



Stockton 2040 General Plan Update
Existing Conditions Technical Memorandum:
Market Analysis

July 20, 2016

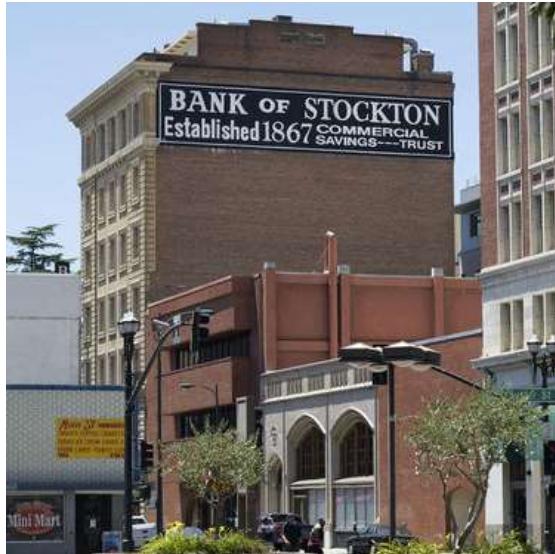


Table of Contents

| | |
|--|-----------|
| 1.1 INTRODUCTION | 1 |
| 1.2 REGULATORY FRAMEWORK..... | 4 |
| Federal Laws and Regulations | 4 |
| State Laws and Regulations..... | 5 |
| Local Laws and Regulations..... | 7 |
| 1.3 POPULATION AND HOUSEHOLD CHARACTERISTICS..... | 11 |
| Population and Household Trends..... | 11 |
| Household Composition and Tenure..... | 13 |
| Resident Age Distribution..... | 14 |
| Racial and Ethnic Affiliation..... | 14 |
| Educational Attainment | 15 |
| Household Income Distribution..... | 15 |
| Regional Commuting Patterns..... | 16 |
| 1.4 ECONOMIC CONDITIONS..... | 24 |
| Resident Employment Status..... | 24 |
| Resident Employment by Occupation | 24 |
| Major Employers..... | 25 |
| Jobs by Industry..... | 25 |
| Retail Sales and Leakage | 26 |
| Special Topics in Economic Development..... | 28 |
| 1.5 REAL ESTATE MARKET CONDITIONS | 43 |
| Residential Market..... | 43 |
| Retail Market..... | 49 |
| Office Market..... | 50 |
| Industrial Market..... | 52 |
| Planned and Proposed Development Projects..... | 53 |
| 1.6 ANTICIPATED GROWTH AND MARKET OPPORTUNITIES | 67 |
| Population, Household, and Housing Unit Forecast | 67 |
| Employment Forecast by Industry..... | 68 |
| Land Use Demand Forecast by Land Use Type..... | 68 |
| 1.7 IMPLICATIONS FOR THE GENERAL PLAN UPDATE | 77 |
| APPENDIX A: STUDY AREA DEFINITIONS | 85 |

Table of Tables

| | |
|--|----|
| Table 1: Population and Household Trends, 2000, 2010, and 2014 | 17 |
| Table 2: Age Distribution, 2000, 2010, and 2014..... | 18 |
| Table 3: Race and Ethnicity, 2000, 2010, and 2014 | 19 |
| Table 4: Educational Attainment, 2000, 2010, and 2014 | 20 |
| Table 5: Household Income Distribution, 1999, 2010, and 2014 | 21 |
| Table 6: Commute Flows, City of Stockton, 2006-2010 | 23 |
| Table 7: Labor Force Characteristics, City of Stockton and San Joaquin County, 2010-2015..... | 34 |
| Table 8: Employed Residents by Occupation, 2000, 2010, and 2014 | 35 |
| Table 9: Principal Employers, City of Stockton, 2014-2015..... | 37 |
| Table 10: Jobs by Industry, 2000 and 2014 | 38 |
| Table 11: Taxable Sales, City of Stockton and San Joaquin County, 2013..... | 39 |
| Table 12: Retail Leakage and Injection, 2016 | 40 |
| Table 13: Units in Structure, 2014..... | 56 |
| Table 14: Housing Units by Year Built, 2014..... | 56 |
| Table 15: Occupancy and Vacancy Status, 2000, 2010, and 2014..... | 57 |
| Table 16: Distressed Home Sales, San Joaquin County and California, Dec. 2014 and Dec. 2015 | 58 |
| Table 17: Home Sales Prices, City of Stockton, Dec. 2015 to Mar. 2016..... | 58 |
| Table 18: Home Sales Prices, Greater Downtown Area, Dec. 2015 to Mar. 2016 | 59 |
| Table 19: Rental Housing Market Overview, Complexes with 50 or More Units, | 59 |
| Table 20: Multifamily Sales Prices, City of Stockton, Dec. 2015 to Mar. 2016 | 60 |
| Table 21: Retail Market Overview, City of Stockton and San Joaquin County, Fourth Quarter 2015 | 60 |
| Table 22: Office Market Overview, Stockton and San Joaquin County, Fourth Quarter 2015 | 61 |
| Table 23: Industrial Market Overview, Stockton and San Joaquin County, Fourth Quarter 2015 | 62 |
| Table 24: Planned and Proposed Market Rate Residential Projects, September 2015 | 63 |
| Table 25: Planned and Proposed Affordable Housing Projects, April 2016 | 64 |
| Table 26: Planned and Proposed Commercial and Industrial Projects, April 2016 | 65 |
| Table 27: Population, Household, and Housing Unit Forecast, 2015-2040 | 72 |
| Table 28: Employment Forecast by Industry, 2015-2040 | 73 |
| Table 29: Housing Growth Forecast, 2020-2040..... | 74 |
| Table 30: Retail Demand Forecast, 2020-2040 | 75 |
| Table 31: Office and Industrial Demand Forecast, 2020-2040..... | 76 |

Table of Figures

| | |
|--|----|
| Figure 1: Downtown Core and Greater Downtown Area | 2 |
| Figure 2: City of Stockton and San Joaquin County..... | 3 |
| Figure 3: Components of Population Change, San Joaquin County, 2000-2015 | 12 |
| Figure 4: Residential Building Permits, City of Stockton, 2000-2015 | 45 |
| Figure 5: Residential Building Permits, San Joaquin County, 2000-2015 | 46 |
| Figure 6: Median Sale Price, Single-Family Residential, 2000-2015 | 47 |
| Figure 7: Asking Rental Rates, Multifamily Housing, 2000-2016 YTD | 49 |

1.1 INTRODUCTION

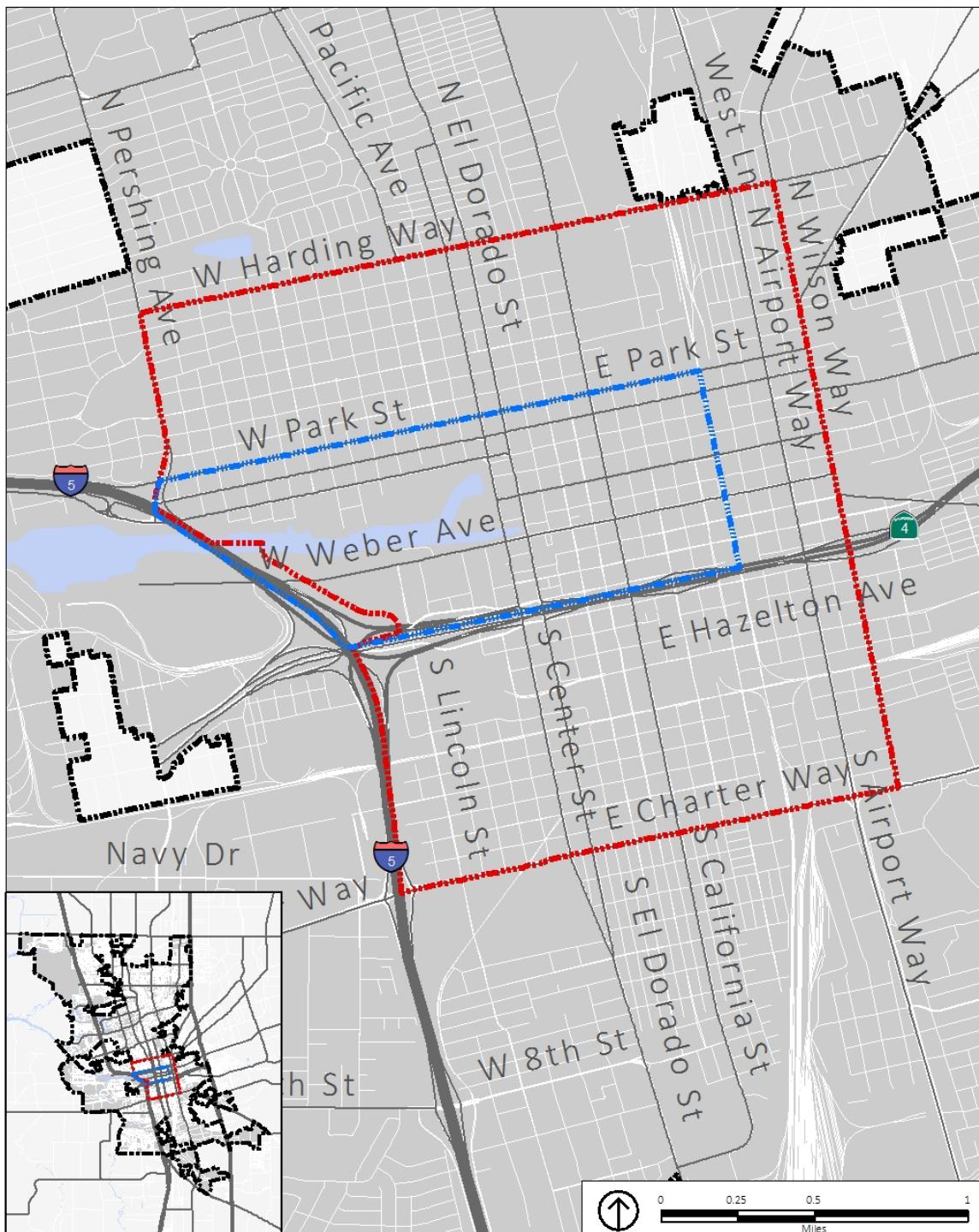
The purpose of this Market Analysis Technical Memorandum is to benchmark existing conditions and to provide the basis for estimates of the amount of land that should be allocated to address the reasonably foreseeable market demand for retail, office, industrial, and residential uses within the City of Stockton. The analysis will be used as a background resource for the General Plan Update, including for the development of the Downtown and Economic Development Elements and the Housing Strategy. For each land use type, this market analysis documents existing market conditions and describes the existing policy framework. It then forecasts the total growth potential that may be anticipated within each land use category over the course of the General Plan planning period (i.e., through 2040). While the market analysis predominantly evaluates conditions throughout the City of Stockton, special attention is given to documenting conditions and opportunities in the Downtown area, with the intent of using that information as the basis for the Downtown Element.

Geographic Definitions

The majority of this analysis reviews conditions and trends at three distinct geographic levels:

- At the highest level, the analysis considers data for San Joaquin County as a whole, which provides useful context for comparison with the broader Stockton area.
- The analysis also includes data for the City of Stockton itself. The city features a number of unincorporated pockets. Data for individuals residing in these areas are not included in the demographic estimates for the city. In order to more reliably assess the existing market demand for retail land uses within the broader Stockton market, BAE also defined an area using Census Block Groups that roughly corresponds to the City of Stockton, inclusive of the unincorporated pockets and some adjacent Census Designated Places (CDPs). For additional information regarding this supplemental study area, please refer to Appendix A.
- In order to assess conditions within Downtown Stockton, BAE similarly defined a custom geography using Census Tract-level data, based on a definition of the Greater Downtown Area provided by City staff. This area roughly extends from Interstate 5 in the west to North Wilson Way in the east, and from East Harding Way in the north to East Charter Way in the south. For maps illustrating the geographic extent of the three main study areas, excluding the supplemental retail market area, please refer to Figures 1 and 2, below.

For additional detail for all study areas used in this analysis, please refer to Appendix A.



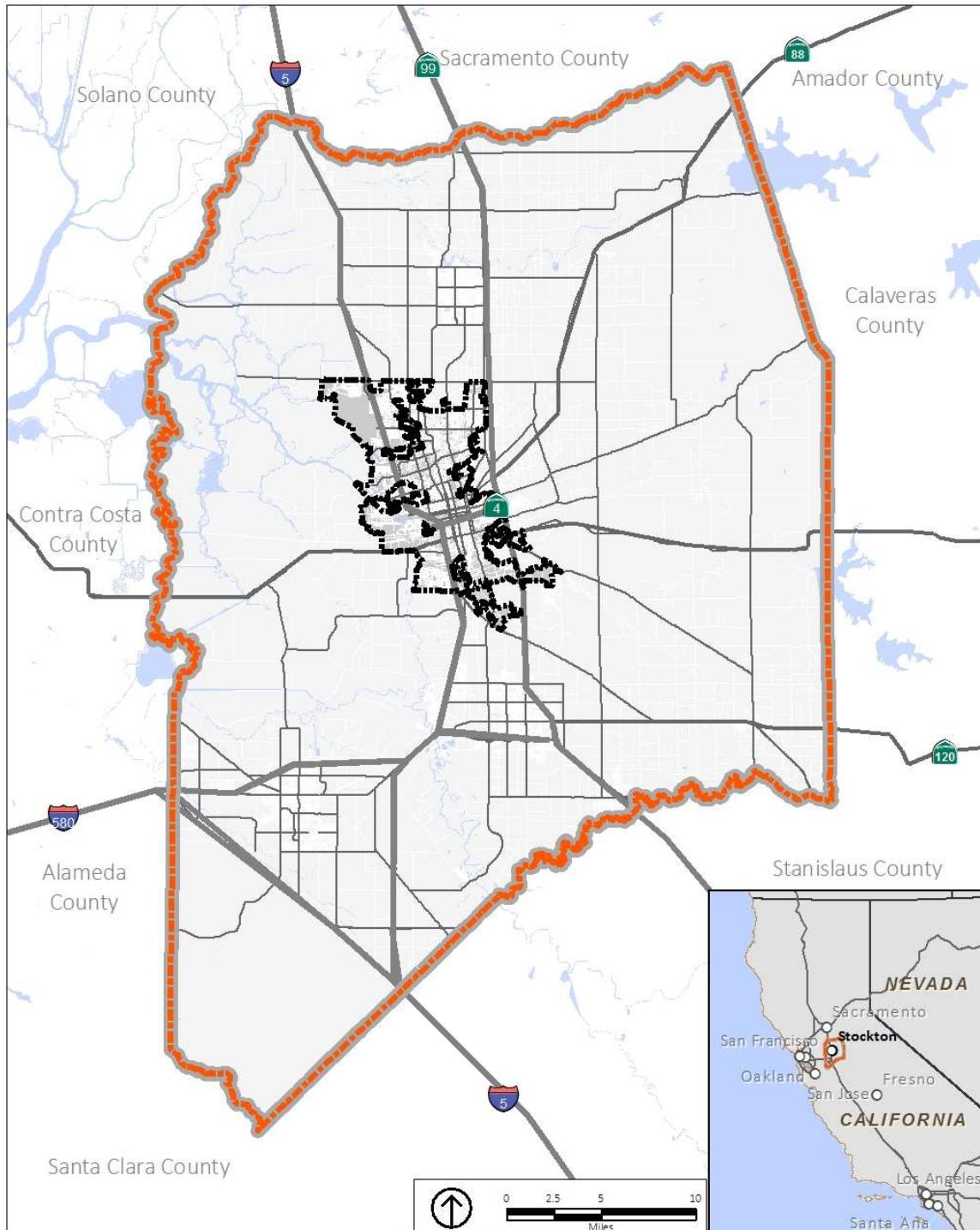
Source: City of Stockton, 2016; Placeworks, 2016; BAE, 2016.

 City of Stockton
Greater Downtown Area
Downtown Core Area

Figure 1
Downtown Core and Greater Downtown Area



STOCKTON 2040 GENERAL PLAN UPDATE
CITY OF STOCKTON
EXISTING CONDITIONS TECHNICAL MEMORANDUM:
MARKET ANALYSIS



Source: City of Stockton, 2016; Placeworks, 2016; BAE, 2016.

City of Stockton

San Joaquin County

Figure 2

City of Stockton and San Joaquin County

1.2 REGULATORY FRAMEWORK

This section briefly summarizes the existing federal, State, and local laws and policies directing local land use and affecting market conditions within the City of Stockton. Though much of the existing policy structure is focused on residential land uses, this analysis also evaluates policies associated with other land use types, such as industrial and commercial, where appropriate and feasible.

Federal Laws and Regulations

Fair Housing Law

The Federal Fair Housing Act (1968) and the Fair Housing Amendments Act (1988) represent federal fair housing legislation that prohibits discrimination in all aspects of housing, including the sale, rental, lease, or negotiation for real property. The 1968 Fair Housing Act prohibits discrimination based on race, color, national origin, religion, or sex (i.e., protected classes). The 1988 Fair Housing Act was amended to also prohibit discrimination based on familial status and physical or mental disability. The amendment to the Fair Housing Act also instituted housing code standards for new multifamily dwellings to accommodate persons with disabilities and established the right to “reasonable accommodations.” The reasonable accommodations rule ensures the rights of tenants to make reasonable modifications to a dwelling, at their own expense, to accommodate the needs of persons with disabilities, and prohibits landlords from refusing reasonable requests for modifications to rules, policies, practices, or services, if they are necessary to accommodate persons with disabilities.

Community Planning and Development Programs

As an entitlement jurisdiction, the City of Stockton completed an update to its Consolidated Plan and Analysis of Impediments to Fair Housing Choice in 2015. The consolidated planning process serves as the framework for the coordination of funding provided through the U.S. Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) grant programs with other local planning efforts and needs. The three federal CPD formula block grant funding programs administered by HUD include the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership (HOME) Program, and the Emergency Solutions Grant (ESG) Program. HUD also administers the Housing Opportunities for Persons with AIDS (HOPWA) Program, though the City of Stockton does not receive funds through the HOPWA Program. The City’s Economic Development Department is responsible for the development and implementation of the Consolidated Plan, as well as oversight of the activities identified in Annual Action Plans, which integrate actions and projects that address the City’s goals for affordable housing, economic development, services, and other community development needs.

State Laws and Regulations

Housing Element Law

California law requires that local jurisdictions periodically update and adopt a housing element as one of seven mandated elements of the General Plan. The cycle for updating and adopting the housing element varies by region and is governed by a regional housing needs allocation (RHNA) process overseen by regional councils of governments. The RHNA is developed based on a Regional Housing Needs Determination issued by the State's Housing and Community Development Department (HCD). The regional determination identifies the number of housing units, by income level, that must be accommodated within the region during the next Housing Element planning cycle. The San Joaquin Council of Governments (SJCOC) then applies an HCD approved Regional Housing Needs Methodology to apportion a share of the RHNA to each jurisdiction within San Joaquin County. Each city and county then must update its Housing Element to demonstrate how the jurisdiction will accommodate its projected share of the regional housing need over the prescribed planning period. Through this process, State housing element law requires local governments to address the existing and projected housing needs of all segments of the community, acknowledging that in order for the private market to adequately address housing needs, local governments must adopt land use regulations that do not unduly constrain housing development. This includes ensuring that the regulatory framework permits the development of a variety of housing types and allows housing to be developed at densities that are sufficient to promote housing affordability at all income levels. Thus, in addition to ensuring that the General Plan Land Use Element can accommodate the demand for market rate rental and for-sale housing, the Housing Element must also address the need to conserve and expand the supply of housing that is affordable to lower-income households that cannot afford market rate housing.

Sustainable Communities Act (SB 375)

In 2006, the California legislature adopted Assembly Bill 32 (AB 32), which directs the California Air Resources Board (ARB) to adopt regulations sufficient to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020. In support of this goal, the legislature also adopted Senate Bill 375 (SB 375) in 2008, which directs ARB to set regional targets for GHG reductions which are to be achieved through greater coordination between regional transportation and land use planning. In order to facilitate regional coordination, each metropolitan planning organization (MPO) must prepare a sustainable communities strategy (SCS) for incorporation in the regional transportation plan (RTP). SJCOC, the local MPO, adopted the 2014-2040 RTP SCS for San Joaquin County in June 2014. The Plan functions as a high-level guiding policy document that identifies policies, supportive strategies, and performance indicators designed to articulate what the regional transportation system will look like in the future, that actions must be taken to achieve that vision, and what performance measures can be used to assess progress. The SCS also includes an investment strategy intended to facilitate a balanced approach to multimodal development based on estimated funding availability through 2040 from federal, State, and local sources. It is also notable that

SB 375 established incentives for local governments to implement the SCS, including relief from certain requirements of the California Environmental Quality Act (CEQA). The State policies and programs that implement the requirements of SB 375 will have implications for new development in Stockton, such as encouraging a greater focus on infill, higher density, and transit oriented development, through State programs and incentives that implement SB 375.

Central Valley Flood Protection Act (SB 5)

The California legislature approved Senate Bill 5 (SB 5) in 2007, which directed the Central Valley Flood Protection Board to develop the Central Valley Flood Projection Plan for the Sacramento-San Joaquin Valley and to establish Urban Level of Flood Protection Criteria intended to strengthen the linkage between flood management and land use.¹ Cities and counties located within the Sacramento-San Joaquin Valley subsequently must amend their general plans by no later than July 2015 and must adjust local zoning regulations by no later than July 2016. After July 2016, all jurisdictions within the Sacramento-San Joaquin Valley will be prohibited taking any of the following actions for properties located in flood hazard zones, without making specific findings based on substantial evidence:

- Entering into development agreements for all types of property development;
- Issuing any discretionary permit or entitlement that would result in the construction of a new building or construction that would result in an increase in allowed occupancy for an existing building;
- Approving ministerial permits that would result in the construction of a new residence;
- Approving tentative maps consistent with the Subdivision Map Act; and
- Approving parcel maps for which a tentative parcel map is not required, consistent with the Subdivisions Map Act.

While the Department of Water Resources (DWR) has published the baseline criteria necessary to make findings related to an urban level of flood protection, implementation of SB 5 relies on the due diligence of cities and counties to incorporate flood risk considerations into floodplain management. Therefore, jurisdictions may develop their own sets of alternative criteria, so long as they are consistent with those developed by DWR. In May 2016, the Stockton City Council adopted amendments to Title 15 (Buildings and Construction) and Title

¹ Under SB 5, an *urban level of flood projection* represents a “level of protection that is necessary to withstand flooding that has a 1-in-200 chance of occurring in any given year using criteria consistent with, or developed by, the Department of Water Resources...[it] shall not mean shallow flooding or flooding from local drainage that meets the criteria of the national Federal Emergency Management Agency standard of flood protection.”

16 (Development Code) of the Stockton Municipal Code, which were necessary to ensure timely compliance with SB 5 flood protection requirements.

Local Laws and Regulations

2015 Housing Element Update

As described above, State law requires each jurisdiction to prepare a housing element as one of the seven mandated components of the General Plan that outlines how the community intends to accommodate its portion of the projected regional housing need. SJCOG adopted the 2014-2023 Regional Housing Needs Plan (RHNP) in August 2014, which initiated the process through which the City of Stockton updated its Housing Element. The City adopted its prior Housing Element in May 2010 for the planning period covering 2010 through 2015. In November 2015, the City of Stockton Planning Commission held a meeting to receive public comments regarding the draft 2015-2023 Housing Element. During that process, official comment letters were received from the Sierra Club and the Central Valley Low Income Housing Corporation. The primary concerns raised include a lack of progress made toward the implementation of an inclusionary housing policy within the City of Stockton and the recommendation that the updated Housing Element include language specifically supporting the development of multifamily housing. On February 12, 2016, HCD issued its official comment letter following a review of the City's draft 2015-2023 Housing Element, finding the draft document in compliance with the statutory requirements of State housing element law. HCD's findings were contingent upon the completion of various zoning amendments concurrent with the adoption of the Housing Element, including the provisions allowing emergency shelters without discretionary action, the permitting of transitional and supportive housing as residential uses, and the adoption of a reasonable accommodation procedure. If not completed prior to adoption of the Housing Element, the Element must include a program with timelines for implementation of these items. The HCD comment letter also indicated that other elements of the General Plan must also be updated by adoption of the next Housing Element, including the Safety and Conservation Element and the Land Use Element. Based on those and other comments, the City revised the draft Housing Element and held a public hearing in March 2016. On April 12, 2016, the City Council subsequently adopted Resolution 2016-04-12-1601, adopting the 2015-2023 Housing Element and Initial Study/Proposed Negative Declaration by a 6-0 vote.

Responsiveness of Housing Element Policies and Programs to Local Housing Needs

In addition to reviewing the Housing Element to identify important characteristics of the local housing market, BAE also evaluated whether the current housing policies and programs appear reasonably responsive to the full range of local housing needs, from entry-level affordable housing to move-up/executive housing for higher income households. While sufficient time has not yet elapsed to understand the effectiveness of the newly adopted Housing Element policies, particularly those pertaining to the provision of incentives, HCD's comment letter on the Draft Housing Element indicates that the policies and programs are in

line with HCD guidelines and Housing Element law and, thus, meet the legal standard to facilitate the development of housing for households at all income levels.

Per the HCD guidelines, the Housing Element policy structure includes provisions encouraging the development of a broad array of housing types, with a focus on providing opportunities for infill and affordable housing development. An analysis of the permitted densities and development standards identified that the adopted Housing Element facilitates the production of a variety of housing types, with residential development permitted in non-residential and mixed-use zones, and with permitted densities up to 87 units per acre in the Downtown. Though the Housing Element confirms that the City applies flexible development standards for infill housing projects in order to encourage the development of underutilized properties, interview participants indicated that some affordable housing developers have struggled to obtain approval of modified development standards for small infill projects; however, this constraint may best be overcome through more consistent implementation of existing policies, rather than creating new policies or modifying existing ones. In particular, concerns were expressed regarding the application of impact fees and on/off site improvement requirements where both infill development and greenfield projects are held to the same standards and are assessed the same fees, even though infill leverages existing infrastructure.

According to Section 3 of the Housing Element Background Report, Stockton's RHNA allocation for the 2015-2023 period includes the need to accommodate 11,824 new housing units. Of those, 1,675 should be affordable to extremely low income households, 1,482 to very low-income households, 2,004 to low-income households, 2,103 to moderate-income households, and 4,560 to above moderate-income households. The Housing Element found that the City's existing pipeline of planned and proposed single-family residential projects exceeds the identified need in the above moderate- and moderate-income categories. With the majority of the City's planned and proposed residential projects targeting market rate housing products, in a range of locations throughout the city, it appears that the City's policies adequately provide for housing production that can meet the needs of middle- and upper-income households who have a variety of housing preferences.

In contrast, the pipeline of multifamily housing projects is sufficient to satisfy only 15.9 percent of the RHNA allocation at the lower-income levels (i.e., low-income to extremely low-income), leaving an additional unmet need of 4,343 lower-income units. Due to their lower cost of construction and generally greater affordability, production of multifamily units is typically viewed as the most practical approach to increasing the supply of units affordable to lower-income households. The Housing Element's vacant and underutilized sites inventory identified a capacity to accommodate up to 6,203 lower-income units, with additional vacant and under-utilized sites available to accommodate moderate- and above moderate-income housing above and beyond current pipeline projects. Of the 6,203-unit capacity for low- and moderate-income households, roughly 2,455 could be accommodated on sites within the Greater Downtown Area. This indicates that the City has more than adequate capacity to

accommodate RHNA needs for higher density housing production through 2023; however, in order to actually achieve production levels that approach the RHNA allocations, the City faces a substantial need for developers to propose and construct additional projects in the higher density, multifamily housing zoning categories, beyond those currently planned and proposed. One opportunity to help address this need over the long-term would be for the General Plan Update to incorporate policies that further promote and incentivize the utilization of infill sites for higher density housing production.

2035 General Plan Settlement Agreement

Following the approval of the 2035 General Plan and Environmental Impact Report in December 2007, the City of Stockton entered into litigation with the Sierra Club and the Attorney General of the State of California regarding the adequacy of the EIR under CEQA and the EIR's alleged failure to incorporate enforceable measures to mitigate GHG emissions in compliance with AB 32. Rather than pursue judicial resolution, the three parties entered into a memorandum of agreement that requires the General Plan and any implementing actions to address GHG reductions in a meaningful way, recognizing that development on the urban fringe must be offset by adequate infill development. The settlement agreement requires the following actions be taken:

- **Climate Action Plan:** Develop a Climate Action Plan (CAP), either as a separate element of the General Plan or as a component of an existing element, and submit for potential adoption by City Council. In compliance with this requirement, the City Council officially adopted the CAP in December 2014.
- **Climate Action Plan Advisory Committee (CAPAC):** Establish a volunteer Climate Action Plan advisory committee (CAPAC). The purpose of this group was to assist staff in the preparation and implementation of the CAP. The CAPAC was officially formed in 2009.
- **Green Building Program:** Establish a green building program that would require all new housing, as well as all new non-residential and municipal buildings that exceed 5,000 square feet, to obtain Build It Green or LEED Silver certification. In March 2011, the City established the Residential Energy Efficiency Assessment and Retrofit (Green-Up Stockton) Ordinance (Ordinance No. 005-11 C.S.), which encourages voluntary residential energy efficiency assessments and retrofits. As of January 1, 2014, the Building Division also requires new development to comply with the 2013 California Building Standards, including the new Green Building Code (Ordinance No. 2014-12-02-1205).
- **Transit Program/Transit Gap Study:** Submit a transit program for adoption by the City Council based on a transit gap study that identifies the measures necessary to support transit service and any regulatory changes necessary to implement the transit program. In 2009, the City of Stockton partnered with the San Joaquin Regional

Transit District (RTD) to conduct a Transit Gap Study, which was formally adopted in April 2010. The CAP Transit Plan/Program was completed in August 2011 and submitted for consideration by City Council along with the CAP in December 2014.

