases are multi-year contracts, though the long-term impacts to occupancy will gradually emerge.

The effects of the Pandemic also present challenges to potential opportunities for office development. Demand for office space may be reduced by the emergence of more viable remote working arrangements for many office workers. In addition, new office construction with improved technology for health safety may be advantaged over existing building stock with less of an ability to adapt.

Prior to the Pandemic, many of Fresno's largest new office tenants were in the healthcare and education sectors, which are widely expected to continue to grow.³² Post-Pandemic, experts predict that the Family Services³³ sector and Medical sector will remain the primary drivers of the office market, but expect new development to slow due to high construction costs.³⁴

Market Performance Indicators

This section details trends, inventory, and other market performance indicators for nonresidential uses in Fresno and SCSP. As described in the sections above, the SCSP has long been planned as a business and industrial district, and real estate market data reflect these objectives.

As shown in **Table 8**, the Project contains approximately 30 percent of total industrial space in the City. Overall, the SCSP contains the largest agglomeration of industrial buildings and square footage in the City, although smaller clusters exist near the Fresno-Yosemite International Airport and along SR-99 in northwest Fresno as well. The Project contains limited retail and office space, with the SCSP containing less than one percent of the City's total square footage of these land uses.

³⁰ ULI Real Estate Economic Forecast, November 2020.

³¹ Wong, May, 2020. Stanford research provides a snapshot of a new working-from-home economy. *Stanford News*. [online] Available at <https://news.stanford.edu/2020/06/29/snapshot-new-working-home-economy/> [Accessed November 2020].

³² Newmark Pearson Commercial, 2019. Fresno Office Market Report 1Q 2019. Available at: https://www.newmarkpearson.com/mrkrpts/19Q1_Fresno_Office_Market_Report.pdf [Accessed May 2022].

³³ Classified by the North American Industrial Classification System Code 6241, the Family Services sector "comprises establishments primarily engaged in providing nonresidential social assistance to children and youth, the elderly, persons with disabilities, and all other individuals and families." Includes marriage counselors, social services agencies, self-help organizations, adoption, and foster care placement organizations.

³⁴ Fresno Economic Development Council, 2022. Fresno County 2022 Real Estate Forecast.

Table 8. SCSP Commercial Real Estate Context.

Item	Retail	Office	Industrial
2022 Inventory (Bldg Sq. Ft.)			
SCSP	221,706	251,565	18,579,196
City of Fresno	33,197,001	24,902,832	63,446,395
SCSP as % of City	0.7%	1.0%	29.3%
Gross Absorption 2010-2021 (Bldg Sq. Ft.)			
SCSP	3,062	6,000	2,262,673
City of Fresno	1,056,201	893,543	3,153,871
SCSP as % of City	0.3%	0.7%	71.7%
Average Annual Gross Absorption in SCSP (2010-2021)	278	545	205,698
Vacancy Rate			
SCSP	0.0%	0.0%	2.0%
City of Fresno	3.8%	9.2%	2.4%
Asking Rent (2022\$) [1]			
SCSP	NA	NA	\$0.51
City of Fresno	\$1.38	\$1.61	\$0.56

Source: CoStar data extracted February 2022; EPS.

[1] Asking rent shown in dollars per square foot per month.

Since 2010, less than 10,000 square feet of office and retail combined has been constructed in the SCSP, while an average of approximately 206,000 square feet of industrial space was constructed each year in that same time frame. **Table A-1** shows citywide trends for office, retail, and industrial real estate since 2010. Across all three sectors, vacancy rates have decreased significantly from their 2010 peaks, although the citywide industrial vacancy rate of 3 percent is lower than the current 5 percent vacancy rate in office and retail real estate.

Retail and Office

As described above, there has been little activity in the retail and office sectors in the SCSP. Citywide, both sectors are continuing their recoveries from the slow rent growth, high vacancy rates, and lack of construction that characterized the Great Recession (approximately 2007 – 2012). Citywide, rents in retail and office are up \$1.79 per square foot (PSF) and \$1.36 PSF respectively since 2011, while the City has been averaging approximately 139,740 square feet of new retail and 90,060 square feet of new office buildings per year in that same time frame, as shown in **Tables A-1, A-2, and A-3**.

Industrial

Over the past decade, new industrial development has been increasingly concentrated in the SCSP, with 72 percent of the City's new industrial floor area located within the SCSP. In that same time frame, the area has seen almost no retail or office development. **Table 9** shows detailed real estate trends for the SCSP area since 2010. These trends show that, in that time frame, vacancy rates in the industrial sector in the SCSP area fell dramatically, from 14 percent in 2010 to 1 percent in 2022, while rents increased from \$3.43 PSF to \$5.91 PSF over that same time frame.³⁵

Competitive Markets

Based on feedback received from stakeholders in the real estate, economic development, and industrial sectors, businesses in the Central Valley region prioritize convenient access to SR-99 when evaluating potential locations. Within the Central Valley region, several other jurisdictions have created or are in the process of creating industrial districts that compete with the SCSP to attract industrial tenants. **Table 10** provides a summary of these developments, each of which is described in more detail below. The list in **Table 10** is not meant to be exhaustive, but is intended to describe the scale of the competitive landscape for industrial real estate along the SR-99 corridor in the Central Valley region.

Within approximately 30 miles or less of the SCSP area, there is at least 27.4 million square feet of existing industrial development, with an estimated 49.6 million square feet of industrial development capacity in these areas. Including developments over 30 miles from the SCSP along SR-99, there is at least 43.5 million square feet of existing industrial development with capacity for 103.9 further square feet. With the exception of Fancher Creek Business Park, all of these developments are within close proximity to SR-99, and all allow a variety of office and industrial uses, enabling them to compete with the SCSP for a wide variety of businesses, including manufacturing, warehousing, and logistics and distribution centers. Given the tremendous supply of industrial real estate and the capacity for further development along the SR-99 corridor, planning efforts can help the SCSP continue to attract historical levels of development and employment.

³⁵ CoStar relies on real estate brokers to report data regarding real estate characteristics. For the retail and office sectors, which have fewer properties within the SCSP, the relative margins of errors for CoStar-reported data are likely to be much higher than for the industrial properties.

Table 9
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
SCSP Commercial Real Estate Market Summary

SCSP Commercial Real Estate Market Summary

Item Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2010-21 Total Change	2010-21 Avg Annual Change
Retail														
Inventory (Bldg Sq. Ft.) [1]	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	221,706	221,706	3,062	278
Vacancy Rate	4%	8%	5%	6%	4%	4%	3%	3%	0%	1%	0%	0%	(4.2%)	NA
Net Absorption (Bldg Sq. Ft.) [2]	0	(7,300)	4,988	(2,008)	4,940	1,024	414	0	7,130	(1,352)	4,414	0	NA	NA
Deliveries (Bldg Sq. Ft.)	0	0	0	0	0	0	0	0	0	0	3,062	0	NA	NA
NNN Rent (Overall) [3]	\$19.80	\$15.00	\$16.50	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	NA	NA	NA	NA	NA
Office														
Inventory (Bldg Sq. Ft.)	245,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	6,000	545
Vacancy Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.0%	NA
Net Absorption (Bldg Sq. Ft.)	0	4,900	100	1,000	0	0	0	0	0	0	0	0	NA	NA
Deliveries (Bldg Sq. Ft.)	0	6,000	0	0	0	0	0	0	0	0	0	0	NA	NA
Office Base Rent (Overall) [3]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Industrial														
Inventory (Bldg Sq. Ft.) [1]	16,316,523	16,316,523	15,522,954	15,814,128	15,814,128	15,783,790	15,809,424	15,852,159	18,244,382	18,249,382	18,249,382	18,579,196	2,262,673	205,698
Vacancy Rate	14%	15%	11%	10%	9%	8%	4%	5%	4%	5%	2%	1%	(12.6%)	NA
Net Absorption (Bldg Sq. Ft.) [2]	273,885	(132,950)	(109,585)	413,071	129,897	261,063	658,031	(261,581)	2,477,226	(161,891)	636,169	381,140	NA	NA
Deliveries (Bldg Sq. Ft.)	0	0	9,831	291,174	0	152,831	25,634	42,735	2,405,162	5,000	0	329,814	NA	NA
NNN Rent (Overall) [3]	\$3.43	\$3.56	\$3.53	\$3.64	\$3.46	\$3.65	\$4.66	\$3.79	\$5.44	\$5.35	\$5.23	\$5.91	\$2.48	\$0.23

Source: CoStar data extracted February 2022; EPS.

[1] Represents gross building square footage.

[2] Numbers in parenthetical are negative.

[3] In Triple Net (NNN) leases, the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, such as utilities. Base rent does not include any additional services beyond occupancy of the lease space. Rent figures are not adjusted for inflation.

Table 10. Industrial and Business Park Competitive Locations

Development	Source	Location		Total Acres	Existing Bldg Sq. Ft.	Remaining Bldg Sq. Ft. Capacity	Distance from SCSP
		City	County				
Competitive Land Supply ~30 m from SCSP							
Fresno County Business and Industrial Campus	[1]	Unincorporated	Fresno	2,940	-	19,000,000	0 miles
Fancher Creek Business Park	[2]	Fresno	Fresno	100	741,935	1,004,065	11 miles
Madera Industrial District	[3]	Madera	Madera	640	2,500,000	3,911,040	32 miles
Visalia Industrial Park	[4]	Visalia	Tulare	2,700	24,200,000	25,666,200	33 miles
Subtotal				6,380	27,441,935	49,581,305	
Competitive Land Supply >~30 m from SCSP							
Crows Landing Industrial Business Park	[5]	Unincorporated	Stanislaus	1,528	-	14,300,000	92 miles
Wonderful Industrial Park	[6]	Shafter	Kern	1,625	10,000,000	26,000,000	100 miles
Tejon Ranch Commerce Center	[7]	Unincorporated	Kern	1,450	6,000,000	14,000,000	132 miles
Subtotal				4,603	16,000,000	54,300,000	
Total Land Supply				10,983	43,441,935	103,881,305	

Source:

- [1] GV Wire, 2021. "Fresno County Looking to Set Aside 3,000 Acres for Warehouses, Manufacturing."
- [2] Based on existing buildings in business park provided by CoStar and overall Business Park information from Newmark Pearson Commercial Realty.
- [3] Based on analysis of satellite imagery showing available land comprising 35% of 640-acre industrial district and assuming 0.5 FAR and 80% net-to-gross.
- [4] Sun Gazette, 2022. "Visalia Studies Possible Expansion of the Industrial Park." Assumes remaining 2,100 acres developed at 0.5 FAR and 80% net-to-gross.
- [5] Stanislaus County, 2018. Crows Landing Industrial Business Park Specific Plan.
- [6] Global News Wire, 2021. "Wonderful Company Adds Amazon to its Tenant Roster at Wonderful Industrial Park."
- [7] From Tejon Ranch Commerce Center. Available at www.tejonranch.com.

- **Fresno County Business and Industrial Complex (BIC).** In August 2021, the Fresno County Board of Supervisors voted unanimously to study the potential to create a roughly 3,000-acre industrial and business park on land in unincorporated Fresno County. The BIC would be located directly east of the SCSP, roughly bound by North Ave, Fowler Avenue, American Avenue, and Peach Avenue. The Fresno Economic Development Corporation studied the proposed area, which is currently zoned for agricultural uses, and concluded that the BIC development could support approximately 19,000,000 square feet of new industrial development.³⁶
- **Fancher Creek Business Park.** The Fancher Creek Business Park is part of the Fancher Creek Town Center, a mixed-use project in the City of Fresno containing retail, residential, and employment uses. The business park portion of the project comprises approximately 100 acres over three separate tracts on either side of Armstrong Avenue and Belmont Avenue. The business park is zoned IL – Light Industrial, which allows for all but the most intensive industrial uses such as oil refining, landfills, and waste transfer stations. Existing tenants include a small distribution center for a national home improvement retailer, a residential solar panel installer, and a plumbing products manufacturer and retailer. The site has 742,000 square feet of existing industrial buildings and capacity for approximately 1.0 million square feet of further industrial development.
- **Madera Industrial District.** The City of Madera’s zoning designates approximately 640 acres of land in the southwest portion of the City for industrial or industrial park uses. As of May 2022, existing industrial buildings in the area contained approximately 2.5 million square feet of floor area. Existing tenants include manufacturers, agricultural products processors, and waste management companies. Approximately 35 percent of the industrial-zoned land in the area remains undeveloped and the area has capacity for approximately 3.9 million square feet of further industrial building floor area.
- **Visalia Industrial Park.** The City of Visalia has zoned a large portion in the northwest part of the City, near the SR-198 and SR-99 interchange for industrial uses since 1960. As of 2018, the area had approximately 16.6 million square feet of industrial and business park uses, consisting of agricultural processing, logistics, and manufacturing. Since 2018, development in the area has intensified rapidly, with several developments each containing more than 1 million square feet currently under construction or seeking planning entitlements, largely consisting of logistics and distribution hubs for national firms such as Amazon and UPS.³⁷ Given the recent intensification of development at the site, the City is

³⁶ Taub, David. 2021. Fresno County Looking to Set Aside 3,000 Acres for Warehouses, Manufacturing. GV Wire. Available at: <https://gvwire.com/2021/08/30/fresno-county-looking-to-set-aside-3000-acres-for-warehouses-manufacturing/> [Accessed March 2022]

³⁷ Lindt, John. 2022. Meet The Developer With 6.5m Square Feet In The Pipeline For Visalia. The Business Journal. Available at: <https://thebusinessjournal.com/meet-the-developer-with-6-5m-square-feet-in-the-pipeline-for-visalia/> [Accessed April 2022]

considering expanding the industrial district, although there are approximately 2,200 acres zoned for industrial uses in the district still available for development.³⁸

- **Crows Landing Industrial Park.** Crows Landing Industrial Business Park is a planned business park located in unincorporated Stanislaus County approximately 4 miles south of the City of Patterson. The specific plan for the park anticipates approximately 14.3 million square feet of development and envisions that a large portion of the area will support large scale distribution and logistics warehouses, taking advantage of the site's location immediately adjacent to I-5. Additionally, the business park will have an onsite airport with redevelopment of a former US military runway currently within the plan area. The specific plan for the park has been adopted by the County, and the design of initial infrastructure such as roads, water, and sewer systems has begun.
- **Wonderful Industrial Park.** The Wonderful Industrial Park is a master-planned industrial and business park on 1,625 acres located in the City of Shafter and unincorporated Kern County. Approximately 10 million square feet of industrial development has occurred at the site to date, with several large-scale distribution warehouses for national retailers such as Target, Ross, and Amazon. Additionally, several smaller scale warehouses for distributors and wholesalers of pipes, tires, and oil drilling products have been developed at the site as well. Although not located directly adjacent to SR-99, the park has access to the freeway along 7th Standard Road, a lightly trafficked four-lane highway, as well as direct access to the BNSF rail line directly to the west of the site.
- **Tejon Ranch Commerce Center.** The Tejon Ranch Commerce Center is located in unincorporated Kern County at the southern end of the Central Valley and is the last major commercial area before the Los Angeles Basin to the south. Approximately 6 million square feet of the Center has been developed, including an outlet mall, hotels, and numerous convenience retail and restaurants. The commercial and industrial uses at the site are mostly distribution and warehousing uses serving large national retailers such as Ikea, Dollar General, Camping World, and Caterpillar.