- **Infill/Downtown Development:** Develop General Plan policies and/or programs to support the development of 18,400 new infill housing units within the 2008 city limit, with at least 4,400 units located in the Greater Downtown Area (i.e., 3,000 units by 2020 and 1,400 more units by 2035) at buildout, and submit to City Council for adoption. Provide incentives to promote infill development, including but not limited to, reduced fees, reduction of existing site development standards (e.g., height limits, setbacks, and parking requirements). The City is currently undertaking a comprehensive update of the General Plan, which will evaluate such policies and programs as are necessary and appropriate to comply with this component of the settlement agreement.
- **Approval Criteria for Fringe Development:** Develop amendments to the General Plan that limit the granting of entitlements to projects that do not meet certain criteria, at a minimum including transit efficiency and availability, the incorporation of development milestones, and the establishment of impact fees or alternative financing mechanisms. The City must also explore the feasibility of enhancing the financial viability of infill development in the Greater Downtown Area using innovative mechanisms, like an infill mitigation bank. This requirement is being addressed through the General Plan Update and development of a Downtown Element.
- **Ongoing Monitoring:** Regularly monitor implementation, including annual progress reports and up-to-date estimates of changes in average vehicle miles travelled (VMT).

The plans and policies referenced in the Settlement Agreement mean that the City of Stockton will be active in influencing the type and location of new development that occurs within the city, potentially running counter to market trends at times. It will be important for the General Plan to strike the proper balance between these factors, so that the private development sector can address market demands, but do so in a way that helps the City achieve the sustainability goals that it is expected to uphold.

1.3 POPULATION AND HOUSEHOLD CHARACTERISTICS

The following section summarizes historic population and household characteristics and trends in San Joaquin County, the City of Stockton, and the Greater Downtown Area. The analysis primarily draws from a number of U.S. Census Bureau data sources, including the 2000 and 2010 Decennial Censuses and the American Community Survey (ACS). The most recent published data for the City of Stockton and San Joaquin County include 2014 1-Year ACS estimates. The Census Tract-level data reported for the Greater Downtown Area include 2010-2015 5-Year ACS estimates. Where appropriate, data are also provided from a variety of supplemental data sources, including the California Department of Finance (DoF) and the California Employment Development Department (EDD), among others.

Population and Household Trends

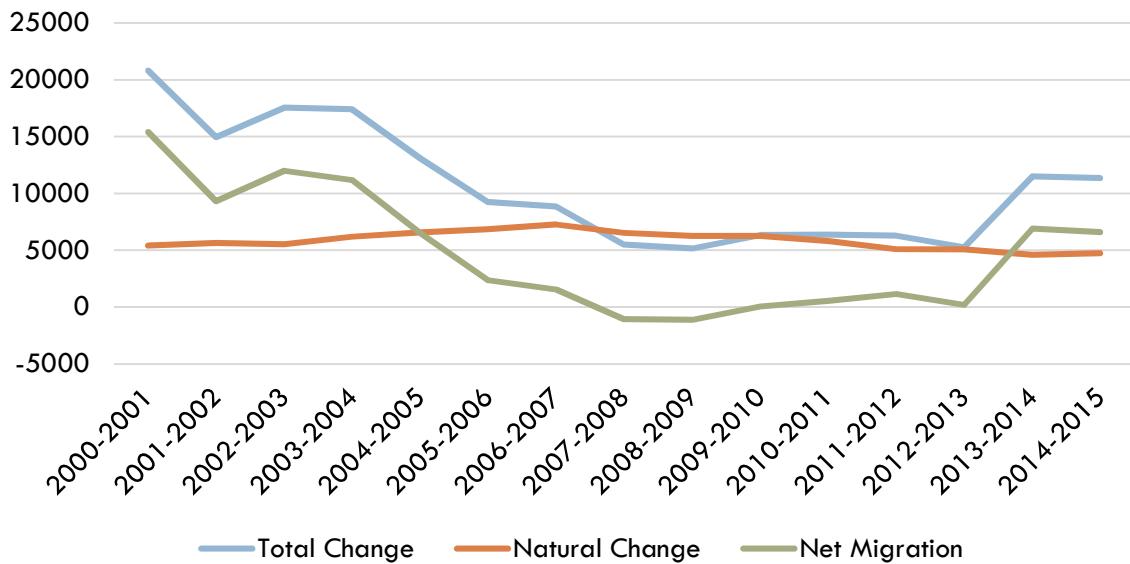
As reported in Table 1, both the City of Stockton and San Joaquin County experienced robust population growth between 2000 and 2010, with a countywide growth rate of 2.0 percent per year and a citywide growth rate of 1.8 percent per year. This is substantially higher than the statewide average of only 1.0 percent during that same timeframe. As illustrated in Figure 3, this rapid expansion of the resident population was primarily due to significant in-migration that occurred during the early part of the decade. According to the data published by the DoF, natural population growth in San Joaquin County has remained stable since 2000, with a net increase of around 5,000 to 6,000 new residents each year.² By comparison, the county added more than 15,000 new residents through net in-migration between 2000 and 2001 alone. The robust inflow of new residents continued through 2005, when the rate of growth began to slow. By 2007, the rate of in-migration had slowed to only 1,600 residents per year. With the onset of the Great Recession in 2008 and 2009, the county began to experience a net outflow of approximately 1,000 residents per year. Between 2010 and 2013 the rate of in-migration remained relatively low at around 500 new residents per year, but between 2013 and 2015 the inflow increased to an average of roughly 6,800 persons per year. As a result of these dynamics, the average annual growth rate growth post-2010 was notably lower than during the prior decade, at 1.1 percent per year in San Joaquin County, and 0.9 percent within the City of Stockton. This is only slightly higher than the statewide average of 0.7 percent.

Contrary to population and household trends within the broader Stockton community, the population residing in the Greater Downtown Area contracted by around 8.0 percent, or 2,100 residents, between 2000 and 2010. Data from the 2010-2014 ACS indicate that this trend

² Natural population growth occurs when the number of births exceeds the number of deaths in a given year.

has continued in recent years, with the average resident population decreasing to around 22,300 between 2010 and 2014, which is 15 percent below the 2000 Census estimate.

Figure 3: Components of Population Change, San Joaquin County, 2000-2015



Sources: California Department of Finance, Table E-2: California County Population Estimates and Components of Change by Year, 2016; BAE, 2016.

The number of households in Stockton increased at an average annual rate of 1.4 percent between 2000 and 2010, which is somewhat below the population growth rate of 1.8 percent per year. This is reflected in the average household size, which increased from 3.04 persons per household in 2000 to 3.16 persons in 2010. Since 2010, however, the trend has reversed, with the number of households increasing more rapidly than the broader population. Specifically, the household growth rate between 2010 and 2014 was 1.2 percent per year, which is notably higher than the population growth rate of 0.9 percent. This translated into a reduction in the average household size to 3.11 persons in 2014. The data for San Joaquin County indicate more consistent trends, with an average household growth rate of 1.7 percent per year between 2000 and 2010, which was 0.3 percentage points lower than the population growth rate. This was indicative of an increase in the average household size from 3.00 persons per household in 2000 to 3.12 persons in 2010. Between 2010 and 2014, household growth occurred at an average annual rate of 0.8 percent, which again was around 0.3 percentage points lower than the population growth rate. This led to an additional increase in the countywide average household size to 3.16 persons per household in 2014.

Corresponding with broad population loss, the number of households in the Greater Downtown Area contracted by around 4.5 percent between 2000 and 2010, representing a loss of around 400 households. Data from the 2010-2014 ACS indicate that this trend has likely

continued in recent years, with the number of households in the Downtown decreasing to around 7,825, which represents a loss of around 1,000 households since 2000, or around 11.7 percent.

The above discussion suggests that slowing population and household growth may signal a new “normal” that may translate into less robust demand for new housing and related services. Conversations with local real estate brokers and economic developers indicate that the significant decline in the Downtown resident population was at least partially driven by issues associated with safety and security, and that addressing those issues may be important to increasing the demand for housing in that area, along with addressing the feasibility of building new housing, at least in the near term. While the data are somewhat unclear on this point, the increasing household sizes exhibited throughout the Stockton and San Joaquin County communities may signal a continuing unmet need for larger housing units, and/or pent up demand from young adults who are continuing to live in larger multigenerational households.

Household Composition and Tenure

Corresponding with changes in the average household size, discussed above, the proportion of family households living in the City of Stockton increased from 71.5 percent in 2000 to 72.6 percent in 2010. Similarly, the modest decrease in the average household size post-2010 also corresponded with a small decrease in the proportion of family households. While the average household size in San Joaquin County grew between 2000 and 2014, the proportion of family households increased between 2000 and 2010, but decreased by over 2.0 percentage points between 2010 and 2014. This reflects a slowing of the increase in the average household size and an increase in the prevalence of younger non-family households in San Joaquin County. Data on household composition in the Greater Downtown Area reflect a modest decrease in family households between 2000 and 2010; however, data from the 2010-2014 ACS indicate that the proportion of family households may have increased somewhat since 2010.

The proportion of households in San Joaquin County that own their own homes has decreased considerably over the past decade and a half. As of 2000, 60.4 percent of all households countywide owned their own homes. That proportion decreased to 59.2 percent in 2010, a drop of 1.2 percentage points. Between 2010 and 2014, the proportion of owner households decreased by an additional 5.7 percentage points to 53.5 percent. By comparison, the proportion of households that own homes within the City of Stockton remained constant at 51.6 percent between 2000 and 2010. However, as of 2014, the proportion of homeowners decreased to 45.1 percent, which represents the first time in recent history that a majority of households in Stockton rented, versus owned, their primary residence. Household tenure in the Greater Downtown Area reflects an increasing majority of renter households. As of 2000, only 24.5 percent of households in the Downtown owned their own homes. This decreased to an average of 22.1 percent between 2010 and 2014, meaning that 77.9 percent are renters.

Whether this shift is driven by consumer demand, issues associated with the affordability of the for-sale housing stock, or residual effects associated with the housing crisis and subsequent recession, it may nonetheless signal a softening of demand for single-family for-sale homes corresponding with increasing demand for various types of rental housing.

Resident Age Distribution

According to 2014 ACS estimates, both the City of Stockton and San Joaquin County feature resident populations which are somewhat younger than average, when compared to the State as a whole. As reported in Table 2, the Census Bureau estimates that the median age in the City of Stockton was 32.3 years in 2014, while the median age in San Joaquin County was somewhat higher at 33.7 years. This is roughly three years younger than the statewide median of 36.0 years. Notably, the median age in the Greater Stockton Downtown was even lower at 31.2 years. The distribution of residents by age is roughly comparable within the City of Stockton and San Joaquin County. Since 2000, both areas experienced decreases in the proportion of residents under the age of 18 and between the ages of 35 and 44, with a modest decrease in the proportion aged 75 to 84. However, neither area experienced a decrease in the absolute number of persons that fell into any individual age category. The Greater Downtown Area, by comparison, experienced declines in the absolute numbers of residents in all but two age categories. This included the loss of more than 4,000 residents below the age of 45 and almost 650 residents age 65 and over. Meanwhile, the Greater Downtown Area gained nearly 700 residents between the ages of 45 and 64. This corresponded to an increase in the median age from 28.9 years in 2000 to an average of 31.2 years between 2010 and 2014.

Racial and Ethnic Affiliation

According to data from the 2014 1-Year ACS, the City of Stockton and San Joaquin County are considerably more diverse, in both racial and ethnic terms, than California as a whole. As shown in Table 3, an estimated 22.7 percent of residents within the City of Stockton identified as non-Hispanic White in 2014, compared to 33.8 percent in San Joaquin County and 38.3 percent statewide. Census data indicate that the City of Stockton and San Joaquin County have been ‘majority minority’ communities since at least the year 2000, if not earlier.³ Overall, Hispanics account for the largest racial and ethnic subgroup, representing 40.8 percent of the population within the city and 40.5 percent countywide. The proportion of residents who identify as Hispanic has increased significantly since 2000, when 32.5 percent of Stockton residents and 30.5 percent of San Joaquin County residents identified as ethnically Hispanic. Other than non-Hispanic Whites, the next largest group includes persons of Asian ancestry, who account for 19.6 percent of the population in Stockton and 14.9 percent countywide.

³ A majority minority community is one where non-Hispanic White residents account for more than 50 percent of the resident population.

African Americans also represent a notable subgroup within the City of Stockton, accounting for 13.1 percent of the population, compared to only 6.9 percent countywide.

According to the 2010-2014 ACS, 60.3 percent of the population living in the Greater Downtown Area are ethnically Hispanic, which is nearly twenty percentage points higher than the citywide average. Other notable subgroups include non-Hispanic Whites (16.0 percent), African Americans (10.7 percent), and Asians (8.2 percent). Reflecting the significant population loss that has occurred within the Greater Downtown Area over the last decade, the data indicate that the number of residents in each subgroup has decreased since 2000, with the exception of African Americans and Hispanics. This diversity may have implications for the types of retail, restaurants, entertainment, and cultural activities that will thrive in Downtown.

Educational Attainment

According to the 2014 ACS, residents of San Joaquin County and the City of Stockton, on average, have lower levels of educational attainment compared to their statewide counterparts. For example, approximately 17.9 percent of the population age 25 and over statewide have not completed high school. This is compared to 22.4 percent in San Joaquin County as a whole and 25.1 percent in the City of Stockton. As reported in Table 4, both the city and county have lower proportions of residents with at least a high school diploma, as well as lower proportions of residents who have completed various levels of higher education. For example, 61.2 percent of the population statewide has attended at least some college, compared to only 49.6 percent in San Joaquin County and 48.4 percent in Stockton. This trend extends throughout the higher educational tiers, with only 6.1 percent of the population in both the city and county having received a Master's Degree or higher, compared to 11.8 percent statewide. It is notable, however, that the educational attainment of the greater Stockton community has improved considerably over the past decade and a half, with the proportion of residents with a high school diploma or higher increasing by 6.8 percentage points in Stockton and 6.4 percentage points countywide. This is compared to an increase of 5.3 percentage points statewide over that same time period. In addition, the available data indicate that educational attainment in the Greater Downtown Area is considerably lower than both the citywide and statewide averages. For example, an average of 40.3 percent of the population in the Greater Downtown Area had less than a high school diploma between 2010 and 2014. This was 21.8 percentage points higher than the statewide average for the same time period.

Household Income Distribution

As reported in Table 5, households in the City of Stockton are notably lower income compared to households in San Joaquin County and California as a whole. The 2014 median household income in Stockton was \$40,993. This was \$10,666 less than the countywide median of \$51,659 and \$20,940 less than the statewide median of \$61,933. In nominal dollars, the median household income in Stockton increased by \$10,153 between 1999 and 2010, but decreased by \$4,613 between 2010 and 2014. This equaled a net gain of \$5,540 per year,

in nominal dollars. However, once adjusted for inflation, based on the Consumer Price Index (CPI), the data indicate a real decrease in the median income of \$897 from 2000 to 2010, and another \$8,533 decline from 2010 to 2014. This is consistent with trends experienced throughout San Joaquin County and California during the same period. For example, the real inflation adjusted median income in San Joaquin County decreased by \$7,054 between 2000 and 2014, while the median income decreased by \$5,322 statewide during the same period. These trends indicate that declining household purchasing power may be of greater impact in Stockton than elsewhere in California, which may have implications for future housing demand, as well as the nature of local consumer demand for retail products and services.

Regional Commuting Patterns

The Census Transportation Planning Package (CTTP) provides information regarding the inflow and outflow of workers based on their place of residence and place of work. The figures in Table 6 highlight that, while Stockton is sometimes thought of as a bedroom community for the San Francisco Bay Area, most employed Stockton residents actually work in the city itself or elsewhere in San Joaquin County, while most people working in the city live either in the city or somewhere nearby, often within the county. This may have important implications for economic development, including highlighting the need for renewed focus on workforce development and job readiness training for residents.

Residents by Place of Work

As shown in Table 6, 59.2 percent of Stockton residents also work within the community, while 84.0 percent work somewhere within San Joaquin County.⁴ The remaining 16 percent, or 17,120 workers, work in communities outside of San Joaquin County. Of the total resident workforce, 1.6 percent commute to Sacramento for work, while 1.1 percent commute to Modesto and 1.0 percent commute to Oakland. The remaining 12.3 percent of the resident workforce commute to other locations outside of San Joaquin County, including many locations in the greater Bay Area, such as Livermore, San Jose, and San Francisco.

Workers by Place of Residence

Of the 103,875 persons working in the City of Stockton, an estimated 61.1 percent also live within the city, with 87.2 percent living somewhere within San Joaquin County.⁵ The remaining 12.8 percent of Stockton workers live in communities outside of San Joaquin County, as illustrated in Table 6. This represents a total of 13,285 workers. Out of all Stockton workers, 1.9 percent commute in from Modesto, 0.9 percent from Elk Grove, 0.7 percent from Galt, 0.6 percent from Sacramento, and 8.7 percent from other locations outside San Joaquin County.

⁴ These figures, and those that follow in this paragraph, refer to the place of work for City of Stockton residents only, and do not include persons who may work in Stockton, but live elsewhere.

⁵ These figures, and those that follow in this paragraph, refer to the place of residence for persons who work in Stockton only. The figures refer to persons who work in Stockton, but who may, or may not, live in the city.

Table 1: Population and Household Trends, 2000, 2010, and 2014

| | 2000 | 2010 | Average Annual Change ('00-'10) | 2014 (b) | Average Annual Change ('10-'14) |
|----------------------------------|---------|---------|---------------------------------|----------|---------------------------------|
| Greater Downtown Area (a) | | | | | |
| Population | 26,283 | 24,181 | -0.8% | 22,317 | (c) |
| Households | 8,865 | 8,462 | -0.5% | 7,825 | (c) |
| Average Household Size | 2.86 | 2.73 | | 2.74 | |
| Household Type | | | | | |
| Families | 59.0% | 55.2% | | 57.9% | |
| Non-Families | 41.0% | 44.8% | | 42.1% | |
| Household Tenure | | | | | |
| Owner | 24.5% | 22.5% | | 22.1% | |
| Renter | 75.5% | 77.5% | | 77.9% | |
| City of Stockton | | | | | |
| Population | 243,771 | 291,707 | 1.8% | 302,405 | 0.9% |
| Households | 78,556 | 90,605 | 1.4% | 95,166 | 1.2% |
| Average Household Size | 3.04 | 3.16 | | 3.11 | |
| Household Type | | | | | |
| Families | 71.5% | 72.6% | | 70.1% | |
| Non-Families | 28.5% | 27.4% | | 29.9% | |
| Household Tenure | | | | | |
| Owner | 51.6% | 51.6% | | 45.1% | |
| Renter | 48.4% | 48.4% | | 54.9% | |
| San Joaquin County | | | | | |
| Population | 563,598 | 685,306 | 2.0% | 715,597 | 1.1% |
| Households | 181,629 | 215,007 | 1.7% | 221,874 | 0.8% |
| Average Household Size | 3.00 | 3.12 | | 3.16 | |
| Household Type | | | | | |
| Families | 74.2% | 74.9% | | 72.8% | |
| Non-Families | 25.8% | 25.1% | | 27.2% | |
| Household Tenure | | | | | |
| Owner | 60.4% | 59.2% | | 53.5% | |
| Renter | 39.6% | 40.8% | | 46.5% | |

Notes:

- (a) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.
- (b) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.
- (c) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 2: Age Distribution, 2000, 2010, and 2014

| Age Distribution | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 (b) | | Average Annual Change ('10-'14) |
|----------------------------------|----------------|-------------|----------------|-------------|---------------------------------|----------------|-------------|---------------------------------|
| | Number | Percent | Number | Percent | | Number | Percent | |
| Greater Downtown Area (a) | | | | | | | | |
| Under 18 | 8,125 | 30.9% | 6,659 | 27.5% | -2.0% | 6,257 | 28.0% | (c) |
| 18-24 | 3,347 | 12.7% | 3,019 | 12.5% | -1.0% | 2,347 | 10.5% | (c) |
| 25-34 | 3,858 | 14.7% | 3,703 | 15.3% | -0.4% | 3,724 | 16.7% | (c) |
| 35-44 | 3,666 | 13.9% | 2,922 | 12.1% | -2.2% | 2,655 | 11.9% | (c) |
| 45-54 | 2,776 | 10.6% | 3,164 | 13.1% | 1.3% | 2,871 | 12.9% | (c) |
| 55-64 | 1,698 | 6.5% | 2,336 | 9.7% | 3.2% | 2,293 | 10.3% | (c) |
| 65-74 | 1,465 | 5.6% | 1,214 | 5.0% | -1.9% | 1,151 | 5.2% | (c) |
| 75-84 | 967 | 3.7% | 796 | 3.3% | -1.9% | 650 | 2.9% | (c) |
| 85 years & over | 381 | 1.4% | 368 | 1.5% | -0.3% | 369 | 1.7% | (c) |
| Total, All Ages | 26,283 | 100% | 24,181 | 100% | -0.8% | 22,317 | 100% | (c) |
| Median Age (d) | 28.9 | | 30.9 | | | 31.2 | | |
| City of Stockton | | | | | | | | |
| Under 18 | 79,084 | 32.4% | 87,338 | 29.9% | 1.0% | 84,358 | 27.9% | -0.9% |
| 18-24 | 26,851 | 11.0% | 34,126 | 11.7% | 2.4% | 32,894 | 10.9% | -0.9% |
| 25-34 | 33,190 | 13.6% | 40,162 | 13.8% | 1.9% | 44,484 | 14.7% | 2.6% |
| 35-44 | 33,544 | 13.8% | 36,529 | 12.5% | 0.9% | 35,945 | 11.9% | -0.4% |
| 45-54 | 28,830 | 11.8% | 35,398 | 12.1% | 2.1% | 37,225 | 12.3% | 1.3% |
| 55-64 | 17,297 | 7.1% | 28,902 | 9.9% | 5.3% | 33,279 | 11.0% | 3.6% |
| 65-74 | 12,678 | 5.2% | 15,823 | 5.4% | 2.2% | 19,668 | 6.5% | 5.6% |
| 75-84 | 8,983 | 3.7% | 9,192 | 3.2% | 0.2% | 9,913 | 3.3% | 1.9% |
| 85 years & over | 3,314 | 1.4% | 4,237 | 1.5% | 2.5% | 4,639 | 1.5% | 2.3% |
| Total, All Ages | 243,771 | 100% | 291,707 | 100% | 1.8% | 302,405 | 100% | 0.9% |
| Median Age | 29.8 | | 30.8 | | | 32.3 | | |
| San Joaquin County | | | | | | | | |
| Under 18 | 174,569 | 31.0% | 200,724 | 29.3% | 1.4% | 199,023 | 27.8% | -0.2% |
| 18-24 | 56,381 | 10.0% | 71,312 | 10.4% | 2.4% | 73,538 | 10.3% | 0.8% |
| 25-34 | 75,540 | 13.4% | 90,815 | 13.3% | 1.9% | 96,533 | 13.5% | 1.5% |
| 35-44 | 86,601 | 15.4% | 90,738 | 13.2% | 0.5% | 91,938 | 12.8% | 0.3% |
| 45-54 | 68,748 | 12.2% | 91,839 | 13.4% | 2.9% | 92,561 | 12.9% | 0.2% |
| 55-64 | 41,960 | 7.4% | 68,697 | 10.0% | 5.1% | 77,706 | 10.9% | 3.1% |
| 65-74 | 30,673 | 5.4% | 38,530 | 5.6% | 2.3% | 48,984 | 6.8% | 6.2% |
| 75-84 | 21,619 | 3.8% | 22,709 | 3.3% | 0.5% | 25,089 | 3.5% | 2.5% |
| 85 years & over | 7,507 | 1.3% | 9,942 | 1.5% | 2.8% | 10,225 | 1.4% | 0.7% |
| Total, All Ages | 563,598 | 100% | 685,306 | 100% | 2.0% | 715,597 | 100% | 1.1% |
| Median Age | 31.9 | | 32.7 | | | 33.7 | | |

Notes:

- (a) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.
- (b) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.
- (c) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.
- (d) The median age for the Greater Downtown Area was extrapolated based on detailed household income distribution data.

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 3: Race and Ethnicity, 2000, 2010, and 2014

| Race/Ethnicity | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 (b) | | Average Annual Change ('10-'14) |
|----------------------------------|----------------|-------------|----------------|-------------|---------------------------------|----------------|-------------|---------------------------------|
| | Number | Percent | Number | Percent | | Number | Percent | |
| Greater Downtown Area (a) | | | | | | | | |
| Non-Hispanic | 12,476 | 47.5% | 9,948 | 41.1% | -2.2% | 8,856 | 39.7% | (c) |
| White | 5,136 | 19.5% | 4,196 | 17.4% | -2.0% | 3,576 | 16.0% | (c) |
| Black/African American | 2,342 | 8.9% | 2,565 | 10.6% | 0.9% | 2,395 | 10.7% | (c) |
| American Indian/Alaskan Native | 243 | 0.9% | 200 | 0.8% | -1.9% | 250 | 1.1% | (c) |
| Asian | 3,738 | 14.2% | 2,211 | 9.1% | -5.1% | 1,832 | 8.2% | (c) |
| Native Hawaiian/Pacific Islander | 54 | 0.2% | 45 | 0.2% | -1.8% | 52 | 0.2% | (c) |
| Some Other Race | 63 | 0.2% | 57 | 0.2% | -1.0% | 0 | 0.0% | (c) |
| 2+ Races | 900 | 3.4% | 674 | 2.8% | -2.9% | 751 | 3.4% | (c) |
| Hispanic | 13,807 | 52.5% | 14,233 | 58.9% | 0.3% | 13,461 | 60.3% | (c) |
| Total | 26,283 | 100% | 24,181 | 100% | -0.8% | 22,317 | 100% | (c) |
| City of Stockton | | | | | | | | |
| Non-Hispanic | 164,554 | 67.5% | 174,117 | 59.7% | 0.6% | 179,071 | 59.2% | 0.7% |
| White | 78,539 | 32.2% | 66,836 | 22.9% | -1.6% | 68,534 | 22.7% | 0.6% |
| Black/African American | 26,359 | 10.8% | 33,507 | 11.5% | 2.4% | 39,580 | 13.1% | 4.3% |
| American Indian/Alaskan Native | 1,337 | 0.5% | 1,237 | 0.4% | -0.8% | 656 | 0.2% | -14.7% |
| Asian | 47,093 | 19.3% | 60,323 | 20.7% | 2.5% | 59,245 | 19.6% | -0.4% |
| Native Hawaiian/Pacific Islander | 810 | 0.3% | 1,622 | 0.6% | 7.2% | 3,571 | 1.2% | 21.8% |
| Some Other Race | 496 | 0.2% | 470 | 0.2% | -0.5% | 152 | 0.1% | -24.6% |
| 2+ Races | 9,920 | 4.1% | 10,122 | 3.5% | 0.2% | 7,333 | 2.4% | -7.7% |
| Hispanic | 79,217 | 32.5% | 117,590 | 40.3% | 4.0% | 123,334 | 40.8% | 1.2% |
| Total | 243,771 | 100% | 291,707 | 100% | 1.8% | 302,405 | 100% | 0.9% |
| San Joaquin County | | | | | | | | |
| Non-Hispanic | 391,525 | 69.5% | 418,965 | 61.1% | 0.7% | 426,131 | 59.5% | 0.4% |
| White | 267,002 | 47.4% | 245,919 | 35.9% | -0.8% | 241,977 | 33.8% | -0.4% |
| Black/African American | 36,139 | 6.4% | 48,540 | 7.1% | 3.0% | 49,039 | 6.9% | 0.3% |
| American Indian/Alaskan Native | 3,531 | 0.6% | 3,179 | 0.5% | -1.0% | 1,710 | 0.2% | -14.4% |
| Asian | 62,126 | 11.0% | 94,547 | 13.8% | 4.3% | 106,707 | 14.9% | 3.1% |
| Native Hawaiian/Pacific Islander | 1,624 | 0.3% | 3,248 | 0.5% | 7.2% | 4,233 | 0.6% | 6.8% |
| Some Other Race | 1,225 | 0.2% | 1,383 | 0.2% | 1.2% | 1,394 | 0.2% | 0.2% |
| 2+ Races | 19,878 | 3.5% | 22,149 | 3.2% | 1.1% | 21,071 | 2.9% | -1.2% |
| Hispanic | 172,073 | 30.5% | 266,341 | 38.9% | 4.5% | 289,466 | 40.5% | 2.1% |
| Total | 563,598 | 100% | 685,306 | 100% | 2.0% | 715,597 | 100% | 1.1% |

Notes:

- (a) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.
- (b) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.
- (c) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 4: Educational Attainment, 2000, 2010, and 2014

| Educational Attainment | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 (d) | | Average Annual Change ('10-'14) |
|----------------------------------|----------------|-------------|----------------|-------------|---------------------------------|----------------|-------------|---------------------------------|
| | Number (b) | Percent | Number (c) | Percent | | Number | Percent | |
| Greater Downtown Area (a) | | | | | | | | |
| Nursery to 8th grade | 4,169 | 28.1% | 3,991 | 27.5% | -0.4% | 3,143 | 22.9% | (e) |
| Some high school, no diploma | 3,494 | 23.6% | 2,541 | 17.5% | -3.1% | 2,379 | 17.3% | (e) |
| High school graduate (inc. GED) | 3,255 | 22.0% | 3,426 | 23.6% | 0.5% | 3,595 | 26.2% | (e) |
| Some college, no degree | 2,207 | 14.9% | 2,574 | 17.8% | 1.6% | 2,688 | 19.6% | (e) |
| Associate's degree | 681 | 4.6% | 637 | 4.4% | -0.7% | 583 | 4.3% | (e) |
| Bachelor's degree | 670 | 4.5% | 745 | 5.1% | 1.1% | 745 | 5.4% | (e) |
| Master's degree | 153 | 1.0% | 352 | 2.4% | 8.7% | 365 | 2.7% | (e) |
| Professional school degree | 163 | 1.1% | 143 | 1.0% | -1.3% | 97 | 0.7% | (e) |
| Doctorate degree | 19 | 0.1% | 94 | 0.6% | 17.3% | 118 | 0.9% | (e) |
| Total, Age 25 and Over | 14,811 | 100% | 14,503 | 100% | -0.2% | 13,713 | 100% | (e) |
| City of Stockton | | | | | | | | |
| Nursery to 8th grade | 22,297 | 16.2% | 23,725 | 13.9% | 0.6% | 24,494 | 13.2% | 0.8% |
| Some high school, no diploma | 21,586 | 15.7% | 18,912 | 11.1% | -1.3% | 21,910 | 11.8% | 3.7% |
| High school graduate (inc. GED) | 30,738 | 22.3% | 42,370 | 24.9% | 3.3% | 49,199 | 26.6% | 3.8% |
| Some college, no degree | 31,326 | 22.7% | 40,006 | 23.5% | 2.5% | 41,344 | 22.3% | 0.8% |
| Associate's degree | 10,729 | 7.8% | 16,215 | 9.5% | 4.2% | 16,477 | 8.9% | 0.4% |
| Bachelor's degree | 14,417 | 10.5% | 18,548 | 10.9% | 2.6% | 20,420 | 11.0% | 2.4% |
| Master's degree | 3,910 | 2.8% | 6,308 | 3.7% | 4.9% | 7,702 | 4.2% | 5.1% |
| Professional school degree | 1,973 | 1.4% | 2,477 | 1.5% | 2.3% | 2,026 | 1.1% | -4.9% |
| Doctorate degree | 862 | 0.6% | 1,683 | 1.0% | 6.9% | 1,581 | 0.9% | -1.5% |
| Total, Age 25 and Over | 137,836 | 100% | 170,243 | 100% | 2.1% | 185,153 | 100% | 2.1% |
| San Joaquin County | | | | | | | | |
| Nursery to 8th grade | 44,277 | 13.3% | 52,467 | 12.7% | 1.7% | 52,986 | 12.0% | 0.2% |
| Some high school, no diploma | 51,410 | 15.5% | 44,476 | 10.8% | -1.4% | 46,290 | 10.4% | 1.0% |
| High school graduate (inc. GED) | 83,929 | 25.2% | 106,239 | 25.7% | 2.4% | 123,932 | 28.0% | 3.9% |
| Some college, no degree | 79,372 | 23.9% | 100,180 | 24.2% | 2.4% | 100,807 | 22.8% | 0.2% |
| Associate's degree | 25,327 | 7.6% | 36,622 | 8.9% | 3.8% | 37,847 | 8.5% | 0.8% |
| Bachelor's degree | 33,782 | 10.2% | 50,138 | 12.1% | 4.0% | 54,271 | 12.2% | 2.0% |
| Master's degree | 8,739 | 2.6% | 14,286 | 3.5% | 5.0% | 18,688 | 4.2% | 6.9% |
| Professional school degree | 4,344 | 1.3% | 5,606 | 1.4% | 2.6% | 4,654 | 1.1% | -4.5% |
| Doctorate degree | 1,469 | 0.4% | 3,254 | 0.8% | 8.3% | 3,561 | 0.8% | 2.3% |
| Total, Age 25 and Over | 332,648 | 100% | 413,270 | 100% | 2.2% | 443,036 | 100% | 1.8% |

Notes:

- (a) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.
- (b) The percent distribution of educational attainment is from Census 2000, Summary File 3, while the total population 25 years and over is from Census 2000 Summary File 1.
- (c) The percent distribution of educational attainment is from 2008-2012 ACS 5-Year Estimates for the Greater Downtown Area and 2010 ACS 1-Year Estimates for the City of Stockton and San Joaquin County, while the total population 25 years and over is from Census 2010, Summary file 1.
- (d) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.
- (e) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.

Sources: U.S. Census Bureau, Census 2000, Summary File 1 and Summary File 3, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2008-2012 American Community Survey, 2016; U.S. Census Bureau, 2010 American Community Survey, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 5: Household Income Distribution, 1999, 2010, and 2014 (Page 1 of 2)

| Annual Household Income | 1999 | | 2010 | | Average Annual Change ('00-'10) | 2014 (d) | | Average Annual Change ('10-'14) |
|------------------------------------|-----------------|-------------|-----------------|-------------|---------------------------------|----------------|-------------|---------------------------------|
| | Number (b) | Percent | Number (c) | Percent | | Number | Percent | |
| Greater Downtown Area (a) | | | | | | | | |
| Less than \$14,999 | 3,785 | 42.7% | 2,511 | 29.7% | -4.0% | 2,590 | 33.1% | (e) |
| \$15,000 to \$24,999 | 1,668 | 18.8% | 1,536 | 18.1% | -0.8% | 1,627 | 20.8% | (e) |
| \$25,000 to \$34,999 | 1,086 | 12.2% | 1,004 | 11.9% | -0.8% | 960 | 12.3% | (e) |
| \$35,000 to \$49,999 | 1,044 | 11.8% | 1,076 | 12.7% | 0.3% | 913 | 11.7% | (e) |
| \$50,000 to \$74,999 | 713 | 8.0% | 1,200 | 14.2% | 5.3% | 891 | 11.4% | (e) |
| \$75,000 to \$99,999 | 313 | 3.5% | 535 | 6.3% | 5.5% | 289 | 3.7% | (e) |
| \$100,000 to \$149,999 | 150 | 1.7% | 470 | 5.6% | 12.1% | 386 | 4.9% | (e) |
| \$150,000 and above | 107 | 1.2% | 130 | 1.5% | 2.0% | 169 | 2.2% | (e) |
| Total, All Households | 8,865 | 100% | 8,462 | 100% | -0.5% | 7,825 | 100% | (e) |
| Median Household Income (f) | \$18,885 | | \$26,838 | | \$23,128 | | | |
| Adjusted Median Income (g) | \$26,858 | | \$29,144 | | \$23,128 | | | |
| City of Stockton | | | | | | | | |
| Less than \$14,999 | 16,779 | 21.4% | 11,973 | 13.2% | -3.3% | 16,895 | 17.8% | 9.0% |
| \$15,000 to \$24,999 | 11,920 | 15.2% | 11,433 | 12.6% | -0.4% | 14,338 | 15.1% | 5.8% |
| \$25,000 to \$34,999 | 10,125 | 12.9% | 11,004 | 12.1% | 0.8% | 10,328 | 10.9% | -1.6% |
| \$35,000 to \$49,999 | 12,553 | 16.0% | 15,341 | 16.9% | 2.0% | 12,134 | 12.8% | -5.7% |
| \$50,000 to \$74,999 | 13,760 | 17.5% | 17,077 | 18.8% | 2.2% | 15,260 | 16.0% | -2.8% |
| \$75,000 to \$99,999 | 6,977 | 8.9% | 10,367 | 11.4% | 4.0% | 10,433 | 11.0% | 0.2% |
| \$100,000 to \$149,999 | 4,358 | 5.5% | 7,957 | 8.8% | 6.2% | 8,681 | 9.1% | 2.2% |
| \$150,000 and above | 2,084 | 2.7% | 5,453 | 6.0% | 10.1% | 7,097 | 7.5% | 6.8% |
| Total, All Households | 78,556 | 100% | 90,605 | 100% | 1.4% | 95,166 | 100% | 1.2% |
| Median Household Income | \$35,453 | | \$45,606 | | \$40,993 | | | |
| Adjusted Median Income (g) | \$50,422 | | \$49,526 | | \$40,993 | | | |
| San Joaquin County | | | | | | | | |
| Less than \$14,999 | 30,601 | 16.8% | 23,943 | 11.1% | -2.4% | 28,216 | 12.7% | 4.2% |
| \$15,000 to \$24,999 | 24,055 | 13.2% | 23,722 | 11.0% | -0.1% | 28,758 | 13.0% | 4.9% |
| \$25,000 to \$34,999 | 22,490 | 12.4% | 26,223 | 12.2% | 1.5% | 20,464 | 9.2% | -6.0% |
| \$35,000 to \$49,999 | 29,733 | 16.4% | 33,594 | 15.6% | 1.2% | 29,207 | 13.2% | -3.4% |
| \$50,000 to \$74,999 | 35,478 | 19.5% | 39,701 | 18.5% | 1.1% | 39,225 | 17.7% | -0.3% |
| \$75,000 to \$99,999 | 19,936 | 11.0% | 27,124 | 12.6% | 3.1% | 27,026 | 12.2% | -0.1% |
| \$100,000 to \$149,999 | 13,422 | 7.4% | 24,245 | 11.3% | 6.1% | 27,832 | 12.5% | 3.5% |
| \$150,000 and above | 5,914 | 3.3% | 16,457 | 7.7% | 10.8% | 21,146 | 9.5% | 6.5% |
| Total, All Households | 181,629 | 100% | 215,007 | 100% | 1.7% | 221,874 | 100% | 0.8% |
| Median Household Income | \$41,282 | | \$50,011 | | \$51,659 | | | |
| Adjusted Median Income (g) | \$58,713 | | \$54,309 | | \$51,659 | | | |

- Continued on next page -

Sources: U.S. Census Bureau, Census 2000, Summary File 1 and Summary File 3, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 5: Household Income Distribution, 1999, 2010, and 2014 (Page 2 of 2)

Notes:

- (a) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.
- (b) The percent distribution of annual household income is from Census 2000, Summary File 3, while the total household estimate is from Census 2000 Summary File 1.
- (c) The percent distribution of household income is from 2006-2010 ACS 5-Year Estimates for the Greater Downtown Area and 2010 ACS 1-Year Estimates for the City of Stockton and San Joaquin County, while the total household figure is from Census 2010, Summary file 1.
- (d) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.
- (e) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.
- (f) The median household income figure was extrapolated based on detailed household income distribution data.
- (g) Census 2000 and Census 2010 median household income estimates are adjusted to 2014 dollars based on the Consumer Price Index (CPI) for All Urban Consumers in the Western Region of 1.422 and 1.086, respectively.

Sources: U.S. Census Bureau, Census 2000, Summary File 1 and Summary File 3, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 6: Commute Flows, City of Stockton, 2006-2010 (a)

Stockton Residents by Place of Work

| Place of Work | Employed Residents | |
|-------------------------------------|--------------------|-------------|
| | Number | Percent |
| San Joaquin County | 90,190 | 84.0% |
| <i>City of Stockton</i> | 63,490 | 59.2% |
| <i>City of Lodi</i> | 5,185 | 4.8% |
| <i>City of Tracy</i> | 2,800 | 2.6% |
| <i>City of Lathrop</i> | 2,315 | 2.2% |
| <i>City of Manteca</i> | 2,055 | 1.9% |
| <i>All Other San Joaquin County</i> | 14,345 | 13.4% |
| Outside San Joaquin County | 17,120 | 16.0% |
| <i>City of Sacramento</i> | 1,670 | 1.6% |
| <i>City of Modesto</i> | 1,160 | 1.1% |
| <i>City of Oakland</i> | 1,040 | 1.0% |
| <i>All other Locations</i> | 13,250 | 12.3% |
| Total, All Locations | 107,310 | 100% |

Stockton Workers by Place of Residence

| Place of Residence | Stockton Workers | |
|-------------------------------------|------------------|-------------|
| | Number | Percent |
| San Joaquin County | 90,590 | 87.2% |
| <i>City of Stockton</i> | 63,490 | 61.1% |
| <i>City of Lodi</i> | 4,560 | 4.4% |
| <i>City of Manteca</i> | 3,955 | 3.8% |
| <i>Country Club CDP</i> | 2,050 | 2.0% |
| <i>City of Tracy</i> | 1,625 | 1.6% |
| <i>City of Lathrop</i> | 1,440 | 1.4% |
| <i>All Other San Joaquin County</i> | 13,470 | 13.0% |
| Outside San Joaquin County | 13,285 | 12.8% |
| <i>City of Modesto</i> | 1,955 | 1.9% |
| <i>City of Elk Grove</i> | 945 | 0.9% |
| <i>City of Galt</i> | 730 | 0.7% |
| <i>City of Sacramento</i> | 630 | 0.6% |
| <i>All other Locations</i> | 9,025 | 8.7% |
| Total, All Locations | 103,875 | 100% |

Note:

- (a) The American Community Survey data used for the most recent Census Transportation Planning Package (CTPP) uses demographic estimates based on statistical sampling conducted between 2006-2010. Data are reported for workers age 16 and over.

Sources: U.S. Census Bureau, 2006-2010 Census Transportation Planning Package, 2016; U.S. Census Bureau, 2006-2010 American Community Survey, 2016; BAE, 2016.

1.4 ECONOMIC CONDITIONS

The following section summarizes current economic conditions in the City of Stockton and San Joaquin County. The analysis draws on data from a number of sources, including data published by the California Employment Development Department (EDD), the California State Board of Equalization (BOE), the U.S. Census Bureau, and Nielsen, a private data vendor. BAE collected additional supplemental information through interviews with local economic development professionals, including the City of Stockton Economic Development Department, the Downtown Stockton Alliance, the San Joaquin Valley Partnership, the San Joaquin Hispanic Chamber of Commerce, and the Stockton Visitors Bureau, among others. BAE collected information regarding ongoing economic development efforts through a review of the City of Stockton Economic Development Strategy and other related documents.

Resident Employment Status

Both the City of Stockton and San Joaquin County struggle with unemployment rates that have remained persistently above the statewide average. As shown in Table 7, the annual average unemployment rate in Stockton has recently declined considerably from 20.7 percent in 2010 to 9.6 percent in 2015. In 2010, the rate was 8.5 percentage points higher than the statewide average of 12.2 percent. The difference has since narrowed, with the 2015 average annual unemployment rate being 3.4 percentage points higher than the statewide average of 6.2 percent. But while the statewide rate approaches a healthy structural unemployment rate of around five to six percent, the citywide rate remains closer to ten percent, indicating significant room for improvement. Countywide trends appear similar, with the annual average unemployment rate declining steadily from 16.5 percent in 2010 to 8.9 percent in 2015. These trends indicate a need for General Plan economic development policies that link land use with programmatic efforts to support workforce development and job readiness. Particular attention should be made to supporting those efforts already outlined in the Economic Development Strategic Plan, which is discussed later in this section.

Resident Employment by Occupation

Table 8 provides a breakdown of the occupations of working residents aged 16 years and over in Stockton and San Joaquin County. The distributions are relatively similar in each area, with Office and Administrative Support Occupations and Management, Business, and Financial Occupations accounting for the largest shares of citywide and countywide employment. Other professional service occupations also account for a notable proportion of the employed resident base. These primarily include Education, Legal, Community Service, Arts, and Media Occupations, and Healthcare Practitioners and Technical Occupations. Other lower skilled service occupations are also strongly represented, including Food Preparation and Serving Related Occupations and Sales and Related Occupations. Strong concentrations of residents working in Transportation Occupations and Material Moving Occupations are evident at both the city and county levels, corresponding to a known local concentration of activity in the

distribution sector. This occupational profile generally indicates that there may be opportunities to focus job creation and attraction efforts toward industries in which the community already has a competitive advantage and which generally fit the skill sets of many existing residents. According to Micah Runner, Economic Development Director with the City of Stockton, one issue currently impacting jobseekers in the city is a lack of awareness of employment opportunities that might otherwise fit their existing skillset. Therefore, the City may want to consider working more closely with existing programs like San Joaquin County WorkNet, to help to match job seekers with available employment opportunities.

Major Employers

According to the EDD, ten of the top 25 major employers in San Joaquin County are located within the City of Stockton. These are reported in Table 9 and include three major governmental entities, two health care providers and two major growers and shippers of fruit and vegetable products. The list also includes one aircraft servicing and maintenance company, a major home appliance manufacturer, the University of the Pacific, and the Walmart Supercenters and Neighborhood Market located on Hammer Lane, Trinity Parkway, and March Lane.

Jobs by Industry

Table 10 reports jobs by major industry sector for the City of Stockton and San Joaquin County based on data provided by the EDD using the Quarterly Census of Employment and Wages (QCEW) dataset. Based on this information, there were 81,163 jobs in Stockton in 2014, which represented a 4.1-percent decline from 2004, when the city featured 84,631 jobs. Sectors accounting for greater than ten percent of citywide employment in 2014 included Health Care and Social Assistance, Retail Trade, and Local Government. Other notable sectors included Accommodation and Food Services, Administrative and Waste Management, Manufacturing, Wholesale Trade, and Transportation and Warehousing. On a proportionate basis, the most significant employment gains were realized in the Wholesale Trade and Transportation and Warehousing sectors, as well as in Accommodation and Food Services, and Management of Companies and Enterprises. The greatest job losses occurred in Agriculture, Forestry, Fishing and Hunting; Information; Professional and Technical Services; Finance and Insurance; and Manufacturing. This is notable since many of these sectors are important providers of “white collar” professional jobs. Overall, these trends indicate a potential need for additional workforce development efforts that tailor education and job readiness training to the specific needs of businesses in key industry sectors.

While the distribution of employment by industry in San Joaquin County generally reflects that reported for Stockton, the data indicate that the county added approximately 2,400 jobs since 2004, representing an increase of 1.1 percent, while Stockton has yet to fully recover from the major job losses that occurred during the Great Recession. The major employment gains and losses within the county also reflect the trends identified within the city, with growth primarily

focused in the Wholesale Trade and Transportation and Warehousing Sectors. Other notable growth sectors included Educational Services, and Health Care and Social Assistance.

Retail Sales and Leakage

Taxable Sales Trends

As the second largest employment sector in Stockton, retail trade represents an important component of the local economy. According to the BOE, as reported in Table 11, the City of Stockton captured a total of \$3.4 billion in taxable sales in 2013, the most recent year for which data are available. San Joaquin County, by comparison, saw around \$9.4 billion. When combined with population estimates from the DoF for a comparable time period, these figures equate to per capita taxable sales of \$11,403 in Stockton and \$13,492 countywide. By comparison, 2013 per capita taxable sales statewide were equal to \$15,431. This indicates that both Stockton and San Joaquin County generally underperform in the retail sector compared to other parts of California. This was true across all retail categories. Despite this, countywide per capita sales were generally on par with those of other San Joaquin Valley counties.⁶ Thus, it is likely that on a countywide basis, the lower level of per capita retail sales is attributable to generally lower incomes (see Table 5 and related discussion on household incomes) and other factors influencing demand, rather than leakage of resident expenditures to shopping destinations outside the county. On a per capita basis, the City of Stockton outperformed the county in a number of key categories, including Motor Vehicles and Parts Dealers, Food and Beverage Stores, Clothing and Clothing Accessories Stores, Food Service and Drinking Places, and Other Retail.

Retail Leakage Analysis

In order to assess the net balance of trade in the retail sector, BAE compiled data on retail sales and consumer expenditures from Nielson, a private data vendor, considering three distinct geographies, including the City of Stockton and San Joaquin County. As explained in the introduction to this report, BAE defined the third study area in order to account for the presence of unincorporated pockets within the contiguous Stockton community, which in some cases contain major retail shopping centers and in others, significant resident populations, influencing the balance of local retail supply and demand, respectively. BAE defined this area, called the Greater Stockton Area, using 2010 Census Tract boundaries; it includes the incorporated city limit, as well as all unincorporated pockets and any urbanized areas located adjacent to the contiguous Stockton community. For additional detail regarding the definition of the Greater Stockton Area, please refer to Appendix A.

⁶ These include the counties of Fresno, Kern, Kings, Madera, Merced, Stanislaus, and Tulare.

As reported in Table 12, City of Stockton residents spent approximately \$4.02 billion on retail purchases in 2016. This corresponded with approximately \$3.94 billion in retail sales within the city limit, resulting in an estimated leakage of approximately \$76.6 million in retail sales. However, after accounting for the presence of the unincorporated pockets and retail development adjacent to the city limit, which adds a substantial amount of retail activity, the data indicate that the broader Stockton community experienced a net injection of approximately \$207.0 million in annual retail sales. This trend also extended to San Joaquin County as a whole, where there is a net injection of \$869.7 million in retail sales.

The data indicate that there were six retail categories with significant local leakage in 2016. Within the City of Stockton and the Greater Stockton Area, these included Furniture and Home Furnishings Stores; Electronics and Appliance Stores; Food and Beverage Stores; Sporting Goods, Hobby, Book, and Music Stores; Food Service and Drinking Places; and Motor Vehicle and Parts Dealers. In the Greater Stockton Area the balance of trade for these sectors represented a net leakage of \$523.2 million. While it is not realistic for any community to capture 100 percent of its residents' expenditures in every category, as a center of San Joaquin County retail trade activities, the leakage analysis indicates potential opportunities for the City of Stockton to capture additional sales. In particular, the City should be able to increase sales in convenience shopping categories with leakage, such as Food Service and Drinking Places. Strategies to increase sales and decrease leakage in shopping categories that emphasize comparison shopping goods, such as furniture, sporting goods, electronics, and appliances, should place an emphasis on creating commercial destinations appeal not only to residents, but to destination shoppers from locations elsewhere in San Joaquin County.

By applying sales per square foot estimates published by the Urban Land Institute (ULI), BAE estimates that the leakage identified in Table 12 could potentially support up to 1.08 million square feet of additional retail floor area. This would include up to 537,000 square feet in the Food Service and Beverage Places category, as well as 220,000 square feet in Furniture and Home Furnishing Stores, 165,000 square feet in Sporting Goods, Hobby, Book, and Music Stores, and 113,000 square feet in Electronics and Appliance Stores. By comparison, countywide retail leakage could likely support up to 2.46 million square feet of additional retail floor area, which would be distributed similarly to that described above. In addition, both areas show significant leakage in the Motor Vehicle and Parts Dealers category. In the Greater Stockton Area, that leakage would be sufficient to support up to approximately 17 acres of new auto dealership development, or approximately three to four dealerships, while countywide leakage could support up to 58 additional acres, or up to 10 average sized dealerships. It is worth noting that there are currently three automotive dealerships under construction in Stockton – including marques for Volkswagen, Kia, and Mercedes – which will occupy a total of 18 acres. While Kia and Volkswagen already had a presence in Stockton and are simply developing new facilities, the Mercedes dealership under construction near Eight Mile Road is new to the area and will occupy 12 acres adjacent to the Park West Place shopping center.

Special Topics in Economic Development

In addition to reviewing pertinent statistics regarding current economic conditions, this analysis also included a review of the City of Stockton's existing Economic Development Strategic Plan, as well as interviews with local economic development professionals. The remainder of this section summarizes the major components of the Economic Development Strategic Plan and discusses other special topics that relate to the General Plan Update.

Economic Development Strategic Plan

The City of Stockton worked with the Natelson Dale Group to develop its Economic Development Strategic Plan in 2015. As noted in the introduction to the Plan, its focus is to “expand employment and investment in core local businesses/industries.”⁷ The Plan highlights a number of key challenges, including concerns regarding crime and public safety, uneven development and investment patterns, an underperforming K-12 educational system, insufficient job readiness, high unemployment, and broad marketing and perception issues. The Plan also highlights a number of key strengths, including a strategic location, excellent transportation infrastructure and proximity to major markets, well-established core industries, strong academic institutions, and many significant yet undervalued assets. The economic development framework outlined in the Plan rests on three major groups of initiatives: core economic development initiatives, quality of life initiatives, and foundational initiatives. These initiatives subsequently include 12 different programs and 67 specific action items, as described below.

Core Economic Development Initiatives

There are five core economic development initiatives, with 32 implementing actions that focus on strategies to promote business attraction/retention/expansion, entrepreneurial opportunity, and workforce development. While all of the identified programs and actions are critical to the community’s long-term success, the Plan prioritizes action items in order to facilitate implementation. Some of the key programs and actions that may be important to consider during the General Plan Update include, but are not limited to:

- Support efforts to promote international trade and foreign direct investment;
- Align business attraction efforts with the San Joaquin Partnership and the Port;
- Identify and support areas suitable for incubators;
- Coordinate with the San Joaquin Partnership’s Greater Silicon Valley Initiative;
- Define guiding policies and identify funding for the City’s incentives program.

⁷ City of Stockton. (2015). *City of Stockton Economic Development Strategic Plan*. Available at: <http://www.stocktongov.com/files/EDStrategicPlan.pdf>

Quality of Life Initiatives

There are three quality of life initiatives, with 18 implementing actions that primarily focus on the city's attractiveness to visitors, businesses, residents, and employees. Some of the key items that may be important for the General Plan Update include, but are not limited to:

- Market publicly-owned opportunity sites in the Downtown area;
- Incentivize the development of housing in the Downtown area;
- Prioritize revitalization areas and facilitate “shovel readiness”;
- Implement a retail tenant recruitment program;
- Facilitate formation of business improvement districts (BID) and/or property based business improvement districts (PBID), which may also extend to enhanced infrastructure financing districts (EIFD) and other similar funding mechanisms;⁸
- Develop a lien forgiveness incentive program for residential investments;
- Promote and expand the use of City venues in the waterfront area;
- Target attraction of regional retail and restaurant development.

Foundational Initiatives

The Economic Development Strategy contains four main foundational initiatives, with 17 implementing actions that primarily focus on the City’s responsibilities as a governmental agency that provides municipal services, recognizing that the way in which the City manages its affairs impacts the economic potential of the broader community. Some of the key items that may be important for the General Plan Update include, but are not limited to:

- Support implementation of the Marshall Plan;⁹
- Work with the business community to address business friendliness issues;
- Develop checklists of business licensing and permitting requirements to facilitate streamlining;
- Coordinate with the newly-established Advantage Stockton database and online tool;¹⁰
- Review and update the General Plan to address future commercial and industrial development capacity;
- Explore pre-entitlement options to promote infrastructure prioritization;

⁸ These represent special benefit assessment districts that can help to raise funds for infrastructure and related improvements within specified geographic areas. There are two state laws that authorize the formation of BIDs and PBIDs, including the Parking and Business Improvement Area Law of 1989 and the Property and Business Improvement District law of 1994. Formation of EIFDs was established in 2014 under Senate Bill 628.

⁹ See the separate technical memorandum on community services for a description of the Marshall Plan.

¹⁰ Available at <http://www.stocktongov.com/government/departments/econDev/eDevBusAdv.html>.

- Align the General Plan Update and Capital Improvement Plan with the Economic Development Strategic Plan;
- Coordinate with the Port of Stockton and the Stockton Municipal Airport on infrastructure investments.

Downtown and Waterfront Revitalization

In the early-2000s, the City of Stockton initiated a process to begin reinvesting in a number of key central city areas, including the area around the Robert J. Cabral Train Station and along the delta waterfront. While the substantial financial investments associated with these efforts are believed to have contributed to the City's decision to enter bankruptcy in 2008, the City now has the opportunity to leverage the infrastructure and amenities that were created to continue working towards revitalization of the Downtown and waterfront areas. Some of these major assets, amenities, and investments that may be leveraged as catalyst projects in the Downtown include the following:

- **Robert J. Cabral Train Station.** This station is the eastern terminus of the Altamont Corridor Express (ACE), which ferries commuters to and from the southern San Francisco Bay Area. The station's owner, the San Joaquin Regional Rail Commission, has invested in significant upgrades in recent years and has conducted research regarding the redevelopment potential of a number of surrounding properties. Redevelopment in this area may offer unique opportunities for high-quality transit oriented development.
- **Stockton Waterfront: Weber Point Park, Stockton Arena, and Banner Island Ballpark.** The Stockton Arena, which opened in 2005, seats up to 12,000 people and hosts the professional hockey team, the Stockton Heat. The Banner Island Ballpark, which also opened in 2005, can accommodate up to 5,200 people and is the home field of the Stockton Ports minor league baseball team. Together with other Downtown and waterfront amenities, these facilities represent an important regional hub for sports and recreation activities.
- **San Joaquin County Courthouse.** The new courthouse is slated to cost approximately \$210 million, providing 30 courtrooms and ancillary administrative and office space in a 13-story high-rise building.

A recent development in the Downtown revitalization process was the City Council's decision in March 2015 to enter into an agreement with Ten Space, a development company formerly affiliated with the Cort Group, for the exclusive right to negotiate to buy City-owned properties within a 15-acre area of Downtown Stockton. The project area extends from Main Street in the south to Miner Street in the north, and from Aurora Avenue in the east to Sutter Street in the west. Formally called the Open Window Project, the Ten Space development company is working to renovate an assortment of existing structures and to reposition vacant opportunity sites for future development. The project's goal is to provide opportunities for new retail, restaurants, and mixed industrial/art studio space, as well as to incorporate up to 1,400 new

market rate housing units in the Downtown area. According to Zac Cort, President and CEO of Ten Space, the structure of the project area is well suited to a dense and pedestrian friendly environment with good access to public transportation, including the ACE train at Cabral Station. The total anticipated cost to realize Ten Space's Downtown vision is estimated at between \$150 and \$200 million, and Ten Space is open for opportunities to partner with other parties who can help to realize their vision.

A major impediment to the success of the Open Window Project and Downtown revitalization in general, as voiced by real estate brokers and economic development professionals alike, is concern about safety and security, which can inhibit the attraction of patrons, residents, businesses, and employees. Other barriers include infrastructure capacity, both as it relates to the capacity of older and historic structures to accommodate modern facilities, and to the capacity of the various utilities to provide services. City representatives indicate that there is capacity for most utilities to absorb additional demand (e.g., the wastewater treatment plants have additional capacity), but the delivery infrastructure, like sewer and water pipes, may require significant upgrades. There is some question whether new development would be able to support the added cost of upgrading major infrastructure assets, indicating that innovative financing mechanisms and partnerships may be important for implementation.