Estimated Growth Projections

This Analysis presents estimated growth in residents and employment in the City and County based on a compilation of several data sources. The forecasts reflect total and average, annual growth between 2022 and 2040. The projections rely on several public and private industry-accepted sources, summarized in **Table 11**, which offer a range of expectations regarding future socioeconomic conditions in the area based on differing approaches and assumptions.

³⁸ Lindt, John, 2022. Visalia studies possible expansion of the Industrial Park. The Sun Gazette. Available at: <https://thesungazette.com/article/news/2022/03/22/visalia-studies-possible-expansion-of-the-industrial-park/> [Accessed April 2022].

Table 11. Projection Source Summary

Item	Available Geographies		Available Projection Data	
	City of Fresno	Fresno County	Population	Employment
Source				
CA Department of Transportation (CalTrans)		x	x	x
CA Department of Finance (DOF)		x	x	
Fresno COG Projections	x	x	x	x
SJV Demographic Forecasts		x	x	
City of Fresno General Plan	x		x	x
CA Employment Development Department (EDD)		x		x
Woods & Poole		x	x	x

Source: EPS.

These data sources were used to inform growth projections:

- California Department of Transportation (CalTrans) 2020 Long-Term Socio-Economic Forecasts by County for Fresno County
- California Department of Finance (DOF) Projected Households, Household Population, Group Quarters and Persons per Household for the Counties and State of California, based on Baseline 2019 Population Projection Series, June 2020
- Fresno COG projections, prepared May 2017
- SJV Demographic Forecasts, prepared March 2012
- City of Fresno General Plan, prepared 2014
- CA EDD Employment Projections 2018 – 2028, accessed March 2022
- Woods & Poole Economics, Inc., (Woods & Poole) County Forecasts 2020-2040

Residents

The State's population growth has slowed considerably since the Great Recession, based on the occurrence of fewer births, increased deaths associated with an aging population, lower international migration, and higher domestic out-migration. While growth has been modest in the Bay Area, and near zero and even negative in most of the coastal counties, growth remains strong in the interior counties of the Central Valley and the Inland Empire.³⁹

³⁹ DOF Projected Households, Household Population, Group Quarters and Persons per Household for the Counties and State of California, Based on Baseline 2019 Population Projection Series, June 2020. [online] Available at: <http://www.dof.ca.gov/Forecasting/Demographics/Projections/> [Accessed November 2020].

Growth projections shown in **Table 12** provide a range of projections for population growth through 2040 in the County and City of Fresno. Annual population growth projections for the County range from 6,471 new residents per year to 14,600 new residents per year, or between 58 and 130 percent of the annual average growth between 2002 and 2019. Although City-specific projection data is not available from as many sources as County-level data, both projection sources predict that population growth in the City between 2022 and 2040 will be much higher than historical growth between 2002 and 2019. The population projections predict annual average growth of 9,772 to 11,983 new residents, which is 166 and 204 percent of the annual average growth that occurred between 2002 and 2019.

Table 12. Population Projections by Data Source

Source [1]	Population Projections				
	2022	2040	Total Change 2022 - 2040	Average Annual Change	
				Total	Percent
Fresno County					
CalTrans	1,034,972	1,151,453	116,481	6,471	0.6%
Department of Finance	1,029,118	1,170,525	141,407	7,856	0.7%
Woods & Poole	1,025,506	1,192,577	167,071	9,282	0.9%
Fresno COG Projections [2]	1,075,003	1,323,070	248,067	13,782	1.2%
SJV Demographic Forecasts [3]	1,111,200	1,374,000	262,800	14,600	1.2%
Historical Growth (2002-2019) [4]	1,046,748	1,249,193	202,445	11,247	1.0%
City of Fresno SOI					
Fresno COG Projections [2]	641,080	816,980	175,900	9,772	1.4%
General Plan [5]	610,695	826,392	215,697	11,983	1.4%
Historical Growth (2002-2019) [4]	557,825	663,695	105,870	5,882	1.0%

Source: California Department of Transportation; California Department of Finance; Woods & Poole Economics; Fresno County Council of Governments; EPS.

- [1] Projection timeframe and intervals vary by source. EPS assumes a linear growth rate for point-in-time population projections described in this table that are not included in the source projection documents. See notes [2] through [5] for further detail.
- [2] The Fresno COG projections cover the period from 2010 - 2060 in 5-year intervals
- [3] The San Joaquin Valley Demographic Forecasts cover the period from 2010 - 2050 in 5-year
- [4] Historical growth estimates assume continued growth commensurate with average annual absolute historical growth between 2002-2019, based on estimates provided by DOF.
- [5] The City of Fresno General Plan projections are based on data from the years 2010 and 2035. The General Plan projections are based on the City of Fresno Planning Area, which differs slightly from the City's Sphere of Influence.

Employment

Projected employment growth in the County is estimated to range between 56,000 and nearly 117,000 new jobs through 2040, translating into an average of about 3,100 to about 6,500 new jobs added annually. Between 2002 and 2019, more than 90 percent of job growth in the County occurred in the City, and projections from the City's General Plan and the Fresno COG estimate the City could add 50,000 to 70,000 jobs through 2040, or an average of about 2,800 to 3,900 new jobs annually. These employment projections for the City bracket historical, long-term employment gains, where the City added an average of about 3,400 new jobs annually between 2002 and 2019.

As shown in **Table 13**, the various source for County-level employment projections vary widely in magnitude. Average annual employment growth projected from 2022 and 2040 varies between 3,115 and 6,478 jobs per year, or between 84 percent and 174 percent of annual average job growth between 2002 and 2019. City-level projections also vary widely, with sources projecting between 2,512 and 3,872 new jobs per year through 2040, or between 73 percent and 113 percent of historical growth between 2002 and 2019.

Table 13. Employment Projections by Data Source

Source [1]	Employment Projections				
	2022	2040	Total Change 2022 - 2040	Average Annual Change 2022 - 2040	
				Total	Percent
Fresno County					
CalTrans	410,937	492,683	81,746	4,541	1.2%
CA EDD [2]	409,109	465,164	56,055	3,114	0.7%
Woods & Poole [3]	543,023	659,621	116,598	6,478	1.1%
Fresno COG Projections [4]	405,347	476,800	71,453	3,970	0.9%
Historical Growth (2002-2019) [5]	429,271	496,294	67,024	3,724	0.8%
City of Fresno SOI					
Fresno COG Projections [4]	242,973	288,180	45,207	2,512	0.7%
General Plan [6]	229,280	298,983	69,704	3,872	1.6%
Historical Growth (2002-2019) [5]	246,313	308,106	61,793	3,433	1.3%

Source: California Department of Transportation, California Department of Finance, Woods & Poole Economics, Fresno County Council of Governments; EPS.

- [1] Projection timeframe and intervals vary by source. EPS assumes a linear growth rate for point-in-time employment described in this table that are not included in the source projection documents.
- [2] CA EDD projections include only the years 2018 and 2028
- [3] Does not include business owners, self-employed individuals, and private household workers.
- [4] Fresno COG projections cover the period from 2010 - 2060 in 5-year intervals. Employment in number of jobs includes proprietors and part-time jobs
- [5] Historical growth estimates assume continued growth commensurate with average, annual historical growth between 2002-2019, based on estimates provided by DOF.
- [6] The City of Fresno General Plan projections are based on data from the years 2010 and 2035. The General Plan projections are based on the City of Fresno Planning Area, which differs slightly from the City's Sphere of Influence.

Land Use Demand

This section examines land use demand in the SCSP as well as its potential for development over the period 2022-2040 (an 18-year absorption period). This Analysis includes a summary of the projected growth in office, industrial, and retail land use demand for the Project, with a focus on industrial and office land uses, which closely align with historical development patterns and the City's economic development objectives for the SCSP, although accommodating retail uses to serve local residents and employees can serve multiple beneficial purposes, including minimizing vehicle miles travelled, balancing land uses, increasing access to food options and daily use services for local residents and employees.

Office and industrial demand is based on projected employment growth in the City as well as long-term historical growth in office and industrial space in the City and potential capture within the Project. Retail demand is informed by an evaluation of existing supply (retail inventory) and demand (retail spending) from households and employees in and surrounding the Project. However, it should be noted that the levels and types of projected development in the SCSP are heavily influenced by individual landowner decisions and investor objectives. While EPS has developed localized market capture estimates based on a range of employment projections and historical data, there is every possibility that the specific actions of one or more development interests may contribute to outcomes that vary from the land use demand estimates in this Analysis. Further, land demand estimates will also be informed by land use regulations that support desired development and streamlined permitting requirements, the availability of "shovel-ready" land, and, in the case of large-scale office and industrial users, an interest among corporate decision makers in the area to locate in the Project (as opposed to the competitive markets discussed previously) based on the strength of the existing and growing labor force and other locational assets.

Estimated Citywide land demand and SCSP's potential capture of Citywide land demand is detailed in **Table 14**. The office and industrial land demand methodology and assumptions used in this Analysis are described in **Appendix C**, while the methodology and assumptions used to estimate demand for retail space are provided in **Appendix D**.

Citywide Office and Industrial Land Use Demand

This Analysis includes an estimate of net new demand for office and industrial land use through 2040 using select employment growth projections from sources summarized in the previous section. Specifically, EPS utilized those employment growth projections that provided employment by industry rather than simply total employment. This level of industry detail allows for analysis that translates employment growth to space usage by real estate type). In addition, EPS selected employment growth projections that generally aligned with the study horizon of 2040; some projection sources such as the EDD only provide 10-year estimates.

Table 14. Estimated SCSP Land Demand Scenarios (2022-2040)

Assumption / Scenario	Estimated SCSP Land Demand (2022-2040)						Avg Annual Absorption (18 years)
	Local-Serving Retail [1]	Ancillary Retail [2]	Office	Light Industrial [3]	Heavy Industrial [3]	Total Demand (2022-2040)	
City of Fresno Acreage Demand (2022-2040) [4]							
Scenario 1: FCOG Scenario	-	-	208	309	252	769	43
Scenario 2: CalTrans Scenario	-	-	399	212	174	785	44
Scenario 3: Historical Absorption Scenario	-	-	120	204	167	490	27
Average City Acreage Demand	-	-	242	241	198	681	38
Percent of Total			36%	35%	29%	100%	
SCSP Capture of Average City Demand							
Baseline Historical Absorption [5]	-	-	1%	72%	72%	-	-
Economic Diversification Position [6]	-	-	15%	80%	50%	-	-
SCSP Net New Acreage Demand (2022-2040)							
Baseline Historical Absorption	22.9	4.9	1.6	173.3	141.8	344.5	19.1
Economic Diversification Position	22.9	6.1	36.3	193.2	98.8	357.3	19.9
Average Net New Acreage	22.9	5.5	19.0	183.2	120.3	350.9	19.5
Average Annual Net Absorption	1.3	0.3	1.1	10.2	6.7	19.5	-
SCSP Net New Building Space Demand (2022-2040)							
Baseline Historical Absorption	279,676	74,616	24,800	3,018,777	2,469,909	5,867,778	325,988
Economic Diversification Position	279,676	92,869	553,991	3,366,226	1,721,365	6,014,127	334,118
Average Net New Building Sq. Ft.	279,676	83,743	289,395	3,192,502	2,095,637	5,940,953	330,053
Average Annual Net Absorption	15,538	4,652	16,078	177,361	116,424	330,053	-
Square Feet per Employee	500	500	300	1,000	1,000	-	-
Potential Net New Employees (2022-2040)	559	167	965	3,193	2,096	6,980	388

Source: EPS.

- [1] Neighborhood-serving retail estimates shown are based on an evaluation of demand for neighborhood-retail development based on supportable retail space estimated for the retail market area under the Proposed Plan, as shown in Appendix D. Acreage shown reflects additional demand from existing households, after accounting for existing neighborhood-serving retail space in the retail market area. An additional 1.5 acres is estimated to be accommodated under Alternative 2. Acreage is calculated assuming a 0.35 FAR and an 80% net-to-gross factor.
- [2] Assumes ancillary retail, or retail outlets that support employee demand, is based on the following assumptions: \$15 per day per employee spent on retail goods and services, 250 working days per year, \$350 sales per retail square foot, 0.35 FAR, and an 80% net-to-gross factor.
- [3] This analysis estimates demand for light and heavy industrial uses in the City is split 55% light and 45% heavy industrial, based on employment projections by industry in the City.
- [4] Refer to Appendix D for details regarding Citywide land demand acreage estimated for each scenario.
- [5] Assumes a continuation of proportional absorption in the SCSP relative to the City.
- [6] Based on modified economic development efforts to diversify land uses and employment options by attracting fewer heavy industrial tenants and more light industrial, flex, and office-based tenants.

EPS created three land use demand scenarios to demonstrate the acreage range potential in the SCSP between 2022 and 2040. The first two land demand scenarios are based on employment projections that met the criteria described above, while the third growth scenario is based on an assumed continuation of historical commercial office and industrial gross absorption Citywide. These three scenarios offer a cross-section of expectations for future economic performance in the local economy and across industry sectors based on differing approaches and assumptions and is appropriate for demonstrating the potential range of land use demand. Detailed descriptions of each scenario are provided below:

- **Scenario 1: Fresno COG Scenario.** This scenario is based on the Fresno COG's 2019 - 2050 Growth Projections employment projections prepared for the City. Employment projections from this source indicate there will be about 45,200 total new jobs added in the City over the period of 2022-2040. Based on translating job growth by industry into real estate categories, EPS estimates the City could anticipate growth of about 16,300 new commercial office and industrial jobs over the period of 2022-2040, or an average of 900 new commercial office and industrial jobs per year. Most new employment growth in the City is estimated to be concentrated in four employment sectors. Nearly 30 percent of new jobs are anticipated to be in industrial sectors, excluding manufacturing; in addition, nearly 20 percent of new jobs will be in the healthcare sector, 20 percent in the hospitality sector, and 13 percent in jobs that support demand for office space.
- **Scenario 2: CalTrans Scenario.** Under this scenario, new job growth is anticipated to create approximately 77,400 jobs through 2040 in the County. City-level projections were not available from this source so Countywide employment projections were translated to Citywide estimates based on the current proportion of City to County employment by industry, as shown in **Table B-6**. Using this methodology, about 77 percent of County employment, or 59,400 new jobs, are expected to occur in the City over the period 2022-2040.⁴⁰ Based on translating job growth by industry into real estate categories, EPS estimates the City could add about 21,600 new commercial office and industrial jobs over the period of 2022-2040, or an average of 1,200 new commercial office and industrial jobs per year. In contrast to the Fresno COG projections, CalTrans estimates nearly all new employment growth in the County will be in sectors that support demand for commercial retail and office space, including professional and business services (28 percent), leisure (28 percent), health and education (25 percent), and government (17 percent). Projected employment growth in industrial sectors was low (transportation and utilities at 6 percent and manufacturing at 1 percent) or declining (construction and wholesale and retail trade, which are combined in one category).
- **Scenario 3: Historical Scenario.** The historical scenario represents an extrapolation over the period 2022-2040 of average, annual commercial office and industrial growth that occurred in the City over the period 2002-2019, as obtained through CoStar and presented in **Table A-1**. Land use demand is based on historical annual absorption Citywide of about

⁴⁰ Note this differs from the current (2019) total proportion of City to County employment by industry shown in **Table B-6**, based on the type and scale of employment projections. See **Table C-5** for the Citywide share of County employment by industry used in this scenario.

81,000 square feet of office and 287,000 square feet of industrial space, or 368,000 square feet in total.

After translating employment growth into real estate categories for the first two land demand scenarios, EPS then applied a set of assumptions regarding employee density and building development density to estimate future demand for office and industrial building space and land.⁴¹ Employee densities and development standards for office and industrial uses vary widely depending on the nature of the tenant and type of facility operation. For office uses, employee densities typically range from about 200 – 400 square feet per employee, while employee densities for industrial uses can vary significantly, with sources indicating anywhere from 500 square feet per employee (for R&D/Flex space) to 2,000 square feet per employee for most industrial uses (or lower for some light and heavy industrial uses). This Analysis uses mid-range figures of 300 square feet per office employee and 1,000 square feet per industrial employee and a floor-area-ratio (FAR) of 0.35 for office uses and 0.4 for industrial uses.

As shown in **Table 14**, the three land demand scenarios are estimated to support demand for 490 acres (under the Historical Scenario) to 785 acres (under the CalTrans Scenario). The Fresno COG scenario indicates a close alignment with CalTrans projections, with estimated demand of 769 acres over the period 2022 – 2040. The average of all three growth scenarios yields estimated demand for about 680 acres, or gross absorption of 38 acres annually, through 2040. Much of this demand (64 percent) is anticipated to be for industrial space, including heavy and light industrial, and research & development (R&D)/flex space. The remaining 36 percent of demand is anticipated for office space accommodating growth in Finance, Real Estate, and Insurance (FIRE) sectors, as well as government, education, and medical sectors.

SCSP Capture of Citywide Office and Industrial Land Demand

Two different scenarios developed for this Analysis, and described in greater detail later in this memorandum, reflect the SCSP's ability to capture estimated Citywide market demand for office and industrial space. The first scenario, titled "Baseline Historical Absorption," reflects a continuation of proportional gross absorption of office and industrial building space in the SCSP relative to the gross absorption of office and industrial building space citywide between 2010-2021 (see **Table 8** for more information regarding the proportional relationship). The second scenario, titled "Economic Diversification Position," was prepared by EPS for this study as a potential scenario that reflects the recommended vision, guiding principles, and policies adopted for the SCSP.⁴² This scenario emphasizes future growth in light industrial, flex, and office-based tenants rather than heavy industrial tenants in an effort to respond to one of the guiding principles to diversify employment opportunities in the Plan Area.

Based on an average of the two capture scenarios developed for this Analysis, total SCSP acreage demand for office and industrial space is estimated to range from 317 to 328 acres in total (2022-2040), or about 18 acres per year over the 18-year period. On average, this Analysis

⁴¹ It is important to note that this analysis specifically reflects a demand analysis, which translates anticipated employment growth into related use of nonresidential space under the assumption that foundational market conditions fall within normal parameters. The analysis is not primarily intended to examine market support for specific existing or proposed projects, though key metrics such as vacancy rates are taken into account in gauging the general health of local markets as part of the overall assessment.

⁴² City of Fresno South Central Specific Plan Vision & Guiding Principles Adopted Recommendations, July 2020.

estimates the SCSP could capture about **322 acres in total** (2022-2040), representing nearly half (47 percent) of total Citywide demand for office and industrial acreage combined. The overwhelming majority of demand estimated in the SCSP would accommodate industrial development (94 percent of net new demand). Demand for office space (6 percent of net new demand) would likely encompass local-serving professionals and office space associated with related industrial uses in the Project.

SCSP Capture of Retail Land Use Demand

In addition to estimating demand for office and industrial uses, this Analysis estimated demand for retail land uses in the Project, including neighborhood-serving and ancillary, or employee-serving, retail uses through 2040.

Neighborhood-Serving Retail

Neighborhood-serving, or local-serving, retail uses are defined as convenience-oriented retail outlets that accommodate daily-use goods and services and generally serve a 3-mile market area in urban cities.⁴³ Neighborhood-serving retail centers are typically anchored by grocery stores and often include a co-located drug store, and other small-scale tenants that serve the daily needs of nearby residents.⁴⁴

As described previously in this memorandum, the Project contains a small residential population comprising 376 households. There are an additional 20,400 households within a 3-mile radius surrounding the Project (Retail Market Area or RMA), which captures the residential neighborhoods of Calwa and Malaga and other adjacent neighborhoods south of downtown, as shown in **Figure 3**. In sum, the defined market area contains about 20,800 households and a residential population of nearly 60,000, as shown in **Table D-1**.

Because of a focus on developing industrial land uses in the SCSP and likely because of the low-income characteristics that define households in the study area, the RMA is estimated to contain a minimal amount of neighborhood-serving retail uses. As of 2022, the RMA is estimated to contain about 131,000 square feet of neighborhood-serving retail space characterized primarily by a few small-scale convenience and discount grocery stores, fast food restaurants and other independent food and beverage stores, and gas stations and automotive stores. The RMA's population and local-serving retail inventory translates into a commonly used benchmark of just over 2 square feet per capita, as shown in **Table D-6**.

Although the national retail market has a widely acknowledged oversupply of retail space and other dynamic characteristics affecting tenancing and absorption forecasting (e.g., an increasing market share of online shopping), the retail space per capita benchmark in the Project is well below the typical average of 10-15 retail square feet per capita in urbanized areas. Indeed, the Citywide average is nearly 14 square feet per capita (see **Table D-6**), suggesting the opportunity to support new retail development in the RMA, including in the Project.

⁴³ U.S. Shopping-Center Classification and Characteristics, ICSC Research and CoStar Realty Information, Inc. (www.costar.com).

⁴⁴ Ibid.

[illegible]

Source: City of Fresno, EPS, Fresno County Dept. PWP, Bureau of Land Management, Esri, HERE, Garmin, NGA, USGS, NPS.

To quantify retail demand from existing and net new households, EPS developed an analytical model that relies on current RMA households, household income, and consumer spending patterns. Assumptions underlying each component of household demand can be found in **Appendix D**. As shown in **Table D-2**, households in the RMA spend, on average, \$16,400 at retail outlets and are estimated to generate \$356.5 million in spending power annually.⁴⁵

The potential capture for new neighborhood-serving retail located in the Project from households is based on the estimated extent of household spending, existing retail outlets in the defined market area, and the type and scale of tenants typically found in neighborhood-serving retail centers. Applying reasonable capture rates by retail category indicates that existing household spending may support an additional 280,000 square feet of neighborhood-serving retail beyond the existing retail inventory in the RMA (see **Table D-8**).⁴⁶ Additional residential capacity envisioned under the Blended Alternative and Community Alternative supports a minimal additional 1,000 to 17,000 neighborhood-serving retail square feet, respectively.

As shown in **Table 14**, this Analysis translates supportable retail space to acreage using a FAR of 0.35 resulting in demand through 2040 of about 23 acres of neighborhood-serving retail space under the Proposed Plan. An additional 1.5 acres is estimated to be accommodated under Alternative 2, which adds development capacity for about 870 net new households. All of the demand estimated to be generated by existing and net new households in the RMA has been conservatively estimated to occur in the Project. However, this demand could be accommodated outside of the Project in the RMA. Historical development patterns and existing conditions in the SCSP will likely present a challenge to fulfilling this retail demand without City planning and economic development efforts in concert with outreach and coordination with retail brokers and landowners to accommodate and attract retail uses to the SCSP.

Ancillary Retail

This Analysis includes an estimate of ancillary, employee-serving retail demand derived from the assumed daily spending levels of the estimated employees supported by the industrial and office land demand.⁴⁷ As shown, this Analysis estimates net new demand for 4 to 5 acres by 2040. Supporting ancillary retail is a key element providing both convenience and improved vitality in the SCSP. Employee-serving retail uses should be positioned to offer walkable access to these uses where appropriate.

⁴⁵ Consumer spending patterns exclude spending on e-commerce retail goods and services, which are, as a conservative assumption, not anticipated to contribute to demand for physical retail space.

⁴⁶ Supportable square feet is calculated by dividing estimated supportable sales by average total retail sales per square foot as shown in **Table D-8**.

⁴⁷ Ancillary retail demand assumes daily employee spending of \$15 for 250 days per year with \$350 sales per square foot, a 0.35 FAR, and 80 percent net-to-gross area. These assumptions represent a probable upper-end of supportable ancillary retail range.

Land Demand Conclusions

In sum, this Analysis estimates demand for about **350 acres of nonresidential space**, inclusive of heavy and light industrial/flex, office, and neighborhood and employee-serving retail space. This land demand translates into nearly 20 acres per year over the 18-year period and could support approximately 7,100 additional jobs in the SCSP by 2040.

In order to compare estimates for land demand by real estate category against remaining land capacity for each Project alternative, EPS translated the acreages presented by real estate type in **Table 14** to the zoning designations identified for the Project, based on typical land use composition and an examination of allowable uses for all nonresidential land uses. **Table 15** summarizes these assumptions and resulting acreage by zoning designation.

Table 16 demonstrates that a series of pipeline projects, at various stages in the development entitlement process, represent over one-third of total acreage demand through 2040, although it is possible that not all projects will come to fruition and many of the larger projects will buildout over several years. The pipeline projects are consistent with the scale and nature of existing development in the plan area. Retail projects in the pipeline include a gas station, convenience store, and a coffee shop with a drive through. Non-retail pipeline project include the development of a sales and repair center for heavy commercial vehicles, a business park with 7 office/warehouse buildings between 26,000 to 41,000 square feet, and several large scale tilt-up warehouses ranging from approximately and a variety of standalone and business park tilt-up warehouses ranging in size from about 130,000 to 470,000 square feet.

Further, this Analysis demonstrates that the proportion of acreage in the Blended Alternative is well aligned with estimated demand through 2040 and leaves adequate land flexibly zoned to accommodate a range of nonresidential land uses following the study horizon of this Analysis (post-2040). In contrast, the existing General Plan and the remaining alternatives are deficient in accommodating estimated demand for commercial retail (in the existing General Plan and the Business Alternative) or heavy industrial (in the Community Alternative) uses through 2040 or beyond the study horizon of this Analysis.

Table 15. Summary of Total SCSP Absorption Capacity (2040)

Item	Average SCSP Net New Capacity (2022-2040)					Total
	Local Retail	Ancillary Retail	Office	Light Industrial	Heavy Industrial	
Land Use Allocation Assumptions [1]						
General Commercial	100%	-	10%	-	-	-
Business Park	-	50%	45%	20%	-	-
Regional Business Park	-	50%	45%	60%	50%	-
Light Industrial	-	-	-	20%	-	-
Heavy Industrial	-	-	-	-	50%	-
SCSP Net New Acreage Demand (2022-2040) [2]						
General Commercial	24	-	2	-	-	26
Business Park	-	3	9	37	-	48
Regional Business Park	-	3	9	110	60	181
Light Industrial	-	-	-	37	-	37
Heavy Industrial	-	-	-	-	60	60
Total	24	5	19	183	120	352

Source: EPS.

[1] Land use allocation assumptions estimated by EPS based on typical land use composition and allowable uses by zoning designations in the SCSP.

[2] SCSP net new acreage demand, as shown in Table 14.

Table 16. Comparison of Net New Acreage Demand and Remaining SCSP Development Capacity

Item	SCSP Net New Acreage Demand (2022-2040) [1]	Pipeline Projects (Acreage) [2]	Pipeline Projects as % of Net New Acreage Demand	Remaining Development Capacity (2040+) (Gross Acres) [3]			
				Existing General Plan	Alternative 1: Blended Plan	Alternative 2: Community Plan	Alternative 3: Business Plan
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = b / a</i>	<i>d = rem. cap - a</i>	<i>e = rem. cap - a</i>	<i>f = rem. cap - a</i>	<i>f = rem. cap - a</i>
Nonresidential Land Uses							
General Commercial	26	1	4%	(25)	1	901	(25)
Business Park	48	18	38%	39	508	240	(32)
Regional Business Park	181	77	42%	93	91	29	91
Light Industrial	37	27	72%	225	301	293	636
Heavy Industrial	60	5	8%	1,211	580	(60)	871
Subtotal Nonresidential Land Uses	352	127	36%	1,543	1,480	1,403	1,541

Source: City of Fresno; Ascent Environmental Draft Development Capacity Calculations November 2021; EPS.

[1] See Table 15.

[2] See Table C-9 for development assumptions related to pipeline projects.

[3] Reflects estimated remaining developable land post-2040 following estimated demand for land through 2040. SCSP net new acreage demand (2022-2040) is subtracted from remaining development capacity shown on Table 6.

Land Demand Implications for Environmental Analysis

The Project has the potential to capture demand estimated in this Analysis based on historical absorption patterns, continued demand for office and industrial space, unmet demand for additional retail space, and City policies to improve infrastructure and other land use conditions in the SCSP. However, as mentioned previously, actual demand may vary from what is presented in this Analysis and will be influenced by both internal factors (strengths and weaknesses specific to the SCSP) and external factors (opportunities and threats to the SCSP), some of which are beyond the City's control (e.g., individual landowner and investor decisions, national economic trends, securing funding for needed infrastructure improvements).