As of the end of 2015, the Open Window Project has initiated four projects in the Downtown area, including the Brick Hotel, the Newberry Building, the Huddle co-working space, and the Medico Lofts. The Brick Hotel is a 15,000-square foot hotel located in a three-story brick building on California Street that is currently undergoing renovation. The Newberry Building was completed in August 2015 and includes 34,000 square feet of fully occupied retail and office space on Weber Avenue, which won a 2015 San Joaquin Valley Blueprint Award. Ten Space is also working toward renovation of the historic 12-story 60,000-square foot Medico-Dental Building, which includes approximately 3,400 square feet of prime ground floor retail space in a 60,000-square foot office building. Lastly, Ten Space opened the Huddle co-working space intended for use by startup businesses and freelance professionals. Huddle offers eight private offices, as well as a conference room kitchen, reception area, and 1,200 square feet of flexible co-working space.

Leveraging Existing Port and Airport Facilities

As the distribution sector continues to grow and evolve, with activities like same-day delivery becoming more prominent, Stockton's position as a multimodal community will continue to be a significant strategic asset. Moving forward, the City will need to continue working closely with those agencies responsible for the management, maintenance, and expansion of existing transportation facilities. Some of the key local assets identified by economic development professionals include the Port of Stockton and the Stockton Municipal Airport.

Located approximately 75 miles east of the Golden Gate Bridge, the Port of Stockton is the largest inland port in California by acreage and, in 2012, was the second busiest port on the

West Coast, after Portland.¹¹ Recent news articles indicate that the Port of Stockton set a record for ship arrivals in 2015, with 245 ships, up from 230 in 2014.¹² The Port is owned and operated by an independent agency established by the State of California and governed by a Board of Commissioners. The Port currently has capacity to accommodate Panamax vessels (i.e., large transoceanic ships), though they can only be partially loaded and sailing at high tide. This represents one key competitive disadvantage, as entities shipping larger cargoes may prefer to transfer their cargo to rail or truck elsewhere, such as at the Port of Oakland, rather than transferring to another ship before shifting to rail or truck in Stockton. The Port offers 15 deepwater berths with two mobile harbor cranes. In the 1990s, the Port expanded onto Rough and Ready Island, a former Naval facility, which increased the size of the Port to 1,400 acres and greatly expanded its warehousing and storage capacity.¹³ The Port continues to invest in new facilities in order to accommodate growth and improve intermodal connectivity. For example, the Port plans to invest \$7.4 million in 2016 to add more than 22,000 feet of new railroad track, which will accommodate an additional six trains per week.¹⁴ While the majority of the goods currently shipped through the Port are unpackaged bulk goods, the Port is making efforts to improve facilities to attract more high-value containerized products. As of 2012, important exports through the Port of Stockton included sulfur, bulk rice, bagged rice, and other agricultural and fossil fuel products. Important import products included cement, molasses, steel products, palm oil, machinery, and a variety of other goods.¹⁵

The Stockton Metropolitan Airport (SCK) is located roughly three miles from Downtown Stockton, between Interstate 5 and Highway 99. While the facility is owned and operated by San Joaquin County, it represents an important strategic asset. According to some local economic development professionals, this is particularly true in light of the region's growing specialization in distribution and logistics. With one 10,000-foot runway and one 4,500-foot runway,¹⁶ the facility has the capacity to accommodate some commercial airliners, as well as cargo planes. As evidence of this potential, a developer has submitted an application to San Joaquin County to construct Airpark599, a 550-acre master-planned business park adjacent to the existing airport facilities. That project would include roughly 3.5 million square feet of industrial space, 1.5 million square feet of office space, and ancillary retail and services.

¹¹ Caltrans. (2012). *Freight Planning Fact Sheet: Port of Stockton*. Available at: http://www.dot.ca.gov/hq/tpp/offices/ogm/ships/Fact_Sheets/Port_of_Stockton_Fact_Sheet_073012.pdf

¹² Anderson, C. (2016). *Port of Stockton Registers Record Year for Ship Arrivals*. Central Valley Business Journal. Available at: <http://cvbj.biz/2016/02/15/port-stockton-record-ship-arrivals/>

¹³ Caltrans. (2012). *Freight Planning Fact Sheet: Port of Stockton*. Available at: http://www.dot.ca.gov/hq/tpp/offices/ogm/ships/Fact_Sheets/Port_of_Stockton_Fact_Sheet_073012.pdf

¹⁴ Hohlfeld, K. (2015). *Port of Stockton to Double Rail Capacity*. Central Valley Business Journal. Available at: <http://cvbj.biz/2015/06/02/port-of-stockton-to-double-rail-capacity/>

¹⁵ Caltrans. (2012). *Freight Planning Fact Sheet: Port of Stockton*. Available at: http://www.dot.ca.gov/hq/tpp/offices/ogm/ships/Fact_Sheets/Port_of_Stockton_Fact_Sheet_073012.pdf

¹⁶ U.S. Department of Transportation. (2016). *Airport Master Record (SCK)*. Available at: <http://www.gcr1.com/5010ReportRouter/SCK.pdf>

According to Mike Amman, with the San Joaquin Valley Partnership, these types of projects will become more prevalent as the region develops as a distribution hub.

Table 7: Labor Force Characteristics, City of Stockton and San Joaquin County, 2010-2015

| Year | Labor Force | Employed Residents | Unemployment | Unemployment Rate |
|---------------------------|-------------|--------------------|--------------|-------------------|
| City of Stockton | | | | |
| 2010 | 127,700 | 101,200 | 26,500 | 20.7% |
| 2011 | 127,000 | 101,300 | 25,700 | 20.2% |
| 2012 | 125,900 | 102,900 | 23,000 | 18.3% |
| 2013 | 125,300 | 105,800 | 19,500 | 15.6% |
| 2014 | 127,400 | 112,800 | 14,600 | 11.5% |
| 2015 | 129,300 | 116,900 | 12,500 | 9.6% |
| San Joaquin County | | | | |
| 2010 | 311,200 | 259,800 | 51,400 | 16.5% |
| 2011 | 299,800 | 249,300 | 50,500 | 16.8% |
| 2012 | 299,900 | 254,900 | 45,100 | 15.0% |
| 2013 | 298,800 | 260,400 | 38,400 | 12.8% |
| 2014 | 310,700 | 277,600 | 33,100 | 10.7% |
| 2015 | 316,900 | 288,800 | 28,100 | 8.9% |

Sources: California Employment Development Department, 2016; BAE, 2016.

Table 8: Employed Residents by Occupation, 2000, 2010, and 2014 (Page 1 of 2)

| Occupation | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 | | Average Annual Change ('10-'14) |
|---|---------------|-------------|----------------|-------------|--|----------------|-------------|--|
| | Number | Percent | Number | Percent | | Number | Percent | |
| City of Stockton | | | | | | | | |
| Management, business, and financial occupations | 8,336 | 9.3% | 12,262 | 11.0% | 3.9% | 10,518 | 9.1% | -3.8% |
| Computer, engineering, and science occupations | 2,501 | 2.8% | 3,601 | 3.2% | 3.7% | 2,466 | 2.1% | -9.0% |
| Edu, legal, comm. service, arts, and media occupation | 9,125 | 10.2% | 9,921 | 8.9% | 0.8% | 11,602 | 10.0% | 4.0% |
| Healthcare practitioners and technical occupations | 3,697 | 4.1% | 4,989 | 4.5% | 3.0% | 6,994 | 6.1% | 8.8% |
| Healthcare support occupations | 2,043 | 2.3% | 3,727 | 3.4% | 6.2% | 2,443 | 2.1% | -10.0% |
| Protective service occupations | 1,995 | 2.2% | 2,302 | 2.1% | 1.4% | 2,952 | 2.6% | 6.4% |
| Food preparation and serving related occupations | 4,100 | 4.6% | 7,352 | 6.6% | 6.0% | 7,058 | 6.1% | -1.0% |
| Building and grounds cleaning and maint. occupations | 3,315 | 3.7% | 5,430 | 4.9% | 5.1% | 3,454 | 3.0% | -10.7% |
| Personal care and service occupations | 2,951 | 3.3% | 6,079 | 5.5% | 7.5% | 5,109 | 4.4% | -4.3% |
| Sales and related occupations | 9,321 | 10.5% | 10,402 | 9.4% | 1.1% | 10,620 | 9.2% | 0.5% |
| Office and administrative support occupations | 15,370 | 17.2% | 16,177 | 14.6% | 0.5% | 17,840 | 15.4% | 2.5% |
| Farming, fishing, and forestry occupations | 3,658 | 4.1% | 5,708 | 5.1% | 4.5% | 5,000 | 4.3% | -3.3% |
| Construction and extraction occupations | 4,287 | 4.8% | 3,803 | 3.4% | -1.2% | 5,581 | 4.8% | 10.1% |
| Installation, maintenance, and repair occupations | 3,319 | 3.7% | 3,814 | 3.4% | 1.4% | 2,835 | 2.5% | -7.1% |
| Production occupations | 7,597 | 8.5% | 6,614 | 6.0% | -1.4% | 7,879 | 6.8% | 4.5% |
| Transportation occupations | 3,572 | 4.0% | 4,247 | 3.8% | 1.7% | 6,682 | 5.8% | 12.0% |
| Material moving occupations | 3,978 | 4.5% | 4,573 | 4.1% | 1.4% | 6,530 | 5.7% | 9.3% |
| Total, All Workers | 89,165 | 100% | 111,001 | 100% | 2.2% | 115,563 | 100% | 1.0% |

- Continued on next page -

Sources: U.S. Census Bureau, Census 2000, Summary File 3, 2016; U.S. Census Bureau, 2010 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 8: Employed Residents by Occupation, 2000, 2010, and 2014 (Page 2 of 2)

| Occupation | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 | | Average Annual Change ('10-'14) |
|---|----------------|-------------|----------------|-------------|--|----------------|-------------|--|
| | Number | Percent | Number | Percent | | Number | Percent | |
| San Joaquin County | | | | | | | | |
| Management, business, and financial occupations | 23,972 | 10.9% | 30,921 | 11.7% | 2.6% | 31,825 | 11.0% | 0.7% |
| Computer, engineering, and science occupations | 7,433 | 3.4% | 9,337 | 3.5% | 2.3% | 8,071 | 2.8% | -3.6% |
| Edu, legal, comm. service, arts, and media occupation | 19,738 | 9.0% | 22,687 | 8.6% | 1.4% | 25,217 | 8.7% | 2.7% |
| Healthcare practitioners and technical occupations | 8,254 | 3.8% | 13,529 | 5.1% | 5.1% | 15,782 | 5.4% | 3.9% |
| Healthcare support occupations | 4,497 | 2.1% | 6,751 | 2.5% | 4.1% | 5,642 | 1.9% | -4.4% |
| Protective service occupations | 4,857 | 2.2% | 5,824 | 2.2% | 1.8% | 7,404 | 2.6% | 6.2% |
| Food preparation and serving related occupations | 9,191 | 4.2% | 14,241 | 5.4% | 4.5% | 14,333 | 4.9% | 0.2% |
| Building and grounds cleaning and maint. occupations | 7,297 | 3.3% | 10,634 | 4.0% | 3.8% | 12,372 | 4.3% | 3.9% |
| Personal care and service occupations | 6,079 | 2.8% | 10,431 | 3.9% | 5.5% | 13,342 | 4.6% | 6.3% |
| Sales and related occupations | 23,037 | 10.5% | 27,936 | 10.5% | 1.9% | 29,886 | 10.3% | 1.7% |
| Office and administrative support occupations | 36,304 | 16.6% | 39,790 | 15.0% | 0.9% | 39,420 | 13.6% | -0.2% |
| Farming, fishing, and forestry occupations | 9,044 | 4.1% | 10,830 | 4.1% | 1.8% | 11,621 | 4.0% | 1.8% |
| Construction and extraction occupations | 12,535 | 5.7% | 12,989 | 4.9% | 0.4% | 16,127 | 5.6% | 5.6% |
| Installation, maintenance, and repair occupations | 9,904 | 4.5% | 9,347 | 3.5% | -0.6% | 9,320 | 3.2% | -0.1% |
| Production occupations | 17,821 | 8.1% | 16,564 | 6.3% | -0.7% | 19,295 | 6.7% | 3.9% |
| Transportation occupations | 9,535 | 4.4% | 11,471 | 4.3% | 1.9% | 16,181 | 5.6% | 9.0% |
| Material moving occupations | 9,502 | 4.3% | 11,576 | 4.4% | 2.0% | 13,991 | 4.8% | 4.9% |
| Total, All Workers | 219,000 | 100% | 264,858 | 100% | 1.9% | 289,829 | 100% | 2.3% |

Sources: U.S. Census Bureau, Census 2000, Summary File 3, 2016; U.S. Census Bureau, 2010 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 9: Principal Employers, City of Stockton, 2014-2015

| Employer | Employee Class Range | Industry |
|-----------------------------------|-----------------------------|--|
| Dameron Hospital Association | 1,000-4,999 Employees | Hospitals |
| Division of Juvenile Justice | 1,000-4,999 Employees | Government Offices-State |
| Inland Flying Services | 1,000-4,999 Employees | Aircraft Servicing and Maintenance |
| O-G Packing & Cold Storage | 1,000-4,999 Employees | Fruits & Vegetable-Growers & Shippers |
| St. Joseph's Cancer Center | 1,000-4,999 Employees | Cancer Treatment Centers |
| Whirlpool Corporation | 1,000-4,999 Employees | Appliances-Household-Major-Manufacturers |
| Foster Care Services | 500-999 Employees | Government Offices-County |
| Morada Produce Company | 500-999 Employees | Fruits & Vegetable-Growers & Shippers |
| San Joaquin County Human Services | 500-999 Employees | Government Offices-County |
| University of the Pacific | 500-999 Employees | Schools-Universities & Colleges |
| Walmart Supercenter | 500-999 Employees | Department Stores |

Source: California Employment Development Department, 2016; BAE, 2016.

Table 10: Jobs by Industry, 2000 and 2014

| City of Stockton | 2004 | | 2014 | | % Change 2004-2014 |
|--|----------------|-------------|----------------|-------------|-------------------------------|
| | Employment | Percent | Employment | Percent | |
| Agriculture, Forestry, Fishing & Hunting | 2,771 | 3.3% | 1,142 | 1.4% | -58.8% |
| Mining | (a) | n.a. | (a) | n.a. | n.a. |
| Utilities | 104 | 0.1% | (a) | n.a. | n.a. |
| Construction | 3,979 | 4.7% | 2,408 | 3.0% | -39.5% |
| Manufacturing | 6,982 | 8.2% | 5,444 | 6.7% | -22.0% |
| Wholesale Trade | 2,798 | 3.3% | 4,437 | 5.5% | 58.6% |
| Retail Trade | 12,127 | 14.3% | 11,755 | 14.5% | -3.1% |
| Transportation and Warehousing | 2,858 | 3.4% | 3,447 | 4.2% | 20.6% |
| Information | 1,812 | 2.1% | 789 | 1.0% | -56.5% |
| Finance and Insurance | 3,991 | 4.7% | 2,396 | 3.0% | -40.0% |
| Real Estate and Rental and Leasing | 1,504 | 1.8% | 1,278 | 1.6% | -15.0% |
| Professional and Technical Services | 3,653 | 4.3% | 1,961 | 2.4% | -46.3% |
| Management of Companies and Enterprises | 1,056 | 1.2% | 1,223 | 1.5% | 15.8% |
| Administrative and Waste Services | 5,690 | 6.7% | 5,826 | 7.2% | 2.4% |
| Educational Services | 3,076 | 3.6% | 3,340 | 4.1% | 8.6% |
| Health Care and Social Assistance | 12,570 | 14.9% | 14,732 | 18.2% | 17.2% |
| Arts, Entertainment, and Recreation | 999 | 1.2% | 822 | 1.0% | -17.7% |
| Accommodation and Food Services | 5,873 | 6.9% | 6,935 | 8.5% | 18.1% |
| Other Services, Ex. Public Admin | 2,465 | 2.9% | 2,528 | 3.1% | 2.6% |
| Federal Government | (a) | n.a. | 568 | 0.7% | n.a. |
| State Government | 1,354 | 1.6% | 1,315 | 1.6% | -2.9% |
| Local Government | 8,334 | 9.8% | 8,696 | 10.7% | 4.3% |
| Unclassified Establishments | (a) | n.a. | 57 | 0.1% | n.a. |
| Total, All Industries (b) | 84,631 | 100% | 81,163 | 100% | -4.1% |
| San Joaquin County | 2004 | | 2014 | | % Change 2004-2014 |
| | Employment | Percent | Employment | Percent | |
| Agriculture, Forestry, Fishing & Hunting | 16,132 | 7.5% | 15,588 | 7.2% | -3.4% |
| Mining | 200 | 0.1% | 80 | 0.0% | -60.0% |
| Utilities | 1,215 | 0.6% | 1,255 | 0.6% | 3.3% |
| Construction | 15,100 | 7.0% | 8,897 | 4.1% | -41.1% |
| Manufacturing | 20,886 | 9.7% | 18,295 | 8.4% | -12.4% |
| Wholesale Trade | 8,095 | 3.8% | 11,109 | 5.1% | 37.2% |
| Retail Trade | 25,809 | 12.0% | 25,819 | 11.9% | 0.0% |
| Transportation and Warehousing | 11,354 | 5.3% | 13,668 | 6.3% | 20.4% |
| Information | 2,795 | 1.3% | 2,076 | 1.0% | -25.7% |
| Finance and Insurance | 6,443 | 3.0% | 5,003 | 2.3% | -22.3% |
| Real Estate and Rental and Leasing | 3,126 | 1.5% | 2,507 | 1.2% | -19.8% |
| Professional and Technical Services | 5,547 | 2.6% | 4,744 | 2.2% | -14.5% |
| Management of Companies and Enterprises | 2,245 | 1.0% | 1,812 | 0.8% | -19.3% |
| Administrative and Waste Services | 10,890 | 5.1% | 11,477 | 5.3% | 5.4% |
| Educational Services | 3,594 | 1.7% | 4,258 | 2.0% | 18.5% |
| Health Care and Social Assistance | 20,506 | 9.5% | 29,781 | 13.7% | 45.2% |
| Arts, Entertainment, and Recreation | 2,412 | 1.1% | 2,395 | 1.1% | -0.7% |
| Accommodation and Food Services | 14,368 | 6.7% | 16,527 | 7.6% | 15.0% |
| Other Services, Ex. Public Admin | 8,087 | 3.8% | 6,104 | 2.8% | -24.5% |
| Federal Government | 3,956 | 1.8% | 3,113 | 1.4% | -21.3% |
| State Government | 3,631 | 1.7% | 3,942 | 1.8% | 8.6% |
| Local Government | 28,930 | 13.4% | 28,806 | 13.2% | -0.4% |
| Unclassified Establishments | 32 | 0.0% | 499 | 0.2% | 1459.4% |
| Total, All Industries (b) | 215,352 | 100% | 217,755 | 100% | 1.1% |

Notes:

(a) Data suppressed for confidentiality purposes.

(b) Figures may not sum to totals due to rounding and data suppression.

Sources: California Employment Development Department, QCEW, 2016; BAE, 2016.

Table 11: Taxable Sales, City of Stockton and San Joaquin County, 2013

| Category | City of Stockton | | | San Joaquin County | | | Share of County Total |
|--------------------------------------|--------------------|--------------|-----------------|--------------------|--------------|-----------------|------------------------------|
| | Thousands | Percent | Per Capita (a) | Thousands | Percent | Per Capita (a) | |
| Motor Vehicle and Parts Dealers | \$499,744 | 14.7% | \$1,679 | \$1,139,823 | 12.0% | \$1,625 | 43.8% |
| Furnishings and Appliance Stores | \$82,038 | 2.4% | \$276 | \$311,472 | 3.3% | \$444 | 26.3% |
| Bldg. Matrl. and Garden Equipment | \$225,980 | 6.7% | \$759 | \$569,656 | 6.0% | \$812 | 39.7% |
| Food and Beverage Stores | \$169,131 | 5.0% | \$568 | \$385,463 | 4.1% | \$549 | 43.9% |
| Gasoline Stations | \$358,719 | 10.6% | \$1,205 | \$1,310,405 | 13.8% | \$1,868 | 27.4% |
| Clothing and Clothing Accessories | \$151,141 | 4.5% | \$508 | \$285,291 | 3.0% | \$407 | 53.0% |
| General Merchandise Stores | \$445,944 | 13.1% | \$1,498 | \$1,062,642 | 11.2% | \$1,515 | 42.0% |
| Food Services and Drinking Places | \$305,776 | 9.0% | \$1,027 | \$710,491 | 7.5% | \$1,013 | 43.0% |
| Other Retail Group | \$352,149 | 10.4% | \$1,183 | \$744,295 | 7.9% | \$1,061 | 47.3% |
| Subtotal, All Retail and Food | \$2,590,622 | 76.3% | \$8,705 | \$6,519,537 | 68.9% | \$9,292 | 39.7% |
| All Other Outlets | \$803,169 | 23.7% | \$2,699 | \$2,946,478 | 31.1% | \$4,200 | 27.3% |
| Total, All Outlets | \$3,393,791 | 100% | \$11,403 | \$9,466,015 | 100% | \$13,492 | 35.9% |

Note:

(a) Based on 2013 population estimates published by the Department of Finance.

Sources: California State Board of Equalization, 2016; California Department of Finance, 2016; BAE, 2016.

Table 12: Retail Leakage and Injection, 2016 (Page 1 of 3)

| City of Stockton | | | | | |
|---|------------------------------|------------------------|----------------------------|---------------------------------|------------------------------------|
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/SF (a) | Supportable Square Feet (b) |
| Furniture and Home Furnishings Stores | \$75,612,183 | \$32,802,270 | (\$42,809,913) | \$209 | 204,558 |
| Electronics and Appliance Stores | \$71,758,938 | \$46,089,061 | (\$25,669,877) | \$302 | 84,943 |
| Building Material, Garden Equip Stores | \$388,963,649 | \$393,654,096 | \$4,690,447 | \$389 | n.a. |
| Food and Beverage Stores | \$562,583,522 | \$460,114,865 | (\$102,468,657) | \$412 | 248,584 |
| Health and Personal Care Stores | \$206,402,039 | \$246,726,126 | \$40,324,087 | \$429 | n.a. |
| Clothing and Clothing Accessories Stores | \$196,577,063 | \$257,995,225 | \$61,418,162 | \$233 | n.a. |
| Sporting Goods, Hobby, Book, Music Stores | \$75,756,132 | \$42,322,715 | (\$33,433,417) | \$220 | 152,074 |
| General Merchandise Stores | \$484,846,455 | \$527,026,550 | \$42,180,095 | \$150 | n.a. |
| Miscellaneous Store Retailers | \$101,296,597 | \$179,313,558 | \$78,016,961 | \$248 | n.a. |
| Non-Store Retailers | \$348,834,181 | \$573,935,473 | \$225,101,292 | n.a. | n.a. |
| Food Service and Drinking Places | \$463,030,792 | \$302,815,972 | (\$160,214,820) | \$314 | 510,043 |
| Subtotal, Non-Automotive | \$2,975,661,551 | \$3,062,795,911 | \$87,134,360 | | 1,200,202 |
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/Acre (c) | Supportable Acreage (c) |
| Motor Vehicle and Parts Dealers | \$746,517,808 | \$501,927,887 | (\$244,589,921) | \$12,634,000 | 19 |
| Gasoline Stations | \$296,487,507 | \$377,346,181 | \$80,858,674 | \$5,806,423 | n.a. |
| Subtotal, Automotive | \$1,043,005,315 | \$879,274,068 | (\$163,731,247) | | 19 |
| Net Balance of Trade | \$4,018,666,866 | \$3,942,069,979 | (\$76,596,887) | | |
| <i>Categories with Leakage</i> | \$1,995,259,375 | \$1,386,072,770 | (\$609,186,605) | | |

- Continued on next page -

Sources: Nielsen, 2016; ULI, 2008; SBOE, 2015; BAE, 2016.

Table 12: Retail Leakage and Injection, 2016 (Page 2 of 3)

| Greater Stockton Area (d) | | | | | |
|---|------------------------|------------------------|-----------------------|--------------------------|-----------------------------|
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/SF (a) | Supportable Square Feet (b) |
| Furniture and Home Furnishings Stores | \$91,841,580 | \$45,768,983 | (\$46,072,597) | \$209 | 220,148 |
| Electronics and Appliance Stores | \$86,671,612 | \$52,392,906 | (\$34,278,706) | \$302 | 113,431 |
| Building Material, Garden Equip Stores | \$404,806,244 | \$487,306,419 | \$82,500,175 | \$389 | n.a. |
| Food and Beverage Stores | \$686,322,018 | \$669,575,028 | (\$16,746,990) | \$412 | 40,627 |
| Health and Personal Care Stores | \$253,519,049 | \$275,117,753 | \$21,598,704 | \$429 | n.a. |
| Clothing and Clothing Accessories Stores | \$237,686,692 | \$296,734,336 | \$59,047,644 | \$233 | n.a. |
| Sporting Goods, Hobby, Book, Music Stores | \$91,272,010 | \$54,871,947 | (\$36,400,063) | \$220 | 165,568 |
| General Merchandise Stores | \$591,577,662 | \$636,524,432 | \$44,946,770 | \$150 | n.a. |
| Miscellaneous Store Retailers | \$123,598,963 | \$241,809,901 | \$118,210,938 | \$248 | n.a. |
| Non-Store Retailers | \$426,016,487 | \$627,458,403 | \$201,441,916 | n.a. | n.a. |
| Food Service and Drinking Places | \$560,120,670 | \$391,358,720 | (\$168,761,950) | \$314 | 537,253 |
| Subtotal, Non-Automotive | \$3,553,432,987 | \$3,778,918,828 | \$225,485,841 | | 1,077,027 |
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/Acre (c) | Supportable Acreage (c) |
| Motor Vehicle and Parts Dealers | \$909,068,537 | \$688,158,946 | (\$220,909,591) | \$12,634,000 | 17 |
| Gasoline Stations | \$361,324,566 | \$563,790,200 | \$202,465,634 | \$5,806,423 | n.a. |
| Subtotal, Automotive | \$1,270,393,103 | \$1,251,949,146 | (\$18,443,957) | | 17 |
| Net Balance of Trade | \$4,823,826,090 | \$5,030,867,974 | \$207,041,884 | | |
| <i>Categories with Leakage</i> | \$2,425,296,427 | \$1,902,126,530 | (\$523,169,897) | | |

- Continued on next page -

Sources: Nielsen, 2016; ULI, 2008; SBOE, 2015; BAE, 2016.

Table 12: Retail Leakage and Injection, 2016 (Page 3 of 3)

| San Joaquin County | | | | | |
|---|------------------------------|-------------------------|----------------------------|---------------------------------|------------------------------------|
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/SF (a) | Supportable Square Feet (b) |
| Furniture and Home Furnishings Stores | \$197,087,145 | \$99,187,639 | (\$97,899,506) | \$209 | 467,792 |
| Electronics and Appliance Stores | \$183,870,740 | \$115,840,970 | (\$68,029,770) | \$302 | 225,115 |
| Building Material, Garden Equip Stores | \$1,024,614,611 | \$1,138,993,036 | \$114,378,425 | \$389 | n.a. |
| Food and Beverage Stores | \$1,406,772,065 | \$2,170,457,399 | \$763,685,334 | \$412 | n.a. |
| Health and Personal Care Stores | \$530,507,157 | \$590,776,744 | \$60,269,587 | \$429 | n.a. |
| Clothing and Clothing Accessories Stores | \$494,281,165 | \$452,382,361 | (\$41,898,804) | \$233 | 180,071 |
| Sporting Goods, Hobby, Book, Music Stores | \$190,180,256 | \$99,746,805 | (\$90,433,451) | \$220 | 411,342 |
| General Merchandise Stores | \$1,218,507,315 | \$1,483,204,468 | \$264,697,153 | \$150 | n.a. |
| Miscellaneous Store Retailers | \$260,682,475 | \$466,453,552 | \$205,771,077 | \$248 | n.a. |
| Non-Store Retailers | \$883,936,427 | \$1,318,404,721 | \$434,468,294 | n.a. | n.a. |
| Food Service and Drinking Places | \$1,169,243,119 | \$800,996,616 | (\$368,246,503) | \$314 | 1,172,312 |
| Subtotal, Non-Automotive | \$7,559,682,475 | \$8,736,444,311 | \$1,176,761,836 | | 2,456,631 |
| Retail Category | Consumer Expenditures | Retail Supply | (Leakage)/Injection | Estimated Sales/Acre (c) | Supportable Acreage (c) |
| Motor Vehicle and Parts Dealers | \$1,970,408,305 | \$1,242,778,637 | (\$727,629,668) | \$12,634,000 | 58 |
| Gasoline Stations | \$750,711,853 | \$1,171,295,906 | \$420,584,053 | \$5,806,423 | n.a. |
| Subtotal, Automotive | \$2,721,120,158 | \$2,414,074,543 | (\$307,045,615) | | 58 |
| Net Balance of Trade | \$10,280,802,633 | \$11,150,518,854 | \$869,716,221 | | |
| <i>Categories with Leakage</i> | \$4,205,070,730 | \$2,810,933,028 | (\$1,394,137,702) | | |

Notes:

- (a) Sales per square foot are based on data reported in the *Dollars and Cents of Shopping Centers*, published by the ULI.
- (b) Supportable square footage estimates include a 14 percent non-retail adjustment and a 10 percent vacancy allowance.
- (c) Sales per acre estimates are based on taxable sales per establishment figures derived from data published by the SBOE. The figures assume that an average motor vehicle dealership will range in size between 5.3 and 6.4 acres, while a typical gasoline station would occupy approximately one acre.
- (d) The Greater Stockton Area is defined 2010 Census Block Groups. For a complete listing of the included Census Block Groups, please refer to Appendix A.