While this Analysis estimates demand for approximately 350 acres (about 6.0 million square feet of new development) through 2040, EPS recommends the EIR conservatively analyze the estimated net new land demand including a contingency factor to account for variances in employment projections, land use and employment density assumptions, and local and broader economic trends that may emerge over the lengthy study period. EPS recommends a 30 percent contingency factor would be appropriate to allow for a conservative evaluation of environmental impacts and identification of mitigation measures. The resulting contingency factor translates into demand for about 456 acres (about 7.8 million square feet of new development) through 2040. Refer to **Table 1** at the beginning of this memorandum for an overview of SCSP land demand, estimated building space, and employment by land use category through 2040 under EPS's base analysis and including the 30 percent contingency factor.



APPENDICES:

- Appendix A: Real Estate Market
Performance Indicators
- Appendix B: Detailed Socioeconomic
Characteristics
- Appendix C: Office and Industrial Real Estate
Land Demand Analysis
- Appendix D: Retail Market Analysis Support Tables
- Appendix E: Stakeholder Input



APPENDIX A:

Real Estate Market Performance Indicators

Table A-1	Citywide Commercial Real Estate Market Summary
Table A-2	SCSP Retail Real Estate Market Summary
Table A-3	SCSP Office Real Estate Market Summary
Table A-4	SCSP Industrial Real Estate Market Summary

Table A-1
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Citywide Commercial Real Estate Market Summary

Citywide Commercial Real Estate Market Summary

Item Category	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2010-21 Total Change	2010-21 Avg Annual Change
Retail														
Inventory (Bldg Sq. ft.) [1]	32,140,800	32,131,980	32,252,399	32,175,450	32,549,162	32,737,293	32,858,845	33,026,570	32,986,671	33,033,419	33,060,627	33,197,001	1,056,201	96,018
Vacancy Rate	9%	10%	9%	10%	9%	8%	7%	7%	5%	5%	6%	5%	(3.3%)	NA
Net Absorption (Bldg Sq. ft.) [2]	77,805	(370,253)	244,037	(99,967)	479,743	493,496	555,833	32,350	525,805	21,629	(63,631)	230,589	NA	NA
Deliveries (Bldg Sq. ft.)	98,087	44,712	160,221	43,601	395,777	228,021	186,080	201,056	44,190	49,016	34,362	191,781	NA	NA
NNN Rent (Overall) [3]	\$12.56	\$11.94	\$12.33	\$12.34	\$12.66	\$12.77	\$13.02	\$13.16	\$13.45	\$14.60	\$14.35	\$15.01	\$2.45	\$0.22
Office														
Inventory (Bldg Sq. ft.) [1]	23,993,785	24,032,039	24,032,617	24,124,168	24,163,468	24,193,985	24,264,664	24,539,047	24,558,707	24,667,657	24,865,201	24,887,328	893,543	81,231
Vacancy Rate	9%	10%	9%	10%	9%	8%	7%	7%	5%	5%	6%	5%	(3.3%)	NA
Net Absorption (Bldg Sq. ft.) [2]	(289,661)	(53,827)	102,384	189,443	262,514	132,874	199,002	540,665	371,398	298,172	33,863	(371,388)	NA	NA
Deliveries (Bldg Sq. ft.)	128,756	38,254	18,589	97,000	66,853	30,517	70,679	281,725	19,660	108,950	197,544	22,127	NA	NA
Office Base Rent (Overall) [3]	\$17.12	\$16.49	\$16.39	\$16.15	\$16.08	\$16.47	\$16.43	\$16.63	\$17.61	\$18.43	\$18.48	\$19.17	\$2.05	\$0.19
Industrial														
Inventory (Bldg Sq. ft.) [1]	60,292,524	60,156,936	59,415,075	59,656,587	59,677,872	60,555,831	60,653,858	60,777,372	63,030,921	63,010,150	63,049,500	63,446,395	3,153,871	286,716
Vacancy Rate	10%	10%	9%	7%	6%	5%	4%	4%	4%	4%	3%	3%	(7.4%)	NA
Net Absorption (Bldg Sq. ft.) [2]	(856,878)	(349,109)	436,509	971,688	915,838	1,432,670	468,409	386,420	2,026,885	(215,683)	710,542	744,449	NA	NA
Deliveries (Bldg Sq. ft.)	21,872	10,349	139,239	318,520	21,285	1,071,854	316,887	131,218	2,543,488	94,229	123,284	399,687	NA	NA
NNN Rent (Overall) [3]	\$3.78	\$3.90	\$4.02	\$4.15	\$3.96	\$4.35	\$4.85	\$4.46	\$5.13	\$5.12	\$5.66	\$6.47	\$2.69	\$0.24

Source: CoStar data extracted February 2022; EPS.

[1] Represents gross building square footage.

[2] Numbers in parenthetical are negative.

[3] In Triple Net (NNN) leases, the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, such as utilities. Base rent does not include any additional services beyond occupancy of the lease space. Rent figures are not adjusted for inflation.

Table A-2
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
SCSP Retail Real Estate Market Summary

SCSP Retail Market Summary

Item [1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Inventory (Bldg Sq. ft.) [2]												
SCSP	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	218,644	221,706	221,706
City of Fresno	32,140,800	32,131,980	32,252,399	32,175,450	32,549,162	32,737,293	32,858,845	33,026,570	32,986,671	33,033,419	33,060,627	33,197,001
SCSP as % of City	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Inventory (Buildings)												
SCSP	29	29	29	29	29	29	29	29	29	29	30	30
City of Fresno	3,043	3,043	3,051	3,048	3,050	3,060	3,066	3,075	3,075	3,083	3,086	3,099
SCSP as % of City	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
Vacancy Rate												
SCSP	4.2%	7.5%	5.3%	6.2%	3.9%	3.5%	3.3%	3.3%	0.0%	0.6%	0.0%	0.0%
City of Fresno	8.7%	9.9%	9.4%	9.5%	9.0%	8.1%	6.7%	7.1%	5.4%	5.4%	5.7%	5.4%
Deliveries												
SCSP	0	0	0	0	0	0	0	0	0	0	3,062	0
City of Fresno	98,087	44,712	160,221	43,601	395,777	228,021	186,080	201,056	44,190	49,016	34,362	191,781
SCSP as % of City	-	-	-	-	-	-	-	-	-	-	8.9%	-
Net Absorption (Bldg Sq. ft.) [3]												
SCSP	N/A	(7,300)	4,988	(2,008)	4,940	1,024	414	N/A	7,130	(1,352)	4,414	N/A
City of Fresno	77,805	(370,253)	244,037	(99,967)	479,743	493,496	555,833	32,350	525,805	21,629	(63,631)	230,589
Lease Rate NNN/Sq.Ft./Year [4]												
SCSP	\$19.80	\$15.00	\$16.50	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	N/A	N/A	N/A
City of Fresno	\$12.56	\$11.94	\$12.33	\$12.34	\$12.66	\$12.77	\$13.02	\$13.16	\$13.45	\$14.60	\$14.35	\$15.01

Source: CoStar data extracted February 2022; EPS.

[1] Years where data is not available are marked N/A.

[2] Represents gross building square footage.

[3] Numbers in parenthetical are negative.

[4] See Table A-1 for a definition of Triple Net (NNN) leases.

Table A-3
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
SCSP Office Real Estate Market Summary

SCSP Office Market Summary

Item [1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Inventory (Bldg Sq. ft.) [2]												
SCSP	245,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565	251,565
City of Fresno	23,993,785	24,032,039	24,032,617	24,124,168	24,163,468	24,193,985	24,264,664	24,539,047	24,558,707	24,667,657	24,865,201	24,887,328
SCSP as % of City	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Inventory (Buildings)												
SCSP	6	6	6	6	6	6	6	6	6	5	5	5
City of Fresno	1,806	1,799	1,797	1,785	1,777	1,774	1,770	1,770	1,768	1,765	1,760	1,742
SCSP as % of City	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Vacancy Rate												
SCSP	0.0%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
City of Fresno	8.7%	9.9%	9.4%	9.5%	9.0%	8.1%	6.7%	7.1%	5.4%	5.4%	5.7%	5.4%
Deliveries												
SCSP	0	6,000	0	0	0	0	0	0	0	0	0	0
City of Fresno	128,756	38,254	18,589	97,000	66,853	30,517	70,679	281,725	19,660	108,950	197,544	22,127
SCSP as % of City	-	15.7%	-	-	-	-	-	-	-	-	-	-
Net Absorption (Bldg Sq. ft.) [3]												
SCSP	N/A	4,900	100	1,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Fresno	(289,661)	(53,827)	102,384	189,443	262,514	132,874	199,002	540,665	371,398	298,172	33,863	(371,388)
Lease Rate NNN/Sq.Ft./Year [4]												
SCSP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Fresno	\$17.12	\$16.49	\$16.39	\$16.15	\$16.08	\$16.47	\$16.43	\$16.63	\$17.61	\$18.43	\$18.48	\$19.17

Source: CoStar data extracted February 2022; EPS.

[1] Years where data is not available are marked N/A.

[2] Represents gross building square footage.

[3] Numbers in parenthetical are negative.

[4] See Table A-1 for a definition of Triple Net (NNN) leases.

Table A-4
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
SCSP Industrial Real Estate Market Summary

SCSP Industrial Market Summary

Item [1]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Inventory (Bldg Sq. ft.) [2]												
SCSP	16,316,523	16,316,523	15,522,954	15,814,128	15,814,128	15,783,790	15,809,424	15,852,159	18,244,382	18,249,382	18,249,382	18,579,196
City of Fresno	60,292,524	60,156,936	59,415,075	59,656,587	59,677,872	60,555,831	60,653,858	60,777,372	63,030,921	63,010,150	63,049,500	63,446,395
SCSP as % of City	27.1%	27.1%	26.1%	26.5%	26.5%	26.1%	26.1%	26.1%	28.9%	29.0%	28.9%	29.3%
Inventory (Buildings)												
SCSP	393	392	384	382	381	376	376	374	374	374	374	373
City of Fresno	2,486	2,479	2,469	2,464	2,455	2,441	2,439	2,434	2,428	2,429	2,428	2,414
SCSP as % of City	15.8%	15.8%	15.6%	15.5%	15.5%	15.4%	15.4%	15.4%	15.4%	15.4%	15.4%	15.5%
Vacancy Rate												
SCSP	13.9%	14.7%	11.1%	10.1%	9.3%	7.5%	3.5%	5.4%	4.2%	5.1%	1.6%	1.3%
City of Fresno	10.0%	10.4%	8.6%	7.3%	5.8%	4.8%	4.2%	3.7%	4.0%	4.3%	3.2%	2.6%
Deliveries [3]												
SCSP	-	-	9,831	291,174	-	152,831	25,634	42,735	2,405,162	5,000	-	329,814
City of Fresno	21,872	10,349	139,239	318,520	21,285	1,071,854	316,887	131,218	2,543,488	94,229	123,284	399,687
SCSP as % of City	-	-	7.1%	91.4%	-	14.3%	8.1%	32.6%	94.6%	5.3%	-	82.5%
Net Absorption (Bldg Sq. ft.)												
SCSP	273,885	(132,950)	(109,585)	413,071	129,897	261,063	658,031	(261,581)	2,477,226	(161,891)	636,169	381,140
City of Fresno	(856,878)	(349,109)	436,509	971,688	915,838	1,432,670	468,409	386,420	2,026,885	(215,683)	710,542	744,449
Lease Rate NNN/Sq.Ft./Year [4]												
SCSP	\$3.43	\$3.56	\$3.53	\$3.64	\$3.46	\$3.65	\$4.66	\$3.79	\$5.44	\$5.35	\$5.23	\$5.91
City of Fresno	\$3.78	\$3.90	\$4.02	\$4.15	\$3.96	\$4.35	\$4.85	\$4.46	\$5.13	\$5.12	\$5.66	\$6.47

Source: CoStar data extracted February 2022; EPS.

[1] Years where data is not available are marked N/A.

[2] Represents gross building square footage.

[3] Numbers in parenthetical are negative.

[4] See Table A-1 for a definition of Triple Net (NNN) leases.



APPENDIX B:

Detailed Socioeconomic Characteristics

Table B-1	City of Fresno and Fresno County Employment Detail
Table B-2	Employment by Industry: Plan Area, City, and County
Table B-3	Employment Location Quotient—Plan Area, City and County
Table B-4	Race and Ethnicity—Plan Area, City of Fresno, and State of California
Table B-5	Educational Attainment—Plan Area, City of Fresno, Fresno County, and State of California
Table B-6	Household Income City of Fresno, Fresno County, California
Table B-7	Plan Area and Citywide Labor Force by Industry
Table B-8	Top Commute Destinations for Residents of the City of Fresno

Table B-1
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
City of Fresno and Fresno County Employment Detail

Employment

Item	City			County		
	2010	2019	Average Annual Change	2010	2019	Average Annual Change
Total Employment by Industry						
Agriculture, Forestry, Fishing and Hunting	1,947	2,303	356	36,074	39,386	3,312
Mining, Quarrying, and Oil and Gas Extraction	32	3	(29)	188	165	(23)
Utilities	1,384	1,410	26	2,374	2,414	40
Construction	7,288	12,175	4,887	11,727	18,755	7,028
Manufacturing	13,640	13,168	(472)	25,310	25,117	(193)
Wholesale Trade	8,266	8,836	570	12,816	15,252	2,436
Retail Trade	19,593	23,002	3,409	29,372	35,034	5,662
Transportation and Warehousing	5,360	9,135	3,775	8,342	14,270	5,928
Information	3,659	2,940	(719)	4,317	3,568	(749)
Finance and Insurance	7,578	7,926	348	9,194	9,086	(108)
Real Estate and Rental and Leasing	3,497	3,754	257	4,514	4,930	416
Professional, Scientific, and Technical Services	8,618	9,080	462	11,244	11,818	574
Management of Companies and Enterprises	2,099	2,413	314	2,432	2,480	48
Administration & Support, Waste Management and Remediation	12,413	14,422	2,009	15,120	20,018	4,898
Educational Services	18,832	22,890	4,058	34,765	40,562	5,797
Health Care and Social Assistance	34,430	51,029	16,599	44,175	68,973	24,798
Arts, Entertainment, and Recreation	2,335	2,622	287	4,375	3,692	(683)
Accommodation and Food Services	15,696	21,681	5,985	22,839	31,300	8,461
Other Services (excluding Public Administration)	13,635	8,388	(5,247)	19,021	11,247	(7,774)
Public Administration	22,599	18,837	(3,762)	26,369	22,930	(3,439)
Total	180,302	217,177	36,875	298,199	358,067	59,868

Source: US Census Bureau Longitudinal Employer-Household Dynamics; EPS.

Table B-2
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Employment by Industry: Plan Area, City, and County (2010 & 2019)

Employment by Industry

Item	Plan Area				% of City of Fresno [1]		% of Fresno County [1]	
	Total		Total Change	Average Annual Change	2010	2019	2010	2019
	2010	2019						
Total Employment by Industry								
Agriculture, Forestry, Fishing and Hunting	31	5	(26)	(3)	1.6%	0.3%	0.1%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	7	0	(7)	(1)	21.9%	0.0%	3.7%	0.0%
Utilities	217	296	79	9	15.7%	21.4%	9.1%	12.3%
Construction	807	1,037	230	26	11.1%	14.2%	6.9%	5.5%
Manufacturing	5,190	5,309	119	13	38.0%	38.9%	20.5%	21.1%
Wholesale Trade	2,657	3,614	957	106	32.1%	43.7%	20.7%	23.7%
Retail Trade	681	348	(333)	(37)	3.5%	1.8%	2.3%	1.0%
Transportation and Warehousing	1,458	3,639	2,181	242	27.2%	67.9%	17.5%	25.5%
Information	6	0	(6)	(1)	0.2%	0.0%	0.1%	0.0%
Finance and Insurance	10	8	(2)	(0)	0.1%	0.1%	0.1%	0.1%
Real Estate and Rental and Leasing	121	101	(20)	(2)	3.5%	2.9%	2.7%	2.0%
Professional, Scientific, and Technical Services	78	145	67	7	0.9%	1.7%	0.7%	1.2%
Management of Companies and Enterprises	311	379	68	8	14.8%	18.1%	12.8%	15.3%
Administration & Support, Waste Management and Remediation	314	576	262	29	2.5%	4.6%	2.1%	2.9%
Educational Services	64	113	49	5	0.3%	0.6%	0.2%	0.3%
Health Care and Social Assistance	53	60	7	1	0.2%	0.2%	0.1%	0.1%
Arts, Entertainment, and Recreation	4	5	1	0	0.2%	0.2%	0.1%	0.1%
Accommodation and Food Services	316	431	115	13	2.0%	2.7%	1.4%	1.4%
Other Services (excluding Public Administration)	412	552	140	16	3.0%	4.0%	2.2%	4.9%
Public Administration	21	23	2	0	0.1%	0.1%	0.1%	0.1%
Total	12,737	16,618	3,881	431	7.1%	7.7%	4.3%	4.6%

Source: US Census Bureau Longitudinal Employer-Household Dynamics; EPS.

[1] See Appendix B, Table B-1 for further detail on City of Fresno and Fresno County employment.

Table B-3**City of Fresno****South Central Specific Plan Nonresidential Market Analysis****Employment Location Quotient - Plan Area, City and County - (2010 & 2019)****Employment Location Quotient**

Item	Plan Area - State		City - State	
	2010	2019	2010	2019
Employment Location Quotient by Industry [1]				
Agriculture, Forestry, Fishing and Hunting	0.12	0.01	0.47	0.51
Mining, Quarrying, and Oil and Gas Extraction	0.50	0.00	0.11	0.01
Utilities	2.72	2.39	1.03	1.04
Construction	1.21	1.66	1.07	1.07
Manufacturing	5.41	3.65	0.86	0.81
Wholesale Trade	5.27	4.87	1.03	1.03
Retail Trade	0.59	0.21	1.08	1.17
Transportation and Warehousing	3.02	7.18	0.98	1.11
Information	0.01	0.00	0.58	0.32
Finance and Insurance	0.03	0.01	1.16	1.19
Real Estate and Rental and Leasing	0.55	0.35	1.11	1.01
Professional, Scientific, and Technical Services	0.08	0.12	0.67	0.55
Management of Companies and Enterprises	1.54	1.56	0.79	0.70
Administration & Support, Waste Management and Remediation	0.38	0.60	1.18	1.03
Educational Services	0.06	0.07	1.06	1.21
Health Care and Social Assistance	0.03	0.03	1.65	1.58
Arts, Entertainment, and Recreation	0.01	0.01	0.60	0.55
Accommodation and Food Services	0.26	0.29	0.99	1.04
Other Services (excluding Public Administration)	1.01	0.60	1.36	1.20
Public Administration	0.04	0.03	2.31	2.04

Source: US Census Bureau Longitudinal Employer-Household Dynamics; EPS.

[1] Location quotient is a statistic that measures an area's industrial specialization relative to a larger geographic unit. A location quotient of 1 means that the two regions under comparison have the same concentration of a particular industry. An area is considered specialized in a particular industry if the location quotient is above 1.25. Industries with location quotients greater than 1.25 are highlighted in green.

Table B-4
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Race and Ethnicity - Plan Area, City of Fresno, and State of California (2010 & 2020)

Race and Ethnicity

	Change (2010 - 2020)														
	2010				2020				Change (2010 - 2020)						
	Plan Area [1] Percent	City of Fresno Total	Percent	California Total	Percent	Plan Area [1] Total	Percent	City of Fresno Total	Percent	California Total	Percent	City of Fresno Total	Percent [2]	California Total	Percent [2]
Race and Ethnicity															
Hispanic or Latino (any race)	66%	232,055	46.9%	14,013,719	37.6%	834	70.5%	273,771	50.5%	15,579,652	39.4%	41,716	15.2%	1,565,933	10.1%
White alone	8%	148,598	30.0%	14,956,253	40.1%	79	6.7%	129,705	23.9%	13,714,587	34.7%	(18,893)	(14.6%)	(1,241,666)	(9.1%)
Black or African American alone	10%	37,885	7.7%	2,163,804	5.8%	89	7.5%	37,611	6.9%	2,119,286	5.4%	(274)	(0.7%)	(44,518)	(2.1%)
American Indian and Alaska Native alone	1%	3,127	0.6%	162,250	0.4%	5	0.4%	3,501	0.6%	156,085	0.4%	374	10.7%	(6,165)	(3.9%)
Asian alone	13%	60,939	12.3%	4,775,070	12.8%	158	13.4%	77,243	14.2%	5,978,795	15.1%	16,304	21.1%	1,203,725	20.1%
Native Hawaiian and Other Pacific Islander alone	0%	663	0.1%	128,577	0.3%	1	0.1%	766	0.1%	138,167	0.3%	103	13.4%	9,590	6.9%
Some Other Race alone	0%	984	0.2%	85,587	0.2%	3	0.2%	2,918	0.5%	223,929	0.6%	1,934	66.3%	138,342	61.8%
Two or More Races	1%	10,414	2.1%	968,696	2.6%	15	1.3%	16,592	3.1%	1,627,722	4.1%	6,178	37.2%	659,026	40.5%
Total		494,665	100.0%	37,253,956	100.0%	1,184	100.0%	542,107	100.0%	39,538,223	100.0%	47,442	8.8%	2,284,267	5.8%

Source: U.S. Census Bureau Decennial Census Table P-2; ESRI Business Analyst; City of Fresno; ParcelAtlas; EPS.

[1] Ethnic and racial distribution of Plan Area residents derived from ESRI BAO analysis of the 2010 Decennial Census and the 2015-2019 American Community Survey. For calculation of total current Plan Area population see Table C-7. The 2010 total Plan Area population was not calculated.

[2] Percent change is based on the percentage change in total residents of each race between 2010 and 2020.

Table B-5
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Educational Attainment - Plan Area, City of Fresno, Fresno County, and State of California (2010 & 2020)

Educational Attainment

	2010				2020				Change (2010 - 2020)					
	City of Fresno		California		Plan Area [2]		City of Fresno		California		City of Fresno		California	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent [1]	Total	Percent [1]
Educational Attainment														
Less than high school graduate	69,975	25.3%	4,535,103	19.3%	291	45.5%	68,447	21.3%	4,286,538	16.1%	(1,528)	(2.2%)	(248,565)	(5.5%)
High school graduate (includes equivalency)	64,997	23.5%	5,052,058	21.5%	158	24.7%	71,641	22.3%	5,431,385	20.4%	6,644	10.2%	379,327	7.5%
Some college, no degree	64,167	23.2%	5,052,058	21.5%	117	18.2%	76,322	23.7%	5,566,520	20.9%	12,155	18.9%	514,462	10.2%
Associate's Degree	20,744	7.5%	1,809,342	7.7%	30	4.6%	31,458	9.8%	2,123,827	8.0%	10,714	51.7%	314,485	17.4%
Bachelor's Degree	38,721	14.0%	4,511,605	19.2%	33	5.2%	48,572	15.1%	5,764,827	21.6%	9,851	25.4%	1,253,222	27.8%
Graduate or Professional Degree	18,254	6.6%	2,537,778	10.8%	11	1.7%	24,985	7.8%	3,492,046	13.1%	6,731	36.9%	954,268	37.6%
Total [1]	276,581	100.1%	23,497,945	100.0%	639	100.0%	321,425	100.0%	26,665,143	100.0%	44,844	16.2%	3,167,198	13.5%

Source: U.S. Census Bureau American Community Survey 5-year Estimates Table S1501, EPS.

[1] Total and percentages based on population aged 25 years or older.

[2] Distribution of Plan Area residents over age 25 and educational attainment derived from ESRI BAO analysis of 2015-2019 American Community Survey Data. For calculation of total Plan Area residents, see Table C-7.
ESRI did not report educational attainment for 2010.

Table B-6
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Household Income City of Fresno, Fresno County, California (\$2019)

Item	Household Income Distribution		
	City of Fresno	Fresno County	California
Household Income			
Less than \$25,000	23%	20%	4%
\$25,000 to \$50,000	23%	23%	18%
\$50,000 to \$75,000	18%	17%	16%
\$75,000 to \$100,000	12%	12%	12%
\$100,000 to \$150,000	12%	13%	17%
\$150,000 or More	9%	11%	21%
Median Household Income	\$50,432	\$53,969	\$75,235

Source: American Community Survey 2015-2019 5-Year Estimates, Table S2503.

Table B-7
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Plan Area and Citywide Labor Force by Industry (2010 & 2019)

Labor Force by Industry

Item	Plan Area			City of Fresno			Fresno County		
	2010	2019	Total Change	2010	2019	Total Change	2010	2019	Total Change
Total Labor Force by Industry									
Agriculture, Forestry, Fishing and Hunting	72	79	7	7,410	9,124	1,714	28,413	30,458	2,045
Mining, Quarrying, and Oil and Gas Extraction	1	-	(1)	80	108	28	265	296	31
Utilities	6	5	(1)	1,052	1,187	135	2,227	2,625	398
Construction	28	47	19	5,945	10,281	4,336	11,722	19,677	7,955
Manufacturing	98	86	(12)	12,936	13,328	392	25,740	26,062	322
Wholesale Trade	33	40	7	6,410	7,482	1,072	12,635	14,849	2,214
Retail Trade	61	69	8	16,366	19,715	3,349	30,264	35,333	5,069
Transportation and Warehousing	30	44	14	4,531	8,198	3,667	9,003	15,171	6,168
Information	12	6	(6)	2,424	2,275	(149)	4,249	4,044	(205)
Finance and Insurance	16	13	(3)	5,087	5,131	44	8,916	8,836	(80)
Real Estate and Rental and Leasing	10	10	-	2,625	2,849	224	4,579	5,094	515
Professional, Scientific, and Technical Services	14	20	6	6,648	7,431	783	11,838	13,249	1,411
Management of Companies and Enterprises	8	8	-	1,604	1,903	299	2,972	3,261	289
Administration & Support, Waste Management and Remediation	38	64	26	9,194	12,807	3,613	15,675	21,824	6,149
Educational Services	63	47	(16)	18,015	19,708	1,693	37,588	41,179	3,591
Health Care and Social Assistance	73	134	61	23,311	40,711	17,400	41,513	70,174	28,661
Arts, Entertainment, and Recreation	7	9	2	2,734	3,233	499	4,857	5,611	754
Accommodation and Food Services	47	64	17	14,464	19,373	4,909	25,669	33,791	8,122
Other Services (excluding Public Administration)	48	24	(24)	11,046	6,542	(4,504)	18,565	11,179	(7,386)
Public Administration	76	48	(28)	14,609	12,920	(1,689)	27,184	24,393	(2,791)
Total	665	769	104	151,882	191,386	39,504	296,690	362,713	66,023

Source: US Census Bureau Longitudinal Employer-Household Dynamics; EPS.

Table B-8
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Top Commute Destinations for Residents of the City of Fresno (2010 & 2019)

Item	2010		2019		% Change 2010 - 2019
	Number of Residents	Share of Residents	Number of Residents	Share of Residents	
Workplace Location (City)					
Fresno	95,532	57.4%	116,889	57.2%	22.4%
Clovis	10,299	6.2%	13,896	6.8%	34.9%
Madera	1,738	1.0%	2,517	1.2%	44.8%
Los Angeles	1,929	1.2%	2,491	1.2%	29.1%
Visalia	1,504	0.9%	2,002	1.0%	33.1%
San Jose	1,315	0.8%	1,742	0.9%	32.5%
Sanger	937	0.6%	1,674	0.8%	78.7%
San Francisco	1,346	0.8%	1,418	0.7%	5.3%
Sacramento	1,656	1.0%	1,267	0.6%	(23.5%)
Bakersfield	1,051	0.6%	1,161	0.6%	10.5%
All Other Locations	49,184	29.5%	59,249	29.0%	20.5%
Total	166,491	100%	204,306	100%	22.7%

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics via OnTheMap; EPS.