Sources: Nielsen, 2016; ULI, 2008; SBOE, 2015; BAE, 2016.

1.5 REAL ESTATE MARKET CONDITIONS

The following section summarizes current real estate market conditions in San Joaquin County, the City of Stockton, and the Greater Downtown Area. The analysis draws on data from a number of sources, including interviews with real estate brokers and developers active in the greater Stockton area, as well as other supplemental data sources. These include data regarding the existing housing stock published by the U.S. Census Bureau; home sales records from ListSource, a private data vendor; information on distressed home sales from the California Association of Realtors; multifamily rental market data from RealAnswers, a private data vendor; and real estate market statistics for retail, office, and industrial uses provided by CoStar, a private data vendor. Where appropriate, data from real estate market reports published by brokerages active in the Stockton market supplement the sources previously mentioned.

Residential Market

Housing Stock Characteristics

The housing stock within both San Joaquin County and the City of Stockton is mostly single-family detached housing units, with an underrepresentation of attached single-family units and multifamily housing units. This generally reflects a historic preference for single-family detached units; however, the under-representation of attached units and higher density multifamily units, combined with anticipated demographic trends, may signal both an opportunity and a need to diversify the local housing stock by increasing the proportion of new units constructed using higher density residential product types.

As reported in Table 13, detached single-family units accounted for 63.4 percent of the total housing stock in Stockton in 2014 and 71.0 percent in San Joaquin County. This is notably higher than the statewide average of 58 percent. Consequently, both the city and San Joaquin County featured smaller proportions of attached and multifamily units. Specifically, attached single-family units accounted for only 6.4 percent of the housing stock in Stockton and 4.5 percent countywide. This is compared to 6.9 percent in California as a whole. Likewise, multifamily housing accounted for 29.3 percent of the housing stock in Stockton and 20.6 percent countywide in 2014, compared to 31.3 percent in California as a whole. While the proportion of mobile home units in San Joaquin County was roughly equal to the statewide average at 3.6 percent, mobile home units accounted for only 0.9 percent of the housing stock in the City of Stockton.

Unlike the housing stock in the broader Stockton community, approximately 61.5 percent of all housing units within the Greater Downtown Area are located in multifamily structures, with only 34.1 percent being single-family detached units. Housing in the Downtown is also heavily concentrated among smaller multifamily properties. For example, multifamily homes located

on properties with fewer than 20 units accounted for 39.3 percent of the total housing stock. Only 12.9 percent of Downtown units are located in larger structures with 50 or more housing units.

Housing Units by Year Built

As reported in Table 14, the majority of the housing units located within the City of Stockton were built between 1960 and 2009, with large numbers of units delivered during the 1970s, 1980s, and 2000s. The age of the housing stock in San Joaquin County reflects similar development patterns, though there is a higher proportion of units built during the 1950s in the county. The housing stock in the Greater Downtown Area, by comparison, is much older than elsewhere in the city, with 57.0 percent of all units having been built before 1950. This latter finding likely signals a need for significant reinvestment in central city residential structures, many of which may be nearing the end of their useful lives unless they are renovated.

Condition of the Housing Stock

While the Draft 2015-2023 Housing Element, which is discussed in Section 1.2, does not include a housing conditions survey, surveys conducted for prior housing elements focused primarily on the Midtown, South Stockton, and North Stockton areas due to high concentrations of blighted structures and residences in need of significant rehabilitation. As reported in the City of Stockton Consolidated Plan, which is also discussed in Section 1.2, the enforcement of codes, laws, and regulations for the abatement of substandard housing conditions and blight issues is carried out by the Neighborhood Services Division of the Stockton Police Department, which processed more than 10,000 housing code enforcement cases over the past five years, or approximately 2,000 cases per year. The most common housing violations cited during this period were structural issues, exposed wiring, and exterior housing problems. Since the implementation of the new rental inspection program,¹⁷ the majority of the code enforcement cases have involved multifamily properties and absentee property owners. Similar to what is described in the Housing Element, the Neighborhood Services Division indicated that most of the code enforcement cases are concentrated in the city's older neighborhoods, such as the Downtown, Midtown and South Stockton areas, due to the presence of many buildings that were constructed in the late 19th and early 20th centuries.

¹⁷ In addition to general code enforcement activities, the Neighborhood Services Division also implements the Residential Rental Inspection Program (RRIP), which was established in December 2006 and is required under Stockton Municipal Code, Section 8.32. The goal is to proactively identify blighted and deteriorating housing and ensure rehabilitation and/or the removal of housing units that do not meet minimum housing standards.

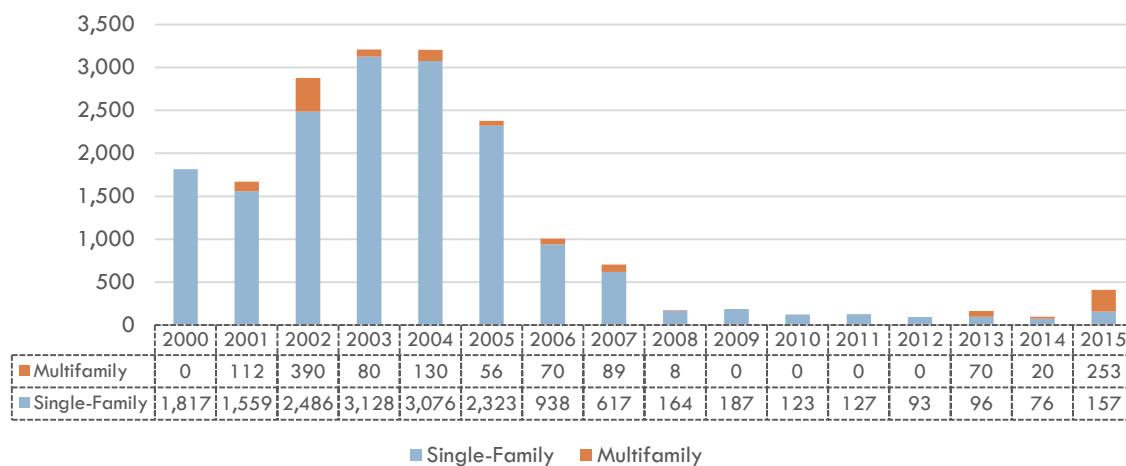
Housing Occupancy Status

As of 2014, Stockton's residential vacancy rate was 8.2 percent, which is notably higher than the countywide average of 6.6 percent. Most economists consider a residential vacancy rate of around five percent to represent a healthy level of structural vacancy that allows for turnover without indicating an oversupply of housing. In the Greater Downtown Area, the residential vacancy rate averaged around 21.4 percent between 2010 and 2014, reflecting a significant out-migration of resident households that may also relate to the aging housing stock noted above.

Residential Building Permit Trends

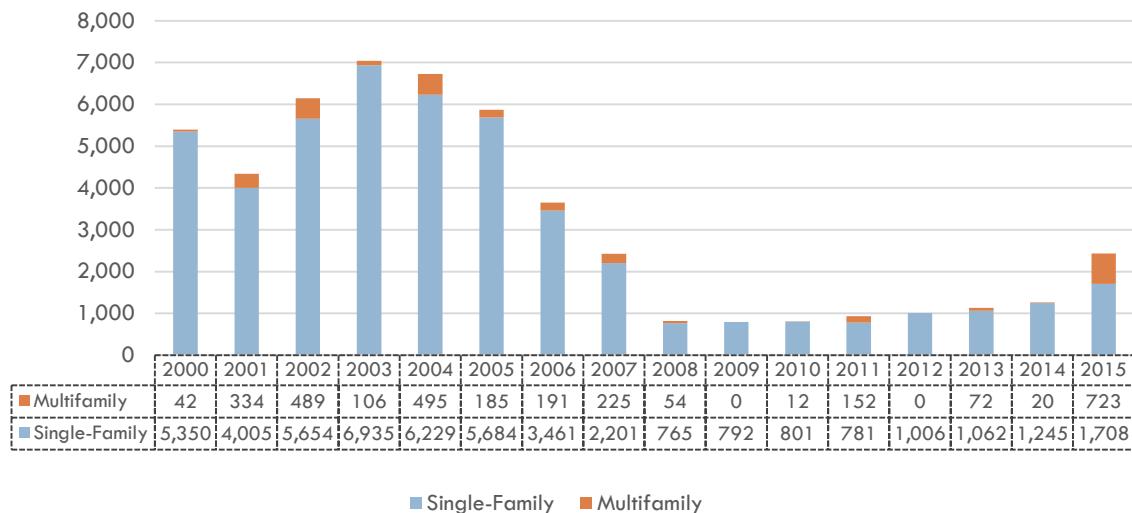
As illustrated in Figure 4 and Figure 5 below, the residential real estate market in Stockton and San Joaquin County expanded rapidly in the early- to mid-2000s. For example, between 2000 and 2006, the City of Stockton issued an average of 2,109 new building permits each year, while jurisdictions throughout the county issued an average of 5,198 new building permits each year, inclusive of the incorporated areas. The rate of new home development in both Stockton and San Joaquin County peaked in 2003 and 2004 with more than 3,200 new building permits issued each year in Stockton and around 6,900 countywide. Beginning in 2005, the number of new permits began to drop off, with sharp declines in 2006 and 2007, ahead of the national housing crisis. Beginning in 2008, with the onset of the Great Recession, new home development in both areas dropped to near historic lows, with only 172 new building permits in Stockton in 2008 and 819 countywide. As of 2014, there were 1,265 new building permits issued in San Joaquin County, reflecting a slow but persistent recovery of the housing market. While the number of new permits issued in Stockton continued to decline since 2008, with only 76 permits issued in 2014, the City issued 157 new single family permits and 253 new multifamily permits in 2015, representing the first significant increase since 2004.

Figure 4: Residential Building Permits, City of Stockton, 2000-2015



Sources: U.S. Census Bureau, Building Permits Survey, 2016; BAE, 2016.

Figure 5: Residential Building Permits, San Joaquin County, 2000-2015



Sources: U.S. Census Bureau, Building Permits Survey, 2016; BAE, 2016.

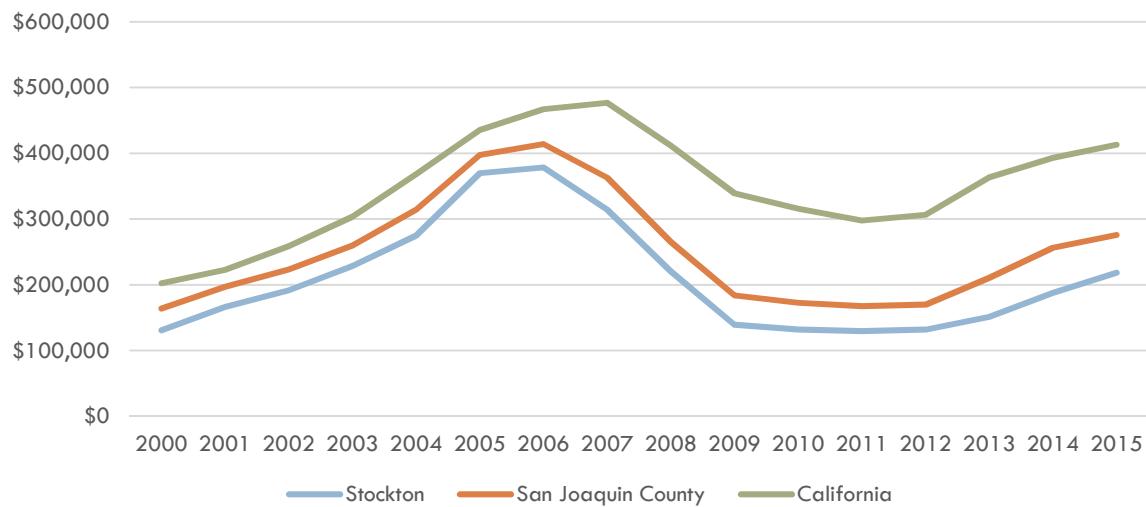
For-Sale Residential Market Conditions

Figure 6 illustrates median sale price trends for single-family residential units in Stockton, San Joaquin County, and California between 2000 and January 2016 based on data collected from Zillow. These data indicate that the housing markets in both Stockton and San Joaquin County generally follow the broader statewide pricing trends, but that home prices in Stockton began to decline earlier during the run-up to the Great Recession, compared to home prices statewide. Single-family home prices in Stockton and San Joaquin County declined by more than 60 percent between 2006 and 2011, compared to only 36 percent statewide, indicating that the broader Stockton and San Joaquin County communities were more deeply impacted by the housing crisis than their counterparts elsewhere California. As of 2015, median sale prices in California and San Joaquin County finally surpassed 2008 levels, though the median sale price in Stockton remained roughly \$1,900 below pre-recession levels.

While slow appreciation in the housing market offers important community benefits, including making homeownership more affordable for many workforce households, relatively low values make it difficult for developers to justify the construction of new units due to insufficient returns. This likely explains the slow recovery of building permit issuance levels discussed above. Moving forward, this may create challenges for infill and redevelopment projects targeted toward revitalization of the central city, since costs are often higher for such projects. In the near term, market conditions may create challenges to feasibility, Downtown residential developers will need to be able to charge premium prices, but, as an area that is still in the process of revitalization, the Downtown is not yet positioned as a premium location within the larger market area. This, along with other information presented in this section, supports strategies that involve the acquisition, renovation, and reuse of existing underutilized

structures, beginning with existing undervalued assets, as with the Open Window Project. While slow but steady increases in home prices will eventually begin to stimulate new home construction, and the significant pipeline of proposed greenfield residential projects (discussed later in this section) may act to keep home prices comparatively low, as the Bay Area housing crisis continues to worsen due to a mismatch between job creation and housing production, the greater Stockton community may once again experience increasing demand spillover from Bay Area commuters, which will help to once again push up home prices, particularly for larger single-family products.

Figure 6: Median Sale Price, Single-Family Residential, 2000-2015



Sources: Zillow, Median Sale Price Data, 2016; BAE, 2016.

With the surge of foreclosures that accompanied the national housing crisis, the real estate community began tracking the prevalence of distressed sales much more closely than in prior years. Table 16 reports the most recent available data on distressed sales from the California Association of Realtors (CAR) for San Joaquin County and California. It is encouraging to note that the CAR has discontinued their tracking of distressed sales due to the exceedingly low volumes of such transactions in the current market. Based on these data, the San Joaquin County housing market appears to have largely worked through its inventory of distressed mortgages, with 91.0 percent of all home sales in December 2015 being equity sales, and only 9.0 percent being distressed. However, this is still notably higher than the statewide rate of distressed sales, which equaled 6.4 percent in December 2015.

Table 17 reports additional sales price data for single-family detached and attached housing units in the City of Stockton. The data are from ListSource, a private data vendor, and cover the period from December 2015 to March 2016. According to the data, nearly 70 percent of all home sales in Stockton were three- and four-bedroom units, with two-bedroom units accounting for 18.9 percent of the total. The median sale price during this period was

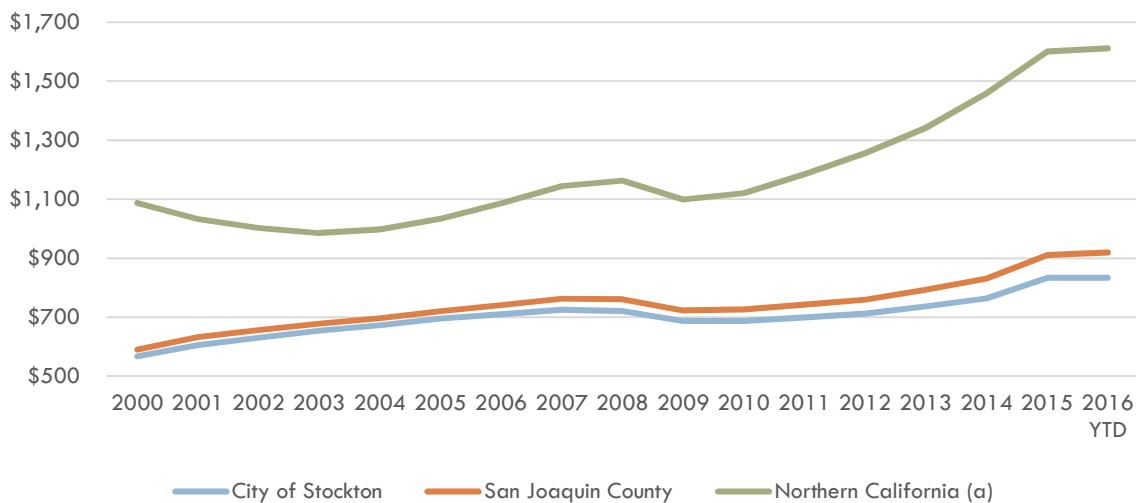
\$210,000, with an average sales price of \$223,669 and an average unit size of 1,714 square feet. This equaled an average price per square foot of \$131. Median prices ranged by size from \$68,500 for one-bedroom units to \$287,500 for units with five or more bedrooms. The average price per square foot ranged from \$110 to \$140, with units in the three- and four-bedroom range having the highest per square foot values. By comparison, ListSource reported a total of 34 home sales in the Greater Downtown Area during this period. As reported in Table 18, these had a median sale price of \$150,000, an average sales price of \$141,280, and an average unit size of 1,596 square feet. This equaled an average per square foot price of only \$94. Note that only three of those sales occurred within the Core Downtown Area.

Rental Residential Market Conditions

According to data collected from RealAnswers, a private data vendor, there are approximately 6,292 units in Stockton located on multifamily properties with 50 or more units. As of the fourth quarter of 2015, the average rent was \$955 per month, with an average unit size of 792 square feet. This equaled an average rent per square foot of \$1.20. The inventory is generally dominated by one- and two-bedroom units, which accounted for 92.9 percent of all multifamily units in larger complexes. Rents for these units averaged \$857 for a one-bedroom unit and \$1,043 for a two-bedroom unit. Studios, which accounted for only 2.9 percent of the market, had an average rent of \$659 per month. Apartment vacancy within the Stockton market is quite low, averaging only 3.0 percent in 2015, down from 6.8 percent in 2009. While there are no data currently available regarding market rents in the Greater Downtown Area, data from the 2010-2014 ACS indicate a median gross rent ranging from \$552 per month to \$905 per month, with an average monthly rent across all Downtown Census Tracts of \$716. The relatively low vacancy rates indicate strong demand for the available rental units; however, the market rate rents may need to increase before developers will be attracted to begin constructing significant numbers of new rental apartments. While asking rents in Stockton and San Joaquin County are increasing fairly rapidly, the rate of growth is notably slower than for California as a whole. As illustrated in Figure 7, asking multifamily rental rates increased by 21.2 percent in Stockton between 2010 and 2016 (year-to-date) and 25.3 percent in San Joaquin County. By comparison, asking rents in Northern California increased by 43.7 percent. Comparatively slow price appreciation may subsequently delay development of new multifamily housing units, since developers can receive better returns in other markets.

Data from ListSource provided in Table 20 indicate a total of five smaller apartment complexes located in the Greater Downtown Area that were sold between December 2015 and March 2016. These included a total of 73 units, which averaged 497 square feet each. Sales prices for these properties ranged from \$21,667 per unit to \$58,229 per unit, which is well below replacement value, but likely reflects units that would require major renovations in order to maintain their long-term viability.

Figure 7: Asking Rental Rates, Multifamily Housing, 2000-2016 YTD



Note:

- (a) Includes the 48 northernmost counties in California. The southernmost counties included in this area are comprised of Monterey, Kings, Tulare, and Inyo.

Sources: CoStar, 2016; BAE, 2016.

Retail Market

The retail real estate market in Stockton has been relatively slow to recover following the Great Recession and suffers as a result of an aging inventory and significant volumes of Class B and C spaces located outside of the main retail corridors.¹⁸ The market is generally characterized by strip shopping centers and standalone general retail buildings, which constitute approximately 48.9 percent and 31.6 percent of the total inventory.¹⁹ While general retail buildings have some of the lowest vacancy rates at an average of only 4.0 percent, they also have some of the lowest asking lease rates, with an average of \$0.74 per square foot. Neighborhood and community shopping centers had a combined vacancy rate of 8.9 percent as of the fourth quarter of 2015, with lease rates averaging \$1.03 per square foot. Brokers indicated that many of the general retail and the older shopping centers continue to offer incentives and discounts in order to retain tenants. By comparison, brokers report that the

¹⁸ The commercial real estate industry often uses an alphabetical classification system to differentiate between properties with different characteristics. Class A commercial spaces represent the newest and highest quality buildings in the market, are often new construction and have the highest-quality infrastructure and amenities. Class B commercial spaces are typically older construction that have somewhat older or lower quality finishes, but which still offer quality property management, visibility, and access. Class C spaces are typically of the lowest quality in the market and offer older, less desirable architecture, infrastructure and amenities.

¹⁹ CoStar. (2016). *CoStar Retail Report: Stockton/Modesto Retail Market, Year-End 2015*. Available at: <http://www.costar.com/>

newer power centers, like Park West Place and the major retail nodes on March Lane and Pacific Avenue, continue to command rents that are up to triple the citywide average, while keeping vacancy at, or near, zero. Data available from CoStar appear to generally confirm this, with existing vacancy in Stockton's major power centers at 0.6 percent, with an average asking lease rate of \$2.25 per square foot, triple-net.²⁰ ²¹ Retail market conditions in the Downtown area reportedly reflect those experienced elsewhere in the city among general retail and smaller neighborhood shopping centers, with relatively high vacancies, lease rates significantly less than \$1.00 per square foot, and lagging interest by retailers who do not see the necessary foot traffic/demographics and express concerns regarding the safety and security of patrons, staff, and facilities/merchandise. In concert, these citywide trends are indicative of a retail market that will continue to expand in key areas, as demand increases with population growth and retailers selectively target areas of existing leakage. There is, however, a distinct need to focus on renovation or repurposing of the older outdated retail stock. Downtown retail success will likely require success in dealing with crime/safety perceptions in order to attract patrons and employees from elsewhere in the city, though Downtown retail offerings will also need to be tailored to suit the preferences of the ethnically diverse Downtown population.

Table 21 summarizes some of the key characteristics of the Stockton and San Joaquin County retail markets. According to data from CoStar, the Stockton retail inventory of 15.3 million square feet accounts for approximately 53.3 percent of the countywide total. As of the fourth quarter of 2015, the market featured approximately 820,000 square feet of vacant space, representing a vacancy rate of 5.1 percent. This is slightly lower than the countywide rate of 5.4 percent. As mentioned earlier, average asking lease rates in the Stockton market were equal to \$0.98 per square foot, triple-net. This was lower than the countywide average of \$1.16 per square foot. Again, it is worth noting that pricing in the Stockton market varies considerably based on the location and quality of the retail space in question. Net absorption figures indicate that the Stockton market has absorbed nearly 600,000 square feet of vacant space since 2010, with 149,616 square feet absorbed in 2015. That includes 17,569 square feet of new retail space that came online in Stockton in 2015.

Office Market

The office real estate market in Stockton and San Joaquin County is primarily characterized by large inventories of Class B and C product, with a much smaller inventory of Class A space.²² For example, CoStar estimates the inventory of Class A office space in Stockton at

²⁰ *Ibid.*

²¹ A triple net lease agreement requires the lessee or tenant to pay all real estate taxes, building maintenance, and insurance on the property, in addition to rent, utilities, and other expenses. The lessee is also typically responsible for maintenance of any common areas. This is opposed to a single or double net lease, where the lessee pays property taxes or property taxes and insurance, but is not held responsible for maintenance.

²² For more information on the different classes of commercial real estate, please refer to footnote 18.

approximately 1.3 million square feet.²³ While this accounts for the majority of the Class A office space in San Joaquin County, it represents only 15.9 percent of the total Stockton office market. By comparison, Stockton features an additional 4.1 million square feet of Class B space and 2.9 million square feet of Class C space, which account for 49.4 percent and 34.7 percent of the market, respectively. Interviews with real estate professionals indicate that lease rates remain stable in Stockton, with vacancy slowly declining due to moderate levels of new absorption and little to no new inventory coming online in 2015. Brokers indicated some encouraging spillover activity from the East San Francisco Bay Area as an important new driver in the market. In recent years, many landlords had to offer incentives, like reduced rent, in order to retain tenants, but with lease rates expected to remain stable or increase slightly, brokers expect some Class A properties to begin to slowly increase rents as unemployment and vacancy continue to decline. However, Class B and C properties will most likely need to continue offering incentives.²⁴

Table 22 summarizes some of the key characteristics of the Stockton and San Joaquin County office markets. In total, San Joaquin County has an inventory of approximately 11.8 million square feet of office space. Stockton accounts for approximately 70.7 percent of the countywide office market, with approximately 8.3 million square feet of space. Office vacancy as of the fourth quarter of 2015 was at 12.2 percent in Stockton and 9.8 percent countywide. Average asking lease rates came in at \$1.19 per square foot in Stockton, which was only slightly lower than the countywide average of \$1.20 per square foot.²⁵ According to Colliers International, asking lease rates for Class A office space in Stockton of \$1.51 per square foot were considerably higher than the citywide average of all classes, which represents a \$0.06 decrease from the third quarter. The lease rate for Class B space was lower, at \$1.13 per square foot.

Net absorption in both markets remains relatively low, with only 158,581 square feet absorbed in Stockton and 248,155 square feet absorbed countywide in 2015. While there were no new office completions in 2015, the county's three largest office lease deals were associated with office spaces located in Stockton. The two largest deals both pertained to office spaces located on March Lane: 50,000 square feet leased by the State Compensation Insurance Fund and 21,312 square feet leased by the Delta Charter Schools. The third deal involved 19,144 square feet of space on Transworld Drive that leased to the State of California.

²³ CoStar. (2016). *CoStar Office Report: Stockton/Modesto Office Market, Year-End 2015*. Available at: <http://www.costar.com/>

²⁴ Colliers International. (2016). Research & forecast report: Stockton-San Joaquin County Office, Q4 2015. Available at: <http://www.colliers.com/en-us/stockton/insights/marketnews/officereport>

²⁵ Office lease rates are reported on a per square foot per month basis, assuming a full service gross lease.

According to CBRE Research, Downtown Stockton offers approximately 2.2 million square feet of leasable office space, which represents 26.8 percent of the citywide office inventory.²⁶ Downtown office space is predominantly class B space, which accounts for 48.8 percent of the Downtown inventory, while Class A accounts for 20.8 percent and Class C accounts for 30.3 percent. As of the fourth quarter of 2015, the average vacancy rate across all classes was 17.4 percent, with the Class A vacancy rate reaching upwards of 35 percent. The Downtown market reportedly absorbed approximately 92,500 square feet of vacant space. The average asking lease rate was \$1.27 per square foot, with Class A rates reaching \$1.77 per square foot. Lease rates for Class B and C space equaled around \$0.95 per square foot. When asked about the Downtown area, most brokers indicated that it is not a strong market at the moment and that many professional office users are exiting the area due to concerns regarding crime and the aging office stock. However, with the new investment in large governmental offices in the area, there is potential demand for renovated higher-end office space that can leverage proximity to government and a central business district location.

Industrial Market

Demand for industrial real estate in the Stockton and San Joaquin County markets has historically been driven by agriculture-related users, typically including food processing and distribution. While brokers anticipate agriculture will remain an important driver of regional industrial real estate demand, high costs and low vacancy are driving demand spillover from the San Francisco Bay Area, particularly the East Bay-Oakland market. With industrial vacancy throughout the Bay Area dipping below 5.0 percent, and the East Bay-Oakland industrial vacancy rate falling below 2.0 percent, users are particularly interested in large blocks of modern warehouse space with access to transportation.²⁷ In addition, major online retailers like Amazon are striving to achieve and maintain same-day delivery standards, which is driving demand for built-to-suit distribution centers with proximity to major population centers. As a result of these dynamics, Bay Area warehouse and distribution users with large size requirements are increasingly looking to the Stockton and San Joaquin County markets.

Table 23 summarizes some of the key characteristics of the Stockton and San Joaquin County industrial real estate markets. According to CoStar, San Joaquin County hosts more than 101.1 million square feet of enclosed industrial space. Properties located within the City of Stockton account for approximately 53.4 percent of that total, with an inventory of 52.0 million square feet. As of the fourth quarter of 2015, the industrial vacancy rates in the Stockton and San Joaquin County markets were 8.1 percent and 7.6 percent, respectively. This represents a total vacant industrial inventory of 4.2 million square feet in Stockton and 7.7 million square feet countywide. According to supplemental data provided by Colliers International, this fourth

²⁶ CBRE Research. (2016). *Marketview: Central Valley Office*, Q4 2015. Available at: <http://www.cbre.us/>

²⁷ Cushman & Wakefield. (2016). *Marketbeat: Industrial Snapshot*, Q4 2015. Available at: <http://www.cushmanwakefield.com/>

quarter vacancy included only three Class A buildings and one Class B building in Stockton that offered more than 100,000 square feet of space.²⁸ ²⁹ As reported in Table 23, users absorbed nearly 2.3 million square feet of vacant industrial space in Stockton in 2015 and more than 3.5 million square feet countywide. Though vacancy appears relatively high, these large absorption figures imply that the 4.2 million square feet of existing vacant space may represent only a year or two of supply and may not be suitable for all users. This corresponds with comments made by local real estate brokers that real estate developers are planning new speculative industrial development projects in anticipation of significant future demand for large modern warehouse facilities. This also corresponds with the outlook of persons associated with the Norcal Logistics Center and Airpark 599 projects, which are discussed further below.