APPENDIX C:

Office and Industrial Real Estate Land Demand Analysis

Table C-1	Overall Summary of Land Demand Scenarios: 2022-2040
Table C-2	Estimated Space Demand for FCOG and Caltrans Scenarios: Office
Table C-3	Estimated Space Demand for FCOG and Caltrans Scenarios: Industrial
Table C-4	Projected City of Fresno Employment Growth: FCOG Scenario
Table C-5	Projected City of Fresno Employment Growth: CalTrans Scenario
Table C-6	FCOG Employment Projections by Industry for City of Fresno
Table C-7	CalTrans Employment Projections by Industry for County of Fresno
Table C-8	Employment by Industry and Building Space Factors
Table C-9	General Land Use Assumptions
Table C-10	Summary of Development Pipeline

Table C-1
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Overall Summary of Land Demand Scenarios: 2022-2040

Item	Scenario 1: FCOG Scenario [1]		Scenario 2: CalTrans Scenario [1]		Scenario 3: Historical Scenario [1]	
	Acres	Sq. Ft.	Acres	Sq. Ft.	Acres	Sq. Ft.
Estimated Demand in City of Fresno						
Total Demand (2022 - 2040)						
Office [2]	208	2,540,000	399	4,870,000	120	1,462,161
Industrial [3]	561	7,820,000	386	5,380,000	370	5,160,880
Total Demand	769	10,360,000	785	10,250,000	490	6,623,041
Annual Gross Absorption						
Office [2]	12	141,111	22	270,556	7	81,231
Industrial [3]	31	434,444	21	298,889	21	286,716
Total Annual Absorption	43	575,556	44	569,444	27	367,947

Source: Fresno County Council of Governments 2019 - 2050 Growth Projections; CalTrans 2020 - 2050 Growth Projections; US Census Bureau Longitudinal Employer Household Dynamics via OnTheMap; SCAG Employment Density Study 2001 by the Natelson Company; CoStar; EPS.

[1] Land demand scenarios are described as follows:

Scenario 1: FCOG Scenario represents total demand and annual absorption for nonresidential real estate based on average projected employment growth rate per the Fresno County Council of Governments (FCOG). See Table B-4 for further details on assumptions used in this estimate.

Scenario 2: CalTrans Scenario represents total demand and annual absorption for nonresidential real estate based on average projected employment growth rate per the California Department of Transportation (CalTrans). See Table B-5 for further details on assumptions used in this estimate.

Scenario 3: Historical Scenario represents the extrapolation over the period 2022-2040 of average annual new development (growth in inventory) that occurred in the City from 2002 - 2019. See Table A-1 for further detail.

[2] Includes low-rise, high-rise, and government office.

[3] Includes R&D/flex, light industrial, warehouse/distribution, and other industrial. Other industrial includes open storage, processing, heavy manufacturing, utilities, trades, and transportation.

Table C-2
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Estimated Space Demand (2022-2040) for FCOG and Caltrans Scenarios: Office

Office Estimated Space Demand

Industry	Estimated Total Employment Growth (2022-2040)	Percentage of Employees Using Office Space [1]	Number of Employees Using Office Space	Estimated Gross Space Demand (2022-2040)	
				Sq. ft.	Acres
<i>Assumptions</i>	<i>Table C-4</i>	<i>Table C-8</i>		<i>300 sq. ft./employee</i>	<i>0.35 FAR</i> <i>80% Net-to-Gross</i>
Scenario 1: FCOG Scenario					
Agriculture/Mining	144	33.9%	49	14,671	1.2
Construction	4,698	9.2%	432	129,669	10.6
Manufacturing	1,134	7.2%	82	24,489	2.0
Transportation and Public Utilities	4,069	16.9%	688	206,306	16.9
Wholesale Trade	3,410	11.4%	389	116,611	9.6
Retail Trade	4,167	7.4%	308	92,507	7.6
FIRE	5,859	31.2%	1,828	548,402	45.0
Services	17,280	17.1%	2,955	886,464	72.7
Government	4,446	39.2%	1,743	522,850	42.9
Total FCOG Scenario	45,200		8,470	2,540,000	208.0
<i>Assumptions</i>	<i>Table C-5</i>	<i>Table C-8</i>		<i>300 sq. ft./employee</i>	<i>0.35 FAR</i> <i>80% Net-to-Gross</i>
Scenario 2: CalTrans Scenario					
Agriculture/Mining	(158)	33.9%	(53)	(16,036)	(1.3)
Construction	(985)	9.2%	(91)	(27,198)	(2.2)
Manufacturing	357	7.2%	26	7,710	0.6
Transportation and Public Utilities	2,794	16.9%	472	141,667	11.6
Wholesale Trade	(176)	11.4%	(20)	(6,008)	(0.5)
Retail Trade	(457)	7.4%	(34)	(10,153)	(0.8)
FIRE	19,316	31.2%	6,026	1,807,949	148.2
Services	23,824	17.1%	4,074	1,222,186	100.2
Government	14,887	39.2%	5,836	1,750,684	143.5
Total CalTrans Scenario	59,400		16,240	4,870,000	399.0

Source: Fresno County Council of Governments 2019 - 2050 Growth Projections; CalTrans 2020 - 2050 Growth Projections; US Census Bureau Longitudinal Employer Household Dynamics via OnTheMap; SCAG Employment Density Study 2001 by the Natelson Company; CoStar; EPS.

[1] Includes low rise, high rise, and government office categories.

Table C-3
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Estimated Space Demand (2022-2040) for FCOG and Caltrans Scenarios: Industrial

Industrial Estimated Space Demand

Industry	Estimated Total Employment Growth (2022-2040)	Percentage of Employees Using Industrial Space [1]	Number of Employees Using Industrial Space	Estimated Gross Space Demand (2023-2040)	
				Sq. ft.	Acres
<i>Assumptions</i>	<i>Table C-4</i>	<i>Table C-8</i>		<i>1,000 sq. ft./employee</i>	<i>0.40 FAR</i> <i>80% Net-to-Gross</i>
Scenario 1: FCOG Scenario					
Agriculture/Mining	144	20.7%	30	29,861	2.1
Construction	4,698	30.9%	1,452	1,451,730	104.1
Manufacturing	1,134	58.9%	668	667,774	47.9
Transportation and Public Utilities	4,069	30.0%	1,221	1,220,748	87.6
Wholesale Trade	3,410	45.3%	1,545	1,544,587	110.8
Retail Trade	4,167	8.5%	354	354,195	25.4
FIRE	5,859	6.1%	355	355,055	25.5
Services	17,280	11.0%	1,901	1,900,800	136.4
Government	4,446	6.7%	298	297,882	21.4
Total FCOG Scenario	45,200		7,820	7,820,000	561.0
<i>Assumptions</i>	<i>Table C-5</i>	<i>Table C-8</i>		<i>1,000 sq. ft./employee</i>	<i>0.40 FAR</i> <i>80% Net-to-Gross</i>
Scenario 2: CalTrans Scenario					
Agriculture/Mining	(158)	20.7%	(33)	(32,640)	(2.3)
Construction	(985)	30.9%	(304)	(304,496)	(21.8)
Manufacturing	357	58.9%	210	210,245	15.1
Transportation and Public Utilities	2,794	30.0%	838	838,265	60.1
Wholesale Trade	(176)	45.3%	(80)	(79,582)	(5.7)
Retail Trade	(457)	8.5%	(39)	(38,873)	(2.8)
FIRE	19,316	6.1%	1,171	1,170,531	84.0
Services	23,824	11.0%	2,621	2,620,673	188.0
Government	14,887	6.7%	997	997,413	71.6
Total CalTrans Scenario	59,400		5,380	5,380,000	386.0

Source: Fresno County Council of Governments 2019 - 2050 Growth Projections; CalTrans 2020 - 2050 Growth Projections; US Census Bureau Longitudinal Employer Household Dynamics via OnTheMap; SCAG Employment Density Study 2001 by the Natelson Company; CoStar; EPS.

[1] Includes: Warehouse/Distribution; Open Storage; Processing; Heavy Manufacturing; Utilities; Trades, and Transportation.

Table C-4
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Projected City of Fresno Employment Growth: FCOG Scenario (2022-2040)

Scenario 1:
FCOG Scenario
Projections

Space Demand Category	FCOG Employment Projection Categories [1]	Avg Annual Growth (2020-2040)	Projected Total Job Growth (2022-2040)	
			Total	% of Total
Source		Table C-6		
Mining	Agriculture, Manufacturing/Mining [1]	8	144	0.3%
Construction	Other Industrial [1]	261	4,698	10.4%
Manufacturing	Manufacturing/Mining [1]	63	1,134	2.5%
Transportation and Public Utilities	Other Industrial [1]	226	4,069	9.0%
Wholesale Trade	Other Industrial [1]	189	3,410	7.5%
Retail Trade	Retail	232	4,167	9.2%
FIRE	Office	326	5,859	13.0%
Services	Health Services	484	8,712	19.3%
	Hospitality	476	8,568	19.0%
	Subtotal Services	960	17,280	38.2%
Government	Government	118	2,115	4.7%
	Education	130	2,331	5.2%
	Subtotal Government	247	4,446	9.8%
Total		2,512	45,207	100.0%

Source: Fresno County Council of Governments Detailed Demographic Projections; EPS.

[1] Total employment projected for the category listed from the projection source was proportionally allocated to align with space demand categories based on the current proportions of employment in the City, as shown in Table B-6.

Table C-5
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Projected City of Fresno Employment Growth: CalTrans Scenario (2022-2040)

Scenario 2:
CalTrans Scenario
Projections

SIC Categories	CalTrans Employment Projection Categories [1]	CalTrans Projected Employment Growth (2022-2040)			
		Fresno County Total	% Share [2]	City of Fresno	
				Total	% of Total
<i>Source</i>		<i>Table C-7</i>			
Mining	Farm	(2,697)	5.8%	(158)	(0.3%)
Construction	Construction	(1,518)	64.9%	(985)	(1.7%)
Manufacturing	Manufacturing	681	52.4%	357	0.6%
Transportation and Public Utilities	Transportation and Utilities	4,421	63.2%	2,794	4.7%
Wholesale Trade	Wholesale & Retail Trade [1]	(303)	57.9%	(176)	(0.3%)
Retail Trade	Wholesale & Retail Trade [1]	(697)	65.7%	(457)	(0.8%)
FIRE	Financial Activities; Professional Services; Information	23,583	81.9%	19,316	32.5%
Services	Health & Education [1]	12,024	74.0%	8,896	15.0%
	Leisure	21,551	69.3%	14,928	25.1%
	Subtotal Services	33,576	71.0%	23,824	40.1%
Government	Government	13,264	82.2%	10,896	18.3%
	Health & Education [1]	7,071	56.4%	3,991	6.7%
	Subtotal Government	20,335	73.2%	14,887	25.1%
Total		77,381	76.8%	59,402	100.0%

Source: California Department of Transportation Population and Employment Projections; EPS.

[1] Total employment projected for the category listed from the projection source was proportionally allocated to align with space demand categories based on the current proportion of employment in the County by industry, as shown in Table B-1.

[2] Total employment projected in the County proportionally allocated to occur within the City based on the current proportion of City to County employment by industry, as shown in Table B-1.

Table C-6
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
FCOG Employment Projections by Industry for City of Fresno (2020-2040)

Scenario 1:
FCOG Scenario
Projections

	2020	2040	Projected Growth (2020-2040)		
			Total	Average Annual Growth	% of Total
Industry					
Agriculture	1,220	1,380	160	8	0%
Mfg./Mining	14,210	15,470	1,260	63	3%
Other Industrial	37,830	51,360	13,530	677	27%
Retail	23,690	28,320	4,630	232	9%
Office	39,020	45,530	6,510	326	13%
Education	26,060	28,650	2,590	130	5%
Health Services	52,060	61,740	9,680	484	19%
Hospitality	15,300	24,820	9,520	476	19%
Government	28,560	30,910	2,350	118	5%
Total	237,950	288,180	50,230	2,512	100%

Source: Fresno COG Fresno County 2019 - 2050 Growth Projections; EPS.

Table C-7
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
CalTrans Employment Projections by Industry for County of Fresno (2022-2040)

Scenario 2:
CalTrans Scenario
Projections

	2022		2040		Projected Growth (2022-2040)	
	Total	% of Total	Total	% of Total	Total	% of Total
Industry						
Farm	43,068	10.8%	40,371	8.5%	(2,697)	(3%)
Construction	19,637	4.9%	18,119	3.8%	(1,518)	(2%)
Manufacturing	26,278	6.6%	26,959	5.7%	681	1%
Wholesale & Retail Trade	52,489	13.2%	51,489	10.8%	(1,000)	(1%)
Transportation, Utilities	19,448	4.9%	23,869	5.0%	4,421	6%
Information	3,191	0.8%	3,450	0.7%	259	0%
Financial Activities	14,299	3.6%	15,671	3.3%	1,372	2%
Professional Services	36,743	9.2%	58,695	12.3%	21,953	28%
Health & Education	75,441	18.9%	94,537	19.8%	19,096	25%
Leisure	33,082	8.3%	54,633	11.5%	21,551	28%
Government	75,303	18.9%	88,566	18.6%	13,264	17%
Total	398,979	100.0%	476,360	100.0%	77,381	100%

Source: California Department of Transportation; EPS.

Table C-8
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Employment by Industry and Building Space Factors

Land Use Category	Mining	Construction	Manufacturing	Trans & Pub. Utilities	Wholesale Trade	Retail Trade	FIRE	Services	Government
Land Uses Used In Demand Analysis									
Office Uses									
Low-Rise Office	10.1%	6.3%	4.8%	7.7%	8.8%	5.5%	19.4%	11.2%	11.0%
High-Rise Office	23.5%	2.2%	1.7%	3.1%	2.4%	1.6%	11.1%	4.9%	2.8%
Government Offices	0.3%	0.7%	0.7%	6.1%	0.2%	0.3%	0.7%	1.0%	25.4%
Subtotal Office Uses	33.9%	9.2%	7.2%	16.9%	11.4%	7.4%	31.2%	17.1%	39.2%
Industrial Uses									
R&D/Flex Space	0.7%	1.4%	2.1%	0.6%	1.9%	0.5%	0.6%	0.7%	0.3%
Light Manufacturing	13.3%	26.7%	50.3%	22.2%	36.9%	6.8%	4.9%	9.4%	5.6%
Misc. Industrial	5.8%	1.8%	1.4%	2.4%	1.5%	0.4%	0.4%	0.4%	0.5%
Heavy Manufacturing	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Warehouse	0.9%	1.0%	4.8%	4.8%	5.0%	0.8%	0.2%	0.5%	0.3%
Subtotal Industrial Uses	20.7%	30.9%	58.9%	30.0%	45.3%	8.5%	6.1%	11.0%	6.7%
Subtotal Land Uses Used in Demand Analysis	54.6%	40.1%	66.1%	46.9%	56.7%	15.9%	37.3%	28.1%	45.9%
Remaining Land Uses									
Retail Uses									
Regional Retail	0.1%	0.1%	0.1%	0.2%	0.2%	4.0%	1.3%	0.5%	0.0%
Other Retail/Services	10.6%	13.8%	8.2%	14.4%	13.8%	49.2%	26.5%	22.3%	10.7%
Misc. Commercial	0.0%	0.7%	0.3%	1.6%	1.3%	0.6%	0.9%	1.2%	3.1%
Subtotal Retail Uses	10.7%	14.6%	8.6%	16.2%	15.3%	53.8%	28.7%	24.0%	13.8%
Hotel/Motel Uses									
Hotel/Motel	1.0%	0.3%	0.4%	2.3%	0.7%	1.2%	2.3%	1.5%	0.4%
Subtotal Hotel/Motel Uses	11.7%	14.9%	9.0%	18.5%	16.0%	55.0%	31.0%	25.5%	14.2%
Schools									
Primary/Secondary School	0.6%	0.6%	0.4%	0.3%	0.4%	0.6%	0.4%	4.3%	0.5%
Colleges & Universities	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.2%	1.3%	0.7%
Subtotal Schools	0.7%	0.7%	0.5%	0.4%	0.5%	0.9%	0.6%	5.6%	1.2%
Institutions									
Utilities	0.3%	0.5%	0.5%	0.8%	0.5%	0.3%	1.1%	0.3%	1.0%
Hospitals	0.0%	0.1%	0.1%	0.4%	0.1%	0.3%	0.5%	3.7%	0.3%
Other Institutional	0.5%	0.7%	0.4%	0.8%	0.5%	0.9%	1.4%	2.4%	7.0%
Subtotal Institutions	0.8%	1.3%	1.0%	2.0%	1.1%	1.5%	3.0%	6.4%	8.3%
Other									
Transportation	0.7%	1.0%	1.6%	8.9%	1.3%	0.7%	0.3%	0.7%	0.8%
Agriculture	2.7%	1.2%	2.0%	0.8%	1.7%	0.7%	0.6%	1.0%	0.6%
Open Space	5.4%	5.9%	5.1%	5.3%	5.5%	5.2%	5.2%	6.1%	4.9%
All Other	9.1%	3.1%	4.0%	4.3%	3.4%	3.8%	4.4%	3.9%	11.4%
Residential	14.2%	31.6%	10.7%	12.8%	13.9%	16.0%	17.7%	22.8%	12.9%
Subtotal Other	32.1%	42.8%	23.4%	32.1%	25.8%	26.4%	28.2%	34.5%	30.6%
Subtotal Remaining Land Uses	45.3%	59.7%	33.9%	53.0%	43.4%	83.8%	62.8%	72.0%	54.3%
Total (Rounded)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: SCAG Employment Density Study 2001 by the Natelson Company; EPS.

Table C-9
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
General Land Use Assumptions

Land Use	Sq. Ft./ Employee	Floor Area Ratio	Net-to- Gross Ratio
Retail [1]	500	0.35	80%
Office [2]	300	0.35	80%
Industrial [3]	1,000	0.40	80%

Source: EPS.

[1] Assumptions area based on neighborhood and community-serving retail.

[2] Includes low-rise, high-rise, and government office.

[3] Includes: Warehouse/Distribution; Open Storage; Wholesale

Table C-10
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Summary of Development Pipeline

Item	Bldg Sq. Ft	Floor Area Ratio	Acreage
Land Use			
General Commercial	14,446	0.35	0.9
Business Park	275,918	0.35	18.1
Regional Business Park	1,171,762	0.35	76.9
Light Industrial	462,317	0.40	26.5
Heavy Industrial	87,273	0.40	5.0
Total	2,011,716		127.4

Source: City of Fresno; Ascent Environmental Draft Development Capacity Calculations November 2021; EPS.

[1] Pipeline projects are netted out from demand projections in Table 14.

[2] This category consists entirely of a single religious institution development, which is assumed to



APPENDIX D:

Retail Market Analysis Support Tables

Table D-1	Estimated Population in Retail Market Area
Table D-2	Estimated Retail Spending from Current Households—SCSP Households
Table D-3	U.S. Household Income Spent on Retail—2020
Table D-4	United States Consumer Expenditures
Table D-5	Total Retail Sales per Square Feet
Table D-6	Existing Neighborhood Serving Retail Comparison
Table D-7	Net New Residential Households by Existing General Plan and Specific Plan Alternative
Table D-8	Estimated Supportable Retail Space

Table D-1
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Estimated Population in Retail Market Area [1]

	Total Residential Units	Vacancy Rate [2]	Occupied Units (Households)	Population Density (Persons/Unit)	Total Residents
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a * (1-b)</i>	<i>d</i>	<i>e = c * d</i>
Single Family Residential					
SCSP	303	4.5%	289	3.22	932
Remaining Market Area	13,535	4.5%	12,926	3.22	41,625
Total Single-Family Units	13,838	-	13,215	-	42,557
Multifamily Residential [3]					
SCSP	91	4.5%	87	2.28	198
Remaining Market Area	7,850	4.5%	7,497	2.28	17,093
Total Single-Family Units	7,941	-	7,584	-	17,291
Total Residential Units					
SCSP	394	-	376	-	1,130
Remaining Market Area	21,385	-	20,423	-	58,717
Total Single-Family Units	21,779	-	20,799	-	59,847

Source: American Community Survey 5-Year 2015-2019 Estimates, Ascent Environmental SCSP EIR Assumptions, transmitted November 2021, Fresno County Assessor via ParcelQuest, EPS.

[1] Retail Market Area defined as encompassing a 3-mile radius surrounding the center of the SCSP, and including areas outside of the plan area including Calwa and Magala. The center of the SCSP was determined to be approximately the intersection of SR-99 South off-ramp and E. North Ave.

[2] Vacancy rate based on 2020 US Census vacancy rate for City of Fresno.

[2] Includes Mobile/Manufactured Homes as designated by the Fresno County Assessor.

Table D-2
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Estimated Retail Spending from Current Households - SCSP Households (2022\$)

Current Household Spending
SCSP Retail Market Area

Item	Percent Spent on Retail by Category [1]	Total Annual Retail Spending per Household [2]	Total Current Household Spending
Assumptions			
2022 SCSP Retail Market Area Households [3]	21,779		
Average Household Income (2022\$) [4]	\$37,282		
Estimated Percent of HH Income Spent in Retail Stores [5]	44%		
Estimated Annual HH Spending in Retail Stores	\$16,367		
Retail and Food Services			
Motor Vehicle and Parts Dealers [6]	4.4%	\$716	\$15,583,963
Home Furnishings and Appliance Stores	8.2%	\$1,344	\$29,264,363
Bldg Matrl. and Garden Equip. and Supplies	5.4%	\$884	\$19,263,034
Food and Beverage Stores	24.8%	\$4,059	\$88,411,746
Gasoline Stations	8.1%	\$1,324	\$28,835,542
Clothing and Clothing Accessories Stores	8.7%	\$1,422	\$30,977,974
General Merchandise Stores	15.7%	\$2,575	\$56,089,141
Food Services and Drinking Places	14.7%	\$2,409	\$52,466,710
Other Retail	10.0%	\$1,633	\$35,566,287
Total Retail and Food Services	100.0%	\$16,367	\$356,458,761

hh spend

Source: US Census American Community Survey; U.S. Bureau of Labor Statistics; U.S. Census Bureau Monthly Retail Trade Survey; State of California Department of Finance; ESRI BAO; EPS.

[1] See Table D-4 for estimated spending by retail category. Percentages have been adjusted to exclude e-commerce retail purchases and are intended to reflect purchases made at physical retail locations only.

[2]

Total SCSP Retail Market Area spending is derived by multiplying the estimated SCSP Retail Market Area average household income of \$37,282 by the estimated percentage of household income spent on retail of 44% and then multiplied by the percentages spent on retail for each category.

[3] See Table D-1 for detail. Includes all households within a 3-mile radius of SCSP center.

[4] Average household income for the SCSP Retail Market Area calculated by ESRI Business Analyst.

[5] Based on the U.S. Census Bureau Monthly Retail Trade Survey, "Estimated Quarterly U.S. Retail Sales (Not Adjusted): Total and E-commerce, 2020." Similar e-commerce spending data by income level is not available at the State level or lower. Percentages for income spent on e-commerce are adjusted relative to average amount spent on retail for each income category.

[6] Percent spent on Motor Vehicles and Parts Dealers includes spending on motor vehicle parts and supplies only (excludes vehicle purchases).

Table D-3
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
U.S. Household Income Spent on Retail - 2020

Household Income Range [1]	Average HH Income	Estimated Total Amount Spent on Retail [2]	% of Total Spent on E-Commerce [3]				Adjusted Amount Spent at Retail Stores	Adjusted % of HH Income Spent at Retail Stores
			Total Spent on E-Commerce	% Spent on Local Area "Click and Collect" E-Commerce [4]	Adjusted % Spent on Non-Local Area E-Commerce	Total Est. Amount Spent on Non-Local Area E-Commerce		
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e = c * d</i>	<i>f = b * e</i>	<i>g = b - f</i>	<i>h = g / a</i>
All Households	\$84,352	\$25,907	27.3%	10.0%	24.5%	\$6,356	\$19,551	23%
\$30,000 - \$39,999	\$34,766	\$18,664	19.6%	7.2%	18.2%	\$3,401	\$15,263	44%
\$40,000 - \$49,000	\$44,719	\$19,855	20.9%	7.7%	19.3%	\$3,830	\$16,025	36%
\$50,000 - \$69,999	\$59,191	\$22,309	23.5%	8.6%	21.5%	\$4,786	\$17,523	30%
\$70,000 - \$99,999	\$83,593	\$26,722	28.1%	10.3%	25.2%	\$6,738	\$19,984	24%
\$100,000 - \$149,999	\$120,944	\$36,017	37.9%	13.9%	32.6%	\$11,752	\$24,265	20%
\$150,000 - \$199,999	\$171,127	\$40,100	42.2%	15.5%	35.7%	\$14,301	\$25,799	15%

us retail spend

Sources: U.S. Bureau of Labor Statistics, "Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2020"; U.S. Census of Retail Trade, "Estimated Quarterly U.S. Retail Sales: Total and E-commerce"; Adobe Analytics, CNBC, and E-Marketer Insider Intelligence; EPS.

[1] The SCSP Retail Market Area's average household income in 2020 dollars is \$33,841.

[2] Retail comprises the categories most closely matched with those given by the State of California Board of Equalization.

[3] Based on the U.S. Census of Retail Trade, "Estimated Quarterly U.S. Retail Sales (Not Adjusted): Total and E-commerce." Similar e-commerce spending data by income level is not available at the State level or lower. Percentages for income spent on e-commerce are adjusted relative to average amount spent on retail for each income category.

[4] The popularity of "Click and Collect" e-commerce sales (buy online and pick up at a local area store) is projected to continually increase after the initial surge due to the Pandemic. Estimates from various sources such as Adobe Analytics, CNBC, and E-Marketer Insider Intelligence project that Click and Collect sales accounted for about 10 percent of total e-commerce sales.

Table D-4
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
United States Consumer Expenditures (2020\$)

Retail and Food Services	Total Spending on Retail (in 000's) [1]	E-Commerce Spending			Adjusted Spending at Retail Stores (in 000's)	Adj. % of Spending at Retail Stores by Retail Category
		% Spent on E-Commerce [2]	% Spent on Local Area E-Commerce via "Click and Collect" [3]	Adjusted % Spent on Non-Local Area E-Commerce		
Motor Vehicle and Parts Dealers [4] [5]	\$330,862,529	4.0%	0.4%	3.6%	\$318,973,470	4.4%
Home Furnishings and Appliance Stores	\$883,052,892	35.7%	3.6%	32.2%	\$598,984,690	8.2%
Bldg Matrl. and Garden Equip. and Supplies	\$420,824,012	7.0%	0.7%	6.3%	\$394,276,909	5.4%
Food and Beverage Stores	\$1,860,207,755	3.0%	0.3%	2.7%	\$1,809,616,772	24.8%
Gasoline Stations	\$590,207,560	NA	NA	NA	\$590,207,560	8.1%
Clothing and Clothing Accessories Stores	\$867,620,169	29.9%	3.0%	26.9%	\$634,058,983	8.7%
General Merchandise Stores [5]	\$1,294,466,707	12.6%	1.3%	11.3%	\$1,148,035,811	15.7%
Food Services and Drinking Places	\$1,073,891,688	NA	NA	NA	\$1,073,891,688	14.7%
Other Retail	\$727,972,844	NA	NA	NA	\$727,972,844	10.0%
Total	\$8,049,106,156				\$7,296,018,727	100.0%

consumer exp

Source: U.S. Bureau of Labor Statistics (BLS), "Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficients of variation, Consumer Expenditure Survey, 2020"; U.S. Retail Trade Sales - Total and E-commerce (1992-2020); Sales for U.S. Electronic Shopping and Mail-Order Houses (NAICS 4541) - Total and E-commerce by Primary Business Activity (2020); BLS Table 3 Supplemental Estimated Quarterly U.S. Retail Trade Sales (Not Adjusted) - Total and E-commerce; EPS.

[1] Data per the BLS, Consumer Expenditure Survey 2020 released September 2021.

[2] Based on the U.S. Retail Trade Sales - Total and E-commerce from the U.S. Census. NA denotes an estimate withheld to avoid disclosing data of individual companies.

[3] Data on household spending percentages for local "click and collect" e-commerce purchases is not readily available at this time. EPS assumes 10% based on the estimate of e-commerce sales as "click and collect" purchases.

[4] Motor vehicles and parts is based on the sales from auto parts stores only and excludes new and used motor vehicle dealers.

[5] E-commerce percentages for Motor Vehicles and Parts Dealers and General Merchandise Stores estimated using BLS Table 3 Supplemental Estimated Quarterly U.S. Retail Trade Sales (Not Adjusted) - Total and E-commerce.