Table 23 also reports asking lease rates across all product types, which averaged \$0.32 per square foot, triple-net, in Stockton and \$0.33 per square foot countywide. This represents a modest increase over 2014 rates. Colliers, by comparison, reports that average asking rents for newer industrial spaces in Stockton are around \$0.41 per square foot, triple-net, while asking rents for more basic warehouse spaces are lower at around \$0.37 per square foot, triple-net, and asking rents for smaller light industrial buildings are somewhat higher at \$0.49 per square foot, triple-net.

Planned and Proposed Development Projects

Table 24 through Table 26 identify the inventory of residential, commercial and industrial real estate development projects that are currently planned, proposed, or under construction within the City of Stockton and surrounding areas (i.e., potential annexation areas). The data presented here are based on lists of projects presented in the City of Stockton General Plan Baseline Conditions report (2015) and in the Public Hearing Draft 2015-2023 Housing Element. BAE identified additional projects through conversations with real estate and economic development professionals active in Stockton and San Joaquin County.

Market Rate Residential

While there may not be substantial current construction activity, as evidenced by the available building permit data, the City has a large pipeline of projects that are positioned to construct and deliver large numbers of housing units, if demand warrants it. This should moderate pressures on price increases and help to maintain affordability for buyers and renters.

According to the available data, reported in Table 24, there are 24 market-rate residential development projects within the City of Stockton. The City of Stockton issued an average of only 118 residential building permits per year between 2012 and 2014; however, as

²⁸ Colliers International. (2016). *Research & forecast report: Stockton-San Joaquin County Industrial Q4 2015*. Available at: <http://www.colliers.com/en-us/stockton/insights/marketnews/industrialreport>

²⁹ For more information on the different classes of commercial real estate, please refer to footnote 18.

mentioned previously, the number jumped to 410 in 2015, indicating that residential development is still occurring quite slowly in Stockton relative to the pre-recession peak in 2003 and 2004, when over permits for over 3,000 units were issued each year. Most of the projects identified in this inventory were permitted prior to the housing crisis and may or may not move forward with construction in the coming years. The approved projects are generally scattered throughout the city, with significant concentrations of units in northern Stockton, including the Sanctuary, Westlake Villages, Crystal Bay, Silver Spring/Gold Springs, North Stockton Projects III, and Cannery Park, among others. These projects cover a total of 3,672 acres and encompass 20,757 units, including more than 16,000 single-family units (78 percent) and nearly 4,500 multifamily units (22 percent). As of September 2015, building permits had been issued for a total of 1,804 units, or around 8.7 percent, leaving approximately 18,953 units yet to be constructed.

In addition to the 24 projects located within the existing city limit, the City has received applications for three additional residential projects that are located outside of the existing city boundary. The Tra Vigne and Origone Ranch projects are located on the northeastern edge of the city – Tra Vigne between Morada Lane and Eight Mile Road and Origone Ranch east of Highway 99 and south of Hammer Lane. Combined, these projects would include approximately 2,744 residential units on 764 acres. A third project called Mariposa Lakes has been approved by the City of Stockton, but has not yet been annexed. That project will include a total of 10,514 residential units on 3,810 acres, including 8,958 single family units (85 percent) and 1,556 multifamily units (15 percent).

Below Market Rate Residential

As reported in Table 25, there are also seven below market rate residential projects currently planned or under construction within the City of Stockton. They are predominantly infill projects, covering a total of 8.08 acres and including 380 total units. There are two projects currently under construction: Cal Weber 40 and Coventry Apartments. Cal Weber 40 represents the first housing project in the Stockton Downtown since the onset of the national housing crisis. The project is located at the intersection of California Street and Weber Avenue. It will include a total of 40 deed-restricted low-income housing units, including 28 smaller two-bedroom apartments and 12 larger three-bedroom apartments. The Coventry Apartments includes 45 deed-restricted low-income housing units, and is located on 1.66 acres south of East March Lane. The remaining five projects include low-income deed restricted as well as special needs and veterans housing. One project, the El Monte Apartments (11 units) was scheduled to begin construction in November 2015, while the Zettie Miller's Haven project (81 units) was scheduled to begin construction in January 2016, though information on the current status of these projects could not be obtained. The remaining three projects are scheduled for construction in 2017 and 2018, including Anchor Village (51 units), Hunter Street Apartments (72 units), and Grand View Village (~80 units).

Commercial and Industrial

Similar to the residential sector, the City currently has a very large pipeline of commercial and industrial development that will be positioned to address demand as it increases, limiting price increases for users and perhaps putting pressure on owners of existing class B and C properties to remodel and renovate in order to maintain viability. As reported in Table 26, there are five retail projects currently under construction in Stockton. These include three automotive dealerships, representing the Volkswagen, Kia, and Mercedes marques, which will include a total of 72,169 square feet of retail floor area. It also includes two retail shopping centers with a combined total of 51,522 square feet of retail space, including the East Fremont Retail Center (Phase II) and the Grand View Village. In addition to those five retail projects, there are also two governmental office projects currently under development. These include the San Joaquin County Courthouse, which will include 310,000 square feet of governmental office space in a 13-story building including 30 courtrooms, as well as the San Joaquin Regional Transit Facility, which will include 100,000 square feet of office space in multiple buildings to be built in three phases. In addition to those projects currently under development, there are also seven mixed commercial and industrial projects currently proposed for construction within the existing city limit. If fully developed, these projects will include up to 2.8 million square feet of commercial space, including at least 2.0 million square feet of retail space and 769,740 square feet of office space,³⁰ and up to 13.1 million square feet of industrial space. There are also two additional projects located outside of the existing city limit, including the Mariposa Lakes project (described above) and Airpark 599. In addition to residential development, the Mariposa Lakes project would include more than 1.0 million square feet of mixed commercial space and 12.0 million square feet of industrial space, though indications are that Mariposa Lakes may not move forward. Airpark 599 would include up to 178,500 square feet of retail and commercial uses, and 3.7 million square feet of mixed-industrial space.

³⁰ The breakdown of commercial square footage by type is not currently available for some of the proposed projects, including Delta Cove and Tidewater Crossing.

Table 13: Units in Structure, 2014

| Units in Structure | Greater Downtown Area (b) | | City of Stockton | | San Joaquin County | |
|---------------------------|--------------------------------------|-------------|-------------------------|-------------|---------------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Detached Single-Family | 3,390 | 34.1% | 65,741 | 63.4% | 168,752 | 71.0% |
| Attached Single-Family | 418 | 4.2% | 6,615 | 6.4% | 10,621 | 4.5% |
| 2 to 4 Units | 1,633 | 16.4% | 10,240 | 9.9% | 17,154 | 7.2% |
| 5 to 19 Units | 2,275 | 22.9% | 12,095 | 11.7% | 18,413 | 7.8% |
| 20 to 49 Units | 934 | 9.4% | 3,355 | 3.2% | 6,142 | 2.6% |
| 50 Units or More | 1,283 | 12.9% | 4,730 | 4.6% | 7,326 | 3.1% |
| Mobile Homes | 19 | 0.2% | 887 | 0.9% | 8,668 | 3.6% |
| Boats, RV's, Vans, Other | 0 | 0.0% | 0 | 0.0% | 471 | 0.2% |
| Total, All Units | 9,952 | 100% | 103,663 | 100% | 237,547 | 100% |

Notes:

(a) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.

(b) The Greater Downtown Area is defined using 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 14: Housing Units by Year Built, 2014

| Year Built | Greater Downtown Area (b) | | City of Stockton | | San Joaquin County | |
|-------------------------|--------------------------------------|-------------|-------------------------|-------------|---------------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Built 1939 or earlier | 4,067 | 40.9% | 8,301 | 8.0% | 14,390 | 6.1% |
| Built 1940 to 1949 | 1,610 | 16.2% | 7,714 | 7.4% | 16,868 | 7.1% |
| Built 1950 to 1959 | 869 | 8.7% | 8,707 | 8.4% | 24,685 | 10.4% |
| Built 1960 to 1969 | 1,288 | 12.9% | 11,792 | 11.4% | 23,534 | 9.9% |
| Built 1970 to 1979 | 878 | 8.8% | 21,154 | 20.4% | 41,752 | 17.6% |
| Built 1980 to 1989 | 485 | 4.9% | 16,294 | 15.7% | 37,261 | 15.7% |
| Built 1990 to 1999 | 404 | 4.1% | 11,343 | 10.9% | 30,503 | 12.8% |
| Built 2000 to 2009 | 222 | 2.2% | 17,136 | 16.5% | 44,759 | 18.8% |
| Built 2010 or later | 129 | 1.3% | 1,222 | 1.2% | 3,795 | 1.6% |
| Total, All Units | 9,952 | 100% | 103,663 | 100% | 237,547 | 100% |

Notes:

(a) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.

(b) The Greater Downtown Area is defined using 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 15: Occupancy and Vacancy Status, 2000, 2010, and 2014

| Occupancy/Vacancy | 2000 | | 2010 | | Average Annual Change ('00-'10) | 2014 (a) | | Average Annual Change ('10-'14) |
|----------------------------------|----------------|-------------|----------------|-------------|---------------------------------|----------------|-------------|---------------------------------|
| | Number | Percent | Number | Percent | | Number | Percent | |
| Greater Downtown Area (b) | | | | | | | | |
| Occupied Housing Units | 8,865 | 91.3% | 8,462 | 83.6% | -0.5% | 7,825 | 78.6% | (c) |
| Vacant Housing Units | 850 | 8.7% | 1,663 | 16.4% | 6.9% | 2,127 | 21.4% | (c) |
| For rent | 593 | 6.1% | 962 | 9.5% | 5.0% | 1,231 | 12.4% | (c) |
| For sale only | 58 | 0.6% | 84 | 0.8% | 3.8% | 17 | 0.2% | (c) |
| Rented or sold, not occupied | 54 | 0.6% | 60 | 0.6% | 1.1% | 75 | 0.8% | (c) |
| For seasonal use | 10 | 0.1% | 24 | 0.2% | 9.1% | 44 | 0.4% | (c) |
| For migrant workers | 3 | 0.0% | 3 | 0.0% | 0.0% | 0 | 0.0% | (c) |
| Other vacant (d) | 132 | 1.4% | 530 | 5.2% | 14.9% | 760 | 7.6% | (c) |
| Total, All Housing Units | 9,715 | 100% | 10,125 | 100% | 0.4% | 9,952 | 100% | (c) |
| City of Stockton | | | | | | | | |
| Occupied Housing Units | 78,556 | 95.8% | 90,605 | 90.9% | 1.4% | 95,166 | 91.8% | 1.2% |
| Vacant Housing Units | 3,486 | 4.2% | 9,032 | 9.1% | 10.0% | 8,497 | 8.2% | -1.5% |
| For rent | 1,701 | 2.1% | 4,556 | 4.6% | 10.4% | 3,397 | 3.3% | -7.1% |
| For sale only | 575 | 0.7% | 1,557 | 1.6% | 10.5% | 1,095 | 1.1% | -8.4% |
| Rented or sold, not occupied | 292 | 0.4% | 409 | 0.4% | 3.4% | 583 | 0.6% | 9.3% |
| For seasonal use | 186 | 0.2% | 228 | 0.2% | 2.1% | 917 | 0.9% | 41.6% |
| For migrant workers | 5 | 0.0% | 3 | 0.0% | -5.0% | 0 | 0.0% | -100.0% |
| Other vacant (d) | 727 | 0.9% | 2,279 | 2.3% | 12.1% | 2,505 | 2.4% | 2.4% |
| Total, All Housing Units | 82,042 | 100% | 99,637 | 100% | 2.0% | 103,663 | 100% | 1.0% |
| San Joaquin County | | | | | | | | |
| Occupied Housing Units | 181,629 | 96.0% | 215,007 | 92.0% | 1.7% | 221,874 | 93.4% | 0.8% |
| Vacant Housing Units | 7,531 | 4.0% | 18,748 | 8.0% | 9.5% | 15,673 | 6.6% | -4.4% |
| For rent | 2,868 | 1.5% | 7,765 | 3.3% | 10.5% | 5,029 | 2.1% | -10.3% |
| For sale only | 1,354 | 0.7% | 3,632 | 1.6% | 10.4% | 2,069 | 0.9% | -13.1% |
| Rented or sold, not occupied | 767 | 0.4% | 1,056 | 0.5% | 3.2% | 1,984 | 0.8% | 17.1% |
| For seasonal use | 616 | 0.3% | 852 | 0.4% | 3.3% | 2,122 | 0.9% | 25.6% |
| For migrant workers | 93 | 0.0% | 76 | 0.0% | -2.0% | 37 | 0.0% | -16.5% |
| Other vacant (d) | 1,833 | 1.0% | 5,367 | 2.3% | 11.3% | 4,432 | 1.9% | -4.7% |
| Total, All Housing Units | 189,160 | 100% | 233,755 | 100% | 2.1% | 237,547 | 100% | 0.4% |

Notes:

(a) Estimates for the Greater Downtown Area come from the 2010-2014 American Community Survey, whereas estimates for the City of Stockton and San Joaquin County come from the 2014 American Community Survey.

(b) The Greater Downtown Area is defined using 2000 and 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix A.

(c) Due to overlap between the 2010 Census and 2010-2014 ACS estimates, there is no statistically significant difference between the two figures.

(d) Includes all vacant units that do not fit into any of the other categories of vacancy.

Sources: U.S. Census Bureau, Census 2000, Summary File 1, 2016; U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2010-2014 American Community Survey, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; BAE, 2016.

Table 16: Distressed Home Sales, San Joaquin County and California, Dec. 2014 and Dec. 2015

| Type of Sale | San Joaquin County | | California | |
|----------------------------|---------------------------|-------------|-------------------|-------------|
| | Dec-14 | Dec-15 | Dec-14 | Dec-15 |
| Equity Sales | 86.6% | 91.0% | 90.1% | 93.6% |
| Distressed Sales | 13.4% | 9.0% | 9.9% | 6.4% |
| REO Sales (a) | 6.9% | 3.9% | 4.6% | 3.3% |
| Short Sales (b) | 6.3% | 4.6% | 4.9% | 2.8% |
| Other Distressed Sales (c) | 0.2% | 0.5% | 0.4% | 0.3% |
| | 100% | 100% | 100% | 100% |

Notes:

- (a) Real estate owned (REO) sales include properties owned by a lender, typically a bank or government agency.
- (b) Short sales represent sales of real estate where the net sales proceeds equal less than the debts secured by liens against the property.
- (c) Includes all other unspecified distressed home sales.

Sources: California Association of Realtors, 2016; BAE, 2016.

Table 17: Home Sales Prices, City of Stockton, Dec. 2015 to Mar. 2016

| Sale Price Range | Number of Units Sold (a) | | | | | | % of Total |
|-------------------------|---------------------------------|------------|------------|------------|-----------|------------|-------------------|
| | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | 5+ Bdrm | Total | |
| Less than \$100,000 | 9 | 47 | 18 | 3 | 2 | 79 | 9.2% |
| \$100,000-\$199,999 | 2 | 91 | 147 | 38 | 14 | 292 | 34.1% |
| \$200,000-\$299,999 | 0 | 18 | 171 | 97 | 35 | 321 | 37.5% |
| \$300,000-\$399,999 | 0 | 5 | 35 | 59 | 29 | 128 | 15.0% |
| \$400,000-\$499,999 | 0 | 0 | 7 | 5 | 2 | 14 | 1.6% |
| \$500,000-\$599,999 | 0 | 1 | 4 | 5 | 2 | 12 | 1.4% |
| \$600,000-\$699,999 | 0 | 0 | 0 | 2 | 3 | 5 | 0.6% |
| \$700,000 or more | 0 | 0 | 0 | 2 | 3 | 5 | 0.6% |
| Total | 11 | 162 | 382 | 211 | 90 | 856 | 100% |
| % of Total | 1.3% | 18.9% | 44.6% | 24.6% | 10.5% | 100% | |
| Median Sale Price | \$68,500 | \$132,000 | \$205,250 | \$260,000 | \$287,500 | \$210,000 | |
| Average Sale Price | \$70,682 | \$137,581 | \$215,134 | \$273,528 | \$317,813 | \$223,669 | |
| Average Size (sf) | 659 | 1,086 | 1,538 | 2,112 | 2,789 | 1,714 | |
| Average Price/sf | \$114 | \$125 | \$140 | \$130 | \$110 | \$131 | |

Note:

- (a) Consists of all sales of single-family residences between December 1, 2015 and March 1, 2016 in the City of Stockton.

Sources: ListSource, 2016; BAE, 2016.

Table 18: Home Sales Prices, Greater Downtown Area, Dec. 2015 to Mar. 2016

| Sale Price Range | Number of Units Sold (a) | | | | | | % of Total |
|-------------------------|---------------------------------|---------------|---------------|---------------|----------------|--------------|-------------------|
| | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | 5+ Bdrm | Total | |
| Less than \$100,000 | 1 | 4 | 2 | 1 | 0 | 8 | 23.5% |
| \$100,000-\$199,999 | 0 | 9 | 6 | 5 | 2 | 22 | 64.7% |
| \$200,000-\$299,999 | 0 | 1 | 2 | 0 | 1 | 4 | 11.8% |
| \$300,000 or more | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Total | 1 | 14 | 10 | 6 | 3 | 34 | 100% |
| % of Total | 2.9% | 41.2% | 29.4% | 17.6% | 8.8% | 100% | |
| Median Sale Price | \$81,500 | \$112,500 | \$157,500 | \$154,500 | \$177,500 | \$150,000 | |
| Average Sale Price | \$81,500 | \$125,286 | \$154,160 | \$144,833 | \$185,833 | \$141,282 | |
| Average Size (sf) | 1,266 | 1,164 | 1,554 | 2,033 | 2,988 | 1,596 | |
| Average Price/sf | \$64 | \$107 | \$100 | \$75 | \$64 | \$94 | |

Note:

(a) Consists of all sales of single-family residences between December 1, 2015 and March 1, 2016 in the Greater Downtown Area.

Sources: ListSource, 2016; BAE, 2016.

Table 19: Rental Housing Market Overview, Complexes with 50 or More Units, City of Stockton, Fourth Quarter 2015

| Current Market Overview (4Q 2015) | | | | |
|-----------------------------------|------------------------|-------------------------------|---------------------|-----------------------------|
| Unit Type | Number of Units | Average Size (Sq. Ft.) | Average Rent | Average Rent/Sq. Ft. |
| Studio | 184 | 454 | \$659 | \$1.45 |
| 1 Bdrm | 2,747 | 631 | \$857 | \$1.36 |
| 2 Bdrm | 3,096 | 923 | \$1,043 | \$1.13 |
| 3 Bdrm | 265 | 1,208 | \$1,147 | \$0.95 |
| Total, All Units | 6,292 | 794 | \$955 | \$1.20 |

Average Occupancy and Vacancy Rates

| Year | Average Occupancy | Average Vacancy |
|-------------|--------------------------|------------------------|
| 2015 | 97.0% | 3.0% |
| 2014 | 96.1% | 3.9% |
| 2013 | 94.6% | 5.4% |
| 2012 | 93.4% | 6.6% |
| 2011 | 94.5% | 5.5% |
| 2010 | 95.3% | 4.7% |
| 2009 | 93.2% | 6.8% |
| 2008 | 95.1% | 4.9% |
| 2007 | 95.0% | 5.0% |
| 2006 | 95.4% | 4.6% |
| 2005 | 94.3% | 5.7% |

Note:

(a) Includes data for housing complexes with 50 units or more.

Sources: RealAnswers, 2016; BAE, 2016.

Table 20: Multifamily Sales Prices, City of Stockton, Dec. 2015 to Mar. 2016

| Property Address | Number of Units | Living Area | Price | Price Per Square Foot | Year Built |
|-------------------------|-----------------|----------------|-------------|-----------------------|------------|
| | | Square Footage | Per Unit | | |
| 1337 N. Madison Street | 24 | 14,616 | \$1,397,500 | \$58,229 | \$96 1920 |
| 1135 N. Madison Street | 16 | 8,730 | \$595,000 | \$37,188 | \$68 1972 |
| 1224 N. Commerce Street | 15 | 6,161 | \$512,500 | \$34,167 | \$83 1970 |
| 537 E. Oak Street | 12 | 4,154 | \$260,000 | \$21,667 | \$63 1910 |
| 4460 Cotton Court | 11 | 9,508 | \$675,000 | \$61,364 | \$71 1965 |
| 533 N. Monroe Street | 6 | 2,644 | \$215,000 | \$35,833 | \$81 1967 |

Note:

(a) Consists of all sales of between December 1, 2015 and March 1, 2016 in the City of Stockton.

Sources: ListSource, 2016; BAE, 2016.

Table 21: Retail Market Overview, City of Stockton and San Joaquin County, Fourth Quarter 2015

| Retail Market Overview | | | | | |
|---|------------------|--------------------|------------|---------|--|
| | City of Stockton | San Joaquin County | | | |
| Summary, Q4 2015 | | | | | |
| Inventory | 16,119,690 | sq. ft. | 30,254,745 | sq. ft. | |
| Occupied Stock | 15,299,573 | sq. ft. | 28,605,989 | sq. ft. | |
| Vacant Stock | 820,117 | sq. ft. | 1,648,756 | sq. ft. | |
| Vacancy Rate | 5.1% | | 5.4% | | |
| Inventory (% of San Joaquin County) | 53.3% | | | | |
| Asking Rents (a) | | | | | |
| Avg Asking Rent, NNN (per sq. ft.), Q4 2014 | \$0.98 | | \$1.11 | | |
| Avg Asking Rent, NNN (per sq. ft.), Q4 2015 | \$0.98 | | \$1.16 | | |
| % Change | 0.0% | | 4.5% | | |
| Net Absorption | | | | | |
| Net Absorption 2010 - 2015 | 568,806 | sq. ft. | 1,950,350 | sq. ft. | |
| Net Absorption, 2015 | 149,616 | sq. ft. | 207,358 | sq. ft. | |
| New Activity (b) | | | | | |
| New Construction, 2014 | 39,020 | sq. ft. | 58,193 | sq. ft. | |
| New Construction, 2015 | 17,569 | sq. ft. | 47,504 | sq. ft. | |

Notes:

(a) Average asking rents reflect a triple net (NNN) lease where the tenant pays all real estate taxes, building maintenance, and insurance on the property, in addition to rent, utilities, and other expenses.

(b) Reflects new construction based on properties tracked by CoStar.

Sources: CoStar, 2016; BAE, 2016.

Table 22: Office Market Overview, Stockton and San Joaquin County, Fourth Quarter 2015

| Office Market Overview | | City of Stockton | San Joaquin County |
|--|-----------|-------------------------|---------------------------|
| Summary, Q4 2015 | | | |
| Inventory | 8,324,721 | sq. ft. | 11,779,939 sq. ft. |
| Occupied Stock | 7,308,785 | sq. ft. | 10,627,038 sq. ft. |
| Vacant Stock | 1,015,936 | sq. ft. | 1,152,901 sq. ft. |
| Vacancy Rate | 12.2% | | 9.8% |
| Inventory (% of San Joaquin County) | 70.7% | | |
| Asking Rents (a) | | | |
| Avg Asking Rent, Full Service Gross (per sq. ft.), Q4 2014 | \$1.19 | | \$1.20 |
| Avg Asking Rent, Full Service Gross (per sq. ft.), Q4 2015 | \$1.15 | | \$1.17 |
| % Change | -3.4% | | -2.5% |
| Net Absorption | | | |
| Net Absorption 2010 - 2015 | 154,414 | sq. ft. | 495,024 sq. ft. |
| Net Absorption, 2015 | 158,581 | sq. ft. | 248,115 sq. ft. |

Notes:

(a) Asking rents reflect a full service gross lease, where all major expenses, like real estate taxes, building maintenance, insurance, and utilities, are included in the base rental rate.

Sources: CoStar, 2016; BAE, 2016.

Table 23: Industrial Market Overview, Stockton and San Joaquin County, Fourth Quarter 2015

| Industrial Market Overview | | | | |
|-------------------------------------|------------------|---------|--------------------|---------|
| | City of Stockton | | San Joaquin County | |
| Summary, Q4 2015 | | | | |
| Inventory | 52,026,250 | sq. ft. | 101,106,081 | sq. ft. |
| Occupied Stock | 47,811,715 | sq. ft. | 93,407,631 | sq. ft. |
| Vacant Stock | 4,214,535 | sq. ft. | 7,698,450 | sq. ft. |
| Vacancy Rate | 8.1% | | 7.6% | |
| Inventory (% of San Joaquin County) | 53.4% | | | |
| Asking Rents (a) | | | | |
| Avg Asking Rent, NNN (psf), Q4 2014 | \$0.31 | | \$0.32 | |
| Avg Asking Rent, NNN (psf), Q4 2015 | \$0.32 | | \$0.33 | |
| % Change | 3.2% | | 3.1% | |
| Net Absorption | | | | |
| Net Absorption 2010 - 2015 | 7,799,558 | sq. ft. | 11,995,027 | sq. ft. |
| Net Absorption, 2015 | 2,277,023 | sq. ft. | 3,507,351 | sq. ft. |
| New Activity (b) | | | | |
| New Construction, 2014 | - | sq. ft. | 60,150 | sq. ft. |
| New Construction, 2015 | 357,000 | sq. ft. | 2,319,673 | sq. ft. |

Notes:

(a) Average asking rents reflect a triple net (NNN) lease where the tenant pays all real estate taxes, building maintenance, and insurance on the property, in addition to rent, utilities, and other expenses.

(b) Reflects new construction based on properties tracked by CoStar.

Sources: CoStar, 2016; BAE, 2016.

Table 24: Planned and Proposed Market Rate Residential Projects, September 2015

| Subdivision/Project Name | Tentative Map Gross Acreage | Tentative Map Units | | | Building Permits Issued (a) | Units Remaining | | |
|---------------------------------------|-----------------------------|---------------------|--------------|---------------|-----------------------------|-----------------|--------------|---------------|
| | | Single-Family | Multi-Family | Total | | Single-Family | Multi-Family | Total |
| Within Existing City Limits | | | | | | | | |
| Atlas Tract (The Preserve/Delta Cove) | 360 | 1,164 | 381 | 1,545 | 0 | 1,164 | 381 | 1,545 |
| Calaveras Estates #3 | 13 | 77 | 0 | 77 | 29 | 48 | 0 | 48 |
| Cannery Park (High Density Included) | 438 | 981 | 210 | 1,191 | 65 | 916 | 210 | 1,126 |
| Charlotte's Oak | 15 | 105 | 0 | 105 | 43 | 62 | 0 | 62 |
| Cornerstone II | 23 | 186 | 0 | 186 | 4 | 182 | 0 | 182 |
| Crystal Bay | 174 | 951 | 392 | 1,343 | 0 | 951 | 392 | 1,343 |
| Dama Estates | 3 | 18 | 0 | 18 | 5 | 13 | 0 | 13 |
| Legacy Park Apartments | 23 | 0 | 233 | 233 | 0 | 0 | 233 | 233 |
| Little John Creek North, Creek South | 14 | 63 | 0 | 63 | 14 | 49 | 0 | 49 |
| Malisa Manor | 4 | 16 | 0 | 16 | 6 | 10 | 0 | 10 |
| Mariana Estates | 25 | 73 | 0 | 73 | 0 | 73 | 0 | 73 |
| Montego I & II | 82 | 389 | 0 | 389 | 177 | 212 | 0 | 212 |
| Moss Garden: East and West | 50 | 359 | 0 | 359 | 97 | 262 | 0 | 262 |
| North Stockton Projects | 302 | 1,205 | 0 | 1,205 | 793 | 412 | 0 | 412 |
| Old Oak Estates | 14 | 62 | 0 | 62 | 7 | 55 | 0 | 55 |
| Open Window Project (b) | 12 | 0 | 1,400 | 1,400 | 0 | 0 | 1,400 | 1,400 |
| Riverwalk | 10 | 102 | 0 | 102 | 65 | 37 | 0 | 37 |
| Sanctuary | 1,093 | 5,452 | 1,618 | 7,070 | 0 | 5,452 | 1,618 | 7,070 |
| Seabreeze I and II | 50 | 249 | 0 | 249 | 166 | 83 | 0 | 83 |
| Gold Springs | 14 | 34 | 0 | 34 | 3 | 31 | 0 | 31 |
| Simbad Estates | 5 | 28 | 0 | 28 | 8 | 20 | 0 | 20 |
| Tidewater Crossing | 265 | 2,101 | 264 | 2,365 | 0 | 2,101 | 264 | 2,365 |
| Tuscany Cove | 4 | 14 | 0 | 14 | 0 | 14 | 0 | 14 |
| Westlake Villages | 680 | 2,630 | 0 | 2,630 | 322 | 2,308 | 0 | 2,308 |
| Subtotal, Within City | 3,672 | 16,259 | 4,498 | 20,757 | 1,804 | 14,455 | 4,498 | 18,953 |
| Outside Existing City Limits | | | | | | | | |
| Mariposa Lakes | 3,810 | 8,958 | 1,556 | 10,514 | 0 | 8,958 | 1,556 | 10,514 |
| Tra Vigne (c) | 314 | n.a. | n.a. | 1,244 | 0 | n.a. | n.a. | 1,244 |
| Origone Ranch (c) | 450 | n.a. | n.a. | 1,500 | 0 | n.a. | n.a. | 1,500 |
| Subtotal, Adjacent to City (d) | 4,574 | 8,958 | 1,556 | 13,258 | 0 | 8,958 | 1,556 | 13,258 |
| Total, All Projects | 8,246 | 25,217 | 6,054 | 34,015 | 1,804 | 23,413 | 6,054 | 32,211 |

Notes:

- (a) Building permits issued as of September 23, 2015.
- (b) Project may include attached row houses, townhouses, and multifamily buildings.
- (c) Project applications are currently active but not yet approved.
- (d) May not sum to totals due to insufficient information.