Table D-5
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Total Retail Sales per Square Feet (2022\$)

Item	Original Data (2016\$) [1]	Escalated Data (2022\$) [2]	Retail Sales by Shopping Center Type							
			Neighborhood		Community		Highway Commercial		Regional	
			% [3]	No.	% [3]	No.	% [3]	No.	% [3]	No.
Total Retail Sales per Square Foot										
Motor Vehicle and Parts Dealers [4]	\$250	\$290	3%	\$9	2%	\$6	5%	\$15	1%	\$3
Home Furnishings and Appliance Stores	\$525	\$610	0%	\$0	7%	\$43	0%	\$0	10%	\$61
Bldg Matrl. and Garden Equip. and Supplies	\$356	\$413	0%	\$0	15%	\$62	0%	\$0	1%	\$4
Food and Beverage Stores	NA	\$550	55%	\$303	24%	\$132	5%	\$28	3%	\$17
Gasoline Stations [5]	\$1,321	\$1,730	1%	\$17	2%	\$35	10%	\$173	1%	\$17
Clothing and Clothing Accessories Stores	\$370	\$430	2%	\$9	5%	\$21	0%	\$0	20%	\$86
General Merchandise Stores	\$360	\$418	5%	\$21	20%	\$84	0%	\$0	20%	\$84
Food Services and Drinking Places	\$492	\$572	8%	\$46	10%	\$57	60%	\$343	20%	\$114
Other Retail	\$209	\$243	12%	\$29	7%	\$17	20%	\$49	18%	\$44
Nonretail [6]	NA	NA	14%	NA	8%	NA	0%	NA	6%	NA
Total Retail Sales Per Square Foot			100%	\$430	100%	\$460	100%	\$610	100%	\$430

biz miner

Source: BizMiner 2016; ULI Dollars & Cents 2008; Bureau of Labor Statistics, "CPI-All Urban Consumers (Current Series) - West Urban"; RetailSails
http://retailsails.files.wordpress.com/2011/09/rs_spsf.pdf; eMarketer pulled February 2019; respective annual SEC 10-K reports; EPS.

- [1] Sales per square foot are estimated based on data from BizMiner, RetailSails, eMarketer, and annual SEC 10-K reports. Some reported figures are from previous calendar or fiscal years and have been escalated to 2022\$, except when noted otherwise.
- [2] Sales adjusted to Annual 2020 dollars based on the Consumer Price Index, All items in West urban, all urban consumers, not seasonally adjusted.
- [3] Reflects percentage of total square footage by retail category by retail center type, estimated based on ULI's Dollars & Cents 2008.
- [4] Reflects motor vehicle parts only; excludes taxable sales per square foot for dealerships.
- [5] Estimated using ULI's Dollars & Cents, 2008, escalated to 2020 dollars.
- [6] Included to account for non-taxable retail space occupants, such as services.

Table D-6
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Existing Neighborhood Serving Retail Comparison

	Estimated 2022 Population	Gross Square Feet of Neighborhood Serving Retail	Current Neighborhood Retail Sq. Ft. per Capita Benchmark
Geography			
3-Mile Radius of SCSP Area [1]	59,847	131,324	2.19
City of Fresno	546,770	7,518,191	13.75

Source: Fresno County Assessor; California Department of Finance Table E-5; CoStar; EPS.

[1] See Table D-1 for details on the population calculation and definition of this geography.

[2] CoStar defines neighborhood retail as retail in a center that provides for the sales of convenience goods and personal services for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant.

Table D-7
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Net New Residential Households by Existing General Plan and Specific Plan Alternative

Item	Net New Residential Households			
	Existing General Plan	Alternative 1: Blended Plan	Alternative 2: Community Plan	Alternative 3: Business Plan
Net New Households (Medium Density Res.)				
Net New Development Capacity (Acreage) [1]	0.00	14.08	113.82	0.00
Dwelling Units [2]	0	112	910	0
Households [3]	0	107	869	0

Source: City of Fresno; Ascent Environmental Draft Development Capacity Calculations November 2021; EPS.

[1] Net new development capacity, as shown in Table 6.

[2] Dwelling units estimated based on an average density of 8.0 units/acre, provided by Ascent Environmental.

Table D-8
City of Fresno
South Central Specific Plan Nonresidential Market Analysis
Estimated Supportable Retail Space

**Estimated Household Demand
and Supportable Retail Space**

Item	Spending per HH [1]	Retail Market Area Household Spending (Demand)			Capture Rate [3]	Sales per Square Foot [4]	Potential Supportable Retail Square Footage (Rounded)		
		Existing Households	New HHs Blended Plan	New HHs Community Plan			Existing Households	Blended Plan	Plan Plan
<i>Formula</i>	<i>a</i>	<i>b = a * 20,799</i>	<i>c = a * 107</i>	<i>d = a * 869</i>	<i>e</i>	<i>f</i>	<i>g = b * e / f</i>	<i>h = c * e / f</i>	<i>i = d * e / f</i>
Estimated Households [7]		20,799	107	869					
Retail and Food Services									
Motor Vehicle and Parts Dealers	\$716	\$14,882,685	\$76,535	\$621,849	25%	\$290	13,000	0	1,000
Home Furnishings and Appliance Stores	\$1,344	\$27,947,467	\$143,722	\$1,167,739	25%	\$610	11,000	0	0
Bldg Matrl. and Garden Equip. and Supplies	\$884	\$18,396,198	\$94,604	\$768,655	25%	\$413	11,000	0	0
Food and Beverage Stores	\$4,059	\$84,433,217	\$434,204	\$3,527,904	75%	\$550	115,000	1,000	5,000
Gasoline Stations	\$1,324	\$27,537,943	\$141,616	\$1,150,628	75%	\$1,730	12,000	0	0
Clothing and Clothing Accessories Stores	\$1,422	\$29,583,965	\$152,138	\$1,236,118	25%	\$430	17,000	0	1,000
General Merchandise Stores	\$2,575	\$53,565,130	\$275,462	\$2,238,132	75%	\$418	96,000	0	4,000
Food Services and Drinking Places	\$2,409	\$50,105,708	\$257,672	\$2,093,585	75%	\$572	66,000	0	3,000
Other Retail	\$1,633	\$33,965,804	\$174,671	\$1,419,206	50%	\$243	70,000	0	3,000
Total	\$16,367	\$340,418,117	\$1,750,623	\$14,223,816			411,000	1,000	17,000
Estimated Existing Neighborhood-Serving Retail [8]							131,324	-	-
Total Remaining Estimated Net New Retail Capacity							279,676	1,000	17,000

Source: EPS.

- [1] See Table D-3.
[2] The demand from household growth is derived by multiplying total households by the amount of spending per household for each retail category.
[3] Capture rate based on supportable space associated with neighborhood serving retail.
[4] Based on 2016 Retail sales data obtained from Bizminer adjusted to year-end 2022 based on the Consumer Price Index, All items in West urban, all urban consumers, not seasonally adjusted. All other outlets and other retail are assumed to have the same sales per square foot assumption.
[5] See Table 6. Does not account for residential growth outside of Plan Area.
[6] Excludes non-store retailers, as this category is not anticipated to create demand for new retail space.
[7] See Table D-7.
[8] Existing neighborhood serving retail derived from retail inventory in 3-mile market area radius surrounding SCSP, as shown in Table D-6..



APPENDIX E: Stakeholder Input

SCSP Resident Stakeholder Meeting

April 27, 2022

Consultants:

EPS

Amy Lapin

Emilio Balingit

Participants:

Rosa DePew

Naomi Dias

Overall Comments

- Residents are strongly against growth of new commercial real estate
- Distrustful of real estate data due to potential conflict of interest in real estate
- Would prefer re-use of existing vacant buildings to development of new industrial buildings
- Building more industrial instead of homes does not provide people with an opportunity to stay in their homes
 - Plan does not allow people to expand their homes if their homes are zoned for industrial development

How does further industrial development impact your plans to stay in the area?

- No one will want to live in a house right next to an industrial
- If land with homes is rezoned to commercial, will residents be able to stay?
- Rosa works in downtown – lives just outside of SOI and now works from home
- Concerned for school kids, retirees who live in the area impacted by industrial development
- Concerned about certainty of zoning if it can be changed to allow industrial

What retail is missing from the Plan Area?

- Only little corner stores in the Plan Area
- Have to go into town (Downtown) for everything
- No bus transportation, so everyone has to drive into town
- Water issues might be worsened by more development
 - Everyone has own well and wells have gone dry
 - Have to spend thousands of dollars to deepen wells
- People living in the area are not being hired for the industries that are polluting their areas
- Traffic, air pollution, urban heat island, noise are a problem
- Residents are going to stay – family ties and community are important, and some cannot afford to leave

SCSP Business Stakeholder Meeting

April 29, 2022

Consultants:

EPS

Amy Lapin

Emilio Balingit

Participants:

Lee Ann Eager, Fresno County Economic Development Corporation

James Hinojosa, HCS 007

Nick Audino, Newmark Pearson/ EDC Board Chairperson

Steven Brock, Land Value Investments/ GlaxoSmithKline

What types of tenants and industries have been in contact with you? What site characteristics are potential tenants seeking?

- Lots of activity from industrial users across the board
 - Mostly logistics and distribution, some manufacturing
 - 250k – 500k SF per year of absorption was typical for industrial real estate in Fresno
 - Currently 4 million – 5 million SF of active/planned construction in Fresno Area
- Typical deal sizes are 500,000 -1,000,000 SF; 50,000 SF is the low end
- Online shopping growth driving demand for logistics space
- With current issues in SCSP area [*EPS note: referring to conflicts in priorities between business interest groups and environmental justice interest groups and associated lawsuits*], distribution and warehousing business may be looking to go to Madera or [unincorporated] Fresno County
- Little to no interest from retail tenants in the SCSP area
 - There could be some opportunity in complementary retail and office if industrial base is strong
- Industrial clusters in NW, Shaw Ave, Airport are secondary to South Fresno and Fresno County along SR-99 corridor
 - SR-180, SR-41 corridors not in demand
- If no site in City of Fresno, distribution and warehousing businesses know that Madera, Bakersfield, Kern County, Visalia, also have sites
- Lawsuits from State, local advocates stymying growth in area
 - Businesses (even national businesses) looking to locate in Central Valley are aware of potential lawsuits
- Priorities for potential tenants
 - Access to SR-99
 - Speed of building delivery is most important
 - Predictable entitlement process is important outcome of SCSP process for industrial businesses

- All types of companies are interested in complying with mitigation measures and investing in infrastructure and community
 - Looking at local job hiring programs
- James Hinojosa - President and CEO – HCW 007 inc,
 - Hauler and warehouser for City and County
 - Leases property out on Orange Ave and Golden State Ave next to HSR
 - Interested industries when his land was up for lease included cannabis, towing, junkyard, trucking, fleet storage, and contractors interested in developing warehouses
 - Land is across street from Barrios recycling and equipment rental so does not see office demand in plan area as it is largely industrial

Do you have any economic, environmental, safety, health, or other concerns regarding future growth in the plan area?

- Homelessness is scaring away potential tenants
- Would not add residential uses to the Plan Area as its too close to industrial uses, the guiding principles of the plan were to separate industrial from residential
- Existing residences are on non-res parcels. If existing residences are rezoned to residential as proposed it would restrict existing property owners from selling/redeveloping to business park
- There is strong demand for industrial growth in Fresno, but planning process is prioritizing concerns of outside advocates
- Space in SCSP area is in such high demand that prospective tenants are willing to make concessions but advocates aren't willing to accept them
- "Community" doesn't care what kinds of jobs they have, when speaking to existing residents, many are excited about job growth

SCSP Orange Center School District Stakeholder Meeting

April 29, 2022

Consultants:

EPS

Amy Lapin

Emilio Balingit

Participants:

Terry Hirschfield, OCSD Superintendent

Does the school district have plans to develop property within the plan area?

- District is planning renovation and modernization for its existing campus
- New programs are requiring new facilities – universal kindergarten and updated technology requirements

What have been the enrollment trends in the school district?

- Enrollment was increasing steadily though COVID caused a large drop in enrollment, which district has not yet recovered from
- Current enrollment is approximately 90% of pre-COVID enrollment
- Lost a significant number inter-district transfer students
 - If parents lost jobs, easier to send kids to neighborhood schools than to drive them to OCSD
- Lack of housing options in school district area make it difficult to make up enrollment reduction through local students
- Property owners can't build new homes or expand current homes due to the rezoning of their land to non-residential

Do you have any economic, environmental, safety, health, or other concerns regarding future growth in the plan area?

- City does not want school or houses to be there since these uses do not make money
- Traffic patterns are unsafe for schools
- Traffic from trucks is increasing air pollution for residents in area and students
- Light pollution from warehouses (24 hour a day lights on warehouses)
- Policing and fire do not have enough staff to serve development currently – how will they serve the area when there is even more development
- There are no parks, no sidewalks in the SCSP area
- New development will not create infrastructure for students and residents in area
- Many current residents are in the SOI but not able to vote, and so their needs are ignored by the City

SCSP Environmental Justice Stakeholder Meeting

May 2, 2022

Consultants:

EPS

Amy Lapin

Emilio Balingit

Participants:

Ivanka Saunders, Leadership Counsel for Justice and Accountability

Kimberly McCoy, Building Healthy Communities

General Concerns about EPS Project

- If study excludes an analysis of residential market, it will ignore the needs of the community
- Residential neighborhoods existed before SIPA and before any industrial development
- Study will have factual quantitative data on non-residential analysis and only commentary/qualitative about residents' concerns, which will make it difficult for decision makers to properly prioritize residents' concerns
- A market study at the current time seems premature when land use plan has not been approved, as zoning will affect market demand in the area
- Outreach for the EPS study was incomplete as it excluded the AB617 Committee, who could organize an additional meeting with residents, as well as the South Community Resident Alliance or the North Point Community Alliance
- SCSP area does not include the residential communities of Malaga and Calwa
- Doing study now shows that City is not following the community planning process previously agreed to and is planning to move ahead with the City-preferred land use plan rather than sincerely considering the other alternative

Do you have any economic, environmental, safety, health, or other concerns regarding future growth in the plan area?

- If employment uses in the SCSP area are going to impact our communities, the jobs they provide should be living wage jobs – current jobs that are going in do not pay enough to support a family
 - \$15/ hour wages only work if you live with roommates or extended family or have welfare
- Many existing residents of the area will not be able to be employed at the jobs created by new development because they lack educational certifications
 - New development should come with training opportunities for existing residents
- The economic impacts of new development cannot be separated from the health and environmental impacts of these businesses
 - New development, through the Community Benefits Agreement, should pay to protect residents from these impacts – can pay for new windows to protect residents from noise and air pollution, or repair roads impacted by truck traffic

- Residents want growth and job opportunities, but do not want growth that will destroy their lives and health
 - There is a current cancer pocket in the area
 - Anyone born in South Fresno has 20 years lower life expectancy than rest of CA
 - There are issues with pre-term births and asthma
- New growth will not serve the community
 - Many existing residents will not get the new jobs as the businesses will bring their own workers with them
 - There are no plans for grocery stores – the only food options in the area are for workers on their lunch breaks
 - E-commerce growth doesn't serve neighborhood – residents in Calwa have to wait longer for packages than residents of Clovis, even though Amazon is right next door
- Many people want to live here – they have family ties, this is their community, but City is not providing the zoning for a complete neighborhood
- Residents do not want e-commerce, they want grocery stores