Source: City of Stockton, 2015-2023 Housing Element, 2015; BAE, 2016.

Table 25: Planned and Proposed Affordable Housing Projects, April 2016

| Project Name | Acres | Total Affordable | Type of Units |
|---------------------------------------|--------------|---------------------|-----------------------------|
| | | Units | |
| Cal Weber 40 | 0.57 | 40 | Low -Income, Large Families |
| Coventry Apartments | 1.66 | 45 | Low -Income, Large Families |
| El Monte Apartments | 0.37 | 11 | Low -Income |
| Zettie Miller's Haven | 2.15 | 81 | Special Needs |
| Anchor Village | 0.55 | 51 | Veterans |
| Hunter Street Apartments | 1.82 | 72 | Low -Income |
| Grand View Village | 0.96 | 80 | Mixed-Use Project |
| Total, All Affordable Projects | 8.08 | 380 | |

Note:

(a) The total unit count may vary based on funding availability.

Source: City of Stockton, 2015-2023 Housing Element, 2015; BAE, 2016.

Table 26: Planned and Proposed Commercial and Industrial Projects, April 2016 (Page 1 of 2)

| Project Name | Commercial | | | | | | Industrial | | Within City-Limits |
|--|------------|------------------|-----------|------------------|------------|------------------|--------------|-------------------|--------------------|
| | Retail | | Office | | Total | | Acres | Sq. Ft. | |
| Planned and Proposed | Acres | Sq. Ft. | Acres | Sq. Ft. | Acres | Sq. Ft. | Acres | Sq. Ft. | Within City-Limits |
| Planned and Proposed | | | | | | | | | |
| Sanctuary | 10 | 208,272 | 26 | 483,984 | 36 | 692,256 | n.a. | n.a. | Yes |
| Delta Cove (a) | n.a. | 12,000 | n.a. | 3,000 | 8 | 31,000 | n.a. | n.a. | Yes |
| Cannery Park | 69 | 886,009 | 35 | 192,753 | 104 | 1,078,762 | 58 | 1,452,508 | Yes |
| Tidewater Crossing (b) | 17 | 186,200 | n.a. | n.a. | 17 | 186,200 | 224 | 5,300,000 | Yes |
| Weston Ranch Town Center | 66 | 481,000 | 0 | 0 | 66 | 481,000 | n.a. | n.a. | Yes |
| Open Window Project (c) | n.a. | 200,000 | n.a. | 90,000 | n.a. | 290,000 | n.a. | 110,000 | Yes |
| Norcal Logistics Center (d) | 0 | 0 | 0 | 0 | 0 | 0 | 325 | 6,280,480 | Yes |
| Subtotal, Within City-Limits | 161 | 1,973,481 | 61 | 769,737 | 230 | 2,759,218 | 607 | 13,142,988 | Yes |
| Mariposa Lakes (e) | n.a. | n.a. | n.a. | n.a. | 93 | 1,009,503 | 702 | 11,980,306 | No |
| Airpark 599 | n.a. | 178,500 | n.a. | n.a. | n.a. | 178,500 | n.a. | 3,700,170 | No |
| Subtotal, Adjacent to City-Limits | 0 | 178,500 | 0 | 0 | 93 | 1,188,003 | 702 | 15,680,476 | No |
| Total, Undeveloped | 161 | 2,151,981 | 61 | 769,737 | 323 | 3,947,221 | 1,309 | 28,823,464 | n.a. |
| Under Construction | | | | | | | | | |
| San Joaquin County Courthouse | n.a. | n.a. | 1 | 310,000 | 1 | 310,000 | n.a. | n.a. | Yes |
| Volkswagen Auto Dealership | 3 | 13,220 | n.a. | n.a. | 3 | 13,220 | n.a. | n.a. | Yes |
| San Joaquin Regional Transit Facility | n.a. | n.a. | 10 | 100,000 | 10 | 100,000 | n.a. | n.a. | Yes |
| East Fremont Retail Center Phase II | 6 | 23,522 | n.a. | n.a. | 6 | 23,522 | n.a. | n.a. | Yes |
| Kia Dealership | 3 | 13,340 | n.a. | n.a. | 3 | 13,340 | n.a. | n.a. | Yes |
| Mercedes Dealership | 12 | 45,609 | n.a. | n.a. | 12 | 45,609 | n.a. | n.a. | Yes |
| Grand View Village | 1 | 28,000 | n.a. | n.a. | 1 | 28,000 | n.a. | n.a. | Yes |
| Subtotal, Under Construction | 25 | 123,691 | 11 | 410,000 | 36 | 533,691 | n.a. | n.a. | Yes |
| Total, All Projects | 187 | 2,275,672 | 72 | 1,179,737 | 360 | 4,480,912 | 1,309 | 28,823,464 | n.a. |

- Continued on next page -

Sources: City of Stockton, Baseline Conditions Report, 2015; Respective Project Planning Documents, 2016; BAE, 2016.

Table 26: Planned and Proposed Commercial and Industrial Projects, April 2016 (Page 2 of 2)

Notes:

- (a) Delta Cove contains 12,000 square feet of retail space and 3,000 square feet of office space. In addition, the specific plan notes an additional 16,000 square feet mixed office, retail, and/or live-work space, which is included in the total commercial square footage figure.
- (b) Tidewater Crossing contains 186,200 square feet of commercial space, which the EIR indicates will likely be retail.
- (c) Industrial square footage includes light industrial art-studio space.
- (d) Data based on remaining development potential of existing site, as reported in 2014 EIR.
- (e) Mariposa Lakes contains 1,009,503 square feet of commercial space. The Specific Plan does not indicate whether this would be retail or office, or a combination. Also note that the industrial square footage figure includes space designated for business/professional use.
- (f) Not available for public occupancy.

Sources: City of Stockton, Baseline Conditions Report, 2015; Respective Project Planning Documents, 2016; BAE, 2016.

1.6 ANTICIPATED GROWTH AND MARKET OPPORTUNITIES

The following section presents a forecast of long-term growth in the number of residents, households, housing units, and jobs in the City of Stockton and San Joaquin County. The forecast includes a low-growth scenario that is based on county-level projections published by the California Department of Transportation (Caltrans) and a high-growth scenario based on draft regional projections prepared by SJCOG and the Center for Business Policy Research (CBPR) at the University of the Pacific (UOP).³¹ Also included in this section are employment projections prepared by SJCOG/CBPR for both the City of Stockton and San Joaquin County. Based on these projections, this section presents a preliminary forecast of housing demand by unit type, as well as a forecast of the total square feet of demand for new retail, office, and industrial space that may be expected through 2040.

Population, Household, and Housing Unit Forecast

BAE developed the population, household, and housing unit forecast presented in Table 27 based on population projections published by Caltrans and SJCOG/CBPR. The forecasts for each area are benchmarked to 2010 Census. The low-growth forecast assumes that Stockton will maintain its current share of the countywide population. The countywide compound average annual population growth rate is as projected by Caltrans. The household growth forecast is based on the population forecast, assuming that around 2.0 percent of the population resides in group quarters, and applies average household size assumptions based on 2014 1-year ACS estimates. The housing unit forecast applies the current vacancy rate based on estimates from the 2014 1-year ACS for the year 2015, with all subsequent years utilizing an assumed structural vacancy rate of 5.0 percent. The high-growth forecast assumes that the city and county will grow at different rates, as projected by SJCOG/CBPR.

As shown in Table 27, the projections estimate that the City of Stockton will add between 70,200 and 122,700 new residents through 2040. This may reasonably translate into the addition of approximately 22,100 to 39,100 new households, and demand for between 19,800 and 41,000 new housing units. San Joaquin County, by comparison, may add between 164,900 and 292,200 new residents during this same period. This may reasonably translate to around 51,200 to 91,700 new households, and demand for between 49,800 and 96,300 new housing units. Note that the number of new households may exceed the number of new housing units due to the assumption that some of the new households will occupy existing vacant residential units, such that the average citywide and countywide vacancy rate will decline to a structural average of around 5.0 percent.

³¹ For more information regarding the SJCOG projections, please contact Kim Anderson, Senior Planner, with the San Joaquin Council of Governments at anderson@sjcog.org.

Employment Forecast by Industry

The employment forecast presented in Table 28 is as published by SJCOG/CBPR. Based on these figures, the City of Stockton may be expected to add nearly 39,800 jobs between 2015 and 2040. Major growth sectors will likely include Education and Health Services (12,000 new jobs); Professional and Business Services (~9,700 new jobs); Government (~6,800 new jobs); Construction, Natural Resources, and Mining (~2,800 new jobs); Leisure and Hospitality (~2,200 new jobs); and Retail Trade (~2,000 new jobs). Agriculture, Forestry, Fishing and Mining is the only sector projected to lose jobs through 2040, shedding roughly 240 jobs. San Joaquin County as a whole is projected to add nearly 79,600 jobs through 2040. Major growth sectors include Education and Health Services (~18,500 new jobs); Professional and Business Services (~16,800 new jobs); Government (~12,600 new jobs); and Construction, Natural Resources, and Mining (~9,800 new jobs). SJCOG/CBPR also forecasts significant job losses in the county in Agriculture, Forestry, Fishing, and Hunting (~1,800 jobs lost) through 2040, despite the countywide importance of agriculture.

Land Use Demand Forecast by Land Use Type

The following includes four sets of land use demand projections covering the residential, retail, office, and industrial sectors. The projections are based on the population, housing unit, and employment forecasts discussed above. Please refer to each sub-section for a description of the method used to calculate each set of land use demand projections.

Residential Land Use Demand

The housing demand forecast presented in Table 29 is based on the housing unit totals shown in Table 27. The distribution of housing units by type (i.e., single-family or multifamily) is based on the current distribution, as reported in the 2014 1-year ACS data. Based on this assumption, the City of Stockton may expect demand sufficient to absorb between 19,800 and 41,000 new housing units through 2040. This may include between 13,800 and 28,700 new single-family housing units and between 5,900 and 12,300 new multifamily units.

As reported in Table 24 and Table 25, there are currently 18,953 market rate housing units proposed and permitted within the existing city limit, with an additional 380 below market rate units currently under development. If fully developed, this would be sufficient to accommodate 98 percent of the low-growth demand estimate and 47 percent of the high-growth demand estimate. In addition, there are three residential development proposals either approved or under review by the City of Stockton that are outside of the existing city limit. If approved and annexed into the city, these projects could add up to 13,258 additional housing units. Combined with those projects located within the existing city limit, the pipeline of planned and proposed projects would be sufficient to accommodate 165 percent of the low-growth demand estimate and 79 percent of the high-growth demand estimate through 2040. Note that these comparisons do not account for the 3,300 existing vacant housing units that would need to be absorbed in order to achieve a 5.0 percent structural vacancy rate. These

projections indicate that, other than the existing planned and proposed projects, the City does not need to identify substantially more land for residential development in order to accommodate the low-end growth projections. Based on the high end projection, the Land Use Element will need to identify additional land for residential development to accommodate long-term needs. In addition to ensuring that the Land Use Element can accommodate the gross number of forecasted new housing units, it will be important for the City to monitor the availability of land to address various market segments, such as multifamily housing versus low-density single-family housing for which the supply/demand relationships may be different.

Retail Land Use Demand

The retail land use demand forecast presented in Table 30 is based in part on the population forecast shown in Table 27 and the results of the retail leakage analysis provided in Table 12. The forecast applies average per capita taxable sales figures for each jurisdiction for 2013, published by the BOE, and assumes that full absorption of the existing retail leakage within each jurisdiction will occur evenly through 2030. The distribution of taxable sales between automotive and non-automotive retail categories is based on the distribution of consumer spending reported in Table 12. The non-automotive forecast assumes a structural vacancy rate of 5.0 percent and includes a non-retail adjustment of 10.0 percent.

As shown in Table 30, the City of Stockton may expect taxable sales to grow by \$1.4 to \$2.0 billion through 2040. Countywide taxable sales may be expected to grow by \$3.3 to \$4.7 billion over the same period. Increasing consumer demand in Stockton may be sufficient to support between 3.3 and 4.8 million square feet of additional non-automotive retail development, as well as between 36 and 48 acres of automotive oriented development. Increasing consumer demand countywide may be sufficient to support between 7.9 and 12.1 million square feet of additional non-automotive retail development and between 97 and 127 acres of new automotive oriented development. Please note that the above forecast makes the simplifying assumption that each community will fully absorb any existing retail leakage through 2030. While this is unlikely to occur, there is no clear way to identify how much of the existing leakage may reasonably be absorbed, nor how that absorption will break down by retail category. Therefore, the reader should interpret the retail forecast with caution, understanding that the maximum retail development potential associated with resident consumer demand will likely be somewhat less than what is forecast. However, as Stockton represents a major retail hub for the surrounding San Joaquin County area, it is also reasonable to expect that the community will benefit from an additional retail sales injection in some sectors, particularly with regard to outlets located in the larger regional power centers positioned along major highways, like Interstate 5 and Highway 99.

As reported in Table 26, the city currently has approximately 51,522 square feet of retail space currently under development and at least 1.9 million square feet proposed for development within the existing city limit. If fully developed, these projects could potentially absorb up to 61 percent of the projected demand under the low-growth scenario and 42

percent of the projected demand under the high-growth scenario. In addition, the Mariposa Lakes could add around one million square feet of commercial space if annexed and constructed. Combined with projects located inside the city limit, this would be sufficient to accommodate more than 90 percent of the projected demand under the low-growth scenario and more than 60 percent under the high-growth scenario.³² With vacancy in the retail market at approximately 5.0 percent, the majority of the projected growth may be expected to go into newly built or recently renovated but previously obsolete spaces. Depending on the growth scenario, these projections indicate that the Land Use Element will need to identify potential for a limited to substantial amount of additional retail development, beyond those projects that are currently planned or proposed.

Office and Industrial Land Use Demand

The office and industrial land use demand forecasts presented in Table 31 are based on the employment forecast reported in Table 28. The office forecast is based on the projected number of new jobs in industries that typically exhibit the greatest demand for office space, including Information, Financial Activities, Professional and Business Services, Education and Health Services, and Government. The office forecast then assumes an average of 250 square feet of new office space per office job, with a 5.0 percent vacancy adjustment. The figures are also adjusted to account for the absorption of existing vacant office space. The industrial demand forecast is based on the projected number of new jobs in industries that typically exhibit the greatest demand for industrial space, mainly Construction, Natural Resources, and Mining; Manufacturing; Wholesale Trade; and Transportation, Warehousing, and Utilities. The industrial forecast then assumes an average of 1,000 square feet of new building space per industrial job, with a 5.0 percent vacancy adjustment. The figures are also adjusted to account for the absorption of existing vacant industrial space.

As reported in Table 31, projected employment growth in the City of Stockton may drive demand sufficient to support up to 7.1 million square feet of new office space through 2040, as well as 6.2 million square feet of new industrial development. San Joaquin County may likewise experience demand growth sufficient to support up to 12.4 million square feet of office space and 21.2 million square feet of industrial development through 2040.

According to the planned and proposed projects list, summarized in Table 26, there is at least 769,737 square feet of new office space currently planned or proposed for development within the existing city limit. This excludes the office space associated with the San Joaquin County Courthouse and the San Joaquin Regional Transit Facility, since that space is assumed to be occupied by existing government agencies. This new development would be sufficient to accommodate only 11 percent of the projected demand. While Mariposa Lakes may include

³² The commercial development at Mariposa Lakes would likely be split between retail and office uses, though the distribution is not yet known. As a result, these figures may somewhat overstate the total planned retail supply.

some office space as part of its commercial component, no specific square footage estimates are currently available. Based on this information, it will be important for the Land Use Element to designate additional locations that can accommodate future office development.

The project list provided in Table 26 also indicates that there are four projects currently planned or proposed within the Stockton city limit that would include up to 13.1 million square feet of industrial space. If developed, these would equal approximately 212 percent of the projected demand within the city and 62 percent of the projected countywide industrial demand. In addition, both Mariposa Lakes and Airpark 599 include significant industrial components, which, if added to the inventory, would represent 464 percent of the projected citywide demand through 2040 and 136 percent of the project countywide demand. These calculations indicate that the City of Stockton currently has a sufficient pipeline capacity to more than exceed the anticipated long-term demand for new industrial space. In order to ensure against overbuilding, or excessive competition among developers for limited demand that could lead to a glut of excess industrial space, the City may need to exercise policies that would prioritize the development of available industrial land and/or meter new construction so that the market does not become oversaturated. While the private sector does not always welcome this type of market intervention, potential benefits can include reducing risk to developers and investors, modulating boom and bust cycles in favor of more steady and predictable growth, and limiting the potential for an oversupply of new space to lead to abandonment of older buildings and associated problems related to urban blight and decay.

Table 27: Population, Household, and Housing Unit Forecast, 2015-2040

| | Historic Growth | | Projected Growth (a) | | | | | | Average Change (2010-2040) | |
|------------------------|-----------------|---------|----------------------|---------|---------|---------|---------|-----------|----------------------------|--|
| | 2000 | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 | | |
| Low-Growth (b) | | | | | | | | | | |
| City of Stockton | | | | | | | | | | |
| Population | 243,771 | 291,707 | 306,380 | 321,882 | 336,036 | 351,034 | 364,617 | 376,567 | 0.9% | |
| Households (c) | 78,556 | 90,605 | 96,591 | 101,478 | 105,940 | 110,668 | 114,951 | 118,718 | 0.9% | |
| Housing Units (d) | 82,042 | 99,637 | 105,215 | 106,819 | 111,516 | 116,493 | 121,001 | 124,966 | 0.8% | |
| San Joaquin County | | | | | | | | | | |
| Population | 563,598 | 685,306 | 719,777 | 756,196 | 789,448 | 824,683 | 856,593 | 884,668 | 0.9% | |
| Households (c) | 181,629 | 215,007 | 223,280 | 234,578 | 244,893 | 255,823 | 265,722 | 274,431 | 0.8% | |
| Housing Units (d) | 189,160 | 233,755 | 239,052 | 246,924 | 257,782 | 269,287 | 279,707 | 288,874 | 0.7% | |
| High-Growth (e) | | | | | | | | | | |
| City of Stockton | | | | | | | | | | |
| Population | 243,771 | 291,707 | 309,919 | 329,729 | 352,239 | 374,939 | 401,961 | 432,627 | 1.3% | |
| Households | 78,556 | 90,605 | 95,428 | 102,702 | 110,037 | 117,235 | 125,201 | 134,504 | 1.3% | |
| Housing Units | 82,042 | 99,637 | 100,199 | 107,837 | 115,539 | 123,096 | 131,461 | 141,229 | 1.2% | |
| San Joaquin County | | | | | | | | | | |
| Population | 563,598 | 685,306 | 728,644 | 775,819 | 829,426 | 883,484 | 947,835 | 1,020,862 | 1.3% | |
| Households | 181,629 | 215,007 | 229,645 | 246,715 | 263,876 | 280,716 | 299,495 | 321,379 | 1.3% | |
| Housing Units | 189,160 | 233,755 | 241,128 | 259,051 | 277,070 | 294,751 | 314,470 | 337,448 | 1.2% | |

Notes:

- (a) All projections are benchmarked to the 2010 Census.
- (b) The low-growth scenario is based on population projections published by the California Department of Transportation and assumes that the population residing within the City of Stockton will grow at the same rate as the county as a whole.
- (c) Household estimates assume that approximately 2.0 percent of the population will reside in group quarters. Average household size assumptions are based on 2014 1-year American Community Survey estimates.
- (d) The average housing vacancy rate for 2015 is based on 2014 1-year American Community Survey estimates. Housing unit estimates for the remaining years assume an average structural vacancy rate of 6.0 percent.
- (e) The high-growth scenario is based on draft population projections published by the San Joaquin Council of Governments and developed by the Center for Business Policy Research at the University of the Pacific.

Sources: U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; Caltrans, Long-Term Socio-Economic Forecasts by County, 2016; University of the Pacific, Center for Business and Policy Research, Draft 2016 Regional Forecast, 2016; BAE, 2016.

Table 28: Employment Forecast by Industry, 2015-2040

| Industry | Projected Growth (a) | | | | | | Avg. Annual Growth (2015-2040) |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|---|
| | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 | |
| City of Stockton | | | | | | | |
| Agriculture, Forestry, Fishing and Hunting | 2,275 | 2,180 | 2,134 | 2,125 | 2,073 | 2,031 | -0.5% |
| Construction, Natural Resources, and Mining | 2,949 | 3,694 | 4,354 | 4,741 | 5,199 | 5,778 | 2.7% |
| Manufacturing | 6,507 | 7,191 | 7,273 | 7,188 | 7,085 | 7,021 | 0.3% |
| Wholesale Trade | 4,310 | 4,778 | 5,074 | 5,209 | 5,268 | 5,252 | 0.8% |
| Retail Trade | 13,158 | 12,952 | 13,098 | 13,699 | 14,444 | 15,117 | 0.6% |
| Transportation, Warehousing, and Utilities | 6,417 | 7,482 | 7,725 | 8,040 | 8,103 | 8,044 | 0.9% |
| Information | 1,082 | 1,160 | 1,301 | 1,400 | 1,546 | 1,705 | 1.8% |
| Financial Activities | 3,988 | 3,719 | 3,771 | 3,839 | 4,023 | 4,178 | 0.2% |
| Professional and Business Services | 11,419 | 13,195 | 15,390 | 17,240 | 19,130 | 21,149 | 2.5% |
| Educational and Health Services | 24,611 | 26,744 | 28,883 | 31,284 | 34,096 | 36,659 | 1.6% |
| Leisure and Hospitality | 8,890 | 9,875 | 10,028 | 10,308 | 10,726 | 11,098 | 0.9% |
| Other Services | 3,737 | 3,773 | 3,821 | 3,976 | 4,102 | 4,227 | 0.5% |
| Government | 22,882 | 24,608 | 25,668 | 27,229 | 28,432 | 29,720 | 1.1% |
| Total, All Industries | 112,225 | 121,350 | 128,522 | 136,280 | 144,228 | 151,979 | 1.2% |
| San Joaquin County | | | | | | | |
| Agriculture, Forestry, Fishing and Hunting | 16,466 | 15,781 | 15,447 | 15,382 | 15,005 | 14,702 | -0.5% |
| Construction, Natural Resources, and Mining | 10,206 | 12,783 | 15,068 | 16,407 | 17,990 | 19,995 | 2.7% |
| Manufacturing | 18,925 | 20,915 | 21,154 | 20,907 | 20,608 | 20,420 | 0.3% |
| Wholesale Trade | 11,408 | 12,647 | 13,430 | 13,788 | 13,946 | 13,903 | 0.8% |
| Retail Trade | 26,142 | 25,839 | 26,284 | 27,660 | 29,352 | 30,903 | 0.7% |
| Transportation, Warehousing, and Utilities | 20,090 | 24,907 | 25,614 | 26,527 | 26,710 | 26,537 | 1.1% |
| Information | 2,008 | 2,153 | 2,414 | 2,599 | 2,869 | 3,164 | 1.8% |
| Financial Activities | 7,344 | 6,850 | 6,945 | 7,071 | 7,409 | 7,695 | 0.2% |
| Professional and Business Services | 19,708 | 22,773 | 26,562 | 29,754 | 33,016 | 36,501 | 2.5% |
| Educational and Health Services | 36,443 | 39,676 | 42,954 | 46,641 | 50,961 | 54,911 | 1.7% |
| Leisure and Hospitality | 19,651 | 21,937 | 22,445 | 23,268 | 24,428 | 25,489 | 1.0% |
| Other Services | 7,057 | 7,180 | 7,327 | 7,675 | 7,968 | 8,258 | 0.6% |
| Government | 39,532 | 42,600 | 44,562 | 47,416 | 49,680 | 52,092 | 1.1% |
| Total, All Industries | 234,980 | 256,041 | 270,207 | 285,095 | 299,942 | 314,570 | 1.2% |

Notes:

(a) As reported by the San Joaquin Council of Governments and the Center for Business and Policy Research at the University of the Pacific.

Sources: University of the Pacific, Center for Business and Policy Research, Draft 2016 Regional Forecast, 2016; BAE, 2016.

Table 29: Housing Growth Forecast, 2020-2040

| | <u>2015-2020</u> | <u>2020-2025</u> | <u>2025-2030</u> | <u>2030-2035</u> | <u>2035-2040</u> | Average Change (2010-2040) |
|------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------------------|
| Low-Growth (a) | | | | | | |
| City of Stockton | | | | | | |
| Housing Units (b) | 1,604 | 4,697 | 4,977 | 4,508 | 3,966 | 3.7% |
| Single-Family (c) | 1,123 | 3,288 | 3,484 | 3,155 | 2,776 | 3.7% |
| Multifamily (c) | 481 | 1,409 | 1,493 | 1,352 | 1,190 | 3.7% |
| San Joaquin County | | | | | | |
| Housing Units (b) | 7,871 | 10,858 | 11,505 | 10,420 | 9,167 | 0.6% |
| Single-Family (c) | 5,510 | 7,601 | 8,054 | 7,294 | 6,417 | 0.6% |
| Multifamily (c) | 2,361 | 3,257 | 3,452 | 3,126 | 2,750 | 0.6% |
| High-Growth (d) | | | | | | |
| City of Stockton | | | | | | |
| Housing Units (b) | 7,637 | 7,702 | 7,557 | 8,364 | 9,769 | 1.0% |
| Single-Family (c) | 5,346 | 5,392 | 5,290 | 5,855 | 6,838 | 1.0% |
| Multifamily (c) | 2,291 | 2,311 | 2,267 | 2,509 | 2,931 | 1.0% |
| San Joaquin County | | | | | | |
| Housing Units (b) | 17,923 | 18,019 | 17,681 | 19,719 | 22,978 | 1.0% |
| Single-Family (c) | 12,546 | 12,613 | 12,377 | 13,803 | 16,085 | 1.0% |
| Multifamily (c) | 5,377 | 5,406 | 5,304 | 5,916 | 6,893 | 1.0% |

Notes:

- (a) The low-growth scenario is based on population projections published by the California Department of Transportation and assumes that the population residing within the City of Stockton will grow at the same rate as the county as a whole.
- (b) Based on the population projections reported in Table 27, assuming that 2.0 percent of the population will reside in group quarters. The forecast applies average household size assumptions based on 2014 1-year American Community Survey estimates for each jurisdiction, and an average residential vacancy rate of 5.0 percent.
- (c) Assumes that future housing growth will reflect the existing distribution of housing units by type for each jurisdiction, as reported in the 2014 1-year American Community Survey.
- (d) The high-growth scenario is based on draft population projections published by the San Joaquin Council of Governments and developed by the Center for Business Policy Research at the University of the Pacific.

Sources: U.S. Census Bureau, Census 2010, Summary File 1, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; Caltrans, Long-Term Socio-Economic Forecasts by County, 2016; University of the Pacific, Center for Business and Policy Research, Draft 2016 Regional Forecast, 2016; BAE, 2016.

Table 30: Retail Demand Forecast, 2020-2040

| | 2015-2020 | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | Total |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Low-Growth (a) | | | | | | |
| City of Stockton | | | | | | |
| Retail Sales (Millions)(b) | \$380 | \$364 | \$374 | \$155 | \$136 | \$1,409.6 |
| Non-Automotive (Sq. Ft.)(c) | 872,503 | 833,160 | 857,793 | 396,428 | 348,768 | 3,308,653 |
| Automotive (Acres)(d) | 10 | 10 | 10 | 3 | 3 | 36 |
| San Joaquin County | | | | | | |
| Retail Sales (Millions)(b) | \$880 | \$844 | \$867 | \$364 | \$320 | \$3,274.4 |
| Non-Automotive (Sq. Ft.)(c) | 2,041,662 | 1,938,889 | 2,003,237 | 1,035,548 | 911,051 | 7,930,387 |
| Automotive (Acres)(d) | 28 | 27 | 28 | 8 | 7 | 97 |
| High-Growth (e) | | | | | | |
| City of Stockton | | | | | | |
| Retail Sales (Millions)(b) | \$429 | \$460 | \$462 | \$308 | \$350 | \$2,008.5 |
| Non-Automotive (Sq. Ft.)(c) | 998,221 | 1,077,048 | 1,082,568 | 788,648 | 894,981 | 4,841,466 |
| Automotive (Acres)(d) | 11 | 12 | 12 | 6 | 7 | 48 |
| San Joaquin County | | | | | | |
| Retail Sales (Millions)(b) | \$1,003 | \$1,076 | \$1,081 | \$734 | \$833 | \$4,726.4 |
| Non-Automotive (Sq. Ft.)(c) | 2,390,717 | 2,599,445 | 2,614,061 | 2,088,277 | 2,369,837 | 12,062,337 |
| Automotive (Acres)(d) | 30 | 32 | 32 | 15 | 17 | 127 |

Notes:

- (a) The low-growth scenario is based on population projections published by the California Department of Transportation and assumes that the population residing within the City of Stockton will grow at the same rate as the county as a whole.
- (b) Based on projected population growth, multiplied by the average per capita taxable sales for each jurisdiction in 2013. The estimates also assume full absorption of existing retail leakage by 2030.
- (c) Represents the maximum square feet of new development that may be supportable based on projected population growth and the capture of existing retail leakage among all non-automotive retail sales categories (i.e., excluding Motor Vehicle and Parts Dealers and Gasoline Stations). Includes a 5.0 percent vacancy adjustment.
- (d) Represents the maximum acres of new development that may be supportable based on projected population growth and the capture of existing retail leakage among automotive oriented retail sales categories, including Motor Vehicle and Parts Dealers and Gasoline Stations. Does not include a vacancy adjustment, since auto dealerships and gas stations are typically built to suit.
- (e) The high-growth scenario is based on draft population projections published by the San Joaquin Council of Governments and developed by the Center for Business Policy Research at the University of the Pacific.

Sources: U.S. Census Bureau, 2010 Census, 2016; U.S. Census Bureau, 2014 American Community Survey, 2016; Caltrans, Long-Term Socio-Economic Forecasts by County, 2016; University of the Pacific, Center for Business and Policy Research, Draft 2016 Regional Forecast, 2016; Nielson, Retail Market Power, 2016; BAE, 2016.

Table 31: Office and Industrial Demand Forecast, 2020-2040

| | 2020 | 2025 | 2030 | 2035 | 2040 | Total |
|---------------------------|------------|-----------|-----------|-----------|-----------|-------------------|
| City of Stockton | | | | | | |
| New Office Jobs (a) | 5,444 | 5,587 | 5,979 | 6,235 | 6,184 | 29,429 |
| Supportable Sq. Ft. (b) | 1,129,277 | 1,166,702 | 1,569,542 | 1,636,681 | 1,623,328 | 7,125,530 |
| New Industrial Jobs (c) | 2,962 | 1,282 | 752 | 477 | 439 | 5,912 |
| Supportable Sq. Ft. (d) | 3,109,947 | 1,346,542 | 789,280 | 501,030 | 461,192 | 6,207,992 |
| San Joaquin County | | | | | | |
| New Office Jobs (a) | 9,017 | 9,385 | 10,044 | 10,455 | 10,427 | 49,328 |
| Supportable Sq. Ft. (b) | 2,085,023 | 2,181,497 | 2,636,571 | 2,744,357 | 2,737,134 | 12,384,582 |
| New Industrial Jobs (c) | 10,622 | 4,015 | 2,362 | 1,624 | 1,602 | 20,226 |
| Supportable Sq. Ft. (d) | 11,153,135 | 4,215,891 | 2,480,255 | 1,705,692 | 1,681,951 | 21,236,926 |

Notes:

- (a) Includes the projected number of new jobs in industries that typically exhibit the greatest demand for office space, including Information; Financial Activities; Professional and Business Services; Education and Health Services; and Government.
- (b) Assumes an average of 250 square feet per office job. The figures are adjusted to account for the absorption of approximately 600,000 square feet of existing vacant office inventory within the City of Stockton and 564,000 square feet countywide through 2025. Includes a 5.0 percent vacancy adjustment.
- (c) Includes the projected number of new jobs in industries that typically exhibit the greatest demand for industrial space, including Construction, Natural Resources, and Mining; Manufacturing; Wholesale Trade; and Transportation, Warehousing, and Utilities.
- (d) Assumes an average of 1,000 square feet per industrial job. The figures are adjusted to account for the absorption of approximately 1.6 million square feet of existing vacant industrial inventory within the City of Stockton and 2.6 million square feet countywide through 2025. Includes a 5.0 percent vacancy adjustment.

Sources: University of the Pacific, Center for Business and Policy Research, Draft 2016 Regional Forecast, 2016; BAE, 2016.

1.7 IMPLICATIONS FOR THE GENERAL PLAN UPDATE

As described in the introduction, the purpose of this Market Analysis Technical Memorandum is to benchmark existing conditions and to provide the basis for estimates of the amount of land that should be allocated to address the reasonably foreseeable market demand for retail, office, industrial, and residential uses within the City of Stockton. The analysis will be used as a background resource for the General Plan Update, including for the development of the Downtown and Economic Development Elements and the Housing Strategy. While the prior sections provide an in-depth analysis of the demographic and economic trends and opportunities within the City of Stockton, the following section highlights some of the key findings and discusses their implications for the General Plan Update.

Regulatory Framework

There are a number of federal and State laws and regulations that will directly influence the Stockton General Plan Update. At the federal level, these include, but are not limited to, the Fair Housing Act and HUD's CPD grant programs requirements. Because the City of Stockton receives considerable resources from the CPD grant programs, such as Community Development Block Grant (CDBG) funds, the City should be wary not to enact changes to its General Plan that would conflict with HUD CPD grant program requirements, except after thorough consideration.

At the State level, the City is directly impacted by California Housing Element Law, as well as SB 375 and SB 5, among other legislation. The City has received confirmation that the 2015-2023 Housing Element is in compliance with all statutory requirements, though the Housing Element will need to be updated again within the General Plan planning period. As directed by SB 375, SJCOG adopted the 2014-2040 RTP SCS in June 2014, which provides a framework for coordinating transportation improvements and land use throughout San Joaquin County. The Stockton General Plan will need to be brought into alignment with the adopted SCS. The City may also want to consider how it may best leverage some of the incentives provided under SB 375, including CEQA streamlining for infill projects and transit oriented development. SB 5, passed in 2007, prohibits jurisdictions from entering into development agreements, issuing discretionary permits or entitlements, approving ministerial permits, and approving tentative maps and parcel maps for properties located in flood hazard zones, unless the jurisdictions amends the General Plan to include Urban Level Flood Protection Criteria and zoning requirements by July 2016. In May 2016, the City Council adopted amendments to Titles 15 and 16 of the Municipal Code that were necessary to ensure timely compliance with SB 5 flood protection requirements.

Two of the key components of the local regulatory framework include the 2015-2023 Housing Element and the 2035 General Plan Settlement Agreement. As noted previously, the recently updated Housing Element will be included as one of the required elements of the General Plan. The Land Use Element, as well as other portions of the General Plan, will need to be updated to ensure consistency with the Housing Element. The 2035 Settlement Agreement, discussed in detail in Section 1.2, requires the City to take actions to encourage balanced development, including incorporating programs and policies to support development of 18,400 infill housing units and developing policies that limit the granting of entitlements to projects that do not meet certain criteria, such as transit efficiently. The plans and policies referenced in the Settlement Agreement mean that the City of Stockton will need to actively influence the type and location of new development. It will be important for the General Plan to strike the proper balance, so that the private development sector can address market demands, but that it does so in a way that helps the City achieve the established sustainability goals.

In addition to the above key legislative and regulatory requirements and frameworks, the City of Stockton also recently adopted an Economic Development Strategic Plan, which highlights a number of key challenges, including concerns regarding crime and public safety, uneven development and investment patterns, an underperforming K-12 educational system, insufficient job readiness, high unemployment, and broad marketing and perception issues. The Plan also highlights key strengths, including a strategic location, excellent transportation infrastructure and proximity to major markets, well-established core industries, strong academic institutions, and many significant yet undervalued assets. The economic development framework outlined in the Plan rests on three major groups of initiatives: core economic development initiatives, quality of life initiatives, and foundational initiatives. The General Plan Update should, to the degree practicable, reflect the high level policy goals necessary to guide implementation and should help to set the stage for future updates of the Strategic Plan.

Population and Household Characteristics

Slower population and household growth may signal a new “normal” in the greater Stockton community, which may translate into less robust demand for new housing and related services. Despite this, the increasing household sizes exhibited throughout Stockton may signal a continuing unmet need for larger housing units, and/or pent up demand from young adults who are continuing to live in larger multigenerational households. Also, below average household incomes and declining household purchasing power may be of greater impact in Stockton than elsewhere in San Joaquin County and California. These factors may have important implications for future housing demand, as well as the nature of local consumer demand for retail products and services.

Conversations with local real estate brokers and economic development professionals indicate that the significant decline in the Downtown resident population was at least partially driven by

issues associated with safety and security, and that addressing those issues may be important to increasing the demand for housing and commercial services in that area, along with addressing the feasibility of building new housing, retail, and office development and/or renovation, at least in the near term.

Economic Conditions and Workforce Readiness

While Stockton is sometimes thought of as a bedroom community for the San Francisco Bay Area, the data indicate that most employed residents actually work in the city itself, or elsewhere in San Joaquin County. Both the City of Stockton and San Joaquin County struggle with unemployment rates that remain persistently above the statewide average. Residents of both San Joaquin County and the City of Stockton also have lower levels of educational attainment, on average, compared to their statewide counterparts, and there are longstanding concerns regarding the quality and effectiveness of the City's educational institutions.

Consequently, the existing industry and occupational employment profiles indicate a potential need for additional workforce development efforts that tailor education and job readiness training to the specific needs of businesses in key industry sectors. However, they also indicate an opportunity to focus job creation and attraction efforts on industries where the community already has a competitive advantage and which generally fit the skill sets of many existing residents. These trends indicate a need for General Plan economic development policies that link land use with programmatic efforts to support workforce development and job readiness. Particular attention should be paid to supporting those efforts already outlined in the Economic Development Strategic Plan and leveraging efforts underway by other local economic development organizations. For example, one issue impacting jobseekers is a lack of awareness of job opportunities that might otherwise fit their existing skill sets. The City may want to consider working more closely with existing programs like San Joaquin County WorkNet to help to match job seekers with available job opportunities.

The City of Stockton possesses a number of important strategic assets that may be leveraged to facilitate economic development, as well as the redevelopment and revitalization of the Downtown area. From a transportation perspective, the city sits at an important crossroads, with two major north-south highways providing access to communities throughout northern California, including major markets like the San Francisco Bay Area and the Sacramento metropolitan area. The Port of Stockton also recently set records for the number of ship arrivals and continues to invest in infrastructure that will help keep the port facilities economically relevant moving forward. While the regional airport, SCK, is fairly small compared to other facilities in California, its presence provides valuable opportunities to capture certain commercial distribution activities and commercial airline activity, and may be leveraged in concert with other assets. Within central Stockton, there are also a number of assets which may help to catalyze revitalization in the Downtown and along the Stockton waterfront. These include, but are not limited to, the Cabral Train Station, Weber Point Park, the Stockton Arena, Banner Island Ballpark, and the San Joaquin County Courthouse. In addition, the Ten Space development company is making important investments in the

Downtown commercial real estate inventory and is seeking to demonstrate that the Downtown retail, office, and residential markets are significantly undervalued. If successful, Ten Space will attract other developers and investments into the market, which would represent a possible tipping point in the ongoing revitalization efforts.

Real Estate Market Conditions

Residential

The housing stock in the City of Stockton is mostly single-family detached housing units, with an underrepresentation of attached single-family units and multifamily housing units. This generally reflects a historic preference for single-family detached units; however, the relatively low proportions of attached units and higher density multifamily units, combined with anticipated demographic trends, may signal both an opportunity and a need to diversify the local housing stock by increasing the proportion of new units constructed using higher density residential product types. While the city experienced significant development on the urban fringe during the early 2000s, the housing stock in the Greater Downtown area is much older, with much higher levels of vacancy, compared to elsewhere in the city, which signals a need for significant reinvestment in the central city residential stock. Conversations with code enforcement representatives also identified a significant need to maintain elevated levels of code enforcement, particularly in the city's older neighborhoods, such as Downtown, Midtown, and South Stockton. This is intended to help address blight conditions in some single-family neighborhoods, but also to address concerns regarding substandard rental housing.

Retail

The retail real estate market in Stockton has been relatively slow to recover following the Great Recession and suffers as a result of an aging inventory and significant volumes of Class B and C spaces located outside of the main retail corridors. Brokers indicated that many of the general retail and the older shopping centers continue to offer incentives and discounts in order to retain tenants. By comparison, brokers report that the newer power centers, like Park West Place and the major retail nodes on March Lane and Pacific Avenue, continue to command rents that are up to triple the citywide average, while keeping vacancy at, or near, zero. Retail market conditions in the Downtown area reflect those experienced elsewhere in the city among general retail and smaller neighborhood shopping centers, with relatively high vacancies, below average lease rates, and lagging interest by retailers who do not see the necessary foot traffic/demographics and express concerns regarding the safety and security of patrons, staff, and facilities/merchandise. In concert, these citywide trends are indicative of a retail market that will continue to expand in key areas, as demand increases with population growth and retailers selectively target areas of existing leakage. There is a distinct need to focus on renovation of the older retail stock. Downtown retail revitalization will require success in dealing with crime/safety perceptions, and Downtown retail offerings must be tailored to suit local preferences, including goods and services catering to the diverse

demographics of the Downtown population, as well as the broad range of consumer tastes from within the surrounding city.

Office

The office real estate market in Stockton is primarily characterized by large inventories of Class B and C product, with a much smaller inventory of Class A space. Local experts indicate that lease rates remain stable in Stockton, with vacancy slowly declining due to moderate levels of new absorption and little to no new inventory coming online in 2015. Brokers indicated some encouraging spillover activity from the East San Francisco Bay Area as an important new driver in the market. In recent years, many landlords had to offer incentives, like reduced rent, in order to retain tenants, but with lease rates expected to remain stable or increase slightly, brokers expect some higher quality properties to begin to slowly increase rents as unemployment and vacancy rates continue to decline. Brokers indicated that the Downtown is not a strong market and that many professional office users are exiting the area due to concerns regarding crime and the aging office stock. However, with Ten Space and the new investment in large governmental offices, there is potential demand for renovated higher-end office space that can leverage proximity to government offices and a central business district location.

Industrial

Demand for industrial real estate in Stockton has historically been driven by agriculture-related users, typically including food processing and distribution. While agriculture will remain an important driver, high costs and low vacancy are driving demand spillover from a variety of users originating in the San Francisco Bay Area, particularly the East Bay-Oakland market. With major online retailers like Amazon striving to achieve and maintain same-day delivery standards, demand is growing for large blocks of modern warehouse space with access to transportation and proximity to major population centers. As a result of these dynamics, Bay Area warehouse and distribution users with large size requirements are increasingly looking to the Stockton and San Joaquin County markets. This corresponds with indications that developers are planning new speculative industrial developments in anticipation of future demand for modern warehouse facilities, as well as with the outlook of persons associated with the Norcal Logistics Center and Airpark 599 projects.

Planned Developments

While current construction activity may not be substantial, as evidenced by the available building permit data, the city has a large pipeline of projects that are positioned to construct and deliver large numbers of housing units, if demand warrants it. This should moderate pressures on price increases and help to maintain affordability for buyers and renters. Most of the projects identified in this inventory were permitted prior to the housing crisis and may or may not move forward with construction in the coming years. The approved projects are generally scattered throughout the city, with significant concentrations of units in northern Stockton. These projects cover a total of 3,672 acres and encompass 20,757 units, including

16,000 single-family units (78 percent) and 4,500 multifamily units (22 percent). There are also three projects planned in areas immediately adjacent to the existing city limit. These would include up to 13,260 new units, for a total planned and proposed inventory of almost 34,000 units. Similar to the residential sector, the city currently has a very large pipeline of commercial and industrial development that will be positioned to address demand as it increases, limiting price increases for users and perhaps putting pressure on owners of existing class B and C properties to remodel and renovate in order to maintain viability. In total, the current pipeline includes at least 2.3 million square feet of retail space, 2.7 million square feet of office space, and 28.6 million square feet of industrial space.

Anticipated Growth and Market Opportunities

This technical memorandum forecasts potential future land use demand for residential, retail, office, and industrial uses. The forecast is based on population projections published by Caltrans and SJCOG/CBPR. Note that the CBPR population projections are currently available only in their draft form and may be subject to change. The forecast also uses employment projections prepared by SJCOG/CBPR. Based on these data, BAE estimates that the City of Stockton will add between 70,200 and 122,700 new residents through 2040. This may reasonably translate into the addition of approximately 22,100 to 39,100 new households, and demand for between 19,800 and 41,000 new housing units.³³ San Joaquin County, by comparison, may be expected to add between 164,900 and 292,200 new residents during this same period. This may reasonably translate to around 51,200 to 91,700 new households, and demand for between 49,800 and 96,300 new housing units. According to data from SJCOG/CBPR, the City of Stockton may be expected to add more than 39,800 jobs between 2015 and 2040, while San Joaquin County may add approximately 79,600 new jobs over the same period.

Assuming that the market maintains the same distribution of housing units by type, the anticipated demand for between 19,800 and 41,000 new housing units through 2040 may translate to between 13,830 and 28,700 new single-family housing units and between 5,900 and 12,300 new multifamily housing units. As described above, there is an existing pipeline of about 32,600 units already approved in and around the city, which exceeds the low-growth demand estimate by 65 percent, or 12,840 units, but would fall short of the high growth scenario by 21 percent, or almost 8,500 units.

Through a combination of population growth and enhanced retail capture, the City of Stockton may experience demand sufficient to support between 3.3 and 4.8 million square feet of additional non-automotive retail development, as well as between 36 and 48 acres of automotive oriented retail development. Currently planned and proposed developments in

³³ Note that the number of new households may exceed the number of new housing units due to the assumption that some of the new households will occupy existing vacant residential units.

and around the city could deliver at least 2.3 million square feet of additional retail space, which could equal between 47 and 69 percent of the total supportable non-automotive retail development projected through 2040. Annexation and development of Mariposa Lakes could add another one million square feet of floor area, which combined with the other projects in and around the City, would be sufficient to absorb around 60 to 90 percent of the projected supportable non-automotive retail development.

Projected employment growth in the City of Stockton may drive demand sufficient to support up to 7.1 million square feet of new office space through 2040, as well as 6.2 million square feet of new industrial development. There is at least 769,737 square feet of new office space currently planned or proposed for development within the existing City limit, which would be sufficient to accommodate only 11 percent of the projected demand. While Mariposa Lakes may include some office space as part of its commercial component, no specific square footage estimates are currently available. Based on this information, it will be important for the Land Use Element to designate additional locations that can accommodate future office development.

There are four projects currently planned or proposed within the Stockton city limit that would include up to 13.1 million square feet of industrial space. If developed, these would equal approximately 212 percent of the projected demand within the city and 62 percent of the projected countywide industrial demand. In addition, both Mariposa Lakes and Airpark 599 include significant industrial components, which, if added to the inventory, would represent more than 460 percent of the projected citywide demand through 2040 and around 136 percent of the projected countywide demand. These calculations indicate that the current pipeline capacity more than exceeds the anticipated long-term demand for new industrial space. In order to ensure against overbuilding, or excessive competition among developers for limited demand that could lead to a glut of excess industrial space, the City may need to exercise policies that would prioritize the development of available industrial land and/or meter new construction so that the market does not become oversaturated.

Summary

A summary of the implications for the General Plan Update is provided below:

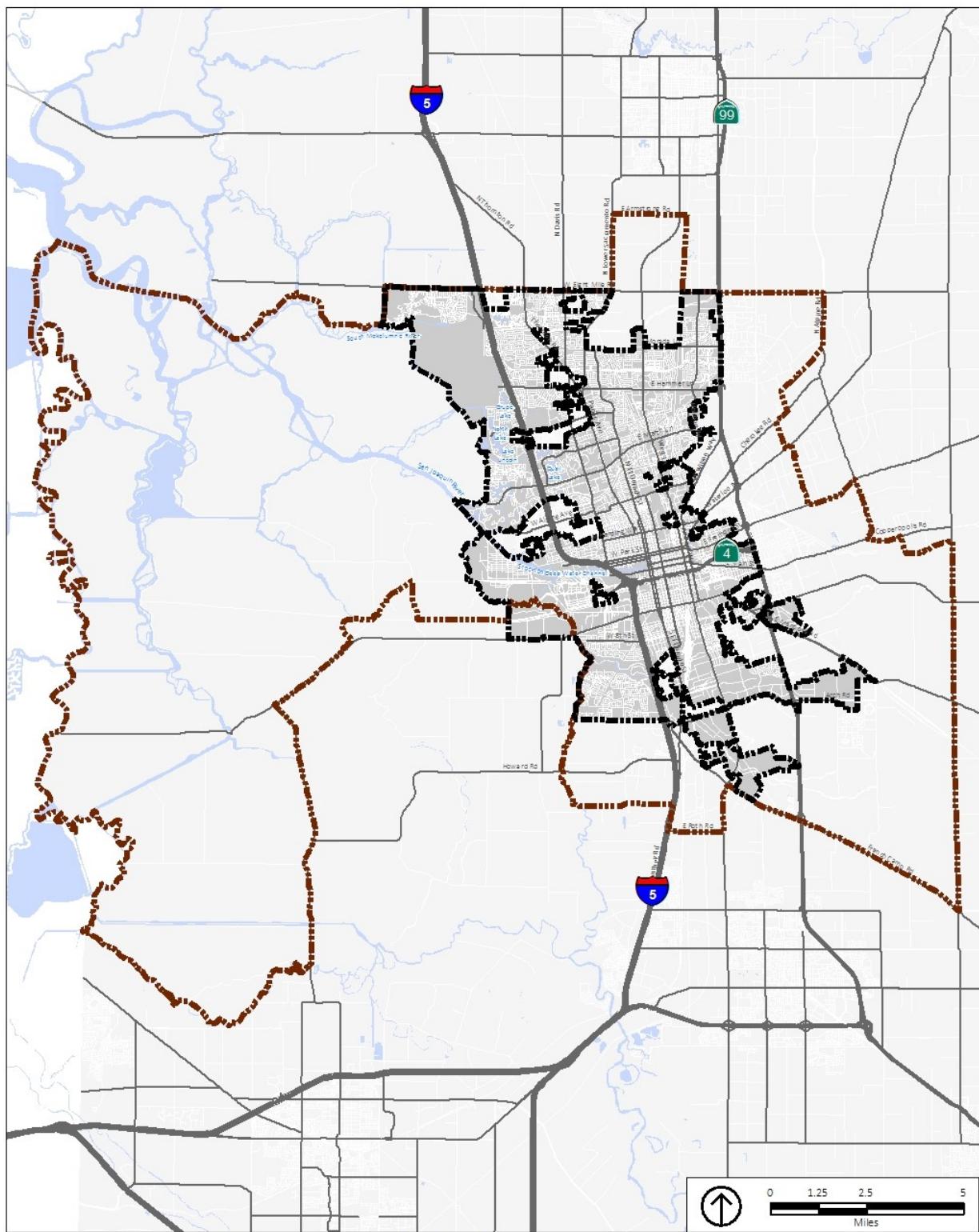
- The General Plan Update will be directly influenced by a number of federal and State laws, and it will be important for the General Plan to be consistent with pertinent plans and policies of other agencies in order to maintain funding eligibility. At a local level, the General Plan will implement key components of the City's 2035 General Plan Settlement Agreement and is an opportunity to further the initiatives outlined in the City's Economic Development Strategic Plan.
- Addressing issues related to safety and security in the Downtown may be important to increasing the demand for housing and commercial services in that area, along with

addressing the feasibility of building new housing, retail, and office development and/or renovation.

- The existing industry and occupational employment profiles indicate a potential need for additional workforce development efforts that tailor education and job readiness training to the specific needs of businesses in key industry sectors, as well as an opportunity to focus job creation and attraction efforts on industries where the community already has a competitive advantage and which generally fit the skill sets of many existing residents.
- The General Plan can leverage a number of strategic assets, including comprehensive transportation infrastructure, major regional facilities, and recent and ongoing investments in the Downtown, to facilitate economic development and the redevelopment and revitalization of the Downtown area.
- Diversification of the local housing stock to include higher density housing would address the relatively low proportions of attached/multifamily units and respond to anticipated demographic trends. In addition, reinvestment in and renovation of the older housing and retail stock would help to address substandard rental housing and high levels of vacancy in older neighborhoods.
- Stockton's office and industrial markets are influenced by spillover activity and demand from the East San Francisco Bay Area, where there are high costs and low vacancy. By considering and planning for this trend, the General Plan Update can help to facilitate its potential benefits to the local economy and community. In particular, projected future land use demands indicate the need for new locations for office development, but the current pipeline capacity of industrial development more than exceeds its anticipated long-term demand, so the General Plan may need some strategic policies to avoid overbuilding or excessive competition.

APPENDIX A: STUDY AREA DEFINITIONS

**EXISTING CONDITIONS TECHNICAL MEMORANDUM:
MARKET ANALYSIS**



Source: City of Stockton, 2016; Placeworks, 2016; BAE, 2016.



City of Stockton
Greater Stockton Area

**Figure A-1
Greater Stockton Area**

Table A-1: Downtown Core and Greater Downtown Area Definition

Downtown Core Area (a)

| Block Group ID | Definition | Data Version |
|-----------------------|---|---------------------|
| 060770001001 | San Joaquin County, Census Tract 1, Block Group 1 | 2000 & 2010 Census |
| 060770001002 | San Joaquin County, Census Tract 1, Block Group 2 | 2000 & 2010 Census |
| 060770001005 | San Joaquin County, Census Tract 1, Block Group 5 | 2000 Census |
| 060770003001 | San Joaquin County, Census Tract 3, Block Group 1 | 2000 & 2010 Census |
| 060770003002 | San Joaquin County, Census Tract 3, Block Group 2 | 2000 & 2010 Census |
| 060770003003 | San Joaquin County, Census Tract 3, Block Group 3 | 2000 Census |
| 060770003004 | San Joaquin County, Census Tract 3, Block Group 4 | 2000 Census |

Greater Downtown Area

| Census Tract ID | Definition | Data Version |
|------------------------|---------------------------------------|---------------------|
| 06077000100 | San Joaquin County, Census Tract 1 | 2000 & 2010 Census |
| 06077000300 | San Joaquin County, Census Tract 3 | 2000 & 2010 Census |
| 06077000401 | San Joaquin County, Census Tract 4.01 | 2000 & 2010 Census |
| 06077000402 | San Joaquin County, Census Tract 4.02 | 2000 & 2010 Census |
| 06077000500 | San Joaquin County, Census Tract 5 | 2000 & 2010 Census |
| 06077000600 | San Joaquin County, Census Tract 6 | 2000 & 2010 Census |
| 06077000700 | San Joaquin County, Census Tract 7 | 2000 & 2010 Census |

Note:

(a) The Downtown Core Area Census Block Group definition includes a portion of area located outside of the Downtown Core Area boundary.

Sources: U.S. Census Bureau, 2000 and 2010; BAE, 2016.

Table A-2: Greater Stockton Area Definition

| Greater Stockton Area Definition | | | |
|----------------------------------|------------------------|------------------------|------------------------|
| Block Group ID | Block Group ID (cont.) | Block Group ID (cont.) | Block Group ID (cont.) |
| 060770022011 | 060770012004 | 060770031081 | 060770001004 |
| 060770022022 | 060770013001 | 060770031091 | 060770005002 |
| 060770024011 | 060770013002 | 060770031094 | 060770039001 |
| 060770024012 | 060770013003 | 060770028002 | 060770034103 |
| 060770034044 | 060770034043 | 060770001001 | 060770025031 |
| 060770034101 | 060770034051 | 060770001002 | 060770024022 |
| 060770034071 | 060770034052 | 060770001003 | 060770032172 |
| 060770024021 | 060770034053 | 060770004011 | 060770034091 |
| 060770006001 | 060770034061 | 060770004012 | 060770009003 |
| 060770006002 | 060770035001 | 060770004013 | 060770032053 |
| 060770007001 | 060770035002 | 060770004014 | 060770034062 |
| 060770007003 | 060770014001 | 060770004021 | 060770017001 |
| 060770032052 | 060770014002 | 060770004022 | 060770032152 |
| 060770032081 | 060770014004 | 060770004024 | 060770003001 |
| 060770032083 | 060770015001 | 060770005001 | 060770038011 |
| 060770032091 | 060770015002 | 060770033112 | 060770028001 |
| 060770032092 | 060770015003 | 060770034072 | 060770038033 |
| 060770032101 | 060770015004 | 060770013004 | 060770014003 |
| 060770032102 | 060770016001 | 060770031142 | 060770027012 |
| 060770007004 | 060770016002 | 060770051311 | 060770032151 |
| 060770009001 | 060770017002 | 060770031101 | 060770007002 |
| 060770009002 | 060770017003 | 060770032171 | 060770031102 |
| 060770009004 | 060770035003 | 060770008011 | 060770033051 |
| 060770032131 | 060770035004 | 060770008012 | 060770011013 |
| 060770032132 | 060770035005 | 060770008013 | 060770034032 |
| 060770032141 | 060770036012 | 060770003002 | 060770020002 |
| 060770032142 | 060770018001 | 060770022012 | 060770023003 |
| 060770033052 | 060770018002 | 060770022021 | 060770032153 |
| 060770033053 | 060770019001 | 060770024013 | 060770011021 |
| 060770033061 | 060770019002 | 060770031082 | 060770004023 |
| 060770009005 | 060770019003 | 060770022023 | 060770031083 |
| 060770010001 | 060770019004 | 060770025032 | 060770023001 |
| 060770010002 | 060770020001 | 060770025041 | 060770032084 |
| 060770010003 | 060770020003 | 060770025042 | 060770037002 |
| 060770010004 | 060770036013 | 060770031092 | 060770038023 |
| 060770011011 | 060770036014 | 060770031093 | 060770031103 |
| 060770011012 | 060770037001 | 060770031143 | 060770027023 |
| 060770011022 | 060770037003 | 060770031144 | 060770031111 |
| 060770033062 | 060770021001 | 060770032082 | 060770032051 |
| 060770033071 | 060770021002 | 060770032093 | 060770023002 |
| 060770033072 | 060770021003 | 060770032133 | 060770027014 |
| 060770033073 | 060770038012 | 060770032134 | 060770027021 |
| 060770033081 | 060770038013 | 060770032161 | 060770027022 |
| 060770033101 | 060770038021 | 060770032162 | 060770031112 |
| 060770033102 | 060770038031 | 060770033121 | 060770031121 |
| 060770033111 | 060770038032 | 060770033122 | 060770031122 |
| 060770034031 | 060770040021 | 060770033123 | 060770031131 |
| 060770034033 | 060770027011 | 060770033132 | 060770031132 |
| 060770011023 | 060770027013 | 060770033131 | 060770031133 |
| 060770011024 | 060770041023 | 060770034041 | 060770031134 |
| 060770011025 | 060770034102 | 060770034042 | 060770031141 |
| 060770012001 | 060770031061 | 060770034092 | 060770032031 |
| 060770012002 | 060770031062 | 060770034093 | 060770032032 |
| 060770012003 | 060770031063 | 060770038022 | |

Sources: U.S. Census Bureau, 2010; BAE, 2016.